



MAKANA

MUNICIPALITY | EASTERN CAPE

MASIPALA WASEMPUMAKOLONI

MUNISIPALITEIT | OOS-KAAP

...a great place to be

DRAFT REVIEW

MAKANA MUNICIPALITY

INTEGRATED DEVELOPMENT

PLAN

2020-2021

(I)	TABLE OF CONTENTS	
(II)	ACRONYMS AND ABBREVIATION	
(III)	TABLES, MAPS AND FIGURES	
(IV)	EXECUTIVE SUMMARY	
(V)	MUNICIPAL OVERVIEW	

CHAPTER ONE: PREPARATORY AND PLANNING PROCESS

1.1	Background	12
1.2	Legal Framework	12
1.3	Makana Five Year Integrated Development Plan	13
1.4	Mandate and Guide Parameters	13
1.5	Process Plan (2020/21)	27

CHAPTER TWO: SITUATIONAL ANALYSIS

2.1	Locality	38
2.2	Demographic Profile	38
2.3	Economic Profile	42
2.4	Labour Force	53
2.5	Household and Income Expenditure	58
2.6	Human Development Index	62
2.7	Household Infrastructure	80
2.8	Tourism	88
2.9	Crime Level Statistics	

CHAPTER THREE: STATUS QUO

3.1	KPA 1: Spatial Development and Environmental Management	89
3.2	KPA 2: Service Delivery and Infrastructure Development	97
3.3	KPA 3: Local Economic Development	129
3.4	KPA 4: Financial Viability	153
	KPA 5: Municipal Transformation	3.5
3.6	KPA 6: Good Governance and Public Participation	170
		188

CHAPTER FOUR: STRATEGIC INTERVENTION

4.1 Municipal Development Priorities	
4.2 Strategic Review outcomes	
4.3 Municipal Strategy Agenda	
4.4 Intergovernmental alignment	
4.5 IDP Register	
6.1 Executive Summary	243
6.2 Revenue Management	243
6.3 Expenditure Management	244
6.4 Operational Budget Framework	247
6.5 Capital Budget Framework	249
6.6 Financial Policies	
6.7 Capital Infrastructure Projects	253

CHAPTER FIVE: SPATIAL DEVELOPMENT FRAMEWORK

5.1 Objective of Spatial Development Framework	220
5.2 Spatial Plan Alignment	220
5.3 Policy Context and Vision Directives	221
5.4 Spatial Analysis	224
5.5 Spatial Strategies	226 5.6
Structural Elements	228
5.7 Package of Plans and Land Use Management System	238
5.8 District Integrated Planning Model	239
5.9 Capital Expenditure Framework	239
5.10 Implementation Program	242

CHAPTER SIX: FINANCIAL PLAN

CHAPTER: INTERGRATION

7.1 Introduction	258
7.2 Summary of Sector Plans	258
7.3 Performance Management- Institutional Level	266
7.4 Performance Management- Individual Level	274
7.5 Conclusion	280

(II) **ACRONYMS AND ABBREVIATIONS:**

IDP	Integrated Development Plan
Agric	Agriculture
ASGISA	Accelerated and Shares Growth Initiative for South Africa
CBP	Community Based Planning
SBDM	Sarah Baartman District Municipality
CDW	Community Development Worker
CFO	Chief Financial Officer
CIlr	Councillor
EM	Executive Mayor
MM	Municipal Manager
CSS	Community and Social Services
DBSA	Development Bank South Africa
DEAET	Department of Economic Affairs, Environmental and Tourism
COGTA	Cooperative Governance and Traditional Affairs
DoSD	Department Of Social Development
DTIS	Department of Technical and Infrastructure Services
DWIS	Department of Water and Infrastructure Services
ECDC	Eastern Cape Development Corporation
EHS	Environmental Health Services
FM	Financial Management
MKH	Makhanda
HASTI	HIV and AIDS and Sexually Transmitted Infections
LSA	Local Service Area
Makana LM	Makana Local Municipality
MEC	Member of the Executive Council
MMC	Member of Mayoral Committee
MIG	Municipal Infrastructure Grant
MPCC	Multi-Purpose Community Centre
Munic	Municipality
NSDP	National Spatial Development Plan

PDP	Provincial Development Plan
PHP	People Housing Process
PMS	Performance Management System
Rep	Representative
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
WSDP	Water Service Development Plan
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works
AFF	Asset Financing Fund
Opex	Operation expenditure
Capex	Capital Expenditure
MPAC	Municipal Public Account Committee
CIP	Comprehensive Infrastructure Plan

III) Tables, Maps and Figures

Table Number	Description	Table Number	Description
1	National Outcomes	35	Environmental Resources
2	Long-term Strategy	36	Educational Resources
3	SBDM Development Priorities	37	Health Facilities
4	Makana Development Priorities	38	Police Station in Makana Area
5	Development Planning Strategic Framework	39	Access to Basic Services
6	Roles and Responsibilities	40	Blue Drop Status
7	Community and Stakeholder Communication	41	Green Drop Status
8	Mechanism for Alignment	42	Drought Interventions
9	Key Deadline Schedule	43	Municipal Short Term Projects
10	Mayoral Imbizo	44	Urban and Rural Settlement Areas
11	IDP/Budget Roadshow	45	Settlement and Nodes
12	Population Distribution	46	Informal Dwellings
13	Land Use Options Per Land Capability Class	47	Backyard Shacks
14	Land Capacity in Makana	48	Dwelling Types and Tenure Status
15	Land Reform Targets	49	Housing Backlogs
16	Land Distribution	50	Housing Projects
17	Population Density	51	Financial Policies
18	Gender Profile	52	IDP Project Register

19	School Attendance	53	MTERF – Multi-year Budget
20	Level of Education	54	Revenue Classified By Revenue Source
21	Poverty Indicators for SBDM	55	Operating Expenditure By Standard Classification Item
22	Employment	56	Infrastructure Capital Plans
23	HIV Testing	57	Sector Plans
24	TB Screening	58	Water and Sanitation Backlogs
25	Labour Force	59	Status of Supply to Higher Levels
26	Labour Status	60	Cost of Backlogs
27	Sectors with Comparative Advantage	61	Vision Key Principles
28	Investment in Makana	62	Monitoring Reports
29	Directorates	63	Performance Report Requirements
30	Powers and Functions	64	Performance Management Plan
31	Vacancy Rate Schedule	65	Stakeholder Roles and Responsibilities
32	Institutional Policies and Procedures	66	Performance Management Review Schedule
33	Summary of Strategic Institutional Risks	67	Performance Assessments
34	Register for CBO/NGO's	68	

Maps No.	Description
1	Makana Geographic
2	Ward Delimitation
3	Geographic Distribution – SBDM
4	Spatial Location

Figure No.	Description
1	Composition of a Municipality
2	Gender Profile
3-1	Educational Attainment per Local Municipality
3-2	Weighted Average Monthly Household Income
4	Level of Poverty in the District
5	Human Development Index
6	Employment Comparison
7	Organisational Structure
8	Political Structure
9	Core Values

IV) EXECUTIVE SUMMARY

Upon election in August 2016, the Makana Local Municipality leadership developed and adopted a 5 year strategic plan known as the Integrated Development Plan (IDP) in terms of the Municipal Systems Act, Act 32 of 2000. The IDP is the overall strategic document that guides decision making in respect of planning, budgeting and the overall development of a municipality. The IDP is reviewed annually after consultation with the communities before it is tabled and adopted by council. This is the third review of the IDP and is intended to assess progress made while prioritising new developmental challenges.

In addition, the municipality is in the process of reviewing its Spatial Development Framework (SDF) document. This document is developed in terms of the Spatial Planning and Land Use Management Act, SPLUMA in short. Among many objectives, the SDF document is intended to provide for the sustainable and efficient use of land. It is common knowledge that the municipality has been experiencing a number of challenges since 2014. These challenges included but were not limited to:

Inadequate revenue collection

- ☐ Poor service delivery
- ☐ Successive negative audit opinions
- ☐ Lack of good corporate governance

Under developed institutional arrangements

Different spheres of government have been intervening to support the municipality in terms of section 154 of the Constitution in the past and continue to support the municipality to date. In addition, Section 139 has been visited upon the municipality in 2014. To add injury to the wound, the municipality was visited by the worst drought in seventy years. The municipality applied to be declared a Disaster area which was approved by the Sarah Baartman District under which the municipality falls. There is political stability within the municipality and the top administrative leadership is in place except for one Director who is on suspension.

It is against this backdrop that the current IDP seeks to revive the municipality by going back to the basics. During the IDP and Budget road shows housing was identified as the number one priority among all the communities that were consulted on the draft IDP and Draft Budget. Bulk infrastructure for water and sewer become the prerequisite for the construction of housing for human settlement. The key challenge in this regard is the identification and acquisition of suitable land for human settlement purposes. This challenge is acute particularly in the outlying semi-rural settlements with the municipality.

The two Waste Water Treatment Plants of Mayfield and Belmont valley are over capacitated resulting in outflow of sewer. This situation is not only in breach environmental standards but is also a health hazard. Future housing and other developments are on hold as a result of this situation. Other government departments and entities together with municipal officials are in discussion to source funding to upgrade these facilities. The operation and maintenance of these facilities is the major challenge. It is for that reason that the Office of the Premier assisted the municipality with seconding Engineers from MISA. Other sources of funding are also explored to address the dilapidated road infrastructure within the municipality. The municipality through its council has adopted numerous strategies to increase revenue collection. Cogta through the services of Kagiso Trust is assisting the municipality to cleanse its municipal database, improving the billing system, correct categorisation and valuation of properties among other things. The effective implementation of these strategies will improve revenue collection over time.

With regards to the institutional capacity, the municipality is in the final stages of reviewing its organisational structure. Once adopted by council, the positions in the organogram will be graded and

evaluated. A transparent process to fill the posts will then be embarked upon by the Executives. The idea is to fill the posts with competent, skilled and professional work force that will serve with honesty and commitment.

With the support of local organisations, councillors and administration it is possible to turn around this municipality to become the best. The full potential of this municipality is yet to be realised. It is against this background that I table this Integrated Development Plan and Budget for the 2020/2021 financial year.

MZUKISI MPAHLWA

EXECUTIVE MAYOR

(V) OVERVIEW OF THE MUNICIPALITY

Makana Local Municipality (Makana) is a category B Municipality approximately halfway between East London and Port Elizabeth that forms part of the seven local municipalities of the Sarah Baartman (formerly Cacadu) District Municipality in the Eastern Cape Province. Makana's area is bordered in the north-east by Amathole District Municipality with the cities of Port Elizabeth 120km to the west and East London 180 km to east, north-west by Blue Crane Route Local Municipality, in the south by Ndlambe Local Municipality and in the south-west by the Sundays River Valley Local Municipality. In 2011 the Municipality was delimited into fourteen wards.

Towns and villages of Makana Municipality:

Makhanda:

Makana Local Municipality is one of the seven (7) local municipalities in the Sarah Baartman District in the Eastern Cape. The main seat of the Municipality is in Makhanda. The municipality covers of an area 1690 square kilometres with a population of 82060 as per 2011 SA Statistics and 2016 SA customer survey indicate population growth increase of 2.1 % to 82060 and municipality cover an area of 4 375.62 square kilometres and constitute 7.5 of Sarah Baartman District Municipality.

Ninety percent of the population lives in Makhanda. The importance of Makhanda as an economic Hub cannot be overemphasized. At the heart of Makana is the city of Makhanda, situated 55 kilometres from the coast. Makhanda is famous as one of the leading cultural, educational and tourist centres and hosts the National Arts Festival in South Africa for the last 43 year which is the International Event and the 3rd largest festival in the world. In 2017 performers from more than 33 countries participated in the festival. The Festival was also attended by many ambassadors from foreign countries. The festival occurs in almost every University hall, School halls, public halls, churches as well as in the various townships throughout Makhanda. The Festival attracts thousands of visitors onto the City. It is crucial that the municipality is able to ensure a good road network as well as important water, sewerage and electricity provision.

Makhanda is also the primary location of Rhodes University and other prominent and internationally acclaimed primary and high schools/ colleges are found in Makhanda.

Rhodes University with a population of approximately 7 000 students is the largest ratepayer. The University hosts many strategic faculties. These faculties cover a wide area. The University therefore requires a very capable and workable Infrastructure. Students and academics from all over the world are based on the campus.

Makhanda is also the seat of the High Court in the Eastern Cape. The judiciary is based here. The city also has to host legal teams from throughout the country, during high profile cases.

Alicedale:

Owing its existence to the development of the railways, the station at Alicedale is a vital link between the Makana region and the main railway line between Port Elizabeth and Johannesburg. There is a historical red face brick building that now houses the reception of the resort hotel- affectionately known as Bushman Sands (*Bushmans River Sands Hotel*). The hotel boasts an 18-hole golf course.

Alicedale attractions include the Bushman Sands Reserve, New Year's Dam and the Bushmans River. Alicedale is particularly scenic.

Salem:

The Methodist Church founded Salem in the mid-1820s. It is famous for its many fine buildings and also for the historic negotiations between Richard Gush and the Xhosa people during the War of Hintsa, when the Xhosa agreed to leave the village in peace. The name is of biblical origin ([Genesis 14:18](#)) and, proclaimed the Sunday after their arrival by the Reverend Shaw, means 'peace'; the local application refers to a reconciliation between sects. A church built from mud blocks and thatch was consecrated in 1824, and replaced by a stone structure in 1832. The church often served as a refuge for women and children during the Frontier Wars. Several Settler Houses built in the Georgian style, have been preserved. In December 2017 the Constitutional Court upheld a land claim lodged in respect of the Salem Commonage by descendants of the black community that previously occupied the land.

Riebeek east:

The Dutch Reformed Church established the village of Riebeek East in 1830 on the farm Mooimeisiesfontein, the home of the famous Voortrekker leader Piet Retief. Riebeek East is now in the midst of a game and sheep farming area and offers many attractions and hiking trails through the surrounding diverse and beautiful hills.

Retief's farm house is situated just east of the village, and has been declared a [National Heritage Site](#). The nearest town is Makhanda which is 39km's to the east. Riebeek East boasts a quaint guest house – Mooimeisies Guest House run by Neil and Cary Clark. The décor is an eclectic mix of items personally collected or made and this makes it quite unique.

Seven fountains:

This farmers' community derived its name from seven springs located on different farms in the area. Set in a beautiful garden that is home to a 250 year old rose bush and a 130 year old orange tree, Seven Fountains Farm boasts century old buildings that have been converted to individually furnished double rooms and cottages. Seven Fountains Farm is a beautiful facility that sits halfway between Makhanda and the Indian Ocean built in 1717 by a Dutch settler, Jan Frederick Potgieter and is the oldest farm in the Eastern Cape. 300 years after it was built, Seven Fountains Farm is open as a guesthouse, lunchroom and activity venues. The buildings are set in a beautiful garden and look over the veld up to the mountains and the Assegai River.

It was originally a resting place for ox-wagons in the 18th century and came to be known as Zuurplaats by early Dutch settlers to the area. In 1820, abandoned loan-farms were re-allocated to newly arrived British Settlers. They erected the first Methodist church there in 1834 and it is still in use today even though a newer and larger church was built in 1929. Today the village of Seven Fountains comprises shops, a clinic, sports club and police station which serve the local, mainly farming, population. Go game viewing at nearby Pumba Private Game Reserve, Visit historic graveyards dating back to 1820, Book accommodation at Wolfe Lodge for a restful weekend break or visit the Assegai Lodge which was built in 1717 by Dutch settler, Jan Frederick Potgieter and learn about this wonderful period home where a 250 year old rosebush and 130 year old orange tree still survive.

Fort brown:

Established as a military post in 1817, the gun tower and adjoining walls of the fort, overlooking the Great Fish River and central to a number of major game reserves, is a national monument. Hermanus Kraal was later renamed to Fort Brown after Lt Brown of the 75th Regiment who was in command during the war of 1835. Fort Brown consisted of a group of buildings surrounded by a high stone wall. At the corner was a tower of about 3.5 meters for mounting a gun. Under the floor there was a powder magazine and on the roof a cannon that could be swivelled round. After years of neglect this gun tower and a few walls are all that remained. It was declared a National Heritage Site in 1938.

Sidbury 1820:

Established in 1820 after which settler Lieutenant Richard Daniel of the Royal Navy built Sidbury Park in the 1830's and also created the nearby village of Sidbury where war graves can still be found. Both are named after his native Sidbury in Devonshire. As part of fortifying the property, the barn was linked to the house by stone walls. Daniel was the first to import merino sheep into South Africa. He provided land and funds for the building of a church in the village, the church (named St Peter's after the church in Sidbury, Devonshire) was built 1841 and was one the first ten Anglican churches in South Africa.

The church predates the establishment of the [Diocese of Cape Town](#). The church is a [heritage site](#) recognised by the [South African Heritage Resource Agency](#). In the 1890s, the community of Sidbury started a cricket club which continues to the present despite its small population.

Manley flats:

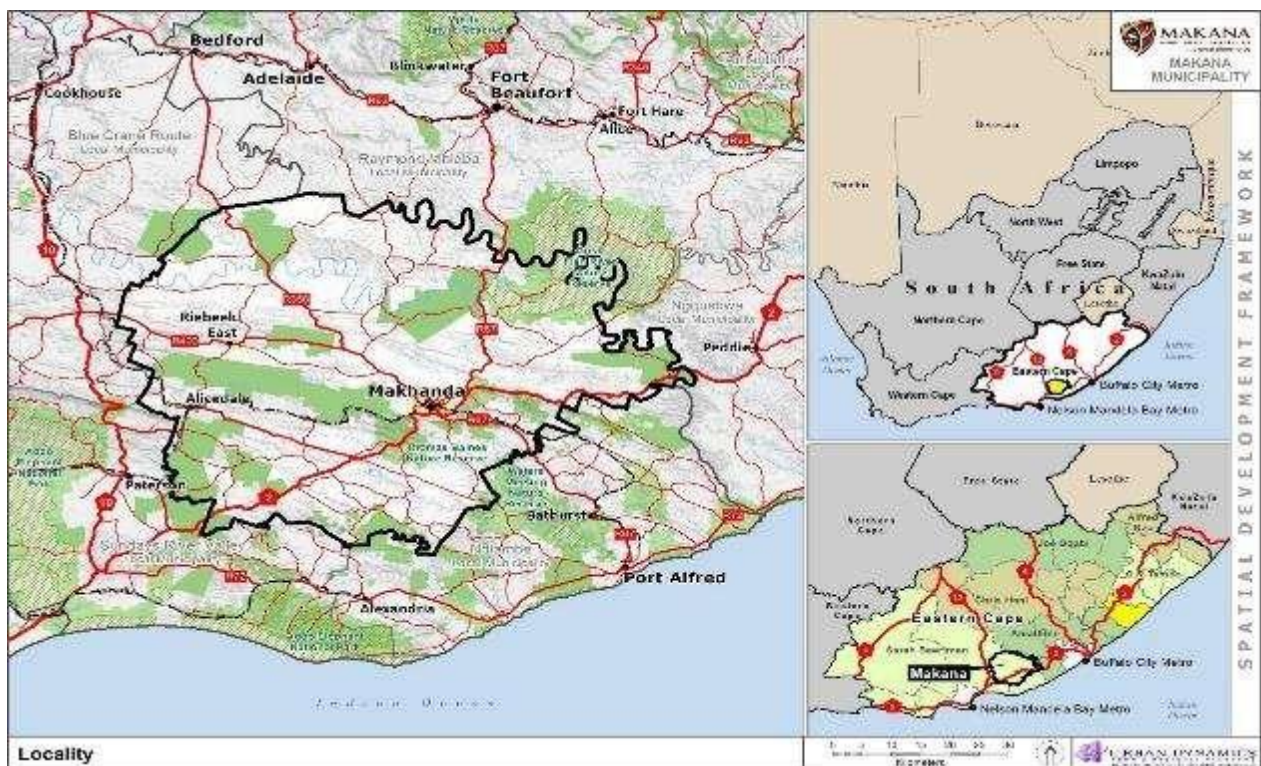
Manley Flats is located on top of a small hill in the beautiful Manley Flats Valley just 20 km from Makhanda. Manley Flats is a railroad siding and is located in the Sarah Baartman District Municipality, Eastern Cape, South Africa. The estimate terrain elevation above sea level is 421 metres.

Carlisle Bridge:

Carlisle Bridge is a small farm area that is found 15.2 Km from Riebeeck East and 37 km to Makhanda.

Makana geographic map:

Map 1: Makana Municipality



CHAPTER ONE: PREPARATION AND PLANNING PROCESS

The Makana local municipality's is undergoing its fourth review of the five year Integrated Development Plan (2017-2021)

1.1 BACKGROUND

The Municipal Systems Act (No. 32) of 2000 requires that Local Government Structures prepare Integrated Development Plans (IDPs). The IDP serves as a tool for the facilitation and management of development within the areas of jurisdiction. In conforming to the Act's requirements Makana Municipality's Council has delegated the authority to the Municipal Manager to prepare the IDP.

Makana Municipality's commitment to developing a "**Great Place to be**" is driven with specific emphasis of translating the Municipality's strategies into an Implementable Action Plan. The Municipality will be committed in ensuring that, its revised **Developmental Priorities** in the IDP 2017-22 are achieved.

1.2 LEGAL FRAMEWORK

This document represents the third review of Makana Municipality's Integrated Development Plan (IDP) 2017 –2022). IDP's are compiled in terms of the requirements of Chapter 5 of the Municipal Systems Act (MSA) (Act 32 of 2000), Section 25 of the MSA states inter-alia the following:

Each municipal council must, within a prescribed period after the start of its elected term, adopt a Single Inclusive and Strategic Plan for the development of the municipality which:

- a) links, integrates and co-ordinate plans and takes into account proposals for the development of the municipality;
- b) aligns the resources and capacity of the municipality with the implementation of the plan;
- c) forms the policy framework and general basis on which annual budgets must be based;
- d) complies with the provisions of the chapter; and
- e) be compatible with National and Provincial Development Plans and planning requirements binding on the municipality in terms of legislation".

The Annual Review and Amendments of Integrated Development Plan (IDP)

A municipal council:

- a) must review its IDP
 - (i) annually in accordance with an assessment of its performance measurements in terms of section 41 of the MSA,
 - (ii) according to the extent that changing circumstances so demand; and
- b) may amend its IDP in accordance with a prescribed process.

The status of an Integrated Development Plan is concerned with Section 35 of the MSA which states that an IDP adopted by municipal council: -

- a) is the **principal strategic planning instrument** which guides and informs all planning and development issues in the municipality;
- b) binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's integrated development plan and

National or Provincial legislation, in which case such legislation prevails; and

- c) binds all other person to the extent that those parts of the integrated development plan impose duties or affect the rights of those people have been passed as a bylaw.

Section 36 of the MSA states that a municipality must

- give effect to its Integrated Development Plan;
- conduct its affairs in a manner which is consistent with its Integrated Development Plan.

1.3 MAKANA INTEGRATED DEVELOPMENT PLAN

The IDP document will represents the strategic plan of Makana Local Municipality that will guides and inform all planning and allocation of resources for the five year period, 2017-2022. It is informed by National and Provincial Government priorities.

1.4 MANDATE AND GUIDING PARAMETERS

The Local Government Municipal Systems Act, 2000, introduced the process of municipal planning for municipalities and regulates the development of Integrated Development Plans

(IDPs). The plan is for 5yeas and must be reviewed annually.

The paradigm shift in developmental local government dictates that planning must become more 'outcomes-driven' and the priorities of government set the context for this to be realised. Accordingly, Government has formulated 12 Outcomes.

1.4.1 SUSTAINABELE DEVELOPMENT

The Millennium Development Goals (MDG) and targets stem from the Millennium Declaration by 189 Countries in 2000 to work towards achieving economic and social development priorities which were subsequently termed Millennium Development Goals. These have come to an end in 2015.

Seventeen sustainable development goals have been put together for the next fifteen years to 2030. South Africa is signatory to that agreement. The MDG's have been embraced by Government and are aligned with the Medium Term Strategic Framework (MTSF), which outlines national government development priorities. The Makana Local Municipality will consider the 17 sustainable development goals in its development agenda.

1.4.2 NATIONAL OUTCOMES

Table 1: National

Nat. Outcome	National outcomes	Nat. Outcome	National outcomes
NO1	Quality basic education	NO7	Vibrant, equitable, sustainable rural communities contributing towards food security for all
NO2	A long and healthy life for all SA	NO8	Sustainable human settlements and improvement quality of household life
NO3	All people in SA are and feel safe	NO9	Responsive, accountable, effective and efficient Local Government Systems

NO4	Decent employment through inclusive economic growth	NO10	Protect and enhance our environmental assets and a better world
NO5	Skilled and capable workforce to support an inclusive growth path	NO11	Create a better SA, a better Africa and a better world
NO6	An efficient, competitive and responsive economic infrastructure network	NO12	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

Ten (10) of which have been reshaped as provincial strategic priorities, as indicated below: - Each outcome has a number of measurable outputs with targets and in most cases the activities / results occur in a municipal space and involves all of the spheres of government.

1.4.3 NATIONAL DEVELOPMENT PLAN

The National Development Plan sets out firm proposals to solve the country's problems and to deepen the engagement of all South Africans from all walks of life in building the future. Focus on people's capabilities is at the centre of the plan. These include education, skills, decent accommodation, nutrition, safe communities, social security, transport, and job opportunities.

The National Development Plan goal is to reduce poverty, inequality and unemployment by 2030. The MTSF priorities which are regarded as Government's five year implementation phase of the NDP are informed by the NDP following intervention areas,

Those that affect the municipality:

- Economy and Employment
- Economic Infrastructure
- Environmental Sustainability and Resilience
- Inclusive Rural Economy
- Human Settlements and Spatial Transformation
- Social Protection

The National Development Plan informs the fourteen (14) Medium Term Strategic Framework priorities and is regarded as the five year implementation plan of the NDP. Provincial Development Plan – Vision 2030 The PDP principles in a nutshell include social economic and spatial justice; Gender Equality; Intergovernmental Equity; Citizens participation; promotes ethical, integrated multi-agent action; Public good; Respects evidence and critical deliberations and takes accountability seriously.

1.4.4 PROVINCIAL DEVELOPMENT PLAN

The Eastern Cape Province, guided by the NDP has developed its own long term vision, a Provincial Development Plan. The PDP is aligned to the seven Provincial Strategic Priorities which are:

- Stimulating rural development, land reform and food security
- Better access to quality education
- Promote better healthcare for all our people
- Intensifying the fight against crime
- Integrated human settlements and
- Strengthening the developmental state and good governance
- Transformation of the economy to create jobs and sustainable livelihoods

The strategic priorities are aligned to the National Government’s Medium Term Strategic Framework (2014 – 2019)

1.4.5 DISTRICT DEVELOPMENT PRIORITY

Table 2: SBDM LONG TERM VISION STRATEGY

SARAH BAARTMAN LONG TERM VISION STRATEGY		
Economic Development	Human Development	Infrastructure
Energy	Mass Employment Programmes	Energy
Green Economy	Poverty Eradication Programme	Water
Agro-industry	Access to basic services	Irrigation and agro-logistics
Tourism	Skills and education	Transport
Creative industries		Bulk Infrastructure
Component supplies		WSA/WSP
Maritime		
Key Enabler and Interventions Programmes		
Institutional Transformation - Governance		
IDP Process alignment, consultation & incorporation		

Table 3: SBDM DEVELOPMENT PRIORITIES

DEVELOPMENT PRIORITIES 2011/17	DEVELOPMENT PRIORITIES 2017/22
Infrastructure Development	Basic Service and Infrastructure Development
Economic Development	Local Economic Development
Capacity Building and Support to Local Municipalities	Municipal Financial Viability and Management
Institutional Development	Governance and Public Participation
Community Services	Municipal Transformation and Organizational Development

1.4.6 MAKANA DEVELOPMENT PRIORITIES

The Makana Municipality has adopted the Local Government Strategic Agenda Priorities as the priorities that will achieve their respective visions. This is in line with aligning IDP and Budget for MSCOA (Municipal

Standard Charter of Account) reporting and in response to the call to President and Premier to be visible and active champions of the National Development Plan with their offices being the catalytic agencies to drive implementation at Provincial and Municipal levels.

The five year IDP responds to the NDP, PDP, MTSF and Provincial Strategic Priorities by identifying the development priorities listed below for the Makana Municipality. The combination of community planning with inter-spheres strategic planning will culminate in local initiatives becoming central to provincial and national government programs that will manifest in credible IDPs which are reflective of a developmental state.

In order to ensure that Makana Municipality is empowered to deliver on a flow of priority services, this review process will endeavour to respond to the challenges being experienced at community level.

It will align priorities by eliminating poor integration between the municipality and the programs of various sector services in the IDP. The table below is the list of six Development Priorities **Table 4: MAKANA DEVELOPMENT PRIORITIES**

NUMBER	2017-2022 DEVELOPMENT PRIORITIES
Development Priority No. One:	Basic Service Delivery and Infrastructure Development
Development Priority No. Two:	Community and Social Development
Development Priority No. Three	Local Economic and Rural Development
Development Priority No. Four	Institutional development and Financial Viability
Development Priority No. Five	Good Governance and Public Participation
Development Priority No. Six:	Human Settlement Management

Developments at both national and provincial level warranted a need to review the Eastern Cape Strategic priorities in order to respond to the policy environment and alignment to the National Outcomes. Development programs must be crafted to address the following renamed and reshaped provincial strategic priorities, as paired with the National Outcomes that are to be focused upon until the end of the 2014 term.

1.4.7 DEVELOPMENT PLANNING STRATEGIC FRAMEWORK ALIGNMENT

Table 5: DEVELOPMENT PLANNING STRAYEGIC FRAMEWORK

Medium Term Strategic Framework	New Growth Path	Provincial Strategic Priorities	District Municipality	Makana LM & Local Gov. KPA	Outcome
<p>2. Strengthen skills and human resource base.</p> <p>8. Pursuing African advancement and enhanced international cooperation.</p> <p>10. Building a developmental state including improvement of public services and strengthening democratic institutions.</p>		<p>Strategic Priority 2: Massive programme to build social and economic infrastructure.</p> <p>Strategic Priority 4: Strengthen education skills and human Resources base.</p> <p>Strategic Priority 8: Building cohesive, caring and sustainable communities</p>	Municipal Transformation and Organisation	Institutional Development and Financial Management	<p>Outcome 1: Quality basic education.</p> <p>Outcome 5: Skilled and capable workforce to support an inclusive growth path. Outcome 3: All people in SA are and feel safe. Outcome 9: Responsive, accountable, effective and Efficient Local Government System.</p> <p>Outcome 12: An efficient, effective and development oriented public service and an empowered fair and inclusive citizenship.</p>
<p>5. Intensify the fight against crime and corruption;</p>		<p>Strategic Priority 6: Intensifying the fight against crime & corruption;</p>		Community and Social Service	<p>Outcome 9: Responsive, accountable, effective and efficient Local Government System</p>

<p>Build cohesive, caring and sustainable communities. 7. Pursuing African advancement and enhanced international cooperation. 10, Building a developmental state including improvement of public services and strengthening democratic institutions</p>	<p>Job driver 4: investing in social, capital and public services</p>	<p>Strategic Priority 6: Intensify the fight against crime and corruption. Strategic priority 8: Building cohesive and sustainable communities.</p>	<p>Good Governance and Participation</p>	<p>Public Good Governance and Public Participation</p>	<p>Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all. Outcome 9; Responsive, accountable, effective and efficient Local Government System. Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship. Outcome 11: Create a better South Africa, better Africa and a better world.</p>
---	---	---	--	--	--

Medium Term Strategic Framework	New Growth Path	Provincial Strategic Priorities	District Municipality	Makana LM & Local Gov. KPA	Outcome
<p>1. Speeding up economic growth & transforming economy to create decent work and sustainable livelihoods;</p> <p>4. Comprehensive rural development strategy linked to land and agrarian reform & food security.</p>	<p>Jobs driver 2: main</p> <p>3: he economic sectors Jobs driver</p> <p>Seizing potential of new economies</p>	<p>Strategic Priority 1: Speeding up growth & transforming the economy to create decent work & sustainable livelihoods;</p> <p>Strategic Priority 3: Rural development, land & agrarian reform and food security; Strategic Priority 2: Massive programme to build social & economic infrastructure.</p> <p>Strategic Priority 8: Building cohesive & sustainable communities.</p>	Local Economic Development	Local Economic Development and Rural Development	<p>Outcome 4: Decent employment through inclusive economic growth.</p> <p>Outcome 6: An efficient competitive and responsive economic infrastructure network.</p> <p>Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all.</p> <p>Outcome 8: Sustainable human settlements and improve quality of household life.</p> <p>Outcome 10: Protect and enhance our environmental assets and natural resources.</p>
<p>3. Improve health profile of the nation.</p> <p>4. Comprehensive rural development strategy linked to land and agrarian reform & food security. 6. Massive programme to build economic & social infrastructure;</p> <p>9. Sustainable resource management and use.</p>	<p>Job driver 1 infrastructure</p> <p>Jobs driver 5: spatial development</p>	<p>Strategic Priority 5: Improve the health profile of the province</p> <p>Strategic Priority 3: Rural development, land and agrarian transformation, and food security.</p> <p>Strategic Priority 2: Massive programme to build social and economic and infrastructure.</p>	Basic Service and Infrastructure Development	Basic Service Delivery and Infrastructure Development.	<p>Outcome 6: An efficient, competitive and responsive economic infrastructure network. A long and healthy life for all South Africans.</p> <p>Outcome 8: Sustainable human settlements and improve quality of household life.</p> <p>Outcome 10: Protect and enhance our environmental assets and natural resources.</p>

1.4.8 STATE OF THE NATION ADDRESS

President Cyril Ramaphosa used his State of the Nation address on Thursday to defend the success of the ambitious investment drive he initiated in 2018, while also announcing plans to tackle SA's record-high youth unemployment and rapidly increase electricity generation capacity outside of Eskom.

Here are some of the key economic takeaways from his address.

Emergency power procurement

Load shedding was the "inevitable consequence" of struggling power utility Eskom's inability over many years to service its power plants, which he attributed to a combination of rising debt, lack of capacity and state capture.

The power utility has warned of an increased likelihood of power cuts over the next 18 months as it takes generating units offline to conduct maintenance.

To help reduce the power gap, state would be taking measures to rapidly and significantly increase generation capacity outside of Eskom, including by making it easier for independent producers get certification to build and run plants above 1MW.

The state would also start the procurement of emergency power from projects that can deliver electricity into the grid within three to 12 months from approval".

Municipalities will be allowed to buy power from independent producers

Municipalities "in good financial standing" would be allowed to procure their own power from independent power producers.

SA will have a state bank & a sovereign wealth fund

Establishment of both a sovereign wealth fund and a state bank . The president said the sovereign wealth fund was a "means to preserve and grow the national endowment of our nation" while the state bank would help "extend access to financial services to all South Africans".

A new plan to fight youth unemployment

The president **announced a new six-pronged plan** to fight youth unemployment, which he described as a "crisis". The plan includes targeted skill building, the expansion of the existing Youth Employment Service, and reallocation of 1% of the national budget to a youth employment initiative.

SA's youth faces one of the highest unemployment rates in the world, with almost 6 out of every 10 South African between the ages of 15 and 24 without jobs.

SAA must be independently sustainable

It is essential that a future restructured airline is "commercially and operationally sustainable" without the need for government bailouts.

Commercialisation of hemp

The state will begin to regulate the commercial use of hemp products which would provide income for small-scale farmers. Government would also formulate a policy on the use of cannabis products for medicinal purposes to "build this industry in line with global trends". This comes about in the wake of **similar moves in neighbouring Zimbabwe**.

Spectrum licensing before end of 2020

Independent Communications Authority of South Africa should conclude the licensing of high demand spectrum for SA industry via auction before the end of 2020. A lack of available spectrum has been a **long-running complaint by SA telecoms groups**, who say that it is needed to reduce data prices.

More Investment Conferences

After holding high-profile investment conferences in 2018 and 2019 in a bid to attract R1.2 trillion in new investment over five years, Ramaphosa said the country would hold a third conference in November to "review the implementation of previous commitments and to generate new investment into our economy

The president said that, in the first two years of the investment drive, a total of R664 billion in investment commitments had been raised.

Debt heading towards 'unsustainable' levels

Low levels of growth mean that we are not generating enough revenue to meet our expenses. Our debt is heading towards unsustainable levels, and spending is misdirected towards consumption and debt-servicing rather than infrastructure and productive activity.

SA is facing a heightened risk of a sovereign credit rating downgrade to junk by Moody's Investors Service, which changed its outlook from stable to negative late in 2019. Moody's is the sole major rating agency to not already have downgraded SA's sovereign debt to sub-investment grade, and has warned about the country's public debt burden.

1.4.9 PROVINCIAL BUDGET FRAMEWORK FOR THE 2020-21 FINANCIAL YEAR AT A GLANCE

1.4.9.1 Provincial Budget overview

During the 2020 MTEF, the provincial government will keep to its promise of protecting expenditure on core essential social services such as access to education and better health for all, whilst enhancing own revenue, curbing expenditure on non-core and other forms of wasteful expenditure. Fiscal support for economic growth and jobs creation will receive added impetus in order to catalyse fixed investment and job creation in the province.

The province has taken signal from the national government and established a Provincial Economic Stimulus Package as one of the key priorities to boost the provincial economic growth, thus creating job opportunities especially for young people. This package focuses on agriculture value chains; ocean economy; energy; manufacturing; tourism; and infrastructure development projects. This is funded through 0.5 percent budget cut across the provincial departments.

Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) will administer the fund as the driver of economic development in the province.

In short, the 2020 provincial budget strategy seeks to carve out an expenditure path that balances expenditure growth on core government services including education, health and social development

whilst also availing additional resources through budget and programmes repriorisation for economic recovery and job creation.

Furthermore, own revenue generation is critical in the budget strategy given the reduction of the Provincial Equitable Share (PES) for funding key provincial priorities. In mitigation, the Provincial Treasury completed a research on further own revenue sources for government.

The Eastern Cape Provincial Government finances its budget through National Transfers (Provincial Equitable Share and Conditional Grants) and Provincial Won Receipts.

The 2020/21 financial year Provincial receipts consists of:

- Equitable Share of R68 824 billion which accounts for 83.6 % of the provincial receipts;
- Conditional Grants of R12 078 billion which accounts for 14.7%; and
- The Provincial Own Receipts of R1. 6 billion which accounts for 1.8%

The province through Provincial treasury remains steadfast in maintaining fiscal discipline thus ensuring allocative efficacy and fiscal consolidation through maintaining expenditure ceilings, budget reprioritisation, curbing of the wage bill and other elements of wastage.

Over the 2020 MTEF, the province has lost a total of R5 958 billion of national transfers. This resulted from the revised population data updates caused by outward migration and other variables, which mainly affected the Education and Health sector.

In light of the tight fiscal framework and the reduced PES, the province continues to implement its budget strategy which amongst others focuses on fiscal consolidation, focusing mainly on controlling expenditure on non-core items; budget reprioritisation from non-core items to fund core service delivery items; expenditure ceilings; and controlling the wage bill.

1.4.9.2 Own Revenue:

Own revenue amounts to R1.6 billion in 2019/20 and R7.6 billion over the 2020 MTEF. Given the continued reduction of the PES, Own Revenue generation has become the great opportunity that the province has to ensure that the provincial priorities are funded, especially infrastructure investment that will have multiplier effects in respect of regional economic growth. In this regard the province continues to implement its Revenue Generation Strategy which commenced in 2017/18 The strategy focuses on major revenue generating departments such as the Department of Transport, Health, Public Works, Economic Development, Environmental Affairs and Tourism as well as Rural Development and Agrarian Reform. This strategy was augmented with the research study to determine new sources of revenue at the above mentioned departments. These departments are working on implementation plans for 2019/20. Refer to Chapter 3 in the 2019/20 Estimates of Provincial Revenue and Expenditure for further details on the potential new sources of revenues.

1.4.9.3 Infrastructure allocation

SECTOR ALLOCATION	2019/20	2020/21	2021/22	Percentage
Road and Transport	R 2 220 228	R 2 079 142	R 2 167 893	27%
Human Settlement	R 2 023 680	R 2 034 402	R 2 111 778	25%
Health	R1 656 655	R 1 506 016	R 1 477 289	20%

Education	R 1 589 722	R 1 564 208	R 1 685 128	19%
Public works	257 302	272 606	287 435	3%
Rural Development & Agrarian Reform	190 314	150 853	159 209	2%
Office of the Premier	173 726	94 469	-	0%
Social Development	66 423	67 377	65 265	1%
Sport, Recreation, Arts & Culture	60 447	57 347	59 698	1%
Economic Development, Environment Affairs and Tourism	31 624	-	-	0%
Provincial Treasury	14 000	-	-	0%
Cooperative Governance & Traditional Affairs	7 681	10 962	11 370	0%
Total Infrastructure Budget	8 291 801	7 837 381	8 025 065	98%

1.4.9.4 MTEF Beneficiaries

EDUCATION : the largest beneficiary of the 2020 MTEF budget with R117 987 billion or 44% of the total provincial budget of which R37 768 billion is allocated for 2020/21 financial year. The allocation is to fund over the 2019 MTEF and 2019/20 the following amongst others

School funding Norms and Standards. Public Ordinary Schools – R6 683 billion over the MTEF to 5 203 qualifying schools in the province

National Nutrition Programme (NSNP) –	<ul style="list-style-type: none"> □ R1 376 billion to benefit 5 075 schools in the province and 1 690 352 learners.
Universalisation of Early Childhood Development (ECD)	<ul style="list-style-type: none"> • R572072 million for 2020/21 MTEF • R22 474 million for transfers to qualifying Public Ordinary Schools to resource Grade R teaching and learning.
The Post Provisioning Norms	<ul style="list-style-type: none"> • R85 315 billion is set aside over the MTEF • R27 20 billion provision in 2020/21
Learner Attainment Improvement Strategy (LAIS)	<ul style="list-style-type: none"> • R277.938 million over MTEF period • R88. 367 million for 2020/21
Rationalisation of schools and provisioning of school furniture	<ul style="list-style-type: none"> • R590.163 million over MTEF period • revamping of broken material at schools, R186 350 million is for 2020/21

Infrastructure Development	<ul style="list-style-type: none"> • R4 746 billion over MTEF period • R1 544 billion for 2020/21 to assist the department in addressing infrastructural needs at schools.
Teacher Development (Training and Bursaries)	□ R186 952 million in 2019/20
Learner Teacher Support Material (LTSM)590.998	□ R564 186 million

Maths, Science and Technology (MST) Grant	□ R50 497 million
HIV and Aids (Life Skills Education)	□ R44 878 million
External Examination	□ R398 040 million

HEALTH: the department is mandated to provide and ensure accessible comprehensive integrated services in the Eastern Cape, emphasising the primary health care approach, optimally utilising all resources to enable all its present and future generations to enjoy health and quality of life.

Comprehensive HIV/ AIDS and TB	R 2 667 billion
Training and development	R366 523 million
Tertiary and specialised Hospital Services	R4 618 billion
National Health laboratory Services	R944 289 million
Medical Supplies	R748 600 million
Medicine	R2 239 billion for medication
Human Resource Capacitation	58.253 million

Human Settlement: the aim of this department is to facilitate and co-ordinate provision of quality, integrated and sustainable human settlements that offer Eastern Cape communities a better living environment.

Rural interventions	R174 471 million
Informal Settlement Development and Upgrading	R270 494 million
Titles Deeds Restorations	R64.254 million
Social and Rental Interventions	R10 707million

Safety & Liaison: the department is mandated to promote safer communities through civilian oversight of the police and community participation. R116.152 million 2020/21

Monitoring and Evaluation	R 6 698million
Safety Promotion	R 35 679 million

Social Development: the department aims to transform our society by building conscious and capable citizens through the provision of integrated developmental social services with families at the core of social change. R 3.227 billion for 2020/21	
Services to Older Persons	R 88 277million.
Services to persons with Disabilities	R 33 638 million.
Early childhood Development (ECD) and Partial Care	R 345 527million
Youth Development	R 3.366 million.
Women Empowerment	R 3.639 million.
Poverty Alleviation and Sustainable Livelihoods	R 21 658 million

Sanitary Dignity Project, Gender Based Violence and Social Worker addition	R 65 279 million
Sport, Recreation, Art & Culture: the aim of the department is to develop and promote Sport, Recreation, Art and Culture for spiritual, intellectual, physical and material upliftment of the people of the Eastern Cape. R 3.167 Billion 2020 MTEF	
Cultural Affairs	R248 678 million.
Library and Archives Services	R 256 363 million.
Sport and Recreation	R 166 196 million.
National Arts Festival, E-Submission and Raymond Mhalaba Centenary Celebrations	R20 500 million
Transport: the aim of this department is to provide, facilitate, develop, regulate and enhance safe, affordable and reliable multi-modal transport system which is integrated with land uses to ensure improving levels of accessibility and optimal mobility of people and goods in support of socio-economic growth and development in the province of the Eastern Cape. R 5 179 Billion in 2020/21 financial year.	
Road Infrastructure	R 2 308 billion
Subsidies Bus Services	R 571 793 million
Scholar Transport Project	R 631 469 million to transport 87000 qualifying learners to the nearest public schools.
Traffic Law Enforcement	R 309 183 million.
Community Based Programme	R 668 969 million
Rural Development & Agrarian Reform: R 2.413 billion 2020/21	
Food Security (Crop & livestock production)	R176 698 million

Veterinary Services	R345 753 million
Agricultural Infrastructure (livestock & crop production)	R203 773 million
Cooperative Governance & Traditional Affairs R1 080 billion for 2020/21	
Municipal Support	R 273 134 million
Support on Traditional Leaders	R 351 193 million
Traditional Council	R 31 563 million
Provincial Treasury R 444 230 million for 2020/21	
Sustainable Resources Management	R 84 382 million
Asset and Liabilities Management	R 29 212 million
Municipal Accounting and Reporting	R 61 749 million
Financial Governance	R92 033 million
Public Works R 2.585 billion for 2020/21	
Building a capacitated, resilient, responsive and citizen-centric department	R1 084 billion
Immovable assets and sustainable infrastructure	R 1 464 billion
Driver of socio-economic transformation	R 36 824 million
Economic Development, Environment Affairs and Tourism R 1 602 billion for 2020/21	
Support and strengthening of the environment and conservation function	R 349 847 million
Effective Business Regulations	R 61 322 million
LRED Fund	R 25 609 million
Provincial Economic Stimulus Package	R 415 215 million
Office of the Premier R 1 154 billion for 2020/21	
Planning, Monitoring and Evaluation	R 43 461 million
Human Resource Development Support	R 70 493 million
Provincial ICT	R 88 664 million
Intervention Projects	R 592 117 million

1.5 PROCESS PLAN (2020/21 CYCLE)

Council formulated and adopted an IDP Process Plan September 2019 to serve as guide in preparation for the review of the Integrated Development Plan. In brief the IDP Process Plan outlines the time frames of scheduled events / activities, and co-ordinate structures involved in the processes.

The Integrated Development Planning (IDP) Process is a process through which Municipalities prepare **strategic development plans** for a five year period. An IDP is one of the key tools for Local Government to cope with its developmental role and seek to arrive at decisions on issues such as municipal budget, land management, promotion of local economic development and institutional transformation in a consultative manner.

1.5.1 OBJECTIVE OF THE IDP REVIEW PROCESS PLAN

Makana Municipality wants to continue to develop its IDP as an effective management tool for the municipality, this includes:

- Creating a greater level of focus and thereby improving on the strategic nature of the document.
- Aligning this strategic document with the realities of the resources available i.e. financial and human,
- Alignment of the IDP with the activities of the Sector Departments and other service providers (vice versa) and
- Alignment of the IDP with the various sector plans.

1.5.2 APPROACH TO THE 2020/21 IDP REVIEW

- Strategic review of the refining of strategies of 2019/2020
- Review ward base plans
- Sector Alignment
- IDP –Budget Alignment
- Community Engagement (Public Participation)
- Review of status of the sector plans
- Compliance with MSCOA
- MEC Comments

1.5.3 INTEGRATED DEVELOPMENT PLAN (IDP) MEC ASSESSMENT REPORT 2019/20

The annual assessment of Integrated Development Plans by provincial government is important, as it is stipulated in Chapter 5 of the Local Government Municipal Systems Act 32, of 2000(MSA). Provincial assessments afford the provincial sphere of government an opportunity to exercise its monitoring and support role to municipalities as stipulated by the Constitution. Furthermore, it provides an indication of the ability and readiness of municipalities to deliver on the legislative and constitutional mandate.

1.5.3.1 Key role players

This report encapsulates MEC comments on behalf of Department of Co-operative Governance & Traditional Affairs), as provided by both Provincial and National departments on the reviewed Final Integrated Development Plan (IDP). The sector departments which took part in this year's assessment are: Department of Co-operative Governance & Traditional Affairs, Department of Economic Affairs

(Provincial & National), Department of Health, Department of Social Development, Department of Water Affairs, Department of Human Settlement, Department of Health, Stats SA, Provincial Treasury, Department of Environment (National), Department of Roads & Public Works.

1.5.3.2 Assessment methodology

The Department embarked on a provincial assessment Approach where municipalities were assessed per municipal district area. Makana Local Municipality was assessed on the 1 August together with other municipalities in the province. Six Commissions were established to deal with the Six Key Performance Areas (KPA) indicated below:

KPA 1	Spatial Planning, Land, Human Settlement and Environment Management
KPA 2	Basic Service Delivery
KPA 3	Financial Planning and Budgets
KPA 4	Local Economic Development
KPA 5	Good Governance and Public Participation
KPA 6	Institutional Arrangements

1.5.3.3 Specific outcomes

The municipality has tabled, adopted and submitted it's 2019/20 Reviewed Integrated. The municipality has conformed to the Council approved process plan. The municipality has to ensure compliance with the core components of an IDP as prescribed by section 26 of Municipal Systems Act (MSA).

1.5.3.3.2 Overall rating

The ratings ranged from low, medium to high within the following context:

Score/Rating	Performance Description	Action required
Low	Poor	Immediate Intensive Intervention
Medium	Satisfactory	Minimum support required
High	Good	Benchmarking

1.5.3.3.3 MEC 2019/20 Assessment overall result

Key Performance Areas	Rating 2017-18	Rating 2018-19	Rating 2019-20
Basic Service Delivery	Medium	Medium	Medium
Financial Planning and Budget	Medium	High	High
Local Economic Development	Medium	High	High
Good Governance and Public Participation	High	High	High
Institutional Arrangement	High	Hugh	High

SDF, Land and Human Settlements:	High	High	Low
Overall Rating	High	High	High

1.5.4 ROLES AND RESPONSIBILITIES - INTERNAL AND EXTERNAL

Table 6: ROLES AND RESPONSIBILITIES

ROLE PLAYERS	ROLES AND RESPONSIBILITIES
Council	<ul style="list-style-type: none"> - Final decision making - Approval of the reviewed IDP document
Ward Councillor	<ul style="list-style-type: none"> - Linking the IDP process with their constituencies. - Organizing public participation at Ward level.
Mayor	<ul style="list-style-type: none"> - Assign responsibilities to the MM. - Submit the IDP Process Plan to Council for approval. - Chair the IDP Representative Forum. Chair the IDP Steering Committee
Municipal Manager	<ul style="list-style-type: none"> - Prepare IDP (Integrated Development Plan) process plan. Ensures that timeframes are adhered to. - Decide on and monitor IDP process. - Overall management and co-ordination.
Chief financial Officer	<ul style="list-style-type: none"> - Prepare Budget - Advise on availability of financial resources
	<ul style="list-style-type: none"> - Alignment of IDP and Budget - Input on the Development of SDBIP (<i>Service Delivery & Budget Implementation Plan</i>)
ROLE PLAYERS	ROLES AND RESPONSIBILITIES
Mayoral Committee	<ul style="list-style-type: none"> - Helps to harness common understanding between political and administrative components before the IDP reports are considered at Council meeting. - Makes recommendations to the IDP Representative Forum.
IDP Manager	<ul style="list-style-type: none"> - Day to day management of the IDP process. - Co-ordinate technical or sector expertise. - Co-ordinate Sector plan inputs - Prepare draft progress reports.
IDP Steering Committee	<ul style="list-style-type: none"> - Assist and support the Municipal Manager/IDP Manager and IDP Representative Forum. - Information "GAP" identification. - Oversee the alignment of the planning process internally with those of the Local Municipality areas. Portfolio head to lead related Portfolio matters
IDP Co-ordinator	<ul style="list-style-type: none"> - Monitor the Process plan progress - Plan Public Participation Engagement - Alignment of IDP and Budget - Plan stakeholder Engagement - Integration with Sector departments

The District Council	<ul style="list-style-type: none"> - Co-ordination role with all Local Municipalities within the District. - - Ensuring horizontal and vertical alignment of the IDPs of the - - Municipalities in the District Council area. - Facilitation of vertical alignment of IDPs with other spheres of Government and Sector Departments. - Provide events for joint strategy workshops with Local municipalities, Provincial and National Role Players and other subject matter specialist.
Ward Committees	<ul style="list-style-type: none"> - To be consulted on an individual or collective basis to establish community needs and reach consensus on IDP Projects/ Initiatives and Priorities.
IDP Representative Forum	<ul style="list-style-type: none"> - Representing public interest and contributing knowledge and ideas.
Government Departments, Parastatals and NGO's	<ul style="list-style-type: none"> • Provide data and information. • Budget information • Alignment of budget with the IDP • Provide professional and technical support. • To assist in facilitating the Community Based Planning (CBP)
Planning Expert and Sarah Baartman District Municipality	<p>Methodology guidance and professional support in:</p> <ul style="list-style-type: none"> ▪ Strategic and Town Planning ▪ Sector Plan Inputs ▪ IDP Document preparation. ▪ Alignment with National, Provincial and SBDM

1.5.3 MECHANISM FOR COMMUNITY AND STAKEHOLDERS PARTICIPATION

Table 7: COMMUNITY AND STAKEHOLDER PARTICIPATION

PHASE	PARTICIPATION MECHANISMS
Analysis	Community Based Planning (Mayoral Imbizo)
	IDP Representative Forum (Community Stakeholder engagement)
PHASE	PARTICIPATION MECHANISMS
Strategies and Objectives	District Level Strategy workshops
	Strategic Planning Session
Project Proposals	IDP Representative Forum Meeting
	Internal IDP/ Budget Alignment
Integration	Internal IDP/ Budget Alignment
Approval	Mayoral Imbizo's Community Engagement on budget
	Opportunity for comments from residents and stakeholder organizations

1.5.6 MECHANISM FOR ALIGNMENT

Table 8: MECHANISM FOR ALIGNMENT

SPHERE	DEVELOPMENT PLANNING INSTRUMENT	RESOURCE ALLOCATION	ANNUAL CYCLE	REVIEW CYCLE
National	Medium Term Strategic Framework (MTSF)	National Budget: Medium Term Expenditure Framework (3 years)	1 April – 31 March	July – Sept
Provincial	Provincial Growth and Development Strategies	Medium Term Expenditure Framework (3 years)	1 April – 31 March	July – Sept
Sector	Strategic Plans for sector departments	MTREF (3 years)	1 April – 31 March	July – Sept
Local Municipality	Integrated Development Plan	Municipal Budget (5 year plan)	1 July -30 June	Sept – Feb

1.5.7 TIME SCHEDULE OF KEY DEADLINES FOR 2019-2020

Table 9: KEY DEADLINE SCHEDULE

CATEGORY	ACTIVITY	TIME FRAMES
IDP and Budget	Preparation of an IDP / Budget Timetable	August 2019
	Co-ordination role of the budget process through preparation and completion of the process plan	September 2019
	<ul style="list-style-type: none"> • Tabling of the Timelines to Council • Submission of the Timelines to Provincial Treasury • Beginning of Annual Report Preparation Process. • Submission of the Budget Checklist • Preparation of the budget related Policies • Review of IDP and Budget processes and develop improvements. 	October 2019
IDP/Budget	<ul style="list-style-type: none"> • Determine the funding/ revenue projections for the next three years. • CFO to liaise with Council regarding the strategic objectives for service delivery and development for the next three years 	November 2019
CATEGORY	ACTIVITY	TIME FRAMES
	<ul style="list-style-type: none"> • The Executive Mayor to determine the strategic objectives for service delivery and development for the next three years (IDP reviews) • A budget workshop will be held to clarify budgetary requirements and discussing the budget tool. 	

Budget	<ul style="list-style-type: none"> • Preparation of the draft budget by the various departments. • Directors to meet with their HOD's and any relevant staff members to discuss draft capital / operational budget to ensure that anticipated expenditure meets parameters set out by National / Provincial Government. 	November 2019
Budget	<ul style="list-style-type: none"> • Budget plans, capital / operational budget and all related items to have been consolidated (based on the budget inputs submitted by Departments). 	December 2019/ January 2020
Budget and PMS	<ul style="list-style-type: none"> □ Mid-Year Budget and Performance Assessment 	January 2020
IDP	<ul style="list-style-type: none"> • Review IDP Document Key Performance Areas 	February 2020
IDP	<ul style="list-style-type: none"> • Review Directorate Strategies(Strategic Planning sessions) 	February 2020
IDP	<ul style="list-style-type: none"> • Review Institutional Strategies(Institutional Strategic Planning) 	February 2020
IDP/Budget	<ul style="list-style-type: none"> • Tabling of Draft IDP and Budget 2019/20 by Mayor to Council 	March 2020
IDP/Budget	<ul style="list-style-type: none"> • Invite inputs and comment on IDP and budget. 	March/ April 2020
IDP/Budget	<ul style="list-style-type: none"> • Presentation of Draft IDP/ Budget document to extend Senior Management team 	April 2020
IDP/Budget	<ul style="list-style-type: none"> • IDP/Budget Road Show 	April /May 2020
IDP/Budget	<ul style="list-style-type: none"> • Presentation of Draft IDP/Budget Document to IDP Steering Committee 	May 2020
IDP/Budget	<ul style="list-style-type: none"> • Presentation of Draft IDP/Budget Document to IDP Representative Forum 	May 2020
IDP/Budget	<ul style="list-style-type: none"> • Presentation of Final IDP/Budget Document to Council for approval 	May 2020

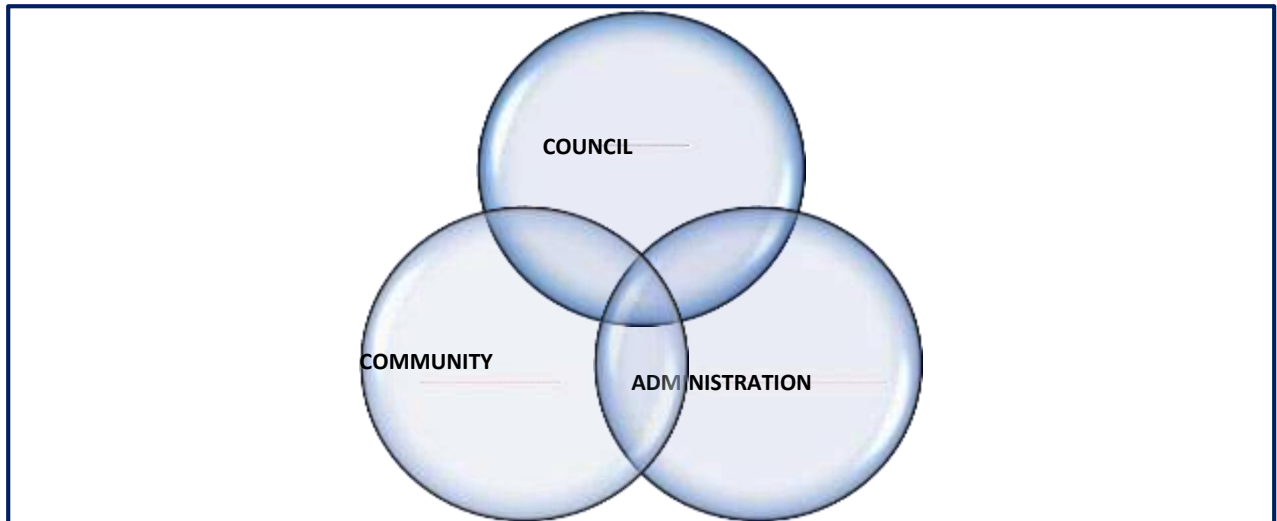
1.5.8 PUBLIC PARTICIPATION STRATEGY

Our public participation strategy is based on the definition of a Municipality as contained in Section 2 of the Municipal Systems Act that states that a municipality consists of:

- The political structures of the municipality (Council).
- The administration of the municipality. □
The community of the municipality.

A municipality functions in its area in accordance with the political, statutory and other relationships between its political structures, political office bearers, administration and its community. This relationship can be depicted as follows:

Figure 1: Composition of A Municipality



Our public participation mechanisms comprise;

- * Sector engagements
- * Ward Public meetings
- * IDP Representative Forums
- * Ward Committee Meetings

The objective of the public participation process to solicit inputs for the 2017/2022 IDP review. The Municipality established the following mechanisms to facilitate public participation;

1.5.8.1 STAKEHOLDER INPUT AND COMMUNITY BASED PLANNING:

The IDP is about determining the stakeholder and community needs and priorities which need to be addressed in order to contribute to the improvement of the quality of life of residents within the Municipal Area. Various stakeholders and sector departments were involved during the draft IDP development process and this process comprises 13 ward meetings and 1 IDP sector meeting.

The IDP public meetings are conducted to ensure that people are included in the planning and to assist the Municipality to achieve its long-term development objectives. It will also guide the ward in what it will do to take forward its own developmental programme with support from all role-players. The Municipality has developed 14 Ward Development Plans through public meetings that were held in all 14 wards between 1st September and 31 December 2015. The purpose of the Ward-based IDP meetings was for the ward priorities to be included in the new IDP for 2017 -22.

All wards have produced a ward development plan which informs the Municipality of the priorities of each ward.

Ward Development Plans include needs identification, and plans to address priorities, support needed from the Municipality and other stakeholders involved in the IDP process. The Municipality has also partnered and conducted different engagements that have been introduced in the province such as Provincial District assessment, SBDM IDP Representative Forums and District IDP Managers Forum. The IDP Representative contributes in finding solutions by reaching agreements with sector departments on enhancing service by addressing community issues that are specific- sector related. IDP priorities have been derived from the priorities from the wards, as have many elements of the plans, as well as IDP projects.

1.5.8.2 COMMUNITY AND STAKEHOLDERS ENGAGEMENTS

An integrated stakeholder consultation was held for Intergovernmental Relation and IDP representative forum stakeholder was held on the 05 October 2019 and another on the 27th of March 2020 to discussed IDP process plan and proposed amendment to Integrated Development Plan based on the IDP steering committee proposal.

1.5.8.3 SECTOR ENGAGEMENTS

In a bid to enhance the quality our public participation outcomes, we divided the Municipal Area (Community Circle in figure above) into 14 sectors and have commenced with individual sector engagements with registered stakeholders in each sector.

Sector engagements take the form of on-going two way dialogues between and amongst sector representatives and the Municipality and are proving to be very effective as they focus on issues as well as ways and means of resolving issues jointly. They also enable the Municipality to solicit more detailed inputs than it is possible to do in public meetings.

1.5.8.4 WARD PUBLIC MEETINGS

In terms of the approved Time Schedule of Key Deadlines, two series of Ward Public Meetings are convened as part of the IDP revision / budget process. The first series of meetings were held in November 2017 and was aimed at the review and re-prioritisation of needs by the communities the IDP Mayoral Imbizo Consultation.

1.5.8.4.1 IDP MAYORAL IMBIZO

Table 10: IDP MAYORAL IMBIZO

WARD	AREA	VENUE	DATE	TIME
1, 3 & 4	GHOST TOWN, SCOTT'S FARM, VERGENOEG, SUN CITY, HOGGENOEG, UPPER & LOWER ZOLANI SQUARTERS	RECREATION HALL	26 FEB 2020	18H00
1	FORT BROWN	FORT BROWN COMMUNITY HALL	26 FEB 2020	10H00
7 & 10	M,O,P,Q,R,S,T,U,V,W,X,Y,Z, NEWTOWN COTTAGES , LOMBO, LUKHWE, SOFISA, XOLANI & XOLANI SQUARTERS	TANTYI HALL	27 FEB 2020	17H30
6 & 11	EXT 4, 5, 6, PA, ETHEMBENI, PA, 25 SITES, EXT 7	INDOOR SPORT CENTRE	27 FEB 2020	10H00
7	K , L HLALANI & ELUXOLWENI	FOLEY'S GROUND HALL	03 MARCH 2020	17H30
14	ALICEDALE	TOWN HALL	03 MARCH 2020	10H00
5	EXTENSION 8, 9, PHUMLANI AND TRANSIT	EXT 9 COMMUNITY HALL	04 MARCH 2020	17H30
2 & 6	JOZA, EXT 1, 2, 3, 4 & 5	NOLUTHANDO HALL	05 MARCH 2020	17H30

In terms of the approved Time Schedule of Key Deadlines, the IDP Mayoral Imbizo where held as detailed in the above table, second series of meetings would be held in May 2020 aimed at presenting

to communities the IDP/Budget Development priorities for 2020/2021. These meetings generally follow the tabling of draft IDP and Budget to Council. These session provide an opportunity for municipality to interact with the communities to get comments before making their final recommendation to Council.

Table 11: IDP/ BUDGET ROAD SHOWS

WARD	VENUE	DATE	Time
1	Alfred Dike Kota Hall – Riebeeck East	TBC	TBC
3	Recreation Hall – Makhanda	TBC	TBC
10	B.B. Zondani Hall - Makhanda	TBC	TBC
1	Fort Brown Community Hall	TBC	TBC
7 & 10	Tantyi Hall – Makhanda	TBC	TBC
7	Foley’s Grounds – Makhanda	TBC	TBC
14	Seven Fountains Farm	TBC	TBC
5	Extension 9 Community Hall - Makhanda	TBC	TBC
2	Noluthando Hall	TBC	TBC
14	Town Hall – Alicedale	TBC	TBC
5 & 6	Indoor Centre	TBC	TBC
6	Dlukulu Clinic – Makhanda	TBC	TBC
13	Vukani Location: Rev. Lolwana Open Space	TBC	TBC
13	Salem Farm	TBC	TBC
11	N.G. Dlukulu Clinic	TBC	TBC

1.5.8.4.2 IDP REPRESENTATIVE FORUM

Municipal Council approved the establishment of an IDP Representative Forum in terms of Section 15 of the Municipal Planning and Performance Management Regulations. The IDP Representative Forum comprises the following:

- Ward Committee Representatives from each Ward;
- Representative from the Sarah Baartman District Municipality;
- The Executive Mayor, Speaker, Portfolio Chairpersons,
- All Senior Managers
- Sector Representatives
- CDWs

Chapter 2: Situation Analysis

2.1 Locality

The Makana Local Municipality is a Category B municipality (Area: 4 376km²) located in the Eastern Cape Province on the south-eastern seaboard and in the western part of the Eastern Cape Province. It is one of the seven municipalities in the Sarah Baartman District Municipality. With the cities of Port Elizabeth 120km to the west and East London 180km to the east, Makana Municipality is strategically situated between two of the province's largest industrial centres. Both coastal cities are served by well-equipped container ports and have major airports linking them to Cape Town, Durban and Johannesburg.

The Makana area has nearly a million hectares devoted to game. A range of public and private nature reserves span the area, from the world-famous Shamwari in the west to the magnificent Double Drift and Kwandwe Reserves in the east. Grahamstown is the hub of the Makana Municipality and has more than 70 declared National Heritage Sites. One of these is the highest church spire in the country. Grahamstown was founded in 1812 and is entrenched in historical events, from the 1820 Settlers to a 100-year-old university. It also hosts some of the oldest schools. It is the seat of Rhodes University, as well as other prominent and internationally acclaimed primary and high schools. Rhodes University is a 104-year-old internationally recognised institution with a well-established reputation for academic excellence. Each year, Grahamstown comes alive with activity when the National Arts Festival comes to town. Visitors get the chance to see performances from national artists, experience the local markets, and get a taste of culture and indigenous cuisines. The main Cities or Towns in Makana Local Municipality are Alicedale, Grahamstown, Riebeek East, and Sidbury. The main Economic Sectors are Government, trade, finance and business services, manufacturing, agriculture, transport and communication, and construction.

2.2 DEMOGRAPHIC PROFILE

Demographics or population characteristics, includes the analysis of the population of a region. Distributions of values within a demographic variable, and across households, as well as trends over time of interest. In this section, an overview is provided of the demography of Makana Local Municipality and all its neighbouring regions, Sarah Baartman District Municipality, Eastern Cape and South Africa as a whole.

2.2.1 Total Population

Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income.

Table 12: Total Population

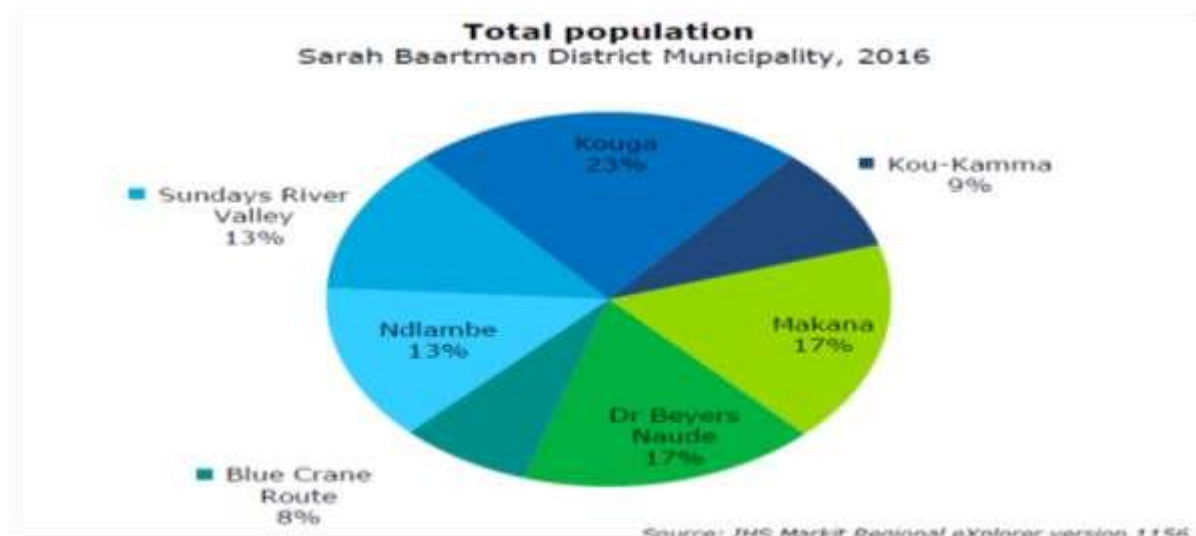
	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as a % of District	Makana as a % of Province	Makana as a % of National
2006	76 600	419 000	6 450 000	47 800 000	18.3%	1.19%	0.16%
2007	77 400	425 000	6 470 000	48 400 000	18.2%	1.20%	0.16%
2008	78 500	431 000	6 500 000	49 100 000	18.2%	1.21%	0.16%
2009	79 800	438 000	6 540 000	49 800 000	18.2%	1.22%	0.16%

2010	80 900	446 000	6 600 000	50 700 000	18.1%	1.23%	0.16%
2011	81 800	454 000	6 680 000	51 500 000	18.0%	1.23%	0.16%
	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as a % of District	Makana as a % of Province	Makana as a % of National
2012	82 700	462 000	6 710 000	52 400 000	17.9%	1.23%	0.16%
2013	83 700	470 000	6 780 000	53 200 000	17.8%	1.23%	0.16%
2014	84 600	475 000	6 850 000	54 100 000	17.7%	1.24%	0.16%
2015	85 600	486 000	6 930 000	54 900 000	17.6%	1.24%	0.16%
2016	86 600	494 000	7 010 000	55 700 000	17.5%	1.24%	0.16%
Average Annual Growth (2006-2016)	1.23%	1.65%	0.83%	1.54%			

Source: Community Survey:2016

With 86 600 people, the Makana Local Municipality housed 0.2% of South Africa's total population in 2016. Between 2006 and 2016 the population growth averaged 1.23% per annum which is slightly lower than the growth rate of South Africa as a whole (1.54%). Compared to Sarah Baartman's average annual growth rate (1.65%), the growth rate in Makana's population at 1.23% was slightly lower than that of the district municipality.

Chart 1: Total Population – Makana vs the rest of Sarah Baartman (2016).



When compared to other regions, Makana Local Municipality accounts for a total population of 86,600, or 17.5% of the total population in Sarah Baartman District Municipality ranking as the most populous local municipality in 2016. The ranking in terms of the size of Makana compared to the other regions remained the same between 2006 and 2016. In terms of its share Makana Local Municipality was slightly smaller in 2016 (17.5%) compared to what it was in 2006 (18.3%). When looking at the average annual growth rate, it is noted that Makana ranked fourth (relative to its peers in terms of growth) with an average annual growth rate of 1.2% between 2006 and 2016.

Projected Population Structure

Based on the present age-gender structure and the present fertility, mortality and migration rates,

Makana's population is projected to grow at an average annual rate of 1.1% from 86 600 in 2016 to 91 300 in 2021.

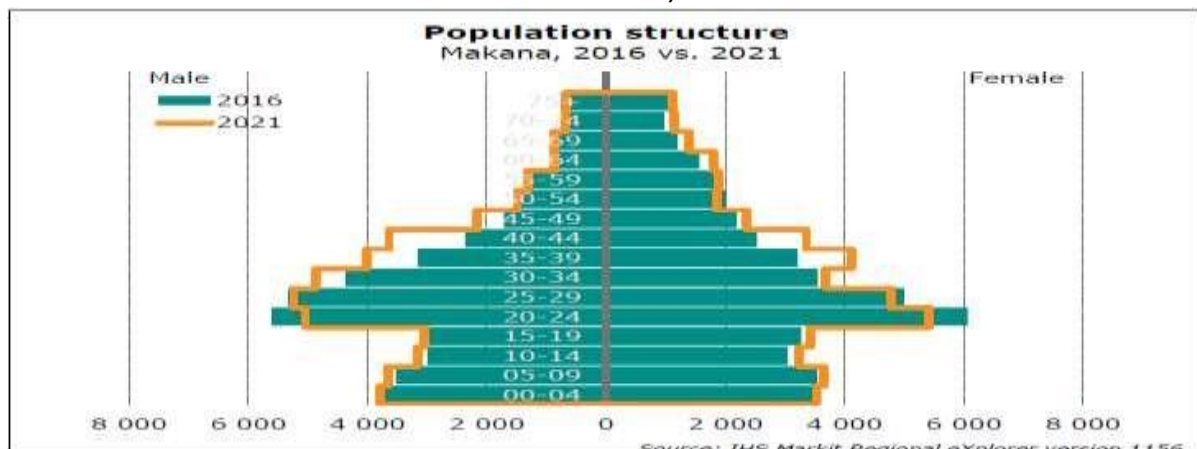
TABLE 13. POPULATION PROJECTIONS - 2016-2021

	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2016	86,600	494,000	7,010,000	55,700,000	17.5%	1.24%	0.16%
2017	87,600	502,000	7,080,000	56,500,000	17.5%	1.24%	0.15%
2018	88,500	509,000	7,160,000	57,400,000	17.4%	1.24%	0.15%
2019	89,400	516,000	7,240,000	58,100,000	17.3%	1.24%	0.15%
2020	90,400	523,000	7,310,000	58,900,000	17.3%	1.24%	0.15%
2021	91,300	530,000	7,380,000	59,600,000	17.2%	1.24%	0.15%
Average Annual growth							
2016-2021		1.06%	1.42%		1.05%	1.37%	

Source: Community Survey 2016

When looking at the population projection of Makana Local Municipality shows an estimated average annual growth rate of 1.1% between 2016 and 2021. The average annual growth rate in the population over the projection period for Sarah Baartman District Municipality, Eastern Cape Province and South Africa is 1.4%, 1.0% and 1.4% respectively. The Eastern Cape Province is estimated to have an average growth rate of 1.0% which is very similar than that of the Makana Local Municipality. South Africa as a whole is estimated to have an average annual growth rate of 1.4% which is very similar than that of Makana's projected growth rate.

CHART 2: POPULATION PYRAMID - MAKANA LOCAL MUNICIPALITY, 2016 VS. 2021



The population pyramid reflects a projected change in the structure of the population from 2016 and 2021. The differences can be explained as follows:

- In 2016, there is a significantly larger share of young working age people between 20 and 34 (34.5%), compared to what is estimated in 2021 (31.8%). This age category of young working age population will decrease over time.
- The fertility rate in 2021 is estimated to be slightly higher compared to that experienced in 2016.
- The share of children between the ages of 0 to 14 years is projected to be slightly smaller (23.0%) in 2021 when compared to 2016 (23.8%).

In 2016, the female population for the 20 to 34 years age group amounts to 16.9% of the total female population while the male population group for the same age amounts to 17.7% of the total male population. In 2021, the male working age population at 16.6% still exceeds that of the female population working age population at 15.2%, although both are at a lower level compared to 2016.

2.2.2 Population by Group, Gender and Age

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

Table 14: Population By Gender

MUNICIPALITY	MALE	FEMALE	TOTAL
Makana	41,700	44,900	86,600
Dr Beyers Naude	41,200	43,000	84,200
Blue Crane Route	18,400	18,900	37,300
Ndlambe	32,100	34,800	66,800
Sundays River Valley	32,700	29,600	62,300
Kouga	55,900	56,300	112,000
Kou-Kamma	22,300	22,000	44,300
Sarah Baartman	244,000	249,000	494,000

Source: Community Survey 2016

Makana Local Municipality's male/female split in population was 92.9 males per 100 females in 2016. The Makana Local Municipality appears to be a fairly stable population with the share of female population (51.84%) being very similar to the national average of (51.07%). In total there were 44 900 (51.84%) females and 41 700 (48.16%) males. This is different from Sarah Baartman District Municipality as a whole where the female population counted 250 000 which constitutes 50.52% of the total population of 494 000.

Table 15: Population by Group, Gender and Age

Age	African		White		Coloured	
	Female	Male	Female	Male	Female	Male

00-04	3,040	3,290	114	168	425	398
05-09	2,980	2,980	188	98	367	411
10-14	2,450	2,400	154	166	441	419
15-19	2,550	2,230	280	337	426	413
20-24	4,640	4,350	772	777	594	461
25-29	4,230	4,630	239	227	497	451
30-34	3,080	3,730	156	200	308	400
35-39	2,720	2,690	166	151	313	296
40-44	1,960	1,840	203	188	355	316
45-49	1,630	1,170	233	211	324	318
50-54	1,530	1,060	170	180	309	285
55-59	1,500	965	182	183	256	234
60-64	1,220	605	114	110	221	129
65-69	919	590	136	131	142	99
70-74	766	420	89	103	120	69
75+	888	441	155	104	97	69
Total	36,100	33,400	3,350	3,340	5,200	4,770

Source: Community Survey 2016

In 2016, the Makana Local Municipality's population consisted of 80.23% African (69 500), 7.72% White (6 690), 11.50% Coloured (9 960) and 0.55% Asian (475) people.

The largest share of population is within the young working age (25-44 years) age category with a total number of 29 500 or 34.1% of the total population. The age category with the second largest number of people is the babies and kids (0-14 years) age category with a total share of 23.8%, followed by the teenagers and youth (15-24 years) age category with 17 900 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 5 390 people, as reflected in the population pyramids below.

2.3 ECONOMIC PROFILE

The Makana Local Municipality does not function in isolation from Sarah Baartman, Eastern Cape Province, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

2.3.1 Gross Domestic Product by Region (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states. Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies. GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.

Table 16: GROSS DOMESTIC PRODUCT (GDP) - 2006-2016

	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2006	2.3	12.3	142.2	1,839.4	18.7%	1.61%	0.12%
2007	2.8	15.3	168.2	2,109.5	17.9%	1.63%	0.13%
2008	2.9	16.3	174.1	2,369.1	17.9%	1.67%	0.12%
2009	3.2	18.1	191.2	2,507.7	17.8%	1.69%	0.13%
2010	3.6	20.1	211.6	2,748.0	17.7%	1.68%	0.13%
	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2011	3.8	21.7	226.1	3,023.7	17.4%	1.67%	0.12%
2012	4.2	24.8	252.2	3,253.9	16.8%	1.65%	0.13%
2013	4.5	27.2	273.2	3,539.8	16.4%	1.63%	0.13%
2014	4.8	29.6	293.9	3,807.7	16.2%	1.63%	0.13%
2015	5.1	31.8	315.6	4,049.8	16.1%	1.62%	0.13%
2016	5.5	34.2	337.8	4,338.9	15.9%	1.62%	0.13%

Source: Community Survey 2016

With a GDP of R 5.46 billion in 2016 (up from R 2.29 billion in 2006), the Makana Local Municipality contributed 15.94% to the Sarah Baartman District Municipality GDP of R 34.2 billion in 2016 increasing in the share of the Sarah Baartman from 18.67% in 2006. The Makana Local Municipality contributes 1.62% to the GDP of Eastern Cape Province and 0.13% the GDP of South Africa which had a total GDP of R 4.34 trillion in 2016 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2006 when it contributed 0.12% to South Africa, but it is lower than the peak of 0.13% in 2007.

Table 17: GROSS DOMESTIC PRODUCT (GDP) -2006-2016 [

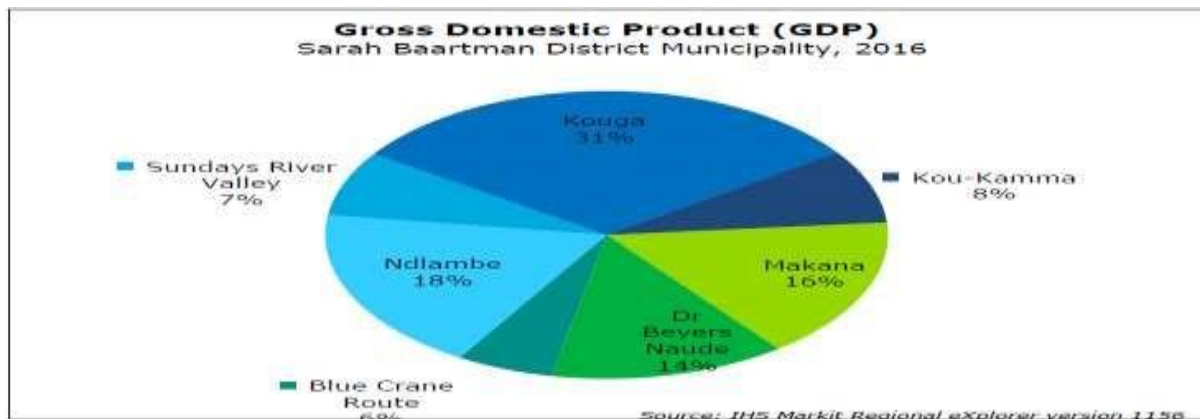
	Makana	Sarah Baartman	Eastern Cape	National Total
2006	5.1%	9.2%	5.3%	5.3%
2007	7.2%	9.8%	5.3%	5.4%
2008	5.1%	6.0%	3.2%	3.2%
2009	-0.9%	1.3%	-1.0%	-1.5%
2010	0.9%	3.5%	2.4%	3.0%
2011	2.0%	4.7%	3.7%	3.3%
2012	1.2%	3.2%	2.0%	2.2%
2013	0.6%	2.6%	1.4%	2.5%

2014	0.6%	2.2%	1.1%	1.7%
2015	0.5%	0.9%	0.7%	1.3%
2016	-0.4%	0.3%	0.2%	0.3%
Average Annual growth 2006-2016+	1.65%	3.41%	1.89%	2.12%

Source: Community Survey 2016

In 2016, the Makana Local Municipality achieved an annual growth rate of -0.40% which is a significant lower GDP growth than the Eastern Cape Province's 0.25%, but is lower than that of South Africa, where the 2016 GDP growth rate was 0.28%. Contrary to the short-term growth rate of 2016, the longer-term average growth rate for Makana (1.65%) is slightly lower than that of South Africa (2.12%). The economic growth in Makana peaked in 2007 at 7.16%.

Chart 3: GROSS DOMESTIC PRODUCT (GDP)-2016



The Makana Local Municipality had a total GDP of R 5.46 billion and in terms of total contribution towards Sarah Baartman District Municipality the Makana Local Municipality ranked third relative to all the regional economies to total Sarah Baartman District Municipality GDP. Makana decreased in importance from ranking second in 2006 to third in 2016. In terms of its share, it was in 2016 (15.9%) significant smaller compared to what it was in 2006 (18.7%). For the period 2006 to 2016, the average annual growth rate of 1.7% of Makana was the lowest relative to its peers in terms of growth in constant 2010 prices.

Table 18: GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN SARAH BAARTMAN DISTRICT MUNICIPALITY

	2016 (Current prices)	Share of local municipality	2006 (Constant prices)	2016 (Constant prices)	Average Annual growth
Makana	5.46	15.94%	3.16	3.72	1.65%
Dr Beyers Naude	4.65	13.59%	2.45	3.29	3.02%
Blue Crane Route	1.92	5.61%	1.01	1.31	2.61%
Ndlambe	6.32	18.46%	2.95	4.32	3.88%

Sundays River Valley	2.50	7.31%	1.10	1.67	4.25%
Kouga	10.54	30.78%	4.66	7.17	4.39%
Kou-Kamma	2.84	8.31%	1.39	1.90	3.15%

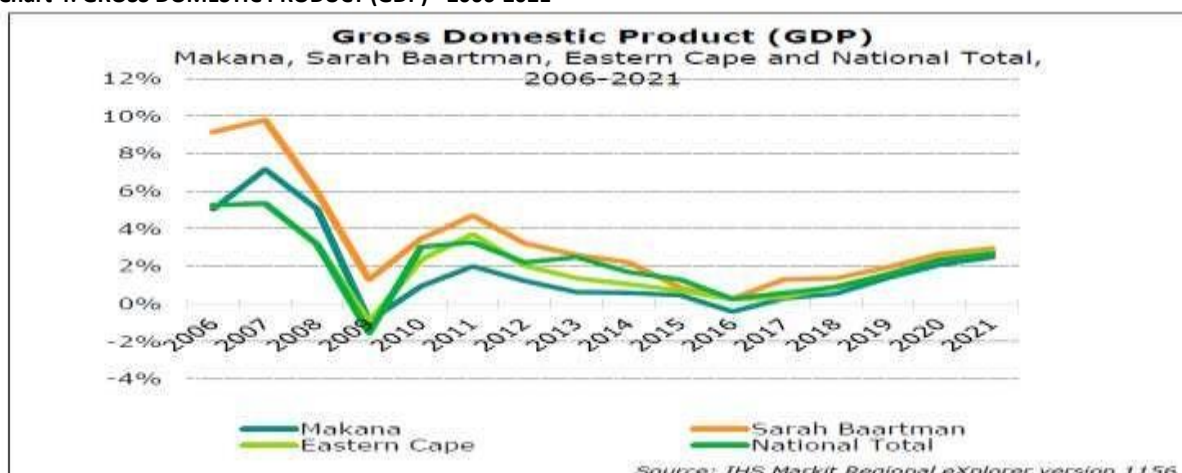
Source: Community Survey 2016

Kouga had the highest average annual economic growth, averaging 4.39% between 2006 and 2016, when compared to the rest of the regions within Sarah Baartman District Municipality. The Sundays River Valley local municipality had the second highest average annual growth rate of 4.25%. Makana local municipality had the lowest average annual growth rate of 1.65% between 2006 and 2016.

Economic Growth Forecast

It is expected that Makana Local Municipality will grow at an average annual rate of 1.36% from 2016 to 2021. The average annual growth rate in the GDP of Sarah Baartman District Municipality and Eastern Cape Province is expected to be 2.05% and 1.62% respectively. South Africa is forecasted to grow at an average annual growth rate of 1.61%, which is higher than that of the Makana Local Municipality.

Chart 4: GROSS DOMESTIC PRODUCT (GDP) - 2006-2021



In 2021, Makana's forecasted GDP will be an estimated R 3.98 billion (constant 2010 prices) or 15.4% of the total GDP of Sarah Baartman District Municipality. The ranking in terms of size of the Makana Local Municipality will remain the same between 2016 and 2021, with a contribution to the Sarah Baartman District Municipality GDP of 15.4% in 2021 compared to the 15.9% in 2016. At a 1.36% average annual GDP growth rate between 2016 and 2021, Makana ranked the lowest compared to the other regional economies.

Table 19: GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN SARAH BAARTMAN DISTRICT MUNICIPALITY, 2006 TO 2021

	2021 (Current prices)	Share of district municipality	2006 (Constant prices)	2021 (Constant prices)	Average Annual growth
Makana	7.58	29.30%	3.16	3.98	1.56%
Dr Beyers Naude	6.61	25.57%	2.45	3.63	2.67%

Blue Crane Route	2.80	10.81%	1.01	1.48	2.57%
Ndlambe	9.17	35.44%	2.95	4.87	3.40%
Sundays River Valley	3.60	13.93%	1.10	1.88	3.63%
Kouga	15.00	58.00%	4.66	7.96	3.63%
Kou-Kamma	3.95	15.27%	1.39	2.07	2.68%

2.3.2 Gross Value Added Region (GVA-R)

The Makana Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy. Gross Value Added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.

Table 20: GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - 2016

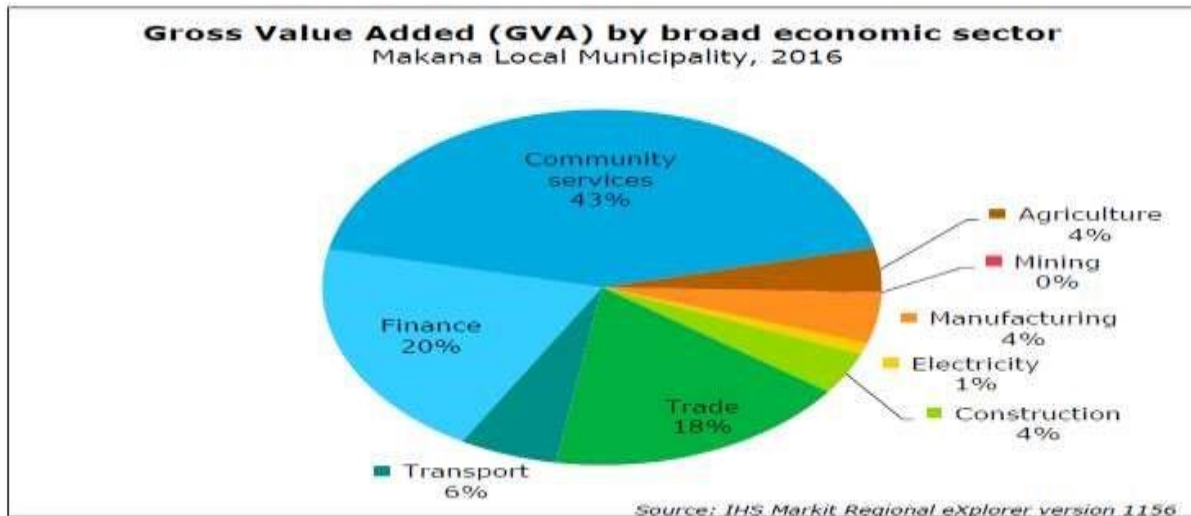
Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national	
Agriculture	0.2	2.5	5.9	94.4	8.1%	3.4%	0.21%
Mining	0.0	0.1	0.5	306.2	4.1%	1.0%	0.00%
Manufacturing	0.2	2.6	36.3	517.4	8.9%	0.6%	0.04%
Electricity	0.1	0.5	6.2	144.1	11.8%	0.9%	0.04%
Construction	0.2	2.6	13.2	154.3	7.3%	1.4%	0.12%
Trade	0.9	6.9	61.5	589.7	12.8%	1.4%	0.15%
Transport	0.3	2.4	27.5	389.2	11.8%	1.0%	0.07%
Finance	1.0	4.9	60.5	781.7	20.4%	1.7%	0.13%
Community services	2.1	9.0	89.7	894.1	23.8%	2.4%	0.24%
Total Industries	5.0	31.3	301.2	3,871.2	15.9%	1.6%	0.13%

Source: Community Survey 2016

In 2016, the community services sector is the largest within Makana Local Municipality accounting for R 2.13 billion or 42.9% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Makana Local Municipality is the finance sector at 20.1%, followed by the trade sector with 17.6%. The sector that contributes the least to the economy of

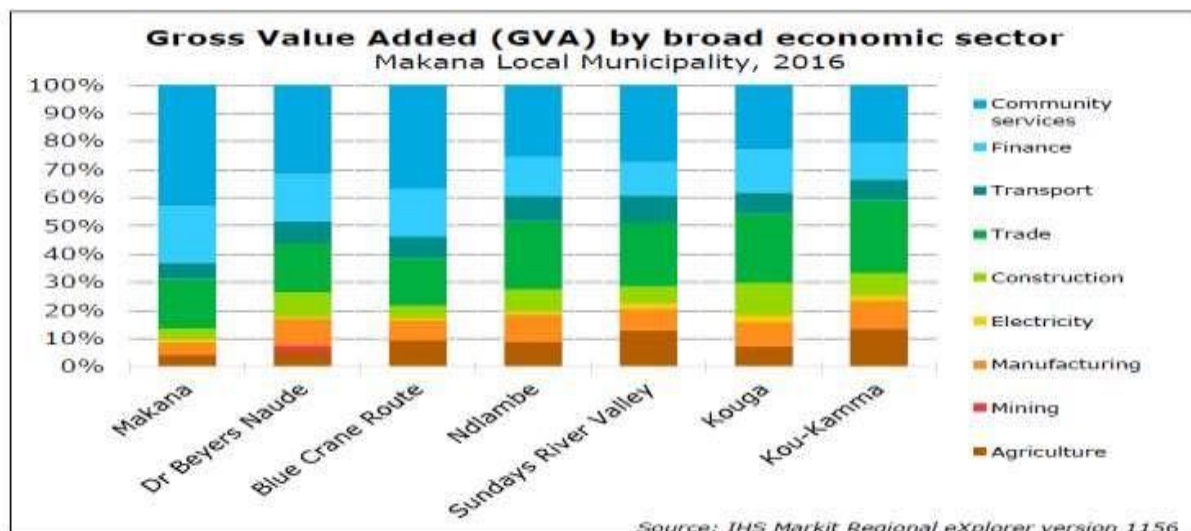
Makana Local Municipality is the mining sector with a contribution of R 4.51 million or 0.09% of the total GVA.

Chart 5: GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - 2016



The community sector, which includes the government services, is generally a large contributor towards GVA. When looking at all the regions within the Sarah Baartman District Municipality, it is clear that the Kouga contributes the most community services towards its own GVA, with 24.92%, relative to the other regions within Sarah Baartman District Municipality. The Kouga contributed R 9.77 billion or 31.22% to the GVA of Sarah Baartman District Municipality. The region within Sarah Baartman District Municipality that contributes the most to the GVA of the Sarah Baartman District Municipality was the Kouga with a total of R 9.77 billion or 31.22%.

Chart 6: GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR



Historic Economic Growth

For the period 2016 and 2006, the GVA in the construction sector had the highest average annual growth rate in Makana at 3.43%. The industry with the second highest average annual growth rate is the finance sector averaging at 2.39% per year. The mining sector had an average annual growth rate of -1.74%, while the electricity sector had the lowest average annual growth of -4.43%. Overall a

negative growth existed for all the industries in 2016 with an annual growth rate of -0.36% since 2015.

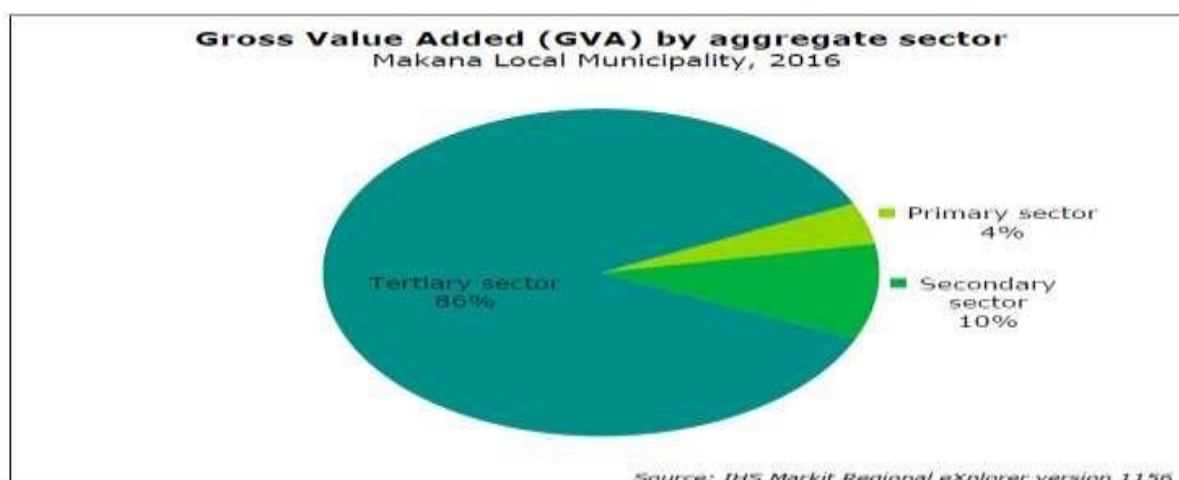
Table 21: GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR

	2006	2011	2016	Average Annual growth
Agriculture	86.6	111.9	103.6	1.81%
Mining	4.9	3.4	4.1	-1.74%
Manufacturing	167.5	172.3	169.3	0.10%
Electricity	32.0	31.6	20.3	-4.43%
Construction	85.5	111.8	119.8	3.43%
Trade	497.2	561.6	594.1	1.80%
Transport	163.3	188.0	203.0	2.20%
Finance	561.0	653.4	710.2	2.39%
Community services	1,321.6	1,511.8	1,506.4	1.32%
Total Industries	2,919.6	3,345.7	3,430.8	1.63%

Source: Community Survey 2016

The tertiary sector contributes the most to the Gross Value Added within the Makana Local Municipality at 86.4%. This is significantly higher than the national economy (68.6%). The secondary sector contributed a total of 9.5% (ranking second), while the primary sector contributed the least at 4.1%.

CHART 7. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR

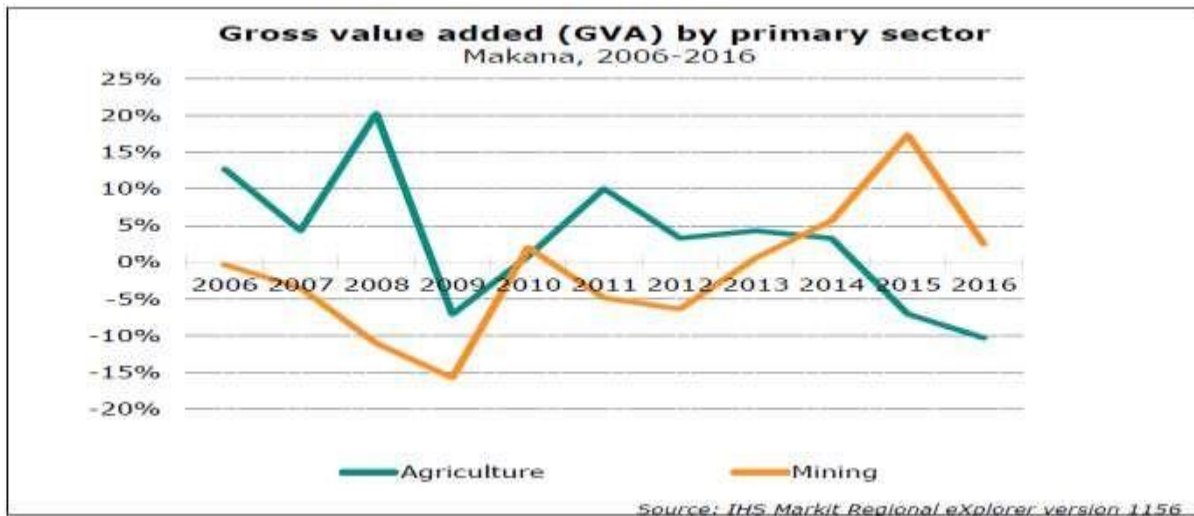


The following is a breakdown of the Gross Value Added (GVA) by aggregated sector:

3.2.1.1 Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both of these sectors in Makana Local Municipality from 2006 to 2016.

CHART 8: GROSS VALUE ADDED (GVA) BY PRIMARY SECTOR



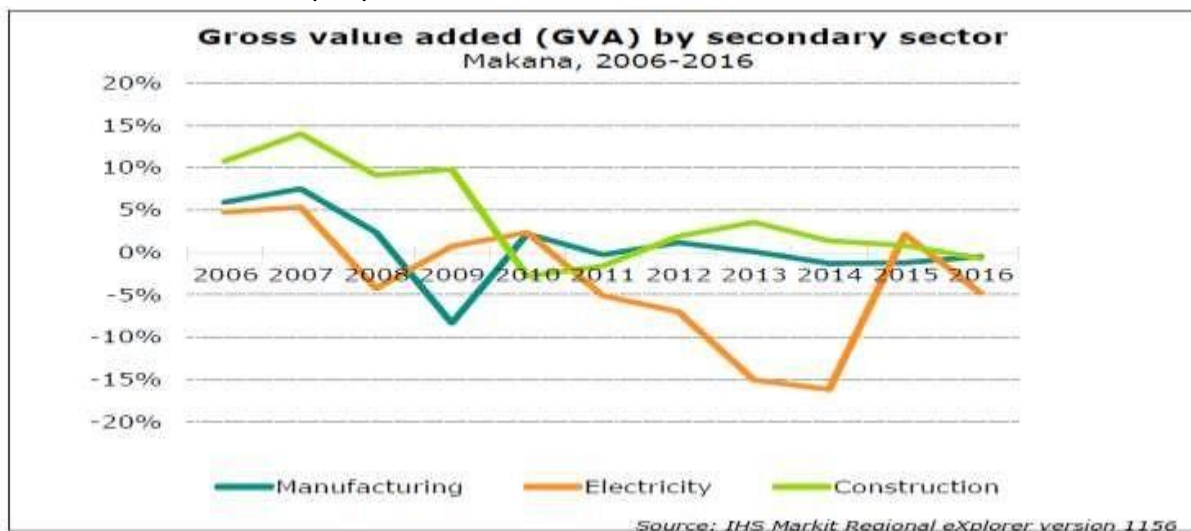
Gross Value Added by Sector

Between 2006 and 2016, the agriculture sector experienced the highest positive growth in 2008 with an average growth rate of 20.3%. The mining sector reached its highest point of growth of 17.3% in 2015. The agricultural sector experienced the lowest growth for the period during 2016 at -10.3%, while the mining sector reaching its lowest point of growth in 2009 at -15.8%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Makana Local Municipality from 2006 to 2016.

CHART 9. GROSS VALUE ADDED (GVA) BY SECONDARY SECTOR



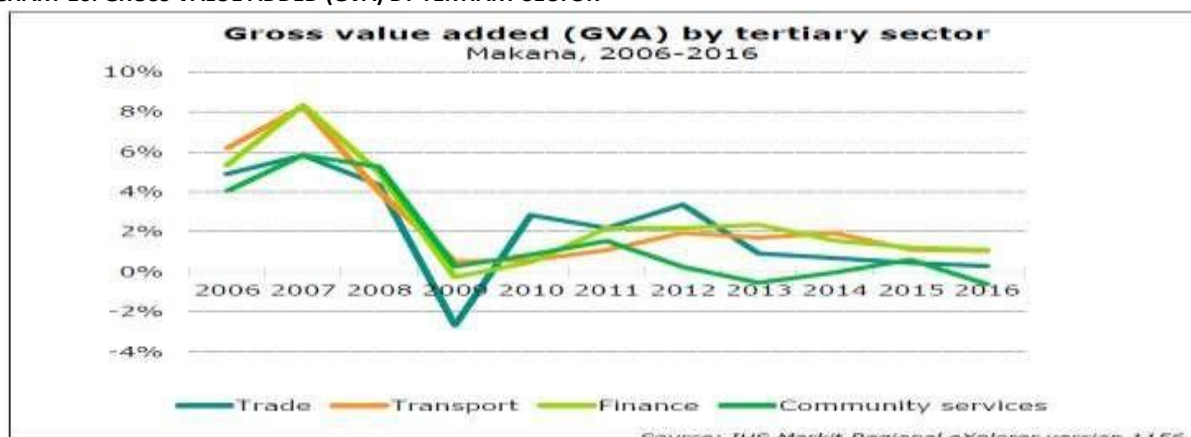
Between 2006 and 2016, the manufacturing sector experienced the highest positive growth in 2007 with a growth rate of 7.5%. It is evident for the construction sector that the highest positive growth rate also existed in 2007 and it experienced a growth rate of 14.0% which is higher than that of the manufacturing sector. The manufacturing sector experienced its lowest growth in 2010 of -8.3%, while construction sector reached its lowest point of growth in 2010 with -2.8% growth rate. The

electricity sector experienced the highest growth in 2007 at 5.3%, while it recorded the lowest growth of -16.2% in 2014.

Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in Makana Local Municipality from 2006 to 2016.

CHART 10. GROSS VALUE ADDED (GVA) BY TERTIARY SECTOR



The trade sector experienced the highest positive growth in 2007 with a growth rate of 5.8%. It is evident for the transport sector that the highest positive growth rate also existed in 2007 at 8.3% which is higher than that of the manufacturing sector. The finance sector experienced the highest growth rate in 2007 when it grew by 8.3% and recorded the lowest growth rate in 2009 at -0.3%. The Trade sector also had the lowest growth rate in 2009 at -2.7%. The community services sector, which largely consists of government, experienced its highest positive growth in 2007 with 5.8% and the lowest growth rate in 2016 with -0.6%.

SECTOR GROWTH FORECAST

The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow rapidly in the national economy (e.g. finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2010) so the emphasis moves from historical growth rates to national-level industry growth rates.

TABLE 21. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR

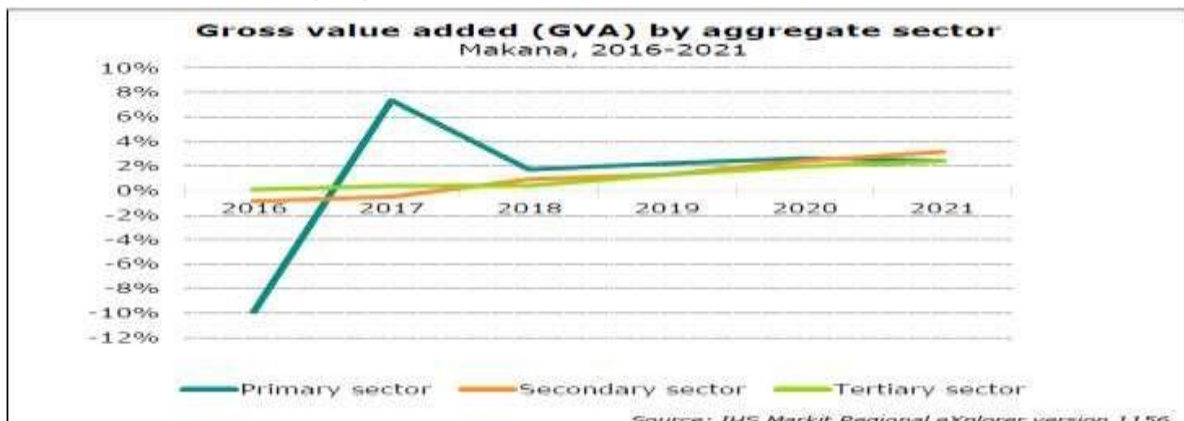
	2016	2017	2018	2019	2020	2021	Average Annual growth
Agriculture	103.6	111.4	113.3	115.8	118.9	121.8	3.29%
Mining	4.1	4.3	4.3	4.4	4.4	4.5	1.95%
Manufacturing	169.3	167.1	168.3	169.9	173.7	178.3	1.05%
Electricity	20.3	20.0	19.8	20.1	20.6	21.2	0.80%

Construction	119.8	120.7	122.5	124.7	127.9	132.8	2.09%
Trade	594.1	594.5	601.4	612.3	629.9	649.6	1.80%
Transport	203.0	203.7	206.2	208.9	214.0	219.9	1.61%
Finance	710.2	710.3	720.4	735.7	755.3	777.2	1.82%
Community services	1,506.4	1,516.6	1,508.7	1,518.6	1,536.9	1,564.4	0.76%
Total Industries	3,430.8	3,448.4	3,464.9	3,510.4	3,581.6	3,669.8	1.36%

Source: Community Survey 2016

The agriculture sector is expected to grow fastest at an average of 3.29% annually from R 104 million in Makana Local Municipality to R 122 million in 2021. The community services sector is estimated to be the largest sector within the Makana Local Municipality in 2021, with a total share of 42.6% of the total GVA (as measured in current prices), growing at an average annual rate of 0.8%. The sector that is estimated to grow the slowest is the community services sector with an average annual growth rate of 0.76%.

CHART 11. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR

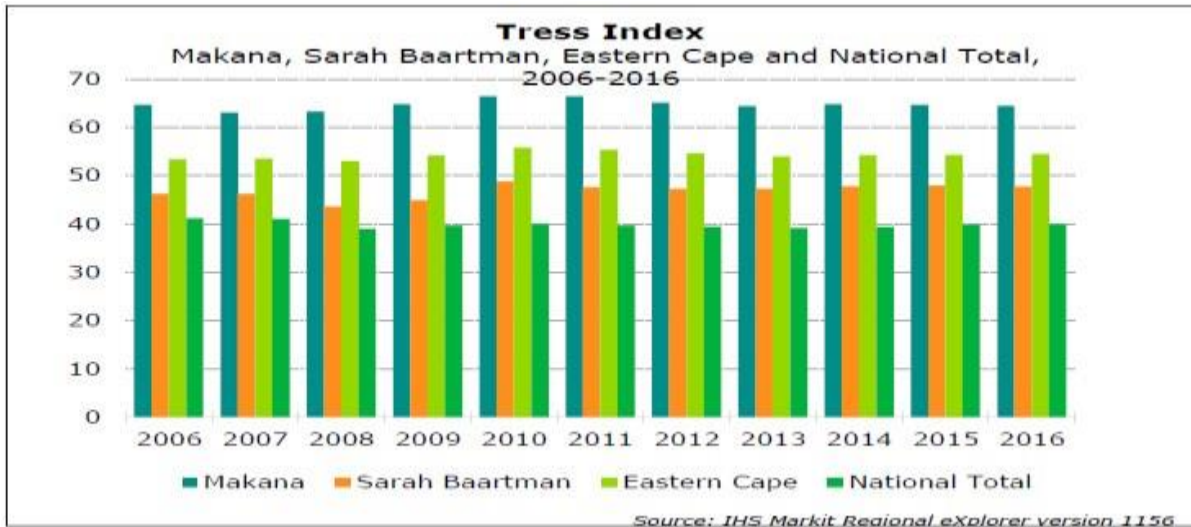


The Primary sector is expected to grow at an average annual rate of 3.24% between 2016 and 2021, with the Secondary sector growing at 1.44% on average annually. The Tertiary sector is expected to grow at an average annual rate of 1.28% for the same period.

2.3.3 Tress Index-Concentration of Economy

The Tress index measures the degree of concentration of an area's economy on a sector basis. A Tress index value of 0 means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 100 means that only one economic sector makes up the whole GVA of the region.

CHART 12 : TRESS INDEX



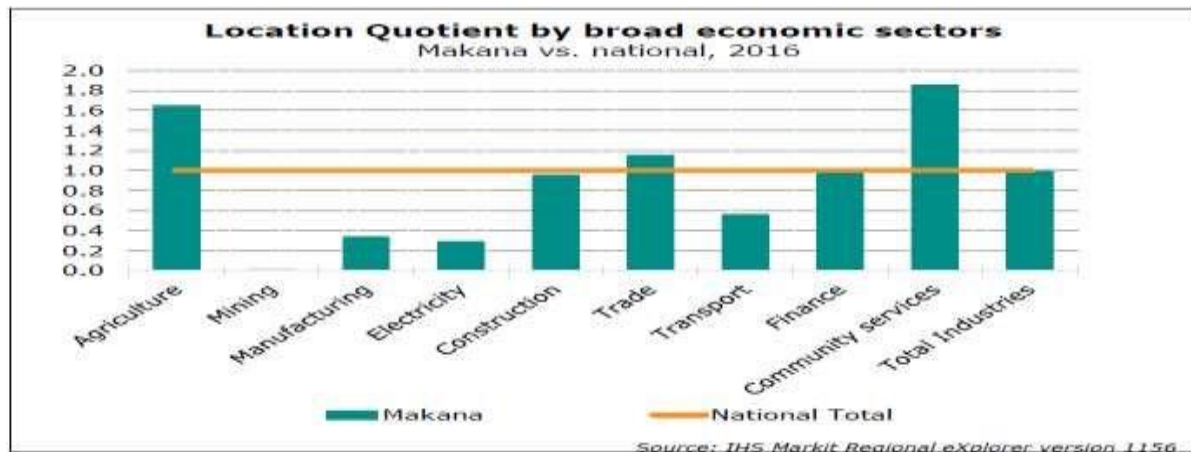
In 2016, Makana's Tress Index was estimated at 64.4 which are higher than the 47.7 of the district municipality and higher than the 47.7 of the province. This implies that - on average - Makana Local Municipality is less diversified in terms of its economic activity spread than the province's economy as a whole.

The Makana Local Municipality has a concentrated community services sector.

2.3.4 Location Quotient

A specific regional economy has a comparative advantage over other regional economies if it can more efficiently produce the same good. The location quotient is one way of measuring this comparative advantage.

CHART 12: LOCATION QUOTIENT BY BROAD ECONOMIC SECTORS



For 2016 Makana Local Municipality has a very large comparative advantage in the community services sector. The agriculture sector also has a very large comparative advantage. The trade also has a comparative advantage when comparing it to the South Africa economy as a whole, although less prominent. The Makana Local Municipality has a comparative disadvantage when it comes to the mining and electricity sector which has a very large comparative disadvantage. In general mining is a very concentrated economic sector. Unfortunately the Makana Local Municipality area currently does not have a lot of mining activity, with an LQ of only 0.0115.

2.4 LABOUR FORCE

TABLE23: WORKING AGE POPULATION

Age	Makana		Sarah Baartman		Eastern Cape		National Total	
	2006	2016	2006	2016	2006	2016	2006	2016
15-19	9,030	6,270	40,700	34,000	803,000	634,000	5,290,000	4,550,000
20-24	9,540	11,700	41,700	47,900	701,000	694,000	5,260,000	5,000,000
25-29	7,560	10,300	39,700	52,100	530,000	684,000	4,550,000	5,620,000
30-34	5,520	7,920	31,200	45,200	355,000	589,000	3,570,000	5,300,000
35-39	4,450	6,360	26,300	37,600	288,000	438,000	2,930,000	4,240,000
40-44	4,420	4,900	24,500	28,900	286,000	298,000	2,610,000	3,120,000
45-49	4,200	3,900	23,200	23,600	286,000	247,000	2,290,000	2,530,000
50-54	3,550	3,540	18,900	21,500	241,000	249,000	1,880,000	2,260,000
55-59	2,630	3,340	16,500	19,600	205,000	249,000	1,520,000	1,990,000
60-64	2,240	2,410	13,500	15,800	171,000	207,000	1,170,000	1,610,000
Total	53,152	60,646	276,235	326,133	3,866,790	4,289,261	31,071,485	36,220,290

Source: Community Survey 2016

The working age population in Makana in 2016 was 60 600, increasing at an average annual rate of 1.33% since 2006. For the same period the working age population for Sarah Baartman District Municipality increased at 1.67% annually, while that of Eastern Cape Province increased at 1.04% annually. South Africa's working age population has increased annually by 1.55% from 31.1 million in 2006 to 36.2 million in 2016.

2.4.1 Economically Active Population

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force.

Table 23: ECONOMICALLY ACTIVE POPULATION (EAP)- 2006-2016

	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2006	31,800	172,000	1,840,000	17,500,000	18.5%	1.73%	0.18%
2007	31,900	173,000	1,850,000	18,000,000	18.4%	1.73%	0.18%
2008	31,800	174,000	1,840,000	18,400,000	18.3%	1.73%	0.17%
2009	31,200	172,000	1,790,000	18,300,000	18.2%	1.74%	0.17%

2010	30,200	168,000	1,730,000	18,100,000	17.9%	1.74%	0.17%
2011	30,000	169,000	1,740,000	18,300,000	17.7%	1.72%	0.16%
2012	30,400	173,000	1,770,000	18,700,000	17.6%	1.72%	0.16%
2013	31,700	181,000	1,840,000	19,300,000	17.5%	1.72%	0.16%
2014	33,500	192,000	1,940,000	20,100,000	17.4%	1.73%	0.17%
2015	34,800	200,000	2,000,000	20,800,000	17.3%	1.73%	0.17%
2016	35,700	206,000	2,060,000	21,300,000	17.3%	1.74%	0.17%
Average Annual growth							
2006-2016	1.16%	1.83%	1.12%	1.97%			

Source: CommunitySurvey2016

Makana Local Municipality's EAP was 35 700 in 2016, which is 41.18% of its total population of 86 600, and roughly 17.29% of the total EAP of the Sarah Baartman District Municipality. From 2006 to 2016, the average annual increase in the EAP in the Makana Local Municipality was 1.16%, which is 0.669 percentage points lower than the growth in the EAP of Sarah Baartman's for the same period.

Labour Force Participation Rate

Table 24: THE LABOUR FORCE PARTICIPATION RATE 2006-2016

	Makana	Sarah Baartman	Eastern Cape	National Total
2006	59.8%	62.3%	47.6%	56.4%
2007	59.1%	61.8%	47.3%	57.0%
	Makana	Sarah Baartman	Eastern Cape	National Total
2008	57.9%	61.0%	46.5%	57.4%
2009	55.7%	59.2%	44.9%	56.2%
2010	53.1%	56.9%	42.9%	54.5%
2011	52.2%	56.3%	42.6%	54.3%
2012	52.4%	56.5%	43.1%	54.7%
2013	54.0%	58.3%	44.4%	55.7%
2014	56.5%	60.9%	46.2%	57.1%
2015	58.0%	62.4%	47.3%	58.1%
2016	58.8%	63.3%	47.9%	58.8%

Source: Community Survey 2016

The Makana Local Municipality's labour force participation rate decreased from 59.81% to 58.82% which is a decrease of -0.99 percentage points. The Sarah Baartman District Municipality increased from 62.32% to 63.26%, Eastern Cape Province increased from 47.58% to 47.93% and South Africa increased from 56.37% to 58.77% from 2006 to 2016. The Makana Local Municipality labour force participation rate exhibited a lower percentage point change compared to the Eastern Cape Province from 2006 to 2016. The Makana Local Municipality had a higher labour force participation rate when compared to South Africa in 2016.

2.4.2 Total Employment

Table 25: TOTAL EMPLOYMENT – 2006-2016

	Makana	Sarah Baartman	Eastern Cape	National Total
2006	24,100	143,000	1,330,000	13,000,000
2007	24,300	144,000	1,350,000	13,500,000
2008	24,500	145,000	1,350,000	14,100,000
2009	24,100	142,000	1,320,000	14,000,000
2010	23,200	138,000	1,260,000	13,600,000
2011	23,200	139,000	1,260,000	13,800,000
2012	23,100	141,000	1,270,000	14,000,000
2013	23,900	147,000	1,310,000	14,500,000
2014	25,500	158,000	1,370,000	15,100,000
2015	26,600	165,000	1,430,000	15,500,000
2016	27,200	170,000	1,460,000	15,700,000
Average Annual growth				
2006-2016	1.22%	1.74%	0.91%	1.89%

Source: Community Survey 2016

In 2016, Makana employed 27 200 people which is 16.03% of the total employment in Sarah Baartman District Municipality (170 000), 1.87% of total employment in Eastern Cape Province (1.46 million), and 0.17% of the total employment of 15.7 million in South Africa. Employment within Makana increased annually at an average rate of 1.22% from 2006 to 2016. The Makana Local Municipality average annual employment growth rate of 1.22% exceeds the average annual labour force growth rate of 1.16% resulting in unemployment decreasing from 26.02% in 2006 to 25.51% in 2016 in the local municipality.

Table 26: TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR

	Makana	Dr Beyers Naude	Blue Crane Route	Ndlambe	Sundays River Valley	Kouga	Kou-Kamma	Total Sarah Baartman

Agriculture	1,380	1,980	330	3,200	7,670	7,450	5,620	27,618
Mining	5	5	3	9	2	8	3	35
Manufacturing	3,000	4,090	1,340	1,530	1,450	3,150	1,980	16,534
Electricity	44	34	16	18	48	116	98	374
Construction	2,820	2,680	920	2,920	1,690	4,630	2,350	18,021
Trade	5,710	6,200	2,800	4,290	4,080	8,660	4,250	35,998
Transport	1,350	1,890	597	823	754	1,510	843	7,765
Finance	2,930	2,330	1,030	1,870	1,220	3,000	1,410	13,779
Community services	6,950	4,670	2,170	4,360	3,460	7,390	3,490	32,494
Households	3,050	2,490	1,180	2,620	2,250	3,790	1,900	17,269
Total	27,200	26,400	10,400	21,600	22,600	39,700	21,900	169,886

Source: Community Survey 2016

Makana Local Municipality employs a total number of 27 200 people within its local municipality. The local municipality that employs the highest number of people relative to the other regions within Sarah Baartman District Municipality is Kouga local municipality with a total number of 39 700. The local municipality that employs the lowest number of people relative to the other regions within Sarah Baartman District Municipality is Blue Crane Route local municipality with a total number of 10 400 employed people.

In Makana Local Municipality the economic sectors that recorded the largest number of employment in 2016 were the community services sector with a total of 6 950 employed people or 25.5% of total employment in the local municipality. The trade sector with a total of 5 710 (21.0%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 5.46 (0.0%) is the sector that employs the least number of people in Makana Local Municipality, followed by the electricity sector with 43.9 (0.2%) people employed.

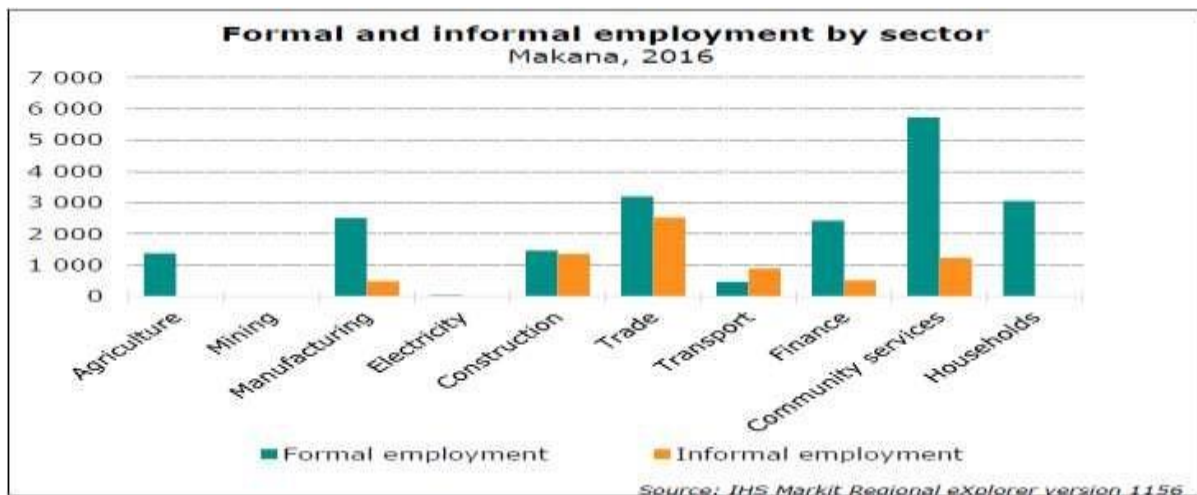
2.4.3 Formal and Informal employment

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formally employed people in Makana Local Municipality counted 20 300 in 2016, which is about 74.36% of total employment, while the number of people employed in the informal sector counted 6 980 or 25.64% of the total employment. Informal employment in Makana increased from 6 220 in 2006 to an estimated 6 980 in 2016.

Table 27: FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR – 2016



In 2016 the Trade sector recorded the highest number of informally employed, with a total of 2 520 employees or 36.11% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 486 and only contributes 6.96% to total informal employment.

2.4.4 Unemployment

Table 27: UNEMPLOYMENT (OFFICIAL DEFINITION) - MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER PERCENTAGE]

	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2006	8,270	30,100	512,000	4,510,000	27.5%	1.62%	0.18%
2007	8,260	30,300	503,000	4,460,000	27.3%	1.64%	0.19%
2008	7,890	29,600	488,000	4,350,000	26.6%	1.62%	0.18%
2009	7,680	29,700	483,000	4,370,000	25.9%	1.59%	0.18%
2010	7,490	30,000	480,000	4,490,000	24.9%	1.56%	0.17%
2011	7,260	30,300	485,000	4,570,000	23.9%	1.50%	0.16%
	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2012	7,830	32,400	508,000	4,690,000	24.1%	1.54%	0.17%
2013	8,350	34,300	542,000	4,850,000	24.3%	1.54%	0.17%
2014	8,660	35,300	569,000	5,060,000	24.5%	1.52%	0.17%
2015	8,780	35,600	583,000	5,290,000	24.6%	1.51%	0.17%

2016	9,100	36,700	603,000	5,600,000	24.8%	1.51%	0.16%
Average Annual growth							
2006-2016	0.96%		1.98%		1.65%		2.19%

Source: Community Survey 2016

In 2016, there were a total number of 9 100 people unemployed in Makana, which is an increase of 826 from 8 270 in 2006. The total number of unemployed people within Makana constitutes 24.83% of the total number of unemployed people in Sarah Baartman District Municipality. The Makana Local Municipality experienced an average annual increase of 0.96% in the number of unemployed people, which is better than that of the Sarah Baartman District Municipality which had an average annual increase in unemployment of 1.98%.

Table 28: UNEMPLOYMENT RATE (OFFICIAL DEFINITION) – 2006-2016

	Makana	Sarah Baartman	Eastern Cape	National Total
2006	26.0%	17.5%	27.8%	25.8%
2007	25.9%	17.5%	27.2%	24.8%
2008	24.8%	17.1%	26.6%	23.6%
2009	24.7%	17.3%	26.9%	23.8%
2010	24.8%	17.9%	27.7%	24.8%
2011	24.2%	17.9%	27.9%	24.9%
2012	25.8%	18.8%	28.7%	25.0%
2013	26.4%	18.9%	29.4%	25.1%
2014	25.8%	18.3%	29.4%	25.1%
2015	25.2%	17.8%	29.1%	25.5%
2016	25.5%	17.8%	29.3%	26.3%

Source: Community Survey 2016

In 2016, the unemployment rate in Makana Local Municipality (based on the official definition of unemployment) was 25.51%, which is a decrease of -0.516 percentage points. The unemployment rate in Makana Local Municipality is higher than that of Sarah Baartman. Comparing to the Eastern Cape Province it can be seen that the unemployment rate for Makana Local Municipality was lower than that of Eastern Cape which was 29.34%. The unemployment rate for South Africa was 26.33% in 2016, which is an increase of -0.563 percentage points from 25.77% in 2006.

2.5 HOUSEHOLD INCOME AND EXPENDITURE

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution.

Income categories start at R0 - R2,400 per annum and go up to R2,400,000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take into account inflation creep: over time, movement of households "up" the brackets is natural, even if they are not earning any more in real terms.

2.5.1 Number of Households by Income Category

Table 29: HOUSEHOLDS BY INCOME CATEGORY - 2016

	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
0-2400	2	9	206	1,880	17.9%	0.77%	0.08%
2400-6000	32	211	3,800	33,300	15.1%	0.84%	0.10%
6000-12000	340	1,770	38,400	314,000	19.2%	0.89%	0.11%
12000-18000	743	4,130	76,400	624,000	18.0%	0.97%	0.12%
18000-30000	2,130	12,300	220,000	1,720,000	17.4%	0.97%	0.12%
30000-42000	2,340	13,800	231,000	1,730,000	17.0%	1.02%	0.14%
42000-54000	2,180	13,300	204,000	1,520,000	16.4%	1.07%	0.14%
54000-72000	2,470	16,300	217,000	1,630,000	15.1%	1.14%	0.15%
72000-96000	2,270	15,400	185,000	1,490,000	14.7%	1.23%	0.15%
96000-132000	2,150	14,600	156,000	1,390,000	14.7%	1.37%	0.15%
132000-192000	2,020	13,000	133,000	1,320,000	15.5%	1.52%	0.15%
192000-360000	2,430	14,700	150,000	1,690,000	16.5%	1.62%	0.14%
	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
360000-600000	1,550	8,670	88,200	1,090,000	17.9%	1.76%	0.14%

600000-1200000	1,080	5,840	59,000	785,000	18.5%	1.84%	0.14%
1200000-2400000	324	1,980	17,600	238,000	16.4%	1.84%	0.14%
2400000+	51	350	2,670	39,100	14.5%	1.90%	0.13%
Total	22,100	136,000	1,780,000	15,600,000	16.2%	1.24%	0.14%

Source: Community Survey 2016

It was estimated that in 2016 14.69% of all the households in the Makana Local Municipality, were living on R30,000 or less per annum. In comparison with 2006's 42.18%, the number is about half. The 54000-72000 income category has the highest number of households with a total number of 2 470, followed by the 192000-360000 income category with 2 430 households. Only 1.6 households fall within the 0-2400 income category.

2.5.2 Annual Total Personal Income

Personal income is an even broader concept than labour remuneration. Personal income includes profits, income from property, net current transfers and net social benefits.

Table 30: ANNUAL TOTAL PERSONAL INCOME – 2006-2016

	Makana	Sarah Baartman	Eastern Cape	National Total
2006	1.7	9.9	106.6	1,259.4
2007	1.9	11.3	121.0	1,432.2
2008	2.2	12.5	134.0	1,587.9
2009	2.3	13.2	143.3	1,695.1
2010	2.6	14.2	154.3	1,843.3
2011	2.8	15.5	168.2	2,033.0
2012	3.1	17.4	187.5	2,226.5
2013	3.3	19.1	204.6	2,414.5
2014	3.6	21.0	220.0	2,596.7
2015	3.8	23.0	239.4	2,783.4
2016	4.4	24.5	264.5	2,995.4
Average Annual growth				
2006-2016	10.13%	9.51%	9.52%	9.05%

Source: Community Survey 2016

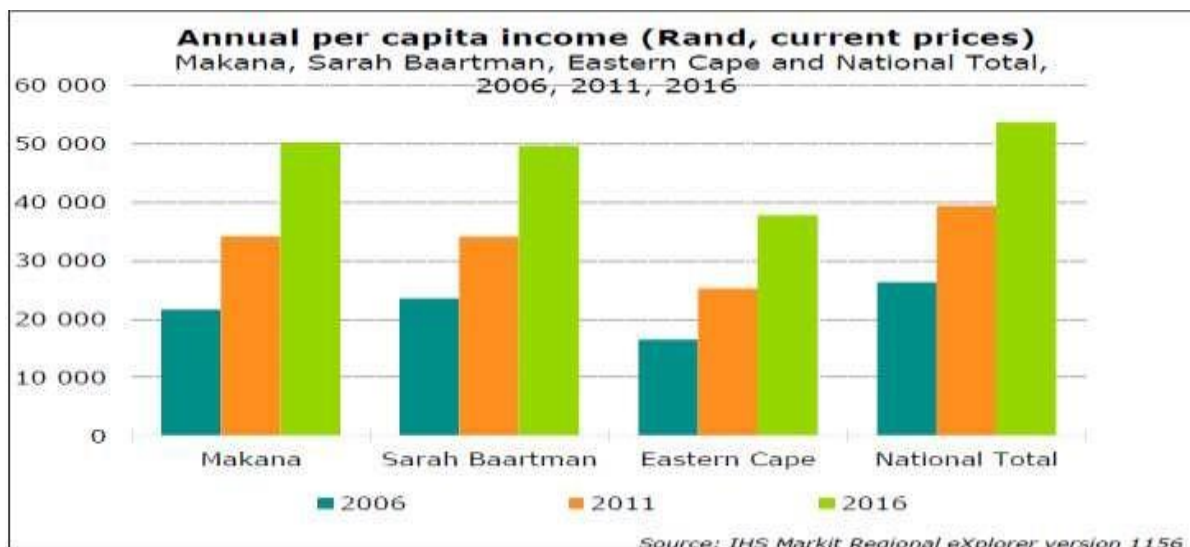
Makana Local Municipality recorded an average annual growth rate of 10.13% (from R 1.66 billion to

R 4.35 billion) from 2006 to 2016, which is more than both Sarah Baartman's (9.51%) as well as Eastern Cape Province's (9.52%) average annual growth rates. South Africa had an average annual growth rate of 9.05% (from R 1.26 trillion to R 3 trillion) which is less than the growth rate in Makana Local Municipality.

2.5.3 Annual Per Capita Income

Per capita income is often used as a measure of wealth particularly when comparing economies or population groups. Rising per capita income usually indicates a likely swell in demand for consumption.

Chart 12 PER CAPITA INCOME – 2016



The per capita income in Makana Local Municipality in 2016 is R 50,200 which is higher than both the Eastern Cape (R 37,800) and of the Sarah Baartman District Municipality (R 49,700) per capita income. The per capita income for Makana Local Municipality (R 50,200) is lower than that of the South Africa as a whole which is R 53,800.

Table 31: PER CAPITA INCOME BY POPULATION GROUP – 2016

	African	White	Coloured
Makana	33,400	217,000	52,600
Dr Beyers Naude	31,600	178,000	33,800
Blue Crane Route	28,600	220,000	38,500
Ndlambe	32,600	190,000	51,700
Sundays River Valley	30,500	206,000	37,100
Kouga	31,700	154,000	39,800
Kou-Kamma	36,800	192,000	41,200

Source: Community Survey 2016

Kouga local municipality has the highest per capita income with a total of R 55,500. Ndlambe local municipality had the second highest per capita income at R 55,400, whereas Sundays River Valley local municipality had the lowest per capita income at R 42,200. In Makana Local Municipality, the White

population group has the highest per capita income, with R 217,000, relative to the other population groups. The population group with the second highest per capita income within Makana Local Municipality is the Coloured population group (R 52,600). Some of the population groups - where there are less than 1,000 people living in the area were excluded from the analysis.

2.5.4 Index of Buying Power (IBP)

The Index of Buying Power (IBP) is a measure of a region's overall capacity to absorb products and/or services. The index is useful when comparing two regions in terms of their capacity to buy products. Values range from 0 to 1 (where the national index equals 1), and can be interpreted as the percentage of national buying power attributable to the specific region. Regions' buying power usually depends on three factors: the size of the population; the ability of the population to spend (measured by total income); and the willingness of the population to spend (measured by total retail sales).

Table 32: INDEX OF BUYING POWER - 2016

	Makana	Sarah Baartman	Eastern Cape	National Total
Population	86,615	493,821	7,006,876	55,724,934
Population - share of national total	0.2%	0.9%	12.6%	100.0%
Income	4,352	24,522	264,506	2,995,448
Income - share of national total	0.1%	0.8%	8.8%	100.0%
Retail	1,253,524	6,961,849	79,545,670	926,561,000
Retail - share of national total	0.1%	0.8%	8.6%	100.0%
Index	0.00	0.01	0.09	1.00

Source: Community Survey 2016

Makana Local Municipality has a 0.2% share of the national population, 0.1% share of the total national income and a 0.1% share in the total national retail, this all equates to an IBP index value of 0.0014 relative to South Africa as a whole. Sarah Baartman has an IBP of 0.0081, were Eastern Cape Province has and IBP index value of 0.091 and South Africa a value of 1 relative to South Africa as a whole.

The considerable low index of buying power of the Makana Local Municipality suggests that the local municipality has access to only a small percentage of the goods and services available in all of the Sarah Baartman District Municipality. Its residents are most likely spending some of their income in neighbouring areas.

2.6 HUMAN DEVELOPMENT

HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. In order to gauge a decent standard of living, we make use of GDP per capita. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.

2.6.1 Human Development Index (HDI)



In 2016 Makana Local Municipality had an HDI of 0.644 compared to the Sarah Baartman with a HDI of 0.627, 0.596 of Eastern Cape and 0.653 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2016 when compared to Makana Local Municipality which translates to worse human development for Makana Local Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.79% and this increase is lower than that of Makana Local Municipality (2.11%).

CHART 14: HUMAN DEVELOPMENT INDEX (HDI) - 2016

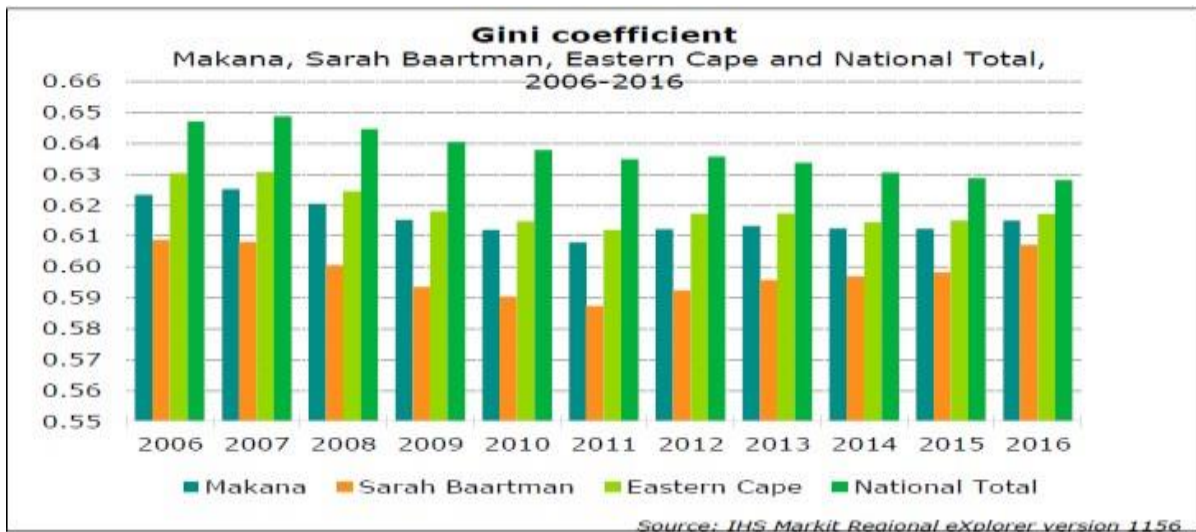


In terms of the HDI for each the regions within the Sarah Baartman District Municipality, Kouga local municipality has the highest HDI, with an index value of 0.654. The lowest can be observed in the Sundays River Valley local municipality with an index value of 0.588.

2.6.2 Gini Coefficient

If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high and low income earners within the population. In contrast, if the Gini coefficient equals 1, income is completely inequitable, i.e. one individual in the population is earning all the income and the rest has no income. Generally this coefficient lies in the range between 0.25 and 0.70.

Chart 15: GINI COEFFICIENT - 2006-2016



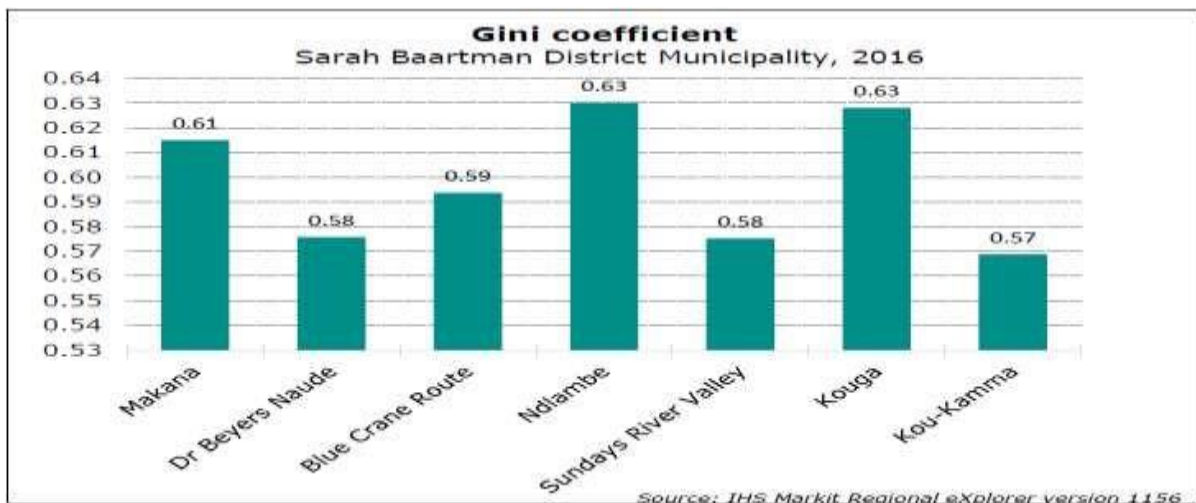
In 2016, the Gini coefficient in Makana Local Municipality was at 0.615, which reflects a marginal decrease in the number over the ten-year period from 2006 to 2016. The Sarah Baartman District Municipality and the Eastern Cape Province had a Gini coefficient of 0.607 and 0.617 respectively. When Makana Local Municipality is contrasted against the entire South Africa, it can be seen that Makana has a more equal income distribution with a lower Gini coefficient compared to the South African coefficient of 0.628 in 2016. This has been the case for the entire 10 year history.

Table 33: GINI COEFFICIENT BY POPULATION GROUP - MAKANA, 2006, 2016 [NUMBER]

	African	White	Coloured
2006	0.55	0.49	0.56
2016	0.57	0.43	0.55
Average Annual growth			
2006-2016	0.43%	-1.42%	-0.19%

When segmenting the Makana Local Municipality into population groups, it can be seen that the Gini coefficient for the African population group increased the most amongst the population groups with an average annual growth rate of 0.43%. The Gini coefficient for the White population group decreased the most with an average annual growth rate of -1.42%.

Chart 16: GINI COEFFICIENT - MAKANA, DR BEYERS NAUDE, BLUE CRANE ROUTE, NDLAMBE, SUNDAYS RIVER VALLEY, KOUGA AND KOU-KAMMA, 2016 [NUMBER]

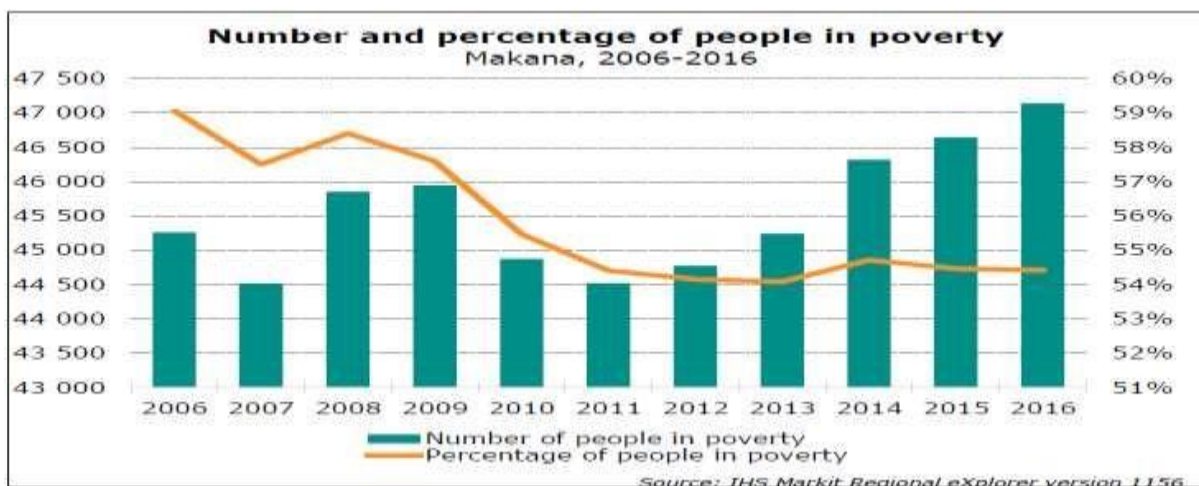


In terms of the Gini coefficient for each of the regions within the Sarah Baartman District Municipality, Ndlambe local municipality has the highest Gini coefficient, with an index value of 0.63. The lowest Gini coefficient can be observed in the Kou-Kamma local municipality with an index value of 0.569.

2.6.3 Poverty Levels

The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other. This variable measures the number of individuals living below that particular level of consumption for the given area, and is balanced directly to the official upper poverty rate as measured by StatsSA.

Chart 17: NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - MAKANA LOCAL MUNICIPALITY, 2006-2016



In 2016, there were 47 100 people living in poverty, using the upper poverty line definition, across Makana Local Municipality - this is 4.14% higher than the 45 300 in 2006. The percentage of people living in poverty has decreased from 59.06% in 2006 to 54.42% in 2016, which indicates a decrease of 4.64 percentage points.

TABLE 34: PERCENTAGE OF PEOPLE LIVING IN POVERTY BY POPULATION GROUP

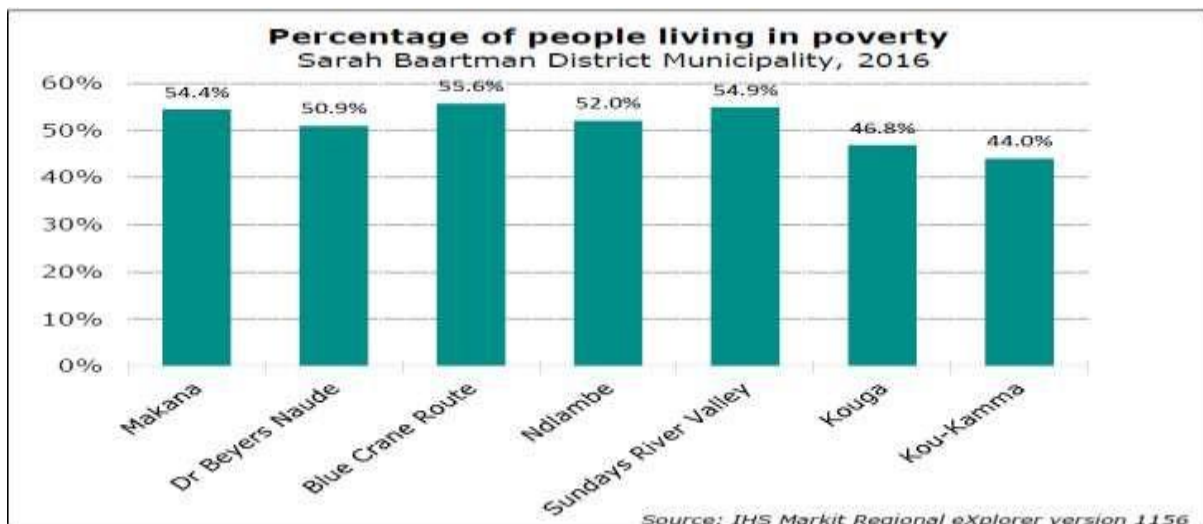
	African	White	Coloured
2006	67.5%	1.2%	47.0%

2007	66.0%	1.6%	43.2%
2008	67.2%	2.2%	43.1%
2009	66.5%	2.5%	40.8%
2010	64.0%	2.0%	39.6%
2011	62.7%	1.7%	39.3%
2012	62.2%	1.7%	39.3%
2013	62.0%	1.7%	39.0%
2014	62.6%	1.7%	39.3%
2015	62.2%	1.8%	38.6%
2016	62.1%	1.0%	38.6%

Source: Community Survey 2016

In 2016, the population group with the highest percentage of people living in poverty was the White population group with a total of 1.2% people living in poverty, using the upper poverty line definition. The proportion of the White population group, living in poverty, decreased by 0.179 percentage points, as can be seen by the change from 1.20% in 2006 to 1.02% in 2016. In 2016 62.14% of the African population group lived in poverty, as compared to the 67.46% in 2006.

CHART 18: PERCENTAGE OF PEOPLE LIVING IN POVERTY -



In terms of the percentage of people living in poverty for each of the regions within the Sarah Baartman District Municipality, Blue Crane Route local municipality has the highest percentage of people living in poverty, with a total of 55.6%. The lowest percentage of people living in poverty can be observed in the Kou-Kamma local municipality with a total of 44.0% living in poverty, using the upper poverty line definition

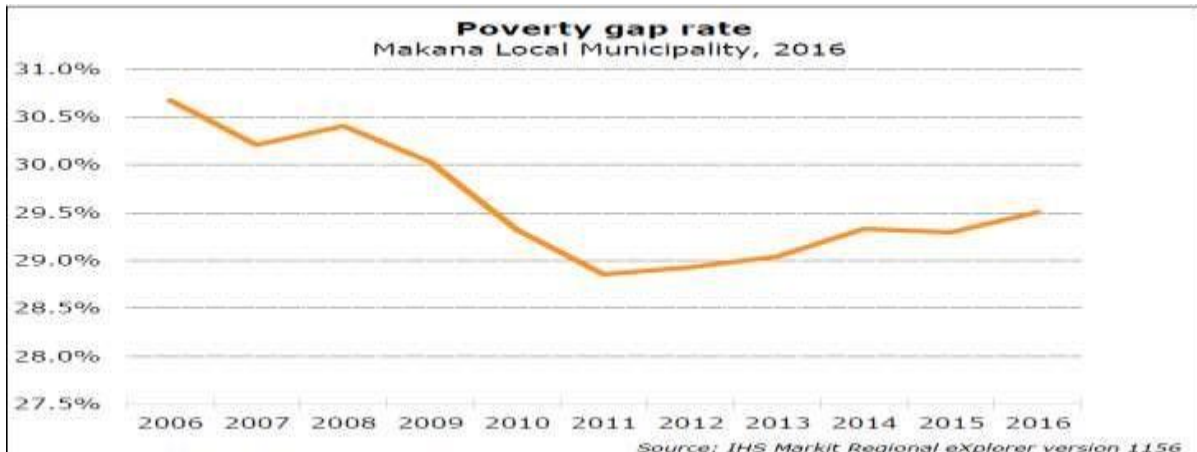
Poverty Gap Rate

The poverty gap is used as an indicator to measure the depth of poverty. The gap measures the average distance of the population from the poverty line and is expressed as a percentage of the upper

bound poverty line, as defined by StatsSA. The Poverty Gap deals with a major shortcoming of the poverty rate, which does not give any indication of the depth, of poverty. The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other.

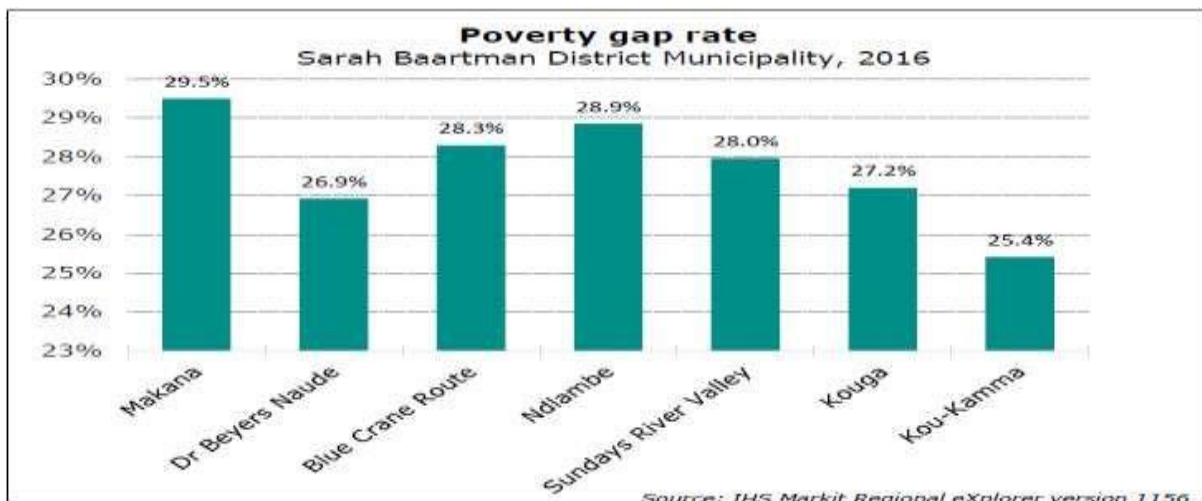
It is estimated that the poverty gap rate in Makana Local Municipality amounted to 29.5% in 2016 - the rate needed to bring all poor households up to the poverty line and out of poverty.

CHART19: POVERTY GAP RATE BY POPULATION GROUP



In 2016, the poverty gap rate was 29.5% and in 2006 the poverty gap rate was 30.7%, it can be seen that the poverty gap rate decreased from 2006 to 2016, which means that there were improvements in terms of the depth of the poverty within Makana Local Municipality.

Chart 20: POVERTY GAP RATE - MAKANA, DR BEYERS NAUDE, BLUE CRANE ROUTE, NDLAMBE, SUNDAYS RIVER VALLEY, KOUGA AND KOU-KAMMA, 2016



Number of Households by Population Group

In 2016, the Makana Local Municipality comprised of 22 300 households. This equates to an average annual growth rate of 1.55% in the number of households from 2006 to 2016. With an average annual growth rate of 1.23% in the total population, the average household size in the Makana Local Municipality is by implication decreasing. This is confirmed by the data where the average household

size in 2006 decreased from approximately 4 individuals per household to 3.9 persons per household in 2016.

Table 35: Number of Households

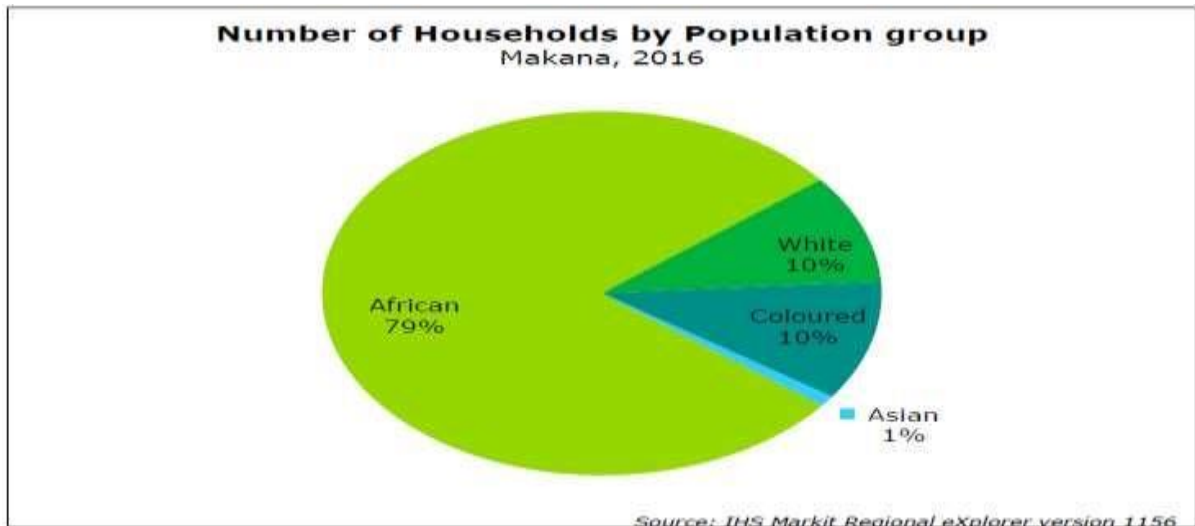
	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2006	19,100	115,000	1,570,000	13,000,000	16.6%	1.22%	0.15%
2007	19,500	118,000	1,590,000	13,100,000	16.6%	1.23%	0.15%
2008	20,000	120,000	1,620,000	13,400,000	16.7%	1.23%	0.15%
2009	20,700	123,000	1,670,000	13,700,000	16.8%	1.24%	0.15%
2010	21,000	125,000	1,680,000	13,900,000	16.8%	1.25%	0.15%
2011	21,200	127,000	1,700,000	14,200,000	16.7%	1.25%	0.15%
2012	21,500	130,000	1,720,000	14,500,000	16.5%	1.25%	0.15%
2013	21,600	132,000	1,730,000	14,700,000	16.4%	1.25%	0.15%
2014	21,700	133,000	1,740,000	15,000,000	16.3%	1.25%	0.14%
2015	22,000	136,000	1,770,000	15,400,000	16.2%	1.25%	0.14%
2016	22,300	138,000	1,790,000	15,800,000	16.1%	1.24%	0.14%
Average Annual growth							
2006-2016	1.55%		1.82%		1.32%		1.97%

Source: Community Survey 2016

Relative to the district municipality, the Makana Local Municipality had a lower average annual growth rate of 1.55% from 2006 to 2016. In contrast, the province had an average annual growth rate of 1.32% from 2006. South Africa as a whole had a total of 15.8 million households, with a growth rate of 1.97%, thus growing at a higher rate than the Makana.

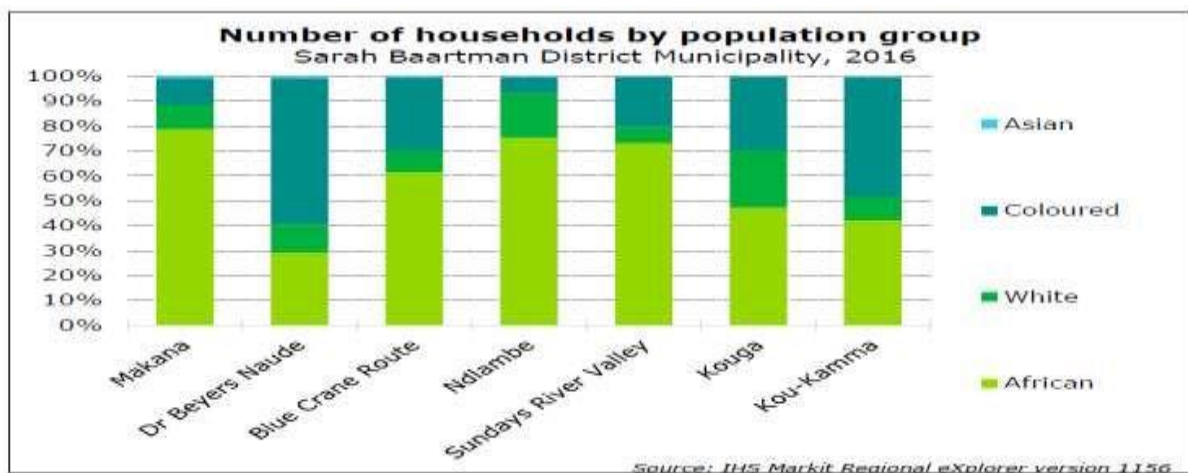
The composition of the households by population group consists of 78.7% which is ascribed to the African population group with the largest amount of households by population group. The Coloured population group had a total composition of 10.6% (ranking second). The White population group had a total composition of 9.7% of the total households. The smallest population group by households is the Asian population group with only 0.9% in 2016.

Chart 21: Number of Households by Population Group



The growth in the number of African headed households was on average 1.72% per annum between 2006 and 2016, which translates in the number of households increasing by 2 750 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2006 and 2016 at 6.06%. The average annual growth rate in the number of households for all the other population groups has increased with 1.51%.

Chart 22: Number of households by Population Groups



HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. ARV treatment can also prolong the lifespan of people that are HIV+. In the absence of any treatment, people diagnosed with HIV live for approximately 10 years before reaching the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely.

HIV+ and AIDS estimates are defined as follows:

The HIV+ estimates are calculated by using the prevalence rates from the HIV/AIDS model built by the Actuarial Society of Southern Africa (ASSA-2008). These rates are used as base rates on a provincial level. IHS slightly adjusted the provincial ASSA-2008 data to more accurately reflect the national HIV Prevalence rate per population group as used in the national demographic models. The ASSA model in turn uses the prevalence rates from various primary data sets, in particular the HIV/AIDS surveys

conducted by the Department of Health and the Antenatal clinic surveys. Their rates are further adjusted for over-reporting and then smoothed.

Table 36: NUMBER OF HIV+ PEOPLE

	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2006	7,780	31,900	622,000	5,320,000	24.4%	1.25%	0.15%
2007	7,680	31,800	626,000	5,370,000	24.1%	1.23%	0.14%
2008	7,870	32,900	631,000	5,400,000	23.9%	1.25%	0.15%
2009	8,530	35,900	643,000	5,480,000	23.8%	1.33%	0.16%
2010	9,140	38,700	660,000	5,590,000	23.6%	1.39%	0.16%
2011	9,380	40,100	676,000	5,680,000	23.4%	1.39%	0.16%
2012	9,540	41,200	691,000	5,760,000	23.2%	1.38%	0.17%
2013	9,740	42,300	712,000	5,880,000	23.0%	1.37%	0.17%
2014	10,100	44,100	736,000	6,010,000	22.9%	1.37%	0.17%
2015	10,400	45,800	760,000	6,130,000	22.7%	1.37%	0.17%
2016	10,800	47,500	786,000	6,280,000	22.6%	1.37%	0.17%
Average Annual growth							
2006-2016	3.29%		4.07%		2.37%		1.67%

Source: Community Survey 2016

In 2016, 10 800 people in the Makana Local Municipality were infected with HIV. This reflects an increase at an average annual rate of 3.29% since 2006, and in 2016 represented 12.41% of the local municipality's total population. Sarah Baartman District Municipality had an average annual growth rate of 4.07% from 2006 to 2016 in the number of people infected with HIV, which is higher than that of the Makana Local Municipality. The number of infections in Eastern Cape Province increased from 622,000 in 2006 to 786,000 in 2016. When looking at South Africa as a whole it can be seen that the number of people that are infected increased from 2006 to 2016 with an average annual growth rate of 1.67%.

2.6.4 Education Levels

Education is the cornerstone to sustainable development and it is therefore very important to be prioritised because 66% of the population fall between 0-34 years of age in Makana.

CATEGORY	AGE	PERCENTAGE
Youth	15-34	39%

CATEGORY	AGE	PERCENTAGE
Adult	35-64	24%
Elder	65+	9%
Children	0-14	27%

Attainment Levels

Education is a useful socio-economic indicator to examine as it directly impacts on the poverty levels of a community. A community that has high levels of education generally has higher levels of income than areas with low levels of education. Education impacts infrastructure directly and indirectly. The more educated a population is the more they can contribute to infrastructure provision and maintenance. A more educated population can provide higher tariffs and taxes in order to maintain key infrastructure.

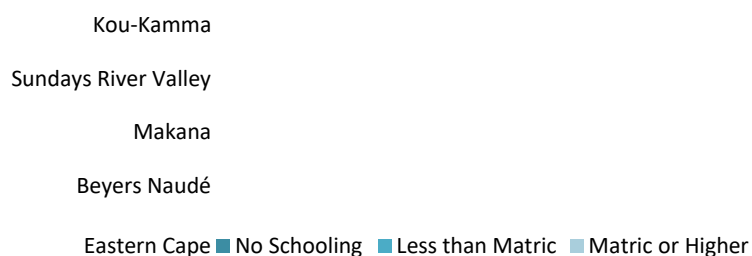
In Sarah Baartman 18.5% of the population has completed a secondary education and a higher education while 9.4% of people over the age of 20 have no schooling at all.

Approximately 60.1% of the population have some form of education lower than a secondary education. Makana is amongst the municipalities who have the lowest proportion of people without schooling, at 8.2%

Location	No Schooling	Some Primary	Completed Primary	Some Secondary	Completed Secondary	Higher
Eastern Cape	11.6%	26.7%	5.8%	26.9%	11.5%	5.2%
Sarah Baartman	9.4%	24.5%	6.9%	28.7%	13.2%	5.3%
Makana	8.2%	20.8%	5.8%	28.5%	15.3%	7.5%

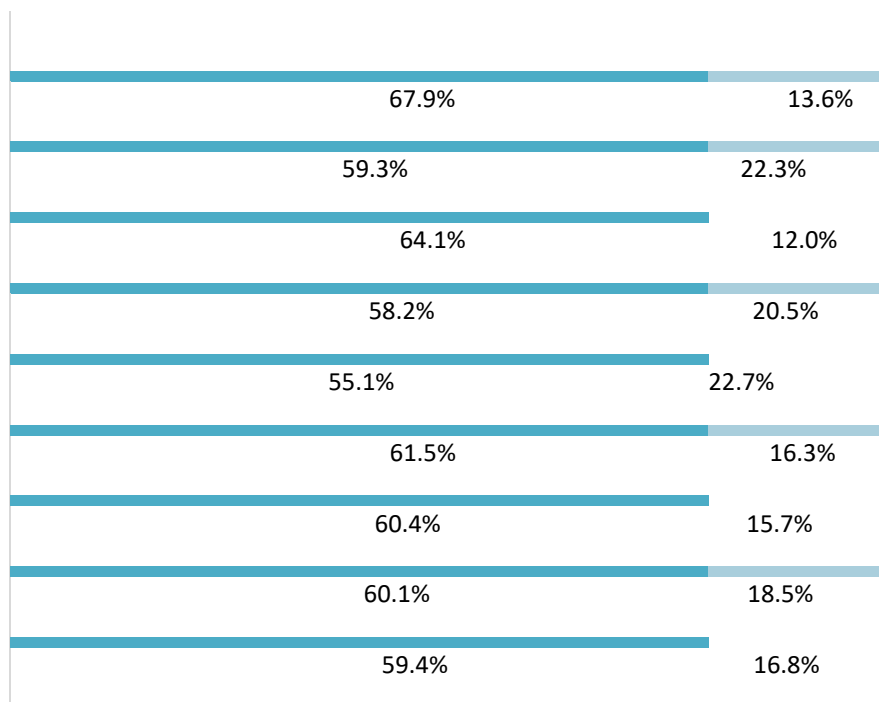
Makana has the highest proportion of people who have a matric or higher at 22.7%. The Municipality's high proportion of people who have a matric or higher could be related to the fact that a large number of university students and highly qualified lecturers reside in Makhanda.

Figure 2: Education Attainment Levels per Local Municipality



Quantec Standardised Regional (2018)

TABLE 37: INSTITUTIONAL ATTENDANCE



<i>Municipality</i>	<i>Number</i>	<i>Public Government</i>	<i>Private Independent</i>	<i>High Education</i>	<i>TVET Formerly FET</i>
SBDM	149 839	137 320	11 667	15 220	6 381
Makana LM	28 457	22 936	4 877	5 307	2 271

School Attendance

Of the 28 457 people attending education institution in Makana, more than 80% are doing Pre-school up to secondary school

TABLE 38: SCHOOL ATTENDANCE

SCHOOL	PERCENTAGE
Primary School	42%
Secondary	25.6%
Technical Education	5.6%
Other Colleges	0.7%
Higher Education	8.5%
Pre-School	15.6%

TABLE 38: LEVEL OF EDUCATION

EDUCATION	2011 NUMBER	2016 NUMBER
-----------	-------------	-------------

No schooling	3 100	1 921
Some primary	7 819	5 464
Completed primary	3 107	2 629
Some secondary	17 871	20 699
Grade 12/Matric	11 305	14 228
Higher	5 555	6 245
Other	424	887

Source: Community Survey 2016

- 46.4 % of the population is younger than 24 years old, which indicates a relatively young population profile.
- 15 % of the population completed secondary school and 7.5 % post-secondary or higher education.
- The education levels of Makana (completed secondary and higher education) is significantly higher than the District and the Province. **Matric Pass Rate 2016-2019**

TABLE 39: PERCENTAGE OF MATRIC PASS RATE PER SCHOOL

SCHOOL	2016	2017	2018	2019
GRAEME COLLEGE BOYS HIGH	100%	98.3%	96.9%	93.4%
HENDRIK KANISE COMBINED SCHOOL	72.7%	83.3%	76.9%	83.3%
HOERSKOOL P J OLIVIER	81.9%	92.3%	83.3%	100%
KUTLISO DANIELS SECONDARY SCHOOL	50.0%	25.0%	58.1%	50.0%
MARY WATERS HIGH SCHOOL	70.8%	66.0%	82.3%	72.4%
NATHANIEL NYALUZA SECONDARY SCHOOL	47.8%	45.3%	25.0%	35.1
NOMBULELO SECONDARY SCHOOL	57.0%	82.0%	79.5%	79.0%
NTSIKA SECONDARY SCHOOL	87.1%	85.3%	84.9%	77.0%

T.E.M MRWETYANA SENIOR SECONDARY	25.5%	42.9%	35.7%	69.2%
VICTORIA GIRLS HIGH SCHOOL	100%	100%	100%	97.4%

SOURCE: DEPARTMENT OF EDUCATION

The above table illustrates matric pass rates per school in the Makana Local Municipality's jurisdiction over the previous four (4) years. It can be seen that in some schools there has been improvement in the matric pass rates, whilst in some other schools the pass rate varied up and down over the contrasted years. It is worth noting that amongst the Class of 2019, T.E.M Mrwetyana has been the most improved school in terms of their pass rate. In 2019 the school achieved a pass rate of 69.2% compared to the 35.7% achieved in 2018 (an almost 50% improvement).

2.6.5 Functional Literacy

Functional literacy describes the reading and writing skills that are adequate for an individual to cope with the demands of everyday life - including the demands posed in the workplace. This is contrasted with illiteracy in the strictest sense, meaning the inability to read or write. Functional literacy enables individuals to enter the labour market and contribute towards economic growth thereby reducing poverty.

TABLE 39: FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER

	Illiterate	Literate	%
2006	14,733	43,184	74.6%
2007	14,187	44,540	75.8%
2008	13,630	46,115	77.2%
2009	13,160	47,690	78.4%
2010	12,795	48,988	79.3%
2011	12,449	50,023	80.1%
2012	12,148	50,930	80.7%
2013	11,883	51,901	81.4%
2014	11,593	52,938	82.0%
2015	11,321	53,958	82.7%
2016	11,240	54,795	83.0%

Average Annual growth			
2006-2016	-2.67%	2.41%	1.08%

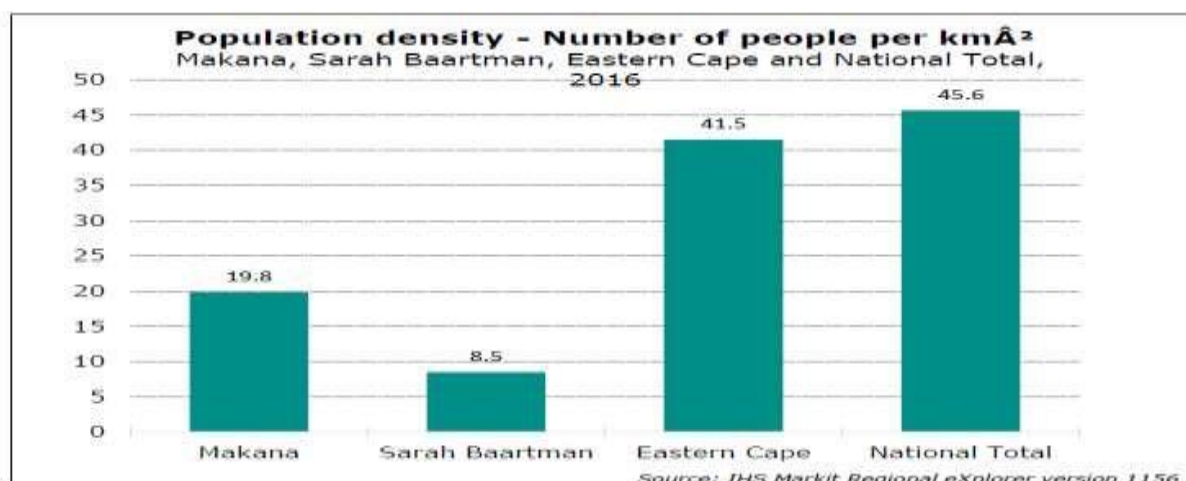
Source: Community Survey 2016

A total of 54 800 individuals in Makana Local Municipality were considered functionally literate in 2016, while 11 200 people were considered to be illiterate. Expressed as a rate, this amounts to 82.98% of the population, which is an increase of 0.084 percentage points since 2006 (74.56%). The number of illiterate individuals decreased on average by -2.67% annually from 2006 to 2016, with the number of functional literate people increasing at 2.41% annually.

2.6.6 Population Density

Population density measures the concentration of people in a region. To calculate this, the population of a region is divided by the area size of that region. The output is presented as the number of people per square kilometre.

Chart 23: Population Density



In 2016, with an average of 19.8 people per square kilometre, Makana Local Municipality had a higher population density than Sarah Baartman (8.48 people per square kilometre). Compared to Eastern Cape Province (41.5 per square kilometre) it can be seen that there are less people living per square kilometre in Makana Local Municipality than in Eastern Cape Province.

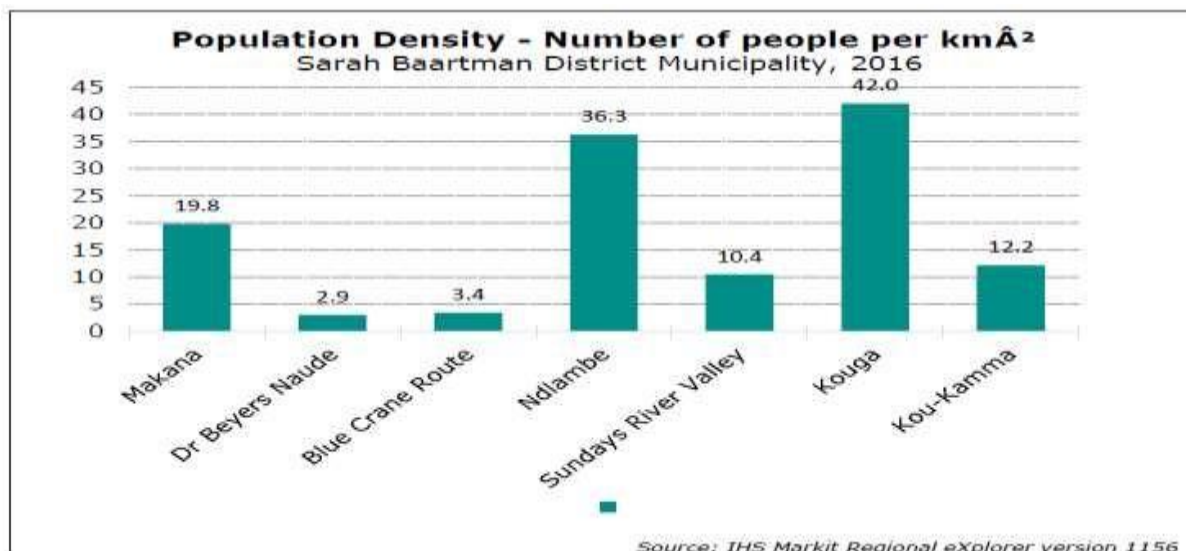
TABLE 40: POPULATION DENSITY

	Makana	Dr Beyers Naude	Blue Crane Route	Ndlambe	Sundays River Valley	Kouga	Kou-Kamma
2006	17.51	2.62	3.25	32.85	7.98	31.53	10.73
2007	17.69	2.64	3.25	32.90	8.21	32.44	10.78
2008	17.94	2.67	3.24	32.83	8.49	33.45	10.80
2009	18.23	2.71	3.24	32.87	8.79	34.55	10.85
2010	18.49	2.74	3.25	33.15	9.06	35.67	10.98

2011	18.70	2.77	3.26	33.60	9.29	36.80	11.16
2012	18.90	2.81	3.28	34.10	9.52	37.92	11.36
2013	19.12	2.84	3.30	34.64	9.74	39.00	11.57
2014	19.35	2.87	3.32	35.19	9.97	40.05	11.77
2015	19.57	2.91	3.34	35.75	10.19	41.06	11.97
2016	19.79	2.94	3.37	36.31	10.40	42.01	12.16
Average Annual growth							
2006-2016	1.23%	1.14%	0.36%	1.01%	2.68%	2.91%	1.26%

Source: Community Survey 2016

In 2016, Makana Local Municipality had a population density of 19.8 per square kilometre and it ranked highest amongst its peers. The region with the highest population density per square kilometre was the Kouga with a total population density of 42 per square kilometre per annum. In terms of growth, Makana Local Municipality had an average annual growth in its population density of 1.23% per square kilometre per annum. The region with the highest growth rate in the population density per square kilometre was Kouga with an average annual growth rate of 2.91% per square kilometre. In 2016, the region with the lowest population density within Sarah Baartman District Municipality was Dr Beyers Naude with 2.94 people per square kilometre. The region with the lowest average annual growth rate was the Blue Crane Route with an average annual growth rate of 0.36% people per square kilometre over the period under discussion.



In terms of the population density for each of the regions within the Sarah Baartman District Municipality, Kouga local municipality had the highest density, with 42 people per square kilometre. The lowest population density can be observed in the Dr Beyers Naude local municipality with a total of 2.94 people per square kilometre.

2.7 CRIME LEVELS

MAKANA CRIME STATISTICS REPORT 2018

This section consist of seventeen (17) Community priorities and other Sub Categories of crimes. This statistics is a clustered information from all different police station precincts under Makhanda cluster

COMMUNITY PRIORITIES AND OTHER SUBCATEGORIES OF CRIME

Precinct	Murder	Sexual Offences	Attempted murder	Assault with the intent to inflict grievous bodily harm	Common assault	Common robbery	Robbery with aggravating circumstances	Arson	Malicious to damage property	Burglary at non-residential premises
Alicedale	1	1	0	15	17	0	0	0	4	4
Makhanda	12	64	5	203	331	76	136	4	124	87
Riebeeck East	0	3	1	4	4	0	0	0	0	1
Committees	0	0	0	0	0	0	1	0	1	1
Fort Brown	0	3	0	2	1	0	1	0	2	1
Joza	21	75	5	230	175	43	87	2	97	21
Rhodes	1	0	1	8	1	1	0	0	3	0
Seven Fountains	0	2	0	8	6	0	1	0	5	3
Total	35	148	12	470	535	120	226	6	236	118

Precinct	Burglary at residential premises	Theft of motcand vehicle motorcycle	Theft out of or from motor vehicle	Stocktheft	Illegal possession of firearms and ammunition	Drugrelated crime	Driving under the influence of alcohol or drugs	Sexual offences detected as a result of police action	All theft not mentioned elsewhere
Alicedale	16	0	2	3	0	17	1	0	11
Makhanda	429	16	354	29	11	111	47	1	544
Riebeeck East	3	0	1	3	0	5	0	0	2
Committees	2	0	0	10	0	2	0	0	3
Fort Brown	1	0	0	3	0	1	1	0	5
Joza	326	4	49	16	8	199	44	0	134
Rhodes	13	0	3	6	0	6	0	0	6
Seven Fountains	3	0	0	3	0	2	0	0	7
Total	793	20	409	73	19	343	93	1	712

Precinct	Commercial crime	Shoplifting	Communityreported serious crimes	Carjacking	Truck hijacking	Robbery at residential premises	Robbery at non-residential premises	Bank robbery	Robbery oin cash transit	TRIO Crimes

<u>Alicedale</u>	0	0	74	0	0	0	0	0	0	0
<u>Makhanda</u>	118	107	2639	2	0	17	12	0	0	31
<u>Riebeeck East</u>	3	0	25	0	0	0	0	0	0	0
Committees	0	0	18	0	0	0	1	0	0	1
Fort Brown	0	0	19	0	0	0	0	0	0	0
Joza	1	0	1286	0	0	11	4	0	0	15
Rhodes	0	0	43	0	0	0	0	0	0	0
Seven Fountains	0	0	38	0	0	1	0	0	0	1
Total	122	107	4142	2	0	29	17	0	0	48

Precinct	Culpable homicide	Public violence	Crime-injuria	Neglect and ill-treatment of children	Abduction	Rape	Sexual assault	Attempted sexual offences	Contact sexual offences
<u>Alicedale</u>						1	0	0	0
<u>Makhanda</u>						51	10	2	1
<u>Riebeeck East</u>						2	0	1	0
Committees						0	0	0	0
Fort Brown						3	0	0	0
Joza						69	5	1	0
Rhodes						0	0	0	0
Seven Fountains						1	1	0	0

Total	0	0	0	0	0	127	16	4	1
--------------	----------	----------	----------	----------	----------	------------	-----------	----------	----------

2.8 HOUSEHOLDS INFRASTRUCTURE

Drawing on the household infrastructure data of a region is of essential value in economic planning and social development. Assessing household infrastructure involves the measurement of four indicators:

- Access to dwelling units
- Access to proper sanitation
- Access to running water
- Access to refuse removal
- Access to electricity

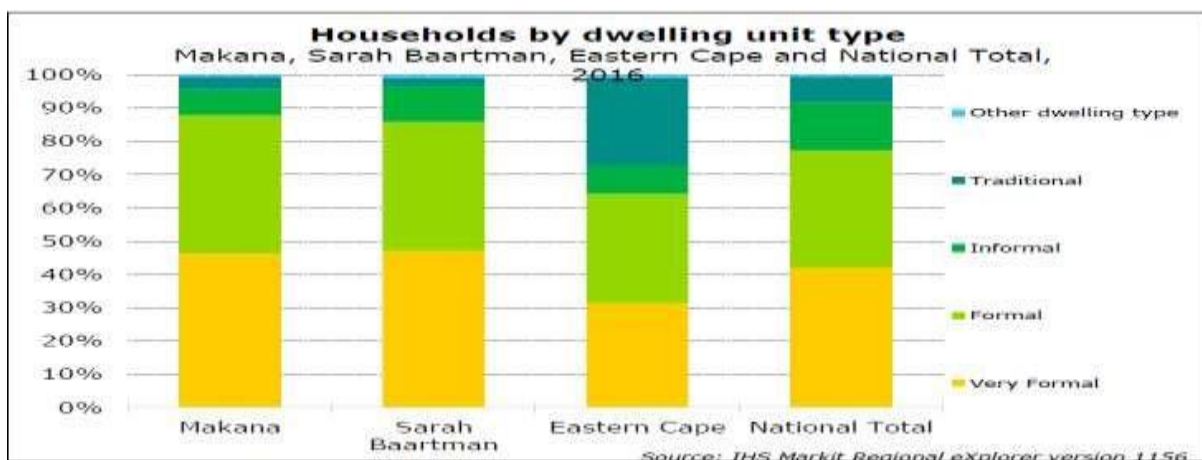
A household is considered "serviced" if it has access to all four of these basic services. If not, the household is considered to be part of the backlog. The way access to a given service is defined (and how to accurately measure that specific Definition over time) gives rise to some distinct problems. IHS has therefore developed a unique model to capture the number of households and their level of access to the four basic services.

A household is defined as a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

The next few sections offer an overview of the household infrastructure of the Makana Local Municipality between 2016 and 2006.

2.8.1 Households by dwelling types

CHART 24: HOUSEHOLDS BY DWELLING UNIT TYPE



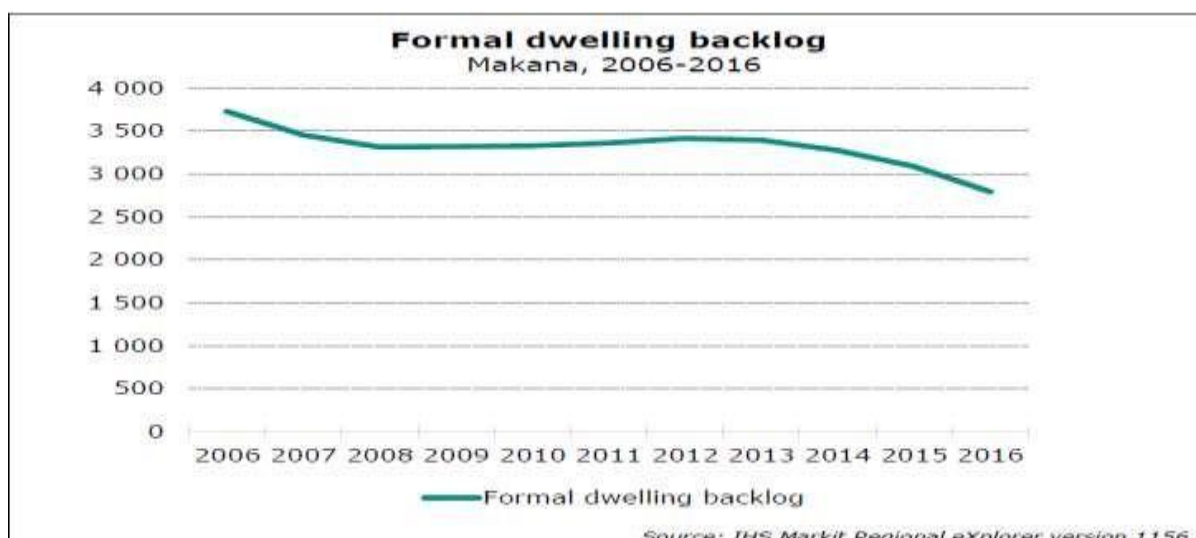
Makana Local Municipality had a total number of 10 700 (46.38% of total households) very formal dwelling units, a total of 9 580 (41.52% of total households) formal dwelling units and a total number of 1 780 (7.69% of total households) informal dwelling units.

TABLE 41: HOUSEHOLDS BY DWELLING UNIT TYPE - 2016

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Makana	10,700	9,580	1,780	872	145	23,100
Dr Beyers Naude	11,200	9,850	893	123	105	22,200
Blue Crane Route	4,460	5,500	398	41	35	10,400
Ndlambe	6,950	11,500	1,990	800	159	21,400
Sundays River Valley	5,180	9,560	2,050	570	185	17,500
Kouga	20,500	6,700	7,800	497	709	36,200
Kou-Kamma	8,740	2,950	824	154	86	12,800
Total Sarah Baartman	67,821	55,629	15,718	3,058	1,424	143,651

The region within the Sarah Baartman District Municipality with the highest number of very formal dwelling units is Kouga local municipality with 20 500 or a share of 30.29% of the total very formal dwelling units within Sarah Baartman. The region with the lowest number of very formal dwelling units is Blue Crane Route local municipality with a total of 4 460 or a share of 6.57% of the total very formal dwelling units within Sarah Baartman.

CHART 25: FORMAL DWELLING BACKLOG - NUMBER OF HOUSEHOLDS NOT LIVING IN A FORMAL DWELLING - 2006-2016



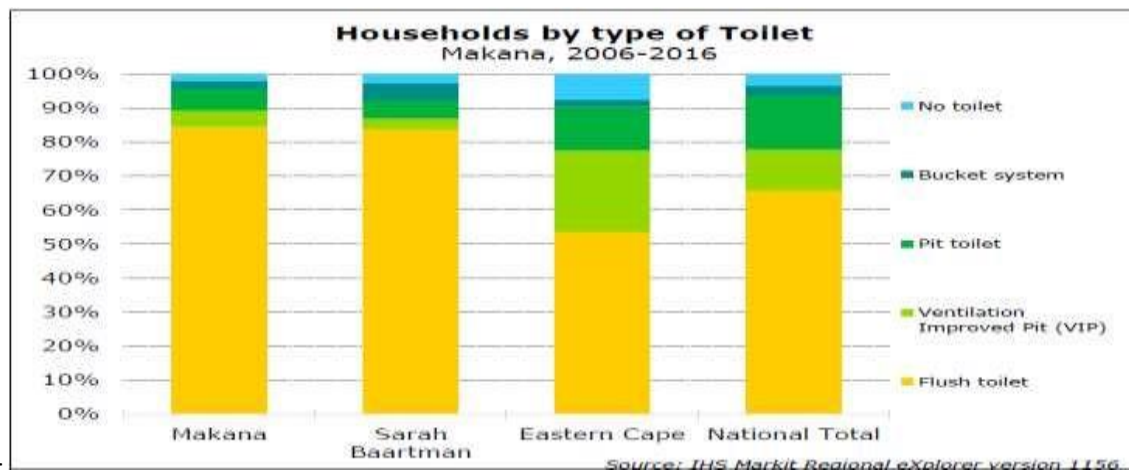
When looking at the formal dwelling unit backlog (number of households not living in a formal dwelling) over time, it can be seen that in 2006 the number of households not living in a formal dwelling were 3 730 within Makana Local Municipality. From 2006 this number decreased annually at -2.84% to 2 790 in 2016.

2.8.2 Households by Type of Sanitation

Sanitation can be divided into specific types of sanitation to which a household has access. We use the following categories:

- **No toilet** - No access to any of the toilet systems explained below.
- **Bucket system** - A top structure with a seat over a bucket. The bucket is periodically removed and the contents disposed of. (Note: this system is widely used but poses health risks to the collectors. Most authorities are actively attempting to discontinue the use of these buckets in their local regions).
- **Pit toilet** - A top structure over a pit.
- **Ventilation improved pit** - A pit toilet but with a fly screen and vented by a pipe. Depending on soil conditions, the pit may be lined.
- **Flush toilet** - Waste is flushed into an enclosed tank, thus preventing the waste to flow into the surrounding environment. The tanks need to be emptied or the contents pumped elsewhere.

CHART 26: HOUSEHOLDS BY TYPE OF SANITATION



Makana Local Municipality had a total number of 19 600 flush toilets (84.51% of total households), 1 130 Ventilation Improved Pit (VIP) (4.88% of total households) and 1 460 (6.31%) of total households pit toilets.

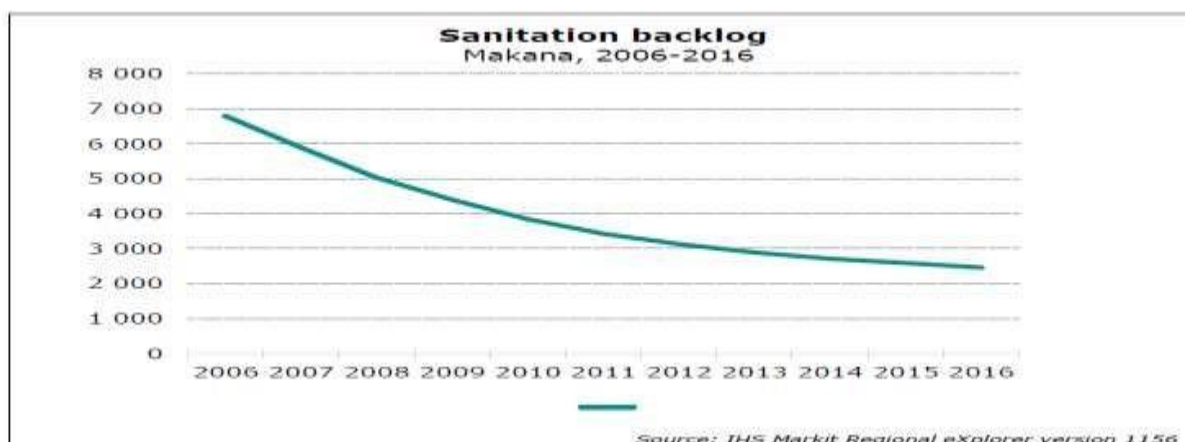
TABLE 42: HOUSEHOLDS BY TYPE OF SANITATION

	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Makana	19,600	1,130	1,460	528	469	23,100
Dr Beyers Naude	20,600	375	615	416	510	22,500
Blue Crane Route	9,440	178	200	344	368	10,500
Ndlambe	16,700	1,500	2,280	162	556	21,200
Sundays River Valley	12,200	442	2,200	1,480	567	16,900

Kouga	29,700	497	639	3,820	947	35,600
	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Kou-Kamma	11,400	358	393	244	425	12,800
Total Sarah Baartman	119,566	4,484	7,792	6,994	3,842	142,677

The region within Sarah Baartman with the highest number of flush toilets is Kouga local municipality with 29 700 or a share of 24.86% of the flush toilets within Sarah Baartman. The region with the lowest number of flush toilets is Blue Crane Route local municipality with a total of 9 440 or a share of 7.89% of the total flush toilets within Sarah Baartman District Municipality.

CHART 27: SANITATION BACKLOG

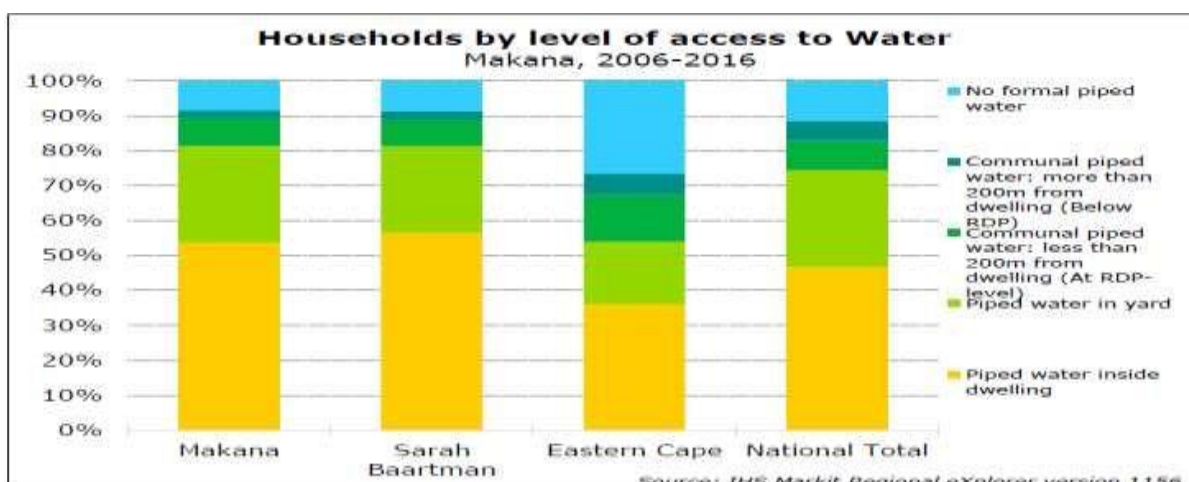


When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2006 the number of Households without any hygienic toilets in Makana Local Municipality was 6 790, this decreased annually at a rate of -9.67% to 2 460 in 2016.

2.8.3 Households by Access to Water

A household is categorised according to its main access to water, as follows: Regional/local water scheme, Borehole and spring, Water tank, Dam/pool/stagnant water, River/stream and other main access to water methods. No formal piped water includes households that obtain water via water carriers and tankers, rain water, boreholes, dams, rivers and springs.

CHART 28: HOUSEHOLDS BY TYPE OF WATER ACCESS



Makana Local Municipality had a total number of 10 400 (or 53.74%) households with piped water inside the dwelling, a total of 5 340 (27.65%) households had piped water inside the yard and a total number of 1 650 (8.54%) households had no formal piped water.

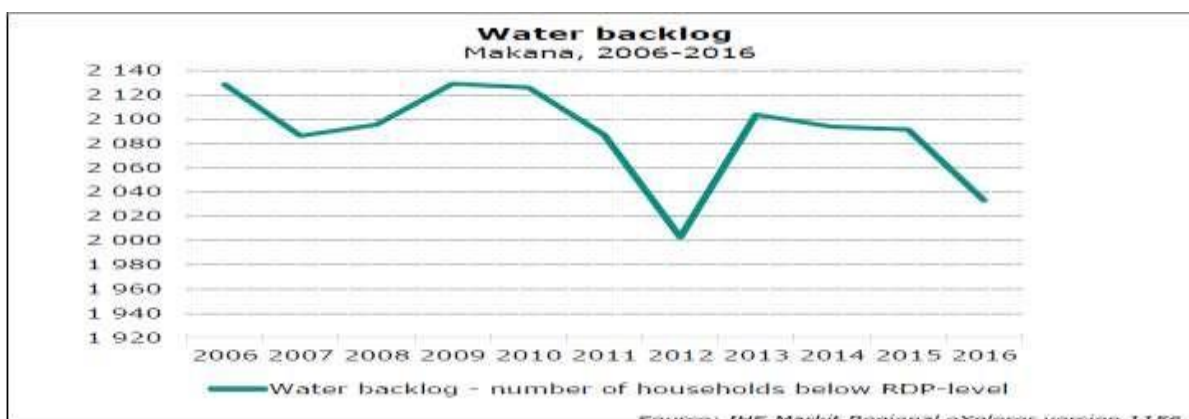
TABLE 43: HOUSEHOLDS BY TYPE OF WATER ACCESS

	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Makana	10,400	5,340	1,560	384	1,650	19,300
Dr Beyers Naude	11,500	4,680	312	266	1,380	18,100
Blue Crane Route	4,340	2,740	243	173	847	8,340
Ndlambe	7,740	6,230	1,400	307	1,490	17,200
Sundays River Valley	6,260	4,350	1,290	678	2,400	15,000
Kouga	20,100	5,650	4,340	742	1,140	31,900
Kou-Kamma	8,210	1,110	133	239	1,770	11,500
Total Sarah Baartman	68,431	30,095	9,286	2,789	10,678	121,280

The regions within Sarah Baartman District Municipality with the highest number of households with piped water inside the dwelling is Kouga local municipality with 20 100 or a share of 29.31% of the households with piped water inside the dwelling within Sarah Baartman District Municipality. The region with the lowest number of households with piped water inside the dwelling is Blue Crane Route

local municipality with a total of 4 340 or a share of 6.34% of the total households with piped water inside the dwelling within Sarah Baartman District Municipality.

CHART 28: WATER BACKLOG - MAKANA LOCAL MUNICIPALITY, 2006-2016

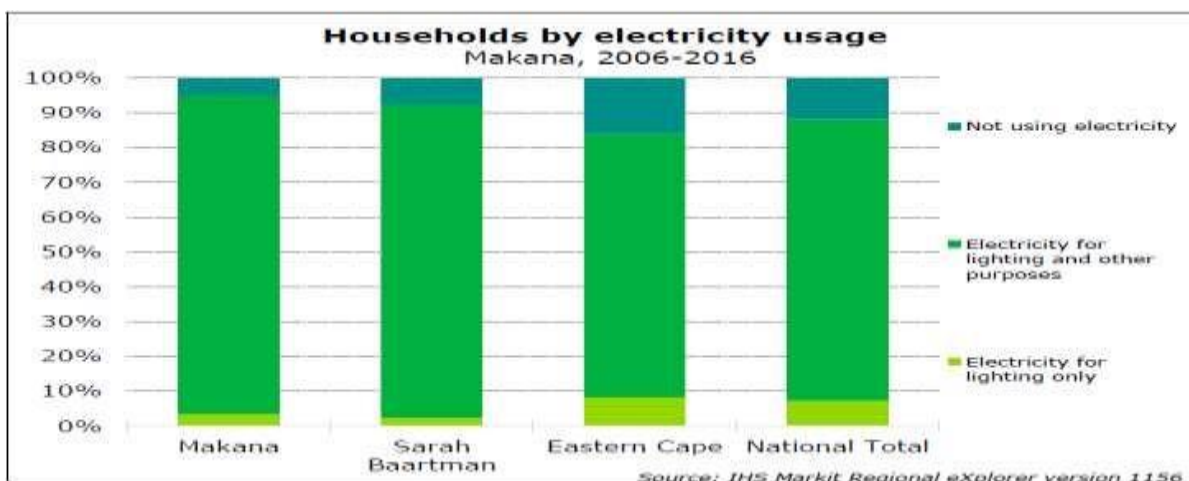


When looking at the water backlog (number of households below RDP-level) over time, it can be seen that in 2006 the number of households below the RDP-level were 2 130 within Makana Local Municipality, this decreased annually at -0.46% per annum to 2 030 in 2016.

2.8.4 Households by Type of Electricity

Households are distributed into 3 electricity usage categories: Households using electricity for cooking, Households using electricity for heating, households using electricity for lighting. Household using solar power are included as part of households with an electrical connection. This time series categorises households in a region according to their access to electricity (electrical connection).

CHART 29: HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION



Makana Local Municipality had a total number of 846 (3.53%) households with electricity for lighting only, a total of 21 900 (91.42%) households had electricity for lighting and other purposes and a total number of 1 210 (5.05%) households did not use electricity.

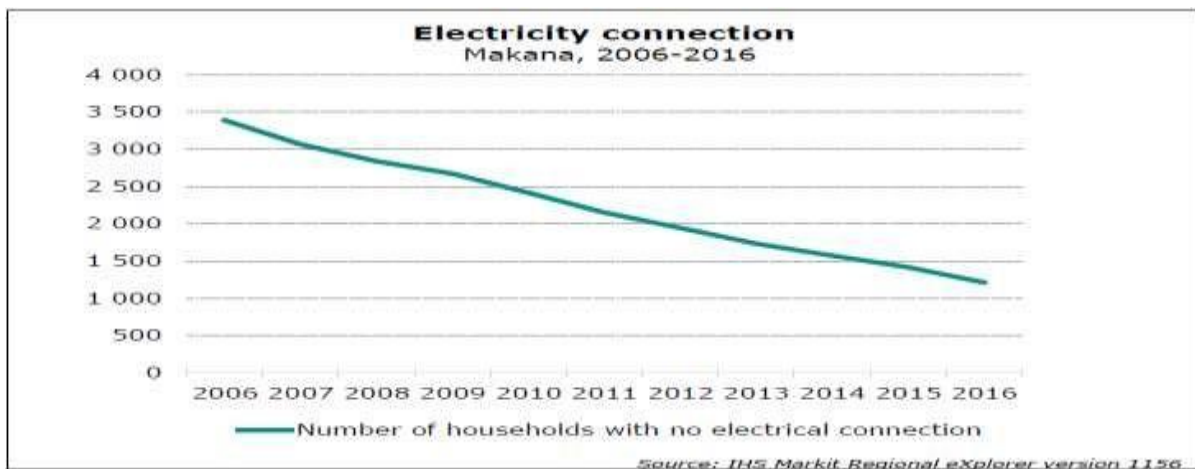
TABLE 44: HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION

	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Makana	847	21,900	1,210	24,000

Dr Beyers Naude	742	21,400	1,060	23,200
Blue Crane Route	226	9,650	932	10,800
Ndlambe	661	19,400	1,980	22,100
Sundays River Valley	498	15,300	2,150	17,900
Kouga	478	33,500	3,030	37,000
Kou-Kamma	189	12,000	1,020	13,200
Total Sarah Baartman	3,641	133,170	11,387	148,197

The region within Sarah Baartman with the highest number of households with electricity for lighting and other purposes is Kouga local municipality with 33 500 or a share of 25.17% of the households with electricity for lighting and other purposes within Sarah Baartman District Municipality. The region with the lowest number of households with electricity for lighting and other purposes is Blue Crane Route local municipality with a total of 9 650 or a share of 7.25% of the total households with electricity for lighting and other purposes within Sarah Baartman District Municipality.

CHART 30: ELECTRICITY CONNECTION - MAKANA LOCAL MUNICIPALITY, 2006-2016



When looking at the number of households with no electrical connection over time, it can be seen that in 2006 the households without an electrical connection in Makana Local Municipality was 3 390, this decreased annually at -9.76% per annum to 1 210 in 2016.

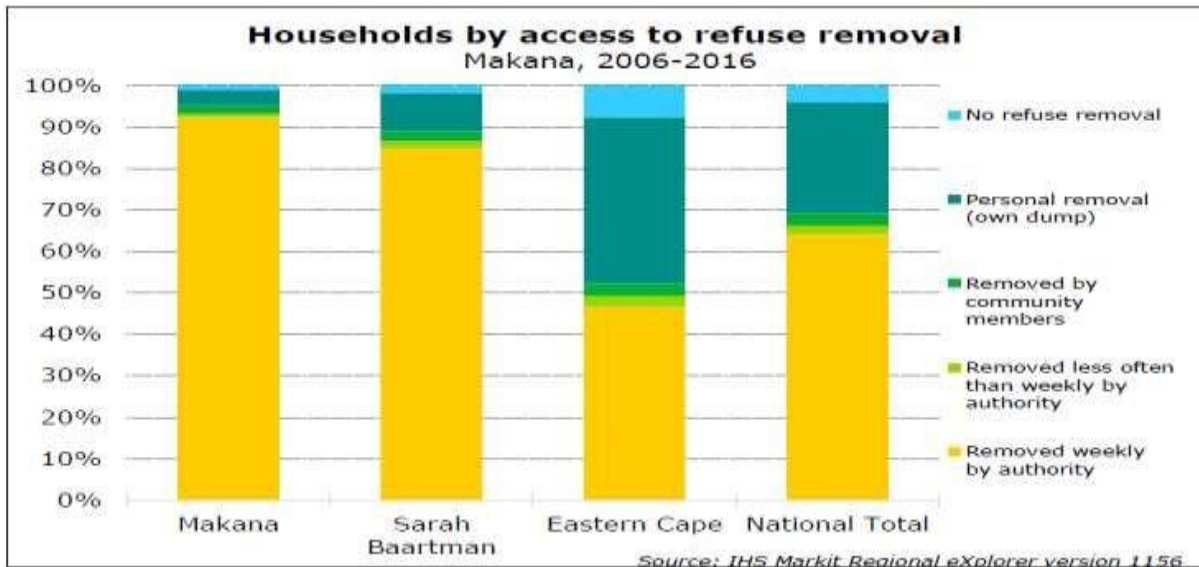
2.8.5 Households by Refuse Disposal

A distinction is made between formal and informal refuse removal. When refuse is removed by the local authorities, it is referred to as formal refuse removal. Informal refuse removal is where either the household or the community disposes of the waste, or where there is no refuse removal at all. A further breakdown is used in terms of the frequency by which the refuse is taken away, thus leading to the following categories:

- Removed weekly by authority
- Removed less often than weekly by authority

- Removed by community members
- Personal removal / (own dump)
- No refuse removal

CHART 31: HOUSEHOLDS BY REFUSE DISPOSAL



Makana Local Municipality had a total number of 22 500 (92.34%) households which had their refuse removed weekly by the authority, a total of 204 (0.84%) households had their refuse removed less often than weekly by the authority and a total number of 903 (3.71%) households which had to remove their refuse personally (own dump).

TABLE 45: HOUSEHOLDS BY REFUSE DISPOSAL - 2016

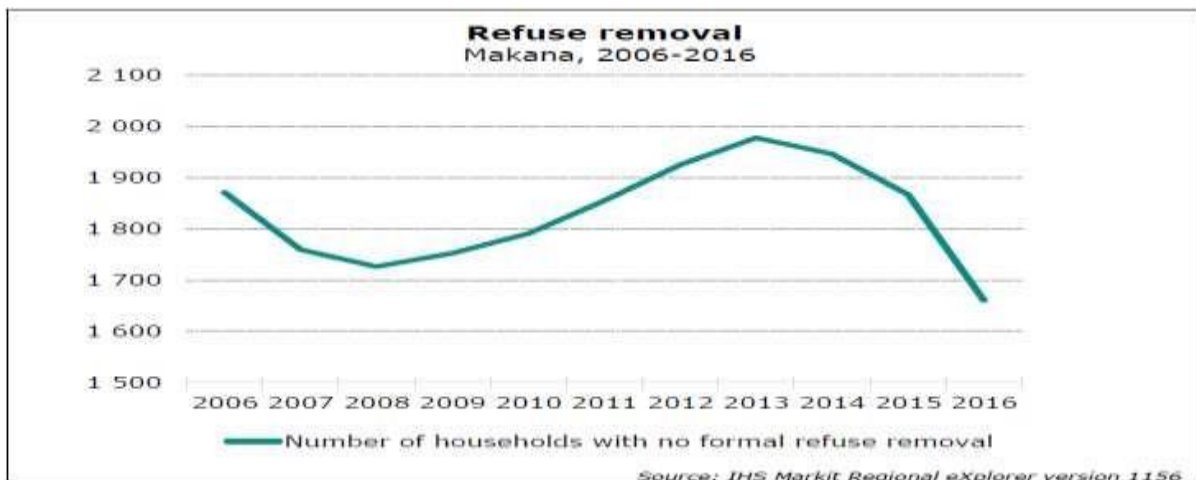
	Removed by weekly authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Makana	22,500	204	476	903	281	24,300
Dr Beyers Naude	19,900	255	540	2,180	276	23,100

Blue Crane Route	9,370	50	238	1,010	194	10,900
Ndlambe	19,600	332	276	1,700	464	22,300
Sundays River Valley	12,600	450	338	3,720	598	17,700
Kouga	32,500	597	1,520	2,010	596	37,200
Kou-Kamma	9,770	549	342	1,920	387	13,000
Total Sarah Baartman	126,141	2,437	3,735	13,445	2,796	148,554

Source: Community Survey 2016

The region within Sarah Baartman with the highest number of households where the refuse is removed weekly by the authority is Kouga local municipality with 32 500 or a share of 25.78% of the households where the refuse is removed weekly by the authority within Sarah Baartman. The region with the lowest number of households where the refuse is removed weekly by the authority is Blue Crane Route local municipality with a total of 9 370 or a share of 7.43% of the total households where the refuse is removed weekly by the authority within the district municipality.

CHART 32: REFUSE REMOVAL – 2006-2016



When looking at the number of households with no formal refuse removal, it can be seen that in 2006 the households with no formal refuse removal in Makana Local Municipality was 1 870, this decreased annually at -1.19% per annum to 1 660 in 2016.

2.9. TOURISM

Tourism can be defined as the non-commercial organisation plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips - these are all included in tourism.

The main purpose for an overnight trip is grouped into these categories:

- Leisure / Holiday
- Business
- Visits to friends and relatives

- Other (Medical, Religious, etc.)

TABLE 46: NUMBER OF TRIPS BY PURPOSE OF TRIPS - MAKANA LOCAL MUNICIPALITY, 2006-2016

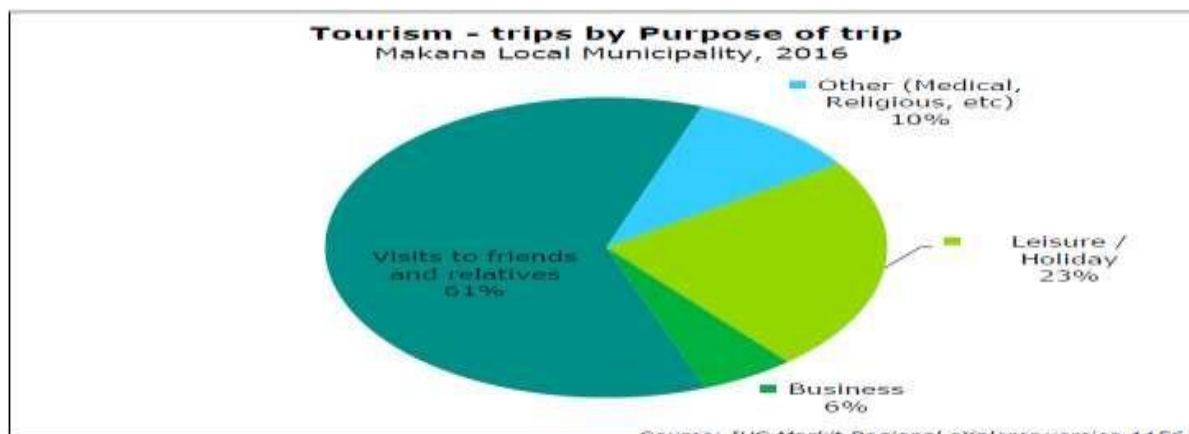
	Leisure / Holiday	Business	Visits to friends and relatives	Other (Medical, Religious, etc)	Total
2006	12,600	4,000	29,600	6,340	52,600
2007	14,000	3,760	31,400	6,800	56,000
2008	15,200	3,640	33,800	7,870	60,500
2009	15,600	3,500	36,500	7,850	63,500
2010	16,800	3,670	39,400	7,680	67,500
2011	17,200	3,560	41,300	7,910	70,000
2012	16,800	3,630	41,800	7,620	69,900
2013	16,800	3,530	43,500	7,370	71,100
2014	15,300	3,240	40,200	6,700	65,400
2015	13,900	2,990	37,800	6,110	60,800
2016	13,000	3,040	34,200	5,580	55,700
Average Annual growth					
2006-2016	0.29%	-2.71%	1.43%	-1.28%	0.59%

Source: Community Survey 2016

In Makana Local Municipality, the Visits to friends and relatives, relative to the other tourism, recorded the highest average annual growth rate from 2006 (29 600) to 2016 (34 200) at 1.43%. The type of tourism with the highest volume of tourists was also the Visits to friends and relatives tourism with a total number of 34 200 annual tourists and had an average annual growth rate of 1.43%. The tourism type that recorded the lowest growth was Business tourism with an average annual growth rate of 2.71% from 2006 (4 000) to 2016 (3 040).

2.9.1 Trips by purpose of trip

CHART 33: TRIPS BY PURPOSE OF TRIP - MAKANA LOCAL MUNICIPALITY, 2016



The Visits to friends and relatives at 61.29% has largest share the total tourism within Makana Local Municipality. Leisure / Holiday tourism had the second highest share at 23.25%, followed by Other (Medical, Religious, etc) tourism at 10.01% and the Business tourism with the smallest share of 5.45% of the total tourism within Makana Local Municipality.

2.9.2 Origin of Tourists

In the following table, the number of tourists that visited Makana Local Municipality from both domestic origins, as well as those coming from international places, are listed.

TABLE 47: TOTAL NUMBER OF TRIPS BY ORIGIN TOURISTS - MAKANA LOCAL MUNICIPALITY, 2006-2016

	Domestic tourists	International tourists	Total tourists
2006	45,600	6,960	52,600
2007	49,000	6,990	56,000
2008	53,700	6,790	60,500
2009	56,900	6,530	63,500
2010	60,500	7,070	67,500
2011	63,200	6,850	70,000
2012	62,900	7,060	69,900
2013	64,100	7,040	71,100
2014	58,400	6,970	65,400
2015	54,500	6,340	60,800
2016	48,700	7,050	55,700
Average Annual growth			
2006-2016	0.66%	0.12%	0.59%

Source: Community Survey 2016

The number of trips by tourists visiting Makana Local Municipality from other regions in South Africa has increased at an average annual rate of 0.66% from 2006 (45 600) to 2016 (48 700). The tourists visiting from other countries increased at an average annual growth rate of 0.12% (from 6 960 in 2006 to 7 050). International tourists constitute 12.65% of the total number of trips, with domestic tourism representing the balance of 87.35%.

The following is a summary of the number of bed nights spent by domestic and international tourist within Makana Local Municipality between 2006 and 2016.

TABLE 48: BEDNIGHTS BY ORIGIN OF TOURIST - MAKANA LOCAL MUNICIPALITY, 2006-2016 [NUMBER]

	Domestic tourists	International tourists	Total tourists
2006	290,000	66,500	357,000
2007	316,000	68,800	385,000
2008	347,000	70,100	418,000
2009	363,000	68,700	432,000
2010	375,000	74,000	449,000
2011	368,000	69,600	438,000
2012	339,000	70,200	410,000
2013	299,000	71,600	371,000
2014	275,000	75,300	350,000
2015	243,000	71,400	314,000
2016	225,000	78,500	304,000
Average Annual growth			
2006-2016	-2.51%	1.67%	-1.60%

Source: Community Survey 2016

From 2006 to 2016, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -2.51%, while in the same period the international tourists had an average annual increase of 1.67%. The total number of bed nights spent by tourists decreased at an average annual growth rate of -1.60% from 357 000 in 2006 to 304 000 in 2016.

2.9.3 Tourism Spend

It is important to note that this type of spending differs from the concept of contribution to GDP. Tourism spending merely represents a nominal spend of trips made to each region.

TABLE 49: TOTAL TOURISM SPENDING - 2006-2016 [R BILLIONS, CURRENT PRICES]

	Makana	Sarah Baartman	Eastern Cape	National Total
2006	0.3	1.7	9.3	126.9

2007	0.3	1.9	9.9	138.7
2008	0.4	2.1	10.9	152.5
2009	0.4	2.0	10.8	153.4
2010	0.4	2.2	11.5	167.2
2011	0.4	2.2	11.4	174.6
2012	0.5	2.4	12.1	199.9
2013	0.5	2.5	12.4	218.3
2014	0.5	2.6	12.6	238.7
2015	0.4	2.4	12.0	238.1
2016	0.4	2.5	12.0	266.9
Average Annual growth				
2006-2016	3.59%	4.08%	2.62%	7.72%

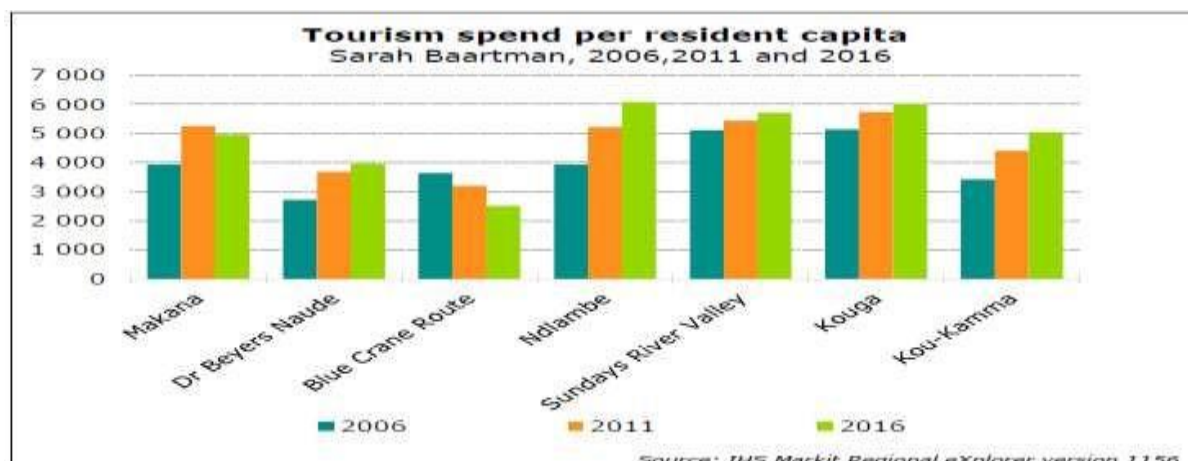
Source: Community Survey 2016

Makana Local Municipality had a total tourism spending of R 430 million in 2016 with an average annual growth rate of 3.6% since 2006 (R 302 million). Sarah Baartman District Municipality had a total tourism spending of R 2.52 billion in 2016 and an average annual growth rate of 4.1% over the period. Total spending in Eastern Cape Province increased from R 9.3 billion in 2006 to R 12 billion in 2016 at an average annual rate of 2.6%. South Africa as whole had an average annual rate of 7.7% and increased from R 127 billion in 2006 to R 267 billion in 2016.

Tourism Spend per Resident Capita

To calculate this, the total amount of tourism spending in the region is divided by the number of residents living within that region. This gives a relative indication of how important tourism is for a particular area.

CHART 36: TOURISM SPEND PER RESIDENT CAPITA - 2006,2011 AND 2016



In 2016, Makana Local Municipality had a tourism spend per capita of R 4,960 and an average annual growth rate of 2.33%, Makana Local Municipality ranked fifth amongst all the regions within Sarah Baartman in terms of tourism spend per capita. The region within Sarah Baartman District Municipality that ranked first in terms of tourism spend per capita is Ndlambe local municipality with a total per capita spending of R 6,080 which reflects an average annual increase of 4.42% from 2006. The local municipality that ranked lowest in terms of tourism spend per capita is Blue Crane Route with a total of R 2,520 which reflects a decrease at an average annual rate of -3.60% from 2006.

Tourism Spend as a Share of GDP

This measure presents tourism spending as a percentage of the GDP of a region. It provides a gauge of how important tourism is to the local economy. An important note about this variable is that it does not reflect what is spent in the tourism industry of that region, but only what is spent by tourists visiting that region as their main destination.

TABLE 50: TOTAL SPENDING AS % SHARE OF GDP

	Makana	Sarah Baartman	Eastern Cape	National Total
2006	13.2%	13.8%	6.5%	6.9%
2007	12.1%	12.1%	5.9%	6.6%
2008	13.0%	12.6%	6.2%	6.4%
2009	11.9%	11.3%	5.6%	6.1%
2010	11.9%	10.9%	5.4%	6.1%
2011	11.4%	10.2%	5.0%	5.8%
2012	11.0%	9.6%	4.8%	6.1%
2013	10.4%	9.0%	4.5%	6.2%
2014	9.7%	8.6%	4.3%	6.3%
2015	8.4%	7.6%	3.8%	5.9%
2016	7.9%	7.4%	3.6%	6.2%

Source: Community Survey 2016

In Makana Local Municipality the tourism spending as a percentage of GDP in 2016 was 7.87%. Tourism spending as a percentage of GDP for 2016 was 7.35% in Sarah Baartman District Municipality, 3.56% in Eastern Cape Province. Looking at South Africa as a whole, it can be seen that total tourism spending had a total percentage share of GDP of 6.15%.

CHAPTER 3: STATUS QUO ASSESSEMENT

KPA 1: SPATIAL DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT

3.1. CURRENT SPATIAL CHARACTERISTICS

3.1.1 ENVIRONMENTAL OVERVIEW

This Environmental profile provides an overview of the environmental characteristics of the Makana area. Development associated with primary activities such as mining and agriculture, as well as tertiary activity such as tourism is often based on an area's physical attributes.

The environmental profile will thus feed into the developmental potential that can be based on Makana's inherent physical characteristics. The environmental characteristics of Makana are discussed under the following sub-sections.

3.1.2 CLIMATE

The Southern portion of the municipality has the highest rainfall. The majority of the municipality is classified as semi-arid. Makana lies in a subtropical climatic zone, meaning that the area is characterized by warm summers and cool winters and fairly evenly distributed rainfall throughout the year.

The Makhanda area experiences moderate weather conditions. Rain falls throughout the year with mean precipitation averaging 680mm. Summer temperatures (January) vary from an average maximum of 26°C to a minimum of 15°C. In winter (July) temperatures vary from an average maximum of 18°C to an average minimum of 4°C. The prevailing wind direction is from the west and southwest.

In Alicedale, rainfall is approximately 555mm per year. Temperature Alicedale range from 40°C to 15°C in summer and 18°C to -8°C in the winter months.

Rainfall in Riebeeck East area is approximately 865mm per year, with identical average winter and summer temperatures to those experienced Makhanda.

3.1.3

CLIMATE CHANGE

Climate change is defined as a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability over comparable time periods. *(United Nations Framework Convention on Climate Change)*

The manifestation of climate change in the Eastern Cape is expected to be:

- High temperature increases towards the North -West Interior with lowest increases along the coast.
- A drying trend towards the South and South -West.
- Increased precipitation more likely towards the east of the Province.
- Sea level rise scenario's ranging from 2m to 6,5m depending on exposure.
- Risk assessment, adaptation and mitigation measures addressed in SBDM and Eastern Cape Climate Change Response Strategy (DEDEAT, 2011).

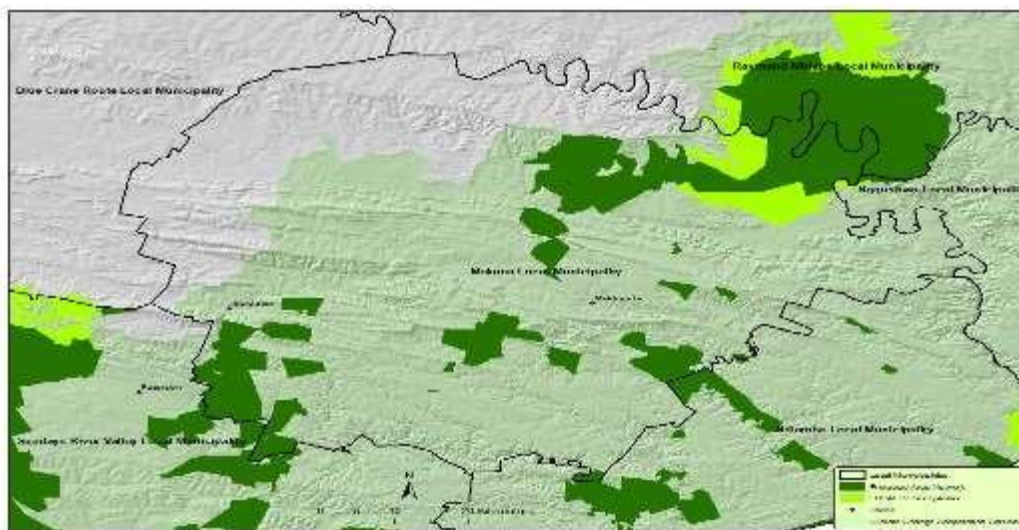


Figure 4: Climate Change Corridor in Makana LM

3.1.4

GEOLOGY AND SOIL

From a municipal wide perspective there are no unfavourable geotechnical conditions that will prevent development or require specific safety considerations. The necessary on-site investigations should be undertaken to ensure that the site specific circumstances are suitable for the intended development.

3.1.5 TOPOGRAPHY

The eastern part of the municipality can be classified as lowlands, with contours generally lying below 300m above sea level. The western part of the locality in which Alicedale is situated can be classified as being of a moderate elevation, lying between 300m and 600m above sea level. The central part of the municipality that contains Makhanda and Riebeek East has the highest elevation of between 600m and 900m above sea level. Makhanda is situated in a valley that cuts into a plateau.

The highest point on the plateau is 770m above sea level and the lowest point in the valley is 490m above sea level. Alicedale is located about 360m above sea level in a flood plain created by the confluence of the Bushman's river and the New Year's river. Riebeek East is located 630m above sea

level. (SDF 2013-Map 4 Rainfall pg10)

3.1.6 TOPOGRAPHY AND SLOPE

Most of the land in Makana has a slope of either between 3-8° or between 8-20 °

3.1.7 HYDROLOGY

The major water related driver in the municipal area is the Orange-Fish-Sundays Water Supply system which ensures continuous sustainable water supply for economic activity and is essential for community's well-being and socio-economic prosperity in the area. The whole municipality is classified as a primary catchment area, with a mean quaternary runoff of between 12m³ and

40m³. (*State of the Sarah Baartman Environment (2005)*)

Surface water is largely provided by dams and reservoirs that are linked to perennial and non-perennial rivers. Ground water is provided by boreholes and springs that are evenly distributed throughout the municipality. In terms of water sources in the towns it is found that:

Makhanda's water is from local dams and sources transferred from the Orange River.

- There is adequate supply to cater for the 8.6M/m³ but there is also a need for more groundwater development.
- Riebeek East's water is sourced from local boreholes. It also has adequate supplies of water to cater for the 0.0285 M/m³ that it uses.

- A planned water scheme for Riebeek East is an increase in storage capacity in the form of tanks and a reservoir.

- Alicedale’s water is sourced from a local New Year dam.

With

regards to the quality of water resources in the area, the State of Sarah Baartman District Environment report of 2005 states that water quality is ‘good, or even natural (e.g. the New Year’s Dam and Bushman’s River sites) even though it is naturally saline and not suitable for certain uses

3.1.8 LAND CAPACITY AND SOIL TYPES

Land capacity is determined by the collective effects of soil, topography, hydrology and climate features. It indicates the most intensive long-term and sustainable use of land for rain-fed agriculture and at the same time highlights the permanent limitations associated with different land use classes. Table below shows the classifications with which land is classified. It also shows different land usages that go in line with the different levels of land capability. This shows the nature of agricultural activity that can be feasibly undertaken throughout the municipality.

Table 51 : Land use option per land capability class

Classes	Forest	Veld	Pasture	Limited	Moderate	Intensive	Very Intensive
I	X	x	X	X	X	x	
II	X	X	X	X	X	X	
III	X	X	X	X	X		
IV	X	X	X	X			
V	X	X	X				
VI	X	X					
VII	X	X					
VIII	X						

Source: Directorate Agriculture Land Resource Management, 2002

Table 52: Land capacity in Makana

Land capability class	Area (ha)	Percentage
1	0.00	0.00%

2	0.00	0.00%
3	0.00	0.00%
4	31789.20	7.27%
5	20456.20	4.68%
6	300661.00	68.71%
7	46331.70	10.59%
8	38072.30	8.70%

Source: Sarah Baartman ABP & LAA, 2008

Most of the land (68.71%) in Makana is classified under class 6. This means that the majority of land in Makana is only suitable for grazing of animals and non-arable. Based on the results presented, the Makana Area Based Plan (2008) states that land in the Makana area has suitable potential to for:

Large areas of irrigation, should water be available

- Rain-fed cropping of Wheat, chicory, pecan nuts and aloe
- Irrigation-fed cropping of stone fruit, olives, cotton, vegetable, sugar beet and oranges
- Livestock including game farming and ostrich farming

Soils in the Makana area are generally shallow and weakly developed, with depths typically not exceeding 600mm. This is because the municipality's geology is based on Beaufort group sandstones and shale's which dominate the landscape. The shallow and weakly developed soils limit the types of crops that may be planted throughout the municipality as this affects root development, nutrient retention and moisture drainage.

There are some rich alluvial and colluvial soils close to rivers, which support intensive agricultural cultivation. Topsoil textures vary from loamy sand to sandy clay loam

3.1.9 VEGETATION TYPES AND BIODIVERSITY

The vegetation in an area represents an integration of climate, soil and a number of other biological factors. Physical factors including geomorphology and geology also act as variables that determine vegetation types and biodiversity.

Makana has richly diverse and unique vegetation, comprising of ten vegetation types, representing six of the seven major Southern African biomes namely:

1. forest,
2. grassland,
3. succulent Karoo,
4. fynbos,
5. savannah grasslands and
6. the thicket vegetation.

Makana municipality is situated in the Albany Centre of Endemism and has 27 endemic plant species of which 17 (62%) are cited as being vulnerable and 5 (32%) are cited as being endangered. Significant portions of land in the Makana municipality are classified as “Critical Biodiversity Areas”. This means that they are to be managed for biodiversity and conservation, with only limited development in the form of small scale tourism amenities recommended. Critical Biodiversity areas also have guidelines on the form an agriculture that may take place (State of the

Sarah Baartman Environment, 2005; Makana ABP and LAA, 2008)

The biodiversity of the thicket within Makana is threatened by several factors, including:

- Urbanization
- Transformation of land for agricultural purposes
- Overgrazing by livestock
- Habitat loss through preparation of cultivated land for products such as cash crops
- Overpopulation of alien species introduced through agriculture and game reserves
- Unsustainable resource use
- Collection of plant species for medicinal and ornamental uses
- Land degradation due to the use of irrigation in areas with poor soils

Strategies:

Eastern Cape Protected Area Expansion Strategy

The ECPTA is also the custodian of the Eastern Cape Protected Area Expansion Strategy (ECPAES). The objectives of the ECPAES are to: (i) set clear strategic targets; (ii) identify an explicit set of spatial priorities for protected area expansion; and (iii) develop an action plan that can be realistically implemented by the ECPTA. The ECPTA is actively working within the Makana LM to further expand the protected areas network and to date the Agency has developed multiple protected areas within the Municipality.

Figure 3 below indicates the areas that have been declared under the Biodiversity Stewardship Programme:



3.1.10 SPATIALLY RELEVANT FOCUS AREAS AND OUTCOMES:

- Expediting the provision of services such as roads, alternative water source and
- provision of alternative energy sources for rural and urban areas
- Addressing housing backlog
- Addressing fragmented spatial planning in urban areas and land distribution in rural area
- Address ageing infrastructure
- Ensure Sustainable Human Settlements
- Rural development, land reforms, food production
- Ensure sustainable development

Environmental Key Issues

- The ECPSDF (Eastern Cape Province Spatial Development Framework) has identified a biodiversity footprint that from a Provincial perspective, is considered to be 'non-negotiable'.
- This footprint has been adopted into the SBDM's SDF and will be accommodated into Makana's SDF.
- Cognisance needs to be taken of the protected expansion areas.
- There are critical biodiversity areas that fall outside of the protected area network.
- The extent and location of the components of the Environmental Footprint have not been 'ground trothed'.

3.1.11 LAND USE MANAGEMENT SYSTEM

- As indicated in Section 26(e) of the Municipal Systems Act, the SDF is required to “include the provisions of basic guidelines for a Land Use Management System (LUMS) for the municipality”.
- Land-use changes such as the rezoning of a property from residential to commercial use.
- ‘Green fields’ land development, i.e. the development of previously undeveloped land;
- Subdivision and consolidation of land parcels
- Regularization and upgrading process of informal settlements, and
- The facilitation of land development through the more active participation of the municipality in the land development process, especially through public-private partnerships

3.1.12 PLANNING SCHEMES/ MECHANISMS

The Planning Schemes are the statutory mechanisms whereby land may be developed, managed and regulated. Municipality is using Avvio as its GIS to manage application and zoning of land.

3.1.13 LAND USE MANAGEMENT NEEDS

The current land use management mechanisms in Makana are unable to address the needs of the residents. The following shortcomings have been identified:

- Ineffective zoning records, specifically for the former Western District Council Area
- The public does not have easy access to information regarding land
- No database of the registered municipal land,
- Credible land audit,

In response to this shortcoming municipality has conducted land audit in 2016/17 internal, however the report is still waiting for Council approval.

Secondly these shortcomings are resulting in the growing tendency of illegal occupation of open spaces. The Municipality in response is law enforcement and is in the process of developing policy on land invasion

A full set of general guidelines for Land Use Applications are contained in the SDF and for this reason will not be elaborated upon in the IDP.

3.1.14 MUNICIPAL PLANNING TRIBUNAL

A Municipal Planning Tribunal (MPT) is intended to be the decision-making body for Land Use decisions in terms of SPLUMA (Spatial Planning and Land Use Management Act). Any application submitted since 1 July 2015 should be dealt with in terms of SPLUMA.

SPLUMA requires that applications are categorised so that the decision making is split between a Land Development Officer (Riana) and the MPT – as things stand we have managed to avoid the issue by delegating almost all decision making to the LDO rather than the MPT – however at the end of the day this is not in line with the spirit of the Act.

The MPT should consist of qualified people in the field of town planning, engineering, law, quantity surveying etc. Internal people can sit on the tribunal, but obviously no-one who has had input into the processing of an application can do so – we will be very hard pressed to find enough officials for this – although this option has not been explored extensively enough in my opinion.

The other problem is that anyone from outside must also not have a vested interest and they will expect to be paid for their time.

3.1.15 LAND REFORM PROGRAMME

The Department of Rural Development and Land Affairs has compiled an Area Based Plan, for the Sarah Baartman District area as a whole. An Area Based Plan essentially is a sector plan that seeks to address land related issues at a municipal level and is intended to form part of the Integrated Development Plan (IDP), informing the Spatial Development Framework (SDF) and Land Use Management System (LUMS).

Fundamentally the Plan seeks to integrate Land Reform into the municipal planning process wherein identified projects are supported during and post implementation phases to ensure sustainability. Also to develop an implementation tool for pro-active land acquisition to facilitate acquisition of land at scale by DRD & LR to meet the 2014 target of transferring 30% of white owned land into the hands of the black farming class.

The Land Reform Programme is anchored on three key programmes, namely:

1. Restitution,
2. Redistribution and
3. Tenure reform.

These were developed to promote land acquisition, restore land rights lost through dispossession and achieve tenure upgrade respectively.

Table 52: Land Reform Targets

Land area	Total exclusion	Remaining land (White owned)	30% Target	Land Redistribution 1994-2008	Remaining Target	%Achieved
437561	159089	278472	83541	13113	70428	18.62%

Table 52: Land Demand

Settlement	Level	Housing Demand	Land Identified by SDF	Units optimal density	Over/under provision
Riebeeck East	1	450	9.93	298	-152
Alicedale	1	450	37.07	1 112	662
Makhanda	3	12 000	792.34	23 770	11 770
Total	N/A	12 900	839.34	25 180	12 280

KPA 2: SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

3.2 BASIC SERVICE DELIVERY & INFRASTRUCTURE PLANNING

3.2.1 ACCESS TO BASIC SERVICES

The Makana local municipality is both, the **Water Service Authority and Water Service Provider** and is also responsible to provide all the **other local government services such as municipal roads, storm water management, electricity and waste collection and disposal etc.** The Municipality is granted an equitable share which it receives from government in terms of the Division of Revenue Act (DORA) for the provision of free basic services to households who cannot afford to pay for their services.

National policy requires that poor households should receive 50 kWh of free basic electricity, 6kl of free basic water, free basic sanitation and free weekly refuse removal. There are a total of 6085 poor (indigent) households on the Municipality's indigent register who are provided with indigent support in terms of the Municipality's Indigent Policy monthly.

3.2.2 FREE BASIC SERVICES

Table 53: Free basic services

SERVICE	FREE SERVICE	NUMBER INDIGENTS
Free basic service: Electricity(FBE) Makana area	50units/Kwh per H/H	1107H/H per month,

Free basic service: Electricity (FBEEKOM area)	50units/Kwh per H/H	5484H/H per month,50units/Kwh
Free basic service: Water usage	First 6 Kl per H/H	4869H/H per month,
Free basic service: Water connection	75%-100% base on income per	H 5301H/H per month,
Free basic service: Sewer connection	75%-100% base on income per	H 5093H/H per month,
Free basic service: Refuse removal	75%-100% base on income per	H 6085 H/H per month,
Free basic service: Rate and taxes	75%-100% base on income per	H 5584H/H per month,75%-100% base income

3.2.3 WATER AND SANITATION PROVISION

In terms of the Water Services Act (Act no. 108 of 1997) and declaration of the powers and functions by the Minister of Water Affairs and Forestry in 2004, Makana Municipality is acting as both Water Services Authority and Water Services provider. The Authority function means that the Municipality is responsible for regulation, water quality, ensuring access and monitoring and evaluation.

The Provider function means that the Municipality is responsible for access, provision, operations and maintenance of all water needs.

The National Department of Water Affairs is responsible for policy formulation, capacity building and support where it is needed, regulation and enforcement of legislation. The National Department of Corporate Governance and Traditional Affairs is responsible for funding of some water capital projects through Municipal Infrastructure Grant.

3.2.3.1 Water Provision

The Municipality has the responsibility of implementing water services projects and maintenance thereof. Water deliveries are made by truck to rural areas on request by the though Community and Social Services Directorate.

3.2.3.3 BLUE AND GREEN DROP STATUS

3.3.3.3.1 BLUE DROP STATUS

The Municipality's water is of a good quality and complies with National Standard SANS 242. The Department of Water Affairs has implemented the Blue Drop Certification Programme to enable it to assess the standard of water services provided by Municipalities.

It entails the assessment of 5 key performance areas namely risk management, process management and control, drinking water quality, compliance management, accountability and local regulation and asset management. In order to qualify for a Blue Drop Award a Municipality must achieve an average of 95% for all key performance areas.

Table 54: Blue Drop Status

PERFORMANCE AREA	2011	2012	2014
------------------	------	------	------

Blue drop Score	55,07%	71.90%	70.83%
PERFORMANCE AREA	ALICEDALE	MAKHANDA	RIEBEECK EAST
Water Safety Planning (35%)	23.63	22.4	26.78
Treatment Process Management (8%)	8	6	8
DWQ Compliance (30%)	13.5	21	28.5
Management Accountability (10%)	7.15	7.9	7.15
Asset Management (14%)	8.79	8.02	8.26
Efficiency, Loss Management (3%)	0.63	0.63	0.63

3.3.3.3.2 GREEN DROP STATUS

The Department of Water Affairs has implemented the Green Drop Certification Programme to enable it to assess the standard of the Municipality's waste water. For 2014 on PAT was conducted. This assessment was based on a number of key risk areas including management, ADWF designs capacity, operational flow (% of design capacity), annual average effluent quality compliance %, technical skills 9Reg 813).The Municipality's waste water is of an acceptable quality, although it does not comply fully with National Standard SANS 241. This is primarily due to ageing infrastructure. Evaluations were undertaken in February 2013, and the outcomes are still being awaited.

Table 55: Green Drop Status

PERFORMANCE AREA		ALICEDALE	BELMONT VALLEY	MAYFIELD
Technology (Liquid)		Aerated ponds Oxidation pond	/Biological filters	Activated sludge
Technology (Sludge)		None specified	Anaerobic digestion	Aerobic digestion
Key Risk Areas				
A.	ADWF designs capacity	0.85	5.4	2.5
B.	Operational flow(% of design capacity)	151% (NI)	139%	112%

C.	Annual average effluent quality compliance %	0.0%	62.5%	37.5%
PERFORMANCE AREA		ALICEDALE	BELMONT VALLEY	MAYFIELD
D.	Technical skills 9Reg 813)	Yes	Partial	Yes
2014 Wastewater Risk Rating		82.4%	81.8%	76.5%

3.2.3.5 REGULATORY IMPRESSION

Makana LM has completed selected areas of the Green Drop PAT scorecard. This effort does not necessarily do justice to the good work and progress that was noticed by DWS at Makana, over the past 2 years. As a result, the CRR scores have digressed, mostly as a result of effluent quality data not available for Alicedale, and non-compliance for Belmont Valley and Mayfield. Flow measurement is not recorded for Alicedale, which carries a significant risk with it.

The extensions taking place at Ext 6 of Mayfield and Glebe is noted with encouragement. However, concerns are raised with regard to the treatment plants which are already operated beyond its design capacity and where the effluent quality is not meeting the legal specification.

This additional flow will place undue pressure on the plant to perform and comply with its legal specification. Makana LM is requested to communicate with the DWS on this pertinent matter, as no indication was given as to the status of upgrading the plants. These aspects result in all three (3) treatment facilities residing in high risk positions during the current assessment.

The completion of a well structure W2RAP is however noted and commended. The key 31 risks are being identified, rated and addressed in this risk management plan. Regrettably, the need to upgrade the plant.

3.2.3.6 WATER AND SANITATION BULK INFRASTRUCTURE RESOURCES

3.2.3.6.1 Howisons Poort Dam

The Howiesons Poort Dam is located in the Palmiet River Catchment (upstream of the Kariega River now part of the Thomas Baine Nature Reserve) and was constructed in 1031 with an estimated capacity of $883 \times 10^3 \text{m}^3$ and surface area of 16.3ha. The estimated 1:50 year yields including the Settlers Dam is $2450 \times 10^3 \text{m}^3$ of which $2200 \times 10^3 \text{m}^3$ is for domestic supply (the remainder for irrigation and other uses.) According to the DWA, the registered permit volume p.a. is $500 \times 10^3 \text{m}^3$. Raw water is pumped from the Howisonspoort pump station situated slightly downstream and south west of the dam wall, directly to the Waainek WTW.

3.2.3.6.2 Settlers Dam

The Settlers Dam is located in the Kariega River catchment further south which supplies the Albany Coastal catchment area. The dam was constructed in 1962 with an estimated capacity of $4020 \times 10^3 \text{m}^3$, making it the biggest in the Makana region. The surface area of the dam is 82.2ha.

The registered volume permit from the DWA is $1000 \times 10^3 \text{m}^3$ p.a. to increase capacity the dam wall as raised by 2.3m in 1981. Raw water in this dam is pumped directly into the Howiesonspoot Dam thus augmenting the Howiesonspoot in time of low water availability.

3.2.3.6.3 Jameson Dam

The Jameson Dam I located in the Nuwejaarsspruit River on the farm Slaaikraal. It is also referred to sometimes as the Slaaikraal Jameson dam for this reason. This dam was constructed in 1906 with an estimated reservoir capacity of $575 \times 10^3 \text{m}^3$. The surface area of the dam is 15.5ha.

The estimated total yield is $460 \times 10^3 \text{m}^3$ although no exact figures are available confirming what portion is earmarked for irrigation or other uses.

The registered volume permit from the DWA is $150 \times 10^3 \text{m}^3$ p.a. raw water from this dam gravitates to the downstream Milner Dam from where it gravitates towards the ton filter storage tank in Makhanda via a 200mm \varnothing main. From there it is pumped to the Waainek WTW via a 150mm \varnothing steel.

3.2.3.6.4 Milner Dam

The Milner Dam is located downstream of the Jameson Dam in the Nuwejaars River, also on the farm Slaaikraal. This dam was constructed in 1898 making it the oldest functional dam in the Makana region. The estimated reservoir capacity of $255 \times 10^3 \text{m}^3$ with the surface are of 7.7ha. The estimated total yield is $190 \times 10^3 \text{m}^3$. The registered volume permit from the DWA is $150 \times 10^3 \text{m}^3$ p.a. the same as Jameson Dam. According to the Stewart Scott report, the dam's full supply level is approximately 626.4 msl. Thus the hydraulic grade difference between Milner Dam and Town Filter Storage is approximately 15.9m (Town Filter Storage is at 610.5 msl). Based on a gravity main length of 6380m (exact distance to be confirmed) indicates a much lower figure of 15-20l/s. since the incoming flow is not measured, this cannot be confirmed.

3.2.3.6.5 Service Reservoirs

One 2.5ML service reservoir and an elevated storage tank is located on the precinct of the works. The elevated water tank of approximately 8m^3 and 10m height supplies the Waainek WTW and two houses with potable water. This tank is manufactured form fabricated steel panels which is in a very poor condition due to corrosion. The tank is leaking and the non-return valve is also not working and needs to be replaced. The inside of the tank also needs to be repaired, the Makana Municipality is currently in the planning stages to have the elevated storage tank repaired.

The 2.5ML high level reservoir acts as the main distribution reservoir for the industrial and higher lying residential areas. This reservoir is still in good condition with no problems reported.

During failures or other interruptions, the potable water supply to the higher lying areas becomes problematic as this reservoir tends to run dry since it feeds water to the downstream reservoir as well.

To ensure that sufficient potable water storage is available for the higher lying areas, it is proposed that the existing 10ML raw water storage dam on the eastern side of the WTW be converted in a clear water storage reservoir. This will be achieved by installing a floating HDPE roof cover to this reservoir.

3.2.3 4.7. WAAINEK WATER PURIFICATION WORKS (PLANT)

The WTW is located next to the N2 highway west of Makhanda. Access to the treatment works is directly from the N2. The current processes involved to treat the water includes flocculation, sedimentation, filtration and disinfection.

Waainek Water Treatment Works is supplied with raw water from 4 sources, the Howison's Poort and Settlers dams in the Kariega River catchment, and the Jameson and Milner dams in the Slaaikraal catchment

The existing Waainek Water Treatment Works has a capacity of 9 MI/d and designed to operate over a 24 hour period. The works comprises a 16MI raw water storage dam. There is an additional 6MI raw water storage constructed above the works from which raw water is gravitated to the inlet works. Total raw water storage represents 60 hours of the works capacity. The works is supplied either directly from the Howison's Poort pumping main or from the raw water storage reservoirs.

3.2.4.7.1 Raw Water Inlet

Water from both the Howiesonspoot and Town Filter Storage Tanks are pumped to the WTW. The system is designed so that raw water from Howiesonspoot PS directly enters the WTW with a bypass weir to supply water to the lower lying raw water storage reservoir.

The won filter supply pumps directly to the lower raw water storage dam. A bypass system is in place to divert water directly to the inlet works.

3.2.7.2 Raw Water Storage Reservoirs

The WTW has two raw water storage reservoirs, one a 16ML on the west of the WTW and a newer storage reservoir on the east of approximately 10ML. the 16ML lower lying reservoir has recently been relined and is in a good condition. The exact construction date of the new upper reservoir is unknown although it can be confirmed that the lining still appears to be in a relatively good condition. It has deteriorated to some extent due on the edges due to little or no maintenance and on some sections of the liner it could be noticed that vegetation has penetrated the liner (which needs to be repaired).

3.2.7.3 JAMES KLEYNHANS WATER TREATMENT WORKS

James is Kleiynhans water treatment works supply mostly Makhanda east, Water Treatment Works is supplied with raw water from the Glen Melville Dam, owned and operated by DWS. . Water from the Orange River is released into the upper reaches of the Fish River as part of the Orange-Fish-Sundays scheme. Water abstracted from the Fish River is stored in the off-channel Glen Melville dam. Water from the dam gravitates to the James Kleynhans WTW.

Currently, Makhanda's allocation of water from the Glen Melville dam is 3000 Mℓ/annum (average daily abstraction of 8.22 MI/d).

The James Kleynhans Water Treatment Works has a capacity of 10 MI/d and designed to operate over a 24 hour period. Elements within the works require upgrading, as the existing required capacity is 12.96 MI/d (2.96 MI/d shortfall)

3.2.8. MAKANA BULK SANITATION BULK PROVISION

3.2.8.1 MAKHANDA WASTE WATER TREATMENT WORKS.

The Makhanda sewerage network is divided into two distinct drainage areas namely North and South which drains to the Mayfield Wastewater Treatment Works (WWTW) and the Belmont Valley WWTW respectively.

3.2.8.1.1 Belmont Valley WWTW:

The Belmont Valley Wastewater Treatment Works (WWTW) is a 5.4MI biological filter plant currently being operated at an average inflow of between 7 and 8MI/d. The plant is servicing the entire CBD and Western side and 60% of the Eastern side.

3.2.8.1.2 Mayfield WWTW:

The Mayfield WWTW has a stated existing hydraulic capacity of 2.5 MI/day and currently treats flows from the areas known as Mayfield, Makanaskop, Kings Flats, Transit Camp and Extensions 6 and 7.

3.2.8.1.3. Alicedale WWTW:

Alicedale WWTW has a design capacity of 0.85MI/d but operating at a capacity of 0.1MI/d. The plant is servicing the areas of Nomzamo, Mandela and Transriviere. The town is currently not connected but using the septic tanks. The project to connect the town to the plant is under procurement phases and will be implemented during 2017/2018 and 2018/2019 Financial year through MIG funding

3.2.9 DROUGHT SITUATION AND INTERVENTION

Drought condition in the district has severely affected communities, settlements, negatively that included Makana Municipality area. Affected mostly settlements, business, small scale farmers, as well commercially farms. Even wild life industry has been affected by this.

As result of the drought condition the Municipal Council resolved that Disaster be declared in the Municipality. This declaration was gazetted in the Provincial Gazette No 3893 on the 11 August 2017 through SBDM.

Impact of the drought resulted that in the decrease of daily water supply due to levels dropping of dams to 20% average of capacity. Due to substantial low rainfall for the past 2 years, farmers has suffer a lot from almost no water in their stock water dams and no food for their animals. The farmers have reached a critical stage where they are in dire need of assistance where they have depleted their financial reserves. They have already reduce their stock numbers which is more that economically viable.

Department of Rural Development and Agrarian Reform (DRDAR) has been actively assisting a small scale farmers with fodder and waters tanks. Restrictions and limitations on usage of water were also imposed, that included no watering/ irrigation, car wash, no swimming pools, use hosepipes using drinking water. Also the use of drinking water per person in litres per day was restricted

District Interventions: A business plan for drought relief interventions for the district was prepared and submitted to Provincial Disaster Management Centre. The business Plan covers short, medium term and long term intervention. The summary for the budgetary requirements for the short medium term drought relieve measure amount for Makana Municipality are details a follows;

Table 56: Drought Interventions

DROUGHT INTERVENTIONS			
Term	Budget (excl of vat)	Vat (14%)	Budget (Incl. of vat)
Short Term Drought	R 6,810,000,00	R 953, 400.00	R 7,63,400.00
Medium & Long Term	R 12,850,000.00	R 1,799,000.00	R 14,649,000.00

Table 57: Municipal Short Term Projects

PROJECT NAME AND DESCRIPTION	AREA WHERE PROJECT IS IMPLEMENTED	GPS COORDINATES	FUNDS ALLOCATED/ TRANSFERRED	PROJECTED AMOUNT AS PER CASH FLOW
Condition assessment and recommissioning of existing boreholes in Seven Fountains: 4 boreholes	Seven Fountain	33°26' 03.97"S; 26° 19'03.96"E	R720 000.00	R720 000.00
Condition assessment and recommissioning of existing boreholes in Riebeeck East: 2 boreholes	Riebeeck East	33°11' 46"S; 26° 10'57"E	R90 000.00	R90 000.00

3.2.10. ELECTRICITY

3.2.10.1 Electricity Provision:

The Makana Municipality's Electricity Department ensures that its customers get good supply of quality service in compliance with the quality criteria prescribed by the national Electricity Regulator. The Department has the duty of refurbishing electrical infrastructure and the responsibility of connecting customers who are not on the grid. The Department is also responsible for project implementation as well as day-to-day operations and maintenance. Municipality has a supplier agreement with ESKOM to purchase electricity for all its area supplied by the municipality.

Level and standard of services	<ul style="list-style-type: none"> <input type="checkbox"/> Customers are provided with a bulk 11 kilovolts of electricity. Some of this electricity is provided from solar energy. <input type="checkbox"/> The Municipality provides streetlights in accordance to the standards as outlined in the National Energy Regulator of South Africa (Nersa) guidelines. It also provides high masts which are funded by the Municipal infrastructure grant (MIG). <input type="checkbox"/> Medium and low voltage electricity is distributed according to consumer requirements.
--------------------------------	---

Access to minimum electricity standards is defined as an electricity connection at the dwelling. National policy also requires that poor households should receive 50kWh of free basic electricity per month.

The Maintenance Plan is in place but not fully adhered to, due to staff shortages. Budgetary constraints hinder the effective operation and maintenance as the infrastructure is aging and needs upgrading. There five (5) wards with the most households with no access to electricity are

- Ward 13
- Ward 3
- Ward 11 • Ward 14
- Ward 10

All indigent households and households who are prepared to install a 20 AMP Circuit Breaker get their first 50 kWh free. There are therefore no backlogs in respect of service provision to existing erven within the Municipality's area of supply.

There is a direct correlation between electricity backlogs and housing backlogs and planning for the new proposed areas are in place. The IDP Public Participation process revealed that there are areas within the Municipal and ESKOM supply area where existing services need to be upgraded. There is also a need for enhanced maintenance of street lighting. This coupled with the need for development within the Municipal area necessitates upgrading of the electrical service infrastructure.

3.2.11 SOLID WASTE MANAGEMENT

Makana municipality is responsible for waste management which includes the street sweeping, collection, transportation and disposal of solid waste. The municipality has approved Integrated Waste Management Plan in accordance with section 11 of the NEMA approved by Council 2018 and a Local Waste Management Plan which was endorsed by the DEDEAT and by- Law to address issues like illegal dumping.

3.2.11.1 REFUSE REMOVAL AND WASTE MANAGEMENT

Basic level services for refuse removal are defined as free weekly refuse removal. All households in urban areas including Makhanda, East and West have access to weekly refuse removal services that also include business and other waste is removed by order. Refuse is taken and disposed in three refuse land fill sites Makhanda, Alicedale and Riebeeck East.

Dumping rate is higher in Makhanda and the cost of transporting the waste has also increasing significantly due to illegal dumping littering and old fleet infrastructure

3.2.11.2 WASTE DISPOSAL INFRASTRUCTURE

The Makana Municipality has three landfill sites namely the Makhanda, Alicedale and Riebeeck East landfill; all the sites are managed by the Municipality. The landfills are located on municipal property. The landfill site in Makhanda was permitted by the Department of Water Affairs and Forestry on 10 September 1996 as a Class G:M:B+ waste disposal site in terms of Section 20 of the Environment Conservation Act (Act 73 of 1989).

Makhanda: The site is located 2km from town at co-ordinates: S 330 17' 28'' and E 260 29' 32''. The expected lifetime of the site is approximately 20 years. The municipality uses a cell method to dispose of the waste in an old quarry.

Waste is properly and regularly covered with excavated material from the quarry and building rubble. A bulldozer is used on the site for compaction and covering purposes. No burning of waste takes place. The Municipality is experiencing problems with the disposal of chillies and abattoir waste.

These waste streams need to be disposed of in a dedicated deeply dug trench and be covered immediately after disposal. It could be necessary depending on the quantities of abattoir waste (dead animals) to treat the waste with lime once disposed of. Illegal scavenging is only taking place on the landfill at night. The site is properly fenced with an access gate at the entrance. Record-keeping of incoming waste should be improved and properly recorded.

The site continues to be operated in accordance with the permit conditions for the site and the Minimum Requirements for Waste Disposal by Landfill document as published by DWAF in 1998.

Position of site:	Located approximately 2km from town at co-ordinates: S 330 17' 28'' and E 260 29' 32''.
Permit:	yes
Year issued	10 September 1996
Classification of site	GMB +
Type of operation(end- tip, trench, cell)	Cell method, filling of quarry
Estimated size of site	Approximately 10ha
Estimated remaining life of site	20 years
Separation of fresh and contaminated water	Yes
Ground water monitoring	6 monthly monitoring of downstream borehole, located at the neighbouring ground, water pollution encountered.
Volumes per day, week or month	It is estimated that the site receives approximately 125 tons per day
Is cover material available?	Yes, from quarry and building rubble
Is the drainage sufficient?	Yes
Is there access control?	Yes but record keeping of incoming waste should be improved
Is the site fenced?	Yes
Does the site have sufficient buffer zone?	Yes 2km
type of equipment utilised	Kamatsu bulldozer
Operating hours	The site is open 24hrs.
Saving plan for closure	No estimate regarding closure exists. The municipality must budget for the closure and rehabilitation timeously.

Alicedale: this site was authorised in May 2005 through Directions in terms of Section 20(5) (b) of the Environment Conservation Act, Act 73 of 1989, by the Department of Water Affairs and Forestry. The site is located approximately 500m from town (Co-ordinates: S 330 19' 04'' and E 260 04' 35''). The landfill site is operated by filling an old sandstone quarry. The site is approximately 0.9 Ha in size. The expected lifetime of the site is approximately 20 years.

Waste is covered once a year by hiring a bulldozer for this purpose. Waste is being burned on a regular basis although it is prohibited in the authorisation for the site.

There is scavenging taking place at the landfill. The site is not fenced and should be equipped with a gate at the entrance to prevent unauthorised persons from entering, access is not controlled. It is recommended that the burning of waste be phased out as an operational method and that waste be covered on a weekly basis as required in the authorisation for the site, that the site be fenced and proper access control be executed (including proper record-keeping of incoming waste streams) and that the salvagers be formalised or disallowed on the site. The management of the site in general should be improved in accordance with the Minimum Requirements for Waste Disposal by Landfill document published by DWAF in 1998 and in accordance with the authorisation issued for the site.

Position of site:	The site is located 500m from town (Co-ordinates: S 330 19' 04'' and E 260 04' 35'')
Permit:	Yes controlled through Directions
Year issued	2005
Classification of site	GCB –Type of Operation (end – tip, trench, cell): Filling of sandstone quarry, waste burning
Type of operation(end- tip, trench, cell)	
Estimated size of site	Approximately 0.9 ha.
Estimated remaining life of site	20 years
Separation of fresh and contaminated water	None in place.
Ground water monitoring	Not required. Volumes per day, week or month: It is estimated that the site receives approximately 1.56 tons per day.
Volumes per day, week or month	
Is cover material available?	Yes from quarry
Is the drainage sufficient?	No
Is there access control?	No
Is the site fenced?	No
Does the site have sufficient buffer zone?	Yes (500m)

type of equipment utilised	No permanent equipment, a Bulldozer is hired once a year for covering purposes
Operating hours	There are no official operating hours for the site.
Saving plan for closure	No estimate regarding closure exists. The Municipality must budget for the closure and rehabilitation in the near future.

Riebeeck East authorised in May 2005 through Directions in terms of Section 20(5) (b) of the Environment Conservation Act, Act 73 of 1989, by the Department of Water Affairs and Forestry. The site is located approximately 2 kilometres from town (Co-ordinates: S 330 12' 35'' and E 260 10' 56''). The site is approximately 0.5 Ha in size.

The expected lifetime of the current disposal area is approximately 10-15 years. Waste is covered once a year by hiring a bulldozer for this purpose. Waste is being burned on a regular basis although it is prohibited in the authorisation for the site.

The site is fenced (but need maintenance) with an access gate to prevent unauthorised persons from entering. Access to the site is however not properly controlled.

It is recommended that the burning of waste be phased out as an operational method and that waste be covered on a weekly basis as required in the authorisation for the site.

Access to the site should be controlled and proper record keeping of incoming waste should be done. The management of the site in general should be improved in accordance with the Minimum Requirements for Waste Disposal by Landfill document published by DWAF in 1998 and in accordance with the authorisation issued for the site.

Position of site:	The site is located approximately 2 kilometres from town (Co-ordinates: S 330 12' 35'' and E 260 10' 56'')
Permit:	Yes, controlled through Directions
Year issued	200
Classification of site	GCB –
Type of operation (end- tip, trench, cell)	No proper operational method followed, waste is burned
Estimated size of site	Approximately 0.5 ha
Estimated remaining life of site	10 -15 years
Separation of fresh and contaminated water	None in place
Ground water monitoring	No, not required
Volumes per day, week or month	It is estimated that the site receives approximately 0.56 tons per day.
Is cover material available?	Yes

Is the drainage sufficient?	No
Is there access control?	No
Is the site fenced?	Yes, but need maintenance
Does the site have sufficient buffer zone?	Yes, 2 km from nearest house
type of equipment utilised	No permanent equipment, a bulldozer is hired once a year for covering purposes
Operating hours	There are no official operating hours for the site.
Saving plan for closure	No estimate regarding closure exists. The Municipality must budget for the closure and rehabilitation in the near future.

3.2.11.3 RECYCLING

Municipality has recycling program in Makhanda landfill which called Masihlule and has a Public Private Partnership with Social Development and a private company.

3.2.11.4 AIR QUALITY

There is an opinion that the Air Quality Act requires local municipalities to monitor ambient air quality within its area of jurisdiction. From an environmental perspective the importance of appointing a permanent air quality officer to regularly monitor air pollution in highly developed areas with heavy industrial emissions is acknowledged. This situation does not warrant the appointment of a permanent air quality officer thus the municipality is looking at a more sustainable solution like partnering with the Sarah Baartman District Municipality and DEA to monitor the air quality in Makana.

3.2.12 TRANSPORT, ROADS AND STORM WATER

The provision and maintenance of roads covers the functional areas of the Department of Roads and Public Works and the Local Municipality. The Municipality have developed Road and Storm water Master Plan and next is to developing a Pavement Management System(RAMS) to carry infrastructure and maintenance.

3.2.12.1 ROAD INFRASTRUCTURE AND TRANSPORT MODES

BASIC SERVICE / INFRASTRUCTURE	MUNICIPAL ROADS
Total length of Roads	757.4Km
Gravel	588Km
Tarred	169km

Man-made house access	N/A
Transport Modes Stats' 2001	74 539
On foot	25 674
By bicycle	435
By motorcycle	173
By car as a driver	2 957
BASIC SERVICE / INFRASTRUCTURE	MUNICIPAL ROADS
By car as a passenger	3 324
By minibus/taxi	4 386
By bus	573
By train	88
Donkeys	
Other	220
Not applicable	36 709

A large contingent of the population in 2001 was travelling by foot. Unfortunately the 2011/16 Stats' does not give a comparison. Makanda is situated on the N2, which links it to East London/ Bisho and Port Elizabeth .The R400 links Makhanda to Riebeeck East and the N10.

- The MR476 links Makhanda and Alicedale.
- The R343 links Makhanda and Salem to Kenton-on-Sea and Alexandria.
- The R350 links Makhanda to Bedford.
- The R344 links Makhanda to Adelaide.
- The R67 links Makhanda to Port Alfred in the South and Fort Beaufort to the North.

Municipality is using Road Asset Management to identified road need upgrading and maintenance to check length and status.

a) Condition of unpaved roads

Condition	Very Good	Good	Fair	Poor	Very Poor	Total (km)
Paved Roads	2%	22%	66%	10%	0%	160.3

Unpaved Roads	0%	0%	0%	59%	41%	114.1
----------------------	----	----	----	-----	-----	--------------

b) Paved Network Needs (km)

Local Municipality	Rehabilitation	Special Maintenance	Periodic Maintenance	Total
km	9.0	59.6	56.3	125.0
Cost	45 866 675	229 408 190	56 728 877	332 003 738

3.2.12.2 RAIL

No functional rail service. The intention is to look at the feasibility of changing the train station to a bus station /depot.

3.2.12.3 AIRSTRIPS

There is a municipal airstrip just outside of Makhanda, adjacent to the Army Base.

3.2.12.4 NONE- MOTORISED TRANSPORT

i) Animal drawn transport

Animal- drawn transport by docketts are found in Makana area more special in Makhanda Township. These vehicle are not licensed and are not allowed on public roads, however, in certain areas, such as on the N2 and R67 near Grahamstown, owners ignore traffic rules and travel on the surface roadway, results in a major traffic safety problem.

ii) Bicycle Transport & Facilities

There is general no provision for bicycle travel with the Municipality. Cyclist share the travelled way with motorised traffic. Cycling, however is not a prevalent form of transport in the district but is predominantly are creation sport activity.

iii) Sidewalks and Walkways

An assessments of the primary transport corridors in the Municipality indicate a dire need for the provision of sidewalks and walkways. Given the limited resources and proximity of residential townships to the business node, walking is one of the main transport modes in the Municipality. Despite this, there is lack of suitable pedestrian facilities, and where sidewalks or walkways are present, these are often in a poor condition. The lack of verge maintenance along primary routes often results in pedestrians sharing the travelled way with motorised transport.

Pedestrian infrastructure is required in Makana, for news roads currently built and future one's iii) sidewalks and walkways considered.

3.2.13 CONSOLIDATED HIGH LEVEL CRITICAL SERVICE DELIVERY CHALLENGES

a) Water and Sanitation:

The Municipality is still struggling with its ageing infrastructure and external funding was received to increase the capacity of some of Makana's Water Treatment Works such as the James Kleynhans Water Treatment Works. The Department of Water Affairs and the East Cape Development Corporation are the implementing Agents for the projects. Makana is also challenged with increasing pressure on its waste water treatment leading to works overflow i.e. Belmont Valley which is near full capacity. The following is some critical areas

- Poor maintenance and poor contract management;
- Material water supply shortages leading to service delivery protests;
- Inadequate catchment area to Makhanda West, which could result in possible water shortages to the community in the future;
- Inadequate supply versus demand at the James Kleynhans Water Treatment Works;
- Inadequate electricity supply on the western side of Makhanda, which results in the inability to supply raw water for purification;
- Inadequate storage retention rate (the Department of Water Affairs requirement is 48 hours but Makana has an average of 12 hours);
- Inadequate capacity at waste water treatment works. The plant is operating above design capacity by 78% and the municipality has received pre-directives on non-compliance by Department of Water Affairs, which could result in legal action against the accounting officer. In addition health hazards to the people and pollution to the environment;
- Inadequate capacity of the collector mains (rising main and outfalls) resulting in sewer spillages;
- Inadequate capacity of pump stations resulting in sewer spillages;
- Inadequate capacity reticulation network sewers resulting in spillages. Health hazard to the people and pollution to the environment;
- Storm water ingresses to sewer network system increases the inflow to the waste water treatment works;
- Inadequate resources (equipment and human resources) resulting in the inability to attend to complaints and dealing with the problems; and
- Continuous vandalism of critical infrastructure including the exposure of manholes, which could lead to injury and damage to property resulting in possible litigation.

Water source Challenges:

- Quality of the raw water from the Glenn Melville Dam – High turbidity
- Unstable pumping system & rising main capacity
- Unreliable electricity supply to pump raw water from H'Poort

Water treatment works Challenges

- Mechanical & Electrical poorly maintained
- Civil Works not operating as designed

Bulk water distribution Challenges

- Storage Retention Rate (DWS requires 48hrs but Makana's 12hrs or less) -
- Network Water Leaks (Through broken/old valves, pipes & meters) -
- Absence of Bulk Metering (Raw water, treated water & stored water).

Service reticulation challenges

- High Water Leaks (Resulting to water loss)
- Absence of meters (Impact to Billing mechanism)
- Lack Pressure Control (Continuous water outages to the High Lying areas due to having water at the bottom part of the settlement) **b) Electricity**

Makana is currently the service provider for the distribution of electricity only in the old Makhanda (CPA) municipal area, while the new urban settlements, Makhanda East, Riebeeck East, rural farm areas are serviced by Eskom except Alicedale by both Municipality and Eskom. This makes delivery of services and credit control difficult for Makana to manage. This matter should be addressed as a matter of urgency. There is no Electricity Master Plan in place and a service provider has been appointed to develop the electricity master plan.

The maintenance plan is in place but not fully adhered to, due to staff and financial shortages. Budgetary constraints hinder the effective operation and maintenance as the infrastructure is ageing and needs to be constantly upgraded and maintained.

There are 5 wards (3, 10, 11, 13 and 14) comprising the majority of households with no access to electricity. There has however been an overall reduction in the number of persons without access to electricity.

The Municipality is looking at innovative alternative energy sourcing methods and there is a draft policy which sets out the criteria which will enable the evaluation of renewable energy generation infrastructure to be developed in a manner that will limit the potential negative impacts thereof.

Municipality has appointed service provider Innwind at Waainek to create an alternative power wind farm and the southern portion of the municipality has been identified as having potential for the development of wind energy generation infrastructure.

Windfarms as part of an alternative energy solution a:

- Distribution Agreement (DA) for the Waainek Windfarm Project (Alternative Energy) was signed and construction was completed. The project is earmarked to have R400 million economic spinoffs over 20 years;
- R30 million was received for the refurbishment of ageing electricity infrastructure, mainly substations; and
- R2, 2 million was spent for 13/14 for Thomas Baines Power line as an alternative power supply.

The high level challenges are as follows:

- Makana's electricity and energy services are divided into two in terms of supply i.e. Makhanda West (eRhini) is supplied and managed by Eskom and Makhanda East (CBD and town areas) is supplied and managed by Makana Municipality;
- The Electricity and Energy Department is not compliant due to it not having GMR2.1 accredited personnel to approve the work done by electricians;
- Ageing electricity network cables between distribution substations to secure firm electricity supply and lack of an upgrade plan for the transformers. This could result in a possible disruption to the Windfarm Project (Waainek Windfarm).
- Major substation (66/11 KV): Waainek Substation - Old infrastructure, needs transformers and control panels. Supplies Rhodes University, Prisons, Military Base and Industrial Area. Summit Substation – poor soil condition (clay) causing major cracks to the foundation and poor drainage;
- Distribution substations require new isolators to the breakers (60% of the 153 substations need urgent attention). In addition security is required at the substations;
- Inadequate resources being vehicles, ladders, materials, testing equipment, safety clothing, designing software, etc.; and
- Insufficient staff training in particular trade tests for electricians and authorisation of electricity staff.

Given the above, the electricity and energy solutions to meet the challenges of supplying a reliable electricity supply, which must be prioritised and considered, going forward, are as follows:

- Development of a master plan to identify issues that need to be addressed;
- Installation of a new 10MVA transformer at Makhanda sub-station;
- Installation of a new 66Kv circuit breaker at Summit sub-station;
- Refurbishment of 2x15 MVA transformers and drainage system at Summit sub-station;
- Installation of ripple control system at Sugar Loaf sub-station;
- Electrification of Ethembeni infill area comprising of 330 housing units;
- Electrification of Mayfield Phase 2 comprising of 1320 housing units;
- Substation upgrade at Waainek sub-stations; and
- 66Kv line upgrade from Makhanda sub-station to Sugar Loaf sub-station

c) Road and Stormwater

The provision and maintenance of roads covers the functional areas of the Department of Roads, the Department of Public Works and the Makana Municipality.

Makana does not have a storm water master plan/ pavement management system and has insufficient roads infrastructure with maintenance carried out as and when required, which is also evident during community based planning, where concerns are always raised about potholes and corrugated gravel roads.

The high level challenges in the main are as follows:

- roads and storm water (deteriorating state, unfinished projects, poor workmanship);
- Makana has Provincial acclaimed roads within its boundary especially in the Makhanda CBD, suburbs and rural areas. These roads, including municipal roads, where the condition has deteriorated substantially have become unaffordable for the municipality to maintain; and
- Municipal funds are unable to finance the maintenance of the roads and storm water infrastructure which is urgently required; and
- Makana's rural areas are fast becoming a safety hazard and are becoming inaccessible due to a lack of maintenance and upgrading due to a lack of funds, equipment and human resources.

Makana Municipality's transportation system is categorised as follows, with the varying ownership and responsibilities of these making the management of this function difficult for Makana:

- municipal roads;
- provincial roads (Department of Roads and Public Works)
- undefined access roads;
- rural surfaced and gravel roads; and
- national roads (SANRAL)

The roads and storm water operating challenges are as follows:

- Budgetary constraints resulting in poor or no maintenance;
- Unavailability of resources e.g. machinery and human resources resulting in incomplete work;
- Deteriorating condition of the roads causing damage to public vehicles and litigation claims;
- storm water flooding which could cause death, damage to peoples' properties and possible claims; and
- Deteriorating municipal buildings making them inhabitable with the possibility of causing staff to be sick resulting in possible litigation or charges being laid by the Department of Labour.

The roads and storm water solutions, identified during the assessment, to meet the challenges are as follows:

- Provincial/ district roads maintenance plan have a signed Service Level Agreement with province/ district on the maintenance plan;
- Introduce a Pavement Management System (PMS)
- Acquisition of machinery for maintenance of roads and storm water infrastructure;
- Training of artisans and improving the skills and knowledge of the staff.

HUMAN SETTLEMENT AND MANAGEMENT

Housing is a concurrent National and Provincial competency in terms of Part A of Schedule 4, of the Constitution. Section 10 of the Housing Act, 1997 (Act 107 of 1997), sets out the responsibilities of municipalities in relation to the provision of housing. Housing is included in this section as a basic service because there is a direct correlation between the provision of basic services and housing, which makes it a complex function that relies on high levels of cooperation between the Municipality and the Provincial and National Departments responsible for Housing. The table below provides an overview of these roles and responsibilities.

ROLES AND RESPONSIBILITIES IN RELATION TO HOUSING PROVISION MUNICIPALITY

- Ensure that the IDP addresses the right to adequate housing on a progressive basis;
- Set housing delivery goals in respect of the Municipal Area;
- Plan, co-ordinate, facilitate. promote and facilitate housing development the Municipal Area;
- Identify and designate land for housing development
- Plan and manage land use and development (township establishment subdivision, consolidation, rezoning etc.);
- Provision of bulk engineering services;
- Provision of services in respect of water, sanitation, electricity. roads, storm water drainage etc.;
- Maintenance of a housing data base.

Provincial Department Human Settlement

- Develop Provincial Housing Policies;
- Co- ordinate housing development in the Province;
- Prepare and maintain a multi-year plan in respect of each National Provincial Housing Programme to access finance from the National Housing Fund
- Fund the erection of top structures;
- Fund the purchase of land in the event that the Municipality has no land available;
- Capacity development of municipalities to enable them to perform obligations in terms of housing delivery;
- Appointment of developers/contractors.

National Department Human Settlement

- Develop National Housing policy as well as norms and standards;
- Set National housing delivery goals;

- Monitor performance in terms of housing delivery;
- Assist provinces to develop the administrative capacity required for effective exercise of their powers and performance of their duties in respect of housing development;
- Promote consultation and communication on matters regarding housing development;
- Administer the National Housing Fund and allocation of funding to Provinces

HOUSING AND SETTLEMENT ANALYSIS

HERITAGE

The heritage resource of the municipality is significant and contributes to the economy of the municipality and needs to be conserved in terms of the provisions of the National Heritage Resources Act (Act 25 of 1999 - NHRA). The Act introduced an integrated system for the identification, protection and management of heritage resources nationally, provincially and at municipal level.

The Act prescribes land use planning and management to give attention to, and respond to, heritage considerations both at site and landscape levels. Of particular significance is the obligation placed on the municipality to undertake the preparation of a comprehensive heritage inventory in terms of Section 30(5) of the National Heritage Resources Act, 1999 (Act 25 of 1999), Makana Municipality has not prepared such an inventory.

It is also important to note that the heritage resource of the municipality does not only comprise of conservation worthy buildings and urban precincts, but also includes physical and cultural landscapes.

URBAN AND RURAL SETTLEMENT AREAS

Urban and Rural Settlement Areas

NO	SETTLEMENTS	APPROXIMATE POPULATION DISTRIBUTION
1	Makhanda	80%
2	Riebeeck East	5%
3	Alicedale	10%
4	Seven Fountains	4%
5	Fort Brown	
6	Salem (Surrounding land is the subject of a substantial land claim, which may result in the need to expand the settlement)	
7	Sidbury (Entirely surrounded it has become the administrative centre for game farming and no longer performs a true human settlement function)	

BACKYARD SHACKS

The five wards with the highest number of persons living in backyard shacks are (From highest to lowest)

- Ward 10
- Ward 5 • Ward 3
- Ward 7
- Ward 14

There has been a reduction in the number of persons residing in backyard shacks from 2001.

Dwelling Types and Tenure Status

BASIC SERVICE / INFRASTRUCTURE	MAKANA AREA (STA SA 2001)	MAKANA AREA (STATS SA 2011)	%	GROWTH % p.a.
Total number of households	18 009	21 388		
Dwelling Type	17 815	21 387		
Brick house in yard	10293	15822	74.0	5.4
Mud/Traditional Dwelling	3112	780	3.6	-7.5
Apartment in block of flats	761	647	3.0	-1.5
Town/cluster/semi-detached (simplex: duplex: triplex)	264	872	4.1	-2.4
House/Flat in back yard	882	810	3.8	-0.8
Informal shack in yard	785	722	3.4	-0.8
Informal shack not in back yard	1598	1431	6.7	-1.0
Room/flat not in back yard but shared property	66	117	0.5	7.7
Other (ship/caravan)	54	186	0.9	24.4
		21 388		
Rented		5 685	26.6	
Owned but not yet paid off		1 701	8.0	
Rent-free		4 130	19.3	
Owned and fully paid off		8 629	40.3	
Other		1 243	5.8	

Source: Stats' 2011

The number of traditional dwellings significantly decreased, by 75% over the last ten years (2001 to 2011).

There has also been a slight decline in both the number of informal shacks in the yard and those not in the back yard since 2001. This implies that there is still a demand for urban housing development.

RHODES UNIVERSITY CAMPUS

The Rhodes University Campus is the largest single ownership footprint within the Makhanda urban footprint. Rhodes University is currently undertaking a review of their long term spatial planning and were not able to provide any details thereof during the preparation of this document.

For the purpose of this review information was sourced from older Rhodes University Spatial Planning. Extracts thereof are set out below.

PROJECTED GROWTH OF STUDENT NUMBERS						
Current Number	6954	2009	2010	2014	2019	2023
		2%	7093	7678	8477	9176
		4%	7232	8461	10294	12042
		8%	6510	10218	15013	20425
PROJECTED GROWTH OF RESIDENCES						
Current Number	6954	2009	2010	2014	2019	2023
		2%	2	8	18	26
		4%	3	18	39	60
		8%	7	38	95	158

HOUSING DEMAND

The total estimated housing demand resulting from population growth (Based on the current growth rate) is 4430 additional households by 2030. This demand equates to a land requirement of approximately 220 ha across the entire municipality.

Most of this demand would be accommodated in Makhanda. Based on the Census 2011 figure the housing demand associated with the eradication of informal dwellings would be 723 households, backyard shacks 1432 households and growing need for provision good quality rental accommodation for the upper end of the low income market, with the primary objective of urban restructuring, creating sustainable human settlements.

The associated land demand is 36ha and 72ha respectively. Officials speculate that there may be considerable duplication in the backlog figures for Makhandanda and estimate that the figure should be in the region of 7000 to 8000 households and can be more when it included social housing demand.

If the informal dwelling and backyard shacks figures are deducted from this approximately 6000 households or persons are accommodated elsewhere or in formal dwellings in the established urban areas of the municipality. The settlement planning priority is therefore to provide adequate shelter to those households accommodated in informal settlements and in backyard shacks.

Social Housing Programme: There is an increasing need for affordable rental units which provide secure tenure to households which prefer the mobility provided by rental accommodation. Social housing provides good quality rental accommodation for the upper end of the low income market (R1500 - R7500), with the primary objective of urban restructuring, creating sustainable human settlements.

The programme provides for grant funding to establish, capacitate and capitalize social housing institutions which may develop, hold and administer affordable rental units within identified restructuring zones.

SOCIAL COHESION IN THE MUNICIPAL PLANNING

There are a number of social activities organised by the Municipality and other stakeholders that encourage social cohesion within the municipal area. Below are some of the activities organised annually

ACTIVITIES	PERIOD
National Arts Festival	June/ July yearly
Science Festival	March yearly
Makana Freedom Festival	April yearly
Mayoral Cup	Easter weekend

DIMENSION AND CROSS- CUTTING ISSUES: SPU

Municipal planning is influenced by a number of dimensions and cross-cutting issues. The main dimension being: Social, Spatial, Economic, Institutional, Natural Environment.

The impact that projects can and will have on the above must always be borne in mind, hence the importance of designing strategies that will incorporate these considerations, as well as address crosscutting issues such as Poverty Relief, HIV/AIDS and SPU.

A Special Programmes Unit (SPU) has been established in the Municipality in the office of the Mayor. The Special Programmes Unit of the Makana Municipality is responsible for the following categories:

- People living with disabilities
- Youth (incl. Sports)
- Gender
- Older persons
- HIV/AID

The post of Manager Special Programmes was included and filled as part of the restructuring of the Municipality's Organogram. The Manager SPU is holding monthly meetings and has already successfully activated a number of Special Events, such as Youth tournament, etc. Programmes have also been identified for inclusion in the Municipality's Operating Budget, whilst some projects of capital nature have been earmarked for external funding.

HIV/AIDS is a matter of such importance that features as a cross-cutting issue in every area of development. Makana municipality has an HIV/AIDS Policy/ Plan which is revised annually.

Other programs the office is involved in is mainstreaming of HIV/AIDS in workplace and society, awareness of HIV/AIDS, how to manage it within the workplace and curb the spread of it. It is further advocated during all project training and employment orientation sessions.

3.2.13 COMMUNITY SERVICES

3.2.13.1 COMMUNITY HALLS

There are 8 community/ town halls in the Makana area which are utilised by the community. Some of these facilities are in need of maintenance and repairs.

3.2.13.2 LIBRARIES:

There are 8 libraries in Makana managed by the Municipality in terms of a Service Level Agreement with the Province. These libraries are situated in ward 1; 7; 8; 10; 14 and a mobile library that services ward 5.

3.2.13.3 SPORT AND RECREATION FACILITIES:

☐ MAKHANDA- RHINI:

- Indoor Sports Centre (New Facility functional)
- Mickey Yili Rugby Fields (2 x Playing fields) - In need of upgrading especially lighting and stands
- Millennium Cricket Stadium (1 x field with turf wicket and Practice nets)
- Dlepu Stadium (2 x soccer fields) In need of upgrading especially lighting, ablutions and Pavilion
- Foley's Ground (soccer field with tennis court and basketball court under construction)
- The Oval - Lavender Valley Sports grounds (2 x rugby fields and Basketball court) In need of upgrading, levelling of fields, ablutions and lighting
- Egazini Rugby field (1 x field under reconstruction)
- Extension 5 Satellite Soccer ground (3 x Soccer fields - out on tender)

☐ ALICEDALE:

- Transriviere (1 x Rugby Field plus two netball courts)
- KwaNozwakazi (1 x Soccer Field and Netball court)

Riebeeck East:

- KwaNomzamo (1 x Rugby field and netball court) Council in 2014-15 financial year has an approved budget for Maintenance. Budget for Sporting grounds is valued at R 2,062,620, all-inclusive and Capital Program at R 406,000.
- There are two Golf Courses in the Municipal Area, both privately run, one in Makhanda and the other in Alicedale

3.13.4 CEMETERIES

Makhanda:

- Mayfield Cemetery (currently in use and has capacity for another 12 Years at the current rate of burials)
- Waainek Cemetery (currently in use and has capacity for a further 5 years at current rate of burials)
- Lavender Valley (Currently not in use other than for reserved graves)
- Grahamstown Historical Cemetery (currently not in use other than for reserved graves)
- Extension 1 Cemetery (currently not in use)
- Kings Flats Cemetery (currently not in use other than for reserved graves) • Kwa Dinga Cemetery (currently not in use)

Alicedale:

- Kwa Nonzwakazi (currently at full capacity)
- Transriviere (currently in use and has capacity for a further 5 years at current rate of burials)
- Town Cemetery (currently in use and has capacity for a further 5 years at current rate of burials)

Riebeeck East:

- KwaNomzamo (currently in use and has capacity for a further 5 years at current rate of burials)
- Town Cemetery (currently in use and has capacity for a further 5 years at current rate of burials)

Outlying

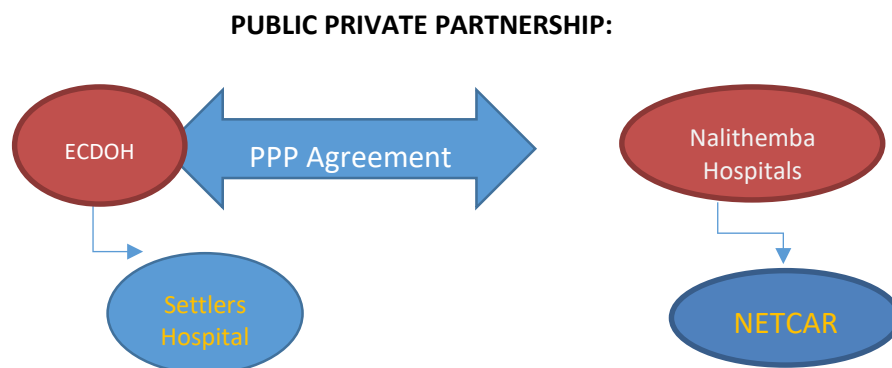
Districts:

A number of farm cemeteries that are not registered (status of cemetery and available space for burials still being investigated)

3.2.14 HEALTH CARE FACILITIES

Settlers Hospital is the main health care facility in Makana Area established in 1858. Settlers Hospital is located in Makana Sub-District, Makhanda within the Sarah Baartman Municipal District.

It serves a population of 157998 (Makana /Ndlambe municipality). Settler’s hospital is a Public Private Partnership facility with Nalithemba Hospital Group in 2007



- Settlers Hospital has 219 approved public beds and 30 private beds. The hospital is currently functioning with 166 active/usable beds.
- Settlers Hospital is Public Private Partnership entity where ECDOH is providing the full district hospital package and Nalithemba is providing Private Health Services including ICU and High Care.
- The Accident and Emergency Unit and theatre at the hospital is a shared service managed by Nalithemba /NETCARE.

3.2.14.1 OTHER HEALTH FACILITIES

Table 37: Health Facilities

FACILITATE	CENTER
Clinic	Anglo African Street Clinic
Clinic	Joza Clinic
Clinic	Kwa-Nonzwakazi Clinic
Clinic	Middle Terrace Clinic
Clinic	NG Dlukulu Clinic
Clinic	Raglan Road Clinic
Clinic	Raymond Mhlaba Clinic
Clinic	Virginia Shumane Clinic
Community Health Centre	Settlers Day Hospital
Condom Distr Site	Makana Condom Distribution Site
Condom Distr Site	Makana Primary Condom Distribution Site
District Hospital	Hospital

EHS LG Service	Makana Local Municipality - LG EHS
EHS Prov Service	Makana Health sub-District - Prov EHS
EMS Station	Alicedale EMS Station
EMS Station	Grahamstown EMS Station
Mobile Service	Grahamstown Mobile 1
Mobile Service	Grahamstown Mobile 2
Mobile Service	Grahamstown Mobile 3
Non-Medical Site	Rhodes University Non-Medical Site
Specialised Psychiatric Hospital	Fort England Hospital
Specialised TB Hospital	Temba TB Hospital

All our primary health center are opening from 8h00 to 16h30, 5 days a week except Joza clinic which opening seven days week that included Saturday and Sunday. Professional nurses ranges between 3 to 5 per clinic depending on the headcount of the clinic(how big the clinic is).Doctors visit clinics some clinics once a week others once in two weeks

Makana Municipality has two Ambulance Services i.e. EMS and Netcare. For those patients referred to either Port Elizabeth or East London there is transportation organised by the hospital and the ambulance service; on Monday, Wednesday and Friday to PE and Tuesday & Thursday to East London.

COMMON DISEASES:	REFERRAL SYSTEM:
<ul style="list-style-type: none"> • TB • HIV • Hypertension(High Blood pressure) • Diabetes • Arthritis • Asthma 	<ul style="list-style-type: none"> • Ward Based outreach Teams • Clinic • Community Health Centre • Hospital(District or TB hospital) • Port Elizabeth (Tertiary hospitals) – Specialist Clinics

3.2.13.2 DEALING WITH COVID-19

When dealing with the outbreak of the Corona Novel Virus also known as Covid-19, the Department of Health's Sarah Baartman Sub-District has formed a multi-disciplinary team to manage potential incidences. Then multi-disciplinary team comprises of environmental health practitioners (including those from Makana), practitioners' from the Sub-District in Maternal Child and Women's Health, Health Promotion , Primary Health Care, Quality Assurance and Data Capture.

Also on the team are representatives from the National Health Laboratory Service, the State Vet, Disaster Management, and Department of Education and experts in infection control and virologist. Rhodes University, Correctional Services, the SANDF, Stenden University and 43 Air School.

Measures have been put in place to ensure the containment of the novel disease, and these include a sampling kit and isolation room at the Settlers Hospital. A doctor who has been trained in dealing with cases of corona virus is also on site at the hospital.

3.2.13 COMMUNITY FACILITIES AND PUBLIC AMENITIES

COMMUNITY SERVICES AND FACILITIES	WARD	NAME	TOTAL IN MAKANA MUNICIPAL AREA
Clinic	1,2,3	Mobile Clinic	3
Taxi Rank	8	Ncedo Taxi Association and Border Alliance	2
Post office	7 & 8	Market Square, High Street & Joza	3
Pension pay points	3; 5; 7; 8; 9; 10	Recreation; B.B. Zondani	2
Sports facilities and Local sports activities	2,3	J.D Dlepu; Mikki Yili; Foley's Ground; Lavender Valley	4
Cemetery	1; 3; 4; 9 & 11	Albany Old Cemetery; Ndancama; Waainek; Mayfield; Thatha & Ext 7	6
Church/Place of Worship	1; 2; 3; 4; 6; 7; 8; 9; 10;11; 12,13; 14	Methodist; Anglican; Presbyterian; Zion; Adventist; Pentecostal	Numerous
Banking Facilities	8	NED BANK, ABSA, FNB, STANDARD BANK, CAPITEC	5
Parks & Recreation	1,3,6	Pumlani Park, Lavender Valley, Memorial Park	3
Libraries	1, 2, 3, 5, 10, 12, 13 & 14.	There are 8 libraries in the Makana Area. The libraries are situated in the following wards	8

3.2.14 TRAFFIC SERVICES

Makana municipality operates a traffic service (7 posts). A fully functional motor vehicle test centre is located in Makhanda and is fully operational. There is also Grade A Traffic and Parking (town). Makana delivers an agency service for licensing (NATIS) on behalf of the Provincial Department. Three Peace Officers have been appointed to enforce by-laws.

3.2.15 COMMUNITY SAFETY

The South African Police Service Act as amended made provision for the establishment of municipal police services and community police forums. In Makana a cluster ward approach was undertaken to establish Community Police Forums, in total five have been established. During the Community based planning, concern was raised around the effectiveness of these forums and the lack of visibility of the SAPS. SAPS Crime Research Statistics show that crime levels are high in Makhanda. Contact crimes against a persons and burglary at residential premises are most prevalent. **Table 38: Police Stations in Makana Area**

NAME	WARD
Makhanda CBD Area	8
1x Riebeeck East	1
1x Alicedale	14
1x Fort Brown	1
1x (Extension 6 New Police station)	6
Seven Fountain	14
Committees Drift	1
Joza Police Station	6

3.9.9 FIRE SERVICES AND DISASTER MANAGEMENT

Makana Municipality has 24 hour fulltime fire service with Chief fire officer appointed as manager fire services. Municipality has signed a corporate agreement with Sarah Baartman District Municipality to perform the function on agency based. Also the Municipality has co-operative agreement with all other six (6) Sarah Baartman District Municipalities.

The aim of the Disaster Management Act, No. 57 of 2002, and the Disaster Management Framework, is to minimise the effects of hazards on local communities by ensuring coordinated efforts to manage risks.

This plan has been designed around the identified risks, highlighted during the Risk Assessment process. A Disaster Management Plan outlines the key institutions and programming components relative to deal effectively with disaster management and emergency responses. Partnerships have been established with Provincial Government, District and Non-governmental organisations with a responsibility or capacity to render disaster management services. In terms of Makana Disaster Management Plan the following are the result of risk assessment conducted that the municipality is prone to:

- Tornado
- Floods
- Fires(Veld and Forest Fires)
- Epidemics
- Accidents

Furthermore the plan contains contingency plans for every risk identified. The most common disaster that occurs in the area is floods and protracted drought. Tornado's is fairly common and has caused extensive damage to homes in Alicedale and the Grahamstown area.

3.2.16 Disaster Incidents:

Makana Municipality was affected by a disaster on the 8th October 2008 where 161 houses were severely damaged in Makhanda and 22 houses in Alicedale. An amount of R101 000.00 was approved by Provincial Government and the project was to be coordinated by them. The project has been delayed to date. Makana was again in October 2012 affected by floods where most of its roads infrastructure was damaged. In October 2012, The Premier of the Province of the Eastern Cape had, in consultation with other MEC's declared a provincial state of disaster in terms Section 41 of Disaster Management Act (Act 57 of 2002)

After the occurrence of the October 2012 disaster incident, the Provincial Disaster Management Centre had, in terms of section 35 of the Disaster Management Act 57 of 2002, initiated efforts to assess the magnitude and severity of the disaster and informed the National Disaster Management Centre of the cost of the damages for provision of emergency relief.

The National Treasury had through the National Disaster Management allocated an amount R43.5m for emergency projects which was divided among the Nelson Mandela Bay Municipality and five other municipalities in the Sarah Baartman District Municipality. The Makana Municipality was allocated R 2 400 567 for the following projects

1. Repairs to electrical infrastructure at Old town filters, Evans Poort and Market feeders – R2 400 567 and
2. Repair pump station (replace sewer pump) at Lingelihle – R387 236,

The above mentioned projects were completed between January 2013 and May 2013. There were about 128 informal houses that were damaged by floods. Makana Municipality made an urgent application for temporary housing structures to the Department of Human Settlement.

On the 23rd of November 2012 the Department of Human settlement together with the municipality made an assessment of the damage caused by the floods and 39 temporal housing structure where approved.

Subsequent to that Makana Municipality allocated an amount R8 7224 000 for reconstruction and rehabilitation. The above mentioned amount was intended to re-gravel, reconstruction of municipal roads, storm water pipe, channels, slabs and pedestrian bridges that were affected during the October 2012 flooding, this includes Alicedale. The Provincial Disaster Management Centre established a Project Management Steering Committee to monitor the funds allocated for response and recovery of the flood incidents which engulfed the Province during the period.

3.2.17 PRIORITY RISK IDENTIFIED

TOP RISKS	
No	Risk
1.	Landslide/Subsidence
2.	Heat wave
3.	Severe Storm
4.	Road Incident
5.	Animal Epidemic Diseases
6.	Criminal Activities
7.	Critical Infrastructure
8.	Illegal/Uncontrolled Solid Waste Disposal
9.	Climate Change Rainfall

3.2.18 COMMUNITY POLICES AND BYLAWS

Type	Title	Date	Status
Policy	Speed Hump	May 2013	Final *
Policy	Environmental	*	Final
Policy	Paupers Burial (To be developed before the financial year end)	*	To be revised
By-law	Animals, Birds and Poultry	*	Final
By-law	Dumping and Accumulation of Water	*	To be revised

By-law	Liquor and Trading Hours	*	To be revised
By-law	Parking	*	To be revised
By-law	Refuse Removal	*	To be revised
By-law	Street Collections	*	To be revised

3.2.19 CHALLENGES AND DEVELOPMENT PRIORITIES

The Directorate of Public Safety and Community Services is one of the biggest departments within the municipality and is made up of about 40% of the staff employed by the municipality. The Directorate is responsible for the provision of parks, recreational and sporting facilities, cleansing and environmental health services, library services, environmental management, traffic services, and fire and emergency services. The challenges facing the Public Safety and Community Services Directorate are as follows:

- Lack of human capacity to implement the by-laws. The by-laws are not updated and some are not approved, which could result in possible litigation as regards billing for and collection of monies levied for services;
- Implementation of unfunded and underfunded mandates, example firefighting which is a district function. Engagements with the Sarah Baartman District Municipality are taking place in this regard.
- Lack of resources e.g. no fire stations in outlying areas and therefore the inability to respond to fires on time especially in areas like Alicedale and Riebeeck East;
- Establishment of libraries in the new areas not done due to a lack of funding;
- Inadequate customer complaint handling processes. At present all complaints are referred to the Fire Services and therefore there is a need to establish a centralised responsive customer care unit/ centre to deal with customer care complaints and emergencies; and
- Vehicles are old and unreliable and impact negatively on service delivery; and
- Eradication of illegal dumping sites, fencing of legal dumping sites, improvement of street cleaning, the provision of the cleaning services in all areas of Makana and monitoring of cleaning staff.
- Improve and Increase visibility of Police, Resuscitate Community Policing Forums and establishing Community Safety Forum

The municipality should prioritise, update, approve and enforce the by-laws.

The billing of refuse and an audit of all refuse removals to ensure that consumers are being billed correctly for the amount of refuse removed should be undertaken.

The acquisition of vehicles and equipment, cleanliness of the town, identify and cost unfunded and underfunded mandates which are the competency of the district and other departments and engage these institutions to address the matter, must be undertaken amongst others.

3.3 KPA 3: LOCAL ECONOMIC DEVELOPMENT

3.3.1 MAKANA LOCAL ECONOMIC DEVELOPMENT STRATEGY

In the context of a slow economic climate, unemployment is on the increase, resulting in the shrinking of the municipal revenue tax base. Against this back drop the Makana LED Strategy needs to both find innovative ways to grow the local economy to address the growing socio-economic challenges of marginalised communities, and – in the interest of sustainable service delivery – increase the municipal tax base. Both these issues can only be addressed by growing the levels of sustainable employment in areas that need it the most. In addition, the purpose of the Strategy is to:

Provide guidance and direction to Makana’s LED Directorate for the effective and sustainable achievement of the local economic development objectives;

- Contribute to the implementation of economic plans from the overall planning of the municipality as detailed in the Integrated Development Plan (IDP);
- Stimulate economic growth in Makana;
- Address the socio-economic challenges of the community resulting from unemployment;
- Increase the tax base of the municipality; and
- Build up the administrative and economic capacity of Makana in order to improve its economic future and the quality of life for all.

The focus of this LED Strategy is not to provide communities with social support or intermittent relief from poverty, but to enable the prospect of sustainable poverty alleviation. Sustainable poverty alleviation requires providing unemployed people with opportunities that provide individuals with a sustainable source of income.

Overview of the core elements of the LED Strategy

The focal point of the LED Strategy is the three Strategic Objectives, the 10 Key Performance Areas and the 23 Strategic Initiatives indicated in Table 1. These will be undertaken to achieve the LED objectives for the municipality. Details on the Strategic Initiatives are provided in the Strategic Implementation Framework of the LED Strategy in Annexure A.

Strategic Objectives	Key Performance Areas	Strategic Initiatives
Strategic Objectives 1: Promoting economic growth	Key Performance Area 1.1: Promoting stakeholder collaboration and other networks for unlocking opportunities for economic growth	1.1.1: Participate in the Inclusive Local Stakeholder LED Cluster 1.1.2: Promote and network to implement leverage projects as catalyst for economic growth
	Key Performance Area 1.2: Promoting Makana as a creative city	1.2.1: Mobilise resources through the Inclusive Local Stakeholder clusters to establish Makana as the creative city
Strategic Objective 2: Promoting the generation of work opportunities	Key Performance Area 2.1: Promoting stakeholder networks for unlocking work opportunities	2.1.1: Facilitate access to opportunities for SMMEs (emerging farmers) 2.1.2: Coordinate the LED Forum to promote work opportunities 2.1.3: Engage with business and other stakeholders to promote innovative 4IR work opportunities
	Key Performance Area 2.2: Capacity building for employment or self-employment in order to maximise local procurement opportunities	2.2.1: Coordinate generic and specific training and capacity building of SMMEs 2.2.2: Collaborate with stakeholders and partners to establish an incubation centre
	Key Performance Area 2.3: Encouraging a vibrant township economy	2.3.1: Develop informal and other relevant trading spaces 2.3.2: Develop a township revitalisation strategy
Strategic Objective 3: Promoting an enabling environment	Key Performance Area 3.1: Promote business growth through a conducive policy environment	3.1.1: Review, revise and write policies and by-laws 3.1.2: Review the SDF annually
	Key Performance Area 3.2: Enforcement of by-laws	3.2.1: Establish an internal law enforcement team to monitor the compliance to by-laws 3.2.2: Collaborate with external law enforcement agencies to enforce compliance to by-laws

Strategic Objectives	Key Performance Areas	Strategic Initiatives
	Key Performance Area 3.4: Ensuring that infrastructure is in place to promote the local economy	3.2: Mainstream the red-tap reduction strategy in the municipality 4.1: Promote the principle that infrastructure unlocks economic growth 4.2: Establish and manage the maintenance of LED-related infrastructure
	Key Performance Area 3.3: Ensuring the reduction of red tape	3.3.1: Develop a red tape reduction strategy

Table 56: Strategic Objectives, Key Performance Areas and Strategic Initiatives

Core components of the Makana LED Strategy

3.3.2 Introduction

The findings from the research done in preparation for the LED Strategy, including stakeholder engagement and the SWOT analysis, resulted in the identification of three Strategic Objectives, twelve KPAs and Strategic Initiatives linked to each KPA.

Table 56, which indicates the core components of the LED Strategy is provided in par. 1.4 of the Executive Summary.

3.3.3 Strategic Objectives

There are three Strategic Objectives of the LED Strategy:

Strategic Objective 1: Promoting economic growth,

Strategic Objective 2: Promoting the generation of work opportunities, and

Strategic Objective 3: Promoting an enabling environment.

Strategic Objectives 1: Promoting economic growth

Economic growth is achieved by identifying and focusing on projects and initiatives that increase the capacity of the economy to promote a positive change in the level of production and provision of goods and services, and ultimately provide additional work opportunity for local communities. Local stakeholder cohesion will promote the prospect of successfully identifying the projects and initiatives that will promote economic growth in the region,

Strategic Objective 2: Promoting the generation of sustainable work opportunities

Sustainable work means achieving living and working conditions that support people throughout an extended working life. This should ensure that people have a reliable source of income and assist people to stay in charge of their own lives for as long as possible so that they can meaningfully contribute to society and the local economy. Promoting sustainable work opportunity is the responsibility of all local stakeholders, both the municipality and local community. Local stakeholder cohesion will improve the prospect of generating sustainable work opportunity.

Strategic Objective 3: Promoting an enabling environment

An enabling municipal environment requires a set of interrelated conditions that together should provide, facilitate and support the prospect of development in the Makana municipal area. It is within the municipality's responsibility and power to provide this enabling environment.

Key Performance Areas and Strategic Initiatives

The nine Key Performance Areas in the LED Strategy are:

1. Promoting stakeholder collaboration and other networks for unlocking opportunities for economic growth,
2. Promoting Makana as a creative city,
3. Promoting stakeholder networks for unlocking work opportunities,

4. Capacity building for employment or self-employment in order to maximise local procurement opportunities,
5. Encouraging a vibrant township economy,
6. Promote business growth through a conducive policy environment,
7. Enforcement of by-laws,
8. Ensuring the reduction of red tape, and
9. Ensuring that infrastructure is in place to promote the local economy.

Details on the Strategic Initiatives are provided in the Implementation Framework for the LED Strategy in Annexure A. The following information is provided for each Strategic Initiative: Objective, Outcome, Activities, Timeframe, Champion, External stakeholders and Potential Funding source.

LED strategy alignment to national frameworks and priorities

The LED Strategy is aligned with key national frameworks and priorities to ensure that it promotes the broader socio-economic transformation objectives of the government. The alignment of the LED Strategy to the outcomes in the Medium Term Strategic Framework (MTSF), the New Growth Path (NGP) and the Policy Pillars of The National Framework for LED, is indicated in Table 5.

This alignment is important in view of the following statements in the National Framework for LED : “Municipalities are encouraged to share these and to incorporate them into their IDP and LED strategies. Seen as objectives, the pillars reflect the aims of much of government’s socio-economic policy agenda as well as the views of stakeholders during the process of consultation. By including these objectives in their IDPs and LED strategies, municipalities will align LED to national policy objectives and at the same time will set in motion process to strengthen their local economies in line with the vision of the Framework” .

Table 57 : LED Strategy alignment to strategic national documents

National outcomes in the MTSF	New Growth Path	Pillars: National Framework for LED, 2017-2022	Strategic Objectives of the LED Strategy	Key Performance Areas of the LED Strategy
<p><u>Outcome 6:</u> An efficient, competitive and responsive economic infrastructure network</p> <p><u>Outcome 7:</u> Vibrant, equitable, sustainable rural communities contributing towards food security for all</p>	<p><u>Jobs Driver 3:</u> Seizing the potential of new economies</p> <p><u>Jobs Driver 4:</u> Investing in social capital</p>	<p><u>Pillar 1:</u> Building diverse and innovation-driven local economies</p> <p><u>Pillar 6:</u> Strengthening local innovation systems</p>	<p>Strategic Objectives 1: Promoting economic growth</p>	<p>Key Performance Area 1.1: Promoting stakeholder collaboration and other networks for unlocking opportunities for economic growth</p>
				<p>Key Performance Area 1.2: Promoting Makana as a creative city</p>
<p><u>Outcome 4:</u> Decent employment through inclusive economic growth</p> <p><u>Outcome 8:</u> Sustainable human settlements and improved quality of household life</p>	<p><u>Jobs Driver 1:</u> Infrastructure for employment and development</p> <p><u>Jobs Driver 2:</u> Improving job creation in economic sectors</p> <p><u>Jobs Driver 3:</u> Seizing the potential of new economies</p> <p><u>Jobs Driver 4:</u> Investing in social capital</p>	<p><u>Pillar 1:</u> Building diverse and innovation-driven local economies</p> <p><u>Pillar 2:</u> Developing inclusive economies</p> <p><u>Pillar 3:</u> Developing learning and skilful economies</p> <p><u>Pillar 4:</u> Enterprise development and support</p>	<p>Strategic Objective 2: Promoting the generation of work opportunities</p>	<p>Key Performance Area 2.1: Promoting stakeholder networks for unlocking work opportunities</p>
				<p>Key Performance Area 2.2: Capacity building for employment or self-employment in order to maximise local procurement opportunities</p>
				<p>Key Performance Area 2.3: Encouraging a vibrant township economy</p>
<p><u>Outcome 6:</u> An efficient, competitive and responsive economic infrastructure network</p>	<p><u>Jobs Driver 1:</u> Infrastructure for employment and development</p> <p><u>Jobs Driver 5:</u> Spatial development</p>	<p><u>Pillar 5:</u> Economic governance and infrastructure</p>	<p>Strategic Objective 3: Promoting an enabling environment</p>	<p>Key Performance Area 3.1: Promote business growth through a conducive policy environment</p>
				<p>Key Performance Area 3.2: Enforcement of by-laws</p>

National outcomes in the MTSF	New Growth Path Framework	Pillars: National Framework for LED, 2017-2022	Strategic Objectives of the LED Strategy	Key Performance Areas of the LED Strategy
				<p data-bbox="1473 343 1955 406">Key Performance Area 3.3: Ensuring the reduction of red tape</p> <p data-bbox="1473 470 1955 566">Key Performance Area 3.4: Ensuring that infrastructure is in place to promote the local economy</p>

SWOT analysis of LED in Makana

A SWOT analysis of was undertaken with participants attending a workshop to identify the Strengths, Weaknesses, Opportunities and Threats with the aim of developing an LED Strategy. The participants were asked to focus their analysis according to following themes: Agriculture, Land, Tourism, SMMEs, Trade and Investment and Township Economy. Issues identified in the SDF SWOT analysis were incorporated with that of the analysis undertaken by the participants at the workshop.

SWOT analysis of agriculture

Table 58 : SWOT analysis of agriculture in Makana

Strengths	Weaknesses
Historic farms: existing and established farms	Lease contracts (tariffs)
NDP provides guidelines for enhancing agriculture for economic development	Limited policies for land reform on a local level – disconnect between LED and Land Reform
Market access	Public transport
Established policies and administrative framework	Limited access to agricultural land for emerging farmers
Established road and rail network supporting accessibility to the area	Business friendly guidelines on local level don't exist
Back-yard gardens	Agricultural programmes – low visibility
Climatic conditions favourable for agriculture, wildlife and ecotourism	Value adding on products and services
Large sections of the Municipality are currently utilised for game farming and conservation areas, ± 50 % of the area	Low success rate of LED projects
	Poor communication and integration between departments in the municipality – working in silos
	Inadequate communication between the municipality and other spheres of government, lack of clarity on who takes responsibility
	Strong and diverse agricultural sector
	Ageing infrastructure development
	Inadequate maintenance of infrastructure
	Delays in approvals
	Large sections of the Municipality are currently utilised for game farming and conservation areas, ± 50 %

	Low agricultural potential and non-arable land (Department of Agriculture Land Capability Index) north of Seven Fountains and Sidbury, including low large stock unit grazing capacity
	Limited opportunity for crop production
	The absence of a Municipal Environmental Management Plan can have a long-term impact on conservation and biodiversity management.
Opportunities	Threats
Fair trade	Ageing infrastructure
Diversification of the sector aqua culture (Rhodes initiative)	Poor state of the local roads
Extension and development of the airport to enhance exports	Inadequate service delivery
Employment of high tech agri processes (intensive farming)	Inadequate policies for driving development
High value crops (berries and tunnel farming)	Negative spin-off (housing backlog) on agricultural land and farms
Skills development to empower	Safety on farms
Availability of public land	Climate change
Partnership between higher education institutions and industry – renew partnership	Vandalism
	High cost of land
	Labour unrest

3.3.4 SWOT analysis of land

Table 59: SWOT analysis of land in Makana

Strengths	Weaknesses
Availability of land	Don't know what land is catered for – need for a land audit
Legislative compliance (building control and town planning, by-laws in place)	Execution of policy (non-communication between departments)
Rhodes University	Acting up on programmes that we have
High Court	Allocation inequality

Private schools	Heritage buildings are not well monitored
Municipality owns the majority of the land in the East	Who gets the lands in terms of allocation
Subsidy housing for human settlements	East area: businesses are dominated by foreigners (township economy)
Tourism sector is based on heritage (much of CBD)	Businesses are not formalised
	Only one type of housing subsidy (gap market is not addressed)
	No data on institutional demands on land
	Urban structure is typical of former segregated planning with poorly developed business and support infrastructure in Makhanda East.
Opportunities	Threats
Potential to speed up the process of legislative compliance to address irregularities	Capacity: in the municipality, finances (equipment)
Generate revenue: for selling, leasing land	Land grabbing / land invasion (due to weaknesses) especially for residential purposes
Development of land on the Eastern side	Doing business in residential areas not zoned for business
Land available in East for township economy	Local people not benefitting (as informal traders) – therefore increasing the indigent population
Partner with Rhodes University in relation to research capacity	Shops (informal traders) are not monitored resulting in them spreading & over-use of municipal services
Partner with Rhodes University to create other faculties on the eastern side & student accommodation	Gap housing market – so they take over RDP houses (while they could qualify for other housing subsidies)
Monitor informal traders to generate revenue	If we don't monitor the heritage buildings, they demolish the cultural houses
Tighten up on RDP houses	Lose the heritage advantage if you don't act to protect it
Highly urbanised population indicates options for more cost-effective service delivery and social services provision	Red tape and over-burdened regulatory framework

	Although the Census indicates ± 2 200 households residing in informal structures in Makhanda, the Municipality estimates a subsidised housing demand of 12 800, current projects addressing ± 10 470 units. Population growth between 2001 and 2018 estimated at 1.12 % per annum with an estimated population in 2028 at 102 258 or an additional 2 838 households
	Population growth significantly higher than the Eastern Cape and Sarah Baartman DM, confirming in migration

SWOT analysis of tourism

Table 60: SWOT analysis of tourism in Makana

Strengths	Weaknesses
Thriving creative industry	Lack of participation of PDIs in the main stream tourism economy
East of accessibility due to strategic location on the N2	Township tourism development is stagnant
Vast heritage resources	
Opportunities	Threats
Airport development	Aging infrastructure
Production of crafts using kaolin	Lack of cleanliness
National arts Festival a	Lack of inner-city development
Creative City	

SWOT analysis of SMMEs, trade and investment

Table 61: SWOT analysis of SMMEs, trade and investment in Makana

Strengths	Weaknesses
Host to a world-renowned NAF	Lack of inward investment due to infrastructure issues
Host to some of the country's best schools	Limited market opportunities for SMMEs
Enabling environment for business growth	Unorganised business sector, particularly SMMEs
The Municipality is accessible through the N2 National Road, halfway between King Williams Town and Port Elizabeth	Lack of well-defined investment opportunities

Monthly average household income in the Makana Municipality is the highest in the SBDM and significantly higher than the Provincial average	
Opportunities	Threats
Renewable energy	Issues relating to the cleanliness of the city
Clay mining	Dilapidated infrastructure
Airport development	Agriculture and mining are very low GDP contributors. Low employment GDP contributors are transport and communication, construction and manufacturing
Levels of education and education profile is slightly better than the SBDM and the Eastern Cape with 15.3 % completing secondary education in comparison to 11.5 % in the Eastern Cape	Unemployment is estimated at 45.5 % which is slightly higher than the Provincial average (44.6 %) and significantly higher than the unemployment rate in the SBDM (38.7 %)
Although lower than the Provincial average (12.7 %), the poverty headcount in Makana is 2.2 % and the intensity of poverty is 41.6 %	

SWOT analysis of the township economy

Table 62: SWOT analysis of the Makana township economy

Strengths	Weaknesses
The biggest economy of the town	Private homes converted into businesses
Massive buying power	Cost of converting residential site to business site (R1500+)
Vacant land	Distance & cost of travel from township to CBD
Entrepreneurs – examples of business success	No concept document on township economy
Opportunities for small businesses	Insufficient data for decision making, e.g. type of businesses, reasons for success,
Successful businesses have passion for business	Lack of relationship between municipality and Assumption development centre & other entities involved in the township (e.g. Liquor Board & NPOs, Umthati)
The biggest economy of the town	Enforcement of by-laws
Massive buying power	Lack of cooperation and collaboration between municipality and local businesses

Vacant land	Failure of small local businesses due to competition in the township
Entrepreneurs – examples of business success	Lack of small business success to compete in the township economy
Opportunities for small businesses	Fragmentation of the business sector
Successful businesses have passion for business	Dependence of small businesses on financial support to start businesses (opportunists who are not entrepreneurs)
The biggest economy of the town	Insufficient training for small business development
Massive buying power	Poor identification of beneficiaries for training in entrepreneurs (use the Get2Test)
Vacant land	Unregulated and unethical business practices
Entrepreneurs – examples of business success	More effective communication of by-laws (e.g. about business premises)
Opportunities for small businesses	Outdated by-laws that need to be strengthened
Successful businesses have passion for business	Informal traders who don't abide by the by-laws
	Lack of financial literacy among small businesses, reducing the potential impact of these businesses to the local economy
	Lack of capacity to enforce the by-laws
Opportunities	Threats
Analyse models for township economy (use the research capacity of the university & other experts)	Informal sector act outside the legislative requirements resulting in loss of revenue to the municipalities
Ensuring that the money remains in the local economy	Pull of the 2 major centres (leakage of money)
Monitoring, data collection and control mechanisms	Growth of unemployment due to poor township economic growth
Opportunity to tidy up legislation	Global and national economic decline
Analyse the business model – to learn lessons about the reason for success and competitiveness	Social problems emanating from low economic growth, e.g. illegal drug trade
Opportunities	Threats

Consider free rezoning for greater revenue (e.g. for municipal services) – then punitive measures if they don't pay for services: but must still be process & requirements	Counterfeit goods
Creating one business forum – “LED forum with a business focus” – separate business forum that is linked to the LED Forum [LED responsibility is to initiate the forum]	Shrinking municipal tax base
Revised regulations / policies to address issues specifically for the township economy	Illegal activities surrounding informal traders
Improved communication relating to business activities in the township economy	
Ensuring compliance by business owners	

3.3.5 STRATEGIC IMPLEMENTATION FRAMEWORK OF THE LED STRATEGY

Strategic Objectives 1: Promoting economic growth							
KPA 1.1: Promoting stakeholder collaboration and other networks for unlocking opportunities for economic growth							
Initiatives	Objective	Outcome	Activities	Timeframe	Champion	External Stakeholders	Potential Funding Source
1.1.1: Participate in the Inclusive Local Stakeholder LED Cluster	Improved stakeholder collaboration to unlock opportunities for economic growth	Unlocking opportunities for growth Leverage funding Implementing agents identified	Liaise closely with Kagiso Trust to participate in the stakeholder forum	Continuously	Director LED and Planning	Representatives on stakeholder forum	As identified by the Forum
			Represent (LED and Planning) the Municipality on the stakeholder forum	When first meeting date is confirmed			
			Participate in meetings and action resolutions relevant to Municipality Ensure that the	Continuously			
			Municipality's role is understood by the Forum	Continuously			
1.1.2: Promote and network to implement leverage projects as catalyst for economic growth	Leverage projects are implemented to stimulate economic growth and create job opportunities	Implementing economic projects with a knock-on effect Stimulating economic growth Creating job opportunities	Identify leverage projects on municipal level	Commence when stakeholder forum is in operation – 2020	Director LED and Planning	Representatives on stakeholder forum	As identified by the Forum
			Draft business proposal for these projects				
			Present to stakeholder forum				
			Resolve on an implementation strategy				
			Implement				
Submit quarterly progress reports to LED and Planning Portfolio Committee							
Strategic Objectives 1: Promoting economic growth							
KPA 1.2: Promoting Makana as a creative city							

Initiatives	Objective	Outcome	Activities	Timeframe	Champion	External Stakeholders	Potential Funding Source
1.2.1: Mobilise resources through the Inclusive Local Stakeholder clusters	Establish Makana as the Creative City in South Africa	Buy-in from all stakeholders Established City Identity that is	Present Creative City Concept to stakeholder forum Get buy-in to establish the city's identity	Once stakeholder forum meetings are	Director LED and Planning in collaboration with Stakeholder Forum	Stakeholder Forum	As identified at Stakeholder Forum
Strategic Objectives 1: Promoting economic growth							
to establish Makana as the creative city		recognized through-out South Africa Collaboration and co-operation on local level	Plan on how to ensure that the creative city concept is implemented in collaboration with stakeholder forum Implement Creative City Concept in collaboration with stakeholder forum Quarterly progress reports to LED and Planning Portfolio Committee	taking place in 2020			
1.2.2: Collaborate with stakeholders to maintain accurate data for LED decision making	Decision making about initiatives to stimulate economic growth is based on relevant and up to date data	Data to assist decision making is available from the LED Office	Co-operate with the relevant departments at Rhodes University and other entities to source information about Makana's economy Maintain accurate and up to date data relevant to initiatives to stimulate economic growth	Continuously	Relevant manager in the LED and Planning Directorate	Rhodes University Ecsecc ECDC Relevant government departments and agencies Non-Profit Organisations (NPOs) Private sector	Not applicable

Strategic Objectives 2: Promoting the generation of work opportunities							
KPA 2.1: Promoting stakeholder networks for unlocking work opportunities							
Initiatives	Objective	Outcome	Activities	Timeframe	Champion	External Stakeholders	Potential Funding Source

2.1.1: Facilitate access to opportunities for SMMEs (emerging farmers)	Viable SMMEs (emerging farmers)	SMMEs (emerging farmers) participate optimally in opportunities created by Municipality SMMEs (emerging farmers) are aware of existing markets Markets are utilized to contribute to the viability of SMMEs (emerging farmers)	Update the SMME (emerging farmers) register to enable communication with SMMEs (emerging farmers) and to have data available regarding existing SMMEs (emerging farmers)	January 2020	Relevant Manager in the Directorate: LED and Planning	Relevant government departments and agencies NPOs Private sector	To be identified in collaboration with stakeholders
			Communicate the SMME Policy, Makana Community Gardens Guidelines, SOP Frame work: Compressive Agricultural Support Programme 2019/2020, Livestock Improvement Scheme 2020, and Rural Development Food Production Policy through meetings, one-on-one opportunities, media etc.	Continuously			
			Network with relevant government departments and agencies and NPOs to enable emerging farmers to establish food and backyard gardens	Continuously			

Strategic Objectives 2: Promoting the generation of work opportunities							
KPA 2.1: Promoting stakeholder networks for unlocking work opportunities							
Initiatives	Objective	Outcome	Activities	Timeframe	Champion	External Stakeholders	Potential Funding Source
			Identify and promote the establishment of appropriate market opportunities for emerging farmers	Continuously			
			Advise on contracts to be negotiated for the provision of produce and or service	Continuously			

			Ensure that quality control for produce and service is taking place	Continuously			
			Quarterly progress reports to the LED and Planning Portfolio Committee	Quarterly			
2.1.2: Coordinate the LED Forum to promote work opportunities	Viable work opportunities are created in collaboration with government departments and agencies	SMMEs and emerging farmers are creating work opportunities Long-term work opportunities are created through CWP and EPWP	Arrange first LED Forum (Municipality, government departments and agencies) meeting	February 2020	Director LED and Planning and relevant managers	Government departments and agencies	As identified in LED Forum
			Ensure that TOR for LED Forum is in place	February 2020			
			Convene quarterly LED Forum meetings	Quarterly			
			Ensure focused discussion in terms of support to SMMEs and emerging farmers, and implementation through implementing agents	Continuously			

Strategic Objectives 2: Promoting the generation of work opportunities

KPA 2.1: Promoting stakeholder networks for unlocking work opportunities

Initiatives	Objective	Outcome	Activities	Timeframe	Champion	External Stakeholders	Potential Funding Source
			Serve as link between the LED Forum and stakeholder forum	Continuously			
			Monitor implementation of projects	Continuously			
			Quarterly progress reports to LED and Planning Portfolio Committee	Quarterly			

2.1.3: Engage with business and other stakeholders to promote innovative 4IR work opportunities	Ensuring that Makana stays relevant	SMMEs and farmers participate in new innovation and trends Viable SMMEs and farmers	Collaborate with stakeholders to identify opportunities in 4IR	Continuously	Director LED and Planning and relevant managers	All stakeholders	Determine funding requirements when projects are identified
			Present opportunities to SMMEs and farmers	Continuously			
			Gauge readiness of SMMEs and farmers to participate in projects/opportunities	Continuously			
			Arrange for opportunities to upskill SMMEs and famers where required	Continuously			
			Monitor implementation of 4IR projects	Continuously			
			Quarterly progress reports to the LED and Planning Portfolio Committee	Quarterly			

Strategic Objectives 2: Promoting the generation of work opportunities							
Key Performance Area 2.2: Capacity building for employment or self-employment in order to maximise local procurement opportunities							
Initiatives	Objective	Outcome	Activities	Timeframe	Champion	External Stakeholders	Potential Funding Source
2.2.1: Coordinate generic and specific training and capacity building of SMMEs	To increase the number of HDIs participating in the mainstream	Tourism HDIs are viable and providing sustainable	Maintain and update a database of farmers and SMMEs that were trained and need to receive training	March 2020	Relevant manager in the LED and Planning Directorate	All stakeholders	As determined in the training and capacity building plan.
			Identify skills gap	March 2020			
	tourism economy	work opportunities	Identify appropriate training and capacity building skills programmes				

	Improve farmers' access to relevant skills training Viable and productive SMMEs	Farmers are productive and providing sustainable work opportunities Viable and productive SMMEs providing sustainable work opportunities	Compile a capacity building and training programme Explore funding sources for training and submit to LED Forum and stakeholder forum	April 2020		
			Select an engage with potential training providers	May 2020		
			Facilitate the delivery of training and capacity building programmes	June 2020		
			Monitor the training provided to ensure relevance to the identified need	Continuously		
			Assess the impact of training and capacity building on productive of SMMEs and farmers	Continuously		

Strategic Objectives 2: Promoting the generation of work opportunities

Key Performance Area 2.2: Capacity building for employment or self-employment in order to maximise local procurement opportunities

Initiatives	Objective	Outcome	Activities	Timeframe	Champion	External Stakeholders	Potential Funding Source
			Submit quarterly progress reports to LED and Planning Portfolio Committee	Quarterly			
2.2.2: Collaborate with stakeholders and partners to establish an incubation centre	To support growth and development of SMMEs	Economic growth Employment creation	Identify stakeholders and partners	March 2020	Director LED and Planning and relevant managers	The dti ECDC DEDEAT Rhodes University	As per the plan
			Formulate a plan Identify land Mobilise resources	June 2020			
			Establish an incubation centre	September 2020			
			Monitor the impact	Continuously			

Strategic Objectives 2: Promoting the generation of work opportunities

Key Performance Area 2.3: Encouraging a vibrant township economy

Initiatives	Objective	Outcome	Activities	Timeframe	Champion	External Stakeholders	Potential Funding Source
2.3.1: Develop informal and other relevant trading spaces	To promote spatial justice through mixed land use development	Provide people with access to business services Unlock economic opportunities Land is made available for emerging farmers	Identify the land owned by the municipality that could be used for trading spaces and farming	January 2020	Town planning and relevant managers	Business Community Developers Municipal Directorates	Developers and government departments
			Establish a specialized working group to formulate the TOR for the development of trading spaces	January 2020			
			Advertise a request for proposals for the development of trading spaces	February 2020			
			Process the applications to develop the land for trading spaces according to SCM regulations	April 2020			
			Appoint developers and monitor the development of trading spaces	May 2020			
			Facilitate the process of informal traders and businesses occupying trading space	Continuously			
			Encourage emerging farmers to submit applications for land to the Land Applications Committee	February 2020			
			Ensure that items are submitted to Council for farmers to enter into lease agreements with the Municipality for land identified	Continuously			

Strategic Objectives 2: Promoting the generation of work opportunities

Key Performance Area 2.3: Encouraging a vibrant township economy

Initiatives	Objective	Outcome	Activities	Timeframe	Champion	External Stakeholders	Potential Funding Source
2.3.2 Develop a township revitalisation strategy	To stimulate socioeconomic growth in Makhanda East	Township Revitalisation Strategy developed and implemented	Participate in developing the terms of reference for the research to be conducted	Before the end of November	Town planning assisted by relevant managers in the Directorate LED and Planning	Community Relevant government departments Kagiso Trust Other directorates in Municipality Business Community	Kagiso Trust
			Initiate the strategy development process with selected service provider to assist with the development of the Township Revitalisation Strategy	As soon as the service provider was contracted			
			Assist and participate in the research	Ongoing			
			Present the draft Township Revitalisation Strategy to the public to obtain input	May 2020			
			Submit the final Township Revitalisation Strategy with the implementation plan to Council for approval	June 2020			
			Establish a working group to implement the strategy	June 2020			
			Monitor and evaluate the implementation of the strategy	Continuously			
			Conduct an annual review of the Township Revitalisation Strategy	Annually			

Strategic Objective 3: Promoting and enabling environment

KPA 3.1: Promote business growth through a conducive policy environment

Initiatives	Objective	Outcome	Activities	Timeframe	Champion	External Stakeholders	Potential Funding Source
3.1.1: Review, revise and write policies and bylaws	Policy environment conducive for economic growth	Up to date bylaws and policies Inclusion of previously excluded areas	Identify gaps in existing by-laws and policies	Annually	Relevant manager in LED and Planning Directorate	Community Relevant government departments	Not applicable
			Review by-laws and policies	Annually			
			Organise public participation to consider proposed/reviewed bylaws and policies	Annually			

		Align policies and by-laws with national norms and standards	Submit draft by-laws and policies to council for approval	Annually			
			Publish by-laws and policies and inform the public	Annually			
			Monitor the compliance to by-laws and policies	Continuously			

Strategic Objective 3: Promoting and enabling environment

KPA 3.1: Promote business growth through a conducive policy environment

Initiatives	Objective	Outcome	Activities	Timeframe	Champion	External Stakeholders	Potential Funding Source
3.1.2: Review the SDF annually	Ensure SDF compliance and review	SDF Review committee established SDF reviewed annually	Identify key internal and affected sector departments	January 2020	Manager: Planning and Land Use Management	Relevant government departments Directorates within the municipality Rhodes University	Not applicable
			Draft terms of reference for review committee	February 2020			
			Organise first meeting of SDF meeting and thereafter monthly meetings	February 2020 and monthly			
			Ensure that SDF is reviewed annually	Annually			

Strategic Objective 3: Promoting an enabling environment

KPA 3.2: Enforcement of by-laws

Initiatives	Objective	Outcome	Activities	Timeframe	Champion	External Stakeholders	Potential Funding Source
3.2.1 Establish an internal law enforcement team to monitor the compliance to by-laws	To ensure compliance to by-laws and the National Building Act	Law Enforcement Task Team established Legal actions taken in terms of the National	Identify key internal and affected sector departments	March 2020	Chief Building Control Officer	Not applicable	Not applicable
			Develop terms of reference for a Law Enforcement Task Team	March 2020			
			Convene meetings of the Task Team	First meeting April 2020, thereafter every second month			

		Building Act	Submit minutes on actions taken to the LED Portfolio Committee	Quarterly			
			Monitor law enforcement by the Task Team in accordance with the action plan	Continuously			
3.2.2 Collaborate with external law enforcement agencies to enforce	To ensure compliance to by-laws and the National Building Act	Adherence to by-laws and legislation	Identify key external stakeholders	March 2020	Building Control Officer	Not applicable	Not applicable
			Develop terms of reference	March 2020			
			Convene quarterly meeting of joint internal and external law enforcement meetings	April 2020 and thereafter quarterly			
			Take appropriate action where necessary	Continuously			
compliance to by-laws			Submit quarterly reports to LED and Portfolio Committee	Quarterly			
Strategic Objective 3: Promoting an enabling environment							
KPA 3.3: Ensuring the reduction of red tape							
Initiatives	Objective	Outcome	Activities	Timeframe	Champion	External Stakeholders	Potential Funding Source
3.3.1 Develop a red tape reduction strategy	Efficient and effective service delivery	Red tape reduction strategy and implementation plan in place	Convene red tape reduction strategy workshop for councillors and management	March 2020	Director LED and Planning	Not applicable	Not applicable
			Invite experts to conduct workshop	March 2020			
			Identify areas where red tape can be reduced	March 2020			
			Implementation plan for reduction of red tape	April 2020			
			Submit implementation plan to Council	April 2020			
			Monitor implementation	Continuously			
3.3.2 Mainstream the red-tape reduction			Report at SMT on how response time were reduced	Monthly	Municipal Manager	Not applicable	Not applicable

strategy in the municipality	Efficient and effective service delivery	Response time to applications for services are reduced	Quarterly reports to Council about the reduction of response time	Quarterly			
------------------------------	--	--	---	-----------	--	--	--

Strategic Objective 3: Promoting an enabling environment							
KPA 3.4: Ensuring that infrastructure is in place to promote the local economy							
Initiatives	Objective	Outcome	Activities	Timeframe	Champion	External Stakeholders	Potential Funding Source
3.4.1 Promote the principle that infrastructure unlocks economic growth	Increase in investment in the Municipality	Water and electricity supply and the conditions of streets is at such a level that it will attract investment	Ensure that Directorate LED and Planning fulfils its role in contributing to the effectiveness of bid committee	Continuously	Director LED and Planning	Appropriate stakeholders at platforms attended by the Directorate	To be identified
			Ensure that the implementation framework of the SDF is implemented	Strategic Planning session 8/11			
			Lobby for infrastructure investment at platforms attended by the LED and Planning Directorate	Continuously			
			Lobby at SMT to understand the principle that the standard of infrastructure provided in the municipality is key to unlocking economic growth	Continuously			

3.4.2 Establish and manage the maintenance of LED-related infrastructure	To have appropriate infrastructure available for tourism, heritage and emerging farmers	Improved infrastructure for tourism, heritage sites emerging farmers	Identify the infrastructure needs tourism, heritage and emerging farmers	February 2020		Relevant managers in Directorate LED and Planning	Identify funding sources
			Identify and lobby relevant stakeholders for funding Submit funding proposals to relevant stakeholders	May 2020			
			Where appropriate engage with relevant directorates (municipality) to develop and/or upgrade infrastructure				

KPA 4: FINANCIAL VIABILITY

3.4. INTRODUCTION:

Makana Municipality has established a Budget & Treasury directorate incorporating the functions as outlined in the MFMA guidelines. The unit has however experienced a lack of sustainability with numerous changes in management of the past 8 years which contributed to the municipality experiencing financial difficulties and struggling to successfully implement financial recovery strategies.

The municipality has however still managed to improve to qualified audit opinions over the past 3 years after receiving continuous disclaimers. The areas of qualification have not been addressed and prevent the municipality to progress to an unqualified opinion. With the appointment of a Municipal manager & Chief Financial Officer during the 2018/19 financial year, the municipality has set its sights in improving to an unqualified opinion in both Financial and Performance Management reporting within the next 3 years

Financial sustainability is challenged by the arrear debts of around R200 million and causes the budget to be unfunded together with the lower than budgeted debtors collection rate. An action plan is currently being implemented to improve collection rates; billing efficiencies; cost-reflective tariffs and cash management initiatives in order to reduce arrear outstanding debts by at least R90 million over the next 3 years.

The financial recovery plan that was drafted in 2014 and reviewed in 2017, will be further reviewed to reflect the current progress and update the actions to make the document relevant and responsive to the current leadership's vision and mainly for the purpose of improving the financial situation encountered by the municipality

3.4.1 REVENUE MANAGEMENT

Makana Municipality's tariffs for water and electricity provision are running at surpluses and assists in improving the sustainability of the municipality. Sewerage and refuse removal were running at deficits up to 2018/19 and the municipality has approved a 19% tariff increase for refuse removal in order to budget for a surplus in this trading service for 2019/20. Sewerage services tariff will be reviewed during the 2019/20 financial year with the assistance of the Sarah Baartman District municipality to determine if the structure must be changed to a more measurable tariff based on consumption, rather than number of toilets in the network or if the tariff as it stands, must just be increased to a level where it can cover its costs over a realistic timeframe.

The outstanding Debtors' Age Analysis is currently sitting at R476 million with most of uncollectable debt owing to the municipality being:

1. household's debts from Rini side where electricity is supplied by Eskom;
2. liquidated businesses;
3. Deceased accounts and prescribed debts.

Other challenges being experienced are non- payment due to disputes arising from customer data errors and staff capacitation and a lack of communication within the municipality to resolve disputes / complaints. The Debtor collection rate in 2016/17 financial year was 71 % and increased to 88.3% during the 2017/18 financial year.

Revenue collection rate is affected negatively due to the following issues:

- Data integrity that leads to overstatement of debtor's book and billing. ○

Indigent write- offs that are not processed every financial year.

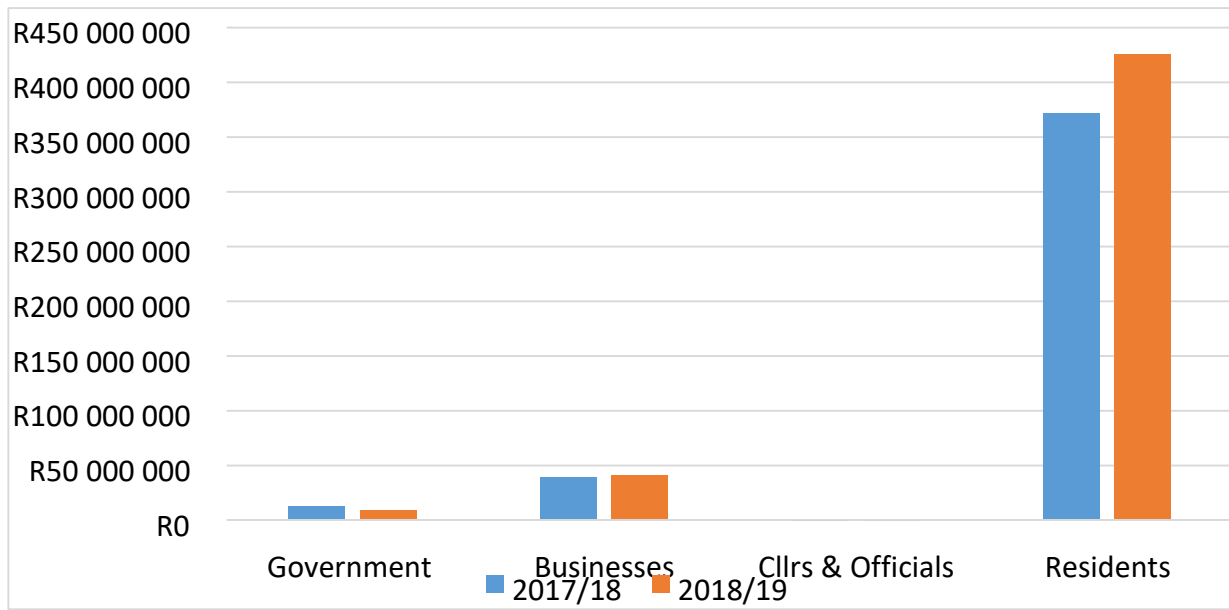
- Prescribed debts not being written off

Municipality has entered into an agreement with Cogta for revenue enhancement and data cleansing exercise and these initiatives has been prioritised to address the overstatement of Age Analysis and debtors' accounts. Other initiatives planned are the implementation of smart metering project which will includes meter audit and identification of illegal connections.

DEBTORS' AGE ANALYSIS

CATEGORY	BALANCE	% OF TOTAL OUTSTANDING
Business	R 41 062 696	8.63%
Residential	R 425 122 681	89.31%
Government	R 8 643 843	1.82%
Councillors	R 18 212	0.004%
Staff Debtors	R 1 179 924	0.25%
Total	R 476 027 356	100%

MUNICIPAL DEBTORS



DEBT PER AREA BREAKDOWN

AREA	PERCENTAGE
Rhini	58%
Grahamstown	31%
Alicedale	7%
Rural Area	3%

Riebeeck	1%
----------	----

TOP 10 CREDITORS 2017/18

EC104 MAKANA MUNICIPALITY TOP 10 CREDITORS AS AT END MARCH 2019							
	Creditor Name	0days	30days	60days	90days	120days +	Totals
1	ESKOM BULK ACCOUNT	27 082 625,10	-			24 073 432,37	51 156 057,47
2	DEPARTMENT OF WATER AFFAIRS	328 595,28	660 528,31	227 856,81	1 029 717,95	36 568 969,45	38 815 667,80
3	AMATOLA WATER-AMANZI					36 002 866,42	36 002 866,42
4	SALGA				5 028 684,31		5 028 684,31
5	AUDITOR-GENERAL	41 799,62	62 040,57	145 632,36	5 616,60	3 088 009,91	3 343 099,06
6	DEPARTMENT OF TRANSPORT	218 047,45	487 654,25		177 670,11	1 668 494,41	2 551 866,22
7	SIZANANE CONSULTING		1 498 075,52				1 498 075,52
8	ARTIVOLT SOUTH AFRICA (PTY) LTD					1 300 617,16	1 300 617,16
9	MUNSOFT (PTY) LTD	600 665,70	255 662,37	487,83			856 815,90
10	KHUSELANI SECURITY	424 147,92		110 976,98	124 073,63	177 616,25	836 814,78
	TOTAL	28 695 881,07	2 963 961,02	484 953,98	6 365 762,60	102 880 005,97	141 390 564,64

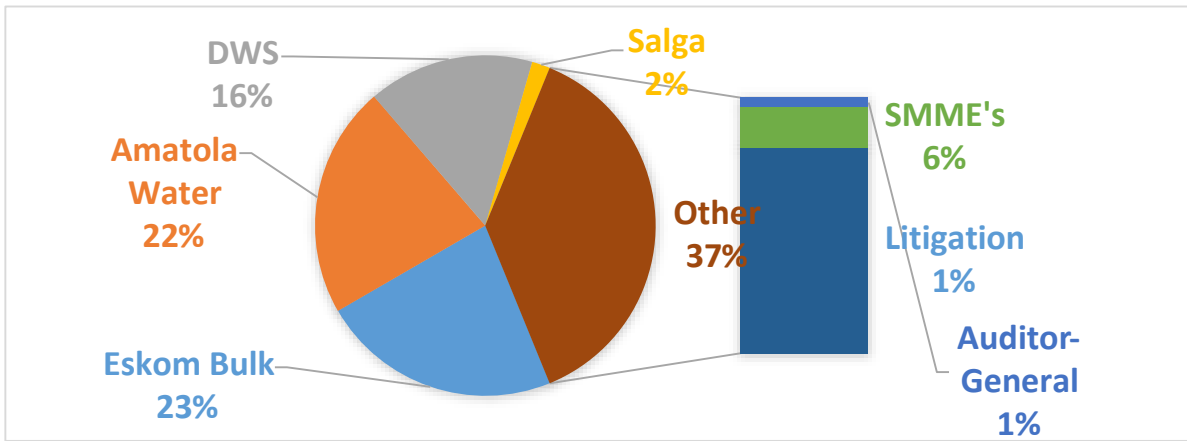
DUE TO A LONGSTANDING CASH FLOW CHALLENGE, THE MUNICIPALITY CANNOT PAY ALL ITS CREDITORS AS THEY BECOME DUE. THE MUNICIPALITY REVISED ITS REVENUE COLLECTION AND EXPENDITURE LEVELS TO IMPROVE CASH FLOW AND ADDRESS THE OUTSTANDING CREDITORS.

SALARY COST

Months	Total Salaries inclusive of overtime & 3 rd Parties	Overtime Paid
July	R 10 944 565	R 569 805
August	R 14 517 920	R 593 403
September	R 14 556 979	R 609 140
October	R 14 591 162	R 584 911
November	R 20 219 951	R 552 262
December	R 15 663 281	R 356 748
January	R 14 065 833	R 587 845
February	R 14 283 622	R 642 736

March	R 14 384 986	R 451 093
Total	R133 228 300	R4 947 943

MUNICIPAL CREDIT REPORT



MONTHLY COST

The municipality is faced with monthly costs that ranges from R34 million to R40 million from monthly inflows into bank: ±R19 million, whilst the average actual monthly billing receipts are only sitting at ± R16 – R19 million.

Most of the revenue generated goes to employee costs that are sitting at R14,5 million a month as the Equitable Share allocated to the municipality is mostly committed to pay long outstanding debts as per the payment plans in place.

MONTHLY RUNNING COST

CREDITORS	PERCENTAGE
Eskom	23%
Amatola water	22%
DWS	16%
Auditor General	1%
SMME	6%
Litigation	1%
Salga	2%
DBSA	37%

MONTHLY RUNNING COST

RUNNING COST	AMOUNT
--------------	--------

Employment Cost	R 14 500 000
Vehicle Maintenance	R 350 000
Water Purchased	R 350 000
Eskom Current	R 7 200 000
Pending Payment Plans(Excluding Eskom)	R 3 200 000
Loans Repayment	R 754 000
Operational Cost	R 1 500 000

GENERAL CHALLENGES SITUATION

High Staff turnover

- The municipality total staff costs amounts to R14.5m per month
- Has +/-700 employees
- Has 30-40 permanent managers, mostly on task grade 15 &16, entry level R450k
- Company contributions costs are high as all employees (except directors and interns are permanent)
- Normal overtime paid to employees exceeds R500 000 per month

Historical debts

- Demanding payments resulting to Litigation and claims
- Most revenue generated pay old debts, limitations in implementing new projects
- As a result of old debts, no internal funding for capital projects

Non Payment by ratepayers

- Age Analysis which was not monitored and readings not taken in previous years resulted in consumer accounts being inaccurate
- Ratepayers refuse to pay as their accounts are abnormal
- Ratepayers also refusing to pay amounts due as they complain about non-service delivery (roads not fixed, water outages)
- Tariff structure not cost effective

3.4.2 FINANCIAL POLICIES

The purpose of financial policies is to provide a sound environment to manage the financial affairs of the municipality. The following are the key financial related policies:

POLICY	LAST UPDATED	REMARKS
--------	--------------	---------

Tariff Policy	30 May 2018	No action required at present.
Property Rates Policy	20 June 2016	Contents being reviewed as part of GV process.
Indigent Management Support Policy	June 2017	No action required at present
Budget Policy	30 May 2018	No action required at present.
Asset Management Policy	30 May 2018	No action required at present.
Accounting Policies	Part of Annual Financial Statements for year ended 30 June 2018	Accounting policies need to be updated, approved and implemented.
Assistance to poor and indigent policy	30 June 2017	No action required at present.
Supply Chain Management Policy	30 May 2018	No action required at present.
Credit Control and Debt Collection Policy	20 June 2016	No action required at present.
Cash Management and Investment Policy	20 June 2016	Given the cash flow challenges faced by the municipality the policy should refined, approved and vigorously be implemented.
POLICY	LAST UPDATED	REMARKS
Short-term Insurance Policy	20 June 2016.	Policy needs to be drafted, approved and implemented.
General Ledger Chart of Accounts Maintenance Policy	No policy supplied.	Policy needs to be drafted, approved and implemented.
Debt Management Policy	20 June 2016	No action required at present.
Debt Incentive Scheme	31 Jan 2019	Revised
Cash Management Policy	20 June 2016	No action required at present.
Budget Process Policy	30 May 2018	No action required at present.
Asset Management Policy	30 May 2018	No action required at present.
SCM Infrastructure Policy	30 May 2018	No action required at present.
Virement Policy	30 May 2018	No action required at present.
Grant Policy	30 May 2018	No action required at present.
Lease Policy	30 June 2017	No action required at present
Policy on provision For doubtful debt	30 June 2017	Policy to be reviewed to reflect current market situation

Principles and policy on the provision of impairments to debtors, and writing off of irrecoverable	30 June 2017	Policy to be reviewed to reflect current market situation
Customer care credit control	26 May 2016	No action required at present

KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

3.5 ORGANIZATIONAL AND ESTABLISHMENT PLAN

Section 66 of the Local Government: The Municipal Systems Act (Act No 32 of 2000) requires a Municipal Manager to, within a policy framework determined by the Municipal Council and subject to any applicable legislation, establish a mechanism to regularly evaluate the staff establishment of a Municipality and, if necessary, review the staff establishment. (Amendment requires the approval of Council). Makana has developed Conduct of Conduct for both employees and councillors in line with the prescripts of the legislation.

All employees are bound by the Code of Conduct and are obliged to sign on the first day of starting work and councillors when they are sworn in as well as the Standing Rules of Council. Councillors are binded by the Standing Rules of Council. Both these Code of Conducts are developed in line with the requirements of the Municipal Systems Act.

Institutional structures, both political and administration, of Makana are clearly outlined in the governance framework. The framework clearly outlines the roles and responsibilities of the structures of the council as well as the reporting.

Political structures include:

The Municipal Council which comprises 27 Councillors, 14 of whom are Ward Councillors and 13 of whom are Proportional Representation (PR) Councillors;

The Office of the Speaker: the Speaker is the Chairperson of the Municipal Council; The Executive Mayor and Executive Mayoral Committee; and Portfolio Committees who oversight Directorate operations.

The Administration is divided in 6 Directorates Namely:

Directorates

DIRECTORATE		OFFICE
01.	The Municipal Manager's Office	City Hall, Church Square, Makhanda
02.	Corporate and Shared Services	City Hall, Church Square, Makhanda
03.	Public Safety and Community Services	City Hall, Church Square, Makhanda
04.	Budget and Treasury Office	86 High Street, Makhanda
05.	Engineering, Infrastructure and Technical Services	86 High Street, Makhanda

06.	Local Economic Development and Planning	Church Square, Makhanda
SATELLITE OFFICES		
01.	Riebeeck East	63 Morgan Street Riebeeck East 580
02.	Alicedale	1003 Main Alicedale 6135

The municipality has created community structures including: Ward Committees, the IDP Representative Forum, Sector Engagements Forums and Ward Room Forums, Business sector forums

3.5.1 POWERS AND FUNCTIONS

Section 156, read together with Schedules 4B and 5B of the Constitution sets out the functions of a Municipality. Section 84 of the Municipal Structures Act regulates the division of these functions between the District and Local Municipality.

The Makana LM currently has 34 different functions, based on the Municipal Systems Act, No 32 of 2000 and Act 117 of 1998.

Table 64: Powers and Functions

No.	POWERS AND FUNCTION	No.	POWERS AND FUNCTION
1.	Child care facilities	18.	Local amenities
2.	Firefighting DM function	19.	Municipal parks and recreation
3.	Municipal airports	20.	Municipal Roads
No.	POWERS AND FUNCTION	No.	POWERS AND FUNCTION
4.	Municipal Health services	21.	Noise pollution
5.	Trading regulations	22.	Pound
6.	Sanitation	23.	Public places
7.	Building regulations	24.	Refuse removal, refuse dumps and solid waste disposal
8.	Electricity reticulation	25.	Control of undertakings that sell liquor to the public
9.	Local tourism	26.	Fencing and fences
10.	Municipal planning	27.	Street trading

11.	Municipal public transport	28.	Street lighting
12.	Stormwater	29.	Traffic and parking
13.	Water (potable)	30.	Control of public nuisance
14.	Cemeteries, funeral parlours and crematoria	31.	Licensing of dogs
15.	Billboards and the display of advertisements in public places	32.	Licensing and control of undertakings that sell food to the public
16.	Facilities for the accommodation, care and burial of animals	33.	Cleansing
17.	Local sport facilities	34.	Air Pollution

ORGANIZATIONAL STRUCTURE

Figure 5: Organizational Structure



Directorate	Department
Municipal Manager	Risk Management
	Internal Audit
	Executive support
	Strategic Planning and Monitoring
	Information Technology and Communication Land & Estate
	Legal Services
Corporate and Share Services	Human Resources
	Administration

	Council support
	Records Management
	Alicedale Unit
	Riebeek East Unit
	Corporate Operations
Budget and Treasury Services	Budget
	Revenue Management
	Expenditure Management
	Supply Chain Management
	Compliance and Reporting
	Fleet and Asset Management
Public Safety and Community Services	Fire and rescue services
	Environmental management
	Library services
	Waste Management
	Traffic control and road worthy
	Disaster management
Engineering and Technical Services	Water and sanitation
	Roads and storm water
	Electricity
	Housing
	PMU
Local Economic Development and Planning	SMME development
	Rural Development
	Tourism
	Trade and investment
	Heritage development
	Agriculture
	Spatial Development Framework

3. 12.2 ORGANISATIONAL STRUCTURE CHALLENGES

The municipality annually undertakes a comprehensive organisational development exercise for the entire institution. The objective is the alignment of the current and future organisational needs. The current organisational structure which is under review was approved by Council in January 2017.

STAFFING AND ESTABLISHMENT, CRITICAL POSITION AND VACANCY RATE

Table 65: Vacancy Rate Schedule

Total positions of the entity (incl. non-funded positions)	Total vacant non-funded positions	Total Vacant Positions as per Organogram
1031	290	405

3.13 INFORMATION COMMUNICATION AND TECHNOLOGY

Information Communication Technology (ICT) section, is responsible for the following functions:

Planning, Network, Data, Security and Support. Makana Municipality's ICT Environment supports about 150 users. The municipality has the following offices namely:

- I. City Hall
- II. Finance Building
- III. Engineering Building
- IV. Alicedale Office
- V. Riebeek East Office
- VI. Electricity
- VII. Stores
- VIII. Housing
- IX. Parks

In the current financial year, the municipality has managed to appoint an ICT Manager to provide the strategic direction for the unit, however there are still vacant critical positions not yet filled as per the organogram. So far the municipality has managed to procure a server which runs on Microsoft Windows server 2008 R2 Standard OS.

The server is installed to facilitate network connectivity, domain control functions, active directory and password management for all those who have access to computers.

Access control unit has been installed to access the server room. Fire detection and suppression system, water detection system, sensors have also been installed. Munsoft and Payday Financial system, are installed in the Finance building server room and accessible only to authorized users. Also, system generated reports can be extracted from both systems as and when required.

The ICT Master Plan has been developed but not yet approved, the document details and all ICT activities to be performed in ensuring that ICT is enabling the institution to realize its goals and objectives in an efficient manner, the municipality has also adopted ICT governance framework. The ICT Governance Institute (ITGI) defines ICT governance as "the leadership organisational structure and process that ensure that the enterprise's ICT sustains and extends the enterprise's strategies and objectives. ICT governance exists to inform and align decision making for ICT Planning, Policy and Operations in order to meet business objectives, ascertain that risks are managed appropriately and verify that resources are being used responsibly and strategically.

Disaster Recovery Plan:

The overall objective of the plan is to facilitate the recovery of the ICT environment in the event of a disaster to enable the municipality to resume its normal operations and service delivery in an acceptable period of time.

3.14 PERFORMANCE MANAGEMENT

It is noted that the municipality has revised its Performance Management System and was approved by Council in June 2016. PMS is not implemented across municipality. Performance evaluations are only done at senior management level only.

Makana does not actively manage performance outcomes in relation to development, managing poor performance and recognition of performance. There is lack of consequence for poor performance and transgression of policies and procedures within the municipality. This has created a culture of nonperformance which has a negative impact on service delivery, financial management sustainability and the audit outcome.

Some of the root causes that have been identified to have led to performance management related issues include: The non-availability of a champion to oversee the implementation of The Performance Management System within the municipality; and The lack of segregation of duties between the IDP/PMS Manager and the relevant personnel responsible for Performance Management within the municipality as organisational performance management fall within the IDP/PMS function. This weakens the control environment and the effective implementation of the performance management system (PMS) within the municipality.

The municipality will therefore undertake a process of performance review of all municipal employees and implement measures to address poor or non-performance. The human resources function has not undertaken any workshops on performance management for all departments and/ or employees within the municipality, specifically regarding target setting which requires performance targets to be specific in clearly identifying the nature and required level of performance.

Evidence also suggests that thirty-three percent (33%) of the indicators were not well defined, specific or time-bound according to the SMART principle and hence, it is critical that the human resource function takes the role of work shopping all stakeholders on performance management. The human resource function in the municipality requires support in the development and implementation of a good practice framework and/ or guidelines to ensure that the performance management framework illustrates how key performance indicators (KPIs) should be cascaded from the strategic level to the lowest level in the municipality. **TABLE 66:**

ANNUAL ORGANISATIONAL PERFORMANCE

	2018/19	2017/18	2016/17
Annual Overall Organisational Performance			

3.6 KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Makana Municipality is a Category B Municipality (local municipality) with an executive Mayoral Committee System combined with a Ward Participatory System, as defined under Chapter 1 of the Local Government: Municipal Structures Act No. 117 of 1998. The Political and Administrative seat is situated in Makhanda.

3.6.1 STRUCTURES

Section 53 of the Municipal Systems Act (Act 32 of 200), stipulates inter alia that the respective roles and areas of responsibilities of each political structures and each Political Office Bearer of the Municipality and the Municipal Manager must be defined. Makana Municipality has Fourteen (14) wards and 27 Councillors.

3.6.2 MAKANA POLITICAL STRUCTURE OVERVIEW

The Makana Local Municipality was established in terms of Section 12 of the Local Government Municipal Structures Act (Act No. 177 of 1998). Council has of twenty seven (27) Councillors (including the Mayor), 13 of whom are proportional councillors.

The municipality operates in an Executive Mayoral Committee system with an Executive Mayor and five Portfolio Chairpersons being members of the Mayoral Committee. The Council plays an oversight role in terms of the delegations and the Mayor and council provides political guidance over the financial matters of the Municipality.

There is a fully functional Audit Committee attached to the municipality that provides opinions and recommendations on financial processes and performance and provides comments to the Oversight Committee on the Annual Report.

The Municipal Public Accounts Committee is comprised of non-executive councillors, with the specific purpose of providing the Council with comments and recommendations on the Annual Report. The Oversight Committee report will be published separately in accordance with MFMA guidance.

3.6.3 OUTLINE OF THE POLITICAL STRUCTURE

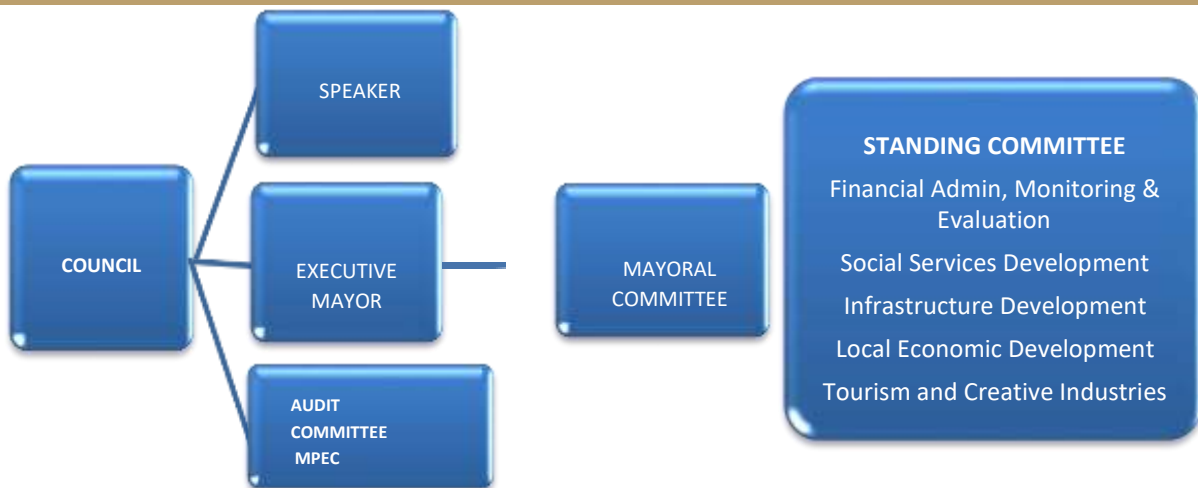


Figure 6: Political Structure

Political Structure

EXECUTIVE MAYOR:	CLR M. Mpahlwa
MAYORAL COMMITTEE MEMBERS	
Chairperson of Social Development Committee	ClIr P. Matyumza
Chairperson of Corporate Services	ClIr N. Masoma
Chairperson of Finance,	ClIr. L. Nase
Chairperson of Infrastructure Development Committee	ClIr R. Xonxa

SPEAKER AND COUNCIL

SPEAKER:		CLR YANDISWA VARA	
COUNCILLORS			
NO	SURNAME AND INITIALS	WARD	ORGANISATION
01	BRUINTJIES T. F (M)	PR	DA
02	CLARK C. (F)	PR	DA
03	FARGHER B. W. (M)	04	DA
04	FATYI M. (M)	13	ANC
06	GAUSHE T. (F)	06	ANC
07	GOJELA M. (M)	11	ANC
08	HOLM D. B. (12	DA`
09	JACKSON B. (M)	08	DA
10	KHUBALO M. (M)	07	ANC
11	LOUW E. (M)	14	ANC
12	MADYO X.G. (M)	PR	DA
13	MASOMA N. (Chairperson FAME) (F)	PR	ANC
14	MATYHUMZA M. (Chairperson LED) (M)	PR	ANC
15	MATYHUMZA P (Chairperson Social Services Development) (F)	PR	ANC
16	MEYER A. J.	PR	DA
17	MOYA M. (M)	09	ANC
	MPAHLWA M. (Executive Mayor) (M)	EM	ANC
18	MTWA N. (F)	PR	EFF
19	NASE L. (Chairperson TCI)(M)	05	ANC
20	NHANHA M. A. (M)	PR	DA
21	PIETERS N.M. (F)	01	ANC
22	QOTOYI M. (M)	PR	EFF

23	SAKATA L. (M)	10	ANC
24	SEYISI T. (F)	13	ANC
25	SODLADLA S (M)	PR	ANC
26	VARA Y. (Speaker) (F)	PR	ANC
27	XONXA N. R. (Chairperson Engineering & Infrastructure) (M)	02	ANC

3.6.4 COUNCIL COMMITTEES

Governance and oversight within the municipality must be strengthened for improved decision making and service delivery. A meeting schedule for all Council and Committee meetings is compiled and approved by Council for a financial year. With a few exceptions, meeting dates are adhered to and well attended by Councillors and Officials.

A Control and Monitoring Sheet was developed which sets clear time-lines for among others the compilation and distribution of agendas, the finalization of minutes and the date the minutes and action sheets should be distributed to Directors and Managers for implementation. This has contributed to the timeous implementation of council resolutions and committee decisions within the municipality. Adherence to the scheduled dates of Council and Committee meetings is critical. There is a need for an improvement on the monitoring of the implementation of council resolutions.

The implementation and enforcement of a code of conduct for councillors is critical. The system of delegations has been reviewed. The political component of the municipality should however also be addressed.

Adequate personnel is available to provide administrative services for Council and Committee meetings. The personnel however lack experience but are receiving regular in-service training. The late submission of agenda items and/or relevant reports for the meetings is being addressed with Directors and Managers.

The culture of poor or non-performance and the perception that transgressions were an accepted norm within the municipality should be addressed. This would assist in improving service delivery, financial management and the audit outcomes.

The municipality has developed a communication strategy, and a public participation and communication (internally and externally) programme on continued basis and is enhanced.

3.6.4 Section 80 Committees

- Financial Admin, Monitoring & Evaluation
- Social Services Development

- Infrastructure Development
- Local Economic Development
- Tourism and Culture Industries

3.6.5 WARD COMMITTEES AND COMMUNITY DEVELOPMENT WORKERS

Section 79 & 80 Committees

Makana Municipality has 13 Ward committees in place the 14th ward is the Rhodes University area and Grahamstown Foundation (Monument) and the matter is the subject of an IEC probe. Issues pertinent to IDP are referred from these structures and other fora like IDP Representative Forum which they are part of and through the Ward Councillor to the IDP unit for attention.

A Community Development Worker (CDW) is based in each Ward and acts as an ex-officio member in the Ward Committee. Ward Committees meet on a monthly basis and regular constituency meetings are held, to keep the communities informed about Municipal affairs, progress with project implementation and also to receive public input on matters of general concern.

3.6.7 COMMUNITY BASED PLANNING

The Ward-based public participation for developing the 2016 – 2017 IDP and its annual review was even more rigorous than previous year. Community-Based Planning Workshops were held for 13 Wards and a comprehensive CBP Report containing extensive data for each Ward which was a final outcome was compiled. This in turn informed Municipality and Sector Department as to the Development Needs & Priorities of the Communities and assisted them in their project planning & design for the forthcoming fiscal and outer years. Community Consultation & Participation is taken further by regular Ward Meetings held by Ward Councillor and their Ward Committees, as well as the Mayoral Imbizo and other events.

3.6.8 INTER-GOVERNMENTAL RELATIONS

The Honourable Mayor established an Inter-Governmental Relations Forum and the forum reviewed the local IGR Strategy, to ensure its efficient and effective functioning and also clarifying the aims & objectives, as well as the roles and responsibilities of the IGR and its various stakeholders. This structure also serves to co-ordinate the planning of projects and implementation of programmes stemming from the IDP process, Ward-based Plans, etc.

The meetings of the IGR Forum are chaired by the Mayor and convened on a quarterly basis with all local Government Departments being represented by Senior-Decision makers.

3.6.8.1 National Intergovernmental Structures

As an active member of the South African Local Government Association, the Makana Municipality plays an active role when National Planning Proposals are discussed.

3.6.8.2 Provincial Intergovernmental Structures

The Municipal Manager attends all meetings of the Provincial Muni-MEC and similar structures with all resolutions taken at that level being worked into the Makana Council agenda. The value in this interaction is in ensuring that the needs of the local community are considered when the implementation of Government Projects is discussed.

3.6.8.3 District Intergovernmental Structures

The Makana Municipality regularly interacts with the other Municipalities in the District as the Government has created platforms for such deliberations, such as the Sarah Baartman District Municipal Managers Forum. This ensures that information related to new initiatives in the District is effectively relayed to the Makana Municipality's senior management.

3.6.9 AUDIT AND RISK COMMITTEE

During the year, the three year term of the previous committee ended on the 31 December 2017. As a result a new four member Audit and Risk Committee was appointed by Council in April 2018 effective from the 01 May 2018 – 30 April 2021. The committee holds its quarterly meetings and performs its function in terms of the Makana Municipality Audit and Risk Committee Charter approved by Council and PMS Framework which are reviewed annually before the start of each financial year.

Other parties in attendance are:

Makana Municipality : The Municipal Manager, Director of Budget & Treasury, Chief Financial officer , Director of LED, Director Technical & Engineering Services, Director of Corporate Services and Director Public Safety and Community Services. Internal Auditor and Auditor-General representative, IDP/PMS Manager and the MPAC Chairperson as an ex-officio.

3.6.10 INTERNAL AUDIT UNIT

The Municipality has an in-house Internal Audit Unit in place that is in the office of the Municipal Manager, headed by an Internal Audit Manager. The staff component consists of Internal Audit Manager, Risk based and statutory audits as required by section 165 of the Municipal Finance Management Act are performed each year including Ad – Hoc requests from time to time.

3.6.11 RISK MANAGEMENT

Risk management: A risk management framework is in existence and there is a risk based audit plan but the implementation remains a challenge. In addition, the risk based audit plan needs to be reviewed and updated in light of the current challenges at the municipality. Risk management is not fully embedded in the culture and internal control processes of the municipality.

Strategic risk register has been developed and reports produced on the implementation of corrective action quarterly.

Table 67: SUMMARY OF STRATEGIC INSTITUTIONAL RISKS

RISK CATEGORY	DESCRIPTION
No financial sustainability (not a going concern)	1. Low collection rate. 2. Incorrect billing. 3. Non-payment and poor debt account management. 4. Unfunded budget. 5. Not cash backed. 6. Poor relations with service provider. 7. Poor relations with residents. 8. Poor governance leading to non-payment. 9. High payroll costs. 10. Poor implementation of revenue management strategy. 11. Inaccuracy of the indigent register.
Inadequate and ageing water infrastructure including plants	1. Ageing infrastructure. 2. Lack of preventative and scheduled maintenance of existing water reticulation system. 3. Poor implementation of maintenance plans. 4. Inadequate funding for maintenance. 5. No regular maintenance of bulk water treatment plants. 6. Non implementation of WSDP. 7. Poor spending on conditional grants. 8. Vandalism of the infrastructure. 8. Inadequate funding to replace ageing infrastructure. 9. Delays in procurement process.
Ageing road and Stormwater Infrastructure	1. Lack of maintenance, no maintenance plans. 2. Insufficient funds. 3. Lack of resources such as plant and equipment. 4. Low staff morale. 5. Inadequate maintenance of storm water infrastructure. 6. No capital budget allocation. Lack of skills. Increased traffic volumes.
Unstable and poor reliability of supply of electricity	1. No maintenance plans. 2. Ageing infrastructure. 3. Lack of funding for maintenance. 4. Vandalism/Theft. 5. Non-compliance on calibrations of testing equipment. 6. Non-existence on mandatory trainings. 7. Delays in SCM processes for emergency situations.
Solid waste management	1. Lack of protective wear. 2. Inadequate vehicles for refuse collection. 3. Management and maintenance of the municipal tip. 4. Illegal dumping by the communities. 5. Refuse bags not availed. Staff shortages.
Performance targets not fully achieved	1. Setting of unrealistic targets. 2. Poor planning. 3. Poor management of leave 4. Low staff morale. 6. Shortage of skills/expertise in some areas of responsibility. 7. PMS not cascaded down to other levels of management. 8. Non alignment of budget to the IDP and SDBIP. Lack of urgency. Unfunded budget. Management responsibility to motivate their staff. Lack of consequence management. The IDP and SDBIP not prioritised. Too many crises occurring. Quarterly reviews not performed.
None-compliance with laws and statutory regulations	1. Lack of understanding of relevant legislations. 2. Poor compliance management and oversight. 3. Lack of implementation of MFMA calendar. 4. Lack of consequence management. Lack of institutionalised process of managing compliance.

Business continuity compromised	1. Delays in the Procurement processes of the electronic systems. 2. Lack of Prioritisation of e-governance. 3. Lack of ICT Governance.
	(Capacity (Financial/Human) constraints. 4. Lack of business security. 5. Logs are not reviewed regularly. 6. Segregation of duties. Poor ICT infrastructure). 7. Inadequate records management (Poor archiving, lack of disaster recovery plan for records, limited fire proof storage space for personal records, no building plans storage in place, poor financial record keeping. 8. There is not enough storage space). 9. No backups connected.
Poor contract management	1. Poor planning. 2. Poor management of SMME expectations. 3. Fraudulent activities. 4. Lack of urgency. 5. Projects not properly quantified. 6. Milestones not achieved. 7. Noncompliance with Basic Conditions of Employment Act (employment contracts)
Poor planning of infrastructure development	1. Population growth. 2. Lack of Master Plans. 3. Lack of funding. 4. No updated SDF.
Sewer spillages and inadequate waste water treatment plants	1. Inadequate capacity of the sewer system. 2. Ageing infrastructure. 3. Insufficient qualified staff. 4. Low staff morale. Inadequate maintenance. 5. No maintenance plans (for the reticulation system and plants) 6. Vandalism of plants. 7. No maintenance budget. 8. Staff shortages in critical positions. 9. Illegal settlements. 10. Use of bucket system in informal areas.
Ineffective disaster management (natural disasters)	1. No Fire Disaster Plans. 2. Not enough vehicles. Capacity constraints. Lack of experience. Limited fire proof storage space. No capital budget. Poor financial budget. Disaster management is a district function.

3.6.12 AUDIT OUTCOME

3.6.12.1 Five 5 Year Qualification

The following are the Audit opinion of Makana Local municipality for the past year years from 2014/2015 financial year to date

2014/2015	2015/2016	2016/2017	2017/2018	2018/19
Qualified	Qualified	Qualified	Qualified	

3.6.12.2 BASIS FOR QUALIFICATION OPINION

3.6.12.2.1 Irregular Expenditure

- I was unable to obtain sufficient appropriate audit evidence regarding the irregular expenditure as disclosed in note 41 to the financial statements, as the disclosure presented in the financial statements for auditing purposes was without accurate and complete underlying accounting records.

3.6.12.2.2 Revenue from Exchange Transactions

- I was unable to obtain sufficient audit evidence that revenue from exchange transactions had been properly charged and accounted for, for the current and previous years, due to the status of the accounting records.

3.6.12.2.3 Receivables from Exchange Transactions

- Sufficient appropriate evidence was not available to support receivables from exchange transactions, due to lack of systems and processes in place at the municipality.

3.6.12.2.4 Receivables from Non-Exchange Transactions

- Sufficient appropriate evidence was not available to support receivables from non-exchange transactions due to lack of systems and processes in place at the municipality.

3.21.2.5 Payables from exchange transactions

A journal to the value of R15.8 million was processed during the year under review to the payables from non-exchange transactions in the general ledger. This journal was not supported by adequate documentation.

3.6.12.2.6 Payables from Non-exchange transactions

- The municipality did not have adequate systems to maintain records of accounts payables from nonexchange for leave provision. This resulted in the leave provision being understated.

3.6.12.2.7 Value Added Tax Payable

- I was unable to obtain sufficient appropriate audit evidence that value added tax(VAT) payable for current and previous year had been properly accounted for due to the status of the accounting records.

3.6.12.2.8 Unauthorised Expenditure

- I was unable to obtain sufficient audit evidence regarding the unauthorised expenditure as disclosed in note 39 to the financial statements, as the disclosure was presented in the financial statements for auditing purposes without accurate and complete underlying accounting records.

3.6.12.2.9 Material uncertainty relating to going concern

- I draw attention to the matter below. My opinion is not modified in respect of this matter
- I draw attention to note 52 to the financial statements, which indicates that the municipality is facing a number of financial risks that negatively impact its ability to sustain its current level of operations in the near future, before taking into account government grants. As stated in note 52, these events or conditions, along with the other matters as set forth in note 52, indicate that a material uncertainty exists that my cast significant doubt on the municipality's ability to continue as a going concern.

3.6.13 EMPHASIS OF MATTERS

These following matters were identifies as area for emphasis I draw attention to the matters

Fruitless and Wasteful Expenditure

- As disclosed in note 40 to the financial statements, the municipality incurred fruitless and wasteful expenditure due to interest charged for late payments.
-

Restatement of Corresponding Figures

- As disclosed in note 47 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of an error in the financial statements of the municipality at, and for the year ended 30 June 2020.

Material Losses

- As disclosed in note 49 to the financial statements, material electricity and water losses respectively, were incurred, which represent 13% (2016-17:13%) and 76% of total electricity and water purchased, respectively. Material losses were due to tempering of metres, faulty metres and illegal connections.

Significant Uncertainties and Financial Sustainability

3.6.14 AUDIT of the PERFORMANCE REPORT

Development Priorities	Opinion
Basic Service Delivery & Infrastructure	Disclaimer
Community and Social Cohesion	Disclaimer
Local Economic Development	Disclaimer

3.6.15 AUDIT ACTION PLAN:

The Audit Action Plan has been developed; many of these issues need to be addressed as a matter of urgency to ensure the sustainability of the municipality and improvement in the audit outcome. In addition, the lack of dealing with and rectifying issues raised by the Auditor-General will result in additional audit findings and repeat findings in 2018/19.

The audit action plan is then used by the responsible individuals in order to ensure that corrective actions are being implemented immediately. The manager of the responsible department then monitors the implementation of the audit action plan monthly.

The internal audit unit also requests quarterly progress reports on the implementation of the corrective actions from the managers responsible, conduct their reviews in order to validate the credibility of the progress which is being reported to the Accounting Officer and issue an audit report to the management

and presents the report to the audit committee in line with the approved annual internal audit plan for oversight.

3.6.16 RECORD MANAGEMENT:

The municipality does not have proper record keeping and no record management system is in place to ensure that documents are filed and stored correctly. The municipality currently has a manual system of record keeping and document management and the system is characterised by poor record keeping and ineffective document management as well as the loss of documents amongst others. An electronic document management system was installed in the municipality but has not been functional. Staff should be trained on the electronic document system. The record keeping function within the municipality needs to be reviewed and improved including document security for the protection and management of information.

3.6.17 PUBLIC AND STAKEHOLDER PARTICIPATION

The municipality has a stakeholder register which is used as data base for contacting stakeholder when there is consultative forms to be organised. This data base includes government departments, NGO/CBO. The challenge at the moment is lack of cooperation amongst important stakeholders. Other challenges include mobilisation of communities due to geographic's where they reside (Lack of access to rural areas and private farms), language barriers.

3.6.18 REVISED COMMUNITY ENGAGEMENT WARD DEVELOPMENT PRIORITIES

Ward Plans

WARD 1: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21			
	DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED	RESPONSIBLE AGENT	KPA
1	RDP Housing rectification	Municipality/ Human Settlement	6
2	New houses needed kwa Nomzamo	Municipality/ Human Settlement	6
3	Land required for human settlement development	Municipality/ Human Settlement	6
4	Eradication of bucket system	Municipality	1
5	Job creation initiatives and opportunities	Municipality	3
6	Livestock farming facilities needed, dip tank and loading ramp, cattle grid at commonage, fencing around commonage to be fixed	Municipality/ Dept. of Agriculture	3
7	Illegal dumping & general cleaning of area	Municipality	2
8	Repair and maintenance of school facilities (Riebeek East)	Municipality/ Education Dept.	2
9	Satellite fire Station in Riebeek East	Municipality / SBDM	2
10	Electrification of all farm cottages and street lights	Municipality/ Eskom	1
11	<ul style="list-style-type: none"> • Provision of clean water • Fix current earth dam • Supply water harvesting tanks (KwaNomzamo location and farm cottages) 	Municipality	1
12	<ul style="list-style-type: none"> • Resuscitation of existing boreholes(Carlisle Bridge, Fort Brown, Table Farm) • Refurbishment of WTW holding ponds 	Municipality	1
13	Upgrading of gravel road from Riebeek East to Makhanda	Dept. Roads and Transport	1
14	Maintenance, repair ,paving and upgrading of access roads in Hooggenoeg	Municipality	1

WARD 2: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Water outages	Municipality	1
2.	Upgrade of sewer bulk line(KwaThaTha)	Municipality	1
3.	Eradicate the bucket system	Municipality	1
4.	Illegal Dumping	Municipality	2
5.	Accessible waste disposal facilities	Municipality	2
6.	Town establishment to address infill areas(Upper Mnandi)	Municipality/ Human Settlement	3 & 6
7.	High unemployment rate	Municipality and Government Department agency	3
8.	Improved road safety	Municipality	2
9.	Install the lights for Nompondo area	Municipality	1
10.	Installation of Geysers	Municipality/ Eskom	1
11.	Satellite Fire Station	Municipality / SBDM	2

WARD 3: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Water outages and quality	Municipality	1
2.	Eradicate the bucket & Pit-system	Municipality	1
3.	Illegal dumping and lack of waste management disposal facilities	Municipality	2

4.	RDP houses required in Phumlani: Extension 2	Municipality	6
5.	Rectification of houses	Municipality / Human Settlement	6
6.	Formalisation of Infill areas	Municipality / Human Settlement	3 & 6
7.	Assist unemployed youth artists	Municipality	3
8.	Speed humps needed in Ghost town and pedestrian bridge	Municipality	2
9.	Maintain roads and storm water system	Municipality	1
10.	Overhead bridge needed	Municipality	1
11.	Installation of high mast lights in Papamani, Zolani & Polar Park. Paving of extension 10	Municipality	1
12.	Cemetery needs maintenance – fencing	Municipality	2
13.	The Recreation park and sport field not maintained	Municipality	2
14.	Primary health facilities	Municipality/ Health Department	1 & 2

WARD 4: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Speed hump needed in Scott's farm, Fitchat street	Municipality	2
2.	Painting of traffic lines	Municipality	2
3.	High level of crime	SAPS	2
4.	Deterioration of the electrical distribution network	Municipality	1
5.	Lack of Street lights maintenance	Municipality	1

6.	Repair and maintenance of community halls: Crown and Recreation Halls	Municipality	2
7.	High unemployment levels particularly in Scott's Farm	Municipality / Government Agencies	3
8.	New RDP Houses required	Municipality/ department of Human Settlement	6
9.	Housing Rectification	Municipality/ Human Settlement	6
10.	Drastic deterioration of Emergency Houses from the 2008 tornado	Municipality/ Human Settlement	6
11.	Drug and Alcohol Abuse	Municipality/ Government Agencies and NGO's	2
12.	Regular cleaning/ eradication of the illegal dumping sites	Municipality	2
13.	Deterioration of roads, pavements and stormwater drains throughout ward 4	Municipality	1

WARD 5: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	New RDP Houses	Municipality/ Human Settlement	6
2.	Paving of streets in July street, taxi routes	Municipality	1
3.	Lack of maintenance of cemeteries	Municipality	2
4.	Satellite police station is needed	Municipality / SAPS	2
5.	Lack of Recreational facilities	Municipality	2
6.	Illegal dumping	Municipality	2
7.	2010 Sanitation project never completed, transit camp toilets not connected	Municipality / Human Settlement	6

8.	Support to SMME's and food security initiatives	Municipality / Government Agencies	3
9.	The community hall is sinking and ramps for disabled posing a risk	Municipality	2
10.	Need primary school in the areas	Municipality/ Education Department	2
11.	Primary health facility	Municipality / Health Department	2

WARD 6: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Water Outages	Municipality	1
2.	VIP Toilets not lined	Municipality / Human Settlement	1
WARD 6: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
3.	Bucket system eradication	Municipality / Human Settlement	1
4.	Eradication of the 8 illegal dumping sites	Municipality	2
5.	High masts are needed	Municipality	1
6.	Construction of speed humps needed near Church Street	Municipality	2
7.	Paving of main and access roads	Municipality	1
8.	Skills development	Municipality / State Agencies	3
9.	Repair and maintenance of Roads	Municipality	1
10.	Maintenance of Storm water drainage	Municipality	1
11.	RDP houses	Municipality / Human Settlement	6

WARD 7: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Water outages	Municipality	1
2.	Flooding due to lack of stormwater drainage	Municipality	1
3.	Bucket eradication	Municipality	1
4.	RDP Housing Project, Tanti Phase II, Xolani RDP and rectification project	Municipality/ Human Settlement	6
5.	Provide houses for people in infill area	Municipality / Human Settlement	6
6.	Disaster project stalled	Municipality/Department Human Settlement	6
7.	Storm water drainage need maintenance	Municipality	1
8.	Need jobs	Municipality/ State agencies	3
9.	High crime rate due to unemployment	Municipality/ SAPS	2 & 3
10.	Mobile clinic	Municipality/ Health Department	2
11.	Upgrading of lights in Foleys grounds	Municipality	1
12.	Paving of all Gravel Roads. Resurfacing of tare Road at Hlalani. Sidewalks needed in Hlalani Main Street/Rd.	Municipality	1
13.	Lack of community recreational facilities	Municipality	2
14.	Illegal Dumping	Municipality	2

WARD 8: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
--	--	-------------------	-----

1.	Water outages	Municipality	1
2.	Major sewer blockages and leakage of sewer in De Villiers Close	Municipality	1
3.	Need Jobs	Municipality/ Government Agencies	3
4.	High rate of violence murder, burglary, rapes and crime	SAPS/CPF	2
5.	Need speed humps in Powell Street, George street, Mathews,	Municipality	2
6.	Upgrading of roads and fixing of potholes	Municipality	1
7.	Storm water drainage need maintenance	Municipality	1
8.	Illegal dumping	Municipality	2
9.	Need RDP Houses	Municipality/ Human Settlement	6

WARD 9: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Renovations on Eluxolweni houses	Human Settle/Municipality	6
2.	No water coming from stand pipes at Eluxolweni	Municipality	1
3.	Eradication of 50 bucket system toilets	Human Settle/Municipality	2
4.	Burst sewer pipes	Municipality	2
5.	The area needs proper toilets	Municipality	2

WARD 9: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
6.	Installation of geysers on all RDP houses	Municipality/ Human Settlement	6

7.	Outside toilets have no doors	Municipality	1
8.	Toilets required at Eluthuthwini	Municipality	1
9.	A clinic is needed	Municipality/ Health Department	3
10.	Cemeteries fencing	Municipality	2
11.	Fencing of the two Sport field	Municipality	1
12.	1000 RDP homes needed	Human Settle/ Municipality	6
13.	Housing rectification in Hlalani	Human Settle/ Municipality	6
14.	Reconstruction of disaster houses in Vukani-10 units	Human Settle/Municipality	2
15.	Paving of extension 5 at the circle.	Municipality	1
16.	Maintenance of street lights on the main road	Municipality/ State	1
17.	Maintenance of existing road in extension 5	Municipality	1
18.	Disaster houses	Human Settle/ Municipality	6
19.	Electrification of Eluthuthwini	Municipality/ Eskom	1
20.	RDP Housing Project for Newtown and Ndancama	Human Settle/Municipality	6
21.	A & B streets needs a housing renovation project	Human Settle/ Municipality	6
22.	Illegal dumping	Municipality	2
23.	High number of unemployed youth	Municipality/ state agencies	3
24.	Satellite library needed	Municipality and Department of Arts and Culture	2
25.	Open space at the back of extension 5 to be used for educational and business purposes	Municipality	3
26.	Community hall needed	Municipality	2
27.	Curb the speeding of vehicles in A and B Streets	Municipality	2

WARD 9: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
28.	Sport fields needed	Municipality	2
29.	Maintenance of storm water drainage systems	Municipality	1
30.	Access roads for Eluxolweni	Municipality	1
31.	Patching of Potholes	Municipality	1
32.	Need sidewalks in Joza	Municipality	1
33.	Paving required at Eluxolweni	Municipality	1

WARD 10: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Water outages	Municipality	1
2.	Eradication of bucket system for 106 units	Human Settlement /Municipality	1
3.	250 Phase 2 Housing programme	Human Settlement /Municipality	1
4.	New Development – 377 houses	Human Settlement /Municipality	1
5.	Reconstruction of Disaster Houses	Human Settlement /Municipality	1
6.	Fingo Village Project has stalled	Human Settlement /Municipality	1
7.	High rate of violence, murder, burglary, rapes and crime	SAPS	2
8.	Paving needed in: J, N, Q, R, S Streets; Xolani Extension	Municipality	1
9.	Upgrading of roads and fixing potholes	Municipality	1
10.	Unfinished RDP Project	Human Settlement /Municipality	6

11.	Speeding vehicles a threat to children, speed humps required Albert Road, Powel Str, upper main road from A street to Powel Traffic lights at Raglan Road are dangerous, opening for cars and people at the same time.	Municipality/ State	1
-----	---	---------------------	---

WARD 10: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
12.	Powel street, road a disaster		

WARD 11: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Water outages	Municipality	1
2.	Maintenance of high masts	Municipality	1
3.	Electrification of 100 households in Ethembeni	Municipality/ Eskom	1
4.	Dumping sites need addressing	Municipality	2
5.	High number of unemployed youth	Municipality	3
6.	Satellite library needed	Municipality	2
7.	Community hall needed	Municipality	2
8.	Sport fields needed	Municipality	2
9.	Maintenance of the grave site	Municipality	2

10.	2000 RDP houses needed	Municipality and Human Settlement	6
11.	Poor workmanship on RDP Housing standard/ Rectification of RDP Houses	Municipality and Human Settlement	6
12.	Poor condition of roads. Need maintenance plan	Municipality	1
13.	Bucket system to be eradicated	Municipality	1

WARD 12: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Water outages	Municipality	1

WARD 12: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
2.	Summit and Old sub-stations need upgrade, transformers leaking oil.	Municipality	1
3.	Roads in African and South Street (Somerset to South) are in poor condition.	Municipality	1
4.	Sewerage blockages	Municipality	1
5.	High rate of violence targeted at students	Municipality/SAPS	2

WARD 13: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Housing rectification and the provision of 30 RDP homes	Municipality and Human Settlement	6
2.	Water outages	Municipality	1

3.	Need recreational facilities	Municipality	2
4.	Tarring of Ring Street	Municipality	1
5.	A clinic is required	Dept. of Health	1
6.	Toilets are leaking	Municipality	1
7.	Lack of recreational hall	Municipality	2
8.	No electricity in some farm areas	Municipality	1

WARD 14: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Shortage Water supply Seven fountains	Municipality	1
2.	High unemployment and shortage of skills to sustainable livelihoods	Municipality	2
3.	Rectification of 221 houses	Municipality and Human Settlement	6
4.	Reconstruction of the 20 disaster houses	Municipality and Human Settlement	6
WARD 14: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2020/21			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
5.	New development of 33 houses	Municipality and Human Settlement	6
6.	Seven Fountain in need of Housing Development	Municipality and Human Settlement	6
7.	Grave sites reaching capacity in kwa Nonzwakazi	Municipality	2
8.	Kwa Nonzwakazi and Transriviere community hall maintenance	Municipality	2
9.	No access to primary health the community has grown tremendously since 2012	Municipality	2
10.	Seven Fountains in need of sporting equipment	Municipality	2

11.	Tarring of gravel road	Municipality	1
12.	Skills development centre	Municipality/ State	6
13.	SMME Development	Municipality/ State	3
14.	Illegal Dumping	Municipality	2
15.	Bushmen sand development	Municipality/ State	3
16.	Support Tourism initiatives	Municipality/ State	3

3.6.19 REGISTER CBO/NGO'S

Table 68: Register CBO/NGOs

NAME & SURNAME	DESIGNATION	ORGANISATION	CONTACT	FAX/ EMAIL
Ms A. Runowics	Rehab manager	Ass. Phy/ disabled	073 6531 618	N/A
Ms F.T. Mukendi	Social worker		046 622 5359	N/A
Mr M. Mzongwana	News researcher	Radio Grahamstown	046 622 2382	N/A
Mr A. Adam	Chairperson	Nafcoc	046 636 2852/ 082 8910 432	0466362852 adam@insightnet.co.za
Mr J. Walton	Manager	Black Sash	046 622 9230	046 622 3933 jonathan@blacksash.org.za
Mr V. Teyise	Manager	Egazini Outreach Project	076 6807 161	vumileteyise@yahoo.com
Mr D. Claassen	Manager	C.Y.C.C.- Eluxolweni	046 622 2537 072 2013 797	david.claassen@imagnet.co.z a
Ms Monica Canca	Director of Operations	Umthathi project	(046) 637 0012	086 665 6013 directorofoperations@umthathi.co.za
Michelle Griffith	Manager			046 622 4450 Info@umthathi.co.za
Ms A. Van Niekerk		Raphael centre	(0)46 622 8831 072 238 NPO (676)	(0)46 622 8831 avanniekerk@albany.net.co.za
Mrs Mary Humphrey	Director			mary@raphaelcentre.co.za
Mr D Barker	Manager	HOSPICE	046 622 9661	046 622 9676 d.barker@grahamstownhospice.org.za
Mrs A. Harris	Manager	FAMSA	046 622 2580	No Information
Mr M.J. Bradshaw	School Principal	Amasango	083 5429 555	No Information
Mrs W. Bischoff	Manager	Child Welfare	046 636 1355	046 636 1366 Childwelfare.gh@telkomsa.net
Mrs L. Naidoo	Manager	ECARP	046 622 5429	046 622 2617
Ms Adne				adne@ecarpe.org.za
Mr Mafongosi		Masifunde	046 622 6527	046 622 5587 fundile_m@masifunde. co.za

Ms Babalwa Mthana	Nurse Mentor	Africare	046 622 5847	046 622 4918 bmtana@africare.org.za
-------------------	--------------	----------	--------------	-------------------------------------

3.6.20 SECTORAL PUBLIC PARTICIPATION FORUM

SECTOR	FORUM
LED and Rural Development	LED Mayoral Forum
Public Safety and Community Services	<ul style="list-style-type: none"> • Road and Transport • Road and Transport Forum • Environmental Management Forum • Community Safety Forum
Special Program Offices	<input type="checkbox"/> Youth Forum
	<input type="checkbox"/> Women Forum
	<input type="checkbox"/> Women's Forum
	<input type="checkbox"/> People with disability
	<input type="checkbox"/> HIV/AIDS Local Council

3.6.21 COMMUNICATION AND CUSTOMER CARE

COMMUNICATION: Municipality has an established communication unit under the office of the municipal manager with staff component consist of

- manager media and communication (vacant) ▪ media and communication officer (filled)
- assistant media and communication (filled).

The municipality has a communication strategy that was last reviewed on 04 April 2018 that is used to guide all communication activities. Key functions of the unit is to ensure sound internal and external communication by providing communication support to all directorates through available communication mediums.

CUSTOMER CARE AND PETITIONS: the municipality has established a customer unit under Corporate and shared Services Directorate with one delegated staff personnel and switchboard operator. The unit deal with receiving, distribution and maintenance of the records. The municipality has developed and adopted a customer care policy and is mobisam customer care system in conjunction with Rhodes University to manage

its complaints. Municipality has also developed and adopt Petition Public Participation Policy in 2016, this policy require the Municipality to establish petitions committee to consider and dispose of petition, and matters incidental thereto,create mechanisms for communicating with petitioners and providing feedback to petitioners and provide for the resolution of disputes that may arise from petitions.

Establishment of petitions committee:

- a) The Speaker as a Chair of the Petitions Committee
- b) A representative from the Office of the Executive Mayor
- c) The Portfolio Councillor, Technical/Community Services
- d) A senior official from DTIS and DCSS
- e) 5 Councillors not serving in MPAC
- f) Office of the Speaker to provide Secretarial services
- g) Representative from the Office of the Municipal Manager

3.6.22 ANTI-CORRUPTION AND FRAUD

3.6.22.1. Fraud and Anti-Corruption Strategy

Makana Municipality had developed and adopted a Fraud Prevention Policy Framework and Fraud Prevention Plan in draft form. All members of the Bid Committees are required to disclose their interests before every meeting and the membership of all Bid Committees, is revised annually. No Councillors are allowed to be part of the Bid Committees. The municipality is in the process establishing fraud line.

3.6.23 BY-LAWS

No new by-laws were enacted during the period of review but several of Makana Local Municipality's policies were reviewed. Traffic assists currently with by-law enforcement. Number of by-laws need to be revised and developed.

3.29 WEBSITE

During the year under review, the Makana Website was regularly updated as the appointment of a skilled IT Manager ensured the availability of sufficiently skilled human resources.

CHAPTER FOUR: DEVELOPMENTAL STRATEGIC PLAN

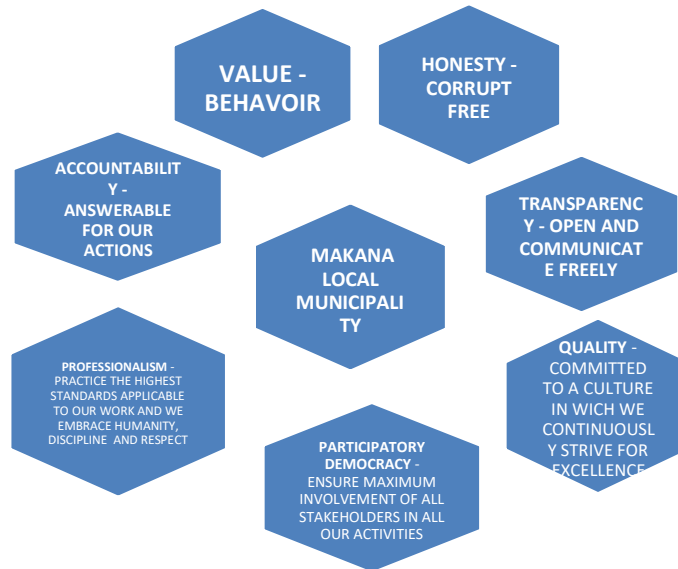
This Chapter outlines Makana strategic Intent and Key Performance Areas (KPA's) for the next financial. It aims to respond to some key issues and challenges highlighted in Chapter Two and National policy imperatives outlines in the Chapter One.

MAKANA VISION AND MISSION STATEMENT

“Makana Municipality strives to ensure sustainable, affordable, equitable and quality services in a just, friendly, secure and healthy environment, which promotes social and economic growth for all”.

CORE VALUES OF THE MUNICIPALITY:

Figure 5: Core Values



4.1 MUNICIPAL DEVELOPMENT PRIORITIES FOR 2017-22

NUMBER OF PRIORITY	DEVELOPMENT PRIORITY
Development Priority No. One:	Basic Service Delivery and Infrastructure Development
Development Priority No. Two	Community and Social Development
Development Priority No. Three:	Local Economic Development and Rural Development
Development Priority No. Four:	Institutional Development and Financial Management
Development Priority No. Five	Good Governance and Public Participation
Development Priority No. Six	Human Settlement Management

4.2 STRATEGIC REVIEW OUTCOMES 4.2.1

Socio Economic Review

Strengths / Opportunities	Weaknesses / Threats
---------------------------	----------------------

<ul style="list-style-type: none"> • Estimated Census 2011 population of 80 390 and estimated Quantec 2018 (Urban Econ) population of 91 473 with 23 918 households at a household size of 3.8. • Population growth between 2001 and 2018 estimated at 1.12 % per annum with an estimated population in 2028 at 102 258 or an additional 2 838 households. • Highly urbanised population indicates options for more cost effective service delivery and social services provision. • Levels of education and education profile is slightly better than the SBDM and the Eastern Cape with 15.3 % completing secondary education in comparison to 11.5 % in the Eastern Cape. • Monthly average household income in the Makana Municipality is the highest in the SBDM and significantly higher than the Provincial average. • The Municipality contributes ± 19 % of the District GDP at R 3 689 million or 1.7 % of the Provincial GDP. • General government, finance and business, trade and manufacturing are the biggest sector contributors to the GDP. • Tourism and ecotourism play a significant part in the economic structure of the Municipality and opportunities for further expansion and economic growth within Makhanda. 	<ul style="list-style-type: none"> • Increase in population will increase pressure on the provision of infrastructure, services and land for future urban development. • Current backlogs in services and amenity provision will be further exacerbated by continuous population growth rate at 1.12 % per annum. • Population growth significantly higher than the Eastern Cape and Sarah Baartman DM, confirming in migration. • Majority of population growth to be expected in Makhanda with possible decline in rural population. • Although lower than the Provincial average (12.7 %), the poverty headcount in Makana is 2.2 % and the intensity of poverty is 41.6 %. • Unemployment is estimated at 45.5 % which is slightly higher than the Provincial average (44.6 %) and significantly higher than the unemployment rate in the SBDM (38.7 %). • Agriculture and mining are very low GDP contributors. • Low employment GDP contributors are transport and communication, construction and manufacturing. • Quarrying, mining only extracted in raw format with no processing and value adding. • Industrial and manufacturing sectors contribute only 17 % to the GDP with opportunities for growth and expansion.
--	---

4.2.2 Service delivery challenges review

Strengths / Opportunities	Weaknesses / Threats
<p>⇒ <u>Makhanda</u></p> <p>□ The nodes and settlement structure of the Makana Municipality is well-defined with Makhanda as a District Centre, Alicedale as a Local Centre and</p>	<p>⇒ <u>Makhanda</u></p> <p>□ The rural population, although relatively low, is dependent on the larger District</p>

Strengths / Opportunities	Weaknesses / Threats
---------------------------	----------------------

<p>Seven Fountains, Fort Brown and Riebeek East as Sub-Local Centres.</p> <ul style="list-style-type: none"> • The Municipality is accessible through the N2 National Road, halfway between King Williams Town and Port Elizabeth. • Based on the CSIR Social Services Provision Thresholds, social facilities and amenities are well provided for in the District, mostly within accessibility thresholds, with specific reference to district policing service, health and education. • The urban structure of Makhanda is well-defined with vast higher density residential areas in Makhanda East, the Rhodes University to the west and CBD. • The urban structure is clearly defined with residential densities above 25 units per hectare in Makhanda East and lower residential densities in Makhanda West. • Residential densities in Makhanda East are $\pm 4\ 725$ people per km^2 in comparison with $\pm 1\ 430$ people per km^2 in Makhanda West. • The CBD is well-defined between Cradock, African, Burton and Market Streets with strong accessibility corridors within the greater Makhanda. • The provision of social services in Makhanda is well established with the provision of community halls, libraries, sports facilities, cemeteries, health care, education and safety and security within the CSIR threshold. • Large tracts of land south of Makhanda is owned by the Municipality and north of the town by the State, providing opportunities for possible future residential expansion. • The open space system is well-defined, although not well maintained. • Various redevelopment precincts have been identified that provide opportunity for economic growth, mixed use intensification and urban renewal. These include the CBD, City Hall, Beaufort Street / Raglan Road, African Street and Makanaskop. 	<p>Centres, i.e. Makhanda and Alicedale for day-to-day services and support.</p> <ul style="list-style-type: none"> • Poorly developed small rural settlements, i.e. Committee's Drift, Fort Brown, Riebeek East, Seven Fountains and Salem. • Urban structure is typical of former segregated planning with poorly developed business and support infrastructure in Makhanda East. • Sections of Makhanda are characterised by informal structures with specific reference to Phaphamani, Ethembeni, Vukani and infill areas. • Although the Census indicates $\pm 2\ 200$ households residing in informal structures in Makhanda, the Municipality estimates a subsidised housing demand of 12 800, current projects addressing $\pm 10\ 470$ units. • Housing demand for Makhanda is estimated to increase to 6 989 units in 2028, requiring additional development areas of 174 ha. • Maintenance and upkeep of community facilities (sport fields, community halls, cemeteries) are lacking in all urban areas within the Makana Municipality. • Maintenance of service delivery infrastructure (roads, stormwater, sewer, and water) • Housing implementation is seriously affected by financial constraints and legislative requirements for layout plan formalisation, survey and infrastructure provision. • Future residential expansion may experience challenges with land ownership, land capability, services availability and urban sprawl. • A Heritage Resources Management Plan and Inventory has not been prepared by the Municipality and maintenance of heritage resources lacking in general. • The provisions of the National Heritage Resources is not complied with.
--	--

- Subsidised housing initiatives are currently being implemented on large sections of the commonage (Mayfield North, East Commonage and Ethembeni)

Strengths / Opportunities	Weaknesses / Threats
<p>and various infill portions to accommodate informal structures.</p> <p>☐ Makhanda and the greater Makana Municipality have significant heritage resources.</p>	
<p>⇒ <u>Alicedale</u></p> <ul style="list-style-type: none"> • Alicedale fulfils a strong local rural function with a population of ± 3 873. • Large sections around KwaNonzwakazi, Transriviere and east of the Commonage is state owned. • Provision of community facilities are adequate. 	<p>⇒ <u>Alicedale</u></p> <ul style="list-style-type: none"> • An estimated subsidised housing demand of ± 948 of which 338 are part of an existing project. • Business and commercial component very restricted with residents generally dependent on Makhanda for institutional and commercial support. • A number of informal structures between Transriviere and KwaNonzwakazi. • Maintenance and operational issues with community facilities to be addressed.
<p>⇒ <u>Riebeek East</u></p> <p>☐ Riebeek East has a very small population with opportunities for future growth and a stronger rural function.</p>	<ul style="list-style-type: none"> • Lack of water resources • Lack of housing • Lack land
<p>⇒ <u>Rural Settlements</u></p> <p>☐ The Fort Brown and Seven Fountains rural settlements have been identified and prioritised for development and provision of services, social infrastructure and housing for the surrounding rural population.</p>	<p>⇒ <u>Rural Settlements</u></p> <p>☐ High cost of provision of bulk infrastructure and lack of funding for layout formalisation and service provision.</p>
<p>⇒ <u>Infrastructure</u></p> <ul style="list-style-type: none"> • 85% of the population has access to piped water (inside dwelling and inside yard) with a further 10 % with access to communal stand pipes. • Highest level of services are in Makhanda. • 75% of the population has access to flush toilet sanitation system. 	<p>⇒ <u>Infrastructure</u></p> <ul style="list-style-type: none"> • Ageing infrastructure, poor maintenance and possible lack of bulk supply in future. • 19.7 % of the population has only access to pit and bucket toilets and 3.9 % with no access to sanitation services. • General inadequate waste water treatment works capacity, collector mains and pump stations.

⇒ <u>Electricity</u> □ 80.6 % of the population has access to electricity for cooking and 89 % for lighting purposes.	⇒ <u>Electricity</u> □ ± 19 % of the population relies on gas, paraffin and other sources for cooking purposes.
Strengths / Opportunities	Weaknesses / Threats
□ High levels of adequate refuse removal and disposal at ± 89 % of the population.	□ Ageing electricity network, cables, substations and support infrastructure and personnel identified as key constraints.
⇒ <u>Roads & Transport</u> □ A Traffic Management Strategy is currently being developed as part of the Makana SDF review.	□ Poor roads

4.3 MUNICIPAL STRATEGY AGENDA

Development Priority	Goal	Strategic Objective
1. Basic Service Delivery and Infrastructure Development	Provision of reliable of basic service delivery infrastructure	<ul style="list-style-type: none"> • Upgrading and refurbishment of water and sanitation infrastructure • Water conservation and demand management • Constant quality drinking water within SANS standards • Resuscitate boreholes • Maintenance of the existing water and sanitation infrastructure • Provision of alternative water and sewer facility to none service areas • Efficient planning and Service delivery improvement plans • Disposal of effluent within SANS standards • Upgrading, maintenance and resurfacing of roads network • Efficient planning of the energy supply • Upgrading and maintenance of electricity network infrastructure and reliable energy supply • Adequate street lighting and electrification of all formal settlements • Reduce loose of electricity

2.Community and Social Development	A safe, healthy and secure living environment	<ul style="list-style-type: none"> • Ensure compliance with environmental health by-laws • Reduce ecological foot print through renewable energy sources • Provision, maintenance and repair of recreational facilities
------------------------------------	---	--

Development Priority	Goal	Strategic Objective
		<ul style="list-style-type: none"> • Provision and upgrading traffic law enforcement resource • Reduce waste through awareness campaigns and community engagement • To effectively manage and reduce waste through regular refuse collection • Support recycle initiative • Improve landfill site
	Access to basic Library Services	□ Provision and upgrading library services
3.Local Economic Development and Rural Development	Maximise economic growth and development takes place in a conducive environment	<ul style="list-style-type: none"> • Ensure adherence to town planning and building control legislation • Facilitate support to SMME development • Facilitate support to Tourism and heritage development • Facilitate investment attraction and business development • Facilitate support to Agricultural development • Facilitate job creation initiatives • Review of Spatial Development Framework

4. Institutional Development and Financial Management	An effective productive administration capable of sustainable service delivery	<ul style="list-style-type: none"> • Effective organisational design and policy development • To ensure that all Municipal buildings and staff adhere to and implement OHS • To ensure effective management of staff through internal controls such as policies • To ensure a continually secure, effective and efficient ICT service • Effective and efficient administration and ensure effective integrated planning Effective and efficient administration • Ensure maximum use of record centre • Effective management of legal services and properties
	Effective and efficient administration and ensure	<ul style="list-style-type: none"> • Enhance Strategic planning processes • Efficient Human Resources function
Development Priority	Goal	Strategic Objective
	effective integrated planning	<input type="checkbox"/> Effective organisational design and policy development
	Financially viable and sustainable Municipality	<ul style="list-style-type: none"> • Improve provision of free basic services to indigent households • Maintaining fully GRAP compliant asset register annually • Capacity building and effective financial management • Improve municipal revenue base and financial management • Facilitate compilation, updated General and Supplementary valuation roll • Improve expenditure management

5. Good Governance and Public Participation	To provide open transparent corruption free governance	<ul style="list-style-type: none"> • To implement the fraud prevention policy • Improve planning of risk management • Enhance risk management • Enhance administration and Council oversight • Improve Audit options outcome • Enhance Inter governmental Relationships • Facilitate support and empowerment of vulnerable groups • To communicate effectively and be responsive to the needs of the community
6. Human Settlement Management	To ensure equitable access to housing for communities	<ul style="list-style-type: none"> • Facilitate housing development • Effective management of house beneficiation process • Facilitate access to social housing

4.4 INTERGOVERNMENTAL ALIGNMENT

4.4.1 SBDM Development Priorities:

Internal issues for SBDM to focus on	Response	Dev Priority/ KPA No.
Does the SBDM have the full capacity to support the LM's e.g. Engineers to assist with water and sanitation?	SBDM acknowledges the urgency of the matter and has prioritised the recruiting and appointment of suitably qualified engineer to	1 & 5

Internal issues for SBDM to focus on	Response	Dev Priority/ KPA No.
	assist the LM's deal with the critical issues surrounding infrastructure	
LED and how SBDM can assist the LM's	<p>LED strategy is currently being reviewed and updated and this will include consultations with the LM's to ensure the LEC Strategy is speaking to the needs of the local communities</p> <p>SBDM and CDA exploring opportunities to ensure communities benefit from LED through job creation</p>	3

SBDM needs to build its own internal capacity	SBDM is reviewing its organogram to reflect the needs of the district. Skill assessment is being undertaken SBDM directorates will review their structure and ascertain what further capacity is required. Proposals to workshop and revised organogram presented to council	2 & 5
Assistance in the development of grant applications and finding new avenues of grant funding	SBDM has committed to assisting the LM's to find new funding sources as well as revenue streams. A donor management strategy will be developed in the new financial year.	1, 2, 3 & 5
Employer vs Employee issues	SBDM will harness its own HR and Corporate Services to assist where possible. A survey of HR issues will need to be conducted to determine what HR / Labour issues need further support.	5
Assistance to get quick projects off the ground such as storm water drain cleaning and construction (finding or providing funding)	SBDM will request each LM to submit a list of projects that they are struggling with to get off the ground and enter into a discussion with each LM as to how best the DM can assist	1
Assist in developing Sector Plans for the LM's	This process is already underway and SBDM will further liaise with the LM's to determine which plans are the most pressing and work to develop these plans	5
Establish a small business fund	This is included in the LED Strategy which emphasises the importance of SMME's and funds will be available for projects through LED Assistance is provided to SME's to access funding other donor agencies such as SEDA	3
Climate change Strategy SBDM to lead on this critical issue to	Acknowledge the impact of the devastating drought.	1, 3 & 5

Internal issues for SBDM to focus on	Response	Dev Priority/ KPA No.
develop a strategy fir Climate Change	SBDM directorates of Infrastructure and Planning and Economic Development to devise a joint strategy to assist LM's Strategy will take both the Disaster Management (Infrastructure) aspect as well as the impact on small farmers and agriculture (Planning and Economic Development) into account	

Exploring creative ways to deal with waste management	Supporting creative ways to reduce waste such as plastics Support to innovative SMME's to recycle waste	1, 3
Drought relief – affecting employment especially seasonal workers Access to water	Drought is the no. 1 priority at SBDM – WSIG Grants secured for LM's totalling almost R300 million Establishment of working group to deal with drought	1, 3 & 4
Regional Bulk water supply assistance	The SBDM can assist in engaging with the relevant bulk water supply providers such as Amatole	1
Assistance to ensure LM's have access to water from the Churchill dam	Engaging with DWAF and Metro	4 & 5
Assistance with aging infrastructure	Set aside funds to develop and implement a Disaster Infrastructure Development Plan	1
Strategy to assist with the increasing number of informal settlements and its impact on service delivery and infrastructure	Engaging with relevant sector departments such as Human Settlement	4
LED – create full time jobs – huge reliance on seasonal workers which does not create job security	LED Strategy acknowledges this need and a number of projects will be implemented in the next financial year to create more permanent jobs This will incorporate agriculture, tourism and creative and cultural industries	3
Financial capacity Building Programme for LM's such as the Clean Audit Programme to be relaunched to assist in audit improvement	SBDM Finance Dept. programme will assist the LM's with financial capacity. For example – reviewing the Eskom accounts of LM's to determine the optimal tariff structure; Completeness of Revenue Assessment	2
Internal issues for SBDM to focus on	Response	Dev Priority/ KPA No.
Internal Audit as a Shared Service	Through OTP, EC COGTA and EC SALGA the following municipalities are benefiting from the STR Programme DRBNLM, BCRM and SRVM	1
Establish a Development Fund to assist Youth with Start-up Capital	A Youth Fund is in the Draft Budget. SBDM will be taking to Council a policy to guide access to the Youth Fund	3

4.4.2 DEPARTMENTAL PLANS MULTI

YEAR PROJECTS

HUMAN SETTLEMENTS

PROJECT NAME	PROJECT BUDGET		PROJECT DELIVERABLES		START & COMPLETION		CHALLENGES AND OUSTANDING ISSUES
	BUDGET	EXPENDITURE	PROJECT SCOPE	UNITS COMPLETED			
MAKANA LOCAL MUNICIPALITY							
Alicedale 27 Contractor: Bendolite (Ward 14)	R 3 300 466.80	R3 300 466.80	27	Fdns – 0 Wls –0 Rfs – 0 Comp. -27	Not yet started	Completed 31/01/2019	Completed.
Makana Disaster 150 (Ward 3, 7 & 9)	R11 123 312,90	R0	Demolition and Rebuild of 150 disaster units		Not yet started	TBD	Project to be implemented in the 20/21 financial year.
Grahamstown SCCCA (Ward 8, 9 & 10)	TBD	R0	Construction of internal and external plaster, Installation of ceilings and painting in houses already built in Old Location and Chris Hani Housing Projects		Not yet started	TBD	Project to be implemented in the 20/21 financial year

PROJECT NAME	PROJECT BUDGET		PROJECT DELIVERABLES		START & COMPLETION		CHALLENGES AND OUSTANDING ISSUES
	BUDGET	EXPENDITURE	PROJECT SCOPE	UNITS COMPLETED			
MAKANA LOCAL MUNICIPALITY							
MAKANA INFILL: N-Street – 31 units Lingelihle – 25 units Lower Mnandi – 42 units Rhini Erf 4103 – 30 subsidies Upper Mnandi – 15 subsidies Xolani – 35 subsidies (Ward 7, 6, 2, & 7)	R26 945 243	R0	Construction of 178 new units	Not yet started	TBD		The application for funding has been presented to the PAComm and recommended
Makana Transit Camp 440 (18) (Ward 5)	R1 621 272,00	R0	Construction of 12 new units		Not yet started	TBD	The Application for funding is being prepared and will be presented to the PAComm.

DEPARTMENT OF HEALTH

Project Name	Project Type (Description e.g. New, Upgrade, Rehab, Maint etc)	Project Scope (Scope including no.of units)	Project Status (Initiation, Concept, Design Development, Design Documentation, Works, Closeout, Handover)	Start Date	End Date	Total project cost
NG Dlukulu Clinic Renovations and Extentions to Consulting Rooms, Pharmacy, waiting areas and ablutions	Rehabilitation and refurbishment	Health Facilities Renovations & refurbishments	Construction	01/06/2018	31/03/2021	R 9 711 622

4.5 IDP PROJECT REGISTER

Table 69: IDP Project Register

GOALS	NO	STRATEGIC OBJECTIVES	NO	KEY PERFORMANCE INDICATOR	PROJECT NO	PROJECT NAME	INDICTOR CODE	FUNCTION AREA
DEVELOPMENT PRIORITY NO ONE: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
Provision of reliable of basic service delivery infrastructure	1	Efficient planning and Service delivery improvement plans	1.1	Approved water Service Development Plan by Council	P001	Review of Water Services Development Plan	1.1.1.1	Water and Sanitation
			1.2	Revised Water and Sanitation Master plan by Council	P002	Review of Water and Sanitation Master plan	1.1.1.2 P002	Water and Sanitation
			1.3	% of the milestone achieve in with project management plan	P003	Project Management Unit	1.1.1.3 P003	PMU

			1.4	Prioritise Water Conservation and Demand Management	P004	Water Conservation	1.1.1.4 P004	Water and Sanitation
			1.5	Plan Installation of services to housing development land	P005	Installation services	1.1.1.5 P005	
Provision of reliable of basic service delivery infrastructure	1	Efficient planning and Service delivery improvement plans	1.6	Number of water harvesting initiatives provided	P017	Water Harvesting	1.5.5.7 P017	Bulk water infrastructure development
			1.7	Resuscitate boreholes in rural areas	P018	Resuscitate boreholes	1.5.5.8 P018	Bulk water infrastructure development
	2	Maintenance of the existing water and sanitation infrastructure	2.1	Disposal of waste water as per authorised licences	P004	Sewer Disposal	1.2.2.1 P004	Water and Sanitation services
			2.2	Maintenance of water exiting reticulation system infrastructure	P005	Maintenance of the Water reticulation system infrastructure	1.2.22 P005	Water services
			2.3	Maintenance of sewer exiting reticulation system infrastructure	P006	Maintenance of the sewer reticulation system infrastructure	1.2.2.3 P006	Sanitation services

			2.4	Schedule maintenance of bulk water and waste water infrastructure	P007	Water conservation and demand management	1.2.2.4 P007	Water and Sanitation
			2.5	Provision alternative basic sanitation infrastructure	P258	Sewer Pail Removal	1.2.2.5 P258	Sanitation services
Provision of reliable delivery basic service infrastructure	3.	Improve the drinking water quality & disposal of effluent within SANS standards	3.1	Compliance to SANS quality water standard	P008	Blue status	1.3.3.1 P008	Water service
			3.2	Compliance to SANS quality waste water standard	P009	Green status	1.3.3.2.P009	Waste Water service
	4.	Provide Quality Drinking water	4.1	90% Compliance to SANS quality drinking water standard	P010	Water sample testing	1.4.4.1 P010	Water service
	5	Upgrading and refurbishment of water and sanitation infrastructure	5.1	Upgrading James Kleynhans Water Treatment Works (East)	P011	James Kleynhans WTW (East)	1.5.5.1 P011	Bulk water infrastructure

			5.2	Upgrading of the Alicedale and refurbishment of water and sanitation infrastructure	P012	Alicedale Bulk water supply (Water Pump station)	1.5.5.2 P012	Bulk infrastructure development water
		Upgrading and refurbishment of water	5.3.	Upgrading of Riebeeck East Bulk water supply	P013	Riebeeck East Bulk water supply	1.5.5.3 P013	Bulk infrastructure development water

Provision of reliable of basic service delivery infrastructure		and sanita infrastructure	5.4	Refurbishment Fort Brown bulk water supply	P014	Fort Brown bulk water supply	1.5.5.4 P014	Bulk infrastructure development water
			5.5	Refurbishment Waainek Bulk Water Supply	P015	Waainek Bulk Water Supply Refurbishment of WT W	1.5.5.5.P 015	Bulk infrastructure development water
			5.6	Refurbishment Howison's Poort and Settlers Dams	P016	Howison's Poort and Settlers Dams	1.5.5.6 P016	Bulk infrastructure development water
			5.9	Number of KM/Meters of reticulation lines refurbished	P019	Water & Waste Water Infrastructure	1.5.5.9 P019	Bulk infrastructure development water

Provision of reliable of basic service delivery infrastructure		Upgrading and refurbishment of water and sanitation infrastructure	5.10	Number of Pump station and substation refurbished	P020	Refurbishment s of Bulk & Sewer Reticulation lines, Pump stations, and Substations	1.5.5.10P 020	Bulk infrastructure water development
			5.11	Upgrading of Mayfield Waste Water Treatment Works	P021	Mayfield Waste Water Treatment Works	1.5.5.11P 021	Bulk infrastructure water development

			5.12	Upgrading Belmont Valley Waste Water Treatment Work	P022	Belmont Valley Waste Water Treatment works	1.5.5.12P 022	Bulk infrastructure water development
			5.13	Upgrading Kwa Thatha Bulk Sewer	P023	Kwa Thatha Bulk Sewer	1.5.5.13P 023	Bulk infrastructure water development
			5.14	Upgrading of Extension 4 and 5 sewer overflow	P024	Extension 4 and 5 s overflow	1.5.5.14P 024	Bulk infrastructure water development

			5.15	Upgrading Mayfied WWTW	P025	Mayfied WWTW	1.5.5.15P025	Bulk infrastructure development	water
			5.16	Upgrading Hooggenoeg Outfall	P026	Hooggenoeg Outfall Sewer Upgrade	1.5.5.16P026	Bulk infrastructure development	water
Provision of reliable of basic service delivery infrastructure			5.17	Upgrading Transit Camp sewer	P027	Transit Camp sewer connection	1.5.5.17P027	Bulk infrastructure development	water
			5.18	Upgrading of Alicedale sewer reticulation and rising main	P028	Alicedale Sewage Reticulation	1.5.5.18P028	Bulk infrastructure development	water

	6	Provision of new water and sanitation infrastructure	6.1	Construction of Riebeeck East Waste Water Treatment Works	P029	Riebeeck East Waste Water Treatment Works	1.6.6.1 P029	Water and Sanitation	
--	---	--	-----	---	------	---	--------------	----------------------	--

			6.2	Installation of Sewer reticulation Riebeeck East	P030	Sewer reticulation Riebeeck East	1.6.6.2 P030	Water and Sanitation
			6.3	Installation of Fort Brown bulk sewer and reticulation	P031	Fort Brown bulk sewer and reticulation	1.6.6.3 P031	Water and Sanitation
			6.4	Installation of Seven Fountains bulk sewer and reticulation	P032	Seven Fountains bulk sewer and reticulation	1.6.6.4 P032	Water and Sanitation
			6.7	Installation of Salem water and sanitation infrastructure	P033	Salem water and sanitation infrastructure	1.6.6.7 P033	Water and Sanitation
			6.8	Installation Extension 6 stage 4 Sewer Reticulation	P034	Extension 6 stage 4 Sewer Reticulation	1.6.6.8 P034	Water and Sanitation
			6.9	Construction of Extension 6 stage 4 Toilet Top-structures	P035	Extension 6 stage 4 Toilet Top-structures	1.6.6.9 P035	Water and Sanitation

			6.10	Eradication of Bucket to Infill Areas, J street, Zolani, Suncity, Phaphamani	P036	Bucket Eradication to Infill Areas, J street, Zolani, Suncity, Phaphamani	1.6.6.1.P 036	Water and Sanitation
		Upgrading, and maintenance resurfacing of road network	7.1	Review Road and Storm water Master Plan	P037	Road ND Storm water Master Plan	1.7.7.1 P037	Roads and storm water
			7.2	Number of KM/Meters of road surface in KwaNomzamo	P038	Access Road Improvement KwaNomzamo	1.7.7.2 P038	Roads and storm water
			7.3	Number maintained KM/Meter	P039	Maintenance of roads	1.7.7.3 P039	Roads and Tumwater
			7.4	Number of KM upgraded and resurface Alicedale N2	P040	Road from Alicedale to N2	1.7.7.4 P040	Roads and Tumwater

		Upgrading, maintenance and resurfacing of roads network	7.5	Number of KM upgraded and resurface Riebeeck East to N1	P041	Road from Riebeeck East to N1	1.7.7.5 P041	Roads and Tumwater
--	--	---	-----	---	------	-------------------------------	--------------	--------------------

			7.6	Number KM/Meters of kerbs Upgrading and resurfacing		Number of roads and storm water upgraded	1.7.7.6 P042	Roads and Stormwater
			7.7	Number of meters, resurface, Rehabilitation roads	P043	Rehabilitation/ resurface of Ncame and Joza street	1.7.7.7 P043	Roads and Tumwater
			7.8	Facilitate Stakeholder engagement regarding road maintenance	P044	Sign MoU concerning the province owned roads between MLM &DRPW	1.7.7.8 P044	Roads and Stormwater
			7.9	Number of KM/ Meters Upgrading of Stormwater resurfacing of roads In Transriviere	P045	Alicedale Roads and Storm water Improvements in Transriviere and Mandela Park	1.7.7.9 P045	Roads and storm water

	8		7.10	Number of KM/ Meters paved in all identifies areas	P046	Paving of roads	1.7.7.10P046	Roads and Storm water
		Maintenance of Storm water channels	8.1	Number of meters maintained Storm water channel	P045	Maintenance of storm water channels	1.8.8.1P045	Storm water
A safe, efficient, functioning energy supply infrastructure that provide conducive	9	Efficient planning of the energy supply	9.1	Development of Electricity Master Plan	P046	Electricity master plan	1.9.9.1P046	Electricity Planning
	10		11	Review provision of	P047	Review provision of electricity in	1.10.10.1P047	Electricity

environment investment for		Ensure efficient infrastructure and reliable energy supply		electricity to Makhanda east		Makhanda East		Planning
			10.2	Report on the number maintenance undertook quarterly	P048	Maintenance of the existing electricity reticulation system infrastructure	1.10.10.2P048	Operation and maintenance

			10.3	Report on the number meters audit conducted quarterly	P049	Meter audits	1.10.10.3 P049	Operation and maintenance
	11	Adequate street lighting and electrification of all formal settlements	11.1	Provision and high mast and street lights	P050	Installation of High mast and street lights	1.11.11.1 P050	Street light infrastructure
			11.2	Number of electrical supply and infrastructure provided	P051	Electrification of recreational facilities	1.11.11.2 P051	Electricity infrastructure
			11.3	Electrification urban and rural areas	P052	Electrification household	1.11.11.3 P052	Electricity infrastructure
			11.4	Maintenance and repairs of high mast and Street lights	P264	Maintenance of streetlights	1.11.11.4 P264	Street light infrastructure
			11.5	Upgrading of 66 KV Line	P265	Refurbishment of 66 KV Line	1.11.11.5 P265	Electricity infrastructure
	12	Upgrading and refurbishing of the existing electricity	12.1	Upgrading of Overhead District lines	P053	Upgrading of Overhead District lines	1.12.12.1 P053	Electricity infrastructure
		network						

			12.2	Upgrading refurbishment and LV Pane	P054	LV Pane-Installation of new panel in substation	1.12.12.1 P054	Electricity infrastructure
			12.3	Upgrading refurbishment and MV Panel	P056	MV Pane-Installation of new panel in substation	1.12.12.3 P055	Electricity infrastructure
			12.4	Report on the number of refurbishment under gone in the existing electrical network infrastructure	P057	Refurbishment of electrical network	1.12.12.4 P056	Electricity infrastructure
			12.5	Provide machined and equipment to electricity operations	P060	Purchasing of tools	1.12.12.5 P060	Electricity infrastructure
			12.6	Upgrading and maintenance of fleet Resources	P061	Purchasing of Vehicle	1.12.12.6 P061	Electricity infrastructure
A safe, healthy and secure living environment	13	A safe, healthy and sustainable environment within Makana Municipality	13.1	Review Integrated Waste Management	P068	Review Integrated Waste Management	1.13.13.1 P067	Waste Management - And Clean City

			13.2	Source funding for town cleaning program from EPWP	P069	Clean-city programme	1.13.13.2 P069	Waste Management - And Clean City
			13.3	Expand Recycling and composting programme	P070	Recycling and composting project	1.13.13.3 P070	Waste Management - And Clean City
			13.4	Provided alternative refuse collection to rural areas	P071	Refusal of collection service in rural areas	1.13.13.4 P071	Environment and Cleansing
			13.5	Provision Tipper Trucks	P072	Acquisition of Tipper Truck	1.13.13.5 P072	Waste Management Sanitation
			13.6	Provision of Front loader	P073	Acquisition of Front loader	1.13.13.6 P073	Waste Management Sanitation

			13.7	Acquisition containers	P074	Acquisition containers	1.13.13.7 P074	Waste Management Sanitation
A safe, healthy and secure living environment			13.8	Upgrading of landfill waste site in Makana	P075	Upgrading of landfill waste site	1.13.13.8 P075	Waste Management And Clean City
			13.9	Number of Community education and awareness programmes conducted	P076	Eradication of illegal dumping sites	1.13.13.9 P076	Waste Management And Clean City
			13.10	Number of areas, domestic refuse collected per week	P078	Domestic collection refuse	1.13.13.1 0 P077	Waste Management And Clean City
			13.11	Number of ward cleaner-up programme quarterly	P079	Ward clean-up Campaign programme	1.13.13.1 1 P079	Waste Management And Clean City

To provide economical and appropriate services for the poor	14	Increase % of households with access to free basic service	14.1	Report number of indigent households with access free basic service quarterly	P080	Free basic services	1.14.14.1 P080	FBS
			14.2	Update indigent register annually	P081	Annual review of Indigent register	1.14.14.2 P081	FBS
DEVELOPMENT PRIORITY NO TWO: COMMUNITY AND SOCIAL DEVELOPMENT								
A safe, healthy and secure living environment	15	Ensure compliance with environmental health by-laws	15.1	Licensing and control of stray animal included vicious dogs	P082	Development of by on the control stray animal	2.15.15.1 P082	Environmental Management
			15.2	Review and development of bylaws reviewed	P083	Review of Environment Management and control of stray animal	2.15.15.2 P084	Environmental Management
			15.3	Development of environmental compliance register	P084	Environmental Management compliance register	2.15.15.3 P085	Environmental Management
16	Reduce ecological foot print through renewable energy sources	16.1	Establishment of Biomass generation plant	P085	Biomass energy generation(Alien vegetation to energy)	2.16.16.1 P086	Sustainable Energy	
		16.2	Establishment of Landfill gas generation plant	P086	Landfill gas generation	2.16.16.2 P087	Sustainable Energy	

			16.3	Establishment of waste to energy project	P087	Renewable energy waste	2.16.16.3 P087	Sustainable Energy
A safe, healthy and secure living environment		Reduce ecological foot print through renewable energy sources	16.4	Establishment of Solar photovoltaic energy generation	P088	Solar photovoltaic energy generation	2.16.16.4 . P088	Sustainable Energy
			16.5	Establishment Small- scale embedded generation	P089	Small- scale embedded generation	2.16.16.5 P089	Sustainable Energy
			16.6	Development of Hydroelectricity	P090	Hydroelectricity	2.16.16.6 . P090	Sustainable Energy
			16.7	Establishment Municipal own energy efficiency	P091	Efficiency in municipal buildings	2.16.16.7 P091	Sustainable Energy
			16.8	Establishment Municipal own energy efficiency street and traffic light	P092	Street and traffic lights	2.16.16.8 P092	Sustainable Energy
			16.9	Establishment Energy efficiency in the water sector	P093	Energy efficiency in the water sector	2.16.16.9 P093	Sustainable Energy

			16.11	Installation smart meters	P095	Installation smart meters	2.16.16.1 1 P09 5	Sustainable Energy
			16.12	Installation of Solar panels and geysers	P096	Solar panels and geysers	2.16.16.1 2 P096	Sustainable Energy
A safe, healthy and secure living environment	Reduce ecological foot print through renewable energy sources	16.13	Number of Climate change initiatives awareness program implemented	P097	General climate change planning and awareness	2.16.16.1 3 P097	Sustainable Energy	
		16.14	Adaptation	P098	Adaptation	2.16.16.1 4 P098	Sustainable Energy	
		16.15	Introduction of Green and public transport	P099	Green and public transport	2.16.16.1 5 P099	Sustainable Energy	
	17.	Provision, maintenance and repair of recreational facilities	17.1	Development of Sport Master Plan	P100	Sport Master Plan	2.17.17.1 P100	Park and sport Recreation facilities
				17.2	Maintenance and sport and facilities air recreational	P101	Sport Master Plan	2.17.17.2 P101

			17.3	Number of Children park and sport recreational facilities established	P102	Children's Playpark and sport recreational facilities	2.17.17.3 P102	Park and sport Recreation facilities
			17.4	Number of trees planted area	P103	Tree Planting	2.17.17.4 P103	Park and Recreation facilities
A safe, healthy and secure living environment			17.5	Report on number of recreational facilities upgraded/maintained per quarter	P104	Upgrading and maintenance of the existing recreational facilities	2.17.17.5 P104	Park and Recreation facilities
			17.6	Establishment of Commonages	P106	Establishment of Commonages	2.17.17.6 P106	Park and Recreation facilities
			17.7	Establishment cleaned alien vegetation	P107	Establishment cleaned alien vegetation	2.17.17.7 P107	Park and Recreation facilities
			17.8	Established and extend Cemeteries	P108	Cemetery Extension	2.17.17.8 P108	Cemeteries and pauper burials
			17.9	Maintenance of cemeteries quarterly	P109	Maintenance of cemeteries quarterly	2.17.17.9 P109	Cemeteries and pauper burials
			17.10	Fencing of cemeteries fence annually	P110	Fencing of cemeteries	2.17.17.10 P110	Cemeteries and pauper burials

	18.	Provision and upgrading traffic law enforcement	18.1	Upgrading of fleet for traffic and law enforcement	P111	Upgrading of fleet	2.18.18.1 P111	Traffic law enforcement
A safe, healthy and secure living environment		Provision and upgrading traffic law enforcement	18.2	Number of Community road safety awareness programmes conducted	P112	Community road safety programme	2.18.18.2 P112	Traffic law enforcement
	19.	To promote the wellbeing, health, safety and security of our community	19.1	Review of Disaster Management Plan and Fire Management Plan	P113	Review of Disaster Management and Fire Management Plan	2.19.19.1 P113	Fire and Rescue Services
			19.2	Provision of fire and rescue infrastructure to Alicedale and Riebeeck East	P114	Establishment of fire station	2.19.19.2 P114	Fire and Rescue Services
			19.4	Development of Fire By-law	P115	Development of Fire Bylaw	2.19.19.4 P115	Fire and Rescue Services
			19.5	Development of Community Safety Plan	P116	Community Safety Plan	2.19.19.5 P116	Fire and Rescue Services
Access to basic Library Services	20.	To provide reading and study material	20.1	Number of community education outreach programmes conducted quarter	P117	Community Outreach programme	2.20.20.1 P117	Library services

			20.2	Provision of library facilities to needy areas and resources	P118	Provision of libraries and resources	2.20.20.2 P118	Library services
--	--	--	------	--	------	--------------------------------------	----------------	------------------

DEVELOPMENT PRIORITY NO THREE: LOCAL ECONOMIC DEVELOPMENT AND RURAL DEVELOPMENT

<p>Maximise socioeconomic development takes place in a conducive environment</p>	21	<p>To ensure adherence and control to town planning building legislation</p>	21.1	Review and adopt SDF by June 2019	P119	Review Spatial Development Framework (SDF)	3.21.21.1 P119	Spatial planning
			21.2	Development and implement policy on land invasion and demolition of illegal structures	P120	Development of Land invasion policy	3.21.21.2 P120	Spatial planning
			21.3	Development of the SPLUMA By-Law	P121	Township Establishment	3.21.21.3 P121	Spatial planning

			21.4	Establishment of the Tribunal and Appeals Board	P122	Establishment of SPLUMA compliant Tribunal	3.21.21.4 P122	Spatial planning
			21.5	Upgrading Air filed	P123	Air filed development	3.21.21.5 P123	Spatial planning
			21.6	Conduct land audit	P124	Land Audit	3.21.21.6 124	Spatial planning
			21.7	Establishment of Waste to Energy	P125	Waste to Energy (Power X project)	3.21.21.7 P125	Spatial planning
Maximise economic growth and development		To ensure adherence to town planning and	21.8	Number of areas infill approved town for establishment	P126	Town establishment	3.21.21.8 P126	Spatial planning
takes place in a environment		building control legislation	21.9	Review of the Sub division, Rezoning and Building control policy	P127	Rezoning and Building and building control policy	3.21.21.9 P127	Building control

	22	Promote and support SMME development	22.1	Establishment SMME hub Business plan	P135	Establishment SMME hub Business plan	3.21.22.1 P135	SMME Development
			22.2	Number of hawker stalls constructed	P136	Construction hawker stalls	2.22.22.2 P136	SMME Development
			22.3	Hosting SMME Seminars	P137	SMME Seminars and Expo	2.22.21.3 P137	SMME Development
			22.4	Development of Trade and Investment attract Strategy	P138	Trade and Investment attract Strategy	3.22.22.4 P138	Trade and investment
Maximise economic growth and development takes place in a conducive environment	23	Promote Tourism and heritage development	23.1	Implementation of Town Regeneration Phase 1	P139	Town Regeneration Phase 1	3.23.23.1 P139	Tourism and heritage
			23.2	Report to Portfolio Committee on initiatives identified for implementation under Creative City project	P140	Creative City project	3.23.23.2 P140	Tourism and heritage

			23.2	Number of SMMEs in tourism sector supported and Capacitated Quarterly	P141	Tourism Business Development Programmes	3.23.23.2 P141	Tourism and heritage
			23.3	Report on funding allocated to Makana Tourism by the Municipality quarterly	P142	Makana Tourism	3.23.23.3 P142	Tourism and heritage
			23.4	Development of Gray Dam	P143	Gray Dam Development	3.23.23.4 P143	Tourism and heritage
			23.5	Development of Makana area profile by June 2018	P144	Township Tourism Profiling and Promotion	3.23.23.5 P144	Tourism and heritage
Maximise economic growth and development takes place in a conducive environment		Promote Tourism and heritage development	23.6	Review of Tourism Sector Plan by June 2018	P145	Tourism Sector Plan Review	3.23.23.6 P145	Tourism and heritage
			23.7	Provided security for Egazini Memorial site	P146	Security - Egazini Memorial Site	3.23.23.7 P146	Tourism and heritage

Maximise economic growth and development	24	Promote and support investment attraction	24.1	Development Trade and Investment attract Strategy	P147	Small Town regeneration	3.24.24.1 P147	Trade investment and
--	----	---	------	---	------	-------------------------	----------------	----------------------

takes place in a conducive environment		and business development	24.2	Support enterprise development initiative	P148	Support enterprise development	3.24.24.2 P148	Enterprise Development
	25	Promote and support Agricultural development	25.1	Number of hectares provided to households	P149	One hector one household	3.25.25.1 P149	Agricultural Development
			25.2	Championing food security initiative through Designate personnel	P150	Food Security	3.25.25.2 P150	Agricultural Development
		Promote and support Agricultural development	25.3	Number of MOU signed with strategic partners	P151	MOU with strategic partners	3.25.25.3 P151	Agricultural Development
			25.4	Number of capacity building conducted annually	P152	Co-operative development capacity building and	3.25.25.4 P152	Agricultural Development
			25.5	Report on the number of co-operatives benefited agricultural emerging competition	P153	Promote and support cooperative through funding	3.25.25.5 P153	Agricultural Development

			25.6	Promote green economy through Community sustainable Urban Agriculture initiatives	P154	Sustainable Urban Agriculture (SUA) both in rural and urban	3.25.25.6 P154	Agricultural Development
			25.7	Report on the number of women and youth initiative supported	P155	Promotion of women and youth in agriculture	3.25.25.7 P155	Agricultural Development

			25.8	Infrastructure development of emerging famers in Thornpark	P156	Thornpark Infrastructure development	3.25.25.8 P156	Agricultural/Rural Development
			25.9	Facilitate access to finance from emerging farmers	P157	Report Rand value received	3.25.25.9 P157	Agricultural Development
			25.10	Report the progress made in mentorship programme Quarterly	P158	Mentorship programme	3.25.25.10 P158	Agricultural Development
			25.11	Number of Rural war forum established	P159	Establishment of Rural development ward forum	3.25.25.11 P159	Agricultural Development
			25.12	Establishment of east commonage	P133	East Commonage	3.25.25.12 P133	Spatial planning

	26	Promote job creation initiatives	26.1	Number of Job opportunities created through CWP	P134	Facilitate CWP	3.26.26.1 P134	Local Economic development
			26.2	Number of Job opportunities created through EPWP	P135	Facilitate EPWP	3.26.26.2 P1135	Municipal Manager
			26.3	Number of Job opportunities created through infrastructure development interventions	P136	Number job opportunities created	3.26.26.3 P136	Engineering and Infrastructure development

DEVELOPMENT PRIORITY NO FOUR: INSTITUTIONAL DEVELOPMENT FINANCIAL MANAGEMENT								
An effective productive administration capable of sustainable service delivery	27	Ensure good relationship between management and employees	27.1	Number of LLF meeting hosted annually and Roadshows and staff briefing	P162	Quarterly LLF Meetings, Conduct Hr Roadshows & Staff brief quarterly.	4.27.27.1 P162	Human Resource Management
	28	To create an efficient, effective and accountable administration	28.1	Number of succession policy initiative implemented	P163	Implement the succession policy, Source funds for study assistance & review salaries	4.28.28.1 P163	Human Resource Management
			28.2	Number of staff moral programmes implemented annually	P164	Implement staff morale programmes	4.28.28.2 P164	Human Resource Management
			28.3	Evaluate all job description	P165	Job Evaluation	4.28.28.3 P165	Human Resource Management
			28.4	Number performance agreements signed	P166	Implement performance management system.	4.28.28.4 P166	Human Resource

								Management
An effective productive administration capable of sustainable service delivery		To create an efficient, effective and accountable administration	28.5	Number wellness programme conducted	P167	Develop Conduct Wellness awareness programmes	4.28.28.5 P167	Human Resource Management
			28.6	Development Work Skills Plan	P168	Work Skills Plan	4.28.28.6 P168	Human Resource Management
			28.7	Human Resource Capacity development	P169	Conduct skills audit	4.28.28.7 P169	Human Resource Management
			28.8	Number of employees assisted	P170	Employee assistance	4.28.28.8 P170	Human Resource Management
			28.9	Number of Bursaries issued annually	P171	Municipal Bursaries	4.28.28.9 P171	Human Resource Management

			28.10	Quarterly reports on EE plan implementation. Submission of annual report	P172	Implementation Employment Equity Plan	n 4.28.28.10 P172	Human Resource Management
--	--	--	-------	--	------	---------------------------------------	-------------------	---------------------------

			28.11	Fill vacant post with three month	P173	Improve recruitment and selection rate	4.28.28.11 P173	Human Resource Management
An effective productive administration capable of sustainable service delivery	29	Effective organisational design and policy development	29.1	Annual Review of Organogram	P174	Review of organogram	4.29.28.12 P174	Organisational Design
			29.2	Number of job descriptions revised	P175	Review job descriptions,	4.29.29.2 P175	Human Resource Management
			29.3	Number of roadshows conducted	P176	HR Policy Road Shows	4.29.29.3 P176	Human Resource Management

	30	To ensure that all Municipal buildings and staff adhere to and implement OHS	30.1	Number of OHS meetings quarterly	P177	4 OHS meetings.	4.30.30.1 P177	Human Resource Management
	31	To ensure effective management of staff through internal	31.1	Number of report issued on adherence with HR policies	P178	Quarterly reports on adherence to HR policies such as leave, recruitment etc.	4.31.31.1 P178	Human Resource Management

		controls such as policies						
An effective productive administration capable of sustainable service delivery	32	To ensure a continually secure, effective and efficient ICT service	32.1	Review of ICT Strategic Plan annually	P179	Review of ICT Strategic Plan	4.32.32.1 P179	Information Communication & Technology
			32.2	installation VPN solution	P180	VPN Solution installation	4.32.30.2 P180	Information Communication & Technology
			32.3	Number of new cabling installed	P181	Data Cabling	4.32.32.3 P181	Information Communication & Technology

			32.4	Installation of Wi-Fi infrastructure	P182	Installation of Wi-Fi/ New/Acquisition	4.32.32.4 P182	Information Communication & Technology
			32.5	Upgrading IT Network infrastructure	P183	Maintenance IT Network	4.32.32.5 P183	Information Communication & Technology
			32.6	Upgrading of Website	P189	Upgrading of Website	4.32.32.6 P189	Information Communication & Technology
			32.7	Number maintenance done per quarter	P266	Maintenance of computer and Website	4.32.32.7 P267	Information Communication & Technology
An effective productive administration capable of sustainable service delivery	33	To ensure that disaster recovery	33.1	Review and Update disaster recovery plans	P190	Review and Update disaster recovery plans	4.33.33.1 P190	Information Communication & Technology

		plans are fully implemented						
	34	To ensure that the Municipality moves towards e governance -	34.1	Number of councillors capacitated on use computer	P191	Paper less project	4.34.34.1 P191	Information Communication & Technology

	35	Effective and efficient administration and ensure effective integrated planning	35.1	Centralisation of customer complaints Management system	P192	Development Customer care management system	4.35.35.1 P192	Administration
			35.2	Issue newsletter quarter	P193	Quarterly news letter	4.35.35.2 P193	Media and communication
			35.3	Number of corporate branding implemented	P194	Corporate Branding	4.35.35.3 P194	Media and communication
			35.4	Institutionalisation of PMS and to all municipal levels	P209	Cascading PMS to all level	4.35.35.4 P209	Performance management
			35.5	Number of stakeholder and community engagement	P210	Stakeholders and community Engagement	4.35.35.5 P210	Integrated Development
An effective productive administration capable of sustainable service			35.6	Review of ward development priorities ward annually	P211	IDP - Ward Based Planning	4.35.35.6 P211	Integrated Development
			35.7	Annually review of IDP	P212	IDP - Annually Review	4.35.35.7 P212	Integrated Development

			35.8	To ensure that all municipal staff are adequately housed.	P213	Renovation of office buildings	4.35.35.8 P214	Office Space
	36	Ensure maximum use of record centre	36.1	Report quarterly on the number of media and communication activities	P195	Review Policy and Procedure	4.36.36.1 P195	Media and communication
		Ensure maximum use of record centre	36.2	Review of Fillings System	P196	Review and approved Fillings System	4.36.34.2 P196	Records and Archives Management
			36.3	Number staff capacitated on record management	P197	Capacity Building and Training	4.36.36.3 P197	Records and Archives Management
			36.4	Number of Terminated records Disposed	P198	Disposal of Terminated Records	4.36.36.4 P198	Records and Archives Management
			36.5	Re-Introduce electronic management system	P199	Re- establish Electronic Records	4.36.36.5 P199	Records and Archives Management

						Management System		
			36.6	Establishment of offsite Records storage	P200	Off-site Records storage	4.36.36.6 P200	Records and Archives Management
An effective productive administration capable of sustainable service delivery	37	Effective management of legal services and properties	37.1	Monitor and evaluate litigation for and against Municipality	P201	Litigation register	4.37.37.1 P201	Legal Service
			37.2	Reduced legal cost	P202	Reduced legal cost through settlement	4.37.37.2 P202	Legal Service
			37.3	Monitor and evaluated lease and transfer by the Municipality	P203	Lease and Transfer	4.37.37.3 P203	Properties
			38.1	90% Debt Collection	P215	Enhance Revenue strategy	4.38.38.1 P215	Financial management: Revenue
Improve municipal revenue base and financial management	38	A financially viable and sustainable Municipality 2022	38.2	Improve billing	P216	Accurate billing	4.38.38.2 P216	Financial management: Revenue

			38.3	Number of smart meters Installed	P217	Installation of smart meter	4.38.38.3 P217	Financial management: Revenue
			38.4	Review of all service tariffs structure	P218	Tariffs Review	4.38.38.4 P218	Financial management: Revenue
			38.5	Reporting on the % of the budget actually spend	P219	MFMA Reporting	4.38.38.5 P219	Financial Management :Budget and Reporting
			38.6	To ensure the efficient and effective procurement of goods and services	P220	Empowering SMME's	4.38.38.6 P220	Financial Management : SCM
			38.7	Quarterly reports on bid committee functionality	P221	Bid Committee	4.38.38.7 P221	Financial Management : SCM
			38.8	Annual stock count report to CFO.	P222	Stock Management	4.38.38.8 P222	Financial Management : SCM

	39	Capacity building and effective financial management	39.1	Number of capacity building training conducted or attending	P223	Capacity Building and Training	4.39.39.1 P223	Financial management: Administration
			39.2	Number of internship programmed provided annually	P224	Provide internship	4.39.39.2 P224	Financial management: Administration
			39.3	Compliance to Section	P225	Decrease in unauthorised, irregular,	4.39.39.3 P225	Financial

				102 of MFMA		fruitless, wasteful expenditure		Management : SCM
			39.4	Compliance to Section 99b of MFMA	P226	Creditors payment within 30 Day	4.39.39.4 P226	Financial Management : SCM

	42	<p>Capacity building and effective financial management</p> <p>To provide a credible budget</p> <p>To ensure monitoring of Municipal Assets through annual checks and reporting</p> <p>Maintaining fully GRAP compliant asset register annually</p>	39.5	Annual update of the indigent register	P227	Credible indigent register	4.39.39.5 P227	Financial management: Revenue
			39.6	Improve management of expenditure management and its liabilities	P228	Compliance to financial commitments	4.39.39.6 P228	Financial management: Revenue
			39.7	Implementation of mSCoa Plan	P229	mSCOA	4.39.39.7 P229	Financial Management Administration
			39.8	Review of property rates	P230	General Valuation Roll	4.39.39.8 P230	Financial
						and Supplementary		management: Revenue

			40.1	Prepare and adoption budget by Council annually	P231	Annual Budget	4.40.40.1 P231	Financial Management :Budget and Reporting
			40.2	Prepare and adoptic adjustment budget by Council annually	P232	Adjustment budget	4.40.40.2 P232	Financial Management :Budget and Reporting
			41.1	Annual count of assets	P233	Annual asset count & fleet management report	4.41.41.1 P233	Financial Management: Assets
			42.1	Fully GRAP Compliant Asset register	P234	Assets Management	4.42.42.1 P234	Financial Management: Assets
	40	To provide a credible budget	42.2	Annual disposal sale of assets	P235	Disposal sales of assets	4.42.42.2 P235	Financial Management: Assets

GOALS	NO	STRATEGIC OBJECTIVES	NO	KEY RFORMANCE INDICTOR	PROJECT NO	PROJECT NAME	INDICTOR CODE	FUNCTION AREA
DEVELOPMENT PRIORITY NO FIVE- GOOD GOVERNANCE AND PUBLIC PARTICIPATION								

To provide open transparent corruption free governance	43	To implement the fraud prevention policy	43.1	One awareness programme annually	P236	Awareness Program	5.43.43.1 P236	Risk Management
	44	Improve planning of risk management	44.1	Establishment of a Hotline	P237	Establishment of a Hot line	5.44.44.1 P237	Risk Management
			44.2	Conduct annually risk assessment	P238	Annual review of Institutional and operational Risk registers	5.44.44.2 P238	Risk Management
	45	Enhance risk management	45.1	Institutionalisation of risk management	P239	Quarterly on the risk management activities	5.45.45.1 P239	Risk Management
	46	Enhance administration and Council oversight	46.1	Number of Audit Committee meeting held annually	P240	Quarterly audit committee	5.46.46.1 P240	Municipal Manager/Internal Audit

	47	Enhance administration and Council oversight	47.1	Issue Quarterly Action sheet and report	P241	Monitor meeting resolution	5.47.47.1 P241	Administration and Committee
--	----	--	------	---	------	----------------------------	----------------	------------------------------

	48	Improve Audit options outcome	48.1	Achieved qualified audit options	P242	Audit Action Plan	5.48.48.1 P242	Municipal Manager
Foster partnership with external stakeholders to enhance Social Cohesion	49	Enhance Inter governmental Relationships	49.1	Number of IGR forum hosted	P243	Four IGR Forum	5.49.49.1 P243	IGR
	50	Empower vulnerable groups	50.1	Establishment of Youth hub centres	P244	Building of youth centres	5.50.50.1 P244	Community development
			50.2	Number of CSI initiated annually	P245	Identification of CSI Initiative	5.50.50.2 P245	Municipal Manager
	51	Support vulnerable groups	51.1	Number of Youth programme implemented and report	P246	Youth programme	5.51.51.1 P246	Municipal Manager
			51.2	Number of HIV/Aid Council meeting and reports activities quarterly	P247	Implementation n of HIV/AIDS Plan	5.51.51.2 P247	Municipal Manager
			51.3	Number of Elderly, Children and Women programme implemented	P248	Elderly, Children and Women programme	5.51.51.3 P248	Municipal Manager
	52	To communicate effectively and be responsive to the	52.1	Implementation of Service Delivery Model	P250	Implementation Masiphathisane Model	5.52.52.1 P250	Public participation

		needs of the community						
			52.2	Improve ward committee function	P251	Quarterly report on the function of the ward committees	5.52.52.2 P251	Ward Committee
DEVELOPMENT PRIORITY NO SIX: HUMAN SETTLEMENT MANAGEMENT								
	53	To ensure equitable access to housing for community of Makana	53.1	Hectors land secure for housing development	P253	Source land for housing development	6.53.53.1 P253	Housing Development
			53.2	Review Housing Plan	P254	Review Housing Plan	6.53.53.2 P254	Housing Development
			53.3	Number of RDP House rectified annually	P255	Facilitate rectification of RDP Houses	6.53.53.3 P255	Housing Development
			53.4	Number of housed built annually	P256	Facilitate completion Housing Development planned projects	6.53.53.4 P256	Housing Development
			53.5	Review Housing beneficiary list annually	P257	Facilitate Housing beneficiary list	6.53.53.5 P257	Housing Development
			53.6	Facilitate Social housing development	P258	Facilitate FIIPS Projects	6.53.53.6 P258	

CHAPTER FIVE: SPATIAL DEVELOPMENT FRAMEWORK

A Spatial Development Framework (SDF) is an important Municipal Policy instrument provided for in legislation, but it should not be seen as merely fulfilling policy requirements and legal compliance. Makana Local Municipality was adopted by council in January 2020

5.1 Objective of the SDF

The SDF should :

- Give effect to the development principles contained in Chapter 2, Section 7 of SPLUMA
- Spatial representation of a five-year spatial development plan for the spatial form of the municipality
- Include a longer term spatial development vision statement for the municipal area which indicates a desired spatial growth and development pattern
- Identify current and future significant structuring and restructuring elements, including development corridors, activity spines and economic nodes where public and private investment will be prioritised and facilitated
- Include estimates of the demand for housing and the planned location and density of future housing developments
- Identify and provide requirements of engineering infrastructure and services provision
- Include a strategic assessment of the environmental pressures and opportunities
- Identify the designation of areas in which-
 - o More detailed local plans must be developed
 - o Shortened land use development procedures may be applicable
- Determine a capital expenditure framework for the municipality's development programmes
- Include an implementation plan comprising of-
 - o Sectoral requirements, including budgets and resources for implementation
 - o Necessary amendments to a land use scheme
 - o Specification of institutional arrangements necessary for implementation

Legal Status of the SDF

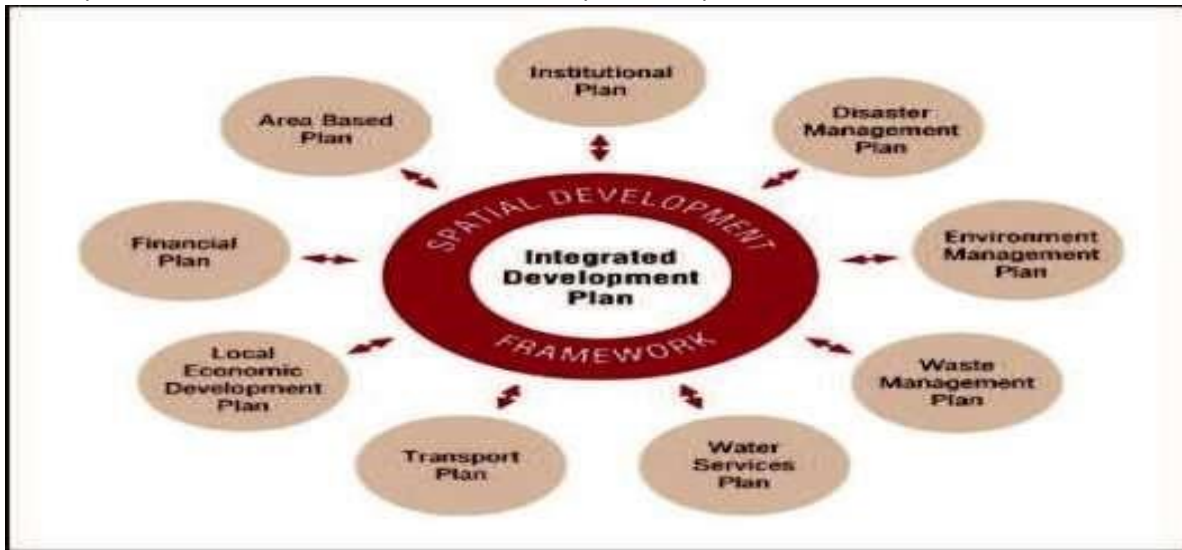
The Makana SDF is prepared within the context and principles of the :

- Local Government : Municipal Systems Act, 2000 (Act 32 of 2000) and Regulations (MSA)
- Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) and Regulations (SPLUMA) **5.2. Spatial**

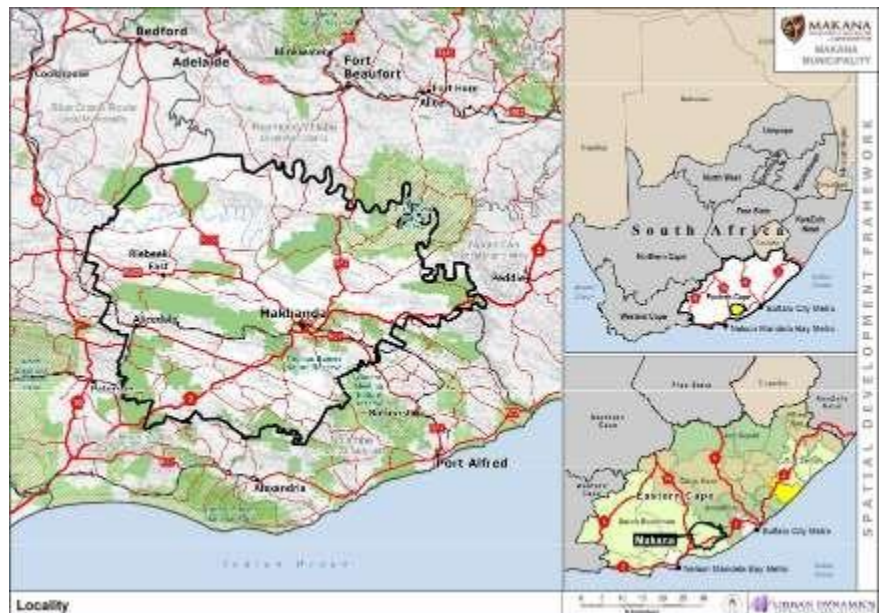
Plan Alignment

The alignment of the SDF to the Provincial Growth and Development Plan (PGDP) and the Draft Provincial Spatial Development Framework (PSDF) is regarded as essential to create a Province wide relationship between the PGDP, PSDF, Government Sector programmes and projects and the initiatives of parastatals, entities and agencies.

The District SDF needs to be of a strategic and regional co-ordinating nature referring to local SDFs, which are more detailed and reflect the situation on the ground according to community needs, community development codes, livelihood zones and development requirements.



The municipal area comprises approximately 4 375 km² with an estimated population of 80 390 (Stats SA Census 2011). Makhanda is the economic hub of the district and plays a key role as a district service centre within the Eastern Cape, between East London and Port Elizabeth. The study area is generally dominated by commercial farming activities, game farms and conservation areas. Land ownership patterns are predominantly private ownership.



5.3 Policy Context & Vision Directives

The spatial vision, principles and goals are guided by and should be aligned with various National, Provincial and Local informants. Specific reference is made to national guidelines and legislation for spatial development, i.e. Spatial Planning & Land Use Management Act (SPLUMA), National Development Plan (NDP), Provincial Growth and Development Plan (PGDP), Provincial Spatial Development Framework (PSDF), Makana Integrated Development Plan (IDP) and various sector plans.

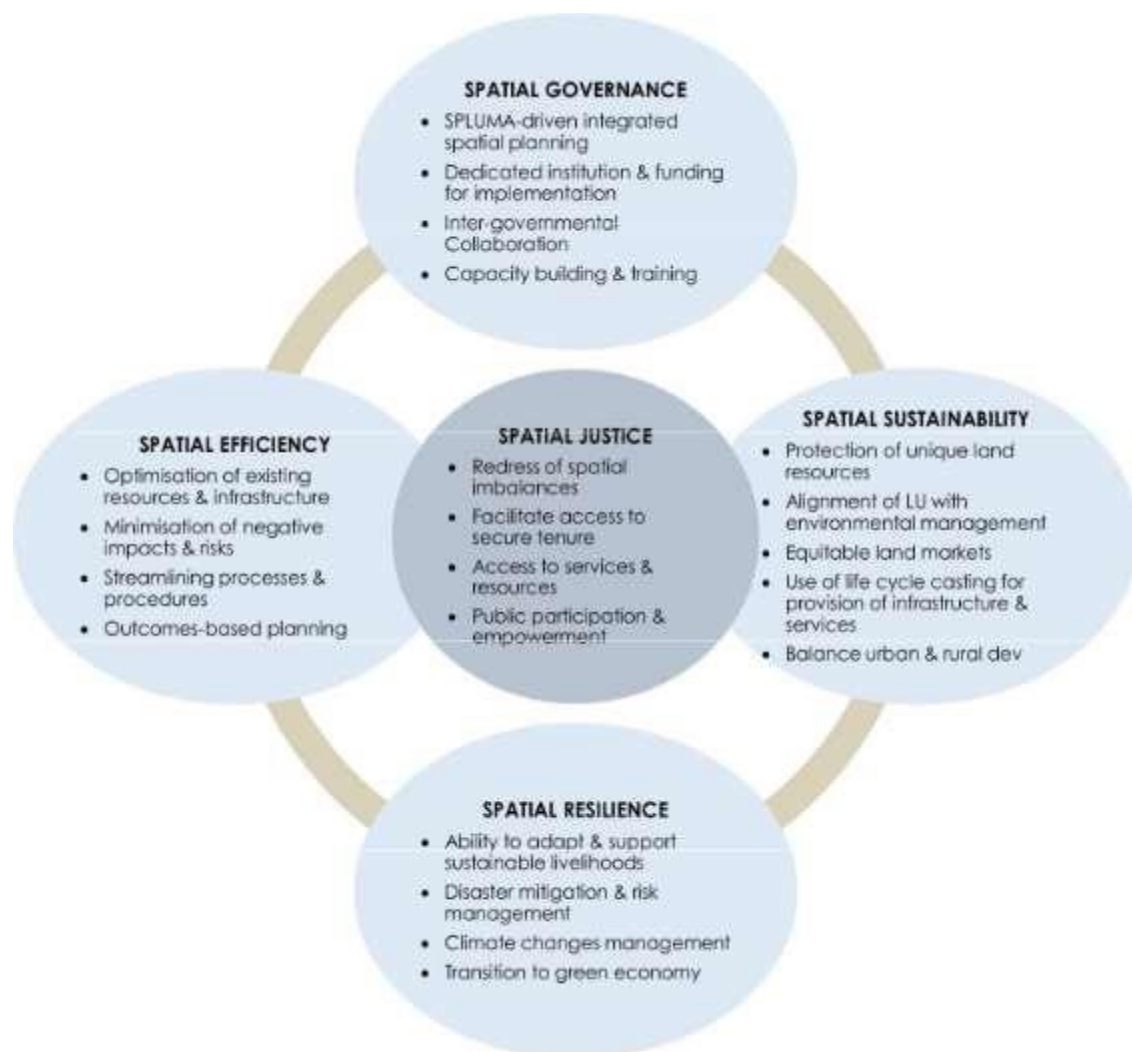
5.3.1 Spatial Planning & Land Use Management Act (SPLUMA)

SPLUMA provides an important set of overarching guidelines through the development principles contained in Chapter 2 of the Act.

5.3.1.1. The objectives of SPLUMA :

- Provide for a uniform, effective and comprehensive system of spatial planning.
- Ensure that the system of spatial planning and land use management promotes social and economic inclusion.
- Provide for development principles and norms and standards.
- Provide for the sustainable and efficient use of land.
- Provide for cooperative government and intergovernment relations.
- Redress the imbalances of the past and to ensure that there is equity in the application of spatial development planning and land use management systems.

5.3.1.2. Development Principles of SPLUMA :



5.3.2. Provincial Spatial Development Framework (PSDF)

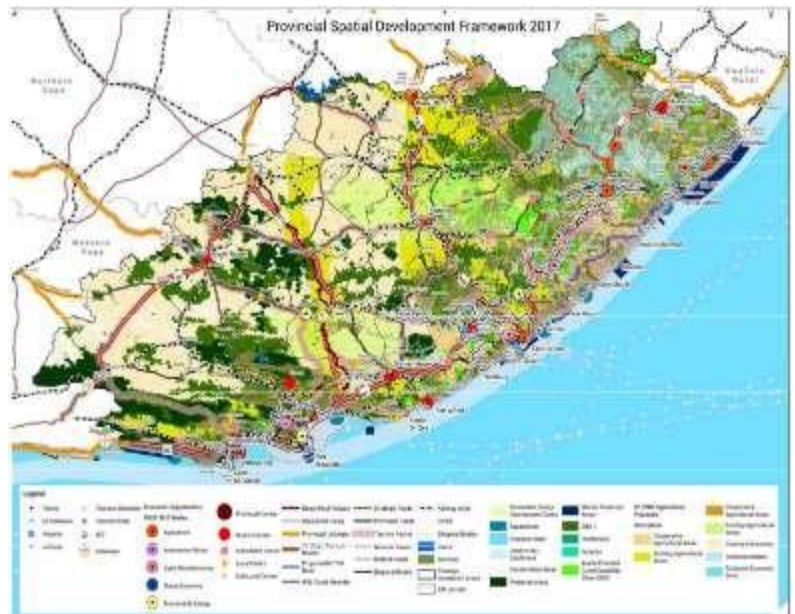
The Eastern Cape Province recently embarked on the revision of the Provincial Spatial Development Framework in terms of SPLUMA. The Draft PSDF (2017) has not been approved, but for the purposes of the Makana SDF, the philosophy and approach, as outlined in the PSDF, is adopted.

The PSDF provides a spatial development vision for the Province :

The future spatial perspective of the province over the next 15 to 20 years could be conceptualised in the context of the Provincial Growth and Development Plan vision of a “poverty free Eastern Cape”. Understanding that such a vision would be founded upon a concept of a “modern, ecologically sustainable economy based in agriculture, tourism and industry”, it is believed the future spatial perspective would comprise a *spatial development framework of managed urban and rural human settlements clustered in urban (settlement) regions and corridors, alongside productive agricultural precincts, managed ecological natural resource areas and connected to a network of strategic transportation corridors, open to the global, national and provincial economy.*

The PSDF is founded on 7 principles or spatial framework values:

- Environmental Values
- Social & Human Settlement Development Values
- Rural Development Values
- Infrastructure Values
- Economic Development Values
- Human Resource Development
- Governance Values
- Local Policy Directives



5.3.4 Makana IDP (2019/2020)

Municipal Vision & Mission

We shall strive to ensure sustainable, affordable, equitable and quality services in a just, friendly, secure and healthy environment, which promotes social and economic growth for all.

Development Priorities

In support of the Municipal vision, the Municipality identified the following development priorities, goals and strategic objectives.

1. Basic Service Delivery and Infrastructure Development

2. Community and Social Development
3. Local Economic Development and Rural Development
4. Institutional Development and Financial Management
5. Good Governance and Public Participation
6. Human Settlement Management

5.4. Spatial Analysis & Synthesis

The spatial analysis of the study area represents an overall spatial picture of the Municipality, the current situation, patterns and trends within the Municipality and quantify specific needs and capacities. The information is focused on key developmental sectors and based on the key issues identified.

The spatial analysis follows on from the informants (National, District and Local), SBDM and Makana IDP alignment and key issues. Spatial analysis will lay the foundation for the SDF and development proposals and policy.

Synthesis & Key Development Issues

Based on the status quo assessment, the following opportunities and constraints relevant to the study area have been identified.

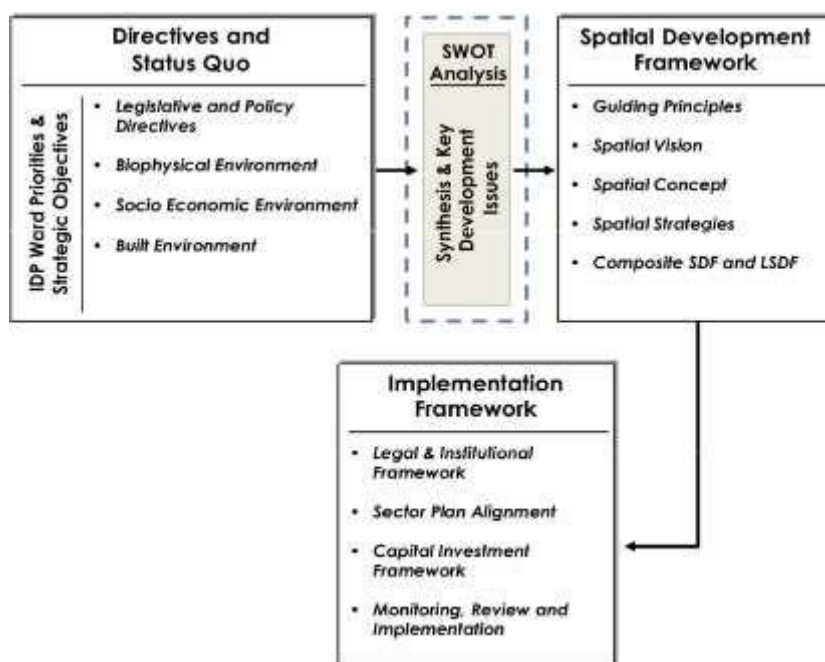


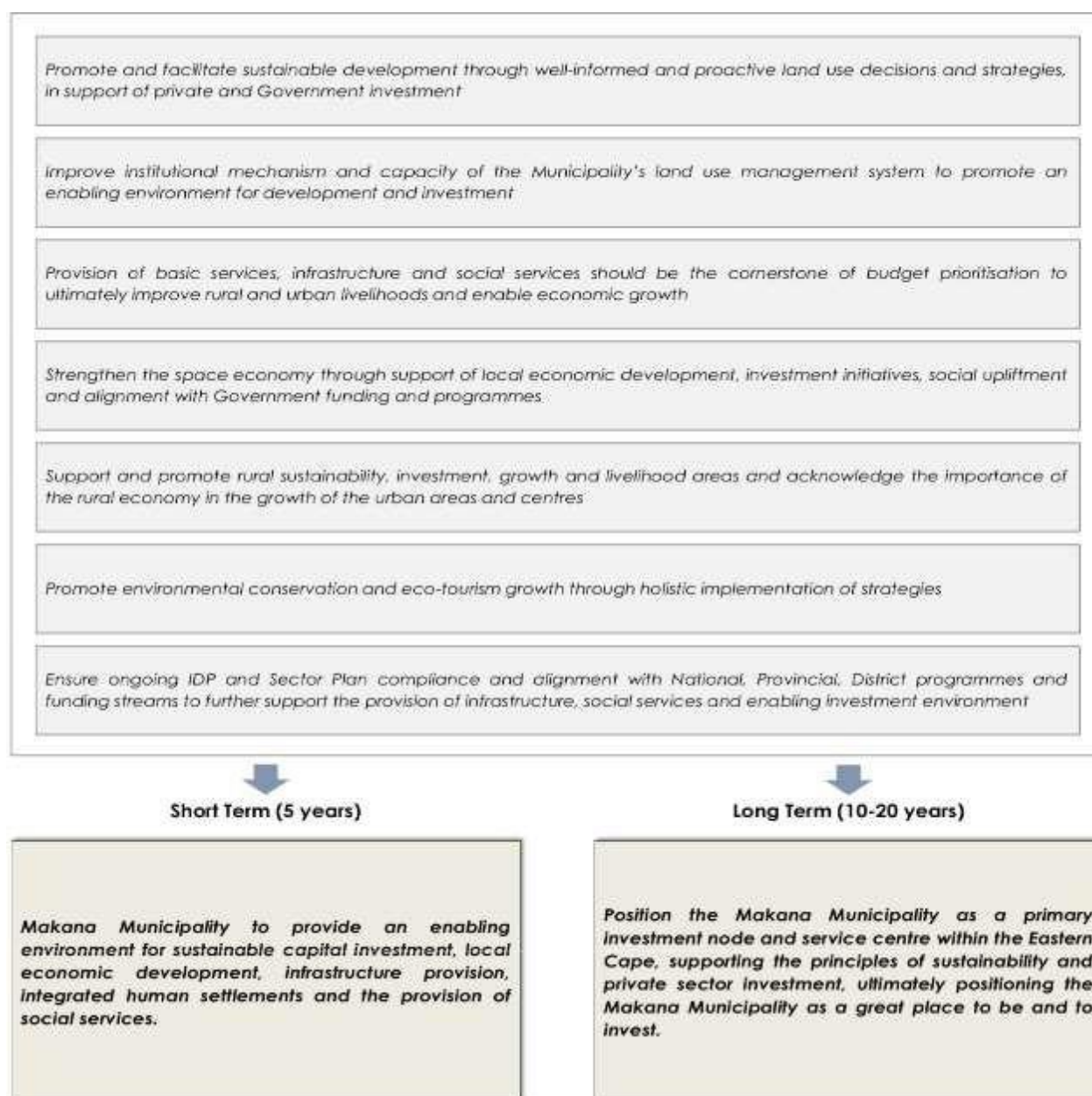
Table 70: Policy, Legislative & Institutional Informants

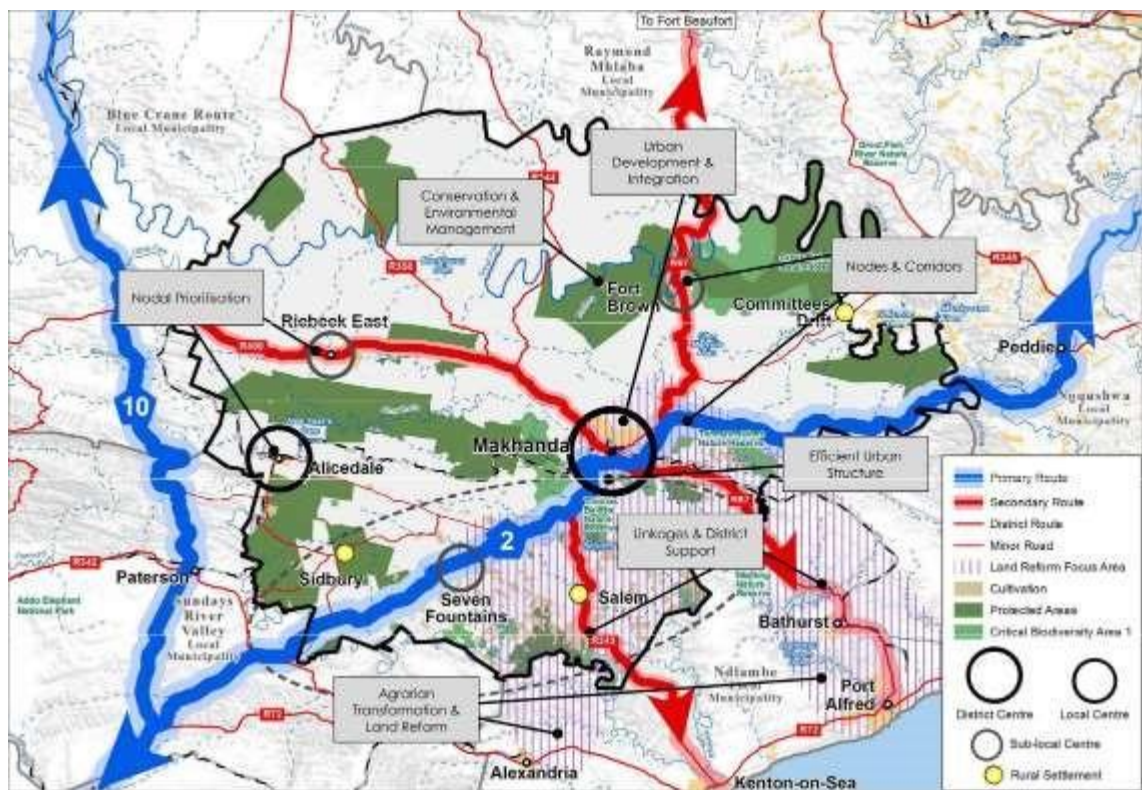
Strengths / Opportunities	Weaknesses / Threats
Strong and well-defined legislative environment, i.e. SPLUMA, Makana SPLUMA By-laws and integrated Wall- to-Wall Land Use Scheme	Staff vacancies within the Planning Department and lack of support infrastructure to implement land use system.
Revised, although in Draft form, Provincial Spatial Development Plan, including 7 principles or spatial framework values for the Province.	Existing SDF (2013) not approved.
Annual review of Makana IDP provides detailed prioritisation on Ward level and key performance areas.	Lack of Sector Plans with specific reference to environmental management and detailed land use management policy.

GIS and zoning data relatively up to date and in electronic format.	Absence of a Municipal Planning Tribunal, as required in terms of SPLUMA, results in non-compliance with SPLUMA and the Municipal By-laws
Authorised Official appointed to manage Category B land use applications and decisions	Absence of MPT has negative impact on land use management implementation and decision making.
	SBDM SDF outdated and needs to be revised to align spatial planning in the District with the newly revised Provincial SDF and Local SDF Initiatives

5.4.1. Spatial Vision

The spatial vision for the Makana Municipality is underpinned by the following principles :





5.5 Spatial Strategies

5.5.1. Development Objectives & Spatial Implications

In order to achieve the spatial vision and implement the spatial concept for the greater Makana on an urban and rural level, the following development objectives and spatial implications will guide the spatial strategies for the individual urban areas and rural hinterland. The development priorities are aligned with the Makana IDP 2019/2020.

SDF Strategic Theme	Development Objectives and Spatial Implications
Basic Service Delivery and Infrastructure Development	To provide basic services and infrastructure to all the communities within the Makana Municipality.

	To manage the provision of bulk water supply, sewer treatment, road maintenance, electricity supply based on existing strategies and programmes.
	To implement and manage a well-functioning Project Management Office (PMO) to co- ordinate all Sector Plans and programmes, including National, Provincial and District initiatives and priorities.
	To prepare a comprehensive Infrastructure Master Plan (water, sewerage, electricity and waste management).
	To prepare a transportation management plan.
	To identify areas for future development, confirm the urban edge and identify areas for intensification and high densities to inform infrastructure provision and long term bulk planning
	To refine Development Levy Policy and Calculator through a By-law.
	To develop a Municipal Transport Master Plan.

SDF Strategic Theme	Development Objectives and Spatial Implications
Development Priority : Community and Social Development	To assess social facilities and identify areas of highest need.
	To provide social facilities based on CSIR standards, within walking distances and accessible to the target communities.
	Ensure that all new development (greenfields) confirm to CSIR community facility thresholds.

SDF Strategic Theme	Development Objectives and Spatial Implications
Development Priority : Local Economic Development and Rural Development	To promote opportunities for small business, SMME investment and informal trade
	To create a conducive environment within the land use management system, stimulating investment and economic growth.
	To identify specific precincts or economic investment areas, i.e. Makana CBD, City Hall Precinct, African Street Precinct, Industrial Area Development, etc.
	To develop an Investment and Incentive Strategy for developers, investors and PPP's.
	To ensure land availability for industrial and mixed use investment and development.
	To revise the Municipal Local Economic Development strategy and ensure alignment with IDP and SDF priorities and objectives.
	To support and implement the principles of the Eastern Cape Biodiversity Sector Plan (under review).
	To promote growth and expansion of existing eco-tourism industry and game farm / hunting industry.
	To compile an environmental management plan for the Makana Municipality.
	To explore the possibilities and secondary industries to the game farming and eco-tourism industry for possible mixed use and industrial development within Makhanda.
	To prepare a tourism strategy and implementation master plan.
	To confirm nodal functions of rural villages and sustainability of further investment within the rural area.
	To confirm and plan for human settlement needs and demand in a sustainable manner.
To ensure infrastructure maintenance and district linkages.	

	<p>To implement and align with the Provincial Rural Development Plan and the Sarah Baartman</p> <p>DM Rural Development Plan proposals, strategies and initiatives.</p> <p>To support the sustainable land reform programmes and projects.</p> <p>To support and prioritise farm worker accommodation and rural livelihood areas.</p> <p>To explore options of PPP with farming and eco-tourism industry.</p>
<p>Development Priority : Institutional Development and Financial Management</p>	<p>To ensure implementation of the Makana Spatial Planning & Land Use Management By-laws.</p> <p>To update and maintain SPLUMA land use management system, i.e. Spatial Development Frameworks, Land Use Scheme, Municipal Planning Tribunal, Appeal Authority and ongoing policy formulation.</p> <p>To improve and expand institutional capacity of the planning office, with specific reference to land use management control and GIS.</p> <p>To actively participate in District and Provincial planning, land use management and institutional platforms.</p>
<p>Development Priority : Good Governance and Public Participation</p>	<p>To implement and manage a well-functioning Project Management Office (PMO) to co-ordinate all Sector Plans and programmes, including National, Provincial and District initiatives and priorities.</p>
	<p>To ensure SPLUMA implementation and SDF revision aligned with local and district IDP initiatives, on an annual basis.</p> <p>To implement mechanisms and support structures to expedite land use change applications.</p> <p>To ensure a well-functioning MPT, AO and Appeals Authority</p> <p>To identify and formulate policies and procedures that would support the land use management function.</p> <p>To align organisational structures of planning functions with National directives.</p> <p>.To ensure compliance of IDP vision and Sector Plan alignment with National guidelines and requirements.</p> <p>To fast track and prioritise land development applications and building plan process.</p>
<p>Development Priority : Human Settlement Management</p>	<p>To implement the core principles of SPLUMA, the National Development Plan and the Provincial Spatial Development Framework.</p> <p>To promote the function of Makhanda as a primary node in the district and within the Province.</p> <p>To prioritise nodal and corridor development as a catalyst for investment and development.</p> <p>To strengthen the Makhanda CBD through the promotion of higher densities and mixed use</p> <p>To improve linkages between Makhanda East and Makhanda West through corridor development and urban regeneration.</p> <p>To acknowledge the importance of key economic role players, i.e. Rhodes University, private schools, business sector, arts, culture and heritage, eco-tourism and the game farming industries</p> <p>To confirm the urban edge and consider interaction between urban agriculture, communal grazing and future expansion and development areas</p>

	To include revision of Capital Expenditure Framework as part of the IDP / SDF review cycle.
	To align urban development and urban investment with Municipal IDP infrastructure investment programmes, especially water, sanitation, electricity and roads
	To align transportation development strategy with urban form to alleviate traffic issues and improve ease of trade.
	To identify key structuring elements and investment partners to stimulate development and investment
	To proactively plan for human settlement development and investment for subsidised, medium and high income residential typologies.
	To identify specific precincts for urban regeneration and intervention to stimulate economic development and investment.

SDF Strategic Theme	
	To assess the nodal functionality and importance of rural nodes, i.e. Alicedale, Riebeek East, Seven Fountains, Fort Brown and Salem.
	To align subsidised human settlement project with SDF implementation.
	To confirm and implement accurate housing demand database.
	To ensure flexible SDF land use guidelines to promote development and investment, within specific parameters.
	To develop and implement an Aesthetic and Heritage Management By-law.
	To implement a Land Release Strategy to stimulate economic development.

5.6 Structuring Elements

Structuring elements are spatial tools and concepts required to achieve specific development objectives. Management and implementation intensity of these structuring elements are tools for redevelopment and development implementation. Structuring elements should operate at a variety of levels and scales on an urban and rural level.

The following structuring elements are relevant to the study area, informing the Spatial Development Framework:

- Nodes and Settlements
- Access, Corridors and Movement Routes
- Conservation , Open Space and Heritage
- Infill and Densification
- Urban Edge and Containment
- Industrial Development and Mining
- Tourism
- Infrastructure
- Economic Catalyst and Special Development Zones

Rural Development

Nodes & Settlements Objective

The identification and classification of nodes and settlements within the Municipal operational context is important and a mechanism to identify areas where higher intensity land uses and activities should be supported and promoted. Nodal development and containment improves efficiency as it provides easy access to services and provides thresholds for a variety of uses and transport services. Nodal classification reflects the different levels of investment, promotion and support the strengthening of inter linking corridors and networks. Nodal development should represent service delivery to the rural areas and smaller rural settlements generally support the rural population, economy and agriculture.



Movement Routes Objective

Movement routes and corridors represent linkages between nodes and activity areas and provide critical support for economic development, rural sustainability and growth. Accessibility to nodes and rural activity further supports the agricultural industry and eco-tourism opportunities with direct and indirect support of nodal growth.

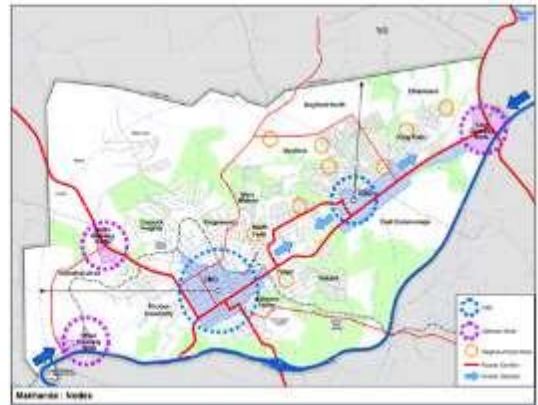
Conservation Objective

The protection of Agricultural land ,wetlands, ecological corridors, heritage resources and scenic landscapes are key building blocks for rural sustainability and growth in the district. Conservation of critical biodiversity areas are prioritised on National and Provincial level and should inform all rural land use decision making.



Economic Catalyst & Priority Growth Areas Objective

Areas for special growth should be based on agreed principles and direct budget allocation and future priority spending. Development of the rural hinterland should concentrate on competitive advantages, with specific reference to the provision of support infrastructure for the agriculture, tourism and rural settlement support. This should include strengthening of land reform.



Makhanda

Nodes Objective

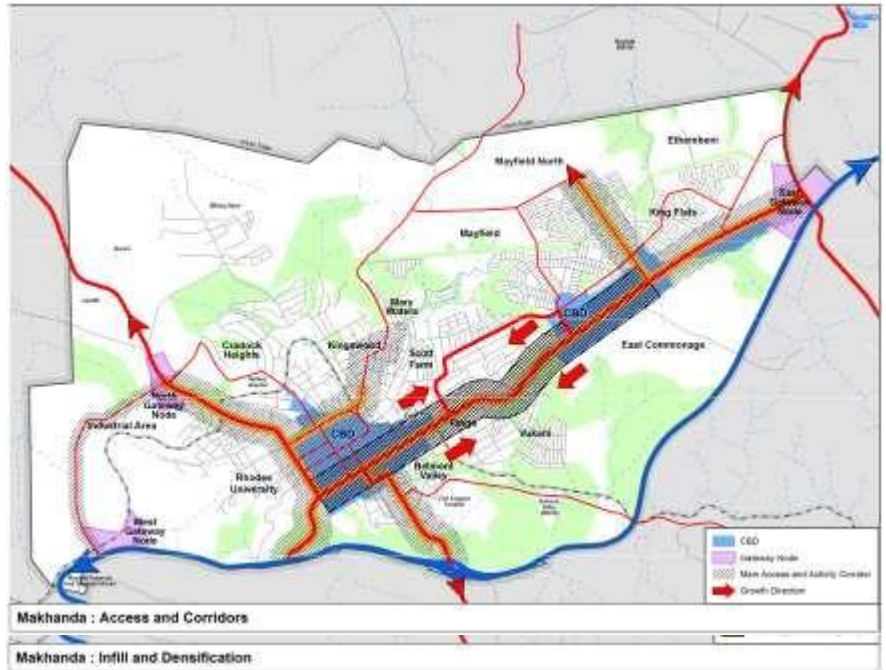
To strengthen existing and proposed mixed nodes and improve service delivery, stimulate economic growth within a demarcated area, providing services and job creation opportunities to surrounding urban areas.

☐ Access & Corridors

Objective

To strengthen main movement corridors and access to ensure integration between Makhanda East and Makhanda West and improve accessibility through mixed use development along main access routes and mobility corridors, specifically relating to internal access roads

and pedestrian linkages within the Makhanda CBD and the east / west corridor between the identified CBD's and gateway nodes.



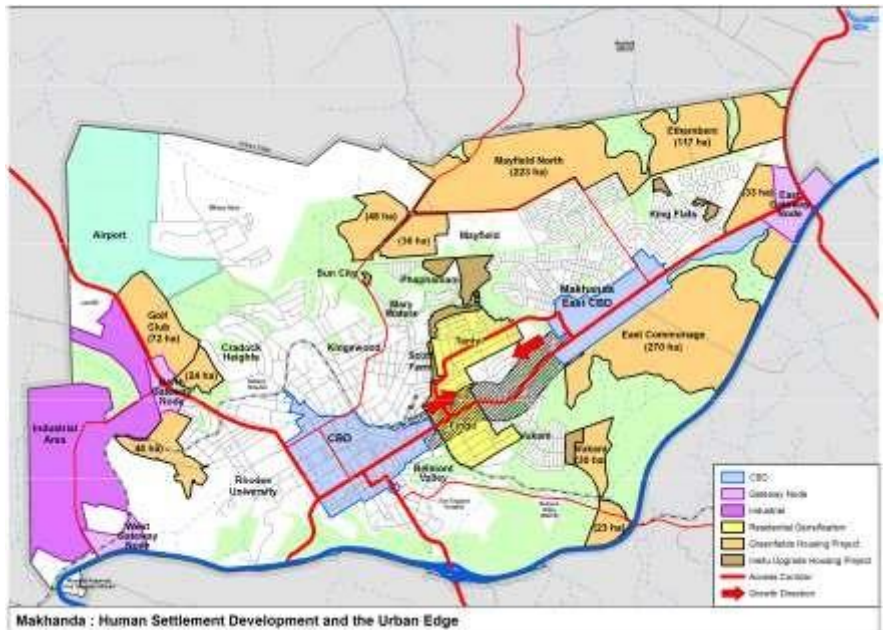
Infill & Densification

Objective

To promote residential and commercial densification as mechanism to integrate the various urban typologies within the greater Makhanda.

Human Settlement Development & The Urban Edge

Objective



Delineation of the urban edge is a mechanism to contain urban sprawl and ensure a more compact and efficient urban structure. The urban edge further ensures more efficient service delivery and sustainable community development with accessible social services, job opportunities and service centres.

Urban growth and urban expansion should be based on the principles of densification within the urban edge and future urban development should not be permitted outside the urban edge as demarcated.

- The Human Settlement Development Strategy comprises of :
 - Department of Human Settlements greenfields projects
 - Department of Human Settlements in-situ upgrading projects
 - Major catalytic projects or PPP initiatives

Fort Brown				340	
Seven Fountains				229	
Mayfield North Ext Phase 3 FLISP	720				
Mayfield North Ext Phase 4	5000				
Riebeek East			450		
East Commonage Phase 1	2525				
Ethembeni	1269				
East Commonage Phase 2	2525				
East Commonage Phase 3	2524				
Vukani Extension	600				
Sun City In-situ	200				
Phaphamani In-situ	506				
Vukani In-situ	100				

Table 71: Housing demand

Housing Demand (DoHS Subsidised)	Makhanda	Alicedale	Riebeek East	Rural Areas (Seven Fountains and Fort Brown)	Total
Estimated Housing Demand 2018 (Town Planning Report & IDP 2018)	12 800	948	456	417	14621
Estimated Housing demand 2028 (@1.12@ population growth/annum)					17460
Existing and Proposed Projects (DoHS Subsidised)	Makhanda	Alicedale	Riebeek East	Rural Areas (Seven Fountains and Fort Brown)	Total
Mayfield North Phase 2b	1139				
Alicedale		339			

<i>Infill Sites</i>	203				
Total Existing and Proposed Projects(2018)	17 311	339	450	569	18 669
10 year Surplus / Buffer					
PPP & Private Sector Projects	Makhanda				
Eastern Gateway Node (MU)	25				
Cradock heights Ext 2 (Res)	200				
Western Gateway Node (MU)	25				
Old Golf course (Res/MU)	750				
Northern Gateway (MU)	25				
Industrial Rhodes Expansion	300				
Total PPP & Private Sector Projects	1325				

Industrial & Manufacturing Objective

To strengthen the opportunities for industrial development and expansion of the manufacturing sector in the greater Makhanda area. It is acknowledged that expansion of the manufacturing sector is critical for sustainable employment creation and economic growth. Expansion on the industrial area and opportunities for light manufacturing in the Gateway nodes should provide opportunities for investment.

Open Space, Conservation & Heritage Objective

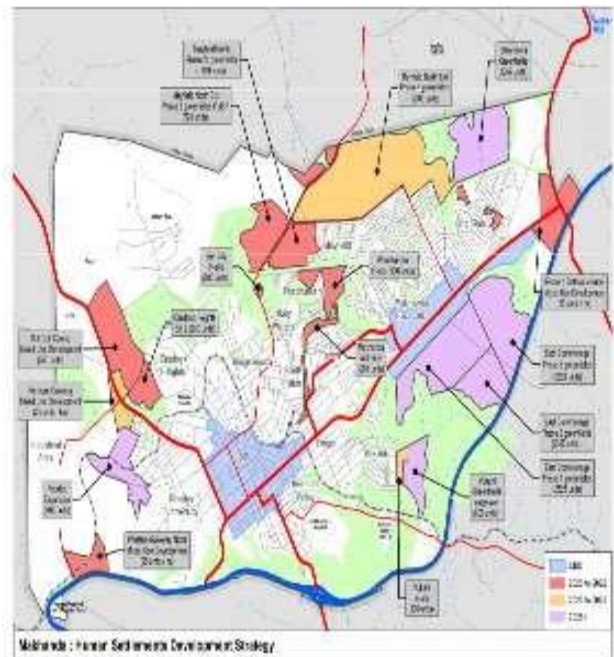
To ensure the conservation of the natural and built environment through protection of heritage resources, maintenance of the existing open space system and compliance with environmental legislation and guidelines.

Social Services Objective

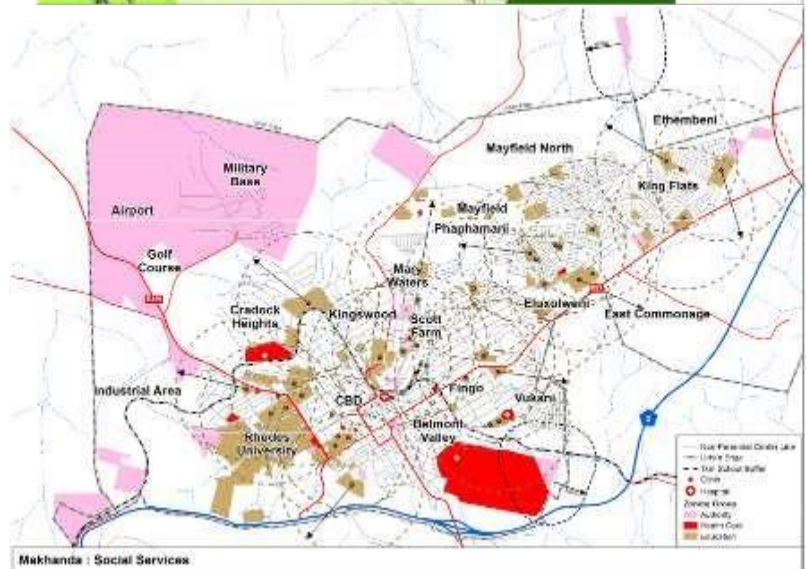
To provide social and public facilities that is adequately maintained and provided within walking distance of the general population within the town.

Infrastructure Objective

To ensure the provision of water, sanitation, electricity, roads, water, conservation, IT and refuse removal infrastructure acceptable norms and standards to ensure sustainable community development and support for future growth, expansion and job creation and local economic development.



storm
within



Fingo & Tanyi Regeneration Precinct

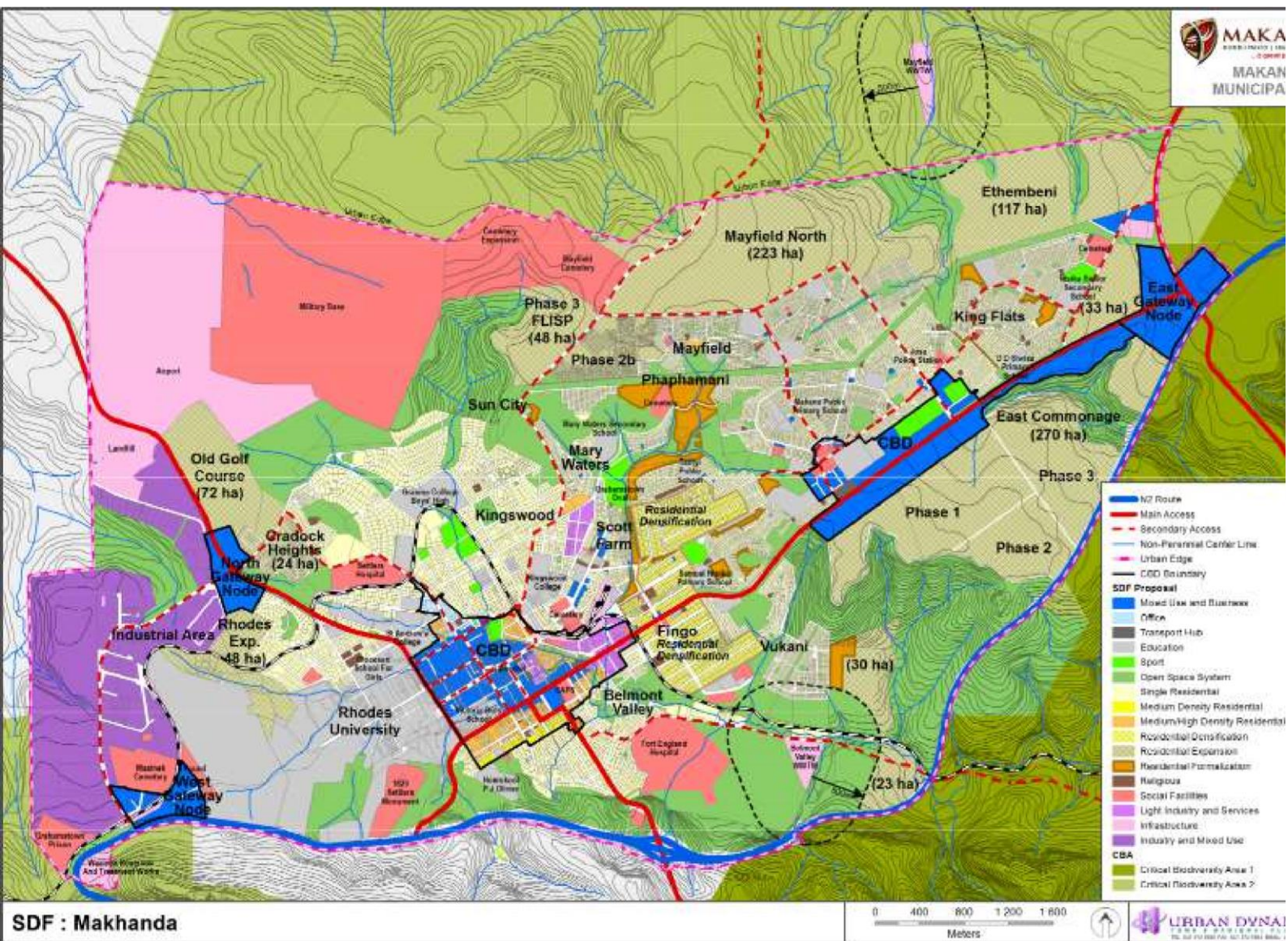
Strategic Land Release

A number of strategic land portions have been identified for land release or public private partnership investment. This initiative will further unlock economic development opportunities increase the Municipal rates base.



and





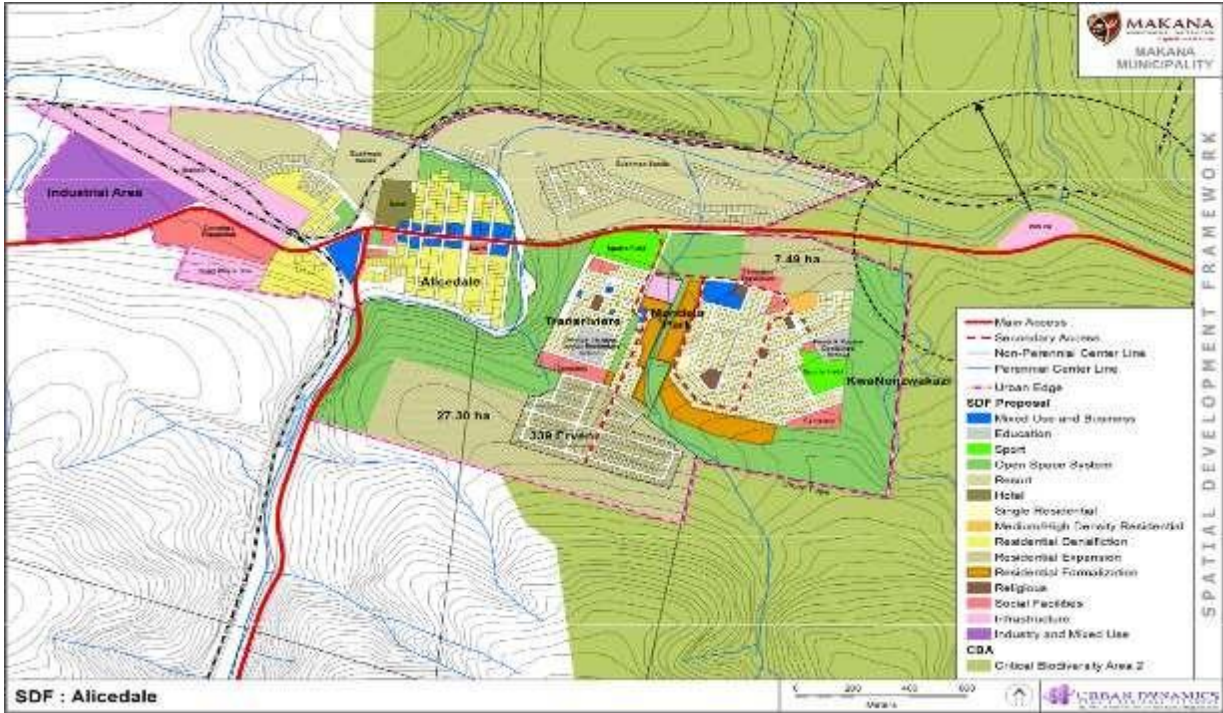
Alicedale

Objective

- To strengthen the existing Alicedale business and mixed use component along the Main Street and to strengthen the Transriviere / KwaNonzwakazi urban structure by allocating land for mixed use and services purposes.
- To strengthen existing accessibility corridors with emphasis on integration of Alicedale, Transriviere, Mandela Park and Kwanonzwakazi residential areas through road upgrades and pedestrianisation.
- To delineate an urban edge as a mechanism to contain urban sprawl and ensure more compact and efficient urban structure.

- To identify land to address housing demand and shortages and ensure upgrade and formalisation of informal areas in the Mandela Park area.
- To provide social and public facilities that is adequately maintained and provided within walking distance of the general population within the town.

Alicedale Composite LSDF



Riebeek East

Objective

To provide strategies for development of the 3 sub-local centres within the Makana Municipality, i.e. Riebeek East, Seven Fountains and Fort Brown and to ensure sustainable development of these nodes, within the principles of service delivery and rural support.

Riebeek East Composite LSDF



Seven Fountains

- Portions 13, 18 & 28 of Farm Sevenfontein No. 477
-
- Upgrade and formalise the existing Seven Fountains community on the Municipal owned farm portions, i.e. 13, 18 & 28 of Farm Sevenfontein No. 477
-
- Carefully consider future expansion based on limited infrastructure and expansion options, i.e. private land ownership.
-
- Consider re-design of the layout plan to increase densities and more sustainable use of infrastructure.

② Fort Brown

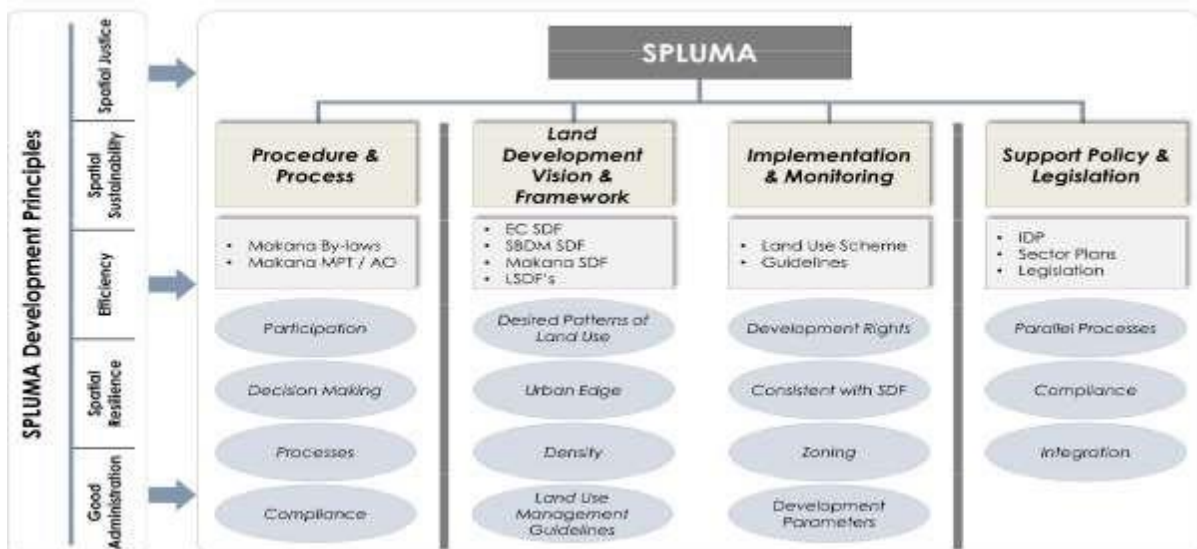
- Acknowledge the demand for rural housing development in the Fort Brown area, in support of existing social facilities (taps, school, community hall).
- Future development to take place on Fletcher's Outspan based on the principles of rural or agri-village design with minimum site sizes of 500 m².
- Scale and expansion of the Fort Brown node to be carefully assessed based on beneficiary demand and existing projects by private land owners to accommodate farmworkers.
- Scale of the Fort Brown development to be based on availability of infrastructure and services



The Implementation Framework for the Makana SDF provides the vehicle for SDF implementation through projects, budgets, priorities and institutional arrangements to ensure implementation, monitoring and review.

5.7 Package of Plans & Land Use Management System

Land Use Management System & Alignment



5.7.1. Guiding Principles for Decision Making

Decision making within the Land Use Management System (rezoning, subdivision, departure, consent use, etc.) should be based on the following guiding principles:

- Promotion and support of the IDP and long term development vision.

- Support the key principles for development and development management as per the SDF.
- Support the SDF Conceptual Framework and Spatial Development Framework proposals, objectives and goals.
- Adhere to legislative requirements relevant to all forms of development, with specific reference to, but not limited to, environmental conservation, heritage, infrastructure, municipal powers and functions, National and Provincial Government legislation, guidelines and policy.
- Due cognisance to the principles of sustainability, equality, efficiency and integration as outlined in SPLUMA.
- Impact of development on the general welfare, safety, amenity and living environment of development on its and/or surrounding land uses and inhabitants.
 - Adequate participation of the affected community and interested and affected parties.
 - Economic sustainability, long term advantages and economic growth prospects.

5.8. District Integrated Planning Model (UDF)

Recognising Integrated Urban Development Framework approach to long term planning and crafting urban-rural Linkages

A district co-ordinated Service Delivery model will be implemented on District Municipal level (Sarah Baartman District Municipality) as part of a National initiative to improve service and infrastructure delivery.

Implementation and alignment of the Makana Capital Expenditure Framework (CEF) with budgets requirements, programmes and priorities will be significantly improved through district integrated planning.



5.9. Capital Expenditure Framework (CEF)

A Capital Expenditure Framework is a consolidated, high-level view of infrastructure investment needs in a municipality over the long term (10 years) that considers not only infrastructure needs but also how these needs can be financed and what impact the required investment in infrastructure will have on the financial viability of the municipality going forward.

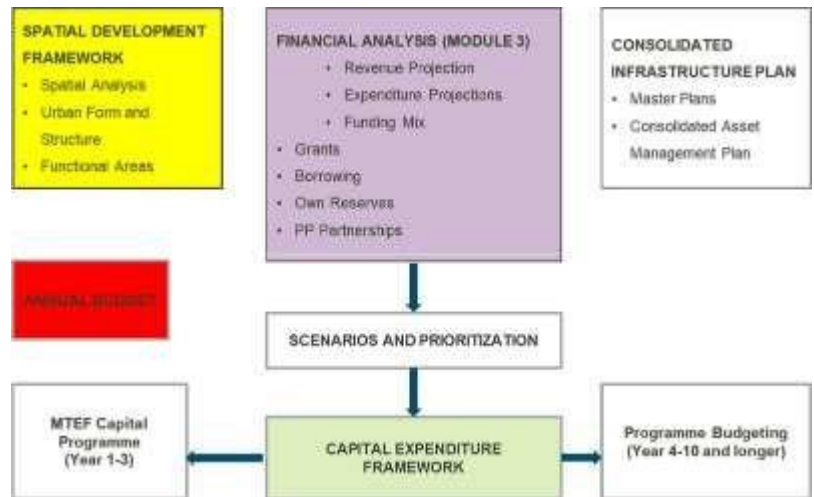
The CEF articulates how the spatial proposals are to be achieved sequentially, with attention to projects, timeframes, budgets and funding. Planning inputs are based on the spatial planning proposals,



Municipal, Provincial and National Government financial planning and capital budgets and the Municipality's Infrastructure Master Plans and infrastructure programme rollout.

5.9.1 CEF Alignment & Process

The figure below captures the integration and alignment of the key components of the CEF, namely the spatial element with the Technical Assessment element with the Financial Alignment element to produce the CEF.



5.9.2 Project Focus & Prioritisation

Project Focus

Given various budgetary constraints, the need for sustainable development and other issues likely to affect the implementation of identified projects, the implementation strategy should be focused on the following principles:

- Focus on projects that promote the optimal use of existing infrastructure and services and also enable the local municipality to make better returns from existing and newly built infrastructure
- Upgrading engineering services and infrastructure capacity is critical to accommodate the needs of new property developments
- Focus on projects that will stimulate the objectives and priorities
- Acknowledge existing IDP programmes and initiatives
- Acknowledge community prioritisation through ward prioritisation
- Focus on District and Provincial Programme Alignment
- Prioritise projects that could better unlock or trigger more investment into the area.
- Focus on projects that require low capital budget but have a high impact (quick wins)
 - Focus on projects that utilize and harness local initiatives

5.9.3. Priority Investment Projects & Program

Investment planning and participation should focus on getting the basics in place to facilitate growth and investment and realigning the spatial vision. Projects for immediate implementation within a 2 year budget cycle are indicated on the diagram.

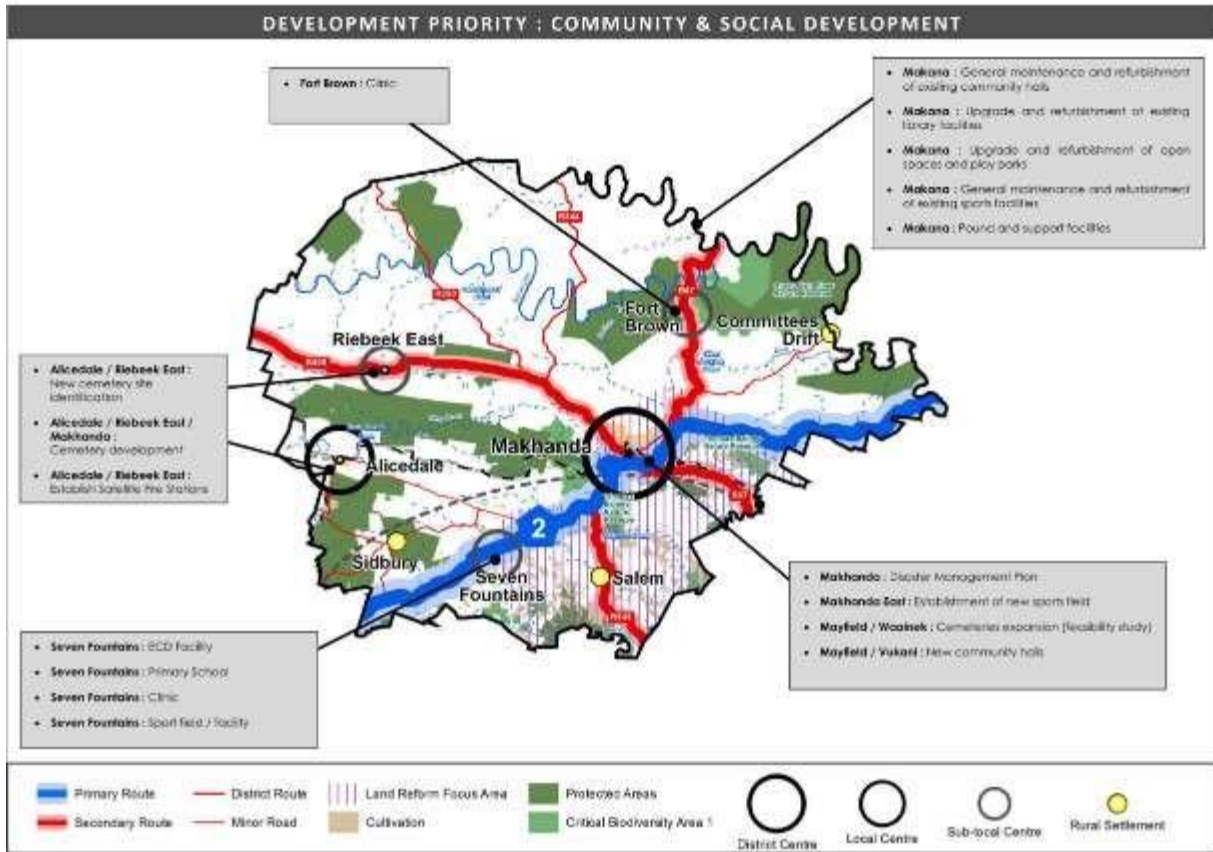
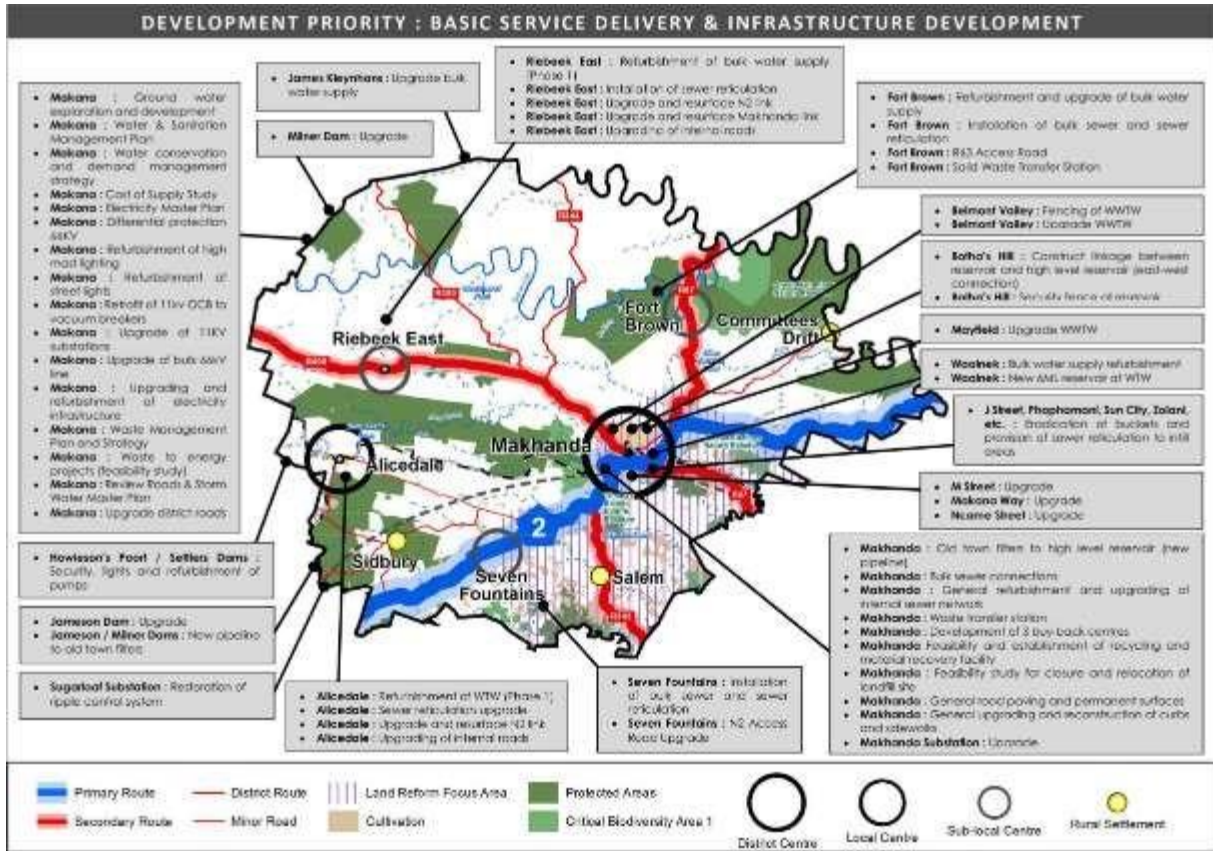
These areas must be the focus for getting the basics right as well as adding value through new investment to facilitate social inclusion, attract economic activity and private sector and household investment. There is considerable scope for the absorption of residential, commercial and industrial growth within this zone. These areas and the priority nodes within Makana should be the focus of any municipal investment incentives.

The focus of priority investment remains infrastructure provision and Human Settlements.

Table 72: Priority Investment Projects & Programs

Area	PROJECT
Makana	Ground water exploration and development
	Water & Sanitation Management Plan
	Water conservation and demand management strategy
	Upgrade of 11KV substations
	Upgrade of bulk 66kV line
	Upgrade district roads
	Revise Tourism & LED Strategy
	Implement and manage MPT and Appeal Authority
	Establish Land Development Committee
	Institutional restructuring and capacity (Planning Office)
	Capacity and institutional support to PMO and alignment with SBDM Support Model
	Revise Human Settlements Sector Plan, including Informal Settlements Policy
	Urban regeneration and CBD upgrading
Makhanda	General refurbishment and upgrading of internal sewer network
	Waste transfer station
	General road paving and permanent surfaces
	General upgrading and reconstruction of curbs and sidewalks
	Identify and implement Land Release Strategy for priority areas
	Belmont Valley : Fencing of WWTW
	Cradock Heights : Ext 2 (200 units)
	Eastern Gateway Node : Mixed Use Development (25 units / ha)
	Howieson's Poort / Settlers Dams : Security, lights and refurbishment of pumps
	James Kleynhans : Upgrade bulk water supply
	J Street, Phaphamani, Sun City, Zolani, etc. : Eradication of buckets and provision of sewer reticulation to infill areas
	Mayfield North : Phase 2b greenfields (1139 units)
	Ncame Street : Upgrade
	Phaphamani : In-situ (506 units)
	Waainek : Bulk water supply refurbishment
	Waainek : New 6ML reservoir at WTW
Western Gateway Node : Mixed Use Development (25 units / ha)	
Area	PROJECT
Alicedale	Refurbishment of WTW (Phase 1)
	Sewer reticulation upgrade
	Upgrading of internal roads
	Greenfields (339 units)
Riebeek East	Refurbishment of bulk water supply (Phase 1)
	Installation of sewer reticulation
	Upgrading of internal roads
Fort Brown	Installation of bulk sewer and sewer reticulation
Seven Fountains	Installation of bulk sewer and sewer reticulation

Implementation Programme



Implementation Program reflects projects, programmes and strategies for implementation over a short, medium and long term period. The implementation program is aligned to the Makana IDP development priorities and key performance areas, i.e. :

- Basic Service Delivery and Infrastructure Development
- Community and Social Development
- Local Economic Development and Rural Development
- Institutional Development and Financial Management
- Good Governance and Public Participation
- Human Settlement Management

CHAPTER SIX: FINANCIAL PLAN

6.1 Executive Summary

Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. This includes the compilation of the Medium-term Revenue and Expenditure Framework.

The service delivery priorities were reviewed as part of this year's planning and budget process. A critical review was also undertaken of expenditures on noncore and 'nice to have' items as per Circular 82.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Council has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 93 and 94 were used to guide the compilation of the 2019/20 MTREF.

The main challenges experienced during the compilation of the 2019/20 MTREF can be summarised as follows:

- Budgeting for a surplus (i.e. Total Revenue exceeding Total Expenditure) on the operating Budget;
- Fully implementing cost containment measures and removing non-core expenditure items;
- Maintaining revenue collection rates at acceptable levels and even more;
- Allocation of the required operating budget provision for newly created infrastructure and facilities, with a consequential impact on the level of rates and tariff increases;
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure;
- Allocation of the required operating budget provision for staffing requirements, including the implementation of the Task Job Evaluation System and the associated maintenance phase

The following budget principles and guidelines directly informed the compilation of the 2019/20 MTREF:

6.2 Revenue Management

The MTREF used the guidelines set out of Circular 93 and 94 issued by National Treasury as well as the Guideline on Municipal Electricity price increase.

On 23 May 2019, NERSA approved a guideline increase for municipalities as follows:

A guideline increase of 13.07 %, which is based on the following assumption:

- Bulk purchases cost have increased by 15.63% in line with Eskom's electricity tariff increases to municipalities;
- A consumer price index (CPI) of 5.2% as indicated in the forecast by the Bureau for Economic Research (BER) in March 2016;
- Salary and wage increases of CPI plus 1.5% as indicated in the SALGA Circular No.06/2018: Salary & Wage Collective Agreement; and
- Repairs & maintenance, capital charges and other costs have increased by the CPI.

National Treasury continues to encourage municipality to keep increases in property rates, tariffs for trading services and charges for other municipal own revenue sources within the parameters of the country's inflation rate.

In terms of Circular 79 "Setting of tariffs should consider the following practicalities:

- Cost of bulk purchases and the fluctuation in the seasonal cost thereof,
- Consumption patterns to enable better demand planning and management, and
- Embark on the process to correct tariff structures to be cost reflective

One of the main challenges hampering revenue collection is the issue of tariffs structure, provisions has been made in 2019/20 budget to start the process of correcting the tariffs to be cost reflective especially water and sanitation tariffs structure.

The budget is based on a water tariff increase of 6%, the installation of new meter and replacement of damaged meter project that is implemented under the Water Conservation & Demand Management Project is expected to significantly have a positive effect on the collection rate as this will mean that all consumers will be accurately billed and this should minimise the frequency of disputes by consumers.

Department of Water & Sanitation through the consultant, MBB Consulting Engineers, has been assisting during 2018/2019 with inspections of all bulk water consumers and has replace all the electric magnetic meter installed by Sebata that could not be read for billing of consumption. During 2019/2020 all bulk water consumers will be billed accurate consumption and will increase revenue collection.

Sanitation tariffs will increase by 6% is based on the CPI increase as the cost effective tariffs is still in progress. Refuse removal tariff increase is set at 19% for all users. This is largely based on the increase of the main cost drivers of the service and to ensure the service runs at breakeven or a minor profit margin.

Sundry tariff increases will be limited, in most instances, to be within 6%. The financial sustainability and viability of the 2019/20 MTREF is largely dependent on the collection level of billed revenue for services delivered. A debt collection company has been appointed for data cleansing and improving collection rate. The 2019/20 budget is based on the collection rate 94% collection.

6.3 Expenditure Management

Long-outstanding debts, particularly ESKOM, continues to be a challenge. Payment plans are in place and provision has been made in 2019/20 budget for repayment of part of these debts.

The repayment of long-outstanding creditors relating to previous financial years was not budgeted appropriately in the current financial year, compromising service delivery. This means 2019/20 budgeted expenditure had to be cut or put on hold to compensate for the funding of repayment of accruals.

Employee-related costs budget represents 41.59% of the total 2019/20 Budgeted Expenditure. Efforts need to be made to reduce this ratio to below the upper limits of the Treasury norm of 40%

Asset Management plans, including maintenance plans, are regarded a priority as they have a direct impact on the quality of services delivered to the communities.

To date, the maintenance plan has been developed and its implementation is in phases due to financial constraints. Municipal asset reconciliations, verification of movables and updating of work-in-progress (WIP) have been in process.

The capital budget of R39.069 million for 2019/20 represents a decrease of 54% when compared to the 2018/19 Adjustment Budget. The capital programme decreases are attributable to the drought funding falling away and a reduction in other grants. The Capital Budget will increase to R39.384 million in the 2020/21 financial year and then increases in 2021/22 to R39.906 million. There is no Borrowing in the Capital Budget due to the lack of cash resources to repay the annual instalments. There will only be R1 million funded from internally generated funds in the 2019/20 financial year.

The MTREF for the Multi-year budget summary is as follows:

EC104 Makana - Table A1 Budget Summary

2015/16	2016/17	2017/18	Current Year 2018/19					Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year 2020/
53 450	62 566	66 278	67 345	74 087	55 540	81 496	86 386	91 569	81 496	86 386	91 569
202 543	230 148	224 897	223 821	248 321	185 407	269 667	286 507	304 410	269 667	286 507	304 410
1 000	1 086	991	800	3 300	520	2 000	2 120	2 247	2 000	2 120	2 247
86 094	86 421	91 034	92 497	118 700	36 069	104 889	108 433	116 192	104 889	108 433	116 192
39 899	43 990	42 697	51 527	27 439	4 402	26 368	27 938	29 602	26 368	27 938	29 602
382 986	424 211	425 896	435 991	471 848	281 938	484 420	511 363	544 020	484 420	511 363	544 020
144 120	178 487	157 569	182 284	184 306	113 475	189 305	204 449	220 805	189 305	204 449	220 805
9 422	9 637	10 315	9 774	11 248	7 162	12 017	12 738	13 502	12 017	12 738	13 502
27 535	30 591	29 479	11 500	35 636	985	33 500	34 170	34 853	33 500	34 170	34 853
17 937	33 371	23 505	7 500	10 500	3 814	10 500	10 710	10 924	10 500	10 710	10 924
95 361	116 135	114 508	108 095	112 748	75 058	124 200	129 956	135 636	124 200	129 956	135 636
2 967	23 280	2 678	30 700	150	3	150	153	156	150	153	156
195 768	125 113	168 563	83 084	116 922	40 613	114 387	116 675	119 009	114 387	116 675	119 009
493 108	516 613	506 616	432 937	471 509	241 109	484 059	508 852	534 886	484 059	508 852	534 886
(110 123)	(92 403)	(80 720)	3 054	339	40 829	360	2 531	9 135	360	2 531	9 135
30 639	27 884	40 300	68 498	58 521	-	43 701	48 492	48 892	43 701	48 492	48 892
(79 483)	(64 518)	(40 421)	71 562	58 860	40 829	44 061	51 023	58 027	44 061	51 023	58 027
(79 483)	(64 518)	(40 421)	71 562	58 860	40 829	44 061	51 023	58 027	44 061	51 023	58 027
31 083	292	35 745	68 498	85 104	13 394	39 069	39 384	39 906	39 069	39 384	39 906
27 249	292	34 371	66 748	82 454	12 694	38 069	39 384	39 906	38 069	39 384	39 906
-	-	-	-	-	-	-	-	-	-	-	-
2 901	-	442	1 750	2 650	700	1 000	-	-	1 000	-	-
30 150	292	34 813	68 498	85 104	13 394	39 069	39 384	39 906	39 069	39 384	39 906
56 641	91 628	56 035	131 287	141 287	75 330	204 585	218 322	235 000	204 585	218 322	235 000
1 108 117	1 045 376	1 050 730	876 200	898 200	1 063 203	904 556	911 891	919 194	904 556	911 891	919 194
181 793	249 809	259 602	130 597	130 597	268 886	227 617	180 474	133 502	227 617	180 474	133 502
149 374	160 212	160 755	73 679	73 679	160 754	160 000	160 800	161 562	160 000	160 800	161 562
833 592	726 983	686 408	803 211	835 211	708 893	621 524	682 940	746 770	621 524	682 940	746 770
11 687	(24 459)	58 226	44 967	82 605	47 643	43 158	43 584	46 470	43 158	43 584	46 470
(28 166)	32 664	(35 677)	(33 999)	(75 948)	(1 770)	(38 869)	(39 184)	(39 706)	(38 869)	(39 184)	(39 706)
-	(526)	(21 955)	(7 500)	(1 500)	(1 261)	(1 575)	(1 654)	(1 736)	(1 575)	(1 654)	(1 736)
5 179	12 943	13 536	4 457	18 693	70 959	21 407	24 154	29 181	21 407	24 154	29 181
5 179	12 943	13 536	4 987	14 987	59 802	21 407	24 154	29 181	21 407	24 154	29 181
126 183	148 318	188 032	4 675	10 286	230 879	16 462	(43 356)	(103 763)	16 462	(43 356)	(103 763)
(121 004)	(135 375)	(174 497)	312	4 701	(171 077)	4 945	67 510	132 944	4 945	67 510	132 944
-	-	-	-	-	-	-	-	-	-	-	-
27 535	30 591	29 479	11 500	35 636	985	33 500	34 170	34 853	33 500	34 170	34 853
-	-	-	10 294	71 823	-	36 001	39 384	39 906	36 001	39 384	39 906
-	-	8 862	27 949	3 535	-	3 965	4 044	4 125	3 965	4 044	4 125

R thousands	Description
Financial Performance	
Property rates	
Service charges	
Investment revenue	
Transfers recognised - operational	
Other own revenue	
Total Revenue (excluding capital transfers and contributions)	
Employee costs	
Remuneration of councillors	
Depreciation & asset impairment	
Finance charges	
Materials and bulk purchases	
Transfers and grants	
Other expenditure	
Total Expenditure	
Surplus/(Deficit)	
	Contributions recognised - capital & contributed assets
	Surplus/(Deficit) after capital transfers & contributions
	Share of surplus/ (deficit) of associate
	Surplus/(Deficit) for the year
Capital expenditure & funds sources	
Capital expenditure	
	Transfers recognised - capital
	Borrowing
	Internally generated funds
	Total sources of capital funds
Financial position	
	Total current assets
	Total non current assets
	Total current liabilities
	Total non current liabilities
	Community wealth/Equity
Cash flows	
	Net cash from (used) operating
	Net cash from (used) investing
	Net cash from (used) financing
	Cash/cash equivalents at the year end
Cash backings/surplus reconciliation	
	Cash and investments available
	Application of cash and investments
	Balance - surplus (shortfall)
Asset management	
	Asset register summary (WDV)
	Depreciation
	Renewal and Upgrading of Existing Assets
	Repairs and Maintenance

6.4 OPERATING BUDGET FRAMEWORK

6.4.1 Operating Revenue

Municipality is in the process of turning around the current declining position in order to build a sustainable future, revenue enhancement is one of the key elements of turn around strategies that has been used to address the challenges. The Council has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. A debt collecting company was also appointed to assist with data cleansing, recovering outstanding debts and capacitating the Credit Control personnel in the process. Indigent policy and procedures, credit control and debt collection policy were reviewed as they are an important part of debt management and revenue enhancement.

Summary of revenue classified by main revenue source

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre- audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
Revenue By Source	1											
Property rates		53 450	62 566		67 345	74 087	–	55	81	86	91	
Service charges - electricity revenue		135 222	127 106	66 278	122 721	147 221	–	540	496	386	569	
Service charges - water revenue		40 778	66 687	118 437	70 493	70 493	–	101 469	161 943	171 660	181 960	
Service charges - sanitation revenue				76 280			–	70 930	74 722	79 205	83 958	
Service charges - refuse revenue		19 287	24 372	21 765	16 673	16 673	–	8 216	17	19	20	
Service charges - Other		7 225		8 415			–	4	674	087	614	
Rental of facilities and equipment		31	11 937		13 934	13 934	–	792	328	554	878	
Interest earned - external investments		1 167	1 280	1 743	1 425	1 425	–	408	1 511	1 601	1 698	
Dividends received				991	800		–		2 000	2 120	2 247	
Fines, penalties and forfeits		1 000	1 086	19 879	7 418	3 300	–	520	7	8	8	
Licences and permits		16 980	18 731			7 418	–		863	335	835	
Agency services		–			990		–		–	1	1	
Other		49		383	2 550		–		261	337	417	
		2 221	492	2 642			–		75	3	4	
		996	2 360	–	1 500	1 025	–	1 787	570	784	011	
			811	91 034	92 497		–					
		86 094	86 421			3 400	–	36 069	1	1	1	
							–		575	670	770	
						1 500	–		104 889	108 433	116 192	
						118 700	–					
							–					
		18 486	20 316	18 050	37 444	12 471	–	132	2	10	11	11
		–	–	–	200	200	–	–	200	200	200	

Transfers and subsidies															
Other revenue															
Gains on disposal of PPE															
Total Revenue (excluding capital transfers and contributions)		382 986	424 211	425 896	435 991	471 848	–	938	281	420	484	383	511	020	544

- a) Revenue generated from rates and services charges form a significant percentage of the revenue basket for the municipality. In the 2019/20 financial year, revenue from rates and services charges have been budgeted at R351 million or 72.5 per cent of the total operating budget. This growth can be mainly attributed to the implementation of a new General Valuation Roll from 01 July 2019; yearly tariff increases in service charges; and the anticipated increase in collection rate.
- b) Electricity is the largest revenue source, excluding grants and transfers, totaling 33.4 per cent or R161,9 million; followed by Property rates at R81.4 million (16.8%) and Water R74.7 million (15.4%). The priority of water projects that is being currently undertaken is expected to not only materially improve the municipality's service delivery but also increase our revenue.
- c) One of the ever-present challenges facing all spheres all government is managing the gap between cost drivers and tariffs levied. With this in mind, Makana municipality has undertaken to set the tariff increase relating to Rates & service charges at 6% except for Electricity (13.07%) and refuse removal (19%).

6.4.2 Operating Expenditure

Operating expenditure for 2019/20 MTREF is informed by the following:

- The implementation of cost-containment measures and elimination of non-priority spending.
- Eliminating of wasteful expenditure
- Credibility and level of funding
- Financial Recovery Plan

Table 73: Summary of operating expenditure by standard classification item

EC104 Makana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
Expenditure By Type												
Employee related costs	2	144 120	178 487	157 569	182 284	184 306	–	475	113	189 305	204 449	220 805
Remuneration of councillors									7			
Debt impairment	3	9 422	9 637	10 315	9 774	11 248	–	162		12 017	12 738	13 502
Depreciation & asset impairment	2								2			
Finance charges Bulk	2	72 490	30 415	109 388	20 000	36 670	–	747		36 100	36 822	37 558
purchases	8	27 535	30 591	29 479	11 500	35 636	–	985		33 500	34 170	34 853
Other materials									3			
Contracted services		17 937	33 371	23 505	7 500	10 500	–	814		10 500	10 710	10 924

Transfers and subsidies	4,							70			
Other expenditure	5	95 361	116 135	114 508	83 065	96 065	–	599	108 900	114 350	119 718
Loss on disposal of PPE		–	–	–	25 030	16 683	–	459	4	15 300	15 918
		8 456	39 901	19 359	12 459	80 252	–	866	37	27 413	28 520
		2 967	23 280	2 678	30 700	150	–	3	150	153	156
		114 714	53 554	38 730	50 625	–	–	–	50 875	51 892	52 930
		108	1 244	1 086	–	–	–	–	–	–	–
Total Expenditure		493 108	516 613	506 616	432 937	471 509	–	109	241	484 059	534 886

- The total operating expenditure is budgeted at R484 million,
- Employee-related costs are budgeted for at R201 million, which is 41.59 per cent of the total operating expenditure. The amount is based on employees and Councillors' remuneration.
- The cost associated with the remuneration of councilors of R12 million and is budgeted in line with the latest Public Officer Bearers act issued.
- Bulk purchases of R108.9 million are directly informed by the purchase of electricity from Eskom and water from Department of Water & Sanitation.
- Repairs and maintenance have been budgeted at R15.3 million. This is aligned to the municipality's strategic objectives and goals in the Integrated Development Plan (IDP). Consequently, repairs and maintenance are linked to the municipality's core **services**.

6.4.3 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Makana Indigent Policy. The target is to register more indigent households during the 2019/20 financial year, a process reviewed annually.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

6.5 CAPITAL BUDGET FRAMEWORK

6.5.1 Capital Revenue and Expenditure

Total Capital Budget amounts to R 39 million, comprising of conditional grants and other external funding sources. The following table indicates funding of capital projects and programs over the MTREF:

	MIG Budget Excluding VAT		
	2019/20	2020/21	2021/22
Water supply to Makhanda West from James Kleinhans WTW		4 880 282	22 515 000
Feasibility Study of investigation of water supply to Makhanda West from James Kleinhans WTW	1 421 079		
Waainek Bulk Water Supply Refurbishment (Multi-year Project)	4 373 096		

Belmont Valley Wastewater Treatment Works Refurbishment	5 456 819	4 475 769	
Replacement of Asbestos pipes in water reticulation network in Grahamstown	4 007 617	3 644 739	
Mayfield Gravity sewer	3 739 130	2 967 277	
Upgrade of Ncame Street	1 157 955	5 154 977	
	20 155 696	21 123 044	22 515 000
	WSIG Budget Excluding VAT		
	2019/20	2020/21	2021/22
Refurbishment of Jameson Dam	7 448 652	-	-
Purchase Two Bakkies	620 000		
Purchase Hydro-Blast Jetting Machine	1 700 000		
Construction of 6ML concrete reservoir adjacent to High Level	7 622 652		
Refurbishment of Milner Dam		8 695 652	
Refurbishment of Old Town Filters water line		6 956 522	
Connection of new Boreholes to existing WTW		1 739 130	8 695 652
Bothas Hill reservoir - Security fence		869 566	
Bulk sewer upgrade			8 695 652
	17 391 304	18 260 870	17 391 304
Library Services - Internally Generated Funds	2019/20		
Air conditioners	173 913		
Fencing of Library	173 913		
Computer Equipment	173 913		
	521 739		

Internally Generated Funds			
Community Services Equipment	200 000		
Technical Services Equipment	200 000		
Office & Computer Equipment	600 000		
	1 000 000		
Total Capital Budget	39 068 739	39 383 914	39 906 304

The capital programme is aligned to the current drought situation and sewer challenges.

6.6 FINANCIAL POLICIES

The purpose of financial policies is to provide a sound environment to manage the financial affairs of the municipality. The following are the key financial related policies:

POLICY	DESCRIPTION	LAST UPDATED	REMARKS
Tariff Policy	<p>Prescribes the procedures for calculating tariffs.</p> <p>This policy is required in terms of Section 74 of the Local Government Municipal System Act, Act 32 of 2000 and Municipal Finance Management Act, Act 56 of 2003.</p>	30 May 2018	No action required at present.
Rates Policy	<p>Required by the Municipal Property Rates Act, Act 6 of 2004.</p> <p>This Policy provides the framework for the determination of rates and Municipal Finance Management Act, Act 56 of 2003.</p>	20 June 2016	Contents being reviewed as part of GV process.
Indigent Management Support Policy	<p>Policy to provide access to and regulate free basic service charges and services to all indigents. Indigents are those households who are unable to access or pay for basic services due to a number of socio-economic factors. Indigents must gain access to the Municipal Services infrastructure including water supply, sanitation, refuse removal, electricity and alternative energy where no electricity is available. The Municipality needs to ensure that the services provided to indigent households are always maintained and available.</p> <p>The indigent subsidy must be targeted to the poor.</p>	June 2017	No action required at present

Budget Policy	Policy set out the principles which must be followed in preparing Medium Term Revenue and Expenditure Framework Budget. It further ensures that the Budget reflects the strategic outcomes embodied in the IDP and related strategic policies.	30 May 2018	No action required at present.
Asset Management Policy	The objective of the Policy is to prescribe the accounting and administrative procedures relating to the property, plant and equipment.	30 May 2018	No action required at present.
Accounting Policies	The policy describes the basis of presentation of the Annual Financial Statements in accordance with the Generally Recognized Accounting Practices and Accounting Standards.	Part of Annual Financial Statements for year ended 30 June 2018	Accounting policies need to be updated, approved and implemented.

Supply Chain Management Policy	Policy is developed in terms of Section 1 of the Municipal Finance Management Act, Act 56 of 2003. The principles of this Policy is to give effect to a fair, equitable, transparent, competitive and cost effective system for the procuring of goods and services, disposing of goods and selecting of contractors in the provision of Municipal Services.	30 May 2018	No action required at present.
POLICY	DESCRIPTION	LAST UPDATED	REMARKS
Subsistence and Travel Policy	Policy regulates the reimbursement of travelling and subsistence costs to officials and Councillors attending official business.		Policy needs to be reviewed, approved and implemented.
Credit Control and Debt Collection Policy	Policy provides for Credit and Debt Collection Procedures and mechanisms to ensure that all consumers pay for the services.	20 June 2016	No action required at present.
Cash Management and Investment Policy	Policy was compiled in accordance with the Municipal Finance Management Act, Act 56 of 2003.	20 June 2016	Given the cash flow challenges faced by the municipality the policy should refined, approved and vigorously be implemented.
Short-term Insurance Policy	The objective of the Policy is to ensure the safeguarding of Council's assets.	20 June 2016.	Policy needs to be drafted, approved and implemented.
General Ledger Chart of Accounts Maintenance Policy	A current and accurate chart of accounts is an integral part of the accounting systems of the municipality. This chart of accounts is generally consistent with the definitions and procedures presented in the GRAP (General Recognize Accounting Practices) requirement as well as the General Financial Statistics (GFS Classification) and various budget reform processes as aligned by National Treasury.	No policy supplied.	Policy needs to be drafted, approved and implemented.

POLICY	DESCRIPTION	LAST UPDATED	REMARKS
Information Technology Policy	<p>Aim of this policy is:</p> <ul style="list-style-type: none"> • To promote the professional, ethical, lawful and productive use of Makana Municipality information systems; • To define and prohibit unacceptable use of Makana Municipality information systems; • To educate Municipal officials about their Information Security responsibilities; • To describe where, when and why monitoring may take place; • To outline disciplinary procedures. 	No policy supplied.	Policy needs to be drafted, approved and implemented.

Debt Management Policy	<p>The objectives of this policy are to:</p> <ul style="list-style-type: none"> • Record the circumstance under which a municipality may incur debt; • Describe the conditions that must be adhered to by the Municipal Manager or his/ her delegate when a loan application is submitted to council for approval; • And record the key performance indicators to ensure access to the money markets. 	20 June 2016	No action required at present.
-------------------------------	--	--------------	--------------------------------

Petty Cash Policy	<p>The objectives of the policy are:</p> <ul style="list-style-type: none"> • To ensure the correct procedures are followed when requesting a petty cash facility; • To ensure that petty cash is kept safe at all times; • To ensure that advances are only paid for valid expenses purchases and that all transactions are accurate and complete; • To ensure that petty cash is balanced and reconciled on a daily basis in order to detect mistakes, and to prevent the float being depleted before replenishment takes place; • To ensure that replenishment of petty cash is done when required and that replenishment only takes place for amounts that are supported by valid supporting documents; • To ensure that the petty cash facility is available and managed well in the absence of the regular petty cash official. 	20 June 2016.	No action required at present
--------------------------	---	---------------	-------------------------------

6.7 INFRASTRUCTURE CAPITAL PLANS 2018- 2024

Table 74: Infrastructure Capital Plans

PROJECT						5- YEAR INFRASTRUCTURE CAPITAL PLAN				
TYPE	PROGRAMME & PROJECTS	SOURCE	PRIORITY	PLANNING	APPROVE D BUDGET (ZAR): CURRENT	3- YEAR CAPITAL PLAN			2- OUTER YEARS	
				COST EST.		2019/20	2020/21	2021/22	2022/23	2023/24
	CURRENT PROJECTS									
I	DWS- FUNDED MANDATE									
	WATER CONSERVATION & DEMAND MANAGEMENT	WSIG	WATER		10 000 000	-	-	-	-	-
	RRFURBISHMENT OF RIEBEECK EAST BULK WATER SUPPLY PHASE1	WSIG	WATER		15 000 000	-	-	-	-	-
	REFURBISHMENT OF ALICEDALE WATER TREATMENT WORKS PHASE1	WSIG	WATER		10 000 000	-	-	-	-	-
	WATER CONSERVATION AND DEMAND MANAGEMENT	WSIG/ DROUGHT	WATER		10 000 000	-	-	-	-	-
	GROUND WATER DEVELOPMENT	WSIG/ DROUGHT	WATER		12 000 000	-	-	-	-	-
	JAMES KLEYNHANS BULK WATER SUPPLY(BWS)	RBIG	WATER		10 000 000	78 000	66 000	-	-	-

	MAKANA BULK SEWER	DWS/ COGTA	SANITATION	20 000 000	-	-	-	30 000 000	-	-
--	-------------------	------------	------------	------------	---	---	---	------------	---	---

PROJECT		5- YEAR INFRASTRUCTURE CAPITAL PLAN									
TYPE	PROGRAMME & PROJECTS	SOURCE	PRIORITY	PLANNING	APPROVED BUDGET (ZAR): CURRENT	3- YEAR CAPITAL PLAN			2- OUTER YEARS		
				COST EST.							
	BELMONT WATER WASTE TREATMENT WORKS(WWTW)	RBIG	SANITATION	140 000 000	-	-	7 000 000	30 000 000	-	-	
	MAYFIELD WASTE WATER TREATMENT WORKS	RBIG	SANITATION	100 000 000	-	-	-	30 000 000			
		SUB-TOTAL			67 000 000	78 000 000	66 000 000				
II	MIG-CURRENT PROJECTS – FUNDED MANDATE										
	ALICEDALE SEWERAGE UPGRADE	MIG	SANITATION	24 709 956.78	11 484 644						
	WAAINEK BULK WATER SUPPLY REFURBISHMENT	MIG	WATER	33 317 214.	11 292 566						
					22 777 210.00						
III	PROPOSED PROJECTS- MIG FUNDED MANDATE										

	PMU PROJECT ADMINISTRATION (5% OF ALLOCATION)	MIG		1 700 000	1 198 800	1 219 950	1 278 500	1 218 250	-	-
	SOCIAL COMMUNITY PROJECT (15% OF ALLOCATION)	MIG		3 596 400	-	-	3 835 500	3 472 012.50	-	-

PROJECT						5- YEAR INFRASTRUCTURE CAPITAL PLAN					
TYPE	PROGRAMME & PROJECTS	SOURCE	PRIORITY	PLANNING	APPROVED BUDGET (ZAR): CURRENT	3- YEAR CAPITAL PLAN			2- OUTER YEARS		
				COST EST.							
	WAAINEK BULK WATER SUPPLY REFURBISHMENT (MULTI-YEAR PROJECT)	MIG	WATER	33 317 214	-	7 747 783					
	FENCING OF BELMONT VALLEY WASTEWATER TREATMENT WORKS	MIG	SANITATION	1 300 000	-	1 300 000					
	PROPOSED PROJECTS										
	UPGRADING OF WATER INFRASTRUCTURE										
	NEW 6MI RESERVOIR AT WAAINEK WTW	MIG	WATER			10 000 000					
	HOWISONSPOORT & SETTLERS-SECURITY, LIGHTS & REFURBISHMENT OF PUMPS	COGTA/ DWS	WATER			1 500 000					

	BOTHAS HILL RESERVOIR SECURITY FENCE	MIG	WATER			1 000 000				
	WATER MANAGEMENT PLAN	MISA	WATER				1 000 000			
	JAMESON DAM	COGTA/ DWS	WATER				10 000 000			
	MILNER DAM	COGTA/ DWS	WATER				10 000 000			
	BOTHAS HILL RESERVOIR TO HIGH LEVEL RESERVOIR	MIG	WATER				10 000 000	25 000 000		

PROJECT					5- YEAR INFRASTRUCTURE CAPITAL PLAN						
TYPE	PROGRAMME & PROJECTS	SOURCE	PRIORITY	PLANNING COST EST.	APPROVED BUDGET (ZAR): CURRENT	3- YEAR CAPITAL PLAN			2- OUTER YEARS		
	OLD TOWN FILTERS TO HIGH LEVEL RESERVOIR – NEW PIPELINE	COGTA	WATER				4 000 000				
	JAMESON/ MILNER DAMS TO OLD TOWN FILTERS WATER LINE	COGTA/ DWS	WATER				8 000 000				
		SUB TOTAL		39 913 614	1 198 800	22 767 733	48 114 000	29 690 262.50	-	-	
	UPGRADING OF SANITATION INFRASTRUCTURE										
	SEWERAGE MANAGEMENT PLAN	MISA	SANITATION	1 000 000		1 000 000					

	REFURBISHMENT OF INTERNAL SEWER RETICULATION	MIG	SANITATION	20 000 000		6 000 000	6 000 000	6 000 000	6 000 000	6 000 000
	UGRADING OF ROADS INFRASTRUCTURE - TAXI ROUTE									
	UPGRADE OF NCAME STREET	MIG		12 000 000	-	12 000 000				
	UPGRADE OF M - STREET	MIG		20 000 000	-	-	20 000 000			
	UPGRADE OF MAKANA WAY	MIG		10 000 000	-	-		10 000 000		
	UPGRADING OF ELECTRICITY INFRASTRUCTURE									
	PROJECT					5- YEAR INFRASTRUCTURE CAPITAL PLAN				
TYPE	PROGRAMME & PROJECTS	SOURCE	PRIORITY	PLANNING COST EST.	APPROVED BUDGET (ZAR): CURRENT	3- YEAR CAPITAL PLAN			2- OUTER YEARS	
	REFURBISHMENT OF HIGH MAST LIGHT	MIG		1 200 000.00	-	-	1 200 000			
	REFURBISHMENT OF STREET LIGHTS	MIG		950 000.00	-		950 000			
			SUB-TOTAL	44 150 000		19 000 000	28 150 000	16 000 000	6 000 000	6 000 000

		TOTALS		142 090 784.	90 976	41 845 733	76 330	45 690	6 000	6 000 000
				78	010		000	262	000	
		15% VAT		21 313 617.	13 646	6 276 859.	11 449	6 853 539.	900	900 000
				72	401. 50	95	500.	38	000.	
	TOTAL FUNDING REQUIREMENTS (5-YEAR) PLAN	GRAND TOTAL		163 404 402.	104 622	48 122 592.	87 779	52 543	6 900	6 900 000
				50	411. 50	95	500.	801. 88	000	

CHAPTER SEVEN: INTEGRATION

7.1 INTRODUCTION:

To ensure that the IDP address all strategic issues relevant to any effective municipality, the following section offers a comprehensive list of issues discussed during the IDP process. The integration phase represents the institutional readiness for implementation and to ensure integrated planning for the provision of basic services. An analysis was conducted in respect of various sector plans for the Municipality. Some of these sector plans were found to be still relevant and required minor changes. Others required a review, whilst new ones need to be developed and this was based on benchmarked and IDP Assessment with other local Municipal with our side.

7.2 SUMMARY OF SECTOR PLANS:

Table 75 : Sector Plans

STATUS	SECTOR PLANS
EXISTING PLANS	Review Water Service Development Plan
	Integrated Waste Management Plan
	Area Based Plan
	Comprehensive Infrastructure Plan
	Disaster Management Plan
	Housing Settlement Plan
	Review of Transport Plan
	Review Fire and rescue plan(CPS report)
	Environmental strategy(LEAP)
	Spatial Development Framework
NEW ONE TO BE DEVELOPED	Five Invest Financial plan
	Development of Job creation sector plan
	Poverty alleviation plan
	Fleet management plan
	Development of Electricity Master Plan
	Asset Management Strategy
	Supply chain Management Strategy

	Cooperative strategy	
	Revenue enhancement strategy	
CROSS CUTTING PLANS	Plans	Action required
	Local Economic Development Plan	Strategy was approved and due for review 2017
	HIV/AIDS action plan t	To be developed
	Special Programs sectorial plans	Youth plan need to be develop People with Disability

7.2.1 HUMAN RESOURCES PLAN

Municipality has developed a Human Resources Plan with the assistance of Provincial Government (Department of local government in 2011, was adopted by council in 2016. Alignment of the Human Resource Plan with municipal objectives

Alignment: Effective achievement of our Municipality goals through implementing the following development strategies and policies:

- Enhance Employee retention & recruitment
- Improve human resource administration
- Employment wellness
- Training and Development

Strategic direction: Makana Municipality Development Priorities

- Institutional transformation and Organisational Development
- Basic Service delivery
- Local Economic Development
- Municipal Financial Viability Management
- Good Governance and Public Participation
- Empower Rural Communities and support to vulnerable groups

DEVELOPMENT PRIORITY	OPERATIONAL OBJECTIVE	HR PROGRAM
----------------------	-----------------------	------------

Institutional transformation and Organisational Development	Develop HR Plan by in order to provide an conducive working environment and ensure compliance with legislative requirements	HR Plan
	HR Plan will assist in coordinating all HR programmes as listed below	

DEVELOPMENT PRIORITY	OPERATIONAL OBJECTIVE	HR PROGRAM
	Ensure the cascading of Performance Management System to all employees to ensure effective service delivery. 2010-2011 cascaded to HOD level, 2011-2012 cascaded to supervisory and Forman level, 20122013 to all employees.	Performance Management System
		Training and Development
	Development of work skills plan that seeks to achieve organisational goal e.g. shortage of qualified electricians, accountants, etc. DTIS: Assessment shortage of skills by DBSA	
Institutional transformation and Organisational Development	Operationalization of wellness policy to enforce health and safety regulations. There is vacant position in the organogram of Employment well facilitator.	Wellness (Health and safety)
	Operationalization of career succession plan policy	Career planning
	To ensure sound good working relations between the employer and employees. (LLF) To empower members of LLF –all stakeholders (training) i.e. ORA, Labour relations Act, Basic conditions Act, LLF constitution and other related courses	Labour relations
	Ensure smooth exit procedure 1. Resignation 2. Retirement 3. Dismissal 4. Early retirement due to health	Exit management

Chapter 4 of the Municipal Systems Act (Act 32 of 2000), equally, states that all Municipalities must strive to meet the following object, among others: -

- Foster meaningful dialogue and interface within the internal structures of Municipalities, external bodies and members of the public.

7.2.2 COMMUNICATION STRATEGY

- Likewise, the Promotion of Administrative Justice Act (Act 3 of 2000) and Promotion of Access to Information Act (Act 2 of 2000) charge Government Bodies to observe and adhere to the principles and practices of good governance,
- It is within this context that this policy shall direct Makana Municipality on how to constructively engage the members of the public and external bodies in particular media institutions as instructed by the Constitution of the Republic of South Africa and applicable pieces of legislation and the institutional policies.

Scope of the policy

This policy and strategy applies to the Councillors and Officials of Makana Municipality, be they casuals, part time, full time, contract or consultants. The communication policy and strategy will be reviewed and revised when the need arises by the Council. The last review was done in 2016 and adopted on the 24 June 2016.

Aims of the policy

The aim of this policy is to ensure the streamlining of communication within the Makana jurisdiction and to ensure a coherent and coordinated communication process.

To provide a framework within which internal and external communication of the Municipality will be discharged with its stakeholders and to reduce the risk of damaging or ineffective communication, and to ensure that staff and Councillors are aware of how communication is best conveyed externally and internally, and who has responsibility for which aspects.

Objectives of the Policy

The objectives of the Communication Policy of Makana Municipality are as follows:

- (a) Ensuring that there is a clear and co-ordinated communication process within the Municipality, to enhance and promote cooperative governance between its clientele, partners, stakeholders and the media.
- (b) Ensuring that there are clear roles of communication by the staff of Makana Municipality and to foster meaningful dialogue and interface between and among the internal role players.
- (c) Ensuring that the image of the Municipality is at all times upheld.
- (d) Ensuring that the Municipality complies with the legislative requirements as far as communication is concerned.
- (e) Ensuring that resources are used in support of the achievement of the Municipality's strategic goals.
- (f) Ensuring effective coordination and coherent system of communication within Makana Municipality.

Official Communicators

All staff members (officials) as defined above and Councillors are communicators of the Council by virtue of their work. All staff members and Councillors are representatives and messengers of the Municipality.

Staff members and Councillors should always be mindful that when they communicate with a member from the public, things they say are seen as official statements expressing the views of the municipality. In instances where Councillors speak in their personal capacity or for their political parties, they must make sure that point is clear.

However it is critical to note that for interview or research purposes, whether by institutions, organisations, private companies, media, etc. consent to engage with such bodies must be sought from the Municipal Manager by officials and from the Executive Mayor or Speaker by the Councillors. Councillors do not need to seek the approval of the Speaker or the Executive Mayor when they speak in their personal capacity or for their political parties.

The Media and Communications Officer (Municipal Spokesperson), the Municipal Manager and the Executive Mayor are not only the official communicators of the Municipality but the primary communicators. However, they can delegate their powers to whomever they see fit at times.

7. 2.3 INTEGRATED WASTE MANAGEMENT PLAN

Purpose: Makana municipal integrated waste development consideration various service categories as well as evaluate the service delivery in each of the towns in the Municipality. The service categories that are taken into consideration can be summarised as follows:

- Refuse Removal:
- Residential
- Commercial
- Industrial
- Garden Refuse
- Builders' Rubble and
- Medical Waste
- Street and ablution cleaning
- Landfill Sites,
- Transfer Stations and
- Bulk Containers

The Status Quo investigation of the waste management section considered each of these aspects, In addition to this existing structure, the status quo study also considered planned developments for service extensions and any planned projects that have been identified in the IDP. The Makana Local Municipality (LM) Integrated Waste Management Plan (IWMP) has been reviewed in 2017 and was approved by council 2018, in line with the requirements of the Waste Act and the Department of Environmental Affairs (DEA) Guideline for the Development of Integrated Waste Management Plans.

Makana LM has a total of approximately 80 400 persons and 21 384 households with an average of 3.7 persons per household. Based on Census data from 2011, about 19 014 (89%) households receive weekly waste collection services. A total 8% households either utilize their own dumpsite or have no refuse disposal facilities.

Status Quo of Waste Disposal Facilities Makana LM has three (3) landfill sites all situated on municipal property, at the following main centres: Makhanda, Alicedale and Riebeeck East.

The Makhanda landfill is an old quarry located 2km north-west of town. The site was permitted by the then Department of Water Affairs and Forestry (DWAF) on 10 September 1996 as a G:M:B+ landfill

site in terms of Section 20 of the Environmental Conservation Act (No 73 of 1989). The site is medium by classification, it is estimated that the site receives approximately 125 tons of waste a day. The expected lifetime of the site is approximately 20 years.

The Alicedale landfill site is an old sandstone quarry located approximately 500m west of town. The site was authorised in May 2005 through Directions in terms of Section 20(5) (b) of the then Environmental Conservation Act (No 73 of 1989) as a G:C:B- landfill site. The site is classified as a communal landfill and it receives approximately 1.56 tons of waste a day. The expected lifetime is approximately 20 years.

The Riebeeck East landfill site is located approximately 2km east of town. The site was authorised in May 2005 through Directions in terms of Section 20(5) (b) of the then Environmental Conservation Act (No 73 of 1989) as a G:C:B- landfill site. The site is classified as a communal landfill and it receives approximately 0.56 tons of waste a day. The expected lifetime is approximately 10-15 years.

7.2.4 DISASTER MANAGEMENT PLAN

Introduction:

The Makana Local Municipality Disaster Management Plan has been prepared in accordance with the provisions of the Disaster Management Act no 57 of 2002, and within Cacadu Disaster Management Framework and was adopted by Council in May 2009, currently under review. The plan is aimed at ensuring an integrated and uniform approach to comprehensive disaster management in the Municipality.

This Plan has been documented by the Disaster Management Centre, Sarah Baartman District Municipality, with the support of Makana Municipality.

Objectives:

To strengthen the capacity of Makana disaster management system to reduce unacceptable risks and improve response and recovery activities.

Strategic focus:

Move disaster management programming efforts from a response and relief emphasis to comprehensive risk management culture.

Top priority risk for Makana municipality:

A Risk Priority Rating has been determined for Makana Municipality and the top three being, Storms, Fires and Epidemics. Within the Plan there are contingency plans for all the Hazards/Disasters that the Municipality is prone to and the purpose of this is to be effective and efficient during emergencies.

Below is the list of contingency plans that are in place to deal with disasters that has strike or threatening to occur.

1. Contingency Plan for Floods
2. Contingency Plan for Fires
3. Contingency Plan for Epidemics
4. Contingency Plan for Accidents

7.2.5 WATER SERVICE DEVELOPMENT PLAN

The purpose of IDP and WSDP goals is to provide the Municipality's long term direction and desired state for water services provisioning within the Makana Water Services Authority.

To comply with the Water Services Act (Act 108 of 1997) and the National Water Act (Act 36 of 1998), the WSDP should be prepared as part of the IDP process unless there is no IDP process in which case it can be prepared separately. The WSDP is a sectorial plan that falls within the inter-sectorial umbrella plan of the IDP.

The strategies developed as part of the WSDP has been based on the IDP vision, priority issues and objectives in terms of addressing the when, who, what, etc.

Should it be found that insufficient resources are available to support the strategy, the IDP priority issues and objectives would have to be reconsidered Municipal WSDP was last revised 2008 and adopted by Council in June 2009 and is currently under review in the 2019/20 financial year.

Objectives

The primary objective is for Makana Municipality to provide effective, efficient and sustainable water services and sanitation for all communities within the Makana Municipality jurisdiction and the planning to eradicate backlogs

Table 75: Water and Sanitation Backlogs

Water Works Service Area	Water needs to RDP Level		Sanitation Needs to RDP Level	
	Technical	Management	Technical	Management
Reticulation	35%	35%	35%	35%
Bulk	45%	35%	45%	45%

Table : Status of supply to higher levels

Present services level	Basic RDP	Hugh RDP	Urban
LM-Services Levels	%	95.5%	95.5%
LM- Sanitation Services	13.6%	73.3%	86.6%

Cost of Eradicating backlogs:

Typical Required Water Sector (DWAf & Local Gov.) Cash flow to meet target dates of 2008 for Water Services and 2010 for Sanitation (DWAf & CMIP) – RM

Table : Cost of Backlogs

As in 08/09 -10/11	TOTAL
Bulk Water Supply System	48,891,927
Reticulation and Cost Recovery	728,640
Household Sanitation (Up to 2010/11)	38,264,507
Rehabilitation	12,297,966

Sub Total	100,183,040
------------------	--------------------

What is the strategy to eradicate backlogs?

COST split of Water Sector Funding Requirements for Different Service Levels (RM) Note: Estimates are provided only in the categories where integrated supply services are (to be) provided. The remaining categories can readily be isolated on municipal level and can be financed by consumer contributions and external (non-governmental loan grant etc., funding)

Backlogs	Basic	High	Urban	Total
	(%)	(%)	(%)	(%)
Bulk Water Supply System	28	20.8	48.8	48.8
Village Reticulation and Cost Recovery	0.7		0.7	0.7
Household Sanitation (Up to 2010/11)		38.2	38.2	38.212.3
Rehabilitation		12.3	12.2	

7.2.6. Transport Management Plan

The objective of the Traffic Management Plan is to ensure integration between Development Framework Planning and Traffic Engineering aspects. The Makana Transport Plan was revised in October 2019. In so doing the Traffic Management Plan addresses the following aspects:

- Traffic generation
- Capacity (intersection and link)
- Access Management
- Mobility and Accessibility
- Safety
- Traffic Calming
- Non-motorised transport modes
- Public transport (including illegal and informal taxis)
- Development Levies
- Movement Routes (including provision for disabled)
- Parking and off-loading needs (specifically in relation to Public Open Spaces)
- Parking Levy / Fund Contributions
- Assessment of success, failure or shortcomings of traffic management interventions implemented to date.

National Routes

N2 This route links Makhanda to Port Elizabeth in the southwest and East London and Bhisho in the north east

Provincial Routes

- R67 This route links with Port Alfred in the south and Fort Beaufort and Komani in the north

- R350 This route links to Bedford in the northwest
- R400 This route links to Riebeeck East and the N10 via the R350
- R344 This route links with Adelaide via the R350 (gravel)
- R343 This route links with Salem and Kenton-on-Sea as well as Alexandria (via the R72)
- MR0476 This route links with Alicedale via the N2

The main routes into, out of and through the study area in the Makhanda CBD that link up with the strategic National and Provincial routes include Beaufort Street, Somerset Street, High Street, Hill, Street, African Street, Bathurst Street and George Street.

Road Condition Table : Condition Index – Traffic Management Plan Study Area - Surfaced Roads

Condition	Municipal		Provincial	
	Length (km)	Percentage (%)	Length (km)	Percentage (%)
Very Good	0.00	0.00%	0.00	0.00%
Good	2.90	12.27%	0.95	10.50%
Fair	12.91	54.69%	4.93	54.26%
Poor	7.37	31.22%	2.99	32.93%
Very poor	0.14	0.60%	0.00	0.00%
No Details	0.29	1.22%	0.21	2.32%
Totals	24.08	100.00%	9.08	100.00%

Due to underfunding, lack of maintenance has led to many roads being in a poor condition. Based on the condition assessments only 12.27% of the surfaced municipal roads in the TMP area are in good condition. Such a state of affairs hampers the expansion and development of the transport, agricultural and tourism sectors. In addition, poor road conditions create a poor investment climate and stifles growth in the s

It is noted that SANRAL has recently assisted the municipality by surfacing portions of Beaufort Street from the N2 in the southwest to the R67 in the northeast.

HOUSING SECTOR PLANS

Makana Municipality reviewed its Housing Sector Plan in 2012. Currently the municipality has some capacity to deal with housing administration and development and Makana Council is committed to establish a fully-fledged department to manage the Human Settlement Development. The following table is a status quo of the housing projects:

Housing Projects

RUNNING PROJECTS:					
PROJECT NAME	No. of subsidy	Status	No. of units Completed	No. of units to be built	Budget Requirement

Fingo Village 577(2)	3577 (237)	Blocked	237	0	R5.3m
Fingo Village 577 (3)	577 (340)	Planning	0	340	R38m
Eluxolweni 176 (15)	8 176	Blocked	158		R3,9m
Transit Camp (421)	4 440	Running	38 Incomplete		R1,7m
Transit Camp 440	1 19	Planning	19		R1,9m
Mayfield 2200 Ph. 2, Stage 1 (1200)	a1200	Planning	1200	1200	
Mayfield 2200 (1200)	P 1200	Installation services running & procurement section	R157 m	0	R0m
PLANNING PROJECTS:					
PROJECT NAME	No. of Subsidy	Status	Approved Budget	No of units completed	Budget Required
Fort Brown	188	Planning	R0 m	0	R4,4 m
Seven Fountains	229	Planning	R0 m	0	R5,3 m
Alicedale 316	316	Planning	R0 m	0	R5,3 m
Ethembeni 2000 (3)	3330	Planning			
Alicedale16	27	Construction	R0 m	0	R5,3 m
Upper Mnandi	14	Planning	R0 m	0	R0,976 m
Lower Mnandi	40	Planning	R0 m	0	R2,7 m
Xolani	34	Planning	R0 m	0	R2,3 m
Zolani	167	Planning	R0 m	0	R11,6 m
N Street	27	Planning	R0 m	0	R1,8 m
J Street	31	Planning	R0 m	0	R2,1 m
K Street	31	Planning	R0 m	0	R2,1 m
PLANNING PROJECTS (SERVICED SITES)					
Project Name	No Subsidies	Status	Approved budget	No units completed	Budget required
25 Sites	25	Construction	R0 m	0	
Newtown/Kwa	33	Planning	R0 m	0	

RUNNING PROJECTS:						
PROJECT NAME	No. of subsidy	Status	No. of units Completed	No. of units to be built	Budget Requirement	
Ndancama						
Phumlani 250	250	Planning	R0 m	0	R2,1 m	
Glebe Mission 28	28	Planning	R0 m	0	R2,1 m	
Erf 4103	28	Planning	R0 m	0	R2,1 m	
RECTIFICATION PROJECTS			INFORMAL PROJECT AREAS			
Project Name	No of Subsidies	Project name	No of Subsidies	Status	Approved Budget	Completed
Alicedale 221	221	Phaphamani	No information			
Scott's farm	90	Polar Park				
Ghost town	189	Upper Zolani				
Vukani location		J,N, Xolani, Up and lower Mnandi, Extension 9 and Farmer field				
DISASTER PROJECT						
Makana Disaster	161	Not started	R20 m		Information available	not

7.3 PERFORMANCE MANAGEMENT INSTITUTIONAL LEVEL

The PM process at organizational level in the Municipality is characterized by the steps that are set out in Figure 2. Although the steps and what follows relate mainly to performance management at organizational level, the principles and approaches as espoused could also be applied to performance management at departmental level.

7.3.1 PERFORMANCE PLANNING

Performance will be managed in terms of the IDP and the process of compiling the IDP information; therefore the annual review of the IDP planning process for performance. From figure 2 it should be noted that the last step of the cycle is "Performance review" and the outcome thereof should inform the next cycle of IDP compilation / review by focusing the planning processes on the areas in which the Municipality has under-performed.

7.3.2 PERFORMANCE MONITORING

Performance monitoring is an on-going process by which a manager accountable for a specific indicator as set out in the organizational scorecard (and a service delivery target contained in a SDBIP) continuously monitoring current performance against the set targets. The aim of the monitoring

process is to take appropriate and immediate action where it appears that target will not be timeously met. The same will apply to the various SDBIPs.

Performance monitoring requires appropriate action to be taken should it become evident that a specific performance target is not going to be met. In undertaking performance monitoring processes, the following aspects need to be determined and provided for

- ❖ The data that must be collected in order to assess performance.
- ❖ The methods that must be employed of n the collection, storage, verification and analysis of that data.
- ❖ The processes and formats that must be used in compiling reports on that data.
- ❖ Corrective measures that will be employed when poor performance has been detected.
- ❖ Mechanisms to compare current performance with baseline indicators and performance during the previous financial year.

7.3.3 MONITORING REPORTS SHOULD BE SUBMITTED AS FOLLOWS:

Table : Monitoring Reports

Submitted to	Frequency
Director	At least quarterly
Municipal Manager	At least Monthly

Managers should track performance trends against targets for those indicators that lie within their area of accountability at least once per month. That will allow them to identify performance related problems and take appropriate remedial action in time. In addition each senior manager should delegate to the direct line manager the responsibility to monitor the performance for his/ her sector.

7.3.4 PERFORMANCE MEASUREMENT

Performance measurement refers to the formal process of collecting and capturing performance data to enable reporting to take place for each KPI and against the target set for such indicator. A manual process will be used to measure performance at Makana Municipality. The municipality’s SDBIP scorecards should spell out the name of an official who will be reporting on each indicator. The said official will, when performance measurement is due, have to collect and collate the necessary performance data or information and capture the result against the target for the period concerned. As such, they need not be against the target for the period concerned. As such, they need not be accountable for performance on the said performance indicator.

7.3.5 PERFORMANCE ANALYSIS

Performance analysis involves the process of making sense of measurements. It requires interpretation of the performance measurements to determine whether targets have been met /exceeded and to project whether future targets will be met or not. Where targets have not been met, the reasons thereof should be examined and corrective action recommended. Where targets have been met or corrective action recommended. Where targets have been met or exceeded, the key factors that resulted in such success should be documented and shared so as to ensure organizational learning.

7.3.6 THE MANAGER RESPONSIBLE FOR EACH INDICATOR SHOULD, THEREFORE DO THE FOLLOWING:-

DO

1. Capture the performance data against targets on the scorecard.
2. Analyse reasons for meeting or not meeting a target
3. Capture a summary of findings on the scorecard.
4. Recommend remedial actions as appropriate.

The completed organizational and SDBIP scorecards should be submitted to a formal meeting of the senior management team for further analysis and consideration of draft recommendations from the relevant managers. This level of analysis should examine performance across the municipality in terms of all its priorities with the aim to reveal and capture whether there are any broader organizational factors that are limiting the ability to meet any performance targets.

Such analysis should also ensure that quality performance reports are submitted to the Executive committee and that adequate response strategies are proposed in cases of poor performance. After reaching agreement on the analyses the management team can take the scorecards to the executive committee for consideration and review.

7.3.7 PERFORMANCE REPORTING AND REVIEW

The next two steps in the process of performance management (i.e. Performance reporting and performance Review) will be dealt with at the same time.

This section is further divided into three sections dealing with the requirements for in –year versus annual reporting and reviews respectively and lastly a summary is provided for the various reporting requirements.

7.3.8 IN – YEAR PERFORMANCE REPORTING AND REVIEW

The submission of the scorecards to the executive committee for consideration and review of the entire municipal performance is the next step in the process. The first such report is a major milestone in the implementation of any PMS and it marks the beginning of what should become a regular event (i.e. using the performance report as a tool to review the municipality’s performance and to make important political and management decision on how to improve).

Performance Review is the process where the leadership of an organization reviews the results; and decides on appropriate action, after the performance of the organization has been measured and reported. In reviewing the organizational and departmental scorecards, the Executive Committee will have to ensure that the committed targets have been met; and where they have not, that satisfactory and sufficient reasons have been provided and that the proposed corrective action is adequate. If satisfied with the proposed corrective action those should be adopted as formal resolution of Council, minutes read and actioned accordingly.

As indicated earlier, the organizational and SDBIP scorecards should be submitted to the executive committee for consideration and review on a quarterly basis. The reporting should therefore take place as follows:-

QUARTER	PERIOD UNDER REVIEW	MONTH OF REPORTING
1	July to end of September	October
2	October to end December	January

3	January to end March	April
4	April to end June	July

The review in January will coincide with the mid-year performance assessment as per section 72 of the MFMA. The said section determines that the accounting officer must, by 25 January of each year, assess the performance of the municipality and report to council on inter alia, its service delivery performance during the first half of the financial year and service delivery targets and performance indicators as set out in the SDBIP

7.3.9 ANNUAL PERFORMANCE REPORTING AND REVIEW

- ❖ On an annual basis a comprehensive report on the performance of the Municipality also needs to be compiled. The requirements for the compilation, consideration and review of such annual report are set out in chapter 12 of the MFMA. In summary it requires that:-

☑ All Municipalities for each financial year compile an annual report.

- ❖ The annual report should be tabled within seven months after the end of the financial year.
- ❖ Soon after the annual report has been tabled it should be made public and local community should be invited to submit representations thereon.
- ❖ The Municipal Council should consider the annual report within nine months after the end of the financial year and adopt an oversight report containing the Council's comments on the annual report.
- ❖ The adopted oversight report should be made public.
- ❖ The annual report as tabled and council's oversight report should be forwarded to Auditor General, the Provincial Treasury and the department responsible for local government in the Province.
- ❖ The annual report as tabled and the council's oversight report should be submitted to the provincial legislature.

The oversight report to be adopted provides the opportunity for full Council to review the performance of the Municipality. The requirements that the annual report once tabled and oversight report be made public similarly provides the mechanism for general public to review the performance of the Municipality. However the Municipality will budget for the compilation of a user friendly citizens' report. The citizens' report should be a simple, easily readable and attractive document that translates the annual report for public consumption.

Over and above the legal requirements of the MSA and the MFMA, there should be an annual public campaign that involves the community in the review of municipal performance. Such a campaign could involve all or any combination of the following methodologies:-

- ❖ Various forms of media should be used to convey the annual report e.g. radio newspapers, notice boards (in shops and community halls) and billboards.

- ❖ The public should be invited to submit comments on the annual report via physical visits to the Municipality offices, telephone, fax and email.
- ❖ Public hearings could be held in a variety of locations to obtain input of the annual report.
- ❖ Making use of existing structures such as ward committees to disseminate the annual report and invite comments.
- ❖ Hosting a number of public meetings and roadshows at which the annual report could be discussed and input invited.
- ❖ Producing a special issue of the municipal newsletter in which the annual report is highlighted and the public invited to comment.

The public review process should be concluded by formal review of the annual report by the IDP representative Forum of the Municipality.

The annual performance report should be compiled and completed no later than two months after financial – year end. That will ensure that its outcomes can timeously inform the next cycle of performance planning.

7.3.10 SUMMARY OF VARIOUS PERFORMANCES REPORTING REQUIREMENT

Annual Performance Report

Section 121(3) A annual performance report would have to be Section 121 (3) (c) of the MFMA outlines the requirements for Annual performance reporting. An assessment of municipal performance together with recommendations for council by the audit committee, corrective actions undertaken arising from audit report and competency compliance for inclusion in the annual report.

Table 76: Performance Reporting Requirements

Report	Frequency	Submitted for Consideration and review to	Remarks
1. SDBIP	Quarterly	ExCo	See MFMA Circular 13 of National Treasury for further information
2. Monthly Budget Statements	Monthly	Mayor in consultation with ExCo	See sections 71 and 54 of the MFMA
3. Organisational Scorecard	Quarterly	ExCo	This PMS framework (see section 2.
4. SDBIP mid- year budget and performance assessment	Annually in Jan of each year	Mayor + ExCo Council	See section 72 and 54 of the MFMA

5. Performance Report	Annually	Council	See section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report
6. Annual Report	Annually	Council	See chapter 12 of the MFMA

Table 77: PERFORMANCE MANAGEMENT PLAN

Reporting Structure	Reviewing Structure	Report	Submission Date	Where	When
Divisions	Directorates	Monthly performance reports	25 th of each month	Directorate	Monthly
Directorates	Executive Management Committee	Monthly performance reports	27 th of each month	Municipal Manager's Office	Monthly
Directorates	☒ IDP/PMS and Budget Steering Committee	Quarterly performance reports	10 th the of next month after the end of each Quarter	IDP/PMS Unit	Quarterly
Directorates	☒ IDP/PMS and Budget Steering Committee	Mid-term performance reports	10 th of January	IDP/PMS Unit	Mid-year
Portfolio Committee	☒ Portfolio Committee	SDBIP Report Quarterly	First and second week next month after the end of each Quarter	IDP/PMS Unit	Quarterly
Directorates	<ul style="list-style-type: none"> ☐ Executive Mayoral Committee ▪ Council 	Mid-term performance reports	25 th January	Strategic Planning Session	Mid-year
Reporting Structure	Reviewing Structure	Report	Submission Date	Where	When

IDP/PMS Unit	<ul style="list-style-type: none"> ▪ Audit Committee <p>Internal Audit Unit</p>	<ul style="list-style-type: none"> ▪ Consolidate Directorates Quarterly performance reports audit ▪ Quarterly Performance analysis report 	14 th of the next month after the end of the Quarter	<ul style="list-style-type: none"> ▪ Municipal Manager's Office Internal Audit Unit 	Quarterly
Directorates	<ul style="list-style-type: none"> ▪ IDP/ PMS and Budget Steering Committee ▪ Council 	Annual Performance reports	10 th July	IDP/PMS Unit	Annually
IDP/PMS Unit	<ul style="list-style-type: none"> • IDP/ PMS and Budget Steering Committee • Council 	<ul style="list-style-type: none"> ▪ Consolidate Directorates Annual performance reports ▪ Annual Performance analysis report 	14 th July	<ul style="list-style-type: none"> ▪ Municipal Manager's Office ▪ Internal Audit Unit 	Annually

7.3.11 THE AUDITING OF PERFORMANCE MEASURES

THE ROLE OF INTERNAL AUDIT IN TERMS OF PERFORMANCE MANAGEMENT:

The MFMA requires that the Municipality must establish an internal audit section which could be outsourced (depending on municipal resources and specific requirements) Section 45 of the MSA stipulates that the results of the municipality's performance measures should be audited by the said internal audit sections as part of the internal auditing process and annually by the auditor- General. For Makana, the internal audit function will be outsourced in liaison with the Sarah Baartman District Municipality.

The Municipal Planning and Performance management Regulations stipulates that the internal audit section must, on a continuous basis, audit all performance and auditing must include an assessment of the following:-

- The functionality of the Municipality's performance management system.
- The internal audit section must therefore on a regular basis audit whether the PMS of the Municipality is functioning as developed and described in this framework.
- Whether the Municipality's performance management systems complies with the act.
- This compliance check would require that the Municipality's internal audit unit, at least on an annual basis verify that the Municipality's PMS complies with the said legal requirements.
- The extent to which the Municipality's performance measurements are reliable in measuring the performance of by making use of indicators.

- The Municipality should have proper information that the internal audit function is able to access information regularly and to verify its correctness.
- The Municipality's internal auditors must submit quarterly reports on the audits undertaken to the Municipal Manager and the Audit Committee.

AUDIT COMMITTEE: The MFMA and the Municipal Planning and Performance Management Regulations require that the Municipal Council Should establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the Municipality. No Councillor maybe a member of an audit committee. Council should also appoint a chairperson who is not an employee of Makana Municipality.

The regulations give Municipalities the option to establish a separate performance audit committee whereas the MFMA provides only for a single audit committee. The operation of Audit Committee when dealing with performance management is governed by section 14 (2-3) of the regulations which require the audit committee to do the following:-

- Review the quarterly reports submitted to it by the internal audit unit.
- Reviews the municipality PMS and make recommendations in this regard to the council of the Municipality.

At least twice during a financial year submit an audit report to the Municipal Council.

In order to fulfil their function, a performance audit committee may according to the MFMA and the regulations:-

- ❖ Communicate directly with the council, Municipal manager or the internal and external auditor of the Municipality concerned;
- ❖ Access any municipal records containing information that is needed to perform its duties or exercise its powers;
- ❖ Request any relevant person to attend ant of its meetings and if necessary to provide information requested by the committee, and
- ❖ Investigate any matter it deems necessary for a performance of its duties and the exercise of its powers.

PERFORMANCE INVESTIGATIONS: The Audit Committee should also be able to commission in depth performance investigations where there is either continued poor performance or a lack of reliability in the information being provided. Those performance investigations should assess the following:-

- ❖ The reliability of reported information.
- ❖ The extent of performance gaps from targets.
- ❖ The reasons for performance gaps.
- ❖ Corrective action and improvement strategies.

The outsourced internal audit section will be used to conduct these investigations and should ensure the involvement of people who are experts in this area. For each investigation, clear terms of reference will need to be adopted by council.

7.3.12 STAKEHOLDER ROLES AND RESPONSIBILITIES

Table78: Stakeholder Roles and Responsibilities

STAKEHOLDER	ROLE
Council / ExCo	<ul style="list-style-type: none"> ➤ Adopt the PMS Framework & PMS ➤ Adopt the Municipal Scorecards ➤ Conduct Annual Review ➤ Commission Performance Audits ➤ Reports to the Public and Province
Management team	<ul style="list-style-type: none"> ➤ Plan for PM ➤ Adopt the PMS Framework & PMS ➤ Draft scorecards ➤ Approve Departmental Scorecards ➤ Conduct Performance Measurements ➤ Produce PM reports ➤ Commission Performance Audits
Audit committee	<ul style="list-style-type: none"> ☒ Assess Performance Management Reports & Make recommendation
Internal audit	<ul style="list-style-type: none"> ☒ Audit the results of performance Measurements

7.4 PERFORMANCE MANAGEMENT AT INDIVIDUAL LEVEL

The reality is that the Municipality is an institution that employs people, thus its performance is highly dependent on employees. It therefore follows that performance needs to be managed at individual employee level. The individual performance management system is a vehicle for implementing the operational plans emanating from the linkages between individuals, functions and the broader

Municipal objectives, The PMS is aimed at providing specific standards to assist the employer, management and municipal staff to perform to the required standards. Makana will use the individual PMS to:-

- ❖ Manage and measure behaviours' that contribute to organisational and individual success.
- ❖ Recognise levels of actual performance in relation to agreed targets ☒ Encourage continuous improvement and efficiency
- ❖ Identify and act on areas for individual development.

- ❖ Provide a platform for communication on performance between superiors and employees.

This section discussed the structured process for managing performance of the municipal manager and the employees that are directly report to her separately discussed the process of managing performance for the rest of municipal staff.

7.4.1 PERFORMANCE MANAGEMENT FOR SECTION 57 MANAGERS

Performance management for municipal manager and the employees that directly report to him will strictly adhere to the provisions of the Municipal performance regulations (2006). The key phases are, namely, Performance Contracting, Performance review, and Performance assessment. This section will also discuss dispute relating to PM.

7.4.2 PERFORMANCE CONTRACTING

Performance contracting is characterized by the consultation between the employer and the employee regarding specific performance standards that should be adhered to during the given financial year. Being the first of the three key phases, performance contracting entails the signing of the performance Agreement within one month after commencement of each financial year, with the purpose to:-

- ❖ Comply with the contract of employment
- ❖ Comply with section 57 of the MSA;
- ❖ Specify the agreed objectives and targets, and communicate within municipality's performance expectations in line with the IDP, the SDBIP and the budget;
- ❖ Specify accountabilities that are drawn in the Performance Plan
- ❖ Serve as basis of the municipality's commitment to a performance orientated relationship
- ❖ Provide a platform for monitoring, evaluating and measurement performance against targeted outputs and subsequently rewarding good performance.

At this phase, the employee will commit to focusing on implementing the key objectives (i.e. KPA's including any relevant special projects and the core Competency Requirements (CCR's).

The KPA and CCRs are assigned a weight, respectively. Such weighting (as it is known) denotes the relative importance of the key objective to each other. The KPAs would cover the main areas of work and would account for 80% whereas the CCRs would account for 20% of the final performance assessment. For the MM the KPA's are as follows:

- ❖ Basic Service Delivery
- ❖ Municipal Institutional Development and Transformation
- ❖ Local Economic development
- ❖ Municipal Financial Viability and Management
- ❖ Good Governance and Public Participation

For managers that directly account to the MM, the KPAs that are related to the functional areas of that manager's position, should be negotiated between that manager and municipal manager. The CCR that is critical for the employee's job should be selected from the following list and must also note the compulsory Core Managerial Competencies.

7.4.3 CORE MANAGERIAL COMPETENCIES

- ❖ Strategic Capability and Leadership
- ❖ Programme and Project Management (compulsory)
- ❖ Financial Management
- ❖ Change Management
- ❖ Knowledge Management
- ❖ Service Delivery Innovation
- ❖ Problem solving and analysis
- ❖ People Management and Empowerment (Compulsory)
- ❖ Client orientation and customer focus (Compulsory)
- ❖ Communication
- ❖ Honesty and Integrity

7.4.4 CORE OCCUPATIONAL COMPETENCIES

- ❖ Competence in self –Management
- ❖ Interpretation of and implementation within the legislative and national policy frameworks
- ❖ Knowledge of development local government
- ❖ Knowledge of Performance Management and reporting
- ❖ Knowledge of global and South African specific political, social and economic context
- ❖ Competence in policy conceptualization, analysis and implementation
- ❖ Knowledge of more than one functional municipal field / discipline
- ❖ Skills in mediation
- ❖ Skills in governance
- ❖ Competence as required by other national line sector departments
- ❖ Exceptional and dynamic creativity to improve the functioning of the municipality

7.4.5 LIST OF CORE COMPETENCY REQUIREMENTS (CCRS) FOR EMPLOYEES

In order to address the development gaps that support the achievement of set performance targets, a personal development plan (PDP) will be developed and form part of the Performance Agreement i.e. In line with the MFMA the performance agreements will be made available to the public.

7.4.6 PERFORMANCE REVIEW

Performance review is aimed at checking and monitoring progress of the employee in satisfying the key objectives and their targets. Performance reviews will happen at the end of the first, second and third quarters of the year as noted below

Table 79: Performance Review Schedule

Quarter	Period under review	Month of conducting review
1	July to end September	October
2	October to the end of December	January
3	January to the end of March	April
4	April to the end June	July

Makana Municipality may elect to conduct verbal reviews for the first and third quarters, particularly if performance is deemed satisfactory. During any of the reviews, the municipality will however make use of the assessment tools that will be ultimately used in performance assessment phase (4th Quarter). Despite the force stated performance review intervals, the employer reserves a choice to review performance at any stage (for as long as the employment contract is still valid). For the operational reasons and also based on agreement with the employee the employer will be entitled to making changes to the provisioning of the performance plan. In addition, performance feedback will be based on the employer’s assessment of the employee’s performance.

The performance review will entail the “stock taking” of the achievements on KPA and CRRs. Each of the two will be reviewed as follows:-Key performance areas.

Level	Terminology	Rating				
		1	2	3	4	5
5	Outstanding Performance					
4	Performance significantly above expectations					
3	Fully Effective					
2	Performance not fully effective					
1	Unacceptable performance					

The rating calculator will be developed and used for adding the scores for each KPA thus giving a final KPA score

7.4.7 CRITICAL COMPETENCY REQUIREMENTS

- a) Each CCR will be reviewed in terms of the extent to which the specified standards have been met.

- b) The fore going five-point scale will be used for each CCR.
- c) The rating will be multiplied by the weighting for each CCR and result in a score.
- d) The rating calculator will be used to add the scores and calculate the final CCR score.

It should be noted that for the mid-year review (i.e. October – December) it is important for the employer to keep records.

7.4.8 PERFORMANCE ASSESSMENT

Performance assessment is aimed at concluding the employee’s performance measurement and development against set objectives. It will happen during the fourth quarter of the financial year. For purposes of practicality, performance assessment will be executed similar to the Performance Review (explained above), save the following important variations:

It will not be “stock take” but a “final evaluation” exercise for the financial year.

- a) The minimum composition requirements of the evaluation panels will be as follows: **Table**

80:Performance Assessments

EVALUATION OF THE MM	EVALUATION OF MANAGERS ACCOUNTABLE TO THE MM
Mayor	MM
Chairperson of the audit committee	Chairperson of the audit committee
Executive Committee Member	Executive Mayoral Committee Member
Mayor or MM from another municipality	MM from another municipality
Ward Committee Member nominated by Mayor	HR Manager or Manager responsible PMS for secretarial purposes
HR Manager or Manager responsible PMS for secretarial purposes	

- c) Performance assessment will form the basis of rewarding outstanding performance and correcting unacceptable performance.
- d) Using the rating calculator, the range of performance bonus will allocated as follows, as a percentage of the all-inclusive remuneration package.

Performance Score	Performance Bonus
150% +	10% - 14%
130% to 149%	5% - 9%

- e) Unacceptable performance will be handled through providing remedial support to improve the employee’s performance for an agreed timeframe (with the employer). If such structured attempts prove to be unsuccessful, the employer should take steps to terminate

the contract on ground of unfitness or incapacity. In the case, there should be adherence to the provisions of the Labour Relations Act.

f) Within 14 days of concluding the assessment of the MM's performance, the results thereof will be submitted to the MED for Eastern Caper local government and the national Minister for local government.

7.4.9 PERFORMANCE MANAGEMENT FOR ALL OTHER MUNICIPAL STAFF MEMBERS

The Municipality will be focusing in the next following years in cascading Performance management to all employees. PMS has been cascade up HOD level but no review has been conducted yet.

7.4.10 GENERAL ISSUES RELATING TO PERFORMANCE MANAGEMENT

This section highlights some general issues related to performance management that need to be taken into account in implementing the PMS in the Municipality.

7.4.11 ANNUAL REVIEW OF THE PERFORMANCE MANAGEMENT SYSTEM

After the full cycle of the annual review and reporting is complete and the audit committee has met as required, the internal audit function will compile a comprehensive assessment/ review report. The report will be on whether the Municipality's PMS meets the system objectives and principles as set out in this framework and whether it complies with the MSA, PMS Regulations and the MFMA.

The report will need to be considered by the audit committee who will then submit any recommendations to the Executive Committee. The review undertaken and recommendations made by the audit committee could serve as input into the wider municipal review of the PMS. After the full cycle of the annual review, the Municipal Manager should initiate an evaluation report that includes inputs from departments. The report will then be discussed by the management team and finally submitted to the Council for discussion and approval. All those steps will also fulfil the MSA's requirement that the Municipality should annually evaluate its PMS.

7.4.12 AMENDMENTS TO KPI'S AND TARGETS

The Municipality will need to adopt a policy on amendments to performance indicators and targets. As a policy area, such amendments may be proposed but will be subject to the approval of the Executive Committee in consultation with the Municipal Manager.

7.4.13 INTEGRATING PMS WITH THE COUNCIL'S EXISTING MANAGEMENT CYCLE

International best practice indicates that PMS stands the chance to succeed if it is integrated with the current management cycle of the Municipality.

The purpose of such a cycle would be to guide the integration of important process e.g. the strategic planning or development process in terms of the IDP methodology, the annual budget process and the formal process of evaluating and assessing Council's performance in terms of the approved PMS and this framework. Makana Municipality will develop and adopt a similar cycle that is suitable to its own circumstances and requirements.

7.4.14 INSTITUTIONAL ARRANGEMENTS

The implementation of the PMS in terms of this framework would require coordination at organisational level and that will be the task of the IDP-PMS Manager's position which will be acting on behalf of the Municipal Manager Performance Agreement.

For PMS at an individual level, the responsibility for co-ordination, administration and record keeping will be the responsibility of the position that is responsible for human resource management. Likewise, such duties will form part of the Corporate Service Director Performance Agreement.

The municipality will ensure that its outsourced internal audit section has expertise in dealing with performance management responsibilities which are practically over and above the traditional financial audit responsibilities.

7.5 CONCLUSION

Performance Management System has been implemented for section 57 managers and plans are in place to cascade to lower levels starting form Head of Department level in the 2017/22 financial years.