

Phumelela Local Municipality



Summary of the Reviewed Integrated Development Plan
2010-2011 Financial Year



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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 km²**. 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.

Figure / Table 1: *Comparative perspective on population growth / decline*

(Source: Community Survey, 2007)

	Census 2001	Census 2007
Number of persons	50,906	35,090

	Census 2001	Census 2007
Number of households	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.

The first element of population change is the migration patterns within the borders of the country between 2001 and 2004. Nett migration is the estimated gain or loss of people each main place experienced over this period, due to the movement of people. Demographic Information Bureau has taken the 2001 Census as basis and corrected it. Birth and death statistics were collected from several data sources and analysed until a final figure for each of the years 2002, 2003 and 2004 was derived. The final birth and death figures were then added and subtracted respectively from the 2001 corrected census data for each main place. A positive value for a main place indicates in-migration and a negative value reflects out-migration of people.



1.2 CHALLENGES AND CONSTRAINTS

Only 34,8% of Phumelela's population is formally employed. However, if categories such as homemaker or housewives, pensioners and retired persons and those that chosen not to work are added to the 34,8% it adds up to 69,74%. Unemployment nevertheless remains a critical challenge in the municipal area.

No major industrial developments are taking place in Phumelela. The promotion of agri-processing plants and other value adding industries should be encouraged in order to diversify the economy of the area. Warden is thought to be an ideal area to stimulate most of these investments, because of its warehousing facilities and larger and better-managed truck stops. One of Memel's largest industrial assets is the knitting factory situated to the north of Memel. Other industrial activities include a woodwork factory, transporters and steel works; all of which is aimed at satisfying local market needs.

Currently there are no facilities available for the development and training of skills. The promotion of skills development programmes locally are a crucial part of industrial and general employment stimulation. The utilization of existing facilities (e.g. land, buildings, and railways) for industrial promotion purposes is important.

There are two railway lines operating in the Phumelela vicinity. The one railway line runs from Gauteng, through Standerton, to Vrede. The second railway line connects Warden with Harrismith. No railway line operates near Memel and no air transport takes place within the Phumelela area. There are no airfields or airstrips recorded in Vrede, Memel or Warden.

There is inadequate sport and social facilities, in the region, and that contributes to the social problems experienced in most of the communities. Unemployed youth loiter in the street and recreational facilities and programs must be implemented to direct their behavior towards active participation and to serve as a deterrent to unsociable and criminal behavior. Sport does have the potential to unite communities across cultural and racial boundaries and all inhabitants must be encouraged to participate in sport and social activities. It is therefore essential to improving on creating the necessary infrastructure and facilities in both urban and rural areas.

The Phumelela Municipality falls in the category where refuse removal services is classified as unsatisfactory.

Most towns experience problems with the management of their waste disposal sites, and do not adhere to the requirements of the Department of Water Affairs. A plan to establish a regional framework for effective waste disposal, including the possibility of regional dumping sites and how to deal with toxic waste, is required.

All the urban areas are serviced, with refuse removal on a weekly basis. However, the effective and co-ordinated functioning of this service will have to be addressed. The equipment used for removal (mostly a tractor and trailer) are old and in poor condition.

Each of the urban units has one waste disposal site. However, the capacity and condition of two of these sites need to be improved as soon as possible. The Vrede site is located near the airstrip and is not fenced in, (because of theft). Furthermore the site has insufficient capacity for even short-term use. The site within Memel is situated close to the Pampoenspruit, which is a tributary to the Seekoeivlei wetland area. This site is also unfenced as a result of theft, and



will have to be expanded or relocated for future demands. Warden's site was upgraded recently with the addition of an incinerator.

The Phumelela Municipality offers its communities, potential investors and other stakeholders several dynamic. 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 2: Phumelela: Challenges

Development Challenge	Risk / Threat																
<i>Capacity limitations</i>	<p data-bbox="597 709 1430 772">❑ The Municipality's capital budget for the 2009/10 financial year amounts to R16,378,000; allowing for the following projects to be undertaken:</p> <table border="1" data-bbox="597 804 1393 1163"> <thead> <tr> <th data-bbox="604 812 1107 846">Project</th> <th data-bbox="1114 812 1386 846">Cost / Budget</th> </tr> </thead> <tbody> <tr> <td data-bbox="604 854 1107 888">Roads Thembalihle</td> <td data-bbox="1114 854 1386 888">4,178,000</td> </tr> <tr> <td data-bbox="604 896 1107 930">Roads paved Zamani</td> <td data-bbox="1114 896 1386 930">3,500,000</td> </tr> <tr> <td data-bbox="604 938 1107 972">Roads paved Ezenzeleni</td> <td data-bbox="1114 938 1386 972">3,500,000</td> </tr> <tr> <td data-bbox="604 980 1107 1014">High Mast Lighting Thembalihle</td> <td data-bbox="1114 980 1386 1014">700,000</td> </tr> <tr> <td data-bbox="604 1022 1107 1056">Rural water supply</td> <td data-bbox="1114 1022 1386 1056">1,500,000</td> </tr> <tr> <td data-bbox="604 1064 1107 1098">Warden upgrade of Water treatment works</td> <td data-bbox="1114 1064 1386 1098">3,000,000</td> </tr> <tr> <td data-bbox="604 1106 1107 1161"></td> <td data-bbox="1114 1106 1386 1161">16,378,000</td> </tr> </tbody> </table> <p data-bbox="597 1171 1430 1234">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		16,378,000
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<i>Critical vacancies</i>	<p data-bbox="597 1276 1430 1371">❑ 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).</p> <p data-bbox="597 1402 1430 1535">❑ Due to the indicated financial constraints, the Municipality is not in a position to recruit all the critical skills and expertise (such as engineering and financial skills) required for service rendering to its communities according to the quality that it wishes to achieve.</p>																



1.3 OPPORTUNITIES AND STRENGTHS

Agriculture is the main economic activity in the town. Others of importance are private households, wholesale, retail and community and social services. If these statistics are analyzed, it is clear that, additional to agriculture, the only meaningful job opportunities in the area are provided by private households (for domestic workers) and by the shops and other businesses in the main towns.

The population of the area is very poor. Excluding those returns where no conclusion could be made (“not applicable”), 83,47% of the employed population has an income of R1,600 per month or less. Add to that the 65% of the population that is either unemployed or not economically active, the poverty levels in the area became apparent.

An alarmingly high percentage of the Phumelela population reflects no income, implying extremely high poverty levels. Statistics indicate that at least 68 % of the population is poor.

There is clear and demonstrable progress made by local government in accelerating access to basic services for the poor. The comparison of access to basic services in 2001 when the system was established to the results in 2007 from Community Survey data proves this point. And according to the National Treasury’s recent review of local government, access to electricity has increased by 10% since 2001, flush toilets by 6% and water by 4%⁸. National government has played an important role through direct financial support to municipalities, policy reforms and legislation. Yet, according to the same review, there is considerable scope for further improvement in both the quantity and quality of provision bearing in mind the size of the service backlogs and the pressures from population and economic growth

opportunities. The town is situated close to the important N3 main road between two of the country’ primary economic centers, namely those of Durban / Pietermaritzburg and the Guanteng economic hinterland, Johannesburg / Tshwane. The Council’s development focus is especially on the following **opportunities**:

Table 3: Phumelela: Opportunities

Development Opportunity	Focus Initiatives
<i>Economic growth</i>	<ul style="list-style-type: none"> <li data-bbox="597 1457 1321 1486">❑ Tourism is the main focus area for expanded economic growth. <li data-bbox="597 1520 1365 1583">❑ Job creation is a central theme in the Municipality’s local economic development initiatives. <li data-bbox="597 1617 1414 1787">❑ 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.



Development Opportunity	Focus Initiatives
<i>Improved Service Delivery</i>	<ul style="list-style-type: none"> ❑ 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. ❑ 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.
<i>Good Governance</i>	<ul style="list-style-type: none"> ❑ The Council continuously strives improve the efficiency of its political and administrative systems, structures and processes. ❑ It is a high priority for Council to involve its citizens in decisions affecting them. ❑ Improved financial viability and consistent efforts to improve the 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"> ❑ The Municipality has managed to increase access to housing by 9,3% over the period 2001-2007. ❑ The Municipality currently prioritizes the review of its Spatial Development Framework and the design of an appropriate land use management system.
<i>Social and Community Development</i>	<ul style="list-style-type: none"> ❑ It is important for the Council to ensure good quality and well-maintained sport facilities, parks and community halls for its communities.



1.4 MONITORING AND EVALUATION

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

Table 4: *Municipal PMS*

Structure, Systems, Process	
<p>(1) Organisational Performance Management System</p>	<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>
<p>(2) Individual Performance Management System</p>	<p>(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.</p> <p>(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.</p>



1.5 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).

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 5: 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%



Constitutional Core Functions	Core functions of the Municipality	Weight	Priority weight	Accumulative weight
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%
Other				
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 6: *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
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	<input type="checkbox"/> Requirements of the Municipal Finance Management Act, 2003



Consideration	Statutory / functional guideline
budget	<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:



Section B

Situation Analysis

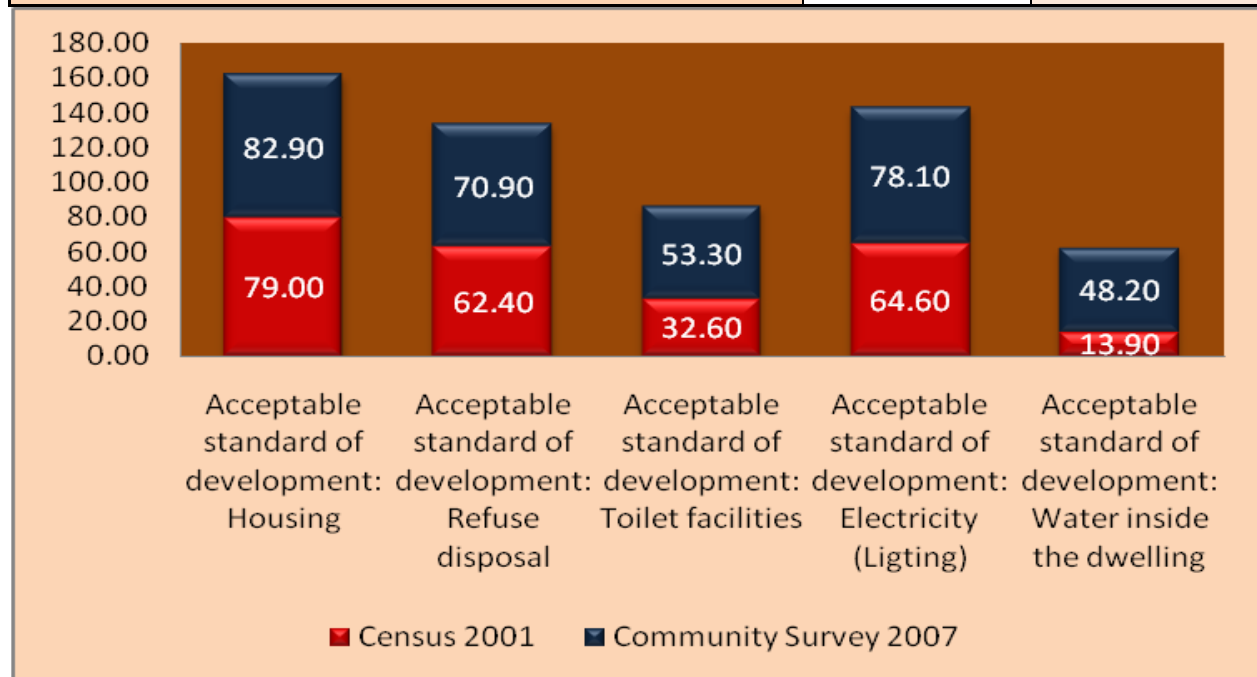


If the results of Census 2001 are compared with those of the 2007 Community Survey, the progress that the Municipality has made with service delivery in respect of ensuring access to key basic services are evident:

Figure / Table 7: 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



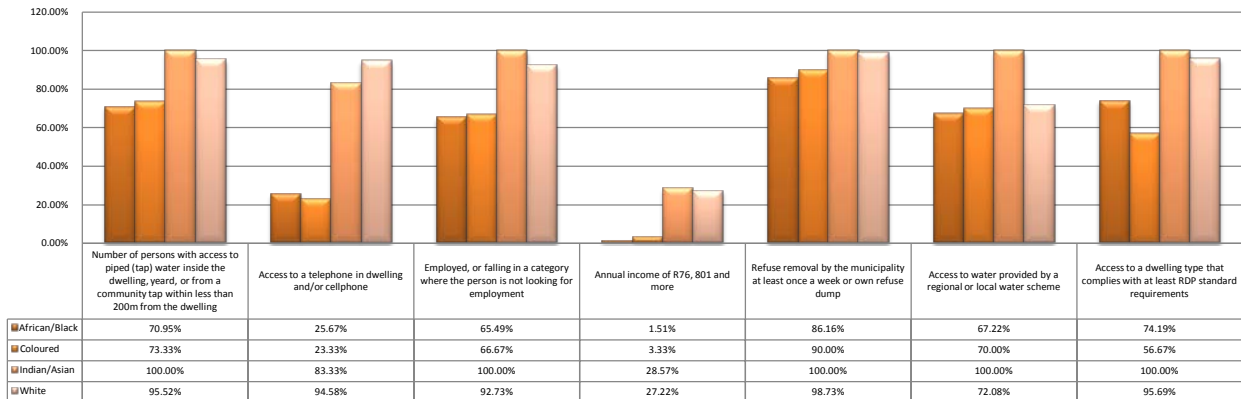
If a comparative analysis based on a number of key development indicators is done (see Figure below) it is clear that the main development gap in the Phumelela area of jurisdiction is still primarily in among the African and Colored population groups.



Figure / Table 8: 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%



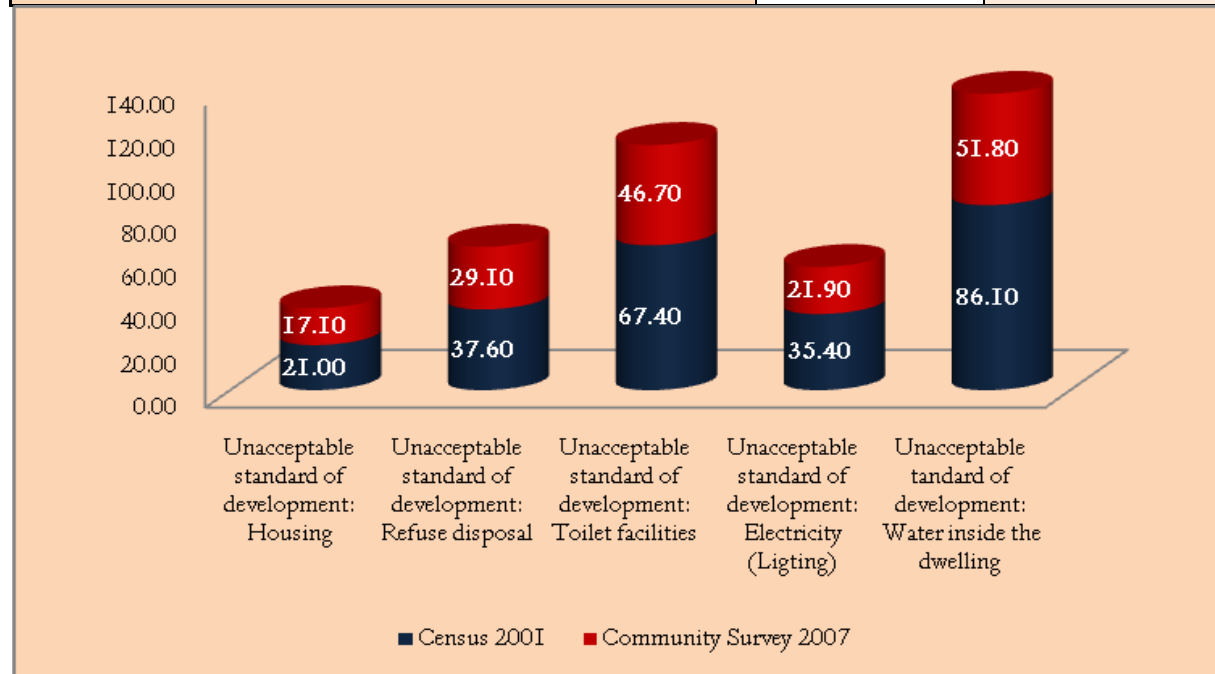
It is also evident from the above-mentioned statistics that the Municipality still faces extensive service delivery challenges to ensure equitable and acceptable standards of access to basic services to the Phumelela community. If the statistics quoted above is reversed, the following gaps in access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



Figure / Table 9: 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



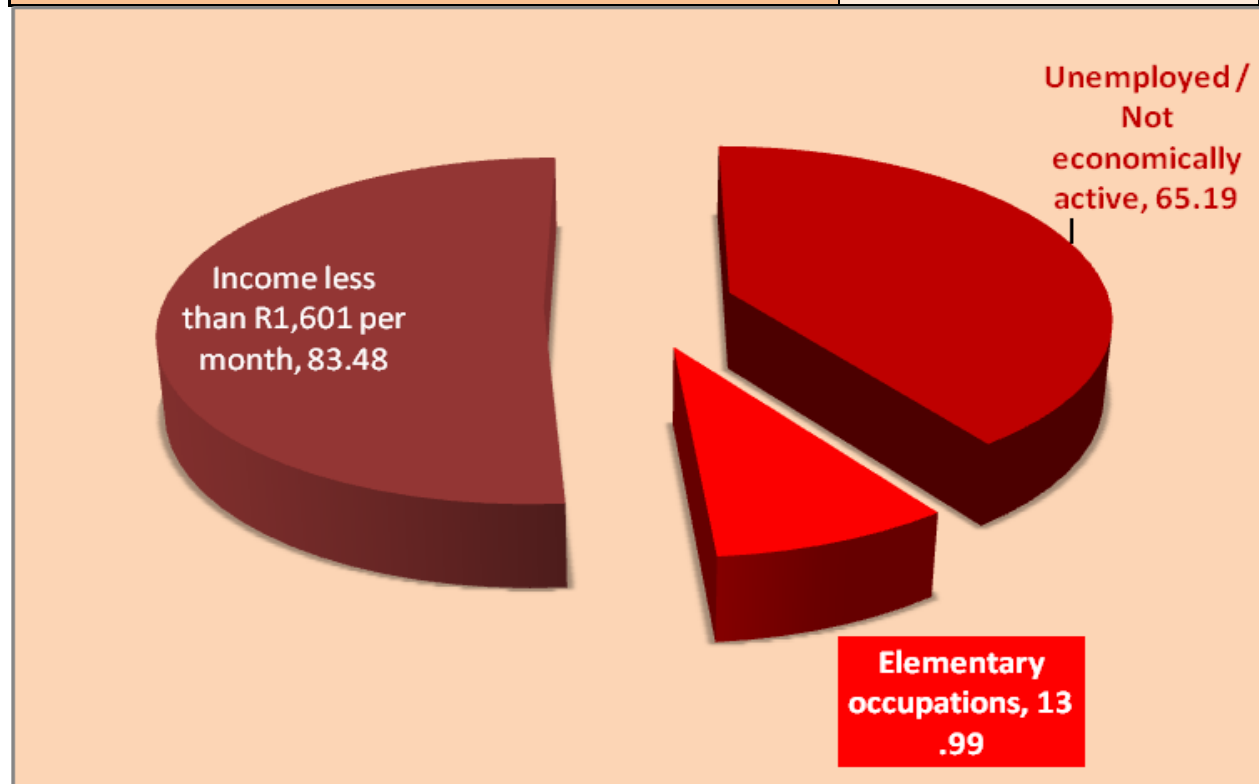


Unemployment, lack of adequate education levels and poverty also remains persistent challenges to the Phumelela Municipality. Although the available statistics are outdated, and based on the results of the 2001 Census, the level of social deprivation in the municipal area is evident from the following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

Figure / Table 10: Perspective on key social indicators

(Source: Census 2001)

Percentage of population	
Unemployed / Not economically active	65.19
Elementary occupations	13.99
Income less than R1,601 per month	83.48



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.



Section C

Overview of the Municipal Spatial Development Framework



DETAILED SPATIAL DEVELOPMENT FRAMEWORK	<i>Available?</i>	✓
<i>Reviewed as required?</i>		✗
<i>Adequate to be regarded as management framework for the functional area?</i>		?

Phumelela Municipality is one of the Local Municipalities in Thabo Mofutsanyane District that borders Lesotho to the east. This District forms the eastern part of the province and also border Kwazulu-Natal. This District has 26.8% of the population in the Free State and contributes 11.7% of the GDP in the province. Phumelela Municipality is one of five Local Municipalities in the District.

Average Rainfall patterns in the District

The eastern parts of the Free State are mountainous. The eastern area included Vrede receives in the region of 580 to 1 224mm of rainfall per annum.

Topography and Drainage

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.

Climate and Geology

Temperatures are extreme, and the area experiences hot mid-summer conditions and very cold winters. The whole Phumelela region is under laid by Adelaide geological formation, except for a very narrow piece of land to the far north east of Phumelela, bordering on the Mpumalanga Province that is under laid by Ecca geological formation.



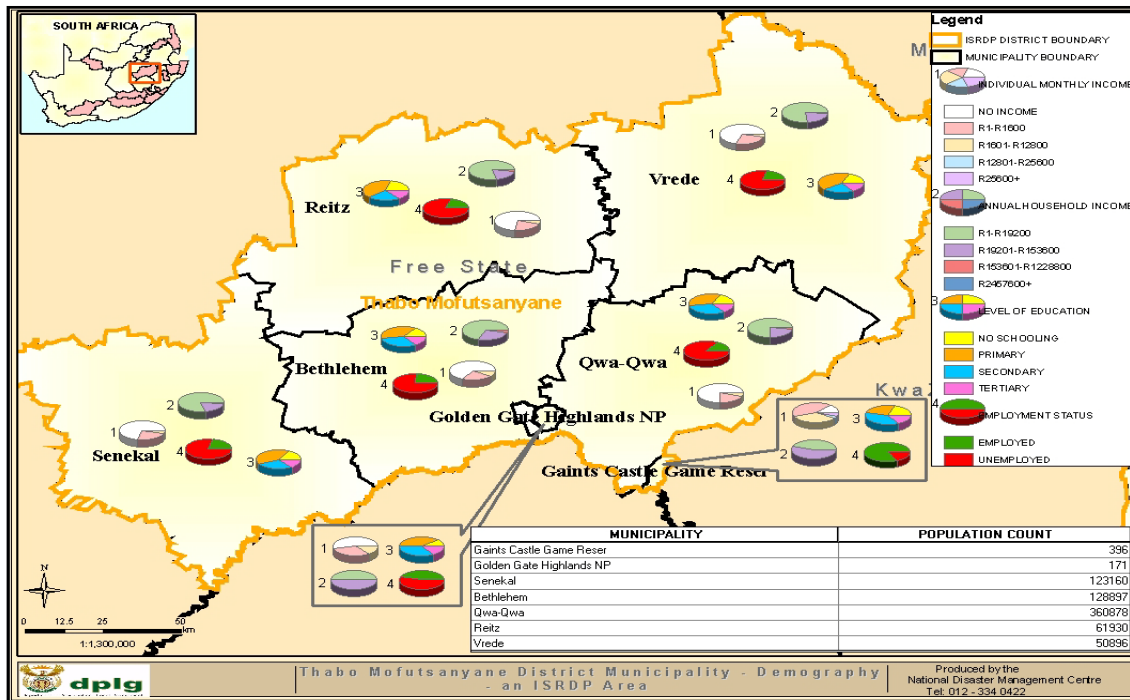
Mining Activity

No mining activities take place in Phumelela, seeing that the main form of income and business activity is Agriculture.

Demographic Analysis

A graphical illustration of income levels, employment and education of the population of Phumelela, is depicted below:

Map 11: Demographic Analysis - Phumelela



The spatial framework demonstrates IDP integrated spatial principles and strategies as a basis for spatial coordination of activities and for land use management decisions. The Integrated Spatial Development Framework including maps indicates the spatial objectives and strategies sufficiently specific to inform land management and investment decisions. It also includes:

- ☐ spatial development trends and issues emerging from the spatial analysis,



- localised spatial development principles including specific strategic guidelines for spatial restructuring and spatial integration and a spatial representation of all development objectives and strategies with a spatial dimension,
- the location of all projects and
- a summary of land reform issues and related projects or project components.