

Integrated Development Planning



2007/8

June 2007

Glossary of Terms

#	Number
CBO	Community Based Organisation
CEO	Chief Executive Officer
CMIP	Consolidated Municipal Infrastructure Programme
CPF	Community Police Forums
DBSA	Development Bank of South Africa
DFA	Development Facilitation Act
DLA	Department of Land Affairs
DoA	Western Cape Provincial Government Department of Agriculture
DoH	Western Cape Provincial Government Department of Health
DoL	Department of Labour
DoSD	Western Cape Provincial Government Department of Social Development
DPWRT	Western Cape Provincial Government Department of Public Works, Roads and Transport
DSACST	Western Cape Provincial Government Department of Sport, Arts and Culture
DTEEA	Western Cape Provincial Government Department of Tourism, Economic and Environmental Affairs
DTI	Department of Trade and Industry
DWAF	Department of Water Affairs and Forestry
EDF	Economic Development Forum
EIA	Environmental Impact Assessment
GRAP	Generally Recognised Accounting Practices
HR	Human Resource
IDP	Integrated Development Plan
IEM	Integrated Environmental Management
ITP	Integrated Transport Plan
KLM	Kannaland Local Municipality
KLM;Corps	Kannaland Local Municipality: Directorate Corporate Services
KLM:Tech	Kannaland Local Municipality: Directorate Technical Services
KLM:FS	Kannaland Local Municipality: Directorate Financial Services
KLM:MM	Kannaland Local Municipality: Municipal Manager
LED	Local Economic Development
LRAD	Land Redistribution and Agricultural Development
MTIEF	Medium Term Income and Expenditure Framework
NDA	National Development Agency
NEMA	National Environmental Management Act
NGO	Non-Governmental Organisation
PCONS	Project Consolidate
PMS	Performance Management System
PTT	Project Task Teams
RECP	Recovery Plan
SALGAWC	SALGA: WESTERN CAPE
SDF	Spatial Development Framework
SMS	Sethala Municipal Services
SSA	Statistics SA
SWOT	Strengths, Weaknesses, Opportunities and Threats
WCPG:MIN	Provincial Minister of Local Government and Housing
WSDP	Water Service Development Plan

Vision

To create the ideal environment in which the people of Kannaland would like to live and work.

“To Be The Place Of Choice”

Mission

The mission of Kannaland Municipality is:

- Encouraging self-reliance
- Ensuring co-ordination and collaboration of various stakeholders in the delivering of development in an integrated and sustainable manner.
- Promoting a healthy and vibrant community with high moral standards
- Unlocking the development potential of the area, particularly tourism and indigenous knowledge and mobilising investment because of uniqueness.
- Ensuring that everyone will be active in the economy and utilise technology to our advantage.
- Attracting and keeping highly skilled workforce and ensuring that literacy and numeracy levels are above average.
- Enabling all communities to have access to basic services and land
- Ensuring a safe, healthy and secure environment.
- Caring for our vulnerable communities
- Promoting gender equity and developing our youth as our future asset and
- Being a government accountable to its community

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Executive Summary

1. Integrated Development Planning Revision

This document serves as the first revision of the 2006 – 2009 Integrated Development Plan (IDP) approved by the Kannaland municipal Council during May 2006. This document therefore needs to be read with the 2006 -2009 IDP.

2. Integrated Development Planning

The revision process includes the following phases:

- Analysis of current IDP and municipal priority issues
- Revision of strategies – no revision was done during budgeting process due to time constraints
- Projects identification and formulation of project proposals
- Approval – adoption by Council and community participation

3. Development Priorities

The following priorities were identified:

CLUSTER	PRIORITY
Economic Development	Agriculture, SMME, Art & Craft, Tourism, LED Strategy
Human Development	Education, Skills & Information Support, Social Development, Health & HIV Aids
Sustainable Service Delivery	Institutional, Municipal services at Affordable Rates, Effective Use of Resources.
Infrastructural an financial Sustainability and Viability	Finance, Performance Management, Integrated Development Planning, Communication

4. Report Outline

Chapter 01 Introduction

This chapter outlines the planning process, with specific reference to the IDP review process.

Chapter 02 Analysis

The Analysis sets out who we are – a description of the municipal area, Demographics, status quo on service delivery and backlogs.

Chapter 03
Development Objectives, Strategies and Projects

This chapter describes the plan on how to improve the situation. It includes the Kannaland Municipality Vision and strategies for each of the priority issues. The projects identified are also included and are presented in a table format outlining the project description, geographical area, source of funding and the costs related to the projects.

Chapter 04
Operational Strategies

The operational strategies include:

- The recovery plan
- Long term financial plan
- Revenue enhancement strategy
- Asset management strategy
- The 2007/8 budget

Chapter 05
Monitoring, Evaluation and Review

Reflection on IDP monitoring and evaluation.

CHAPTER

01

The Planning Process

1. Integrated Development Planning

Introduction

This report represents the 2007 – 2011 IDP for Kannaland Municipality.

It is submitted and prepared in fulfilment of the municipality's legal obligation in terms of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000).

Background to the Integrated Development Plan

The amalgamation of local authorities on 5 December 2000 has set a new era for local government. The White Paper on Local Government requires developmental local government to focus on the objects of local government set out in Section 152 of the Constitution; give effect to its developmental duties as required in Section 153 of the Constitution; and, together with other organs of state, contribute to the progressive realization of the fundamental rights contained in Sections 24, 25, 26, 27 and 29 of the Constitution in a sustainable and co-operative manner.

In addition to ensuring that all citizens have access to at least a minimum level of basic services, municipalities must now also take a leading role in addressing poverty and inherited inequalities. It is required of local municipalities to promote local economic development, social development and democracy in their area of jurisdiction. They must not only deliver on present demands, but also must anticipate future demands and find ways to provide services in an effective, efficient and sustainable manner.

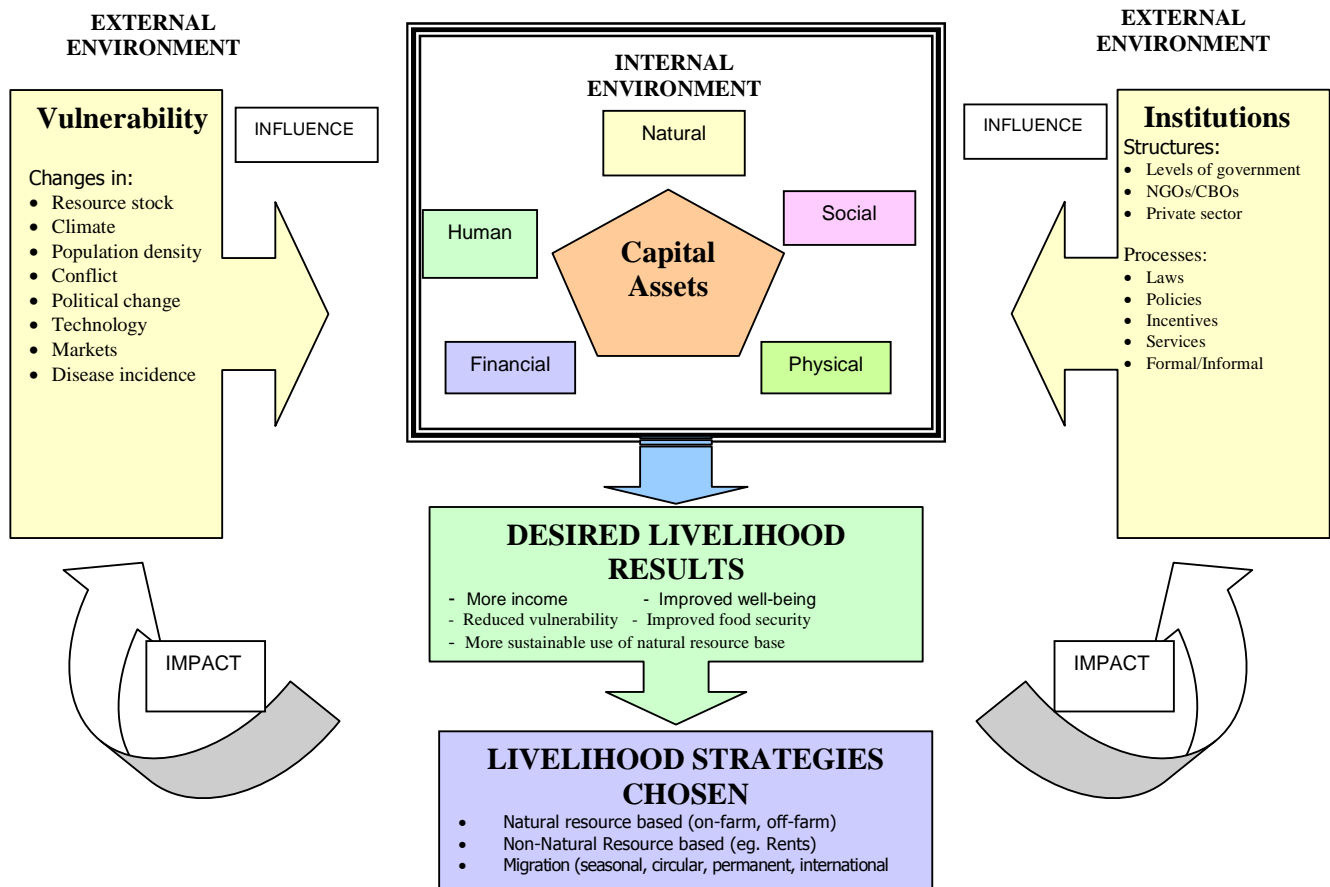
Furthermore, municipalities must also incorporate a wide range of sectoral programmes into their own municipal development programmes, and comply with the requirements of various Acts. It is essential to apply the limited resources of council on the key development priorities of the local municipality. To meet all these challenges, municipalities need to adopt a strategic approach to planning and management. This is the essence of Integrated Development Planning (IDP).

The Local Government: Municipal Systems Act, No 32 of 2000 requires that each municipality adopt a single, inclusive strategic plan for the development of the municipal area, which:

- Link, integrate and co-ordinate plans and take into account proposals for the development of the municipal area;
- Aligns the resources and capacity of the municipality with the implementation of the plan;
- Forms the policy framework and general basis on which annual budgets must be based;
- Complies with the provisions of Chapter 5 of the said Act; and
- Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

Approach to the IDP Process

The process adopted for the compilation of an IDP can be illustrated in the following diagram:



Source: Spatial Solutions Inc (2002)
Figure 1: IDP Process

2. IDP Process

The annual process required by Section 34 of the Municipal Systems Act, relates to assessing the municipality performance against organisational objectives as well as service delivery, and also taking cognisance of new information change circumstances. The IDP is reviewed in the light of the assessment, and any amendments required to be made to the IDP.

The review process represents a continuous cycle of planning, implementation and review. The implementation of this process commences after the municipal council adopts the initial IDP. During the year some major unexpected events may occur or information becomes available that necessitates immediate action and changes to the original planning. These information and actions need to be included in revised IDP. Due to the capacity problems experienced by the municipality and the lack of a performance management system, we could not follow the ideal review process presented in the diagram below.

The performance of the municipality has however been reviewed and the first Annual Report for Kannaland Municipality was issued. The review included:

- Water service delivery
- Sanitation
- Solid waste disposal
- Roads and storm water
- Electricity
- Human resources and other organisational management
- Financial statements and processes
- Kannaland recovery plan

The budget and revised recovery plan addresses the gaps identified during the review process.

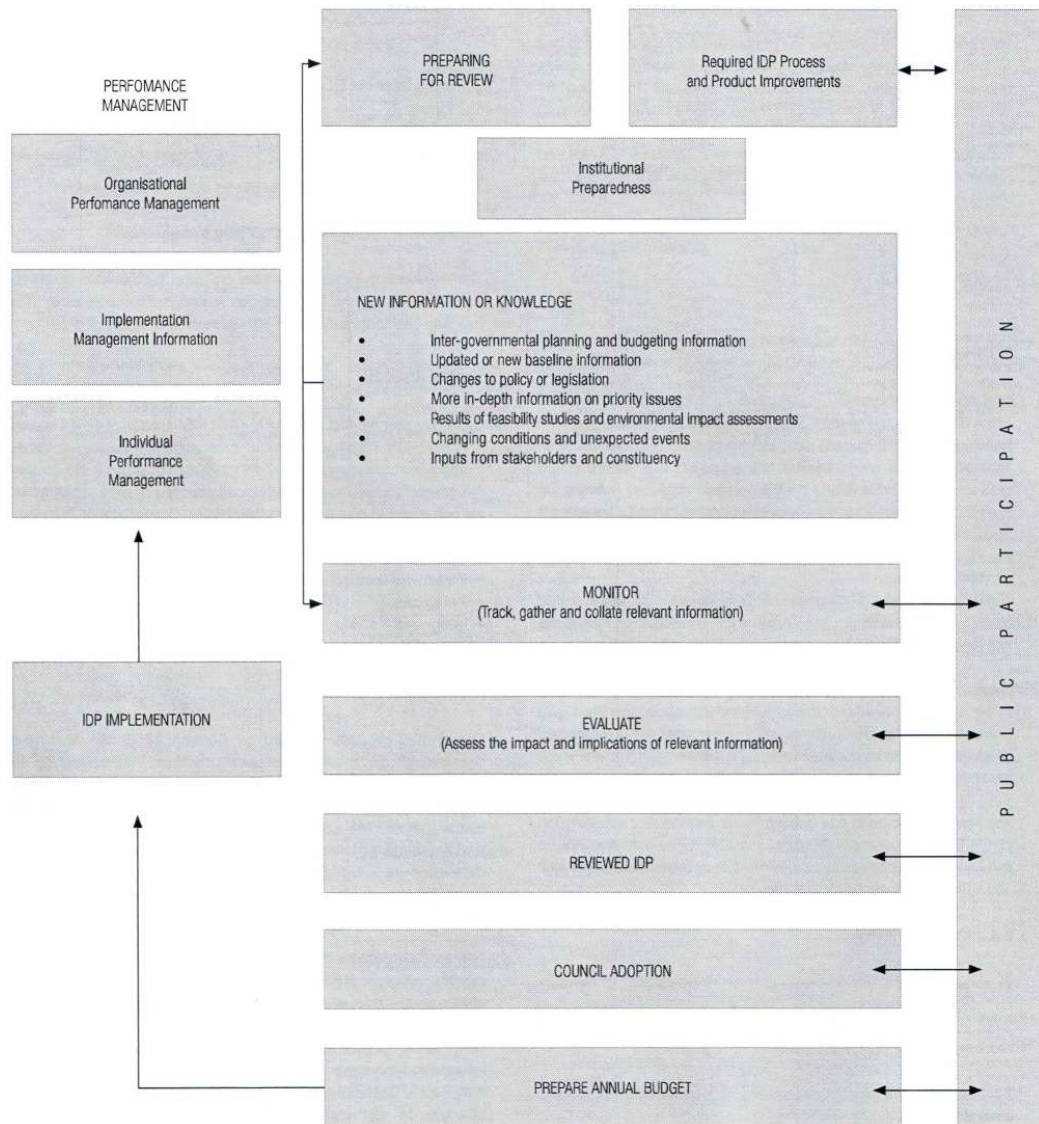


Figure 2: IDP Review Process

CHAPTER

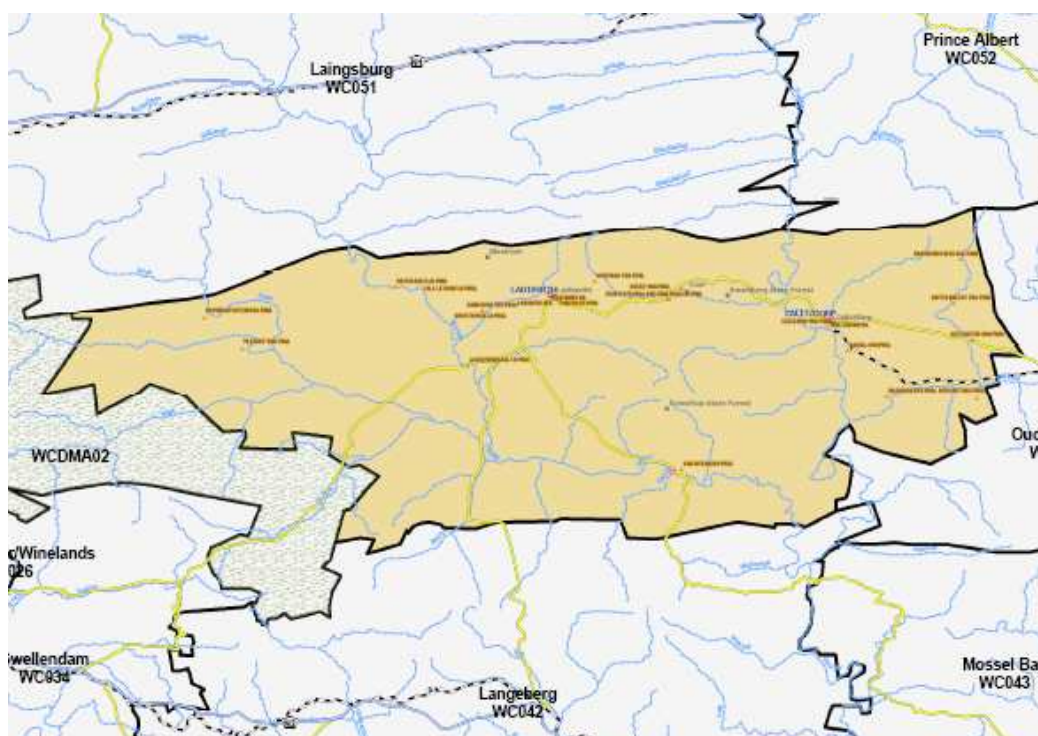
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Analysis

1. Analysis (who we are)

1.1 Description of Municipal Area

On 5 December 2000 a newly demarcated local government system was introduced in South Africa. Part of this process was to amalgamate the then 115 municipalities in the Western Cape into 30 greater geographical municipalities. The towns of Ladismith, Calitzdorp, Zoar, Van Wyksdorp and a rural area were amalgamated, thus establishing the Kannaland municipality. The total municipal area of Kannaland covers an area of 4758 km². The population of these towns and the rural areas amounts to 26 104.



1.2 Demographics

The total population within the municipal area has increased from 22 821 in 2001 to 26 104 in 2006. The total households has also increased to 6 072.

Research on population growth in the Western Cape until 2025 estimates the growth in the Kannaland municipal area to be 1.98%.

The number of households per ward is:

Ward	W1	W2	W3	W4	W5	Total
# Households	1308	1113	879	1686	1086	6 072

Stats Sa, 2001

The total urban population for the area is estimated at 17 184, the rural population 8 920 and the total population 26 104, of which the coloured community constitutes 80%, (estimated figures for 2001).

The economically active group constituting 86.15% and the local economy grew at an average rate of 1,3% between 1995 – 2004. 90% of the households earn less than R12 800 per annum and the dependency ratio is therefore 2 people for each employed person. Agriculture, Government and Trade are the key contributor to the GGP of the region.

Spatial and Land Use

The Kannaland Municipality is situated in Ladismith approximately 161 km from George and is approximately 4750km² in extent. The area is divided into 5 wards.

Kannaland has the most fertile agriculture soil in the Western Cape with a high grass income per hectare. The area is also graced with one of the most scenic environments in the country and as a consequence is a much favoured tourism destination.

1.3 Status Quo on Basic Service Delivery and Backlogs

The provision of basic services remains the key function of the Kannaland municipality. Thus it is important to reflect on the level of the different basic services within the municipal area.

Although the municipality showed some significant progress specifically regarding the provision of water and electricity which increased from 83.4% (1996) to 93.9% (2001) and 72.1%(1996) to 81.4%(2001) respectively, the municipal service levels is still lower than the service levels for the Eden District in total. Specifically sanitation and refuse removal should receive priority attention during the next 5 year financial cycle.

Table: Status on basic services

Services	Kannaland Municipality		Eden District	
	1996	2001	1996	2001
Water	83.4%	93.9%	91.0	95.8%
Sanitation	57.2%	71.1%	73.3	81.6%
Electricity	72.1%	81.4%	77.5	84.5%
Refuse Removal	53.4%	59.2%	75.4	81.2%

Source EDM

The municipality identified the overall priority focus areas as Bulk Services:

- Water storage capacity upgrading
- Waster water treatment plant (sewer works upgrading and extension)
- Refuse removal

Challenges

Electricity

Due to lack of funds, capacity and equipment:

- **Electricity infrastructure is in a deteriorating condition due to insufficient maintenance:** Council therefore urgently needs to develop and implement a 5 year preventative maintenance programme. Furthermore, repair and refurbishment of essential electricity infrastructure needs to be undertaken to prevent interruptions (average of 5/month) in service delivery. This includes the urgent repair and replacement of transformers and non-functional street lights in the Kannaland towns. An amount of R331, 000 has been budgeted for critical maintenance work in the 2007/2008 financial year.
- **Backlog in electricity connections for low income households and street lights for low income settlements:** The new housing developments in the area increase the load on existing networks and require more maintenance resources. An additional 378 households must be added to the Ladismith network.
- **Current electricity infrastructure has exceeded power carrying capacity:** It will be necessary to do a comprehensive study on electricity network power flow and to identify network constraints. Overloaded networks need to be upgraded urgently.
- **Electricity losses:** Council in the 2005/2006 financial year recorded electricity distribution losses of 22% due to inter alia insufficient metering. This reality has a negative impact on actual income levied and collected. Council urgently needs to develop and implement a model to identify and qualify technical losses within the network. Furthermore revenue protection measures need to be implemented and dysfunctional meters need to be replaced.
- **The electricity department needs to be restructured.** For this purpose a complete Municipal System Act Section 78 assessment will be undertaken in the 2007/2008 financial year. This will be a basic requirement for the ring-fencing of the electricity account with a view to integration into the Regional Electricity Distributor. This will also include a status quo survey to identify service rendering shortcomings and the levels of statutory compliance.
- The organizational structure of the electricity department consists of a total of 11 positions of which only 5 is filled currently. The 2007/2008 municipal budget makes provision for the appointment of **qualified electrician** and **2 general workers**. These appointments will be critical for essential network maintenance and to prevent interruptions in electricity supply.
- Upgrading of **Street Lightning** in general.

Water

It is clear that the demand is much higher than the projections of the 1999 census. The storage capacity of Ladismith needs addressing. An investigation is already underway and the necessary steps will follow accordingly. Construction on the second phase of the water treatment plant at Ladismith will start shortly.

Van Wyksdorp has no water treatment works. A Consultant Engineer Firm investigates the water situation at Van Wyksdorp presently, for implementation.

Civil construction on the new water treatment plant at Zoar is complete. The design of a water network is normally 15 years which is long overdue thus the chronicle water bursts occurrence. To ensure continuous water delivery to the new water treatment plant Zoar buster pump station needs upgrading. An investigation regarding the latter will follow before long.

Construction on the upgrading of the water treatment works at Calitzdorp is complete and operational. Flood damage to the main water supply is fixed and the flow to the water treatment plant should be sufficient.

The existing water infrastructure of Kannaland is old and upgrading becomes essential to ensure the minimum water losses. Rust build-up to an extent that blockages have occurred, asbestos pipes weakened and breakages are a daily occurrence. The network design is not adequate any more due to the expansion of the municipal area, the last past years. The replacement of all conventional meters with pre-paid meters is an objective aimed at revenue enhancement. The public will be addressed accordingly.

Water sources are limited in the Kannaland area. It is imperative that proper planning and management of the latter been ensured at all times.

Sanitation

The design work for the project for the Eradication of the Bucket Sanitation System in Zoar has been finalized and tenders have been called for the construction phase. The expected completion date is 30 November 2007. The project for the rehabilitation of the Sewerage Purification Plant in Zoar is currently in construction and will be completed in July 2007. Both projects are funded from the Municipal Infrastructure Grant.

A Council resolution was obtained on 31 May 2007 regarding the adequate upgrading of the Ladismith Waste Water Purification Works for the next 10 years from the approved Recovery Plan Budget. The cost implications are forecasted as follows:

- Immediate need: R530 000.
- Complete upgrade to adhere to next 10 years requirement: R15 million (Estimate cost).

Calitzdorp immediate needs:

Upgrading of various sewer pump stations and an investigation for the eradication of septic tank systems.

Van Wyksdorp immediate needs:

A consulting engineer was appointed to investigate the sewer status. Execution to the latter where applicable will follow.

Solid Waste Disposal

The existing refuse removal equipment needs replacement. Placing of personnel at the refuse sites, to execute control measures and collect fees for the disposal of garden refuse and building rubble. The permitting of all the refuse sites in Kannaland Municipal Area is requisite and urgent attention been given to filling the latter.

Status on Housing Delivery

Housing the people of South Africa is one of National Government's key priorities. Although the current situation on housing in Kannaland Municipality is not so critical when compared to the other municipalities in the Eden District, the influx of farm workers into urban areas is huge and requires further investigation in the near future.

When looking at the long term situation regarding housing provision the trend of low migration is confirmed in the SEPLG (2006) from PGWC, which estimates that

migration to Kannaland would continue taper off completely by 2025. This by implication means that the housing backlog should remain stable and will mainly be affected by the natural population growth and the change in size of households.

Table: Status on Type of housing and number of backlogs

Area (Ward Number)	Type of Dwelling	
	Formal	Informal
1	1269	10
2	1080	120
3	852	35
4	1620	0
5	1065	150
Total	5886	315

Challenges

The following housing backlogs and needs exists

Calitzdorp	753 units
Ladismith	439 units
Van Wyksdorp	90 units
Zoar	250 units

Roads Infrastructure situation

Roads are a major contributor to the economic activity and development in an area. The condition and infrastructure is deteriorating and there are significant maintenance backlogs. The rural transport linkages been identified as one of the main problematic areas. The quality of roads has a major impact on this areas economic growth, tourist opportunities and damage to deciduous fruit.

The primary public transport corridor in the Kannaland Municipal area is the R62, which connects Ladismith to Zoar and Calitzdorp, the other principal towns in the municipal area. Further to the west, the R62 connects Ladismith to Barrydale and the Breede River valley. The R323 connects Ladismith to Riversdale to the south. The R327 is a gravel road connection to Van Wyksdorp.

Challenges

The main aim is to improve the service, to upgrade roads and storm water in the area and to have transport services between towns, running on a regular basis. The pedestrians do not respect moving traffic/vehicles due to the pavements are which is uneven and damaged. The fixing of the pavements/pedestrian walkways and /or upgrading will contribute to the elimination of the latter.

Sectoral Plans

The objective of sectoral plans is to properly plan for long term needs and identify strategies for the service delivery areas, such as water, electricity and housing. Tenders were issued to appoint service providers to develop sectoral plans for each of the service areas. The absence of sectoral plans therefore has a direct impact on determining the longer term strategies, projects and long term financial planning for each of these areas.

1.4 Socio Economic Profile

Unemployment rate

In 1996 the unemployment rate in Kannaland was 14.3%. This figure dropped to 13,8 % in 2001 and is contradictory to most other municipalities in the Western Cape including Eden District as a whole which had an unemployment rate of 19,4% in 1996 which increased to 26,5% in 2001. The actual number of people without work in 1996 was 1031, which decreased to 1020 in 2001.

This can be explained to the fact that Kannaland area by large did not experience the influx of people from the Eastern Cape and other parts of the country over the past 15 years.

When looking at unemployment per racial group, the situation in 2001 was as follows:

Employment status	Black/African	Coloured	Indian/Asian	White
Employed	130	3242	3	622
Unemployed	8	446	0	28

Stats SA: 1996, 2001.

From the above table it is clear that the majority of people without work in Kannaland are the Coloured population group. Unemployment cannot be analysed without focusing on the educational profile of a population.

Education

According to Sensus SA for 2001 a total of 1660 people did not receive any form of schooling. This represents approximately 8% of Kannaland municipality's population. When compared to the Eden District and the Western Cape which respectively had no schooling rates of 4% and 5,7% respectively it is clear that the function of education at Provincial level needs to receive high priority within this municipal area in order to decrease the no schooling proportion of the population.

In addition to the above the percentage of pupils not completing primary and secondary schools are alarming high. An already high figure of 26% of pupils not completing primary schools in 1996 grew to 27% during 2001. The figures for secondary schools over the same period were 37% and 38% respectively. This trend can directly be linked to a high drop out rate which the Department of Education needs to address in future.

Crime

It is important to take note when one looks at crime that normally there is a strong correlation between the level of crime and the level of education in a community.

The crime situation in Kannaland, in general looks favourable when comparing the number of reported cases to that in other regions. However the low population density of the municipal area plays an important role in this figure and therefore crime cannot be ignored. One worrying aspect of crime is the increase in the number of drug related crimes from 164 reported cases in 2002/03 to 316

in 2004/05. In addition the number of reported murder cases over the same period nearly doubled from 7 to 13 cases.

A crime prevention strategy therefore needs to be implemented in the short run which will be supported and taken forward by the SAPS in collaboration with the local Community Police Forum (CPF).

Challenges faced by the municipalities:

Drug Related Crimes:

The Kannaland municipality is facing a drug and alcohol abuse problem and this resulted to the increase of crime.

There is also a link between alcohol and violence that are leading causes of non-natural death in the Western Cape Province. Positive Blood Alcohol Concentration was found in most victims of violence and perpetrators. In terms of rape it has been established that there is a close association between rape and drugs and drinking in public spaces, shebeens, bottle stores etc. The challenge in these areas are alcohol and drug abuse especially Tik.

High Unemployment Rate:

The number of people employed increased from 36 000 in 1996 to 42 087 in 2001 (3.2%) and unemployment increased from 8 271 to 16 938 (15.4 %) over the same period. The number of job seekers increased at a significantly faster rate than the local economy's ability to create jobs.

Poverty and unemployment resulted to high rate of theft, shoplifting, car hijackings, burglary at residential areas and malicious damage to property.

Project Proposals from the CPFs:

The rate of projects submitted by CPFs is very slow. In most cases the Department could not fund the projects due to CPF registration problems. A challenge is to ensure that the CPF has regular programmes addressing the police priority crimes and needs of the different communities.

Health Figures

The TB prevalence rate of 949 per 100 000 people in Kannaland is lower than the prevalence rate of 1133 for the District as a whole. In terms of the prevalence of HIV/AIDS, Kannaland's figure of 2,1% compares favourable to the Eden District's average of 3,7% in 2005.

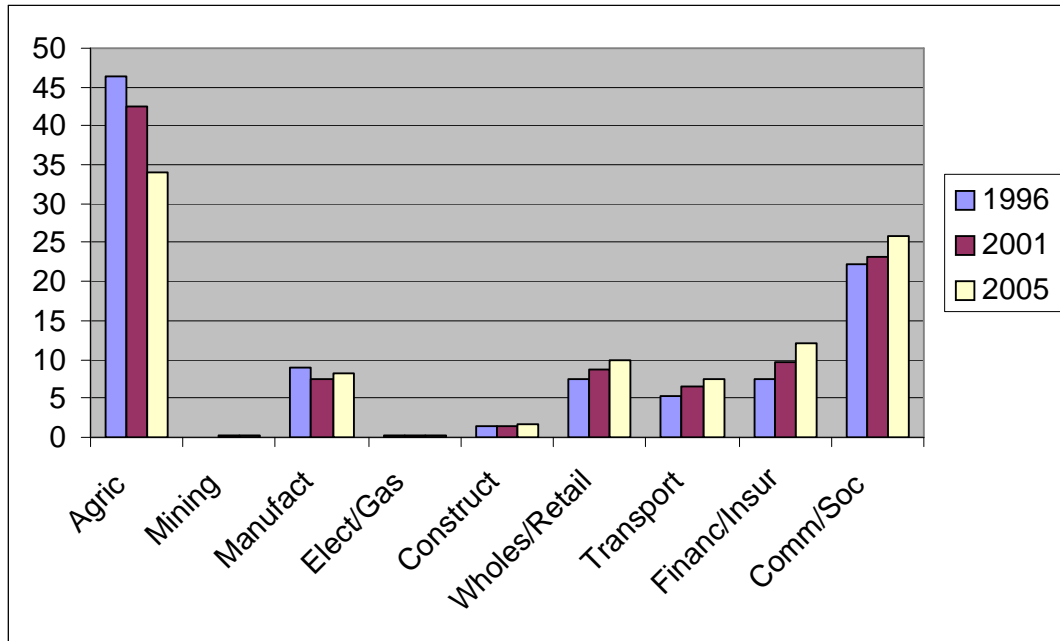
Economic Sector Analysis

The large contributors to Kannaland GDP were:

- Agriculture (30%)
- Manufacturing (19%)
- General Government Services (14%)
- Finance and Business services (11%)

In total, these sectors accounted for about 73 percent of the totals Kannaland GDP. The contributions of the Electricity and Water (5%) sectors were minimal for the same period. The sizeable contribution of Agriculture and Manufacturing to

GDPR indicate the lack of diversification in the region which exposes the Kannaland economy to risks like exchange rate volatility.



Stats SA: 1996,2001

Priority Issues

Further priority issues are discussed in the IDP 2006 – 2009 document

Municipal Organisational Structure

The approved organisational structure of the municipality can be illustrated in the diagram: Attached as D

The organizational structure and related processes relating to the finance and technical departments needs to be revised urgently in order to optimize internal capacity and support the service delivery objectives depicted in the 2007/2008 budget.

CHAPTER

03

Development Objectives, Strategies and Projects

1. Developmental Strategy

1.1 Vision and Mission

Prior to the development of a long term strategy, the municipality (Council, officials and citizens) need to have a shared dream/common understanding of the ideal development situation of the municipality in future. A vision has thus been developed some time ago and still applies for Kannaland municipality in reading:

To create the ideal environment in which the people of Kannaland would like to live and work". It has been refined in 2006 to read as follows:

"To be the Place of Choice"

The basis for this vision is underpinned by the following philosophy. People choose where they want to work and live. The environment influences one's choice – in this respect, the choice of a working place and residence. The environment is created by those in the place first. It is up to the leaders of this municipality to create that ideal environment that would not only make those already here to want to remain here, but also to retain and draw the highly skilled ones who would eventually make Kannaland and the municipality a great place. You create that environment by caring for your youth and women; by encouraging work ethos; by practising good governance; by promoting community involvement in local governance; by being courteous to visitors; by spending less time plotting bad media publicity; by stimulating the local economy. So the attitudes would still have to create an environment that which will make this "The Place of Choice".

Our Vision:

"TO BE THE PLACE OF CHOICE"

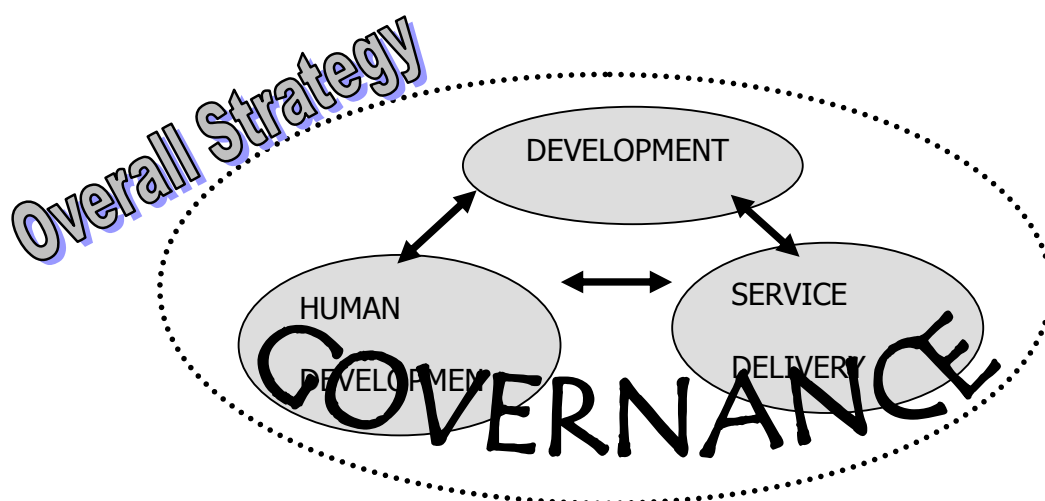
Besides having a common vision, it is also important to have a common approach to delivery. The mission statement sets a clear approach for anybody who would like to invest in the area:

Our Mission Statement:

- Encouraging self-reliance.
- Ensuring co-ordination and collaboration of various stakeholders in the delivering of development in an integrated and sustainable manner.
- Promoting a healthy and vibrant community with high moral standards
- Unlocking the development potential of the area, particularly tourism and indigenous knowledge and mobilising investment because of our uniqueness.
- Ensuring that everyone will be active in the economy and utilise technology to our advantage.
- Attracting and keeping highly skilled workforce and ensuring that literacy and numeracy levels are above average.
- Enabling all communities to have access to basic services and land.
- Ensuring a safe, healthy and secure environment.
- Promoting gender equity and developing our youth as our future asset and
- Being a government accountable to its community.

1.2 Long Term Strategic Objectives: Pillars for Building on a Long Term Development Strategy

Knowing where you want to go and what approach to follow is only part of the strategic planning approach to delivery. The challenge is also to work out what will form the pillars for the long term development strategy in other words what will be the key drivers which will enable you to leverage change. The Pareto principle of 20% input that delivers the 80% change is what is needed to focus an organisation on key issues. The municipality decided that the Vision will only materialise if communities are made more self-reliant (human Development), if economic growth is stimulated, and if services are provided in a more sustainable and affordable manner. The three drivers for change are thus: Human Development, Economic Development and Sustainable service delivery. These are captured through improved and accountable governance systems. The following diagram is a graphic illustration of the strategy:



Source: KLM Local Municipality (2001)

Human Development

The inability of communities to cope with day-to-day challenges are sometimes underpinned by a lack of self-reliance. Communities are sometimes not able to make use of resources available while external impacts like poverty and diseases like TB and HIV/AIDS and alcohol and substance abuse sometimes hamper communities to fully take charge of their lives. One of the mandates of local government is to ensure that both social and economic development happen in the municipal area. Although most of the capacity building mandates that are needed to support community self-reliance fall outside the competency of local government, the municipality realised that this is one of the critical aspects needed to bring about change. Most of the development programmes thus focus on improving community self-reliance and departments were also encouraged to review their service delivery plans in order to make a much greater contribution to this key driver of change.

The Human Development strategic objective will be supported by most of the development programmes related to Education, Skills and Information Support, Social Development, Health and HIV/AIDS. All these programmes focus on

building the capacity of the community and developing individuals which ultimately leads to human development.

Economic Development

Economic development is the second key drivers for change. The lack of economic growth and investment has been identified in the analysis of the priority issues as one of the causes for almost all of the priority issues. It is quite obvious that the more growth and investment can be generated, the more jobs can be created. This will imply that households will have more disposable income to spend on basic needs and the more money will be available for service payment.

This in return will enable the local municipality to expand infrastructure provision to areas with low levels of basic infrastructure, while service provision like proper health and education will also be expanded to cover previous neglected communities. This in return will enable communities to participate in the mainstream economy and to invest in their families' health and well-being, thus addressing the vicious circle of poverty.

The LED programme should specifically be designed to address aspects hampering economic development within the municipal area. It was also expected of departments to rethink service delivery as to also contribute to economic development as part of the services delivered by the municipality.

Numerous areas in Kannaland need to be explored and form part of economic development including the following areas:

- The development of strategy for the agricultural sector which look at domestic and export markets, exploring and expanding of markets regarding table grapes, deciduous fruits & wine grapes.
- Mixed farming, ostriches, small livestock.
- The diversification of the economy for instance the milk producing industry.
- Marketing strategy regarding Klein Karoo Wine route- Route 62, Calitzdorp Spa, etc.
- Advertising boards on the R62.

In order to get to grips with the space economy of Kannaland the IDP during the revising process need to include a clear picture on the economic potential and function of each of the 4 main towns of Kannaland.

Service delivery

Sustainable service delivery deals with the delivery of the right kind of service at an affordable rate to communities. This implies that services cannot be offered uniformly throughout the municipal area although a basic level of service will be adhered to. A differentiation will therefore be made in terms of the level of infrastructure and the rates applicable to it in order to offer communities choices.

Service delivery should also focus on the more effective use of resources. This implies that a greater output should be generated with reduced inputs.

Another crucial aspect of service delivery deals with the creation of a more enabling environment for investment and economic growth. This is commonly referred to as the provision of economic infrastructure. For instance the road network in Kannaland forms part of the economic infrastructure linking Kannaland to the regional economy of Oudtshoorn, the Cape Winelands and the great Karoo.

It is further important to also focus on technologically advanced infrastructure and the empowerment of poor communities to access and use this kind of infrastructure.

Governance

Reporting to the Executive and the communities are crucial. Governance does not only focus on compliance issues, but also addresses the reporting and communication framework that needs to be adhered to.

This area received attention during the past year and will certainly be high on the priority list of areas to be improved during the following financial year.

Institutional and Financial Viability

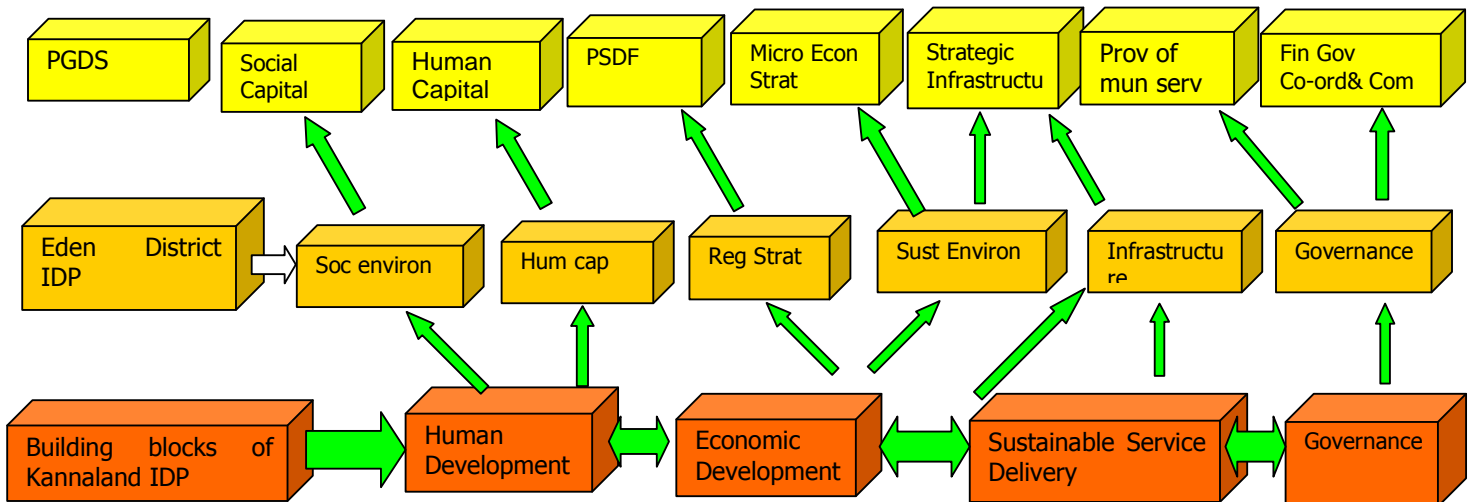
The municipality needs to develop strategies to promote institutional and financial viability to ensure long term sustainability. This area received extensive attention during the past year and will be receiving extensive attention during the next financial year. Please refer the section on the recovery plan for more detail.

1.3 Aligning the Local Development Strategy with Provincial and National Government

In order to ensure that the priorities and budgets of the Kannaland municipality, the Eden District and the Provincial Government of the Western Cape are aligned to the same development priorities, the IDP needs to make the strategic link with the District IDP and the Provincial Growth and Development Strategy.

The underneath graph attempt to schematically indicate the link between the Kannaland IDP and the Eden District IDP as well as the link between the District IDP and the Provincial development goals as contained within the PGDS.

8 Key Development Priorities of Ikapa Elihlumayo



2. Development Objectives, Strategies and Projects

The Kannaland Municipality plans for service delivery, development and implementation were discussed in the 2006 – 2009 IDP document. Most of the projects listed below were reviewed and communicated during the budget hearings. Several supplementary projects are included.

The projects identified for implementation includes:

2.1 Local Economic Development Cluster

Priority area	Objective	Strategy	Indicator	Measurement	Baseline	Target 07/08	Accountable official
Tourism	To stimulate economic growth through tourism initiatives	Branding and communication Cycle Tour Festivals	Increase in Tourism initiatives	Number of events	4	5	Manager: Community Services
Agriculture	To promote good relations with agricultural sector	Fair and equitable application of rates and indigence policies	Reduction of complaints; Improved payment levels	Debtors queries & reduced arrears	50%	12/2007	CFO
	To promote small scale farming	To facilitate the promotion of farming by making land available	Reduce unemployment	Ha land made available	0%	15 Ha	Manager Community Services
SMME	To increase SMME support	To develop LED Strategy and assist upcoming SMME'S	LED Strategy approved SMME'S registered on SCM Database	Strategy completed all SMME'S registered	0%	100%	Manager Community Services

Project / Activity	Target Group	Responsible Agent	Estimate 2006/2007	Source of Funding	Budget 2007/2008	Budget 2008/2009	Budget 2009/2010
Poverty Alleviation Strategy	Kannaland	Manager Corporate Services		DBSA	170 000		
Local Economic Development Strategy	Kannaland	Manager Corporate Services		MSIG	250 000		
Preparation of various Sectoral plans	Kannaland	Manager Corporate Services		MSIG	400 000		

2.2 Institution and Finance Cluster

Priority area	Objective	Strategy	Indicator	Measurement	Baseline	Target 07/08	Accountable official
Finance	To plan for the efficient usage of scarce financial resources.	-Efficient budgeting. -Adjustment budget. -Revise tariff policy, structure & levels.	-Input by stakeholders. -MFMA Compliance -IDP Purpose directed.	Annual Budget.	1	May	CFO
	To oversee the effective implementation of the Financial Plan (Budget).	-Credible SDBIP. -Effective risk management. -Effective Cash Flow Man. -Value-for-Money procurement. -Budget Control Man. -Income Man. -Expenditure management. -Internal capacity building. -Develop Project Man. Skills.	-Budget performance. -Various relevant policies. -Cash Flow Model. -% Income received. -Auditing reports. -Projects successfully implemented. -Increased capacity. -SCM Unit efficiency.	-Monthly, Quarterly & Annual Reports.	4	Quarterly	CFO
	To ensure reporting according to statutory framework.	-Monitoring System -MFMA compliance -GRAP Financial Statements -Auditing processes	-GRAP implemented. -Number of MFMA reports. -Annual Financial	-Monthly, Quarterly & Annual Reports.	12	Monthly	CFO

		-Annual Report.	Statement in time. -Standard of Annual report. -Nature of audit observations.				
To ensure that the municipality is financially viable	-Revenue Enhancement -Effective Cash Flow Monitoring. -Strict Credit Control. -Value for money procurement.	-Income Budget Performance. -% decrease in consumer debts. -Cash flow monitoring results -Efficiency indicators -%bad debts e/off	-Monthly, Quarterly & Annual Reports.	80%	03/2008	CFO	
To improve financial management in line with best practices	-Effective financial management. -Strategic influence. -Implement GRAP	-GRAP compliance levels. -Ratio analysis results. -Asset, Investment and Liability Man.	-Monthly, Quarterly & Annual Reports.	100%	06/2008	CFO	
To implement effective, transparent systems to generate reliable management information for all	To review existing systems and upgrade practices and facilities to enable meeting of	Timing and accuracy of reports	Daily, weekly and monthly process controls	80%	12/2007	CFO	

	users	objectives					
Human Resources	To ensure high level of training to staff, council and ward committees	To update and implement skills development plans	Implement the skills development plan	Quarterly reports	4	Quarterly	HRM
	To implement effective, transparent systems to generate reliable management information for all users	To create awareness of need to educate and uplift employees in self-management skills	Improved skills and morale of work force	Quarterly reports (Incidence of social ills)	50%	06/2008	HRM
	Create Healthy working environment	Implementation of HR policies	No of policies implemented	Quarterly reports	2	8	HRM
	Compliance with Employment Equity Plan	Update and implement EEP	No of HDI's appointed	Quarterly reports	80%	Quarterly	HRM
	Enhance municipal staff performance	Implement performance management system	No of performance reports completed	Quarterly reports	0	4	Director Corporate Services
Administration	To create an enabling environment for effective and efficient rendering of services	Implement all relevant policies	No of policies adopted by Council and implemented	Quarterly reports	70%	3/2008	Director Corporate Services
		Update and implement delegations of authority	All managers empowered	Annual reporting	1	99/2007	Director Corporate Services
	To improve public participation in municipal activities	By-laws to be updated	No of by-laws adopted and implemented	Quarterly reports	100%	3/2008	Director Corporate Services

Project / Activity	Target	Responsible	Estimate	Source of	Budget	Budget	Budget
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	Group	Agent	2006/2007	Funding	2007/2008	2008/2009	2009/2010
<u>Council</u>							
Implement recovery plan activities	Councilors	Manager Corporate Services		DHLG / DBSA	195 000		
<u>Human Resources</u>							
Finalise all job evaluations	Municipal staff	HR Manager		DHLG	80 000		
Implement performance management system	Municipal staff	Municipal Manager		Eden / DBSA	380 000		
Update and implement skills plan	Municipal staff	HR Manager		DBSA	45 000		
Update and implement employment equity plan	Municipal staff	HR Manager		DBSA	15 000		
Capacity Building of staff – Process Maps	Municipal staff	Recovery Plan Project Manager		DBSA	480 000		
<u>Administration</u>							
Implement recovery plan activities	Municipal staff	Municipal Manager		MSIG / DBSA / DHLG	550 000		
Implement all delegations	Municipal staff	Manager Corporate Services		MSIG	20 000		
Review, Update & implement policies by-laws & code of conduct	Kannaland	Manager Corporate Services		DBSA	80 000		
Implement Communication strategy	Kannaland	Manager Corporate Services		MSIG	250 000		
<u>Finance</u>							
Revenue Management Processes	Kannaland	Manager Finance		MSIG / DBSA / DHLG	633 961		
Implementation of GRAP	Kannaland	Manager Finance		MSIG	300 000		
Establishment of SCM Unit	Kannaland	Manager Finance		DHLG	250 000		
Implement recovery plan activities	Kannaland	Manager Finance		MSIG / DBSA / DHLG	1 136 000		

2.3 Social Needs Cluster

Priority area	Objective	Strategy	Indicator	Measurement	Baseline	Target 07/08	Accountable official
Safety & Security	To create a safe environment for communities and tourism	Provide support to all stakeholders	Crime %	Bi-annual reports	10%	25%	Municipal Manager
Disaster Management	Creation of safe and secure environment	Provide adequate disaster equipment	% equipment available	Quarterly reports	0	100%	Manager Technical
HIV/Aids Health Care Services	Reduce the impact of HIV Infection by 5% by 2010	Awareness Campaigns	No of campaign activities	Quarterly reports	0	100%	Manager Community Services
Housing	Facilitate provisioning of houses by the homeless by 2016	Submit application for integrated housing grant	No of approved subsidies	Quarterly reports	363	423	Manager Community Services

Project / Activity	Target Group	Responsible Agent	Estimate 2006/2007	Source of Funding	Budget 2007/2008	Budget 2008/2009	Budget 2009/2010
Crime Prevention:							
Invite stakeholders and establish Crime Prevention partnership	Kannaland	MM					
Establish sub-committees per area	Kannaland	MM					
Agree on action planning and implement	Kannaland	SAPS					
Disaster Management	Kannaland	Eden DM					
HIV / Aids	Kannaland	Eden DM					
Integrated housing grant to build houses	Kannaland		791 000	D HLG	1554 000	1 974 000	2 413 000

2.4 Infrastructure Cluster

Priority Area	Objective	Strategy	Indicator	Measurement	Accountable Officer	Target 07/08	Target 08/09
WATER	To ensure water availability to all households	Provide water connections to all urban sites	All households with access to water	Quarterly reporting on the progress with the connection of the	MM and DTS	75% of all households connected	85% of all households connected

				installation			
	To address shortages of water storage capacity	Upgrading of bulk water storage	Water availability	Quarterly reporting	MM and DTS	To inaugurate negotiations and investigate grant funding	Purchase of a farm with water rights and or EIA investigation to build a new dam
	To enhance revenues	Provide prepaid water meters to all households	All households with a prepaid meter to enhance revenue collection	Payment performance	MM and DTS	25% of all households	40% of all households
Sanitation	Provisioning of adequate sanitation to all urban residents.	Rehabilitation of all waste water treatment plants	All plants running effectively	Adherence to permit requirements.	MM and DTS	Compliance for immediate need.	Planning for extension and growth
		Eradicate Bucket System	No of bucket latrine replaced	No of buckets replaced	MM and DTS	440 Buckets (All buckets eradicated)	
Roads and Stormwater	Provisioning of adequate storm water man. And upgrading and maintenance of all roads	Improve public transport facilities	Compliance Transport Man. Plan	Progress reporting	MM and DTS	Zoar completion	Van Wyksdorp planning
		Rehabilitation of roads	% completed	Progress reporting	MM and DTS	15%	15%
Electricity	Provisioning of electricity to all urban households by 2010	Electricity connections to all households	All households connected.	Annual reporting	MM and DTS	90%	95%
Refuse Management.	Provisioning of refuse removal services to all households.	Upgrading of refuse sold waste dumping sites	Adhere to permit requirements	Annual reporting	MM and DTS	Rehabilitation of solid waste area. Purchasing of equipment for immediate needs. Placing of staff at dumping site.	Identification of new solid waste dumping sites areas. Negotiate with other government spheres.

Project	Town	Source	Budget 07/08	Budget 08/09	Budget 09/10
Rehabilitation of various roads and storm water systems	Kannaland	Eden DM		4,000,000	4,000,000

Maintenance equipment	Kannaland	Eden DM		2,250,000	2,250,000
Water purification and rehabilitation	VanWyksdorp	Eden DM		6,000,000	6,000,000
Waste Water Purification Works	VanWyksdorp	Eden DM		6,000,000	6,000,000
Sanitation network	VanWyksdorp	Eden DM		4,000,000	3,000,000
Bulk Water Supply	Ladismith	Eden DM	5,000,000	10,000,000	5,000,000
Bulk Services: Farm Workers Housing	Calitzdorp	Eden DM		2,000,000	
Installation of Pre Paid meters	Kannaland-Water	MIG		1,872,000	1,900,000
Installation of Pre paid meters	Kannaland-Electricity	MIG		200,000	464,000
Electrification of new developments	Kannaland	DME	500,000	500,000	500,000
Rehabilitation of dumping site	Kannaland	Rec. Plan	720,000		
Identification of new solid waste dumping sites	Kannaland	MIG/ Other		320,000	7,000,000

CHAPTER

04

Operational Strategies and Sector Plans

1. Institutional and Financial Operation

Legislation

The following legislation has an impact on the institutional and financial operations of the municipality:

OCCUPATION	LEGISLATION
Municipal Manager	White Paper on Local Government (1998) Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) Local Government: Municipal Structures Amendment Act (No. 1 of 2003) Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998) Transfer of Staff to Municipalities Act Local Government Laws Amendment Act (No. 51 of 2002)
Arts, Culture & Heritage	Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003) Archive Act Cultural Laws Amendment Act 2001 National Heritage Resources Act 1999
Libraries, Social Development and Sport & Recreation	Social Assistance Act No. 13 of 2004 National Council for Library and Information Service Act of 2001, Pension Fund Second Amendment Act 2001 SA Sport Commission Second Amendment act 1999,
Legal, IT, HR, Administration	Skills development Amendment act (No. 31 of 2003) Access to Information Act, 2000 (Act no. 2 of 2000) Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) Local Government: Municipal Structures Amendment Act (No. 1 of 2003) Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) Labour Relations Act 66 of 1995 Labour Relations Amendment Act (No. 12 of 2002) Basic Conditions of Employment Act 75 of 1997 (BCEA) Basic Conditions of Employment Amendment Act (No. 11 of 2002) Employment Equity Act 1998 Skills Development Act 97 of 1998 Occupational Health and Safety Act Unemployment Insurance Fund Act Pensions Fund Act

OCCUPATION	LEGISLATION
	Unemployment Insurance Amendment Act (No. 32 of 2003) Promotion of Equality and Prevention of Unfair Discrimination Amendment Act (No. 52 of 2002) Smoking and Other Workplace Legislation Public Holidays Act 35 of 1994, amended by 48 of 1995 Promotion of Equality and Prevention of Unfair Discrimination Act Unemployment Insurance Contributions Act (No. 4 of 2002)
Electricity	Eskom Conversion Act No.13 of 2001 Blueprint on the Restructuring of The Electricity Distribution (2001)
Revenue and Expenditure	Local Government: Municipal Finance Management Act (No. 56 of 2003) Local Government: Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) Local Government: Municipal Structures Amendment Act (No. 1 of 2003) Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) Procurement Act Division of Revenue (No 7 of 2003), (No 5 of 2004) and (NO 1 of 2005) Local Government Municipal Property Rates Act (No. 6 of 2004) Division of Revenue Act (No. 7 of 2003)
GIS	Local Government: Municipal Finance Management Act (No. 56 of 2003) Access to information Special framework and SDF Spatial data infrastructure act (No. 54 of 2003)
IDP / Strategic Planning	Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) Local Government: Municipal Structures Amendment Act (No. 1 of 2003) Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) Constitution 1996 PMS Regulations 2001
PMS	Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) Local Government: Municipal Structures Amendment Act (No. 1 of 2003) Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)

OCCUPATION	LEGISLATION
	PMS Regulations 2001 Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) Constitution
Municipal Police & Traffic	National Road Traffic Amendment Act (No. 20 of 2003) SAP Service Amendment Act
Parks & Cemeteries	Cemeteries Act
Planning : Environment, Land, Transport & Town/Urban Planning	Squatter Acts Land Use Management Act Land Restitution Act Town Urban Planning, Communal Land Rights Act No. 11 of 2004 Land Transport Transition Amendment Act 2001 National Environmental Management Amendment Act (No. 8 of 2004) National Environmental Management: Biodiversity Act (No. 10 of 2004) Adjustments Appropriation Act (No. 27 of 2004) Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998)
Roads & Storm Water	Water Service Act, Road Traffic Act No. 29 of 1998
Valuation	Municipal Property Rates Act, 2004 (Act No. 6 of 2004) Property Valuers Profession Act 2000 Local Government Municipal Property Rates Act (No. 6 of 2004) Deeds Registries Amendment Act (No. 9 of 2003)
Water & Sanitation	Sanitation Act, National Water Act 1998 Water Services Amendment Act (No. 30 of 2004)
Waste Management	Environment Management Act Solid Waste Disposable Act National Environmental Management Amendment Act (No. 8 of 2004) National Environmental Management: Biodiversity Act (No. 10 of 2004)
Health	Primary Health Act National Health Act (No. 61 of 2003)
Disaster Management	Disaster Management Act (No. 57 of 2002) Drought Relief Adjustments Appropriation Act (No. 3 of 2004)

IDP Projects

A number of projects have been identified to improve the financial and institutional situation, improve service delivery and to generate additional sources of income. Please refer Chapter 3 and the Kannaland recovery Plan.

2. 5 – Year Financial and Capital Investment Plan

The long term financial plan (including the capital investment plan) will be finalized once the sector plans have been finalized with clear strategic

guidelines on integrated infrastructure development. The identification of sufficient sources of capital funding will be a challenge since Council is currently fully dependent on external grant funding for its capital programs. The 3 year MTREF will as an interim measure serve as financial planning instrument over the short term.

IDP Projects

The draft long term financial plan needs to be reviewed, updated and submitted to council for approval.

3. Financial Strategy

As part of its responsibility in maintaining macro economic and physical stability, the National Treasury annually determines aggregate guidelines concerning the capital, operating and special expenditures of a municipality. Guidelines for preparing budgets and financial statements form the basis for sound financial planning and strategy implementation.

Most of these guidelines are built in the current processes established within the municipality.

IDP Projects

The major challenge for the municipality is a lack of capacity, which will be addressed during the financial year.

The final phase of GRAP will also be implemented during the financial year, which should support the preparation of a financial strategy.

4. Revenue Enhancement Strategy

Debt Collection Policy

A policy was approved by Council and will be implemented during the financial year. We have also started to implement a special programme to enhance debt collection with great success.

Credit Control Policy

A policy was approved by Council and will be implemented during the financial year.

Indigent Policy

A policy was approved by Council and implemented during the 2006/7 financial year. This policy will be reviewed on a regular basis

5. Asset Management Strategy

The asset management strategy will be finalised during the final phase of the GRAP implementation.

6. 2007/8 Budget

The key to successful implementation of the municipal IDP and strategies is the efficient management of scarce financial resources or limited income.

Income

The municipality has several possible sources of income as can be seen in the tables below:

2007/2008

The income is estimated as follows:

Rates	R 8,904,000
Electricity	R12,671,520
Water	R 4,550,620
Sewerage	R 3,655,830
Refuse	R 2,916,270
Other	R 1,984,100
Sub Total	R34, 682,340

A large portion of the revenue of the municipality is grants from national and provincial government and the district municipality:

Grants for operating budget	R 15,814,300
Grants for capital projects	R 14,814,000
Total grants	R 30,628,300

The total revenue for the municipality before rebates, amounts to **R65,310,640**. Rebates of R 3 190 640 will be granted, which brings us to a total revenue of **R 62,120,000**.

2008/2009

The income for 2008/2009 financial year is estimated as follows:

Rates	R 9,437,000
Electricity	R13,558,522
Water	R 4,823,650
Sewerage	R 3,873,585
Refuse removal	R 3,089,861
other	R 1,989,412
Sub Total	R36,772,030
Grants (Operating)	R 10,896,290
Grants (Capital)	R 4,462,600
Total income	R 52,130,920
Less Rebates	R 2,777,920
Total net income	R 49,353,000

2009/2010

The income for 2009/2010 financial year is estimated as follows:

Rates	R10,001,000
Electricity	R14,507,618
Water	R 5,113,069
Sewerage	R 4,106,001
Refuse removal	R 3,275,253

Ander	R 2,111,839
Sub Total	R39,114,780
Grants (Operating)	R 13,372,300
Grants (Capital)	R 5,265,500
Total income	R 57,752,580
Less rebates	R 2,936,580
Total net income	R 54,816,000
Tariff increases	

The tariffs need to be adjusted to be able to achieve the revenue targets as indicated above. Adjustments will be as follows:

Service	2007/2008	2008/2009	2009/2010
Rates	7,5%	6%	6%
Electricity	6,4%	7%	7%
Water	6%	6%	6%
Sewerage	6%	6%	6%
Refuse Removal	6%	6%	6%
Other	6%	6%	6%

Free and/or Subsidised Services

The following rebates are applicable:

Service	2007/2008	2008/2009	2009/2010
Rates	R 2,057,664	R1,585,297	R1,680,415
Electricity	R653,452	R684,333	R717,376
Water	R479,520	R508,291	R538,789

Expenditure Budget

The expenditure budget for the financial years 2007/8 – 2009/10 can be summarized as follows:

Expenditure item	2007/2008	2008/2009	2009/2010
Salaries and allowances	R14,125,960	R14,979,420	R15,883,830
Remuneration councilors	1,918,800	2,034,300	2,156,800
Operating capital reserves	2,279,950	2,416,900	2,562,100
Repairs and maintenance	2,126,500	2,255,400	2,393,100
Interest external loans	1,054,100	1,117,600	1,184,900
Repayment external loans	877,440	930,300	986,300
Bulk purchases	9,013,000	9,553,800	10,127,200
Contractual Services	325,000	344,500	365,300
Grants and subsidies	24,660,000	8,471,550	9,999,080
General expenditure	5,622,250	5,786,230	6,128,390
Total	R62,003,000	R47,890,000	R51,787,000

Grants and Subsidies

A large portion of the grants will be used to finance the Recovery Plan. The expenditure will include amongst other, the following:

Project	Amount 'R'
Policies	20,000
Training (capacity building)	355,000

Appointment process for senior management	80,000
Job evaluations	80,000
PMS	380,000
Annual Report	50,000
SDBIP	50,000
Strategic Management	30,000
Capacity building staff	542,000
LED Strategy	250,000
Communication	280,000
Poverty alleviation strategy	170,000
IT	120,000
Revenue management	150,000
Short term insurance: Tender	15,000
Audit readiness review	50,000
Technical services	2,000,000
Sectoral Plans	1,556,342
Shared Services	1,500,000
Project management	300,000

7. Sectoral Plans

Spatial Development Framework

The development of the framework is in its final phase and was advertised for public comment. The framework will be finalised during this financial year where after it will be implemented.

Disaster Management Plan

Kannaland Municipality will be included in the District wide disaster management plan. Kannaland need to review the final plan and address the gaps, if any, internally.

Water Services Development Plan

This plan is work in progress

Integrated Transport Plan

A service provider will be appointed during this financial year to draft the plan for approval and implementation.

Integrated Waste Management Plan

A service provider will be appointed during this financial year to draft the plan for approval and implementation.

Integrated Poverty Reduction and Gender Equity Plan

A service provider will be appointed during this financial year to draft the plan for approval and implementation.

Integrated LED Strategy

A service provider will be appointed during this financial year to draft the plan for approval and implementation.

Integrated HIV Aids Programme

A service provider will be appointed during this financial year to draft the plan for approval and implementation.

IDP

The following guidelines are followed in the absence of proper sector plans:

- The legislative requirements.
- Ad hoc surveys and reports.
- Community participative input.
- Available sector plan on national, provincial and regional levels.

8. Recovery Plan

The Department of Local Government became aware of the serious financial problems of Kannaland Municipality during October 2003 and in co-operation with various role-players started to address the situation.

Following an investigation in terms of section 106 of the Municipal Systems Act, the Minister of Local Government issued detailed instructions to the Council of Kannaland. A recovery plan formed part of the instructions and consultants were appointed to execute the recovery plan.

The recovery plan was recently reviewed and redesigned to address all the immediate needs of the Council and its stakeholders.

The recovery plan is attached as Annexure B.

CHAPTER

05

Monitoring, Evaluation and Review

1. Introduction

The IDP is not stagnant and represents an ever-changing policy and strategy that must grow and evolve with the municipality and its people. The IDP stipulates definite objectives, project indicators and programmes that must be achieved within the planning period.

Monitoring, evaluation and review make up a system to assess the performance of the municipality. Monitoring and evaluation are critical to:

- Ensure the implementation of plans
- Measure their development impact
- Ensure the efficient use of resources
- Measure Council/s success

Monitoring, evaluation and review mechanisms should be implemented as an ongoing or cyclical activity and should be built into the annual planning and budgeting cycle. The performance management system of the municipality must fulfil this role.

2. SDBIP

The municipality implemented a service delivery budget implementation plan during the 2006/7 financial year. The first review will take place during the said financial year as input to the annual report of the municipality.

IDP Projects

The new SDBIP will be drafted for approval within the required timeframes during the 2007/8 financial year.

3. Performance Management System

A performance management system for municipalities attempts to measure the performance of the municipality as a body. For example, the system attempts to measure whether the municipality has met the goals or KPI's as defined in terms of their IDP.

IDP Projects

The municipality will work with the district municipality to implement a performance management system at the municipality.