



SOL PLAATJE MUNICIPALITY

IDP REVIEW 2005/2006

JULY 2006

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A. BACKGROUND TO THE IDP REVIEW

On 28 November 2002 the Sol Plaatje Municipal Council completed and adopted its first Integrated Development Plan (IDP). The IDP provided the Municipality with a 5-year Financial and Implementation Plan and a One-year Action Plan and Budget based on a long-term vision and strategic development objectives.

The IDP provides an important framework for the work of the Municipality. It is, however, necessary to review the IDP on an annual basis. This is both good business practice as well as a legislative requirement of the Municipal Systems Act.

Sol Plaatje Municipality completed its first review in August 2003, the second in August 2004 and the third review in May 2005. This Review (the fourth and last review of the first cycle of IDP's) adopted by Council on 2 August 2006 (Resolution C313), will further reflect in more detail on the Strategic Development issues to be addressed by Sol Plaatje Municipality in terms of its developmental mandate as well as the harmonization/alignment with the planning documents of the other spheres of government as reflected in the work done during the Northern Cape Engagement Session held in Upington in May 2006. Specific reference is made to the National Spatial Development Perspective (NSDP) and Provincial Growth and Development Strategy (PGDS).

This review also takes cognisance of the IDP Hearing Report 2005 recommendations

This Review further consolidates the work of the present Council rather than changing the strategic direction which is the prerogative of the newly elected Council. It also reflects on the achievements and challenges since the adoption of the first IDP in November 2002.

The progress on implementing the IDP during 2005/06 will also be reflected as well as the approved IDP Programme and Multi-Year Budget for 2006/07.

This review should be read alongside the original IDP adopted in 2002 as well as the ensuing Reviews. These IDP documents are available on the Internet at www.solplaatje.org.za.

B. National Growth and Development Strategy¹

The Local Government MINMEC meeting held on 12 November 2004 was critical in highlighting the strategic tasks facing the system of governance in the 2nd decade of democracy in South Africa.

Government's targets for 2014 are:

- Reduce unemployment by half
- Reduce poverty by half
- Provide skills required by the economy
- Ensure that all South Africans are able to fully exercise their constitutional rights and enjoy the full dignity of freedom

¹ Guidelines, IDP Hearings: DPLG, 20 Dec 2004

- Provide a compassionate government service to the people
- Improve services to achieve a better national health profile and reduction of preventable causes of death, including violent crime and road accidents
- Significantly reduce the number of serious and priority crimes and cases awaiting trial
- Position South Africa strategically as an effective force in global relations

The key tasks in achieving the above goals are:

- To grow the economy and balance increased social spending with higher public spending on economic infrastructure and services.
- Dedicated focus will be paid to government capability, especially that of local government as it operates at the coalface of service delivery, by:
 - *Focusing Intergovernmental Relations on service delivery and development outcomes in the context of the Intergovernmental Relations Framework Bill.*
 - *Ensuring that “Project Consolidate” serve as a catalyst to make the Local Government sphere fully functional through an intergovernmental hands-on support approach.*
 - *Ensuring that the “peoples contract” be realized through active partnerships between government, communities and the public sector at local level.*
- To ensure that integrated sustainable human settlements and resilient and vibrant municipal economies are at the centre of governments objectives.

The above issues need to be reflected in Provincial Growth and Development Strategies and Local Government IDP's.

C. Northern Cape Provincial Growth and Development Strategy 2004 – 2014 (NCPGDS)

The NCPGDS was released in January 2005 and the highlights are captured below as it impacts directly on local government in the Province.

The Northern Cape's development vision is:

Building a prosperous, sustainable, growing provincial economy to reduce poverty and improve social development.

The two primary development objectives have been identified as:

- *Promoting the growth, diversification and transformation of the provincial economy.*
- *Poverty reduction through social development.*

The achievement of these primary development objectives depends on the achievement of a number of related objectives that, at a macro-level, describe necessary conditions for growth and development. These are:

- *Developing requisite levels of human and social capital.*

- *Improving the efficiency and effectiveness of governance and other development institutions.*
- *Enhancing infrastructure for economic growth and social development.*

To give effect to the Development Vision and Development Objectives, the following series of high-level development targets for economic growth and social development in the Northern Cape were set:

- *To maintain an average annual economic growth rate of between 4% and 6%;*
- *To halve the unemployment rate by 2014;*
- *To reduce the number of households living in poverty by 5% per annum;*
- *To improve the literacy rate by 50% by 2014;*
- *To reduce infant mortality by two thirds by 2014;*
- *To reduce maternal mortality by two thirds by 2014;*
- *To provide shelter for all by 2014;*
- *To provide clean water to all by 2009;*
- *To provide access to adequate sanitation to all by 2009;*
- *To reduce crime by 10% by 2014;*
- *To stabilize the prevalence rate of HIV and AIDS and begin the reverse by 2014;*
- *To redistribute 30% of productive agricultural land to PDI's by 2015;*
- *To conserve and protect 6,5% of our valuable biodiversity by 2014; and*
- *To provide adequate infrastructure for economic growth and development by 2014.*

The NCPGDS also addresses the issue of strengthening local government. In the first decade of democracy, substantial progress has been made towards the transformation of the system of local government. In recent years, core systems of development that focus on integrated development planning, service delivery, community participation and performance management have been introduced.

The key objectives of the support strategy are to:

- *Entrench integrated development planning as an approach;*
- *Improve the capacity of municipalities to plan so as to ensure sustainable, integrated and targeted development and investment;*
- *Improve the implementation capacity of municipalities to ensure effective delivery of services;*
- *Improve inter-sectoral co-operation between provincial departments and municipalities;*
- *Ensure co-ordination and effective implementation of the various support initiatives; and*
- *Support municipalities that have little or no structural capacity.*

The key initiatives aimed at targeted support for municipalities to ensure sustainability, integrated service delivery and financial viability include the following:

- *Inter-governmental Planning Support;*
- *Project Consolidate; and*
- *Local Government Support Programme (MSP).*

A multi-dimensional approach to spatial planning and development needs to be adopted in the Province through a Provincial Spatial Development Strategy (PSDS). The PSDS must not only give effect to national spatial development priorities, but must also set out the provincial, regional and local spatial priorities of the Northern Cape. It will guide strategic decisions related to the location and the distribution of resources in time and geographic space.

Strategic elements of the PSDS pertaining to Sol Plaatje Municipality:

Established growth centres

“The major established growth centres are located in the Kimberley-Postmasburg sub-region. These are likely to remain the main economic driving force for the foreseeable future and will continue to attract rural and urban migrants. This growth in population often exceeds the growth of service provision thereby increasing backlogs. The implication of this is that development priorities in these areas should be the reinforcement of growth in established economic sectors through diversification, SMME development and increased levels of service provision.”

Land reform areas

“A number of land restitution and redistribution cases in the Northern Cape are in close proximity to the Kimberley-Postmasburg and Upington areas. In most settled cases this has led to services being provided in previously under- or non-serviced areas. In many cases, the economic potential of land is inadequate as a source for economic livelihoods and this will have to be addressed in any future consideration of infrastructure investment and development. As a result, the development priorities should be maximisation of LED opportunities, promoting integration and linkages with the surrounding economy and the provision of appropriate levels of service.”

The NCPGDS also addresses the issue of financing growth and development

“Securing adequate financial resources to finance growth and development is a critically important strategic imperative. Clearly, our ability to finance the programmes and projects that would lead to the achievement of our development objectives will be a key determinant of our success. The reality of our collective situation is that, while no single agency has sufficient financial resources to drive growth and development to the extent required, there are a number of relatively well-resourced players that can collectively contribute to the achievement of our collective vision for the economic and social development of the Northern Cape.

However, this will require a high degree of commitment to an inclusive, participatory and well co-ordinated approach to planning for growth and development and to the implementation of programmes and projects that seek to achieve this end. By integrating the programmes and budgets of those institutions that share co-responsibility for promoting growth and development in the Northern Cape, it should be possible to enhance the development impact of their spending in the province.

Through the “equitable share” and alignment of the MTEF with the NCPGDS, through better co-ordination and management of municipal finance and through the integration of national government department spending in the province, it should be possible to streamline public sector spending on growth and development. Add to this the possibility for complementary spending by State Owned Enterprises, the Development Finance Institutions, the private sector and some of the labour unions, and a picture emerges that suggests that it should be possible to do more to finance growth and development initiatives. However, this would require these parties to collectively achieve better levels of co-ordination and co-operation amongst the institutions responsible for growth and development.”

IMPLEMENTING, MONITORING AND EVALUATING THE NCPGDS

“Despite the limitations of conditions set by national government, provincial government remains a significant catalyst for economic growth and social development. The NCPGDS is, thus, an important tool to ensure that the development impact of what government and its partners do is maximised.

As a facilitator of economic growth and the major driver of social development, provincial government has to work in partnership with all stakeholders to improve programmes for economic growth and development, to set targets that are achievable and ensure co-ordination of provincial and local government development programmes.

Provincial government must position itself as an enabler of economic growth. Since it cannot bring about increased economic growth and development alone, collaboration with the private sector, the donor community and the relevant national level institutions is essential. Similarly, in social development, government is committed to working closely with all stakeholders to optimise the impact of its programmes and activities.”

In striving to achieve “institutional superiority”, provincial government will have to consider a range of options. Depending on the function in question, a choice exists between delivery through normal public sector structures or through external agencies. Opportunities for outsourcing, privatisation, joint ventures, PPP’s or the creation of statutory or non-statutory agencies exist to facilitate the delivery of NCPGDS programmes and projects.

Adequate monitoring and evaluation systems, procedures and arrangements must be put in place to ensure the success of the NCPGDS. These must be developed as an integral part of the process of formulating and implementing the NCPGDS and must provide for adequate and proper measurement, evaluation and feedback.”

D. Harmonising and Aligning: National Spatial Development Perspective and Provincial Growth and Development Strategy and IDP’s

“One of the major challenges that has frustrated government in its quest to (1) provide basic services to all its people, (2) progressively improve the quality of life and life chances of all South Africans and (3) eradicate the dualistic nature of the South African economy, has been the effective integration, coordination and alignment of the actions of its three constituting spheres. Over the last decade this intention has found expression in a range of Acts, policies, strategies, development planning instruments, integration mechanisms and structures aimed at ensuring that intergovernmental (1) priority setting, (2) resource allocation and (3) implementation takes place in a programmatic, integrated, effective, efficient and sustainable way”².

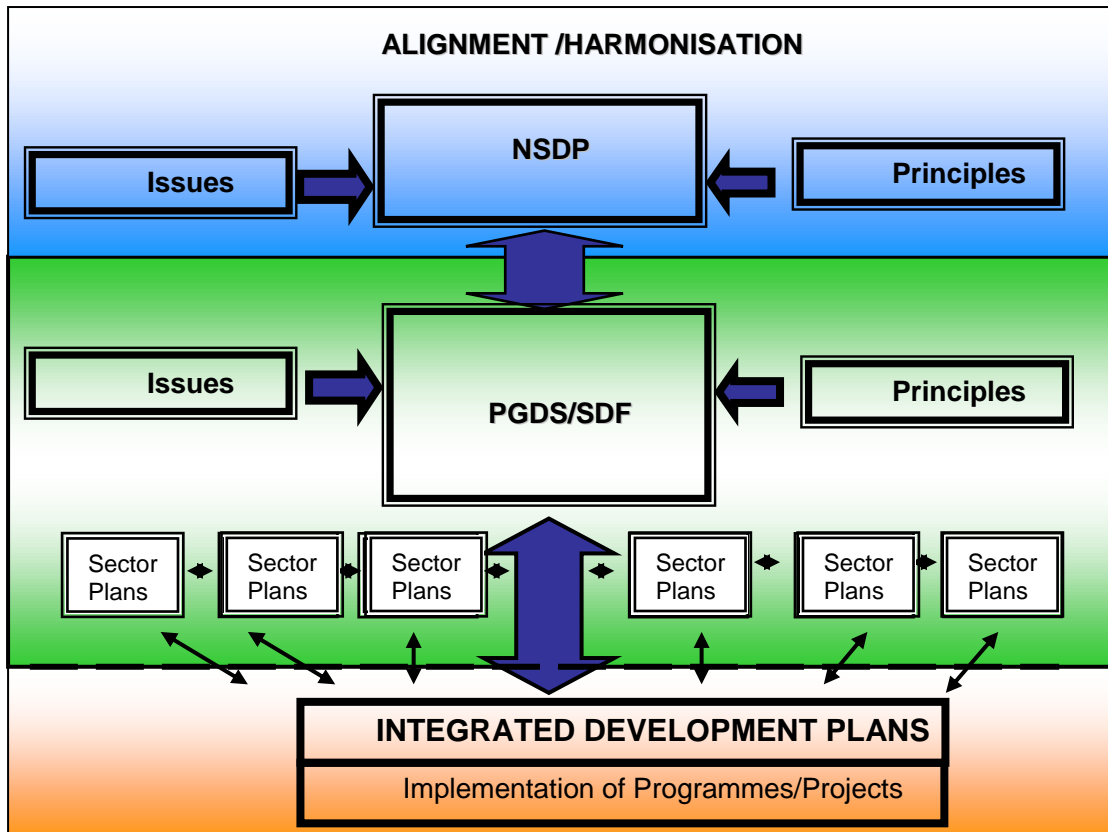
Unfortunately this harmonisation and alignment has not been achieved yet. The Policy Coordination and Advisory Services in The Presidency have started an initiative with the specific objective to facilitate the harmonisation and alignment of the PGDS, the municipal IDP’s and the NSDP.

In line with this initiative the Northern Cape Department of Housing and Local Government has embarked on a process to specifically align IDP’s with Provincial Sector Department Plans. A draft Northern Cape Alignment Strategy has been prepared and workshopped with the District IDP Forums in the Province.

² The Presidency , December 2004

On 1 and 2 February 2006 the strategy was again workshopped during a Sector Alignment and IDP Training event specifically geared at training provincial sector departments on alignment issues, NSDP principles, PGDS perspectives and IDP's. Final comments will be requested from the PGDS Secretariat, the IGR Forum and the Office of the Premier before it is submitted to Cabinet for adoption of the strategy.

The diagramme below indicates the alignment/harmonization between the NSDP, PGDS and IDP's as envisaged by the initiatives presently undertaken at both National and Provincial level



This process is being unfolded at present. This will then contribute towards better alignment of planning, implementation and allocation of resources between specifically the Municipality and Provincial Sector Departments. Presently the allocation of resources from Provincial Sector Departments is not always allocated in line with the Municipality's IDP priorities. It will also counteract the unilateral implementation of projects within the municipal area.

The Municipality would therefore have to make a concerted effort, once the Province's Alignment Strategy is in place, to play its part in ensuring that harmonization and alignment between its IDP and that of the District Municipality as well as the PGDS and NSDP does take place.

During May 2006 this process was taken a step further with the 2006 IDP Engagement Process and Five-Year Local Government Strategic Agenda. The IDP Engagement 2006 was a discussion between representatives of all Municipalities in the Province and officials of Provincial and National Departments. These discussions centred on the outcome of the analysis of

IDP's signed off by the Premier before the local elections in March 2006 as well as the Analysis Report from the 2005 IDP Hearings. The following key performance areas were addressed during the Engagement Session:

KPA 1:	Spatial Development Frameworks (SDF)
KPA 2:	Service Delivery
KPA 3:	Economic Development and LED
KPA 4:	Financial viability
KPA 5:	Institutional Arrangements
KPA 6:	Performance Management

In addressing these issues there would have been provincial sector commitment follow-up in the short-term (May and June 2006) as well as longer term active sector hands-on support in the form of joint planning, sharing of information and the preparation of clear budgets (July to November 2006). The confirmation of the 2nd round of IDP's can then happen during the period November 2006 to March 2007.

E. SOL PLAATJE'S REPOSE TO THE 2005 ENGAGEMENT PROCESS

Sol Plaatje Municipality will engage fully in this process and welcomes this initiative as it will ensure that priority development within the Municipal Area is aligned to national and provincial priorities but importantly also that national and provincial sector department plans are aligned to the local IDP priorities that reflect the priority needs of the local communities. Scarce resource allocation will then also be aligned accordingly to ensure effective service delivery and local development.

This alignment and harmonization is also one of the key aspects being addressed in the proposed City Development Strategy of the Sol Plaatje Municipality and is addressed in more detail below (Section H-3).

All the key performance areas mention above are being addressed in the IDP, either through this Review or will be addressed in the next 5-Year cycle IDP. See also Section G – IDP Achievements and Challenges Remaining.

F. IDP REVIEW PROCESS 2005/06

This, the 4th review should be seen as a consolidation of the past 4 year's work and to complete the schedule of work commenced with. It is intended to revise the IDP by taking into account the following:

- National and Provincial Growth and Development Strategies
- IDP Hearings Report recommendations
- IDP Engagement Process 2005
- Initiatives arising from National and Provincial programmes impacting on the Sol Plaatje Municipality
- Review and consolidation of the existing IDP Strategic Objectives
- Consolidation of the implementation of the IDP Action Plans and Budgets since the 2002/03 financial years.
- New information and developments now available and relevant to the IDP

1. The Review Process

This Review was carried out via a process of internal consultation and decision-making closely linked to the budgeting cycle as per the MFMA.

Due to the directive received from National Treasury to submit a draft budget in December 2005 a Process Plan was prepared for this specific process and linkage with IDP. This is indicated in the Table 1 below.

Table 1: Process Plan Aug –Dec 2005

ADAPTED IDP/PMS/BUDGET PROCESS PLAN 2006/07 (ONLY TO DECEMBER 05)								
		2005						
		AUG	SEPT	Actual	OCT	Actual	NOV	DEC
IDP, Bud,PMS	Process Plan Adoption		7/9					
	Prepare and discuss draft Process Plan		5/9					
	Finalise Draft Process Plan - Submit to Council		6/9					
IDP/PMS	Review Strategic Priorities IDP		28/9					
	1. Workshop Strategic issues, Objectives, KPIs and Targets with Management (including NGDS and PGDS).		8-9/9					
	2. Workshop Strategic issues with Councillors		13/9					
	3. Document results		16/9					
Budget	Submit draft Budget to Council							5/12
	1. ID Projects linked to Strategic Objectives and Makers, Funding Sources, capital Availability etc.		19-23/9					
	2. ID Operational priorities, finalise budget guidelines, human resources, debt collection targets etc.							
	3. Discussions with Prov. Adjustment budgets. GURP, SDF, Sector specific plans		26-30/9	3-7/9				
	4. Directorate Operational Plans for 2006/07				17/10			
	5. Document outcomes of 1-4 above as preliminary draft Budget				28/10			
Budget/IDP/PMS Public Participation	6. Discussions with Budget Committee						8/11	
	1. IDP Rep Forum: Progress Report 2005/06 and preliminary draft IDP Review/Budget 2006/07 (or Ward Clusters)						9-16/11	
Budget/IDP/PMS	2. IDP Business Forum: Progress Report and preliminary draft IDP Review/Budget 2006/07							
	Align IDP Review/Budget priorities from communities.						16-30/11	
	Finalise Draft Budget 2006/07							
	Finalise draft IDP Review							
	Finalise draft PMS Review							
Discuss final draft with Budget Committee							1/12/05	

Due to time constraints the public participation process was postponed to April and May 2006. A further Process Plan (Table 2 below) was submitted and approved by Council in March 2005. This Process Plan is also in line with the Framework Guide for Credible IDP's issued by the Northern Cape Department of Housing and Local Government. According to this Framework draft IDP's were due by 1 March 2006, to be followed by an intensive period of province-

wide workshops and analysis by key stakeholders to ensure credible IDP's to be adopted by not later than 30 June 2006.

Table 2: Process Plan Feb – Jul 06

Draft Process Plan: IDP Review and																									
ACTIVITIES	FOURTH QUARTER																								
	Feb 06				Mar 06					April 06				May 06				Jun 06				Jul 06			
	1	2	3	4	1	2	3	4	5	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Prepare and discuss draft Process Plan	Thu, 9																								
Finalise Draft Process Plan - Submit to EMT	Fri, 10																								
District IDP technical Committee meeting (alignment)		Mon, 13																							
Discussions with Prov. Adjustment budgets. GURP, SDF Sector specific plans																									
Finalize draft IDP Review (excluding Implementation Plan)			Thu, 16																						
Directorates final input. Align Budgets with Strategic Objectives. Investigate funding sources.			Wed, 15																						
Finalise Budget (Ops and Caps) considering Directorate inputs including IDP Action Plan			Thu, 16																						
Present draft budget and IDP Review to EMT				Fri, 17																					
Submit draft Budget (NT Format) to Council				Wed, 1																					
Advertise draft Budget for stakeholder input and key dates for public participation (IDP Review/Budget)																									
IDP Rep and Bus Forum meetings (Ward groupings): Present and Discussion draft budget and IDP Review																									
Align Programmes and Budget with Provincial Sector Depts																									
Update IDP Capital Projects/Adjust Budget based on final DORA allocations and stakeholder input																									
IDP Review and Budget orientation New Council																									
IDP Rep and Bus Forum meetings (Ward groupings): Present and Discussion final draft budget and IDP Review																									
Council adoption of annual Budget 2005/06																									

A draft IDP was adopted by Council on 21 February 2006 (Resolution C28) and submitted to the Department of Housing and Local Government on 23 February 2006.

The draft IDP Review and Budget was advertised on 10 April 2006 for public comment with the due date for comments on 12 May 2006. During the comment time various public meetings were held, mainly focusing on the Budget 2006/07 and IDP priorities linked to the Budget.

The public meetings were structured along ward boundaries (similar wards grouped together) since very few people (4 in total) attended the IDP Representative Forum Meeting scheduled for 10 April 2006. A total of 11 meetings were held during the period 12 April 2006 to 4 May 2006 and approximately 1,000 people were reached with this adapted public participation approach. See Table 3 below.

Table 3: Scheduled meetings for public participation process during IDP Review and Budget preparation process

DATE	WARDS
10 April 2006	IDP Representative Forum
12 April 2006	20,21,23 and 24
12 April 2006	3
13 April 2006	22 and 25
18 April 2006	18 and 20
19 April 2006	4
24 April 2006	5,6,7,9,10 AND 11
25 April 2006	12,13 and 19
2 May 2006	14 and 18
3 May 2006	26 and 27 (Ritchie)
4 May 2006	1 (Riverton)

The main issues raised by the communities and written comments received centered on the following issues:

- Infrastructure maintenance: roads and stormwater, clearing of open spaces, water and sanitation
- Service delivery in general
- Housing: provision of low cost housing – present backlogs and upgrading of informal areas
- Quality of project implementation
- Indigent issues and free basic services
- Job creation and poverty alleviation

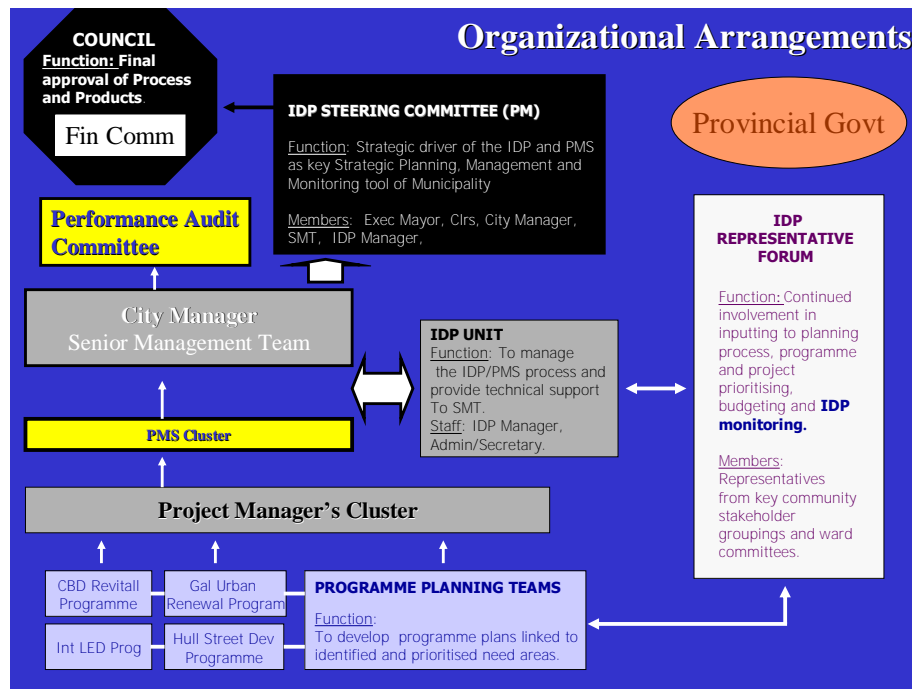
Specific projects that were mentioned as priorities during the meetings were:

- The further restoration of houses in Groot No 2 as part of the Conservation Project
- Bucket eradication project
- Upgrading of gravel roads in Galeshewe

These issues will receive attention as an ongoing process of better service provision while the projects are being addressed in the 2006/07 IDP Implementation Plan and Budget.

2. Review Structures

The structures as indicated in the diagramme below were created to manage the IDP Process.



Although no meetings of the IDP Representative Forum took place the public participation process was more intensified through the combined ward meetings that were conducted.

G. IDP Achievements and Challenges Remaining

Since the adoption of the original IDP steady progress has been made in filling the content gaps that existed in the IDP. Management consciously decided not to employ service providers to prepare and review its IDP which inevitably left gaps in the original IDP as it was a new planning method with a very steep learning curve that had to be dealt with in a fairly short time by both councilors and officials. This decision, however, contributed to a higher degree of buy-in into the process and content of the IDP. Service providers were only sourced if the level of expertise or human capacity necessitated it – the management of the process, however, was done in-house. Although the original IDP therefore lacked in legally required content many of these gaps were filled during the 4 years of reviews.

Many challenges, however, still remains that need to be addressed in the second cycle of IDP preparation of which the main challenge still remains the linking of strategic issues to the daily operation and service delivery of the Municipality. Alignment between provincial sector departments plans and the IDP also still remains a challenge.

Table 4 below indicates the legally required content gaps that were filled during this first cycle of IDP preparation.

Table 4: Content gaps filled 2002 – 2006

Gap in IDP 2002	Comments on Gaps filled
Water Services Development Plan	Draft Plan completed in August 2003. Under review with DWAF
Integrated Transport Plan	The ITP is in the preparation process. To be completed by July 2006
Spatial Development Framework	The SDF adopted by Council in September 2004 and is presently in its first cycle of review.
LED Strategy	LED Strategy was adopted by Council in June 2004.
Institutional Plan	The Municipal administration is presently engaged in a process of transformation to be completed by August 2006. This process aims at transforming the organization to deliver on its developmental mandate – see detail below.
Performance Management System	An Organisational PMS Framework was adopted by Council in March 2005. The PMS has not yet been fully implemented or cascaded to individual level but should be fully implemented during the 2006/07 financial year

Table 5 below indicates the legally required content gaps that still remains and need to be addressed.

Table 5: Content gaps still remaining

Gap in IDP 2002	Comments on Gap filled
Land Use Management System (LUM) and Integrated Zoning System	Negotiations are ongoing with the Dept of Land Affairs to assist financially and technically to address this issue. An amount of R1m has been earmarked by the Dept for this project in the 2006/07 financial year. See below.
Disaster Management Plan	The current status of disaster management and disaster hazard, vulnerability and risk assessment for the Municipality has been completed. The process needs to continue in order to establish an integrated Disaster Management Plan. Funding still need to be sourced to complete this work
Waste Management Plan	This Plan will be addressed in the implementation of the adopted Alternative Service Delivery Strategy (ASDS). As a matter of urgency tenders were advertised for the design and operation of the Kimberley and Ritchie landfill sites in order for these sites to be operated within the relevant legislation. Tenders to be awarded soon.
Institutional Plan	An Institutional Transformation Initiative linked to the ASDS has commenced during April 2005 and is continuing. See above
Integrated Environment Management Programme	At present SPM is in the process of sourcing funding to start the process in preparing an Environmental Management System integrated with that of the Frances Baard District Municipality.

Strategic Issues

Progress has also been made in defining the strategic direction the Municipality needs to take to ensure its long term sustainability. This came about during the work done in preparing a Restructuring Grant Application to National Treasury in

2002/03 which has since been fully integrated with the IDP. A summary of the strategic issues that emanated from this is attached as Annexure 1.

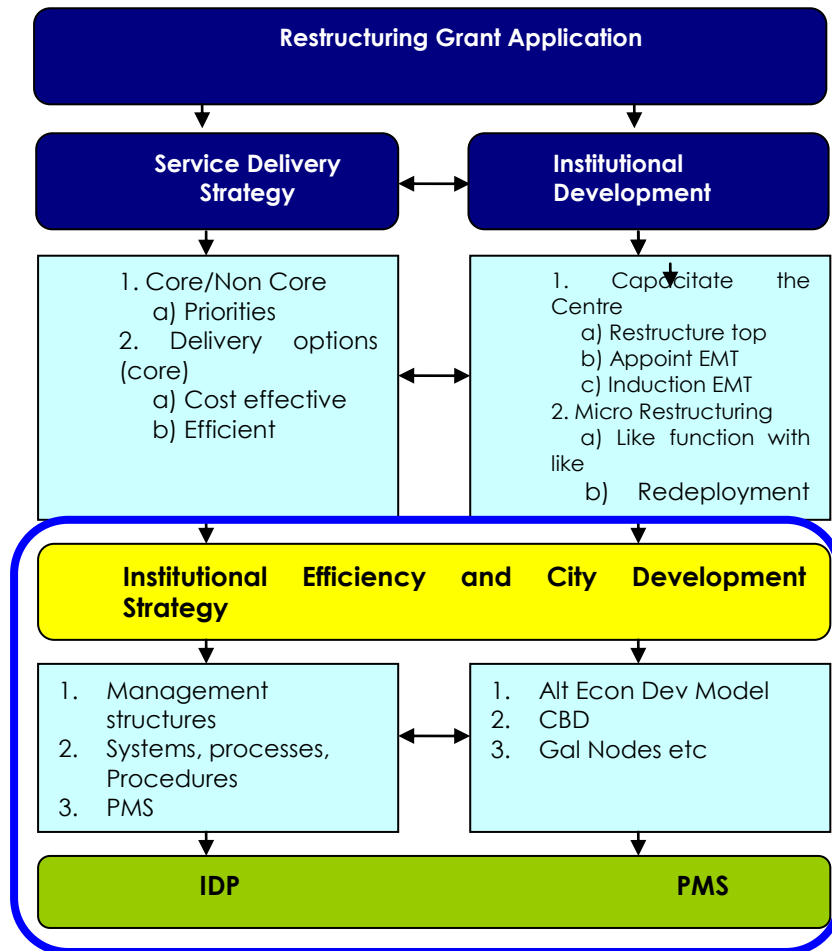
The RGA argued that Sol Plaatje Municipality (SPM) matters as it is the dominant urban node and largest generator of economic opportunity in the Northern Cape Province. The future welfare and quality of life of people in the Northern Cape depends largely on the success of Kimberley as a city and Sol Plaatje as a municipality. The SPM is the institutional nexus that controls, finances and manages the key economic and social infrastructure for the region. It is therefore essential for both City and Province that the ability of SPM to fulfil its developmental mandate be protected and enhanced. The Restructuring Grant Application therefore articulated a strategy on how to position Sol Plaatje to achieve increased standards of living and improving the quality of life for all its citizens. Various diverse projects were implemented towards achieving this goal – although not always in a very coherent manner. It was also sometimes politically difficult to reconcile basic needs to long term strategic goals.

This led to SPM preparing and adopting its Alternative Service Delivery Strategy (ASDS) early in 2005 that addresses the following:

- a) The development of a service delivery strategy that:
 - o defines the (core) package of municipal services Sol Plaatje is to deliver;
 - o outlines equitable service delivery policies; and
 - o sets out the required investment programme to achieve access to a minimum package of equitable municipal services.
- b) An alternative service delivery policy framework that:
 - o Defines the Sol Plaatje Municipality's strategic options and alternatives when considering its approach to the provision of municipal services; and
 - o determines a priority sequence of services for investigation

It was however soon realised that the institution was not structurally geared towards delivering on this new strategy. Sol Plaatje Municipality then sourced service providers with the necessary skills to assist with technical support towards implementing the said strategy. This appointment also included assistance with coordinating other initiatives closely related to the implementation of the ASDS as well as transformation management. This Transformation Initiative identified a need to accelerate the strengthening of the corporate centre as a prerequisite for building adequate and appropriate capacity at the centre of the organisation, to effectively drive and successfully manage the implementation of the ASDS towards the realisation of the objectives of the Integrated Development Plan. The Transformation Initiative is shown diagrammatically below.

Diagramme 1: Transformation Initiative

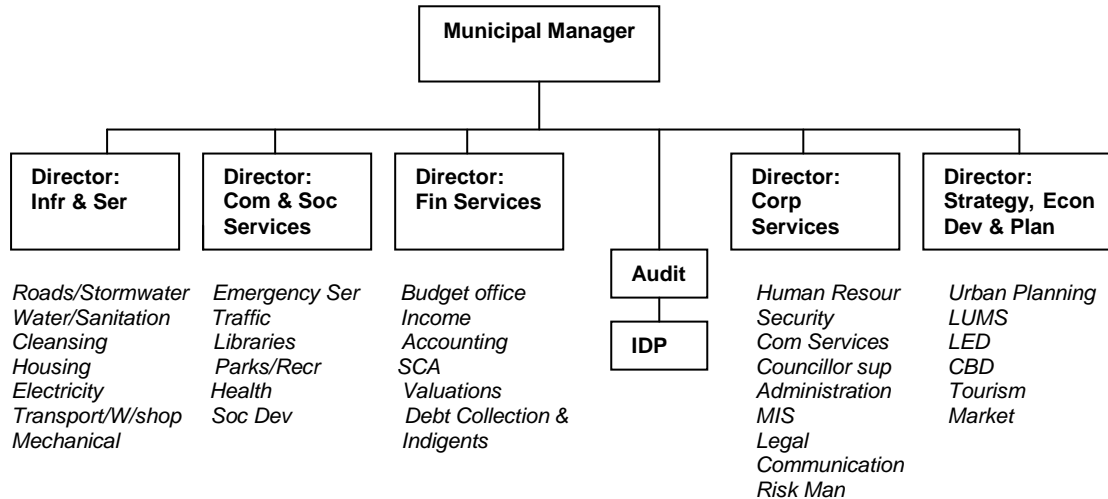


The components circled on the diagram constitute the next phase of the Transformation Initiative and will be discussed in more detail below.

This initiative gave rise to the restructuring of the macro organisation into 5 Directorates with the appointment of the heads of these Directorates in January 2005. This concluded the "Centre of the Organisation" with the capacity building component ongoing. The restructuring of the micro organisation is also ongoing and will be finalised in the 2006/07 financial year. An Institutional Plan can then be finalised once the Transformation Initiative has been concluded.

A Workplace Skills Plan has been developed aligned with the IDP and is attached as Annexure 7

The organogramme below indicate the present macro organisation:



Service Delivery

Significant progress has been made in terms of the provision of water, sanitation and roads to households as well as the provision of a solid waste removal service where an insignificant backlog exists. The backlog for housing and electricity however increased, with a significant increase in the provision of electricity. This can be ascribed to the fact that although there is a decline in the population the number of households increased. The increase in households is a result of the changing structure of households. As subsidies become available households tend to become smaller which increases the demand for housing. These households then settle in informal unserviced areas. Basic water, sanitation and solid waste removal services are provided in these areas but for obvious reasons not electricity.

Table 6: Service Backlog Comparison 2002 – 2006

SERVICE BACKLOG	2002 (No of households)	2006 (March)* (No of households)
Water	5,963	1,975
Sanitation	6,856	6,856
Electricity	4,121	10,582
Roads	362Km	257Km
Solid waste collection	N/A	349
Housing	13,772	14,915

* Information provided by Directorate: Infrastructure and Services

In terms of service delivery the challenge still remains to provide services cost efficiently in order to make it affordable for the increasing number of poor households. In this regard it is vital to expedite the implementation of the Alternative Service Delivery Strategy.

Galeshewe Urban Renewal Programme

The Galeshewe Urban Renewal Node is one of the 8 urban development nodes identified in South Africa to realise the developing national vision for South African cities and towns. This vision rests on deepening efforts with respect to programme integration and improved service delivery in urban areas, deeper understanding of urbanization and urban-rural linkages, shared visions and sustainable partnerships for urban regeneration and growth and a supportive funding

framework³. Inter-sectoral alignment and cross-sphere coordination is the hallmark of this intervention and the focus on these areas will be intensified. Investment in these areas focuses largely on basic service delivery and community empowerment. Long-term and major fixed investment in these nodes is increasingly being determined by the feasibility of exploiting specific opportunities outlined in the Provincial Growth and Development Strategies (PGDSs) and municipal Integrated Development Plans (IDPs).

The Galeshewe Urban Renewal Programme was launched in 2001 and a formal Urban Renewal Strategy and Business Plan were adopted in May 2004 outlining the strategic framework and focus areas in realizing the above national objectives.

It is important to note that since the announcement of the Urban Renewal Nodes in 2001 by the State President, Thabo Mbeki, a number of challenges were experienced by the nodes, with particular reference to Galeshewe; including lack of resources to execute the programme, - lack of capacity, financial constraints, incomplete institutional arrangements, lack of planning documents, etc. as a result the focus continued to be on infrastructure projects.

It was only during the 2003/2004 financial year when the Sol Plaatje Municipality appointed a Programme Manager, with an assistant appointed in 2004/2005 that a conscious effort was made to improve the status quo. An Urban Advisor came on board later in 2003/2004 through the partnership between Sol Plaatje Municipality and Sida-Sweden, and later in 2004/2005 DEAT seconded a Community Environmental Worker (CEW) to assist with implementation of environmental related projects.

The Sida support ended in December 2005 which inevitably resulted in delays to project implementation. Three project managers have however been appointed in December 2005 which saw an uplift in project implementation.

Primarily 2003/2004 and part of 2004/2005 were spent trying to set the basics in place, i.e. preparation of GURP Business Plan and Strategy, Spatial Development Framework and Galeshewe Open Space and Landscaping Plan, which were approved by Council in 2004/2005. Parallel to that a few anchor projects were implemented. It is only in 2005/2006 financial year that a number of non-infrastructure projects that emanate from the Business Plan began to emerge. These primarily include environmental projects, LED and Tourism projects.

The following national and provincial sector departments contributed to the GURP:

2005/2006

Department	Budget	%
DH&LG	R 15,800,000.00	25
DSAC	R 10,000,000.00	16
DME	R 434,000.00	0.7
DEAT	R25,800,000.00	40.6
DoHsg	R 5,400,000.00	8.5
DPLG	R 6,000,000.00	9.2
TOTAL	R 63,434,000.00	100

³ Presentation by Yusuf Patel, Executive Manager: Development Planning, Department of Provincial and Local Government, South Africa at the South African Networking Event, World Urban Forum (WUF) 2004, Barcelona

Please Note: Funds are not channelled into the municipality

2004/2005

Department	Budget	%
DH&LG	R15,000,000	42
DSAC	R10,000,000	27
DoH	R 5,554,000	15
DPLG	R6,000,000	16
TOTAL	36,554,000,00	100

2003/2004

Department	Budget	%
DH&LG	R12,300,000	76
DoH	R3,000,000	18
DPLG	R1,000,000	6
TOTAL	R16,300,000	100

These projects created 2936 temporary jobs and 132 permanent jobs.

The following progress was made in terms of the identified anchor projects:

Anchor Project	Status	Budget	Jobs created	Funder
Conservation of 170 Houses and Landscaping in Greater Number 2	Complete and launched	R2m	Temp. 316	Nat. Dept of Housing - HSRF
Erection of Informal Trade Facilities along Activity Corridor	Complete	R1m	Temp. 20	Sol Plaatje Municipality
SMME Auto Centre Development in Hulana Street	Complete and launched	R0,7m	Temp. 20 Perm. 18	Sol Plaatje Municipality
Galeshewe Plaza – Shopping Centre	Complete and launched	R10m	Temp. 254 Perm. 40	Private venture – Municipal Employees Pension Fund
Dr Letele Shopping Centre Revival	Complete and launched	R0.8m	Temp. 25 Perm. 22	Sol Plaatje Municipality
Mayibuye Multi-purpose Centre	Ongoing since February 2005	R40m	Temp. 300 Perm. Not determined yet	Dept. of Sport, Arts and Culture Sol Plaatje Municipality
SMME Village	Not started	R5m	Temp. 42 Perm. 30	Dept. of Housing – HSRF Sol Plaatje Municipality
	Total	R59,500,000	Total Jobs 1077 (T) 977; (P)	

			100	
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The following challenges still remain in terms of the GURP:

- Lack of integration and co-ordination with all spheres of government.
- Insufficient project management capacity to speed up implementation
- Insufficient commitment and ownership by councillors and community
- Insufficient marketing of GURP projects and activities
- Insufficient budget to execute projects
- Internal processes have a delaying effect on project implementation - MFMA compliance during tender stage
- Maintenance of new developments where applicable, e.g. greening of parks and sportsfields, management and maintenance of Mayibuye multi-purpose Centre by the DSAC
- National and provincial departmental inconsistency in reporting progress even after a project has been announced and approved by such a department

The following key interventions are necessary to address the above challenges:

- GURP to be a standing agenda item in all HOD meetings to ensure alignment does ensue and representativity within the GURP Technical Co-ordinating Committee is improved. The DHLG is co-coordinating the process.
- In August 2005 submission was made to DPLG for financial assistance for specific projects, which are envisaged to be funded by various potential funders from at least the 2006/2007 financial year.
- Additional operational budget is required to attract and retain competent project managers who can implement projects efficiently.
- In-principle agreement has been reached by Sol Plaatje Municipality and DHLG to ensuring development and nurturing of SMME to ensure sustainability of greening projects.
- The MFMA procurement process has added to the time projects can start due to the red tape involved, especially the three committee system.

H. ANALYSING FOR IMPROVEMENTS TO THE IDP

1. SOURCES OF INFORMATION

The major sources of information used in this Review are:

- a. National Spatial Development Perspective (NSDP)
- b. Provincial Growth and Development Strategy (PGDS)
- c. IDP Hearings Report
- d. IDP Engagement Process 2005
- e. Gaps in the reviewed IDP (Achievements and challenges remaining)
- f. Assessment of IDP Implementation in 2004/2005 Financial Year and present IDP Implementation 2005/06
- g. Implementation of the Municipal Financial Management Act, 2004
- h. New developments initiated by external stakeholders

2. PROGRESS WITH IMPLEMENTATION OF THE IDP 2005/06

Apart from the issues mention above it is also important to analyse the implementation of projects emanating from the IDP to ensure that the implementation of projects actually addresses the strategic objectives. This in itself is a challenge due to the lack of the necessary analysing instruments, proper municipal information management technology to ensure accessible and reliable information as well as management processes and procedures. The lack of project management skills also remain a challenge.

The Municipality approved its Budget and Annual IDP Implementation Plan for the 2005/06 financial year on 31 May 2005 comprising of 48 projects to the value of R90,5 million. See Annexure 2.

Detail progress (tracking and monitoring) reports on all the projects being implemented as part of the IDP Implementation Plan 2005/06 are generated through the iDP Blueprint Management System. The information in terms of the baseline information and comments are captured by 4 capturers on a monthly basis from information provided by project managers. The financial information is directly exported from the Municipality's Financial System (Promun).

An analysis of the report generated at the end of May 2006 revealed the following:

Percentage physical progress on projects

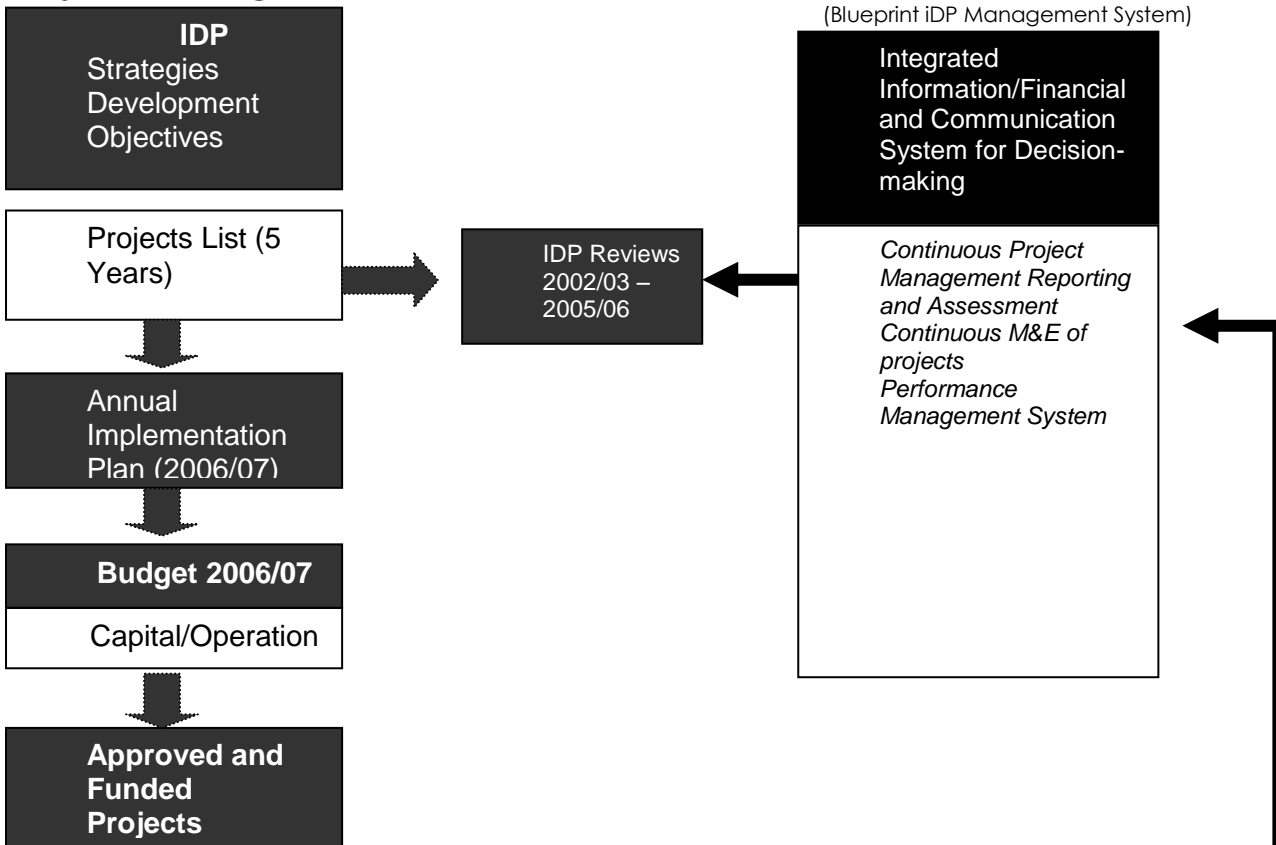
- According to the information as provided by the project managers the physical progress on the IDP programme was 63,24% (average of all projects). 19 projects have been completed.
- Performance on the projects linked to the KPA – Institutional Building have progressed the best and stood at 78,24%, while the Service Delivery Programme stood at 59,23%, and the Development Programme on 58,96%.
- According to the report 14 projects have not commenced yet and 33 were behind schedule according to the due dates provided by project managers. In general the following are reasons for this:
 - Projects are not being implemented by SPM and therefore have no control over implementation of the project.
 - Projects were not ready for implementation as the planning of the project still had to be done.
 - Some projects still await Council approval to commence.
- The report also indicates that 11 projects progressed less than 50% to date due to the following reasons:
 - Uncertainty with regard to availability of funding.
 - Normal project delays such as revised drawings, rain delays, availability of equipment, delivery of material and equipment by service providers etc.
- The financial figures at the end of June 2006 indicated 64,76% of the funded budget was spent. Due to converting the financial system to be GRAPP/GAMAP compliant on 1 July 2006 it was not possible to have a more detailed breakdown on the financial spent. This will however be available once the financial statements for the 2005/06 financial year have been finalised.

One of the main issues hampering project implementation is still the availability and capacity of project managers. In general project managers do not have the necessary skills to plan and implement projects in such a way that project management can be applied successfully. This result in the fact that project baseline is of such a nature that it is difficult to effectively track and monitor projects in order to pro-actively intervene to ensure effective implementation of projects.

In order to alleviate this project implementation problem during the 2006/07 financial year a more structured process will be established in project preparation for implementation to ensure reliable baseline information for tracking and monitoring.

The diagramme below indicates this process and project managers will be capacitated to ensure better quality project implementation.

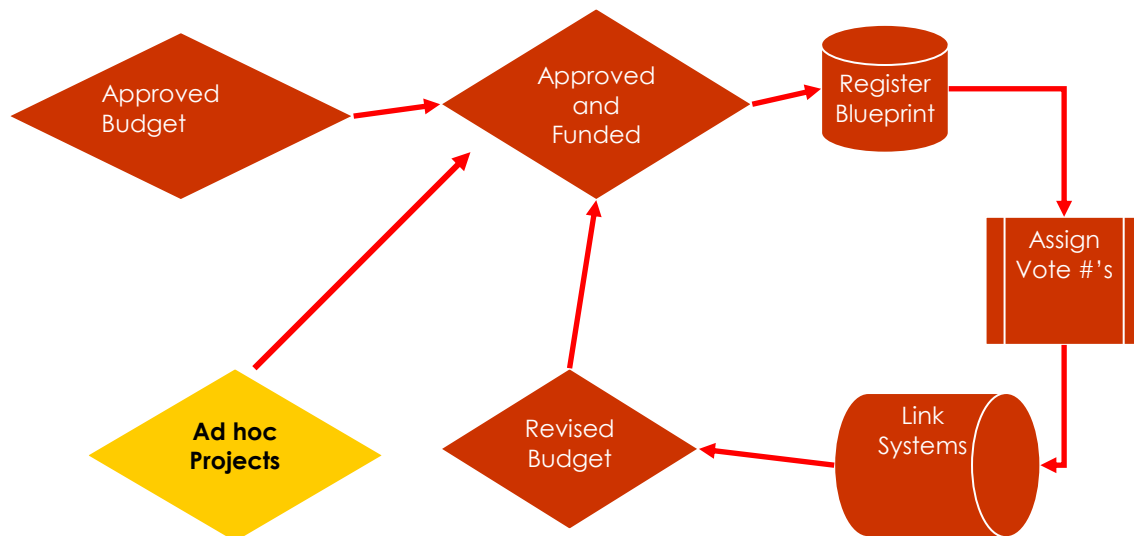
Project Management Overview



Detail Project Preparation Starts (1 June 2006)

Project Identification	Detail Project Preparation	Project Delivery	Project Evaluation
<p><i>Template</i></p> <ul style="list-style-type: none"> Objectives Indicators Outputs Targets and- groups Locations Major activities Responsibility Timing Costs Budget estimates Sources of finance 	<p><i>Detail design Template</i></p> <ul style="list-style-type: none"> Project Task Team Finalise process for Stakeholder input Detail design (Baseline) Specs/Standard Activities Costing Resources Cash flow Timetable Procure/Contract Integrate in Man System Align/prepare internal resources Finalise format for Project Man all stakeholders <p>READY TO DELIVER</p>	<p><i>Managing Implementation Activities</i></p> <ul style="list-style-type: none"> Staff Management Inter Dept input Man Fin Man Quality Control Stakeholder involvement Man Project roll out man <p>Project Info Man and Tracking Monitoring</p> <p>Contract Management</p> <ul style="list-style-type: none"> <i>Project Outputs</i> <i>Project Closure</i> <i>Completed Project</i> 	<p><i>Final Evaluation</i></p> <ul style="list-style-type: none"> Inputs <ul style="list-style-type: none"> - level - usage Finances <ul style="list-style-type: none"> - cost re budget - value for momey Outputs <ul style="list-style-type: none"> - nature - quality Outcomes <ul style="list-style-type: none"> - impact on beneficiaries Proposals/Recomm <p><i>Use to improve implementation</i></p>

To ensure proper linkage with the financial system for tracking and monitoring the financial spent on the IDP Implementation Plan the process indicated below has been established before spending on projects can commence.



The Budget has now been approved and the funded projects are known. Once the detail design of the project has been completed (as indicated above) the project needs to be registered in the Blueprint IDP Management System and will receive an IDP Code (e.g. SER06005) this code will also be used when an IDP No is requested by national and provincial sectors (e.g. MIG). Only when this IDP Code has been issued can a vote number be assigned to the project (both a budget and expenditure vote). Once a vote no has been assigned a linkage is established between the Blueprint IDP Management System and Promun in order to monitor expenditure against the budget of the project. This process is also followed once the revised budget is approved in January 2007 as well as ad-hoc projects approved and funded during the course of the financial year.

I. Key New Initiatives Impacting on the IDP

1. City Development Strategy (CDS)

Sol Plaatje Municipality is embarking on a corporate planning exercise to develop a long term strategic agenda in the form of a City Development Strategy.

Sol Plaatje Municipality is mainly an urban municipality (more than 90% of the population resides in the Kimberley urban area). The Municipality is also faced with both a decline in population as well as economic growth and experience poverty levels higher than the national average. A concerted effort is therefore necessary to ensure the sustainability of the municipality. The CDS process seeks to develop this alternative sustainable development model.

This exercise is structured as a Rapid Planning Initiative (RPI) wherein Sol Plaatje seeks to invite innovative inputs from various internal and external participants within an open discursive environment. In applying the RPI it is anticipated to achieve the following:

- A Vision and the will to tackle the structural problems of the Apartheid City – not to perpetuate it
- Agreements with all stakeholders on a clear and succinct city strategy linked to a tangible intervention package
- Appreciation to the fact that different parts of the city require different types of interventions
- Agreement on the crucial development shifts that need to be taken – not business as usual
- Appreciation of the scale (much larger than we are used to) and time frames (long term strategy – beyond IDP horizon)
- Appreciation of the scale of funding required – much more than the municipal capacity
- Appreciation of the institutional preconditions – multi-dimensional partnerships are crucial
- The desire to deliver beyond the municipal service mandate
- A city that avoids stumbling from crisis to crisis

The aim of employing the Rapid Planning approach is also to arrive at overall strategic long-term planning and development frameworks for Sol Plaatje based on inter-disciplinary and integrated resolution development issues. These strategic planning and development frameworks will be called Strategic Integrated Development Frameworks that give voice to the Sol Plaatje CDS in the following manner:

- To form a common basis for integrated implementation and intergovernmental and inter agency cooperation;
- Create a reliable foundation for the IDP project identification;
- Describe, in relative detail, the collection of development options (and the costs) available to Sol Plaatje for achieving the ends of the CDS;
- Illustrate the geographical spread of such a collection of development options;
- Arrive at CDS implementation timelines, milestones and performance/success measures through prioritising and scheduling the possible development interventions over the life of the CDS.

The initial RPI sessions were held during the latter part of May 2006 and early June 2006.

Sol Plaatje Rapid Planning Initiative Sessions

RPI Stream	Dates
Positioning Sol Plaatje; acknowledging the centrality of the state, state expenditure, networking and communication	22 May to 24 May
CBD revitalization and niche economic sector stimulation	30 May to 1 June

Establishing Sol Plaatje as a Centre of Culture and creative class (place making)	6 & 7 June
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The outcomes of the RPI Sessions are being processed and documented at present and a concluding session (CDS Conference) will be organised in August/September 2006 involving all relevant stakeholders. The CDS Conference will also deliberate on a concrete implementation strategy that will focus on Intergovernmental Relations as well as the possibility of establishing a Development Agency to implement the CDS.

The CDS will therefore inform the IDP, specifically in terms of the first 5-year implementation programme to realise the long term City Development Strategy.

2. Social Housing

Social housing is defined as a rental or co-operative housing option for low income persons (household income R1 500 and R7 500) that requires institutional management and which is provided by accredited social housing institutions or in accredited social housing projects in designated restructuring zones. The new Social Housing Policy Act intends to improve the overall functioning of the housing sector by widening the range of housing options available to the homeless. This will further contribute to restructuring the South African society through economic, social and spatial restructuring. Geographical areas need to be identified by local authorities and supported by provincial government for targeted, focused investment as it needs to be aligned with the Spatial Development Frameworks and IDP's.

In December 2004 Sol Plaatje Municipality and Grave Municipality in the Netherlands established a working relationship. During a conference in the Netherlands in June 2005 CONKIM (The Foundation for **CO**operation between the **N**etherlands and **KIM**berley) was included in this process specifically to assist Sol Plaatje in the field of social housing.

A follow-up conference was held in Kimberley in October 2005 involving Sol Plaatje Municipality (SPM), the Sol Plaatje Housing Company (SPHC), the Department of Housing and Local Government, Northern Cape Province and Conkim. The outcome of the conference was the establishment of a social housing programme a Memorandum of Understanding (MoU) was signed between the parties on 28 October 2005.

In essence the MoU agreed to the following:

- Three Dutch Housing Associations will be involved in CONKIM, namely: Woningstichting Vivare (Arnhem) Woningstichting Ons Bezit (Vught) en Woonmaatschappij Maasland (Ravenstein).
- These organizations will participate in the activities of the program together with the Municipality of Grave for a 3-year period from 2005 - 2007.
- The Program in Sol Plaatje will contain as its main objectives:
 - To strengthen the capacity of Sol Plaatje Municipality in the field of social housing.

- To increase the capacity of Sol Plaatje Municipality to develop and implement a social housing policy.
- To increase the capacity of Sol Plaatje Municipality to build up and maintain productive relationships with the Sol Plaatje Housing Company (SPHC).
- The Department of Housing and Local Government, Northern Cape Province will be responsible to accredit the Sol Plaatje Municipality with regard to the Social Housing Program.
- The Department will play a critical role in as far as support and capacity is concerned towards the Program.
- The following targets were set to be attained by 2008 for the programme:
 - A social housing policy is developed and approved by Council. Within this policy the SPM recognises the role of the SPHC in the development of social housing.
 - The approved social housing policy is implemented and social houses are delivered by the SPHC.
 - Sol Plaatje Municipality is fully accredited by the Department of Housing and Local Government in the field of social housing and uses a performance and compliance monitor.
 - Clarity is reached with regard to the future role and responsibilities between SPM and SPHC, including the transfer of land in designated areas for the erection of social housing as well as the transfer of municipal rental stock.
 - A service level agreement is signed with the SPHC that will include an annual performance monitoring mechanism
 - That councilors, officials, municipal workers and employees of the SPHC be capacitated in the field of social housing.
 - The performance of the SPHC has improved substantially compared to the results from the initial diagnostic analysis

During May 2006 CONKIM experts did an audit in SPM with regard to the present state of social housing as well as the SPHC. The following are the main conclusions of this audit:

- The process of development and implementation of the social housing policy must be included in the present IDP Review. Further developments should be included in the IDP for 2007 – 2011.
- It is of great importance to have a clear structure in which the social housing policy is developed. There has to be one person, who is accountable for the whole (integrated) process. The following short term actions should be taken immediately by SPM:
 - To appoint a champion for the process at executive management level, namely the Director: Infrastructure and Services.
 - To establish a coordinating committee with representatives of Sol Plaatje Municipality, Sol Plaatje Housing Company and the Department of Housing and Local Government. This coordinating committee will be responsible for the process of social housing within the Programme and should act as the counterpart to CONKIM's experts and Grave Municipality.
- That a conference be held in September or October 2006 with the following objectives:
 - To ensure commitment of all stakeholders in the social housing development process.

- To familiarise all stakeholders with the concept of social housing.
- To invite the Social Housing Foundation to do a presentation on the status of social housing in South Africa and to gain their support.
- To discuss the first draft of a social housing policy for Sol Plaatje Municipality.

3. National and Provincial Government Initiatives

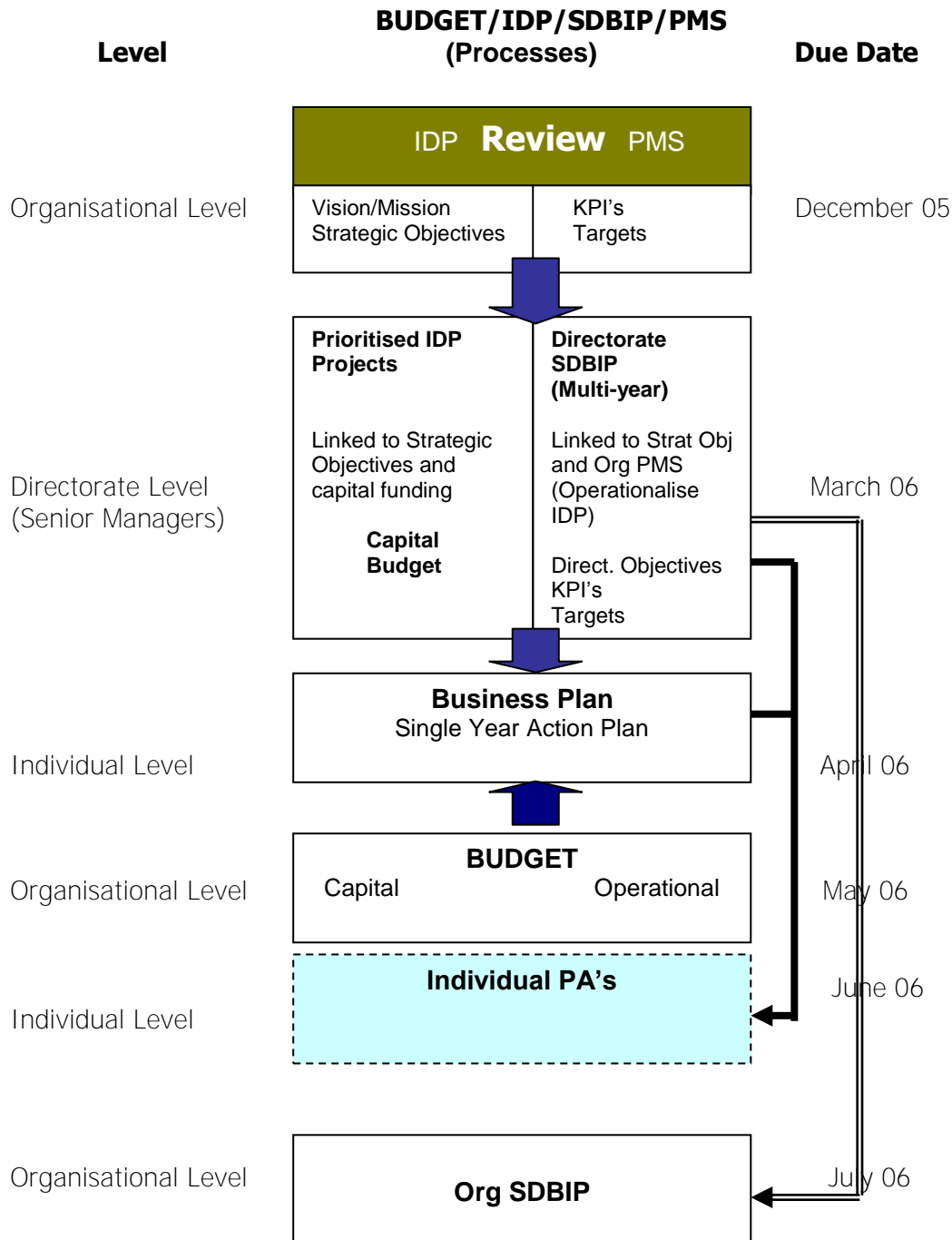
During the IDP Engagement 2005 Session held in Upington in May 2006 the following information on initiatives and projects planned for the Sol Plaatje Municipality were received from the different national and provincial sector departments:

				2006/07	2007/08	2008/09
Prov Sect Dept	Projects	Project Manager	Impl date	Budget	Budget	Budget
Correctional Services	Erection of New Correctional Facility (3000 offenders)	D Albertus	Aug 07	?		
Correctional Services	Establishment of a Day-parole Centre at community Corrections Division	D Albertus	May 06	?		
Justice	New Magistrates Court Galeshewe	M Barlow	2006/07	36,892,868		
Justice	Placement of Mobile Court in Galeshewe	M Barlow	2006/07	3,350,000		
Justice	Establishment of Periodical Court Modderivier	M Barlow	2006/08	?		
Justice	R&R Project: High Court Kimberley	M Barlow	Jun 06	1,400,000		
SAP Services	Women on Fire Project: Focus on children and women in Greenpoint and Kby	Sup S Willemse	4/06 - 3/07	250,000		
SAP Services	Women Empowerment Project: Lerato Park	Sup S Willemse	5/06-3/07	300,000		
Safety and Liaison	Establishment and Functioning CSF	I Steenkamp	4/06-3/07	2,500		
Land Affairs (SP&I)	GIS and Planning awareness workshop	S Mjwara/L Ferris	Oct 06	25,000		
Land Affairs (SP&I)	Awareness Workshop: Spatial Data Infrastructure Act	S Mjwara/L Ferris	?	25,000		
Land Affairs (SP&I)	Assessment of status on Primary datasets in NC Province	S Mjwara/L Ferris	Nov 06	10,000		
Land Affairs (SP&I)	Complete cadastral dataset for province	S Mjwara/L Ferris	4/07-3/08	100,000		
Land Affairs (SP&I)	Metadata catalogue for spatial data in province	S Mjwara/L Ferris	?	20,000		
Land Affairs (SP&I)	Biodiversity data in support of land reform (land suitability)	S Mjwara/L Ferris	Nov 06	10,000		
Land Affairs (SP&I)	GIS and Mapping Services for Stakeholders	S Mjwara/L Ferris	on going	10,000		
Land Affairs (SP&I)	Spatially identify suitable and functionally located land for development	S Mjwara/L Ferris	Jul 06	20,000		
Land Affairs (SP&I)	Spatial information for MPCC's	S Mjwara/L Ferris	Jun 07	20,000		
Land Affairs (SP&I)	Spatial Analysis for Agricultural Development Corridors	S Mjwara/L Ferris	Sep 06	50,000		
Land Affairs (SP&I)	SPM Land Use Magement System	S Mjwara/L Ferris	2006	1,000,000		
Health	Platfolein Clinic	H Schwenk/N Gumbo	4/06-3/07	1,200,000		
Health	Recreation Clinic	H Schwenk/N Gumbo	4/06-3/07	1,200,000		
Health	Phutanang Clinic	H Schwenk/N Gumbo	4/06-3/07	1,200,000		
Health	Upgrading: ARV Clinic Galeshewe CHC	H Schwenk/N Gumbo	4/06-3/07	?		
Health	Upgrading for MDR ward at West End Hospital	H Schwenk/N Gumbo	4/06-3/07	?		
Health	Mental Health Hospital	H Schwenk/N Gumbo	2006-2010	400,000,000		
Health	Kimberley Hospital	H Schwenk/N Gumbo	2006-2012	950,000,000		
Water Affairs & Forestry	WSACD		2008			300,000
Water Affairs & Forestry	Technical assistance and trees: Urban Greening	T Motshaulane	2006	?		
DEAT	Kimberley Tourism Tram Route	D Stevens/M Mathaba	?	8,000,000		
Arts and Culture	Greater No 2 Cultural Tourism	M Barati	?	500,000		
Arts and Culture	Disabled project	M Barati	?	750,000		
Arts and Culture	Aluta Films Festival	M Barati	?	500,000		

Unfortunately these initiatives and projects were still planned unilaterally and not through a joint planning process as envisaged by the Engagement Process 2005. This aspect should, however, be corrected during the preparation of the "new" IDP.

J. IDP IMPLEMENTATION PLAN AND BUDGET 2006/2007 – 2008/2009

The Sol Plaatje Municipality’s Multi-year Budget was approved on 31 May 2006. The process indicated below followed in drafting the Budget:



The 2006/07 Budget has been prepared in line with the stipulations of the Municipal Financial Management Act (56 of 2003) and is available on the Municipality's website (www.solplaatje.org.za).

Below is a summary of the main features of the Budget:

Current Financial Situation

Key financial indicators for the prior years are set out below.

Financial Indicator	Estimated 2006	2005 *
Provision for bad debts	34,800,000	29,100,000
Bank	35,000	30,297
Consumer debtors	11,500,000	367,380,031
External Loans	62,000,000	83,229,506
Investments	58,000,000	65,912,933
Surplus/(Deficit) for the year	N/A	-9,919,739

**Un-audited figures*

From a review of the indicators the following important deductions should be noted:

- Although outstanding debtors have increased the debtor's accounts have to be validated and all verified indigent outstanding balances must be written off. Approximately R108 million of outstanding debtors appear to be indigents accounts.
- It is quite clear that the collection rate must improve and all dead and irrecoverable accounts must be written off. Through the unbundling of non cash backed funds and reserves and the increasing of the bad debt provision through the new Gamap/Grap accounting process the net debtors will decrease dramatically.
- The importance of effective credit control cannot be over-emphasized. In order to improve the Municipality's cash flow situation, all effort should be put in place to collect outstanding amounts. Another issue of concern, that goes hand-in-hand with the credit control, is the status of the consumers' data on the system. It stands for reason that proper credit control cannot be instituted effectively, if the data and connections of tariffs on the system are not reliable.
- The current provision for bad debts is not in line with the current payment levels and the provision must be significantly increased in the 2006/2007 financial year. However, the current provision allows for the outstanding debt of all approved indigent consumers to be addressed.

In terms of National Treasury Circular no 14 it is important to note the Macro Economic Trends and Growth Rates and the guidelines set out below.

CIRCULAR 14 of MFMA	2006/7	2007/8	2008/9
Inflation Forecast (CPIX)	5.0%	5.1%	5%
GDP Growth	3.7%	4.2%	4%
Guideline growth limits	5.0%	5.0%	5%

The tariff increases in the draft budget for 2006/07 are as follows;

Service	2006/7	2005/6
Sewerage	5.61%	4.00%
Cleansing	5.81%	4.00%
Electricity	5.78%	4.30%
Water	6.01%	8.40%
Rates and Genera/	6.03%	7.98%
AVERAGE	6.03%	5.88%

The following issues should also be noted:

- Municipalities must aim to ensure that revenue projections are accurate, realistic and collectable.
- The guideline growth limits are only for self-generated revenue sources. It excludes the increased national allocations provided for the purpose of expanding infrastructure and providing basic services to more households.
- Municipalities are requested to ensure that tariff increases remain within the inflation band of between 3 and 6 percent. Any increases in municipal rates and tariffs above the guideline growth limits must be fully motivated and explained to the local and business communities.
- Municipalities are obliged to ensure that their budgets are balanced and all expenditure is fully funded.
- Municipalities must ensure that the IDP is revised and linked to resource allocations in the budget.
- To achieve national objectives, municipalities should also strive to alter the composition of their budgets by spending more on capital and basic services and less on personnel and administration and improve the quality of spending. Municipalities are expected to maintain a clear focus on expanding infrastructure investments to encourage economic growth potential, adding impetus to the national priorities for improve spending in this area.
- On the operating side, it is important to continue to strive to achieve efficiency and productivity gains whilst being mindful of the implication that rapid growth in salaries and allowances will mean for service delivery.

- When preparing the annual budget the Mayor of the Municipality must take into account the national budget, the relevant provincial budget, the national governments fiscal and macro economic policy, the annual Division of Revenue Act and any agreement reached in the Budget Forum. This is in addition to consultation with the community and other stakeholders, including district and all local municipalities within the district.

Sources of Funds and Allocation of Income

An average of 6% increase in tariffs has been provided for rates, water, sanitation and refuse removal as well as sundry income, excluding cemetery fees. The increase in tariffs for electricity has been restricted to 6% as per guidelines received from the National Electricity Regulator.

The Budget for the 2006/2007 financial year was determined from projected income and any possible additions. The revenue per source of income is indicated in the table below;

Revenue By Source	Unaudited actual R'000	Current Budget R'000	Proposed Budget R'000	Next +1 R'000	Next +2 R'000
Property rates	83,924	89,783	98,553	109,127	114,325
Service charges: electricity	131,136	135,991	141,735	148,288	154,514
Service charges: water	40,757	74,301	78,768	86,384	91,306
Service charges: sanitation	28,426	29,191	31,000	32,247	33,479
Service charges: cleansing	22,711	22,820	24,240	25,409	26,756
Service charges: other	48,350	26,430	61,610	64,760	64,142
Rental of facilities and equip	8,314	9,387	10,390	10,340	11,278
Interest earned: investments	5,703	5,600	6,000	6,000	6,000
Interest earned: outstanding debt	24,637	21,000	26,345	30,300	30,900
Fines	4,779	7,186	7,829	8,217	8,625
Licenses and permits	4,248	5,424	6,115	6,423	6,746
Government grants and subsidies	29,415	44,547	54,796	62,111	69,988
Internal transfers	79,769	85,760	0	0	0
TOTAL REVENUE	512,169	557,420	547,381	589,607	618,059

Expenditure

Projected expenditure and any possible additions based on operational plans and IDP priorities submitted has been used as basis for determination of the Budget. Detail regarding the Multi Year Budget is available in the 2006/07 Budget Book which is available on the Municipality's web site. The table below indicate the expenditure per Major Budget Category:

Major Category	2006/7 Final	2005/6 Current	2004/5 Actuals
Personnel	197,919,969	182,383,039	172,183,178
General expenses	115,081,109	139,963,264	134,638,172
Maintenance	11,840,659	51,119,245	45,479,844

Bulk purchases	100,472,500	94,450,000	85,400,000
Capital Charges	18,650,128	29,550,897	31,811,580
Contribution	95,609,249	83,469,070	64,840,992
Capital Contributions	7,806,904	1,634,950	1,552,645
Depart. Charges	0	-25,150,113	-23,336,267
TOTAL	547,380,518	557,420,352	*512,570,144

* Un-audited

From the above the following remarks should be noted:

- The current expenditure budget shows a growth rate of approximately 5% which is in line with the growth rate of 5,5% indicated in Circular 14 from National Treasury.
- In terms of Circular 28 of MFMA of 2003, the budget processes for high capacity municipalities have to change with immediate effect. One of the major changes are realistic budgeting based on actual revenue collected in prior years, hence a drop in the net operating budget of 2006/07 as compared with that of 2005/06, taking into account the expected growth of 5,5% as prescribed by Circular 14 quoted above.
- The significant increase in Salaries and Allowances is mainly due to the budgeted increase of 6% in current salaries.
- An allocation of approximately R19,3m from the Equitable Share Grant shall be utilized for the provision of free basic services and direct subsidy to indigent households. The current allocation for free basic services comprised of 6kl water to all households, an additional 6kl of water to indigent households and 50 kWh of electricity per month for indigent households.
- An amount of R20 million has currently been provided for accumulated surplus.
- Contributions to Capital Outlay reflect the capital needs requested by the respective Departments.
- Capital projects to be funded from the Municipal Infrastructure Grant (MIG) as per the Division of Revenue.

In reviewing departmental expenditure versus income generated, it should be noted that there are departments which are mainly of support nature and dealing with community services and as such do not generate income. In order to balance the expenditure for these departments distributions to these departments takes place from income sources such as rates and taxes, equitable share allocation and any surpluses on trading services such as electricity.

Trading and economic services does not have any cross subsidization. They should strive to at least break even by increasing billing coupled with collection or a reduction in their expenditure. The only other income to be transferred to economic and trading services will be compensation for free basic services and direct indigent support from the equitable share allocation.

Provision for Bad Debts

A significant attempt has been made to provide adequately for bad debt and working capital. An extract from section 18 of the MFMA reads as follow:

“(1) An annual budget may only be funded from-

- (a) *realistically anticipated revenue to be collected;*
 - (b) *cash-backed accumulated fund from previous year's surpluses not committed for other purposes; and*
 - (c) *borrowed funds, but only for the capital budget referred to in section 17 (2).*
- (2) *Revenue projections in the budget must be realistic, taking into account-*
- (a) *projected revenue for the current year based on collection levels to date; and*
 - (b) *actual revenue collected in previous financial years."*

It is therefore of utmost importance that credit control be enforced vigorously to avoid potential cash flow problems. The current provision for bad debts has been made on the basis of the payment levels for the first six months of the current financial year and also considered efforts of credit to be enforced in the financial year.

Capital Projects

Only Capital Projects for which funding have been secured have been included in the Capital Budget. Annexure 3 indicates the Capital Funding by Source.

Annexures 4 and 5 indicate the Capital Expenditure by Vote and GFS Classification respectively.

The Prioritised Funded Capital Programme for Implementation 2006/07 is attached as Annexure 6.

A Prioritisation Process was also developed to ensure the allocation of resources at a strategic level rather than at project level.

Strategic Focus Areas (SFA's) or Key performance Areas (KPA's)

The SFA's/KPA's of the IDP have been confirmed by all stakeholders through a workshop methodology that included the Vision of the Municipality. For each of the SFA's/KPA's specific objectives were developed. Next strategies were developed to achieve these objectives as well as linked projects that are reviewed annually (See Annexure 1). The Vision and Strategic Focus Areas on the other hand are long term issues and should not be changed annually. The Prioritisation System was therefore developed in such a way that the allocation of resources is directly linked to these SFA's/KPA's – to ensure the long term sustainable development of the Municipal Area and its residents.

Prioritisation of SFA's/KPA's

The SFA's/KPA's were prioritised through a workshop methodology for resource allocation purposes.

Capital Availability

Funding sources/constraints (own and grant funding) are determined and reviewed on an annual basis in order to determine the capital availability per financial year with estimates for the next two years.

Determine Project List

A project list (wish list) - linked to SFA/KPA, Objectives and Strategies - is generated involving all stakeholders and considering previous year's project lists.

Apply Projects Filter

A project filter was developed to filter out projects that are not the responsibility of the Municipality, that already have committed funding, that are “makers” (must do projects) or breakers (cannot do), that are operating funded projects and external funded projects where the Municipality has no discretion over.

Project List for Prioritisation

Once the filter has been applied a list of projects emerge that needs to be prioritised. Due to applying the filter this list is usually much less than the original wish list and much more manageable.

Determine Discretionary Funding

Discretionary funding refers to those funds the Municipality has discretion over to fund projects for implementation. Once this funding has been determined considering the issues in para 5 as well as committed funding from previous year or counterfunding for grants etc., the detail prioritisation process can begin.

Prioritisation of Projects

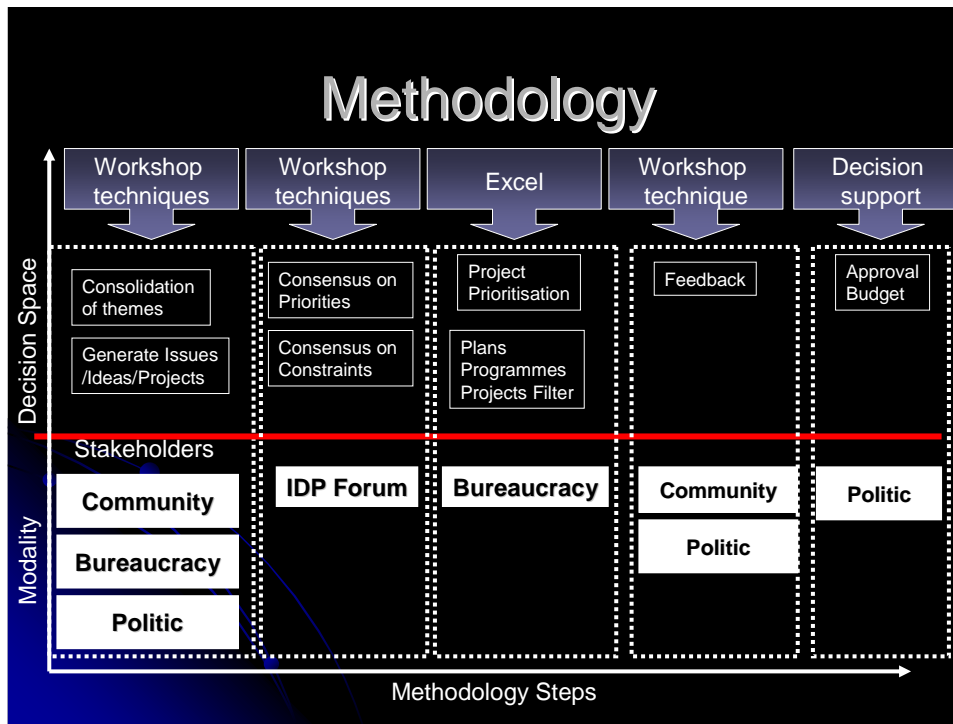
The discretionary capital available is allocated to the prioritised SFA's/KPA's (e.g. 50% to LED, 20% to Institutional Building etc). The amount that constitutes the 50% for LED is therefore available to implement projects linked to that specific SFA/KPA. Projects are then prioritised according to the Prioritisation Model (see below) until the amount available has been allocated. This mechanistic method is used by a prioritisation committee and presented to the political structures for finalising the priority list.

Projects are prioritised by applying a model as indicated below:

Example: Project Prioritization							
Criteria	Fit a	Finance b	Urgency c	Impact d	Weighted Score e	Rank	Cumulativ e cost
Weight	1	2	4	8	$\sum a-d$	1	$\sum e^{1-n}$
Projects	Ps ¹	Ps ²				2	
Projects						3	
Projects						4	
Projects						5	

The process described above ensures that project being implemented on the ground are addressing the Strategic Objectives of the Municipality – especially in as far as discretionary funds are concerned.

The figure below illustrates the methodology diagrammatically.



Operational Plans

The consolidated operational plans will be tabled before Council in July 06 for approval as an addendum to the Budget. These operational plans reflect the priorities of Council derived from the IDP Strategic Objectives to be addressed in the 2006/2007 financial year and the 2 subsequent years.

It is also important to note that a number of the capital items as well as additional personnel included in the annual budget have been identified as critical by the various Heads of Departments.

Current payment levels are resulting in a significant amount of income to be reserved for bad debt provision. This situation will have a definite effect on the amount to be made available for service delivery in the budget for the 2006/2007 to 2008/2009 financial years. It is therefore imperative that measures be put into place to increase current payment levels to at least 85% as a short to medium term target.

Implementation of GAMAP and the Impact thereof on the Budget

In terms of the new legislation requirements the municipality should make provision for working capital depreciation in this budget. This requirement will require finalization of the conversion of the assets register to allow for depreciation and subsequent approval by Council. To date of this report, conversion of the assets register is not yet finalized.

Provision of R10, 413,744 has currently been made for anticipated depreciation expenditure. However, it must be noted that this provision has not been

calculated scientifically and it is therefore of utmost importance that the conversion of the asset register be finalized as a matter of urgency.

K. CONCLUSION

The first cycle of integrated development planning, and especially the IDP Reviews since 2002/03, in Sol Plaatje Municipality mainly had an inward looking focus. This focus came about due to the inability of the Institution to deliver on its developmental mandate and to implement its long term development strategies developed during these reviews. The present Transformation Initiative discussed previously is addressing this challenge.

The non-alignment of national and provincial sector plans and the IDP also contributed to a lack of “integrated” planning and non compliance with national and provincial development goals and targets. This challenge is now being addressed through the Provincial IDP Engagement process and will contribute to the preparation of a development orientated and credible IDP for the next 5-year cycle.

The development of the Sol Plaatje City Development Strategy will give further impetus to the preparation of a development orientated and credible IDP as it will inform the IDP to ensure that programmes and projects to be implemented will address the strategic development issues that will put Sol Plaatje on a sustainable development path aligned with national and provincial plans.

1. VISION

SOL PLAATJE A DYNAMIC MUNICIPALITY THAT PROVIDES A COMPREHENSIVE RANGE OF AFFORDABLE SERVICES TO ALL ITS RESIDENTS

2. MISSION

To be a dynamic, sustainable and efficient municipality by:

- Focusing on institutional transformation and management systems
- Ensuring access to quality, reliable and affordable services
- Strengthening relations with all stakeholders
- Maximising income through responsible financial discipline
- Providing a challenging and rewarding working environment for all its employees.

3. KEY PERFORMANCE AREAS AND STRATEGIC OBJECTIVES, STRATEGIES AND LINKED PROJECTS

The primary strategic shift that came from the 1st IDP Review is the emphasis on building the longer-term sustainability of the Municipality.

In essence this means that the SPM needs to grow its local economy in order to be sustainable. The SPM needs to dramatically improve the efficiency of its services, the sustainability of its finances and the effectiveness of its administration. This translates into two main strategic objectives:

- *A better standard of living for all - which requires a growing economy depending on a municipal strategy driving urban efficiencies; and*
- *A better quality of life for all - which requires a caring council concerned at providing universal access to basic municipal services at affordable levels while becoming a place where business would want to locate.*

The delivery on these two main objectives is linked to four key performance areas (programmes). These are:

- a) *Development Programme*; aimed at growing the economy and providing a sound fiscal basis;

- b) **Service Delivery Programme**; aimed at putting initiatives in place to increase the efficiency, effectiveness and economy of the SPM's service portfolio;
- c) **Financial Programme**; aimed at putting the SPM on a sustainable financial footing; and
- d) **Institutional Programme**; designed to lay the foundation of a motivated, skilled and capacitated municipal administration.

The initiatives and projects required to deliver results in each of these key performance areas are of necessity eclectic and diverse. The wide range of projects required to deliver these programmes are a reflection of the complexity within the municipal sector.

1. DEVELOPMENT PROGRAMME		
IDP Objectives and Targets*	Strategies	Linked Projects/Programmes
To ensure local economic growth of 4% by 2014 To increase the level of employment to 50% by 2014 To ensure that the Municipality procure 60% of its procurement budget to BEE and SMME Enterprises by 2010 To reduce the number of households living in poverty by 5% per annum	1. To review and implement the SPM LED Strategy through a well structured and capacitated LED Unit 2. To ensure that an environment is created for government <i>investment</i> funding	1. Restructure LED Unit and appoint appropriate human resources 2. To develop an EconoMonitor to measure the impact/outcomes of LED interventions 3. To strengthen relationships with development agencies and funding institutions (NCEDA, DEAT, NCTA, DHLG, DPLG). 3. Prepare an alternative economic development model for Kimberley
	2. To ensure that the CBD Initiatives are implemented	CBD redevelopment projects: 1. DFA Parking and Upgrade 2. CBD Gateways 3. CBD: Paving various streets 4. CBD Upgrade: Bean Str
	3. To review and implement the spatial investment strategy (Spatial Development Framework)	1. Develop and implement a City Development Strategy 2. Develop a Land Use Management System
	4. To ensure that the use of all development resources is directed in sustainable ways to help alleviate poverty.	Prepare and implement a Poverty Alleviation Strategy
SERVICE AND INFRASTRUCTURE DELIVERY PROGRAMME		
To provide 100% of households with basic electricity by 2009 To provide 100% of households with basic sanitation by 2009	1. To ensure efficient and affordable service delivery – including public amenities	Implementation of the Alternative Service Delivery Plan 1. Implement alternative options for Fresh produce Market and Resorts

<p>To provide 100% of households with a solid waste removal service by 2009 To ensure that 150 km of roads are tarred by 2010 To reduce electricity losses to 12% by 2008 To reduce water losses to 15% by 2010 To have a 5-year Integrated Infrastructure and Assets Maintenance and Operations Plan in place by April 2007 To ensure that all informal settlement areas are upgraded in accordance with the Human Settlement and Redevelopment Programme by 2010 To ensure that all of residents live within 3 km from a cluster of public amenities by 2010</p>		Investigate other services options in ASDP <i>See attached list of projects to provide public amenities</i>
	2. To review services/infrastructure backlogs on a regular basis, prepare project plans and identify funding sources and allocate resources in order to eradicate these backlogs based on long term financial sustainability	Prepare a five-year housing plan <i>See attached list of infrastructure projects</i>
	3. To ensure that existing services and infrastructure is properly operated, maintained and upgraded/replaced	Compile long term Infrastructure Operations and Maintenance Plan <i>See list of upgrading/replacement projects</i>
FINANCIAL MANAGEMENT PROGRAMME		
<p>To increase the payment level to 95% by 2010 To reduce the administration cost by 20% by 2010 To spend 100% of the Capital Budget annually To ensure full compliance with the MFMA by June 2006 To increase the municipal reserves by at least 1% per annum Debt Coverage as defined in the Municipal Planning and Performance Management Regulations (2001) $(A=(B-C)/D)$ Outstanding Service Debtors to Revenue as defined in the Municipal Planning and Performance Management Regulations (2001) $(A=B/C)$ Cost Coverage as defined in the Municipal Planning and Performance Management Regulations (2001) $(A=(B+C)/D)$</p>	1. To ensure sound financial management systems	Implement the requirements of the MFMA Populate Budget Office with the necessary skilled staff
	2. To ensure that scarce financial resources are allocated to strategic prioritised projects and that they are implemented	Implement project management training programme Implement a programme to Increase payment levels and debt collection
	3. To ensure the availability of accurate and timeous financial information	Implement MIS Plan
INSTITUTIONAL BUILDING PROGRAMME		
To ensure that Management at all levels is 100% representative and in line with employment equity by	4. To ensure that the necessary institutional structures, systems, processes and procedures are	1. Implement next elements of the Transformation Initiative

<p>2009</p> <p>To ensure the 100% implementation of the Human Resource Strategy and aligned to the IDP by 2010</p> <p>To ensure that the Job Evaluation System is 100% implemented by 2007/8 financial year</p> <p>To ensure 100% implementation of the Institutional Transformation initiative by 2007/8 financial</p> <p>To ensure 100% implementation of the Skills Development Plan by 2007</p> <p>To ensure 75% satisfaction of residents and Councillors with frontline, face-to-face, telephonic and over-the-counter service of the Municipality by 2007</p>	<p>in place to ensure that institution is aligned with the strategic objectives of the IDP</p>	<p>2. Process re-engineering (effective management processes and procedures, work flow, information flow) (effective management processes and procedures, work flow, information flow)</p> <p>3. Implement MIS Plan</p> <p>4. Implementation of an Integrated PMS</p>
	<p>5. To ensure that the necessary skilled human resources are allocated to the Municipality's core functions</p>	<p>Finalise and implement Human Resource Strategy</p>
	<p>6. To ensure effective interface management between the administration, community and the Council</p>	<p>Develop an effective external communication strategy (public participation processes)</p>
	<p>7. To ensure effective and efficient customer service</p>	<p>To develop and implement a Service Standard Agreement</p>

**Aligned with Provincial and National targets*

SUMMARISED PROGRESS REPORT: SOL PLAATJE MUNICIPALITY IDP IMPLEMENTATION 2005/06

1. The Sol Plaatje Municipality is implementing 47 projects for this financial year as approved by Council as part of the Budget on 30 May 2005. Of these projects the primary implementers are:

1.1 Provincial Sector Departments - 5 projects worth R19,85m. Due to these departments not reporting to the Municipality it is not possible to report the spending or progress on these projects

1.2 Sol Plaatje Municipality - 42 projects worth R94m.

Below is a breakdown of the progress on these projects.

Funded Projects	Own funded projects	Completed	In progress	Total Budget secured 2005/06	Budget YTD (Oct 05)	Spent (end of Oct 2005)	Total %	YTD %
Own funded projects	20	5	15	13 561 028	49 566 300	2 274 021	17%	29%
Grant Funded Projects	27	-	27	80 438 972		10 032 913	12%	
Total	47	5	42	94 000 000	49 566 300	14 580 955	16%	

NOTES

i) After the 1st quarter 25% of the secured funding should be spent as an indicator. The table above indicates that of the total Budget for 2005/06 17% of own funding and 12% of grant funding has been spent by end Oct 2005. However in terms of the YTD budget and spent 29% has been spent.

ii) It should also be noted that traditionally less money is spent in the period July to December as it is usually the preparation phase for projects, including the tendering process. Presently officials are still new to the new Supply Chain Management process as prescribed by the MFMA and most projects involving a tender process will only be commencing in January 2005. Some projects could also not commence due to uncertainty whether the funding will be allocated as business plans has not yet been approved. These include the following projects:

Project Name	Value	Reason
Street lights and highmasts Platfontein	1 200 000	To start in January 06
Services Lindane	10 400 000	Business plans submitted not approved
Galeshewe: Stormwater Construction/MasterPlan No 76	8 000 000	Business plans submitted not approved
Lerato Park Planning and Survey	2 500 000	Business plans submitted not approved
Upgrading of Roads: Colville, Roodepan, Greenpoint and Ritchie	4 000 000	Business plans submitted not approved
Total	26 100 000	

iii) Included in the above projects are the following job creation projects:

a. Mayoral Cleaning Project: Provide for 240 jobs for 60 months (10 people in each of 24 wards out of 27 wards).

b) Sewer connections and construction of toilets for water borne sewer in the following wards: 16 (Zone 6,7,8), 15 (Nxumalo), 14 (Tambo Square), 13 (Otto Street shacks), 20 (Nxumalo Extension), 5 (Mathibe Shacks), 13 (Mthodist Shacks). 407 people will be employed on this project from 28 November 2005.

c) Existing Stormwater project: This project employs 800 people. 50 persons from each of the following wards - 5,6,7,8,9,10,11,12,13,14,15,16,17,18,19 and 20.

d) Roads projects - paving and Macadam method. People have been employed since August 2004 on these projects and will be employed until approximately the 3rd quarter of 2006 before these projects are completed. Employment are as follows from the different wards:

Ward	No Employed
1	55
2	55
3	30
4	55
5	30
6	30
7	30
8	45
9	25
10	45
11	45
12	45
13	30
15	52
17	30
19	25
22	55
26	55
27	55
Total	792

SOL PLAATJE MUNICIPALITY

Medium Term Revenue and Expenditure Framework - 2007, 2008 and 2009

SCHEDULE 3 CAPITAL EXPENDITURE BY VOTE	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Unaudited Actuals R'000 A	Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000	Budget R'000	Budget R'000
Planning and Development	16 930	10 242	15 422	9 253	3 888	14 900	13 824
Corporate Services	0	0	0	0	150	774	0
Financial Services	5 080	1 802	2 670	1 602	0	0	0
Infrastructure and Services	50 277	81 974	72 325	43 395	26 426	31 201	18 216
Community Services	9	1	4 426	2 656	1 500	500	1 000
TOTAL	72 296	94 019	94 843	56 906	31 964	47 375	33 040

NOTES

1. The total secured funding for capital budget for 2006/2007 is R 41 million, however, only R31 million was allocated because the municipality has already overspent its 2005/2006 allocation
2. The DORA allocation for MIG is 17 million, 1,7 million of that is for eradication of bucket system and the 5% top Slice of MIG which is 850 000 is for the Operational costs of the PMU unit. However because of the overrun of projects budgeted over multi years the projection on spending for 30 June 2006, the current allocation will be absorbed by 65 % of the set allocation, due to the over expenditure of about R10 million in one MIG projects in the current financial.
3. The total funding left for MIG projects 2006/2006 is R 5,2 million rands and additional amount of 5 million rands will be transferred from the Council General Expenditure into the Capital Contribution line item for Grant matching Funds for Capital Projects applied for, but awaiting fund allocation from Provincial Government.

SOL PLAATJE MUNICIPALITY
Medium Term Revenue and Expenditure Framework - 2007, 2008 and 2009

SCHEDULE 3(a)	Preceding Year	Current Year			Medium Term Revenue and Expenditure Framework		
	2004/05	2005/06			Budget Year	Budget Year +1	Budget Year +2
	Unaudited Actual	Approved Budget	Adjusted Budget	Full Year Forecast	2006/07	2007/08	2008/09
CAPITAL EXPENDITURE BY GFS	R'000	R'000	R'000	R'000	Budget	Budget	Budget
	A	B	C	D	R'000	R'000	R'000
					E	F	G
Executive & Council	0	0	0		0		
Finance & Admin	5 080	1 802	2 670	1 602	0		
Planning & Development	16 930	10 242	15 422	9 253	4 038	15 674	13 574
Health	0	0	0	0	0		
Community & Social Services	9	1	3 626	2 176	1 500	500	1 000
Housing	0	34 984	3 362	2 017	0		
Public Safety	0	0	0	0			
Sport and Recreation	0	0	0	0			
Environmental Protection	0	0	800	480			250
Waste Management	4 423	0	2 090	1 254			
Waste Water Management	9 651	3 422	25 361	15 217	1 718	12 822	4 563
Road Transport	18 494	21 033	22 000	13 200	19 400	11 000	
Water	2 883	9 990	5 451	3 271	2 808	5 300	11 313
Electricity	14 826	12 545	14 061	8 437	2 500	2 079	2 340
CAPITAL EXPENDITURE BY GFS	72 296	94 019	94 843	56 906	31 964	47 375	33 040

NOTES

1. The full year forecast estimates is based on the capital expenditure trends of the previous financial years
2. Mandatory match of counter funding will only be utilized for that specific project where counter funding is a requirement for that particular allocation
3. The total secured funding for capital budget for 2006/2007 stands at R 41 million of which R10 million has already being spent in the current financial year unit. However because of the overrun of projects budgeted over multi years the projection on spending for 30 June 2006, the current allocation will be absorbed by 65 % of the set allocation, due to the over expenditure of about R10 million in one MIG project in the current financial year. The total funding left for MIG projects 2006/2007 is R 4,5 million rands and an additional amount of R5 million rands will be transferred from the Council General Expenditure into the Capital Contribution line item for grant matching Funds for Capital Projects applied for, but awaiting fund allocation from Provincial Government
5. An amount R 3 million was received from DHLG for the construction of the SMME Village and it requires a counter funding of R 3 million

SOL PLAATJE MUNICIPALITY

Medium Term Revenue and Expenditure Framework - 2007, 2008 and 2009

SCHEDULE 4 CAPITAL FUNDING BY SOURCE	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Unaudited Actual R'000 A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
National Government							
Amounts allocated / gazetted for that year	22 915	34 016 000	49 858 834	29 915 300	20 676	31 975	18 966
Amounts carried over from previous years				0			
Total Grants & Subsidies - National Government	22 915	34 016 000	49 858 834	29 915 300	20 676	31 975	18 966
Provincial Government				0			
Amounts allocated / gazetted for that year	23 179	27 255 916	20 507 268	12 304 361	19 400	15 400	14 074
Amounts carried over from previous years				0			
Total Grants & Subsidies - Provincial Government	23 179	27 255 916	20 507 268	12 304 361	19 400	15 400	14 074
District Municipality				0			
Amounts allocated for that year	0	5 686 417	1 951 000	1 170 600	1 000	0	0
Amounts carried over from previous years				0			
Total Grants & Subsidies - District Municipalities	0	5 686 417	1 951 000	1 170 600	1 000	0	0
Total Government Grants & Subsidies	46 094	66 958 333	72 317 102	43 390 261	41 076	47 375	33 040
Public Contributions & Donations		14 500 000	7 101 000	4 260 600	888		
Accumulated Surplus (Own Funds)	14 505	12 561 028	15 425 112	9 255 067	0	0	0
External Loans	11 699	0		0			
TOTAL FUNDING OF CAPITAL EXPENDITURE	72 298	94 019 361	94 843 214	56 905 928	41 964	47 375	33 040

NOTES

The CCDL fund with all its subsidiary line items are entirely taken off and will be replaced by the Capital Contribution only if cash backed

SOL PLAATJE MUNICIPALITY
IDP Capital Expenditure 2006/07 AS ADOPTED ON 31 MAY 2006

Org Resp	IDP Link	Projects	Project Manager	Ward No	Funding Source	Start year	2006/07		2007/08		2008/09	
							Internal	Grant funding	Internal	Grant funding	Internal	Grant funding
Water and	Service delive	Rehabilitation-Gogga Sewer Pump Station	?	16	MIG	2006					5 140 000	
Roads &	Service delive	John Daka St through Gr Nr 2	G Jele	13;14	CCDL/CF	2005	1 000 000					
Roads &	Service delive	John Daka St through Gr Nr 2	G Jele	13;14	MIG	2005		2 000 000				
Water and	Service delive	Donkerhoek Bulk 73	G Jele	20	MIG	2005		799 824				
Water and	Service Delive	Soul City 74	G Jele	20	MIG	2005		1 046 853				
Electricity	Service Delive	Street lights other 72	?	All	MIG	2005		500 000				
Electricity	Service Delive	Street lights other 72	?	All	CCDL/CF	2006	100 000	0				
Electricity	Service Delive	Electrification	?		DME	2006		2 000 000				2 340 000
Water and	Service delive	Lindane/Promise Land (1000 erven): Water	G Jele	0	MIG	2005		862 000			3 000 000	
Water and	Service delive	Lindane/Promise Land (1000 erven): Water	G Jele	0	CCDL/CF	2005	1 138 000					
Water and	Service delive	Lindane/Promise Land (1000 erven): Sanitation	G Jele	0	MIG	2007				2 500 000		
Water and	Service delive	20 MI Reservoir: rehabilitate 79	G Jele	All	MIG	2008						7 000 000
Water and	Service delive	21 MI Reservoir: rehabilitate 79	G Jele	All	CCDL/CF	2009					250 000	
Roads &	Service delive	Upgrading of gravel roads to surfaced standards (10Km)	G Jele	0	DHLG	2006		4 400 000				
Water and	Service delive	SPM: Bucket Eradication	?	0	MIG	2006		1 718 000				
Water and	Service delive	Extensions to Homevale Waste Water treatment Works	?	0	MIG	2006				5 182 082		4 563 009
Water and	Service delive	Ritchie: Upgrade Bulk Services - Waste Water Treatment Works	?	26/26	CCDL/CF	2005			1 083 365			
Water and	Service delive	Ritchie: Upgrade Bulk Services: Water Works	?	26/27	CCDL/CF	2008					568 819	
Water and	Service delive	Ritchie: Upgrade Bulk Services: Water Works	?	26/27	MIG	2008						4 062 991
Water and	Service delive	Donkerhoek Bulk 73	G Jele	20	CCDL/CF	2005	199 956					
Water and	Service Delive	Soul City 74	G Jele	20	CCDL/CF	2005	266 467					
Water and	Service delive	Extensions to Homevale Waste Water treatment Works	?	0	CCDL/CF	2006					1 682 196	
Informati	Institutional Pr	Process re-engineering (effective management processes and procedures, work flow, information flow)	P Mojatau	All	MSIP	2006		150 000			500 000	
City Engr	Service delive	Compile long term Infrastructure Operations and Maintenance Plan (linkage to Provincial O&M)	?	All	FBDM	2006		650 000				
LED	Dev Progr	Phase 2 Auto Centre Development	L Morakile		DHLG	2006		1 500 000				
LED	Dev Progr	Business Centres Revival	L Morakile		DHLG	2006		3 000 000				
LED	Dev Progr	RC Elliot Heritage Icon and Service Provision	L Morakile		DHLG	2006		4 000 000				
LED	Dev Progr	Legislature Precinct Plan and Design	P Ngombane		DHLG	2006		500 000				
LED	Service delivery	Parks maintenance	P Ngombane		DHLG	2006		1 500 000				
LED	Service delivery	Hulana Str Swimming Pool Upgrade	P Ngombane		DHLG	2006		1 000 000				
LED	Dev Progr	SMME Village construction	P Ngombane		DHLG	2006		3 000 000				
LED	Dev Progr	SMME Village construction	P Ngombane		CCDL/CF	2007	3 000 000					
Roads &	Service delive	Transport Infrastructure System	T Matolo	All	PTIS	2006		1 500 000			11 000 000	
Water and	Institutional pr	Project Management and Monitoring System: Telemetry		All	MSIP	2008						250 000
	Institutional Pr	Environmental Management System		All	MSIP	2008						250 000
Communi	Institutional Pr	External communication strategy (public participation processes)	S Matsie	0	?	2007					274 000	
Library	Institutional Pr	Library Development Programme	F van Dyk	All	DAC	2005		500 000			500 000	500 000
Parks	Service delive	Finalise construction of new cemety	Z Tsona	0	FBDM	2005		350 000				
Emergen	Institutional Pr	Communication Emergency Services	R Janse v V	All	MSIP	2008						500 000
IDP	Institutional pr	Implementation ASDS and Transformation Initiative		All	DBSA	2005		888 000				
TOTAL							5 704 423	31 864 677	1 083 365	30 175 082	2 501 015	19 466 000

