

Draft of 2nd Review 2014/2015

PROVINCIAL TREASURY
WESTERN CAPE
PRIVATE BAG 1191, CAPE TOWN 8001
7 WALK STREET, CAPE TOWN 8001
BUSINESS INFORMATION
AND DATA MANAGEMENT

Integrated Development Plan

2012
/
2017

GEORGE
THE CITY FOR ALL REASONS

GEORGE MUNICIPALITY



POLITICAL ARM OF GEORGE MUNICIPALITY



C STANDER
EXECUTIVE MAYOR
WARD 8



D MARITZ
EXECUTIVE DEPUTY MAYOR
PORTFOLIO: HUMAN RESOURCES /
STRATEGIC SERVICES | WARD 17



M DRAGHOENDER
SPEAKER
WARD 20



P DE SWARDT
CHIEF WHIP
WARD 22

PORTFOLIO COUNCILLORS



M JONES
HUMAN SETTLEMENTS
WARD 16



W HARRIS
ELETRO-TECHNICAL
SERVICES



M NAIK
CIVIL ENGINEERING
SERVICES & PUBLIC
TRANSPORT
WARD 1



I KRITZINGER
SAFETY & SECURITY
WARD 19



G STANDER
PLANNING
WARD 23



I STEMELA
CORPORATE SERVICES
PR COUNCILLOR



L VAN WYK
FINANCE
WARD 4



M KLEYNHANS
RURAL SERVICES
COMMITTEE / SOCIAL
AND LIBRARY SERVICES
WARD 25



E DE VILLIERS
ENVIRONMENTAL
AFFAIRS & SPORT

WARD COUNCILLORS



C NEETHLING
DA – WARD 2



L ESAU
DA – WARD 5



H INGO
DA – WARD 6



Z NTOZINI
ANC – WARD 7



T TEYISI
ANC – WARD 9



M GINGCANA
ANC – WARD 10



N KAMTE
ANC – WARD 11



N SIXOLO
ANC – WARD 12



B SALMANI
ANC – WARD 13



C REMAS
DA – WARD 14



F GUGA
ANC – WARD 15



G NIEHAUS
DA – WARD 18



S THANDA
ANC – WARD 21



A WILDEMAN
ANC – WARD 24

PR COUNCILLORS



C BOB
ANC - PR



B CORNELIUS
DA - PR



G SIHOYIYA
ANC - PR



N DLEPHU
DA - PR



J DU TOIT
ACDP - PR



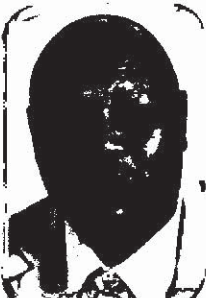
L QUPE
DA - PR



P VAN DER HOVEN
ANC - PR



A VAN ZYL
DA - PR



C WILLIAMS
ANC - PR



V GERICKE
PBJ - PR



PB KOMANI
ANC - PR



W WITBOOI
ANC - PR



S MEKANA
DA - PR



T FORTUIN
ANC - PR



P LEMOLO
ANC - PR



M VILJOEN
DA - PR



NV KOM
ANC - PR



B PETRUS
ANC - PR



M NYAKATHI
DA - PR



L HAYWARD
GIRF - PR
RATE PAYERS
ASSOCIATION



G McCLUNE
DA - PR



Photo to be
included in
final IDP

R LOMBAARD
ICOSA - PR

ADMINISTRATIVE ARM OF GEORGE MUNICIPALITY



T BOTHA
MUNICIPAL MANAGER



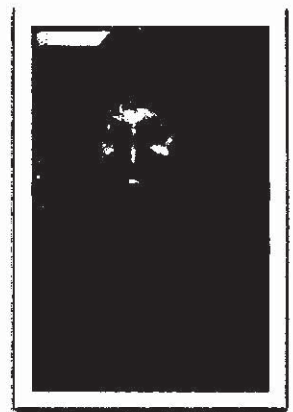
MR S ERASMUS
DIRECTOR: HUMAN
SETTLEMENTS, LAND
AFFAIRS & PLANNING



MR H BASSON
DIRECTOR: CIVIL
ENGINEERING SERVICES



MR K GRÜNEWALD
DIRECTOR:
ELECTROTECHNICAL
SERVICES



MR K JORDAAN
DIRECTOR: FINANCIAL
SERVICES



MR B NELSON
ACTING DIRECTOR:
COMMUNITY SERVICES



DR E RANKWANA
DIRECTOR: CORPORATE
SERVICES



MR W HENDRICKS
ACTING DEPUTY DIRECTOR:
STRATEGIC SERVICES

TABLE OF CONTENTS

Chapter	Contents	Page
Preface	Foreword by Executive Mayor	1
	Overview by Municipal Manager	2
	Executive Summary	3
Chapter 1	Introduction and Background	4
Chapter 2	Development Context	13
Chapter 3	Situational Analysis of Municipality and Key Stakeholders	21
Chapter 4	Development Strategies	40
Chapter 5	Municipal Sector Plans	57
Chapter 6	Ward-based Planning	61
	Ward 1	64
	Ward 2	71
	Ward 3	77
	Ward 4	84
	Ward 5	91
	Ward 6	97
	Ward 7	104
	Ward 8	110
	Ward 9	117
	Ward 10	123
	Ward 11	127
	Ward 12	134
	Ward 13	138
	Ward 14	144
	Ward 15	151
	Ward 16	156
	Ward 17	163
	Ward 18	171
	Ward 19	177
	Ward 20	183
	Ward 21	190
	Ward 22	196
	Ward 23	203
	Ward 24	210
Ward 25	220	
Chapter 7	Provincial Financial Allocations and Grants	238
Chapter 8	Financial Plan & iMAP	241
Chapter 9	Performance Management	320
<i>Annexure A</i>	<i>Municipal Profile</i>	324
<i>Annexure B</i>	<i>Ministerial Letter</i>	339
<i>Annexure C</i>	<i>NDP Planning Session: Ward 20 – February 2014</i>	344

FOREWORD BY EXECUTIVE MAYOR



The **Integrated Development Plan** (IDP) marks another step in the on-going quest for improvement. As opposed to just being a mechanistic made-for-the-shelf product, we want to continue to use this IDP 2014/2015 as the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the George Local Municipality. It is in that context that we will continue giving our IDP life.

This IDP review process (2014/2015) is built on past work, our experience in governing George, and the inputs of our citizens through workshops and continuous interaction. While the annual review of the IDP is legislated, it is also critical for the George Municipal Council's planning that these plans are consistently updated and that we continue to communicate with our stakeholders. The review further allows the George Municipal Council to address emerging challenges and political priorities. The George Municipal Council will not discard the information contained in the 2012-2017 five-year IDP approved in 2012 but will, through the annual review of the IDP, seek to set out the implications and meaning of the five-year IDP each year. In essence, the annual review is used as a tool to help realise the medium- to long-term objectives of the George Municipal Council.

The George Municipal Council will continue to use the IDP as a roadmap to help meet community needs, while ensuring continued growth, equality and empowerment of the poor. I trust that this IDP will serve to stimulate and synergise our partnership with our colleagues in government, the people of George and all those who live, work, study, do business and play in our town- not by prescribing and regulating but by outlining a common vision on which to build "*...the best medium sized city in the country using all available resources sustainably to the benefit of the community in a growing and thriving city.*"

C STANDERS

EXECUTIVE MAYOR: GEORGE MUNICIPALITY

OVERVIEW BY MUNICIPAL MANAGER



In terms of Section 34 of the *Local Government: Municipal Systems Act, 2000* (Act 32 of 2000) each municipality is required to review its Integrated Development Plan (IDP) annually to assess its performance against measurable targets and to respond to the demands of changing circumstances. This IDP Review is an embodiment of such a process and signals our commitment to governing with the people in discharging our developmental mandate.

Both the George Municipality's draft reviewed IDP and budget for 2014/2015 are products of extensive processes of internal and external consultation and participation. When Council adopts both documents in May 2014, the challenge will be for Management to translate them into effective service delivery. The final 2014/2015 Reviewed IDP document will not be a master plan but rather an enabling framework that guides our actions and our allocation of resources as a Developmental Local Government. This document will further provide a platform to actively engage with our stakeholders and citizens to refine thinking and strategies, both through discussion and from learning by doing.

Once again, I would like to thank all the officials and councillors involved in preparing this draft Reviewed IDP document. A special word of thanks to the Executive Mayor, Executive Mayoral Committee and Council for their commitment towards the IDP process and towards building a better future for the George Local Municipality.

T BOTHA

MUNICIPAL MANAGER: GEORGE MUNICIPALITY

EXECUTIVE SUMMARY

This document represents the second review of the George Municipality's Integrated Development Plan (IDP) for the current planning and implementation time-frame, i.e. 2012 to 2017, and considers the 2014/2015 budget cycle. The document must be read together with the original IDP, the first review and the comprehensive suite of municipal-wide sector plans.

This 2nd review does not represent a total overhaul of what has been planned and/or implemented since 2012, i.e. during the current 5-year planning and implementation time-frame. The main aims are to identify and consider (significant) change(s) that will impact on resource allocation and to inform communities about government programmes and projects in the municipal area.

The main directives that were considered in the 2nd review as informants of change were the following:

- Ward priorities (see **Chapter 6**)
- Government allocations and grants (see **Chapter 7**), and
- The commenting letter by the provincial Minister of Local Government on the Integrated Development Plan of George Municipality for the financial year 2013/2014 (see **Annexure C**). These comments referred to the following:
 - To provide the approval status and linkage of the sectoral plans (see **Chapter 5**)
 - To include a chapter on (socio-) economic trends and prospects instead of repeating mere statistics, i.e. Census 2011 data (see **Chapter 2**). This chapter must provide a holistic picture of future development priorities in the municipal area, and
 - To include a comprehensive description of performance management in the IDP (see **Chapter 9**).

Please note that the chapters on performance management and financial information regarding the 2014/2015 budget cycle, as well as this executive summary will be completed in the final draft IDP.

1.1 INTRODUCTION

Integrated development planning is a process by which the George Municipality prepares a municipal-wide plan, known as the Integrated Development Plan (IDP). The process and plan is linked to a five-year planning and implementation time-frame that coincides with local government elections. The plan is reviewed annually in accordance with the yearly budget cycle.

This document represents the second review of the George Municipality's IDP for the current planning and implementation time-frame, i.e. 2012 to 2017 and considers the 2014/2015 budget cycle. The document must be read together with the original IDP, the first review and the comprehensive suite of municipal-wide sector plans.

The IDP is an instrument of both local mobilisation and intersectoral and intergovernmental coordination, and covers the breadth of the local agenda. Hence, it must be viewed as the confluence of all planning, budgeting and investment in the George municipal area and must incorporate and illustrate national, provincial and district policy directives. The plan also seeks to integrate and balance the economic, ecological and social pillars of sustainability without compromising effective service delivery. In view of the commitment to the local agenda, it is imperative that institutional capacity and know-how exist, to implement and coordinate the efforts needed across sectors and spheres of government.

Amongst other data sources, Census 2011 information was used in order to ensure quality and uniformity of data.

The key outcome of this review is the enhancement of ward-based planning as part of a two-pronged approach, viz. planning and implementation of service delivery and alignment of municipal strategies with the National Development Plan. The end-result of the current process is an IDP that informs municipal capacity and know-how and measure performance.

1.2 LEGISLATIVE FRAMEWORK

Municipalities function within an extensive legislative and policy framework that provides prescripts and guidelines for municipal actions according to constitutional obligations. Furthermore, local government must be cognisant of and partake in a system of intergovernmental service delivery. In this regard, the George Municipality realises that in order to promote the local agenda, the municipal budget, programmes and projects must be aligned with higher-order regulatory, developmental and institutional policy directives.

The **Constitution of the Republic of South Africa** outlines the type of local government needed. Section 152 and 153 of the constitution prescribes local government being in charge of the development process and municipal planning and describes the following objectives of local government:

- To ensure the sustainable provision of services;
- To provide democratic and accountable government for all communities;
- To promote social and economic development;
- To promote a safe and healthy environment;
- To give priority to the basic needs of communities; and
- To encourage involvement of communities and community organisations in matters of local government.

The **Municipal Systems Act (MSA) Act 32 of 2000** requires municipalities to develop Integrated Development Plans that should be single, inclusive and strategic in nature. The IDP of a municipality will guide development within the council's area of jurisdiction once adopted and IDP should also be reviewed annually. In addition the Act also stipulates the IDP process and the components to be included.

The **Local Government: Municipal Planning and Performance Management Regulations of 2001** set out the following minimum requirements for an Integrated Development Plan:

Regulation 2 (1) states that the municipality's IDP must at least identify:

- The institutional framework, which must include an organogram required for the implementation of the Integrated Development Plan and addressing the internal transformation;
- Any investment initiatives in the municipality;
- Any development initiatives in the municipality, including infrastructure, physical, social and institutional development;
- All known projects, plans and programmes to be implemented within the municipality by any organ of the state; and
- The key performance indicators set by the municipality.

Regulation 2 (2) states that an IDP may:

- Have attached to it maps, statistics and other appropriate documents; or
- Refer to maps, statistics and other appropriate documents that are not attached, provided they are open for public inspection at the offices of the municipality.

Regulation 2 (3) sets out matters/issues that must be reflected in the financial plan that must form part of the integrated development plan.

Regulation 2 (4) states that a spatial development framework reflected in the municipality's integrated development plan must:

- Give effect to the principles contained in chapter 1 of the Development Facilitation Act, 1995 (Act 67 of 1995);
- Set out objectives that reflect the desired spatial form of the municipality;
- Contain strategies and policies regarding the manner in which to achieve the above, which strategies and policies must:
 - indicate desired pattern of land use within the municipality;
 - address the spatial reconstruction of the municipality; and
 - provide strategic guidance in respect of the location and nature of development within the municipality;
- Set out basic guidelines for a land use management system;

- Set out a capital investment framework for the development programme within a municipality;
- Contain a strategic assessment of the environmental impact of the spatial development framework;
- Identify programmes and projects for the development of land within the municipality;
- Be aligned to the spatial development frameworks reflected in the integrated development plans of the neighbouring municipalities;
- Must indicate where public and private land development and infrastructure investment should take place;
- May delineate the urban edge; and
- Must identify areas where strategic intervention is required, and must indicate areas where priority spending is required.

Section 21(2) of the **Municipal Finance Management Act (Act 56 of 2003) (MFMA)** states that, when preparing the annual budget, the Mayor of a municipality must:

- Take into account the municipality's Integrated Development Plan;
- Take all reasonable steps to ensure that the municipality revises the integrated development plan in terms of section 34 of the MSA, taking into account realistic revenue and expenditure projections for future years;
- Take into account the national budget, the relevant provincial budget, the national government's fiscal and macroeconomic policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum;
- Consult-
 - the relevant district municipality and all other local municipalities within the area of the district municipality, if the municipality is a local municipality;
 - the relevant provincial treasury, and when requested, the National Treasury; and
 - any national or provincial organs of state, as may be prescribed; and
- Provide, on request, any information relating to the budget-
 - to the National Treasury; and
 - subject to any limitations that may be prescribed, to
- The national departments responsible for water, sanitation, electricity and any other service as may be prescribed;
- Any other national and provincial organ of states, as may be prescribed; and
- Another municipality affected by the budget.

1.3 NATIONAL AND PROVINCIAL DEVELOPMENT PLANNING AND POLICY DIRECTIVES

This section identifies the relationship between George Municipality's Integrated Development Plan and other key government planning and policy instruments. These instruments are perceived to be important directives and cross-cut all spheres of government. One of the key objectives of the IDP is to ensure alignment between the following planning and policy instruments:

- Millennium Development Goals
- National Development Plan Priorities (2030 Vision)
- National Spatial Development Perspective
- National Key Performance Areas
- National Outcomes
- Provincial Strategic Objectives

In September 2000, a total of 189 countries, including the Republic of South Africa, committed to the Millennium Declaration. This declaration sets out clear targets that are intended to be measured by 2015. The George Municipality is committed to this development agenda, and planning is done, in this context, to address the plight of the poor and broaden development objectives.

Development goals	Programmes and Actions
Eradicate extreme poverty and hunger	<ul style="list-style-type: none"> • Reduce by half the proportion of people living on less than one U.S. dollar a day. • Reduce by half the proportion of people who suffer from hunger.
Achieve universal primary education	<ul style="list-style-type: none"> • Ensure that all boys and girls complete a full course of primary schooling.
Promote gender equity and empower women	<ul style="list-style-type: none"> • Eliminate gender disparity in primary and secondary education at all levels.
Reduce child mortality	<ul style="list-style-type: none"> • Reduce by two thirds the mortality rate among children under five.
Improve maternal health	<ul style="list-style-type: none"> • Reduce by three quarters the maternal mortality rate.
Combat HIV/AIDS, malaria, and other diseases	<ul style="list-style-type: none"> • Halt and begin to reverse the spread of HIV/AIDS. • Halt and begin to reverse the incidence of malaria and other major diseases.
Ensure environmental sustainability	<ul style="list-style-type: none"> • Integrate the principles of sustainable development into country policies and programmes, and reverse the loss of environmental resources. • Reduce by half the proportion of people without sustainable access to safe drinking water. • Achieve significant improvement in lives of at least 100 million slum dwellers by 2020.
Develop a global partnership for development	<ul style="list-style-type: none"> • Address the special needs of landlocked and small island developing countries. • Deal comprehensively with developing countries' debt problems through national and international measures to make debt sustainable in the long term. • In cooperation with the developing trading and financial system that is rule-based, predictable and non-discriminatory. • Address the least developed countries' special needs that include tariff- and quota-free access for exports, enhanced debt relief, cancellation of debt and more generous development assistance. • countries develop decent and productive work for the youth. • In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.

Table 1.1: Millennium Development Goals, Programmes and Actions

Chapter 5 of the Municipal Systems Act, 2000 (Act 32 of 2000), in particular, provides guidance on co-operative governance and encourage municipalities to develop strategies in accordance with other public sector institutions whose own regulatory responsibilities or expenditure programmes take effect within the

municipal area. In this regard, all municipal resources and capacity must promote and facilitate the broader local agenda. Hence, the IDP must be compatible with the development plans and planning requirements of other spheres of government.

The state has introduced a system of municipal government to participate in effective intergovernmental service delivery. As part of this system, the following key policy directives are critical as indicative and normative planning instruments: at national level the National Development Plan (*Vision for 2030*), the Medium-Term Strategic Framework (MTSF) and the National Spatial Development Perspective (NSDP); at provincial level the Provincial Strategic Plan (PSP) supported by Provincial Spatial Development Framework (PSDF); and at local level the municipal Integrated Development Plan (IDP), which include a Spatial Development Framework (SDF).

Some of these directives are discussed in more detail below.

- **The National Development Plan:** Is a step in the process of charting a new path for the country. The broad goal is to eliminate poverty and reduce inequality by 2030.
- **Medium-Term Strategic Framework:** The MTSF base document is meant to guide planning and resource allocation across all the spheres of government. National and provincial departments have to develop their five-year strategic plans and budget requirements taking into account the medium-term imperatives. Municipalities are expected to adapt their Integrated Development Plans in line with the national medium-term priorities. Each of the priorities contained in the MTSF should be attended to. Critically, account has to be taken of the strategic focus of the framework as a whole. This relates in particular to the understanding that economic growth and development, including the creation of decent work on a large scale, investment in quality education and skills development are at the centre of the government's approach.
- **National Spatial Development Perspective (2003) (NSDP):** The vision of the NSDP is that South Africa will become a nation in which investment in infrastructure and development program support government's growth and development objectives. The guidelines put forward by the NSDP are: (1) prioritise investment and development spending in line with governments objectives, investment and expenditure should maximise and achieve sustainable outcomes. (2) Spatial forms and arrangements must be conducive to achieving social and economic inclusion and strengthening nation building.
- **Provincial Strategic Plan (PSP):** The Provincial Administration of the Western Cape has embarked on a process of developing a strategic plan with overarching objectives and clear outcomes to be achieved in the medium term. The vision in the strategic plan is "*An open, opportunity society for all*". The strategic plan sets out twelve (12) strategic objectives that determine policy direction and key interventions required to achieve the objectives. The objectives reflect the needs and priorities of the provincial government and will be used to drive integrated and improved performance of the public sector in the Western Cape. The strategic plan takes into account the powers and functions of the provincial government but a critical theme that links all objectives is the inclusive approach to address the challenges. Strengthened intergovernmental relations and

strategic partnerships with all spheres of government, non-governmental organisations and the private sector are critical for the successful implementation of the plan.

- **Spatial Development Frameworks** (Provincial and Municipal): Through the Provincial Spatial Development Framework (PSDF), the Provincial Government hopes to strike a sound balance between sustainable growth and the environmental preservation of the communities. The George Spatial Development Framework is aligned with the PSDF and describes the development intentions of the municipality.
- **Eden District Integrated Development Plan:** Section 29(2) of the Municipal Systems Act (MSA) Act 32 of 2000 clearly states that district municipalities must:
 - Plan integrated development for the area of the district municipality as a whole but in close cooperation with the local municipalities in the area;
 - Align its integrated development plan with the framework adopted; and
 - Draft its integrated development plan, taking into account the integrated development processes of and proposals submitted to it by the local municipalities in that area.

Horizontal alignment, i.e. between local municipalities, is pursued through inter-governmental planning and consultation, co-ordination and aligning the respective vision, mission and strategic objectives. The alignment of key national, provincial and district strategic directives are illustrated in the table below:

Millennium Development Goals	Vision for 2030	Medium Term Strategic Framework	National Outcomes	Provincial Strategic Objectives	Eden District Municipality Strategic Objectives
Eradicate extreme poverty and hunger	An economy that will create more jobs	Speed up economic growth and transform the economy to create decent work and sustainable livelihoods	Decent employment through inclusive economic growth	Creating opportunities for growth and jobs	Grow the district economy
	Improving Infrastructure	Massive program to build economic and social infrastructure	An effective, competitive and responsive economic infrastructure network	Integrating service delivery for maximum impact Increasing access to safe and efficient transport	Conduct regional bulk infrastructure planning, implement projects, roads maintenance, public transport, manage and develop Council fixed assets
	Transition to a low-carbon economy			Mainstreaming sustainability and optimising resource-use efficiency	
	An inclusive and integrated rural economy	Comprehensive rural development strategy linked to land and agrarian reform and food	Vibrant, equitable and sustainable rural communities and food security	Creating opportunities for growth and development in rural areas	Facilitate the comprehensive rural development plan

Millennium Development Goals	Vision for 2030	Medium Term Strategic Framework	National Outcomes	Provincial Strategic Objectives	Eden District Municipality Strategic Objectives
		security			
Ensure environmental sustainability	Reversing the spatial effects of apartheid	Build cohesive, caring and sustainable communities Sustainable resource management and use	Sustainable human settlements and improved quality of household life Protection and enhancement of environmental assets and natural resources	Developing integrated and sustainable human settlements	Promote sustainable environmental management and public safety
Achieve universal primary education	Improving the quality of education, training and innovation	Strengthen the skills and human resource base	Improve the quality of basic education A skilled and capable workforce to support inclusive growth	Improving education outcomes	Build a capacitated workforce and communities
Reduce child mortality					
Improve maternal health	Quality health care for all	Improve the health profile of society	Improve health and life expectancy	Increasing wellness	Healthy and socially stable communities
Combat HIV/AIDS, malaria, and other diseases	Social protection			Reducing poverty	
	Building safer communities	Intensify the fight against crime and corruption	All people in South Africa protected and feel safe	Increasing safety	
	Reforming the public service	Build a developmental state including improvement of public services and strengthening democratic institutions	A development-orientated public service and inclusive citizenship A responsive and, accountable, effective and efficient local government system	Building the best-run regional government in the world	Ensure financial viability of the EDM Promote good governance
Promote gender equity and empower women	Fighting corruption				
Develop a global partnership for development	Transforming society and uniting the country	Pursue regional development, African advancement and enhanced international co-operation	A better South Africa, a better Africa and world	Increasing social cohesion	

Table 1.2: Alignment strategies and strategic objectives

The alignment of higher-order directives with the local strategic objectives will be completed in Chapter 4 of this IDP review.

1.4 IDP REVIEW PROCESS PLAN

Council adopted an IDP and Budget Timetable in line with the requirements of Section 21(b) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) during August 2013.

The purpose of a review is:

- To assess the current levels of performance and the progress made during the five-year planning and implementation time-frame
- To understand service delivery levels (informed by the most recent Census data);
- To realign or adjust the five-year strategic directives, if required;
- To set annual targets in line with the strategic directives; and
- To enhance the planning and implementation processes as part of the yearly budget cycle.

The table below details key activities and sessions that have been undertaken towards the annual review of the Integrated Development Plan.

Details	Date
Council adopted the IDP and Budget Process Timetable	21 August 2013
Minister and Mayors Technical Forum (incorporating Indaba 1) – Encapsulating the notion of creating a platform for joint strategic priority setting between provincial sector department and municipalities	16 September 2013
Public participation: Service Delivery Imbizo Sessions	11 – 25 November 2013
Senior Management Strategic Workshop: to consolidate departmental efforts and long-term plans	16 – 17 January 2014
Provincial Indaba 2: Provincial sector department providing responses to IDP projects	25 February 2014
Tabling of the draft IDP and Budget	31 March 2014

Table 1.3: IDP planning activities

CHAPTER 2

DEVELOPMENT CONTEXT



In a ministerial letter dated 28 June 2013, the Minister of Local Government, Environmental Affairs and Development Planning, stated that although the municipality has done a thorough situational analysis, there is a need to consolidate the analysis to get a holistic picture that will inform the formulation of the objectives, strategies and projects. The detailed approach of the Integrated Development Plan (IDP) makes it difficult to get such a broader perspective on the socio-economic development dynamics of the target area, viz. that of the George Municipality and its main development challenges.

This chapter tries to fulfil that role, viz. contextualising the municipal area's (and that of the town of George in particular) current and prospective development spatially, sectorally and with regard to South Africa's main socio-economic challenges. It is also important to highlight the extreme disparities between the coastal area (including the town of George and surrounds) and the inland area, viz. the area north of the Outeniqua mountains.

We first look at some of the basic facts and trends related to the role of the target area (hereafter referred to as George) in the region, followed by a summary of the development challenges facing George at present. Specific attention is then given to the growth potential of the municipality's main economic sectors, with the concluding section looking at incremental progress as opposed to once-off efforts.

See **Annexure B** for the situational analysis that was completed as part of the 1st review.

2.1 BASIC FACTS AND TRENDS

Out of the wide spectrum of factors and forces that shape George's socio-economic advancement, we can highlight a few key aspects.

2.1.1 Population growth

According to the 2011 census, the population of George increased from 135 405 in 2001 to 193 672 in 2011. This is an increase of 58 267 (or 43%) over the 10 years or more than three per cent annually. *This growth is significantly higher than South Africa's average annual population growth of well below two per cent.*

Thus, the George Municipality is not only facing the normal challenges of meeting the demands for its different services, but it also has to accommodate significant population growth.

In the Southern Cape (Eden District) George has the largest population with a 2011 share of 33, 7 per cent. Its racial breakdown is in line with the region (located between the African-dominated Eastern Cape and the coloured-dominated Western Cape), i.e. 50,4 per cent coloured, 28,2 per cent African and 19,7 per cent white people, with the relative share having changed only marginally over the past decade.

2.1.2 The town of George as the centre of Eden

For historical, spatial and structural reasons, the town of George has evolved as the centre of the Eden District, both economically and socio-politically, evidenced by,

inter alia, the existence of the airport and seat of the Eden District Municipality. Thus, the town's growth is significantly influenced by the overall growth of the region and by the challenges faced by the region. This includes the intermediary position of the Southern Cape between the heavily populated and poorly developed Eastern Cape and the relatively well developed Western Cape. In this context the migration of Eastern Cape residents to Cape Town and other parts of the Western Cape also affects George, since some of the migration takes place in intermediary steps, i.e. with the migrants staying in the Southern Cape for some time.

2.1.3 Broad sector base

In sharp contrast to all the other places in the Southern Cape George's economy has a very broad sector base. This includes the primary sector (agriculture and forestry), manufacturing (agro-processing, building material), construction and real-estate services, trade, tourism, catering and professional as well as social services (education, health and old-age care) and public administration.

It is in this sector spread where the location and functional centrality position of George plays a significant role.

2.1.4 Development dualism

Like many other larger towns in South Africa, the town of George displays the development dualism of the country, viz. sharp contrasts between highly developed and sophisticated suburbs and business activities on the one hand and poorly developed, poverty-stricken suburbs (and informal settlements) on the other. This dualism is further strengthened by the location of George along the migration route from the Eastern to the Western Cape provinces.

2.1.5 Spatial configuration of the town

The spatial configuration of the town of George has been shaped by the apartheid-based spatial planning. The severity of the physical divide varied but in general it created under-resourced, impoverished and marginalised urban areas (or neighbourhoods) and an uneven distribution of facilities and opportunities. This has in recent times been further perpetuated by the spatial fragmentation of shopping precincts in the town.

Efforts since 1995 to overcome this separation have not yet changed the spatial structure of George fundamentally. Part of the problem is that this remedial approach does not tackle all the drivers of the apartheid structures and the respective cost elements. Post-1994, the apartheid ideology has been taken out of the equation, but many of the underlying economic and social drivers still remain.

2.2 DEVELOPMENT CHALLENGES

We can highlight the main trends and specific challenges which have to be taken into account in the unfolding of the IDP process and local economic-development (LED) efforts of the George Municipality.

2.2.1 Lower national growth and the impact of cost inflation

Much of economic growth in the region is influenced by the interaction between the Southern Cape and other parts of the South African economy (in particular through the tourism and retirement sectors). Thus dampened national growth (as experienced over the years 2009 to 2011) also affected the Southern Cape and George. This is shown by lower tourist numbers, fewer people interested in retiring (and buying a house) in the coastal area and less interest by national investors to tackle new projects in the Southern Cape.

After a resurgence of South African economic growth in 2011/12 there are signs of dampened growth in 2013/14 which may also have an impact on the Southern Cape and George.

One of the reasons underlying this dampening factor is the sharp increases in fuel prices, which have significantly increased the travel cost from Gauteng to the Southern Cape (which can be critical for the affordability of holiday or retirement homes). It may also dampen the influx of low- to medium-income tourists to the area (with KwaZulu-Natal so much closer to Gauteng).

2.2.2 Access to land and housing

As the town of George continues to grow, so too do the numbers of people in need of land and housing. It is clear that the integration of human settlements would not be resolved by the market alone, but would need direct interventions by an effective government. As a result, in addition to providing land and housing, the municipality is reducing the barriers to entry to well-located sites. However, the inability of the institutionalised administrative process of land-use management (at specifically local and provincial levels) to progress land-development opportunities, is another reason why investors are becoming more apathetic towards investment opportunities in the town of George.

Thus, while the Southern Cape has over the past decade been one of the top growth regions of the Western Cape province (and the Western Cape has been outperforming most of the other provinces), future growth prospects for the Eden District and the George Municipality are dampened in line with lower national growth prospects.

2.2.3 Unemployment, poverty and inequalities

All of South Africa is currently challenged by the country's relatively high (if not even rising) levels of unemployment, poverty and inequality. In this context the Southern Cape (and George as a major centre in the region) has slightly lower levels of unemployment and poverty than most other regions and places. This can be linked to, *inter alia*, the strong retirement base of the area and the region's broad sector base.

Notwithstanding this relatively better performance, the seriousness of challenges with respect to local unemployment, urban and rural poverty as well as high levels of income and wealth inequality cannot be denied with respect to the George municipal area. In fact, the influx of migrants from the Eastern Cape and in-migrants from other parts of Africa further increase those pressures.

2.2.4 Competing centres in the region

Although George is the largest town in the region, it does experience LED-focused competition from some of the other centres in the area (like Mossel Bay and Knysna). Mossel Bay has the harbour and certain larger projects as draw cards while Knysna is probably the tourism jewel of the Eden District. Even Oudtshoorn has certain distinct draw cards (its location in the interior, the ostrich industry and the Cango Caves).

On balance, and with a central location, George probably still has the widest range of comparative growth forces, but these competing places do emphasise the need for the George Municipality (directly and through public-private interaction) to proactively tackle all its growth factors and to address development constraints. An imperative is to also facilitate regional cooperation in addressing the challenges faced by the region.

2.2.5 Other challenges

Without going into details here, we can mention the availability of water (in the context of climate change and local supply conditions) and the need for disaster-management capacity as other challenges to be considered and addressed.

2.3 SECTOR GROWTH

George's municipal resource base and much of the private sector's development momentum depend on the growth of the different sectors of the local economy. Policy-makers must favour a pro-poor development approach but should not ignore the market as a complex and essential phenomenon. In this regard, policy-makers need to understand the interaction of political, economic, social and cultural issues, legal frameworks, fiscal policies and environmental controls.

The relatively broad sector structure of George which is one distinct advantage for steady growth has already been mentioned. We can now briefly refer to the growth potential and prospects of key sectors. To put this discussion into a broader perspective we can first highlight a few trends.

- The Eden District achieved 5,2 per cent real GDP growth per annum over the 2000 to 2011 period, which was one of the highest in the province as well as in South Africa.
- The fastest growing sectors were construction (10, 3% *p.a.*) and trade/accommodation (5, 5% *p.a.*).
- The growth in the manufacturing sector was relatively lower (4, 1% *p.a.*) with a decline in the recession years 2008/09. This decline was particularly strong in George, which lost some of its industrial establishments.
- Eden's sector GDP growth forecasts for 2012 to 2017 show the following projections.

	% p.a.
Finance and business services	5,7
Construction	5,6
Trade and tourism	4,2
Community and social services	3,9
Transport and communication	3,8
Manufacturing	3,8
Government	3,2
Agriculture	1,1
Average for the region	4,3

2.3.1 Agriculture

The George area has an active, high-value agricultural sector including produce such as hops, vegetables, flowers and dairy products, with aquaculture present too. Although these activities may hardly create many additional jobs, they contribute significantly to local employment and earnings with steady land-reform efforts helping to reduce inequalities.

Through the interaction of agriculture, aquaculture, agro-research and bio-tech George should also be able to experiment with new agro-technologies significant for South Africa.

2.3.2 Construction and real-estate services

Given the rapid population growth and the role of the Southern Cape as retirement haven for many South Africans the construction sector foresees steady growth and at least stable employment. Although George is not a coastal resort, these trends should also apply to the town. In addition, the local climate and a strong forestry sector help to create a much wider range of building structures than found in other parts of South Africa.

2.3.3 Tourism, catering and accommodation

Notwithstanding certain limiting factors (like the rising fuel price) the tourism sector of the Southern Cape remains one of the strongest pillars of future LED. This also applies to George, even though it is not right at the coast. Through its central location within the "tourism region" George is able to attract many tourism, accommodation and catering-related specialist services and facilities, which help to stimulate LED.

2.3.4 Trade

As the central place in the region George is able to attract the bulk of more specialised retail and wholesale trade establishments in the region. This further boosts this sector and is not likely to change in the foreseeable future. It is, however, key that the municipal and district managements satisfy the accommodation and other requirements of these enterprises.

2.3.5 Manufacturing

Although the relatively small population of the area has prevented the Southern Cape from becoming a major industrial growth point, the area has over the years succeeded in attracting some innovative industries (in bio-tech, ICT software and agro-processing). George is undoubtedly one of the relevant locations for such investors, but the process of attracting such firms is complex and unpredictable. Much will depend on the town maintaining an image of "investor-friendly city", with a helpful and flexible local authority. The closure of some factories in the recession years has illustrated the negative impact of sector problems and has stressed the need for proactive municipal policies.

2.3.6 Educational services

George currently has the widest spectrum of school and post-school education facilities in the Southern Cape. These include quality private schools as well as university and other tertiary-level facilities. It seems likely that these facilities will enlarge in line with expanding local needs and national trends in educational-supply facilities. Once again such expansion depends quite crucially on the municipality's policies of facilitation.

2.3.7 Health services

George also has the widest range of health facilities and services in the southern Cape, and it would seem natural for this position to continue in future if facilitated by local, district and provincial authorities.

2.3.8 Professional services

Through its size and central location George is ideally placed as Eden's centre for professional services, depending on the overall growth of the region and the scope for further service supplies. The central role played by George in the region's health and educational services also makes the town more attractive with regard to other professional services.

Thus, to conclude, George should be able to maintain its dominant regional position in a whole range of sectors, with the future growth in these sectors depending on overall economic growth in the region and the country, and on local policies and support strategies.

This relatively optimistic future perspective cannot deny the need for government (in the delivery of infrastructure, the quality of services and other dimensions of local economic development) to maintain past performance levels and reputations.

This brings us to the last section in this contextualization of the local environment.

2.4 THE CRITICAL ROLE OF INCREMENTAL PROGRESS

This contextualising overview has shown that George is a relatively mature town with a balanced social, sectoral and resource structure. It experiences all the conventional challenges of South African urban areas, but has in the past been able to tackle these challenges effectively. Yet the town and its rural hinterland experience virtually all the problems that are evolving in South Africa's emerging economy and society.

Against that background, the municipality must now tackle those problem areas proactively in an incremental way and, *inter alia*, through its public-private interaction. In most of these problem areas progress has been made in the past, but attention has to be maintained if not even strengthened.

To illustrate this critical point: George has the potential for the expansion of its higher-education sector, agro-processing, tourism sector and business as well as the financial-services sector. Such expansion does not necessarily imply dramatic (new) steps or huge investments, but it does call for serious facilitation by the municipality as well as concerted public-private interaction and co-operation. Given the broad sector base of the local economy (i.e. the potential for new projects in several sectors) it is important for the municipality to have the capacity to look into (and support) new projects in diverse sectors.

A similarly wide range of support capacities is needed to tackle effectively the needs of its diverse socio-economic groups: the youth, retirement groups, transient migrants from the Eastern Cape, foreign in-migrants, local professionals and small-business entrepreneurs and many other "constituencies".

The action and progress in the handling of these challenges is usually slow, but it is critical that the different processes are actively pursued and allowed to evolve. It is believed that through the mobilisation of available resources and institutional capacity in accordance with the five strategic goals, the George Municipality has already started to address some of the challenges.

CHAPTER 3

SITUATIONAL ANALYSIS OF MUNICIPALITY AND KEY STAKEHOLDERS



3.1 INTRODUCTION

Performance management is a management tool introduced to facilitate the implementation of the IDP, and as such forms an integral part of the IDP. The budget attaches money to the IDP objectives and this is monitored through the service delivery and budget implementation plan (SDBIP). The budget makes the implementation of the IDP possible and the IDP provides the strategic direction for the budget. This chapter aims to provide an analysis of the institutional arrangements at George Municipality, its financial position and service delivery performance.

3.2 INSTITUTIONAL

The following section focuses on the factors contributing to the sustainability of the municipality ranging from continuity of the prevailing political environment and the internal capacity of the municipality, particularly in relation to personnel and the systems used within the municipality.

3.2.1 Council

The council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and the Mayoral Committee. Their role is to debate issues publicly and to facilitate political debate and discussion. The council plays a very active role in the operations of the Municipality. Apart from their functions as decision makers, councillors are also actively involved in community work and the various social programmes in the municipal area.

The Executive Mayor of the Municipality, Alderman C Standers, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The Portfolio's assigned to the members of the Executive Mayoral Committee are as follows:

Name of member	Capacity
C Standers	Executive Mayor
D Maritz	Executive Deputy Mayor And Portfolio Councillor :Human Resources & Strategic Services
M Naik	Portfolio Councillor : Civil Engineering Services & Public Support
E de Villiers	Portfolio Councillor: Environmental Affairs And Sport
W Harris	Portfolio Councillor : Electro-Technical Services
H Jones	Portfolio Councillor : Human Settlements
I Kritzinger	Portfolio Councillor : Safety and Security

Name of member	Capacity
G Stander	Portfolio Councillor : Planning
I Stemela	Portfolio Councillor : Corporate Services
L Van Wyk	Portfolio Councillor: Finance
M Kleynhans	Portfolio Councillor: Rural Services Committee / Social and Library Services
M Draghoender	Speaker
PH de Swardt	Chief Whip

Table 3.1: Executive Mayor-in-Committee

3.2.2 Management

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the Management Team.

3.2.3 Staff complement

The senior management team is supported by a municipal workforce of 983 permanent employees (51.76% of approved organogram) and non-permanent employees, which is structured in the various departments to implement the IDP strategic objectives.

Below is a table that indicate the number of employees within the specific occupational categories:

Posts filled									
Occupational categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	8	12	0	11	10	6	0	2	49
Professionals	0	1	0	4	0	0	0	0	5
Technicians and associate professionals	3	15	0	16	0	4	1	7	46
Clerks	5	28	1	18	8	18	0	7	85
Service and sales workers	8	40	0	9	20	72	0	25	174
Craft and related trades workers	13	37	0	7	9	20	0	3	89
Plant and machine operators and assemblers	67	100	0	22	9	25	1	6	230
Elementary occupations	107	101	0	1	33	63	0	0	305
Total permanent	211	334	1	38	39	200	2	30	555
Non-permanent	23	39	0	19	14	38	0	6	139
Grand total	234	373	1	107	103	246	2	56	1122

Table 3.2: Staff complement

The municipality reviews its employment equity status annually and prepares a plan that the municipality seeks to implement and report on annually. Council has set itself a target to align the staff equity with the demographics of the community of George and to maintain this position.

PER POST LEVEL		
Post level	Filled	Vacant
Top Management	4	5
Senior Management	3	0
Middle management	44	35
Skilled	214	270
Semi-Skilled	439	413
Unskilled	279	192
TOTAL	983	915
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant
Office of the Municipal Manager	9	25
Financial Services	109	46
Planning and Housing	53	66
Corporate and Social Services	128	127
Community Safety	121	152
Environmental Affairs	166	73
Electro Technical Services	119	146
Civil Engineering Services	278	281
TOTAL	983	915

Table 3.3: Post levels filled

3.2.4 Skills development

The municipality is committed to developing the skills of the human resource capacity and therefore prepares a Workplace Skills Plan annually. The municipality will complete the implementation of a staff performance management system for all staff by 2015 and the performance plans will be aligned with the strategic objectives and the TASK job functions. Training and skills development gaps will be identified and the training plans will be focusing on the needs identified. Members of the management team are currently involved in a National training programme for senior managers of municipalities and the programme will be completed by 2014.

3.2.5 Municipal policies and service delivery improvement plans

The municipality has the following policies, service delivery improvement plans and systems to support the workforce in delivering on the strategic objectives:

Name of policy	Date approved/ revised
Appointment Policy	29 August 2012
Acting Policy	29 November 2012
Overtime Policy	29 November 2012
Placement Policy	29 November 2012
Succession and Career Path Policy	29 November 2012
Training and Development Policy	29 November 2012
Scarce Skills and Staff Retention Policy	March 2008
Experiential Policy	29 November 2012
Internal Bursary Policy	March 2010
External Bursary Policy	March 2010
Personal Protective Equipment Policy	29 November 2012
Motor Vehicle Policy	29 August 2012
Outdoor advertising By-law	25 May 2012
Water and Sanitation Bylaw	21 January 2011
Roles and responsibilities	25 January 2012
Delegation of power	25 January 2012
Tariff	29 May 2012
Virement	4 July 2011
Property Rates	29 May 2012
Indigent	26 June 2012
Customer care	29 May 2012
Credit Control	29 May 2012
Debt Collection	29 May 2012

Table 3.4: Policies

It is Council's intention to develop a schedule of all policies and by-laws that will indicate a rotation plan for reviewing all policies and by-laws. This process will assist the municipality to be developmental and innovative in doing business. The systems are continuously updated to ensure that it supports the administration.

3.3 FINANCIAL PERFORMANCE (MUNICIPALITY)

The financial performance against the budget is summarised in the table below:

	2010/11	2011/12
	R'000	R'000
Revenue	851 103	932 980
Operating Expenditure	845 545	939 312
Capital expenditure	136 635	109 666
External loans	47 704	20 291
Government grants, subsidies and transfers	72 168	50 035
Public contributions and donations	0	0
Own funding	16 762	39 340

	2010/11	2011/12
	R'000	R'000
Other	0	0

Table 3.5: Financial performance

The municipality's financial position is fairly healthy and the municipality understands the importance of investing in its communities, growing the asset base to serve the people of the George. The table below highlights the municipal financial performance in terms of the National Treasury indicators.

Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	2011/12
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome
<u>Borrowing Management</u>					
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure			6.3%	6.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue		Debt coverage	27	23
Debt Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions				
<u>Safety of Capital</u>					
Gearing	Long Term Borrowing/ Funds & Reserves				
<u>Liquidity</u>					
Current Ratio	Current assets/current liabilities			2.79	2.56
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities			2.49	2.21
Liquidity Ratio	Monetary Assets/Current Liabilities			1.22	1.03
<u>Revenue Management</u>					
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing				
Cash receipts % of Ratepayer & Other revenue					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue			14%	13%
Creditors to Cash and Investments					
<u>Other Indicators</u>					
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated				
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source				
Employee costs	Employee costs/(Total Revenue - capital revenue)			29%	28%

Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	2011/12
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome
Remuneration	Total remuneration/(Total Revenue - capital revenue)				
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)			7%	6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)				
IDP regulation financial viability indicators					
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)			27%	23%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services			14%	13%
iii. Cost coverage	(Available cash + investments)/monthly fixed operational expenditure			3.36	3.44

Table 3.6: Financial analysis

The audit results during the past few years are summarised in the table below:

Year	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Status	Qualified	Qualified	Adverse	Unqualified with matters	Unqualified - Clean audit	Unqualified - Clean audit

Table 3.7: Audit outcomes

3.4 PERFORMANCE AGAINST IDP OBJECTIVES

The performance against the IDP objectives has been summarised per national key performance area. The highlights indicated the achievements of the municipality whilst the challenges summarise the challenges that the municipality experience in achieving the objectives and delivering the required services

National Key Performance Area	IDP Strategic Objectives	Highlights	Challenges
Good Governance and Public Participation	Achieving and promoting Good Governance, Transparency and Community Participation	<ul style="list-style-type: none"> <input type="checkbox"/> Functional community participation mechanisms and ward committees <input type="checkbox"/> Established feedback mechanism in order to ensure responsiveness to communities <input type="checkbox"/> Intergovernmental Relations Forum established <input type="checkbox"/> Ward Based planning initiated. <input type="checkbox"/> R100 000 allocated per ward for community projects <input type="checkbox"/> GIPTN public participation processes 	<ul style="list-style-type: none"> <input type="checkbox"/> Budget Constraints to empower ward committees to participate effectively in municipal processes <input type="checkbox"/> Poor attendance of public meetings by ward residents
Municipal Transformation and Organisational Development	To transform and develop the systems, mechanisms and procedures of the George Municipality to	<ul style="list-style-type: none"> <input type="checkbox"/> Appointment of the Municipal Manager. <input type="checkbox"/> Appointment of Designated groups (more than 80%) <input type="checkbox"/> Evaluation and Auditing of filled benchmarked positions (90%) <input type="checkbox"/> Commencement of the Municipal 	<ul style="list-style-type: none"> <input type="checkbox"/> Budget Constraints for training <input type="checkbox"/> Budget Constraints for filling of vacancies <input type="checkbox"/> Budget Constraints to fill scarce skills positions or to pay a scarce skills allowance