

DRAFT REVIEWED INTEGRATED DEVELOPMENT PLAN

2023/2024



INXUBA YETHEMBA MUNICIPALITY

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LIST OF ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome
B2B	Back to Basics
BP	Business Plan
CBD	Central Business District
CDK	Cradock
CHDM	Chris Hani District Municipality
COVID-19	coronavirus disease 2019
DEAT	Department of Environmental Affairs and Tourism
DLA	Department of Land Affairs
DPLG & H	Department of Provincial and Local Government and Housing
DWA	Department of Water Affairs
ESCOM	Electricity Supply Commission
GAMAP	General Accepted Municipal Accounting Practices
GRAP	Generally Reporting Accepted Practices
GEAR	Growth Employment and Redistribution
GGP	Gross Geographic Product
HIV	Human Immune Virus
HSRDP	Human Settlement Re-Development Pilot Project
HDI	Human Development
IYM	Inxuba Yethemba Municipality
LG	Local Government
MBG	Middelburg
MEC	Member of the Executive Council
MLL	Minimum Living Level
NEMA	National Environmental Management Act
NEP	Nation Electrification Programme
NER	National Electrification Regulator
NICD	National Institute Of Communicable Diseases
O & M	Operational and Maintenance
RDP	Reconstruction and Development Programme
RSS	Rapid Services Survey
SALGA	South African Local Government Association
SMME	Small Medium and Micro Enterprises
S.P.	Service Provider

EXECUTIVE MAYOR'S FOREWORD

It is my greatest honour on behalf of Inxuba Yethemba Local Municipality and in my capacity as the Executive Mayor to present to you the Council's Integrated Development Plan (IDP) for the period 2023/2024.

During this financial year, we commit ourselves to service delivery excellence we shall be measured on the following outcomes:

- a) Our ability to meet the growing needs of its residents through rendering quality basic services,
- b) Facilitating economic development
- c) Fiscal discipline
- d) Ensuring that it governs effectively and facilitating growth in the municipality.
- e) Employee satisfaction.

According to Section 25 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), each municipal council must, after the start of its elected term, adopt a single, inclusive and strategic plan (Integrated Development Plan or IDP) for the development of the municipality. This must link, integrate and coordinate plans and consider proposals for the development of the community. In addition, it must be aligned with the resources and capacity of the municipality with the implementation of the said plan. This aims to co-ordinate a coherent plan to improve the quality of life for all our residents. As a municipality we are committed in creating a favourable conducive environment, that will attract right resources and accelerate growth.

It is common knowledge that the effect of the COVID-19 pandemic on the world economy is devastating and locally we have felt the impact with many businesses that were forced to close down, leading to massive job losses. Together with our business sector, we are now getting the economy back on track to support a growing number of disadvantaged residents – left destitute by mainly the pandemic; and looking to create jobs so that our people can earn an income, look after their own families, and have their pride re-stored.

In conclusion, we have noted the progress that has been made thus far and we count it all to the political arm and officials, especially the residents of Inxuba Yethemba. This progress would not have been possible without your unwavering commitment and co-operation. I would further like to thank the management and staff of the municipality who, despite many challenges, continue to pay attention to the task at hand.

Thank you!

Executive Mayor.
Cllr Noncedo Zonke

MUNICIPAL MANAGER'S FOREWORD

It gives me a great pleasure as the Accounting Officer to join the Mayor in presenting the 2023/24 Integrated Development Plan (IDP) which is the second year of implementation into the approved 2022-2027 Integrated Development Plan. This plan serves as a Strategic Plan that will guide the municipality's people centred planning and budgeting, and it is the result of a wide community and stakeholder consultation. It also allocates the limited resources in a strategic manner to get the greatest benefit from their use and an attempt to continue with a process of providing good quality and sustainable services to our communities.

We walk into the new term of Council with the same vision and mission that has carried us through the past five years. We have developed a new strategic intent, which we have included in the IDP. At the top of our strategic intent is a commitment to provide quality basic services to the residents of Inxuba Yethemba.

We are confident that with the cooperation of the Executive and Staff as well the support from the community, we will be able to meet the service delivery targets we have set ourselves on Strategic Municipal Scorecard which is part of this IDP under Chapter 4.

Lastly, I would like to also thank each and every individual who has contributed in this crucial planning process as well as the support provided by all relevant organs of the state.

Municipal Manager

Mr M.W. Mbebe

EXECUTIVE SUMMARY

1. INTRODUCTION

The Integrated Development Plan (IDP) is the principal strategic planning instrument, which guides and informs all municipal planning, budgeting, management and decision-making processes in the municipality. The purpose of the IDP is to ensure the effective use of scarce resources; helps to speed up delivery and attract additional funds from all the spheres of government and the private sector; helps to overcome the legacy of apartheid by lobbying for integrated rural and urban areas and to extend services to the poor and lastly promotes co-ordination between local, provincial and national government.

This document was developed and approved for implementation by the newly appointed Council and shall be implemented for the period of 5 years aligned to the current Council, which is from the 2022-2027 financial year. The document outlines the Strategic Objective and Priorities the Inxuba Yethemba Local Municipality seeks to address.

2. LEGISLATIVE FRAMEWORK

The formulation of the IDP was guided by various pieces of legislation; amongst others are the following:

The Integrated Development Planning process originates in the **Constitution of the Republic of South Africa (Act 108 of 1996)**, which instructs local government to:

- Provide democratic and accountable government to all communities.
- Ensure the provision of services to communities in a sustainable manner.
- Promote social and economic development.
- Promote a safe and healthy environment; and
- Encourage the involvement of communities and community organisations in matters of local government.

The Municipal Structures Act (Act 117 of 1998) provides for the following:

Chapter 5: Stipulates the general functions and powers of municipalities

- Section 83 (1): Each municipality has powers and functions assigned to it in terms of the provisions of the Constitution
- Section 83 (2): Powers and functions must be divided between the District Municipality and the Local Municipalities

Chapter 5, **Section 26 of the Municipal Systems Act** indicates the core components of an IDP and that such an IDP must reflect the following:

- The municipal council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs.
- An assessment of the existing level of development in the municipality, which must include an identification of communities, which do not have access to basic municipal services.

- The council's development priorities and objectives for its elected term, including its local economic development and internal transformation needs.
- The council's development strategies, which must be aligned with any national and provincial sectoral plans, and planning requirements that are binding on the municipality in terms of legislation.
- A spatial development framework, which must include the provision of basic guidelines for a land, use management system for the municipality.
- The council's operational strategies.
- Applicable disaster management plans.
- A financial plan, which must include a budget projection for at least the next three years.
- The key performance indicators and performance targets determined in terms of Section 41 of the MSA.

Municipal Finance Management Act no 56 of 2003, which emphasizes secure sound and sustainable management of the financial affairs of the municipalities and other institutions in local government. It provides clarity on municipal budgetary processes and how these budgets should be utilized. This act addresses three critical aspects in the IDP implementation plan, namely:

- Transformation of the procurement approach.
- Alignment of the IDP, budgeting and performance management processes.
- Linkage of IDP timeframes with budget time frames.

The Municipal Planning and Performance Management Regulations (R796 of 2001) set out further requirements for an IDP:

- An institutional framework is required for the implementation of the IDP and to address the municipality's internal transformation.
- Investment initiatives;
- Development initiatives including infrastructure, physical, social and institutional development; and
- All known projects, plans and programmes to be implemented within the municipality by any organ of state.

Intergovernmental relations framework Act no 13 of 2005, which provides clarity on how all the three spheres of government must work together. The Act is a response to the limited successes in the alignment efforts among the three spheres of government. It creates a framework to support intergovernmental cooperation and coordination as required by the Constitution in its definition of "cooperative governance". It provides for the obligation of all spheres to participate in the planning processes of the municipality and in turn allow their own planning processes to be influenced by the municipal IDP's. The Act establishes structures and processes that enhance inter – governmental planning and monitoring processes for local, provincial and national spheres of governance.

Pre - Planning

The Local Government: Municipal Finance Management Act No 56 of 2003, Section 21 (1) (a) stipulates that the Executive Mayor of a Municipality must:

- (a) Coordinate the processes for preparing the annual budget and for reviewing the Municipality's Integrated Development Planning; and

- (b) At least 10 months before the start of the budget year, table in the Council a time schedule outlining key deadlines for the development and review of the IDP and Annual Budget.

Organizational Arrangements

Role Players and Expected Responsibilities

Role Players	Roles and Responsibilities
Council	• Approve and adopt the Process plan as well as IDP / Budget • Monitor implementation and approve any amendments of the plan when it is necessary
Mayor	• Consider IDP/ Budget Process Plan and submit to Council for approval • Overall management, coordination and monitoring of the IDP Process • Assign and delegate responsibilities in this regard to the Municipal Manager • Submission of Draft IDP/ Budget to Council for approval • Submit Final IDP and Budget to Council for adoption. • Provide political guidance in IDP and Budget (Sec, 53 (a) of the MFMA Act of 2003 • Coordinate plans and timetables for budget. • Exercise close oversight on Budget preparation process. • Overall monitoring of public participation process. • Exercise oversight on the ward committee system.
Ward Councillor/ Ward Committees	• Form a link between the Municipality and residents. • Link the IDP process to their respective wards • Assist in organizing of public consultation and participation • Monitor the implementation of IDP with respect to their wards • Encourage residents to take part in the IDP process
Municipal Manager	• Managing and coordinating the entire IDP process as assigned by the Mayor. • Chair the IDP Steering Committee. • Fulfill the duties of the Accounting Officer as set out in Sec, 68 and 69

	of the MFMA 56, Act of 2003.
IDP Manager	• Prepare IDP process plan and monitor timeous implementation. • Day to day management and coordination of the IDP process • Ensure stakeholder engagement in IDP process by organizing and setting up meetings for engagement. • Ensure that the IDP process is participatory and that planning is ward-based oriented. • Respond to public and the MEC comments on the Draft IDP/ Budget. • Compile a comprehensive, neat and presentable IDP document that compiles with all legislative requirements. • Amend IDP document in accordance with the comments of the MEC
Public Participa- tion Unit	• Assist the Speaker to coordinate the process of establishing ward committees. • Responsible for logistical arrangements pertaining to ward committee meetings. • The responsibility to meet regularly with the ward committees to ensure appropriate communication with the communities through the ward committee structure. • The responsibility to ensure that representation is made through ward committees and ward councilors are channeled to the appropriate structures for further attention.
Heads of Depart- ments	• Provide relevant technical, sector and financial information for analysis for determining priority issues. • Provide technical expertise in consideration and finalization of strategies and identification of projects. • Provide departmental, operational and capital budgetary information. • Preparation of project proposals, integration of projects and sector programmes.
IDP/ Budget Steer- ing Committee	• Refinement and quality check of IDP document to ensure compliance with legislation. • Consist of Municipal Manager, Senior Managers, IDP Manager, Mayor/ Speaker. • To provide technical assistance to the Mayor in discharging responsibilities set out in Sec, 53 of MFMA.

IDP Representative Forum

- Provide a conducive organizational platform for discussion, negotiation as well as decision making for key stakeholders.
- Interests of constituencies are well presented in the IDP process.
- Processes in planning, implementation and performance are monitored.
- Involves the Mayor, Councillors, Ward Committees, Municipal Manager, HOD's, key stakeholders, representatives of interest groups, NGO's, Government Departments.

The IDP/PMS/BUDGET PROCESS PLAN

The Municipal Council Approved it's IDP/PMS/ Budget Process Plan in August 2022, Council Resolution **C444/21**

INXUBA YETHEMBA LOCAL MUNICIPALITY 2023/2024- IDP/ BUDGET-PMS PROCESS PLAN				
	Activities		Timeframe	Responsible Department
A	Preparation phase / Pre-planning			
2	IGR & IDP/PMS/ Budget Rep Forum (Conducted a SOMA)	IGR/REP FORUM	11 August 2022	MM
3	Council Approval of Framework Plan & Process Plans (IDP & Budget)	IDP	31 August 2022	MM
B+C	Analysis Phase / Monitoring and evaluation			
5	Collection of Community Needs	IDP	5-12 October 2022	MM
6	IDP/Budget Steering Committee meeting	IDP	19 October 2022	MM
7	Budget Steering Committee	BTO	03 November 2022	MM
8	IGR & IDP/Budget/Rep Forum	IGR/REP FORUM	07 December 2022	MM
D	Strategies Phase / Refined objectives, strategies, programmes and projects phase			
9	IDP/Budget Steering Committee meeting	IDP	18 January 2023	MM
10	2022/23 Mid-Year Engagement	PT/NT	30 January 2023	MM
11	IGR & IDP/Budget Rep Forum	IDP	8 February 2023	MM
12	Budget Steering Committee =Adjustment Budget	BTO	17 February 2023	BTO
13	Institutional Strategic planning session. Adopt proposed overall direction of the 2023-2024 IDP - agree on main themes and key strategic objectives and key financial issues. Refine objectives, strategies, programmes and draft projects as necessary for MTEF period	IDP	8-9 March 2023	MM
14	Council Meeting - Adopt Draft IDP/Budget and Sector Plans	IDP	31 March 2023	MM
15	IDP/Budget Road shows - public hearings	IDP	04-13 April 2023	MM/BTO
16	Advertise for public comment (21days)	IDP	06 April 2023	MM
17	2023/24 Benchmark Engagement	PT/NT	21 April 2023	MM
18	Budget Steering Committee	BTO	25 April 2023	BTO
E	Reviewed IDP document (Integration/programme implementation and operational plan)			
19	Incorporate relevant comments to the Draft final reviewed IDP and submit to Council For Approval	IDP	April - May 2023	MM
20	IGR & IDP/Budget Rep Forum Meeting	IGR/REP	10 May 2023	MM
F	Approval phase			
21	Advertisement Final IDP		08 June 2023	MM

22	Submit draft SDBIP to Executive Mayor	PMS	12 June 2023	MM
23	SDBIP Approved and Performance Agreements signed within 28 days after approval of the budget	PMS	20 June 2023	MM
G	Performance Management System			
24	Publicize SDBIP and Performance Agreements no later than 14 days after approval	PMS	07 July 2023	MM

ALIGNMENT OF IYM IDP WITH NATIONAL PLANS

Eastern Cape Vision 2030	National Development Plan	Medium Term Strategic Framework	12 Outcomes	Inxuba Yethemba Municipality Strategic Objectives
Capable democratic institutions	Building a capable and development state		Output 6 : Administrative and financial capability	To increase the amount of revenue collected annually
Innovative and inclusive growing economy	Employment and economy	Priority 2: Economic Transformation and Job Creation		To improve local economic devpment
An enabling infrastructure network	Economic Infrastructure	Priority 2: Economic transformation and job creation	Output 2: Improving access to basic services	To ensure effective construction and maintenance of municipal infrastructure
				To ensure properly maintained municipal facilities
				To ensure provision of adequate electricity supply to iym communities
	Environmental sustainability and resilience		Protection and enhancement of environmental assets and natural resources	To promote a clean environment
An educated, empowered, and innovative citizenry.				To develop the skills of the workforce and unemployed youth to enhance their competencies
Human Development	Employment and economy			To improve literacy levels
Innovative and inclusive growing economy	Employment and economy	Priority 7: A better Africa and World	Innovative and inclusive growing economy	To Implement Tourism and Heritage Management Plan
A capable democratic institutions		Priority 6: Social Cohesion and Safer Communities		To streamline special programs by ensuring functionality of all special programmes structures
			Output 4: Actions supportive of the human settlement outcome	To educate communities about home ownership
				To ensure efficient and effective spatial planning and land use management
Innovative and inclusive growing economy	Employment and economy			To support the establishment of smmes
Human Development		A capable, Ethical and Developmental State	A responsive, accountable, effective and efficient local government system	To ensure knowledge dissemination and compliance with occupational health and safety regulations

A capable democratic institutions	Fighting Corruption			To ensure an effective municipal governance in line with applicable legislation
				To ensure effective Audit and Corporate governance function that will result in improved compliance and clean administration
A capable democratic institutions	Nation Building and social cohesion		A developmental oriented public service and inclusive citizenship	To improve community participation in the affairs of the municipality

IDP ASSESSMENT RESULTS

The MEC for CoGTA has a legislative authority to assess the municipal IDP and provide outcomes on the assessment of each Key Priority Area; below are the outcomes the municipality has acquired in the last few years per KPA:

KPAs	Rating 2020/2021	Rating 2021/22	Rating 2022/23
Basic Service Delivery	No assessment report from this KPA	Medium	Medium
Financial Planning and Budgets	Medium	Medium	High
Local Economic Development	High	High	High
Good Governance & Public Participation	Medium	Medium	High
Institutional Arrangements	No assessment report from this KPA	High	High
KPA 6: Spatial Planning, Land Use, Human Settlements, Environmental Management	High	High	High
Overall Rating	Medium	High	High

On assessment of the IDP the issues listed below were raised:

Outstanding IDP Compliance Issues raised by COGTA for 2022-2027 FY

The following issues that were raised by COGTA as shortfalls in the previous IDP, which have now been addressed.

Compliance Issues	Comment
KPA 1: Spatial Planning, Land Use, Human Settlements and Environmental Management	
1. Reflect on Mechanisms to control Land Invasion	
2. Must develop Air Quality Management Plan	
3. Reflect on a climate change response activities and strategies that respond to climate change	
4. Provide summary of analysis of natural environment which includes threats and assets	
5. IDP must reflect how it intends to use and protect its natural resources or protected areas or heritage as its comparative and competitive advantage	
6. Develop a plan to address land degradation and revitalisation	
7. Indicate Capital Projects that require Environmental Impact Assessment (EIA Process)	
8. Develop environmental planning tools such State of the Environment Report; Environmental Management Plans, Environmental Management Framework, Aquatic EcoSystem, Ecological Infrastructure and Wetlands Bioregional Plans reflect it on the IDP.	
KPA2: SERVICE DELIVERY AND INFRASTRUCTURE PLANNING	
1. Develop a Trade Effluent Policy and budget for its operations and Maintenance	
2. Develop a Disaster Management Plan	
3. Develop and approve its Integrated Waste	

Management Plan	
4. Establish a Waste Management Forum	
5. Must have emergency procurement measures in place to expedite expenditure during a disaster	
6. Adopt Disaster Management ByLaws	
7. Establish a coordinated Forum on waste management	
8. Establish an intergrated community safety forum and integrated community safety plan	
KPA 3: FINANCIAL PLANNING AND BUDGETTING	
1. Reflect on promulgation and gazetting of relevant policies	
2. Must budget for Councillors Salaries and Employee Costs as per Norms and Standards.	
3. Address its Cash Flow Problems for the purpose of servicing its creditors	
4. Must Gazette and publish Section 6 and 14 of the Municipal Property Rates Act	
6. Municipality must manage and report its conditional grants according to DORA and ensure that the funds are used for the intended purposes	
7. Municipality must spend 100% of its allocated grants	
8. Must update Valuation Roll and reflect it on IDP and also upload it on Website	
9. Must promulgate notices for public inspection of the Valuation Roll and provide a Gazette no in accordance with Section 49 of MPRA	
10. Must reflect on MSCOA Resolutions, Implementation Plan, SCOA Champions and SCOA Oversight Committee	
KPA LOCAL ECONOMIC DEVELOPMENT	
1. Provide info on Economic Infrastructure Available	
2. Provide evidence of stakeholder engagement and community involvement in LED Forums, business chambers and others	
KPA GOOD GOVERNANCE	
1. Adopt a Public Participation Strategy	
2. Develop Ward Based Plans	
3. Reflect Programmes and Activities on Social Cohesion	
4. Reflect on Inter-Municipal Planning Programmes and Projects	
5. Institutionalize Complaints Management System	
6. Reflect on Performance Management Committee	
7. Reflect on Legal Service Office and indicate a legal management system in place	
8. Adopt an HIV/AIDS Strategy	
9. Establish a Functional Monitoring and Evaluation System/Unit	
KPA: INSTITUTIONAL ARRANGEMENTS	
1. Must reflect on Political and Administrative Seats	

CHAPTER 1: MUNICIPAL POWERS AND FUNCTIONS, MUNICIPAL VISION, MISSION, VALUES AND DEMOGRAPHIC PROFILE

Municipal Powers and Functions.

In terms of Constitution, Municipal Structures Act and Section 12 as promulgated by MEC of Co-operative Governance and Traditional Affairs, Inxuba Yethemba Local Municipality has the following powers and functions: SCHEDULE 4 : PART B

	STATUS	SCHEDULE 5 : PART B	STATUS
Air Pollution	N/A	Beaches & Amusement Facilities	N/A
Building Regulations	√	Billboards & display of Advertisements in public places	√
Child Care Facilities	N/A	Cemeteries, Funeral Parlours and Crematoria	√
Electricity & Gas Reticulation	√	Cleansing	√
Fire-fighting Services	√	Control of Public Nuisances	√
Local Tourism	√	Control of undertakings that sell liquor to the public	√
Municipal Airports	N/A	Facilities for the accommodation, care and burial of animals	Animal Shelter
Municipal Planning	√	Fencing and Fences	√
Municipal Health Services (PHC has been provincialized)		Licensing of dogs	
Municipal Public Transport	√	Licensing and control of undertakings that sell food to the public	√
Municipal Public Works	√	Local Amenities	√
Pontoons, ferries, jetties, piers and harbours	N/A	Local Sport Facilities	√
Stormwater Management systems in built-up areas	√	Markets	√
Trading Regulations	√	Municipal Abattoirs	N/A
Water & Sanitation Services (potable water, domestic wastewater & sewage : WSA and WSP)	CHDM	Municipal Parks & Recreation	√

FUNCTIONS ASSIGNED TO OR BEING PERFORMED BY THE MUNICIPALITY ON AN AGENCY BASIS		Municipal Roads (Streets)	√

Municipal vision.

A Municipality working together with its citizens to ensure provision of sustainable, equitable and quality services to all.

Mission Statement.

Inxuba Yethemba Municipality commits itself to good governance, efficient delivery of services, development and retention of its human capital and thus growing the economy of Inxuba Yethemba through:

- Rendering affordable, sustainable services to our communities in a professional manner.
- Utilising all resources transparently.

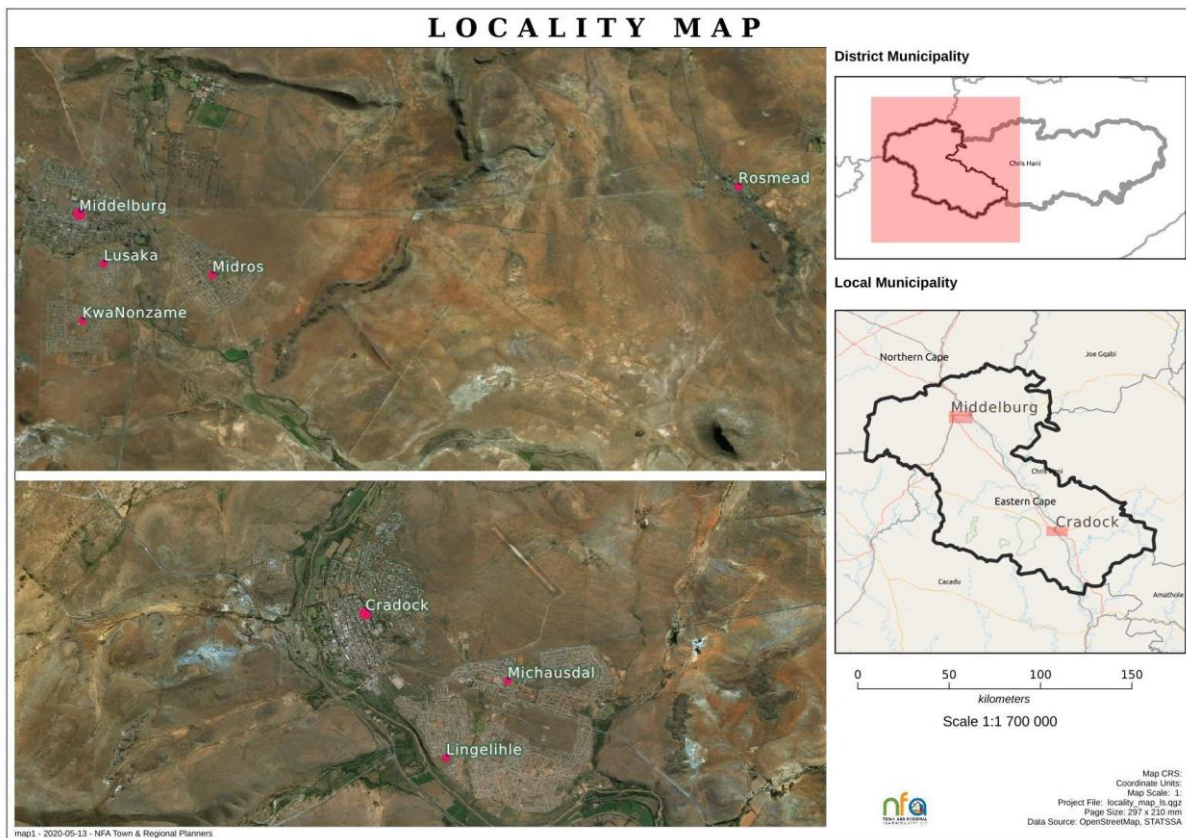
Core Values.

- **Commitment:** Strive to provide quality services that is customer orientated.
- **Professionalism:** Maintaining a high level of professionalism to our staff and community and enforcing accountability to all.
- **Integrity:** Maintaining a high ethical and honest conduct at all times.
- **Respect:** Respect for self and others and serving the public with humility.

Profile of the Municipality

The Inxuba Yethemba Local Municipality is a Category B municipality (Area:11 663km²) located in the Chris Hani District in the Eastern Cape. It is approximately 240km north of Nelson Mandela Metropolitan Municipality and is one of six municipalities in the district, making up a third of its geographical area. Cradock consists of the suburb of Cradock, and the Lingelihle and Michausdal communities, whilst Middelburg has the suburb of Middelburg, with the Kwanonzame Lusaka and Midros communities. The two urban centres of Cradock and Middelburg are fairly similar, with well-developed CBDs and fair infrastructure. However, a lot of work still needs to be done in the former previously disadvantaged communities. The rural areas of both towns are mostly commercial farms, with small settlements in the rural areas of Fish River Mortimer and Rosmead. The N10 National Road, which is the vital economic link between Port Elizabeth and the north, runs through Cradock and skirts Middelburg. The main Cities or Towns in Inxuba Yethemba Local Municipality are Cradock, Middel-

burg, and Mount Zebra National Park. The municipality's economic sectors comprise of community services, finance, trade, transport, agriculture, construction, and manufacturing.



The Municipal Strategic Direction

Integrated development planning and its guidelines.

1.2. IDP Definition and Context

Integrated Development Plan is a central planning tool for government that embodies local government developmental goals and a comprehensive service delivery programme. Integrated planning has been developed as a consolidated municipal wide planning process that provides a framework for planning of future development in a municipality. It ensures horizontal and vertical co-ordination and integration across the national, provincial and local spheres of government.

In addition, the IDP requires community participation and stakeholder involvement. The integrated development planning process is therefore critical for the success of every South African municipality's endeavours to bring about responsive, developmental and accountable local government.

Inxuba Yethemba Local Municipality is in the process of developing a new five-year IDP for the current term starting from 2022-2027 in accordance with section 34 of the Local Government Municipal Systems Act 32 of 2000.

The focus of this IDP is within the context of a seamless integrated strategic planning process. The Municipality has developed a set of long-term goals and five-year objectives (to be reviewed annually) that will form the basis of the annual business planning and budgeting carried out on an ongoing basis. The IDP will also further be shaped by inputs from communities and civil society, as well as direction from the political leadership.

A five-year IDP supports a single, integrated planning process, with clear demarcation between long-term, medium term and short-term planning. The five-year IDP should therefore be understood as an interpretation of strategy and political priorities into a detailed Executive Mayoral Plan that is to become the business plan, in this context, it is seen as an implementation tool.

The aim of the new 5-year IDP for Inxuba Yethemba is to present a coherent plan to improve the quality of life for people living in the area. The intention of this IDP is to link, integrate and co-ordinate development plans for the municipality which is aligned with national, provincial and district development plans and planning requirements binding on the municipality in terms of legislation.

Inxuba Yethemba LM's Political Priorities

The Local Government elections of 2021 ushered a new political dispensation with a mandate that sets the tone for the development of a five-year IDP (2022 -2027). Inxuba Yethem-

ba LM is guided by the following **10 (ten) priorities**, as highlighted by the **Local Government Elections Manifesto**.

- 1) Provision of water and sanitation, sewerage, and roads.
- 2) Provision of electricity.
- 3) Provision of land and housing.
- 4) Choose the best people to run municipalities.
- 5) Food security.
- 6) Fight corruption and end wastage.
- 7) Make municipalities financially viable.
- 8) Jobs, education, training, and opportunities for young people.
- 9) Fight against gender-based violence and safer communities.
- 10) A non-sexist society and commitment to gender equality.

National Development Plan

The South African Government through the Presidency has published a National Development Plan. The Plan aims to eliminate poverty and reduce inequality by 2030. The Plan has the target of developing people's capabilities to be to improve their lives through education and skills development, health care, better access to public transport, jobs, social protection, rising income, housing and basic services, and safety.

It proposes to the following strategies to address the above goals:-

- a) Creating jobs and improving livelihoods.
- b) Expanding infrastructure.
- c) Transition to a low carbon economy.
- d) Transforming urban and rural spaces.
- e) Improving education and training.
- f) Providing quality health care.
- g) Fighting corruption and enhancing accountability.
- h) Transforming society and uniting the nation.

At the core of the Plan is to eliminate poverty and reduce inequality and the special focus on the promotion of gender equity and addressing the pressing needs of youth. More importantly for efficiency in local government the NDP proposes 8 targeted actions listed below:-

- a) Stabilise the political-administrative interface.
- b) Make public service and local government careers of choice.
- c) Develop technical and specialist professional skills.
- d) Strengthen delegation, accountability, and oversight.
- e) Improve interdepartmental co-ordination.

- f) Take pro-active approach in improving national, provincial, and local government relations.
- g) Strengthen local government.
- h) Clarify the governance of SOE's.

The National Development Plan 2030 has been adopted by the National Cabinet in August 2012 and this place an injunction on the state and its agencies (including municipalities) to implement the Plan.

The Plan makes the following policy pronouncements and proposes performance targets that intersect with developmental mandates assigned to local government. Importantly, municipalities are expected to respond to these developmental imperatives when reviewing their Integrated Development Plan and developing the corresponding three-year Medium-Term Revenue and Expenditure Frameworks:-

- a) Youthful population presents opportunities to boost economic growth, employment and reduce poverty.
- b) Strengthen youth service programmes – community-based programmes to offer young people life skills training, entrepreneurial training;
- c) Increase employment from 13 million in 2010 to 24 million in 2030.
- d) Ensure that skilled, technical, professional, and managerial posts better reflect the country's racial, gender and disability makeup.
- e) Establish effective, safe and affordable public transport.
- f) Produce sufficient energy to support industry at competitive prices.
- g) Ensure that all South African have access to clean running water in their homes.
- h) Make high - speed broadband internet universally accessible at competitive prices.

National Government's Outcomes Based Approach to Service Delivery

National Government has agreed on 12 outcomes as a key focus of work between now and 2014. These outcomes have been expanded into high-level outputs and activities, which in turn formed the basis of a series of performance agreements between the President and relevant Ministers.

Whilst all of the outcomes can to some extent be supported through the work of local government, **Outcome 9** (A responsive, accountable, effective and efficient local government system) and its 7 outputs are specifically directed at local government: -

Table 1: Outcome 9 Outputs	
Output 1	Implement a differentiated approach to municipal financing, planning and support
Output 2	Improving access to basic services
Output 3	Implementation of the Community Work Programme

Output 4	Actions supportive of the human settlement outcome
Output 5	Deepen democracy through a refined Ward Committee model
Output 6	Administrative and financial capability
Output 7	Single window of co-ordination

CoGTA's National KPA's for Municipalities.

Department of Cooperative Governance and Traditional Affairs (CoGTA) assess the progress made by municipalities against five Key Performance Areas (KPAs) and crosscutting interventions adopted in the 5-Year Local Government Strategic Agenda.

The five KPAs that form the basis of the assessments are:-

Table 2: National KPA's	
KPA 1	Good Governance and Public Participation
KPA 2	Municipal Transformation and Organisational Development
KPA 3	Basic Service Delivery
KPA 4	Municipal Financial Viability and Management
KPA 5	Local Economic Development (LED);

The above allow CoGTA to determine how well each municipality is performing, compare its performance to targeted goals, create measures to improve performance, identify the municipalities that have under-performed and propose remedial action to improve performance of municipalities.

The New Growth Path.

This National Policy Framework deals specifically with issues such as creating decent work, reducing inequality, and defeating poverty through *“a restructuring of the South African economy to improve its performance in terms of labour absorption as well as the composition and rate of growth”*.

Important and of practical consequence to local government, are the specific job drivers that have been identified: -

- Substantial public investment in infrastructure both to create employment directly, in construction, operation and maintenance as well as the production of inputs, and indirectly by improving efficiency across the economy.
- Targeting more labour-absorbing activities across the main economic sectors –the agricultural and mining value chains, manufacturing, and services.
- Taking advantage of new opportunities in the knowledge and green economies.

- Leveraging social capital in the social economy and the public services; and
- Fostering rural development and regional integration.

Eastern Cape Vision 2030

In 2014, the Executive Council of the Eastern Cape Provincial Government appointed the Eastern Cape Planning Commission (ECPC) to facilitate a participatory exercise of defining what the NDP should mean for the province. This definition has been used to inform the Eastern Cape's Provincial Development Plan (PDP). The plan aims to provide creative responses to the province's challenges.

There are five related goals that inform the PDP. Each goal aims to encourage rural development to address the spatial and structural imbalances in the Eastern Cape. Each goal has a vision, key objectives and strategic actions. Further detail is provided in Part 2 of this plan. The five goals are interrelated and cross-enable each other. For example, good health (goal 3) is important for effective learning (goal 2) and productive economic activity (goal 1). Achieving the first three goals will inevitably create more vibrant communities (goal 4). The fifth goal, capable and accountable institutions, enables the first four goals.

a) Goal 1: A growing, inclusive and equitable economy.

The PDP aims to develop a growing, inclusive, and equitable economy. This includes a larger and more efficient provincial economy that optimally exploits the competitive advantages of the Eastern Cape, increased employment and reduced inequalities of income and wealth.

b) Goal 2: An educated, empowered, and innovative citizenry.

The PDP seeks to ensure that people define their identity, sustain their livelihoods, live healthy lives and raise healthy families, develop a just society and economy, and play an effective role in the development of their communities, as well as the politics and governance of the state at all levels.

c) Goal 3: A Healthy population.

The PDP seeks to ensure that all citizens of the Eastern Cape live longer and healthy lives. This will mainly be achieved by providing quality healthcare to people in need. The health system must value patients, care for communities, provide reliable service and value partnerships. In addition, the system should rest on a good primary healthcare platform and be integrated across primary, secondary and tertiary levels of healthcare.

d) Goal 4: Vibrant, equitable and enabled families.

The PDP seeks to ensure that by 2030, the Eastern Cape is characterised by vibrant communities in which people can responsibly exercise their growing freedoms. The plan aims to address spatial disparities across the province and seeks to guide the development and use of instruments to achieve this. These instruments include legislation and policy, spatial targeting of infrastructure and other investments, and planning itself. Where and how people live and work is the most visible manifestation of spatial equity.

e) Goal 5: Capable, conscientious and accountable institutions

The PDP seeks to build capable, conscientious and accountable institutions that engender and sustain development partnerships across the public, civic and private sectors. It aims to construct and mobilise multi-agency partnerships for development, encouraging the emergence of a strong, capable, independent and responsible civil society committed to the province's development. The province will build the necessary capabilities to anchor these multi-agency partnerships and empower people to meaningfully participate in their own development.

1.3.4. National Spatial Development Perspective.

It provides for focusing of development on areas of potential as a catalyst towards improvement of lives of communities. Areas of potential or nodal points should be prioritized for infrastructure investment. The development of the municipal SDF took into consideration proposals of the NSDP.

1.3.5. The District Development Model.

The DDM is an all-of-government approach to improve integrated planning and delivery across the three spheres of government with district and metropolitan spaces as focal points of government and private sector investment.

The DDM is aimed at facilitating integrated planning, delivery and monitoring of Government's development programmes through the concept of a joint "One Plan" in relation to 52 development spaces / impact zones through the establishment of national technical capacity as well as district hubs that will drive implementation of the programme.

This approach will not only accelerate local economic development, urbanization, economic activities but also the provision of basic services and other tailor-made solutions such as "Covid-19 interventions" at grass roots level.

1.3.6. Integrated Urban Development Framework.

The IUDF aims to guide the development of inclusive, resilient, and liveable urban settlements, while directly addressing the unique conditions and challenges facing South Africa's

cities and towns. To achieve this transformative vision, four overall strategic goals are introduced:

The following entails the Integrated Urban Development Framework's 8 policy levers aimed towards addressing the structural drivers that will promote that current scenario of cities and towns: -

Table 3: Policy Levers

POLICY LEVER	DESCRIPTION
Policy Lever 1	Integrated Spatial Planning
Policy Lever 2	Integrated Transport and Mobility
Policy Lever 3	Integrated and Sustainable Human Settlements
Policy Lever 4	Integrated Urban Infrastructure
Policy Lever 5	Efficient Land Governance and Management
Policy Lever 6	Inclusive Economic Development.
Policy Lever 7	Empowered Active Communities.
Policy Lever 8	Effective Urban Governance

1.3.7. The SONA and SOPA Addresses.

In the State of the Nation Address (SONA) delivered by President Cyril Ramaphosa on 10 February 2022 in Parliament. The President referenced the impact of the Covid-19 pandemic on the economy, admitting it had further exposed the deep social and economic divide in SA. He also spoke of the impact of the civil unrest in July 2021. Government will take steps to strengthen democracy and revitalise the economy to end inequality and injustice. This includes ensuring those responsible for corruption will be criminally charged.

The present situation of deep poverty, unemployment and inequality is not sustainable as it is unacceptable, requiring fundamental reforms and change to revive the economy and create conditions for long-term stability and growth. Spoke of a common consensus born out of current challenges and recognition of the current unemployment, inequality and poverty.

State has to create conditions for private sector investment and an environment in which people can lead a better life. Announced a 100-day deadline to create a social compact to create jobs, end hunger and poverty based on the economic and reconstruction programme. Focus will be on overcoming impact of Covid-19, infrastructure investment, economic stimulus, energy and creating job opportunities.

The President indicated that Government intends to lift the National State of Disaster as soon as other supplementary legislation has been aligned to enable the government to respond to the pandemic and other health disasters. Currently, virtually all restrictions in response to Covid-19 have been lifted.

Water Infrastructure

Government to prioritise institutional reforms to ensure future water security, in-

vestment in water resources and maintenance of existing assets. Government has also embarked on the process of institutional reform in capacitating the Department of Water and Sanitation and reviewing water boards in as far as their mandates are concerned and ensuring that they serve municipalities in terms of the District Development Model. These reforms are being championed by the Minister of Water and Sanitation, who has visited every water source in the country.

SMME Growth

Government to implement measures to unleash the potential of small businesses, micro businesses and informal businesses. Has also started discussions with social partners as part of the social compact process to review labour market regulations for smaller businesses to enable them to hire more people, while continuing to protect workers' rights. A new, redesigned loan guarantee scheme is being introduced to enable small businesses to bounce back from the pandemic and civic unrest.

We have embarked on the process of institutional reform in capacitating the Department of Water and Sanitation (DWS) and reviewing water boards in as far as their mandates are concerned and ensuring that they serve municipalities in terms of the District Development Model (DDM).

These reforms are being championed by the Minister of Water and Sanitation, who has visited every water source in the country.

Demographic Profile

2.1.1. 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 1. Total population - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2010-2020 [NUMBERS PERCENTAGE]

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
2010	66,600	818,000	6,680,000	51,100,000	8.1%	1.00%	0.13%
2011	67,300	822,000	6,740,000	52,000,000	8.2%	1.00%	0.13%

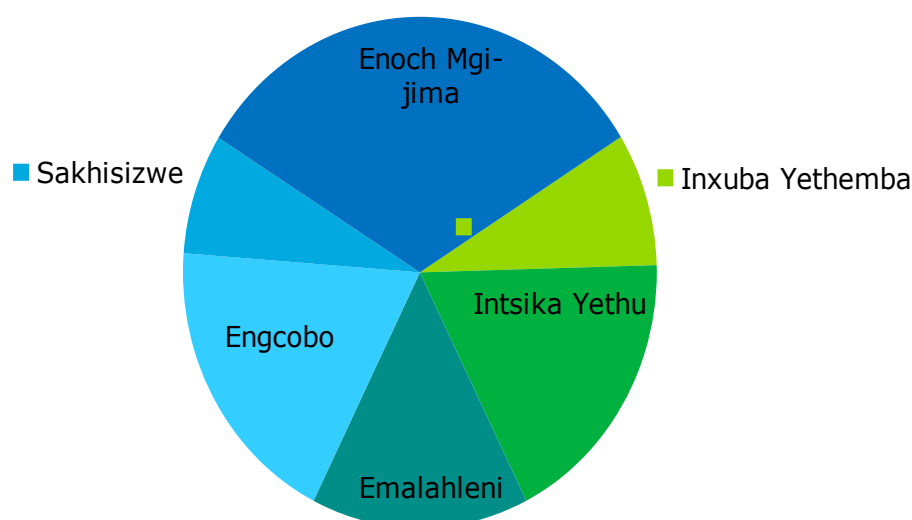
	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
2012	68,100	826,000	6,800,000	52,900,000	8.2%	1.00%	0.13%
2013	68,900	832,000	6,870,000	53,700,000	8.3%	1.00%	0.13%
2014	69,700	837,000	6,930,000	54,600,000	8.3%	1.01%	0.13%
2015	70,500	844,000	7,010,000	55,500,000	8.4%	1.01%	0.13%
2016	71,300	851,000	7,080,000	56,400,000	8.4%	1.01%	0.13%
2017	72,100	858,000	7,150,000	57,200,000	8.4%	1.01%	0.13%
2018	72,800	866,000	7,220,000	58,100,000	8.4%	1.01%	0.13%
2019	73,600	873,000	7,290,000	59,000,000	8.4%	1.01%	0.12%
2020	74,300	881,000	7,360,000	59,800,000	8.4%	1.01%	0.12%
Average Annual growth							
2010-2020	1.10%	0.74%	0.98%	1.59%			

Source: IHS Markit Regional eXplorer version 2142

With 74 300 people, the Inxuba Yethemba Local Municipality housed 0.1% of South Africa's total population in 2020. Between 2010 and 2020 the population growth averaged 1.10% per annum which is close to half than the growth rate of South Africa as a whole (1.59%). Compared to Chris Hani's average annual growth rate (0.74%), the growth rate in Inxuba Yethemba's population at 1.10% was slightly higher than that of the district municipality.

CHART 1. Total population - Inxuba Yethemba and the rest of Chris Hani, 2020 [Percentage]

Total population Chris Hani District Municipality, 2020



Source: IHS Markit Regional Explorer version 2142

When compared to other regions, the Inxuba Yethemba Local Municipality accounts for a total population of 74,300, or 8.4% of the total population in the Chris Hani District Municipality, with the Enoch Mgijima being the most populous region in the Chris Hani District Municipality for 2020.

The ranking in terms of the size of Inxuba Yethemba compared to the other regions remained the same between 2010 and 2020. In terms of its share the Inxuba Yethemba Local Municipality was slightly larger in 2020 (8.4%) compared to what it was in 2010 (8.1%).

When looking at the average annual growth rate, it is noted that Inxuba Yethemba ranked highest (relative to its peers in terms of growth) with an average annual growth rate of 1.1% between 2010 and 2020.

2.1.2. Population Projections

Based on the present age-gender structure and the present fertility, mortality, and migration rates, Inxuba Yethemba's population is projected to grow at an average annual rate of 0.9% from 74 300 in 2020 to 77 800 in 2025.

TABLE 2. Population projections - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2020-2025 [Numbers percentage]

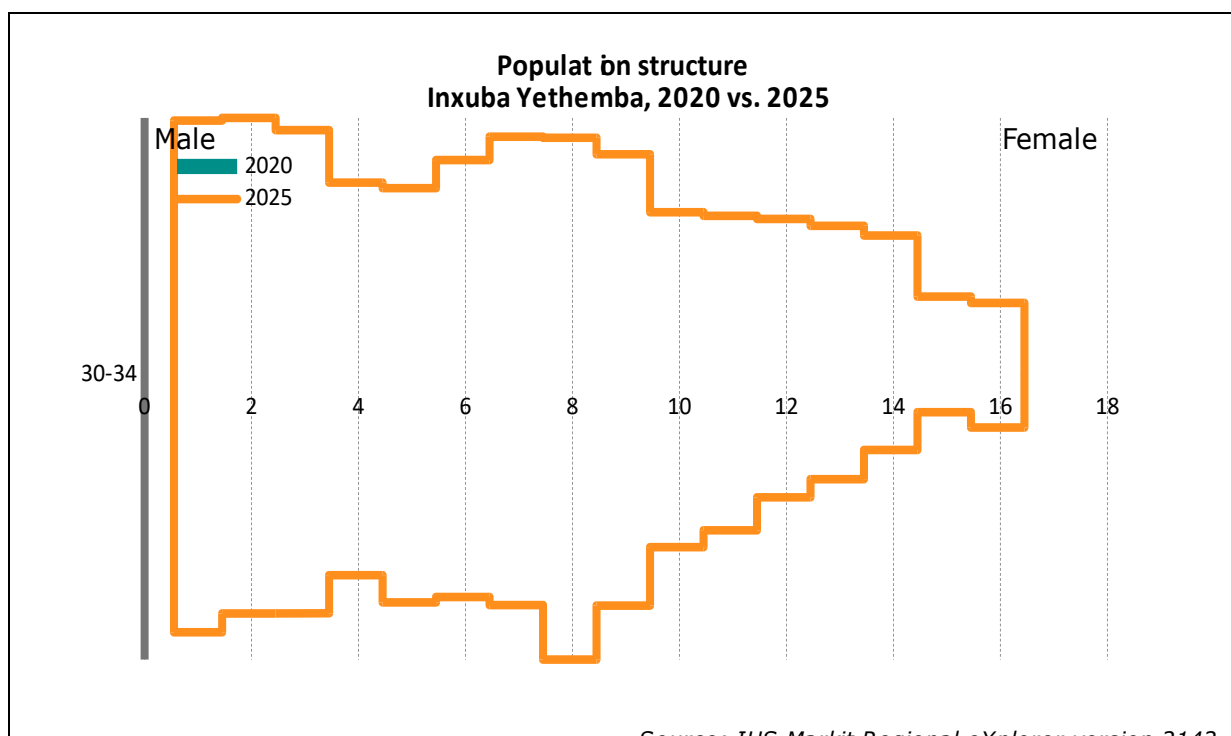
	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
2020	74,300	881,00	7,360,00	59,800,0	8.4%	1.01%	0.12%

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
		0	0	00			
2021	75,000	888,000	7,430,000	60,600,000	8.4%	1.01%	0.12%
2022	75,700	896,000	7,500,000	61,500,000	8.4%	1.01%	0.12%
2023	76,400	905,000	7,570,000	62,300,000	8.4%	1.01%	0.12%
2024	77,100	913,000	7,630,000	63,100,000	8.4%	1.01%	0.12%
2025	77,800	922,000	7,700,000	63,900,000	8.4%	1.01%	0.12%
Average Annual growth							
2020-2025	0.93%	0.91%	0.92%	1.32%			

Source: IHS Markit Regional eXplorer version 2142

The population projection of Inxuba Yethemba Local Municipality shows an estimated average annual growth rate of 0.9% between 2020 and 2025. The average annual growth rate in the population over the projection period for Chris Hani District Municipality, Eastern Cape Province and South Africa is 0.9%, 0.9% and 1.3% respectively. The Eastern Cape Province is estimated to have an average growth rate of 0.9% which is very similar than that of the Inxuba Yethemba Local Municipality. The South Africa is estimated to have an average annual growth rate of 1.3% which is very similar than that of Inxuba Yethemba's projected growth rate.

CHART 2. Population pyramid - Inxuba Yethemba Local Municipality, 2020 vs. 2025 [Percentage]



The population pyramid reflects a projected change in the structure of the population from 2020 and 2025. The differences can be explained as follows:

- In 2020, there is a significantly larger share of young working age people between 20 and 34 (24.5%), compared to what is estimated in 2025 (22.7%). This age category of young working age population will decrease over time.
- The fertility rate in 2025 is estimated to be slightly higher compared to that experienced in 2020.
- The share of children between the ages of 0 to 14 years is projected to be significant smaller (25.6%) in 2025 when compared to 2020 (27.5%).

In 2020, the female population for the 20 to 34 years age group amounts to 11.9% of the total female population while the male population group for the same age amounts to 12.6% of the total male population. In 2025, the male working age population at 11.7% still exceeds that of the female population working age population at 11.0%, although both are at a lower level compared to 2020.

2.1.3. Population by Population Group, Gender and Age

Inxuba Yethemba Local Municipality's male/female split in population was 94.4 males per 100 females in 2020. The Inxuba Yethemba Local Municipality appears to be a stable population with the share of female population (51.43%) being very similar to the national average of (51.03%).

TABLE 3. **Population by gender - Inxuba Yethemba and the rest of Chris Hani District Municipality, 2020 [Number].**

	Male	Female	Total
Inxuba Yethemba	36,083	38,211	74,294
Intsika Yethu	76,778	82,056	158,834
Emalahleni	62,748	67,797	130,545
Engcobo	76,875	88,599	165,475
Sakhisizwe	32,908	34,253	67,161
Enoch Mgijima	137,127	147,170	284,297
Chris Hani	422,519	458,087	880,606

Source: IHS Markit Regional eXplorer version 2142

In total there were 38 200 (51.43%) females and 36 100 (48.57%) males. This is different from the Chris Hani District Municipality as a whole where the female population counted 458 000 which constitutes 52.02% of the total population of 881 000.

TABLE 4. Population by population group, Gender and Age - Inxuba Yethemba Local Municipality, 2020 [Number].

	African		White		Coloured	
	Female	Male	Female	Male	Female	Male
00-04	2,210	2,230	146	165	1,120	1,120
05-09	2,150	2,190	150	179	1,280	1,000
10-14	1,700	1,750	308	200	1,240	1,200
15-19	1,200	1,320	237	132	863	944
20-24	1,320	1,880	160	149	777	779
25-29	2,280	2,480	219	195	958	805
30-34	2,020	2,180	228	184	828	668
35-39	1,800	2,170	215	184	777	733
40-44	1,590	1,480	256	286	770	702
45-49	1,330	1,270	307	317	571	633
50-54	1,160	884	299	305	540	587
55-59	1,090	710	295	309	591	476
60-64	997	583	276	175	558	416
65-69	838	317	184	213	470	267
70-74	449	259	161	108	259	129
75+	376	217	297	252	224	156
Total	22,500	21,900	3,740	3,350	11,800	10,600

Source: IHS Markit Regional eXplorer version 2142

In 2020, the Inxuba Yethemba Local Municipality's population consisted of 59.83% African (44 400), 9.54% White (7 090), 30.19% Coloured (22 400) and 0.44% Asian (323) people.

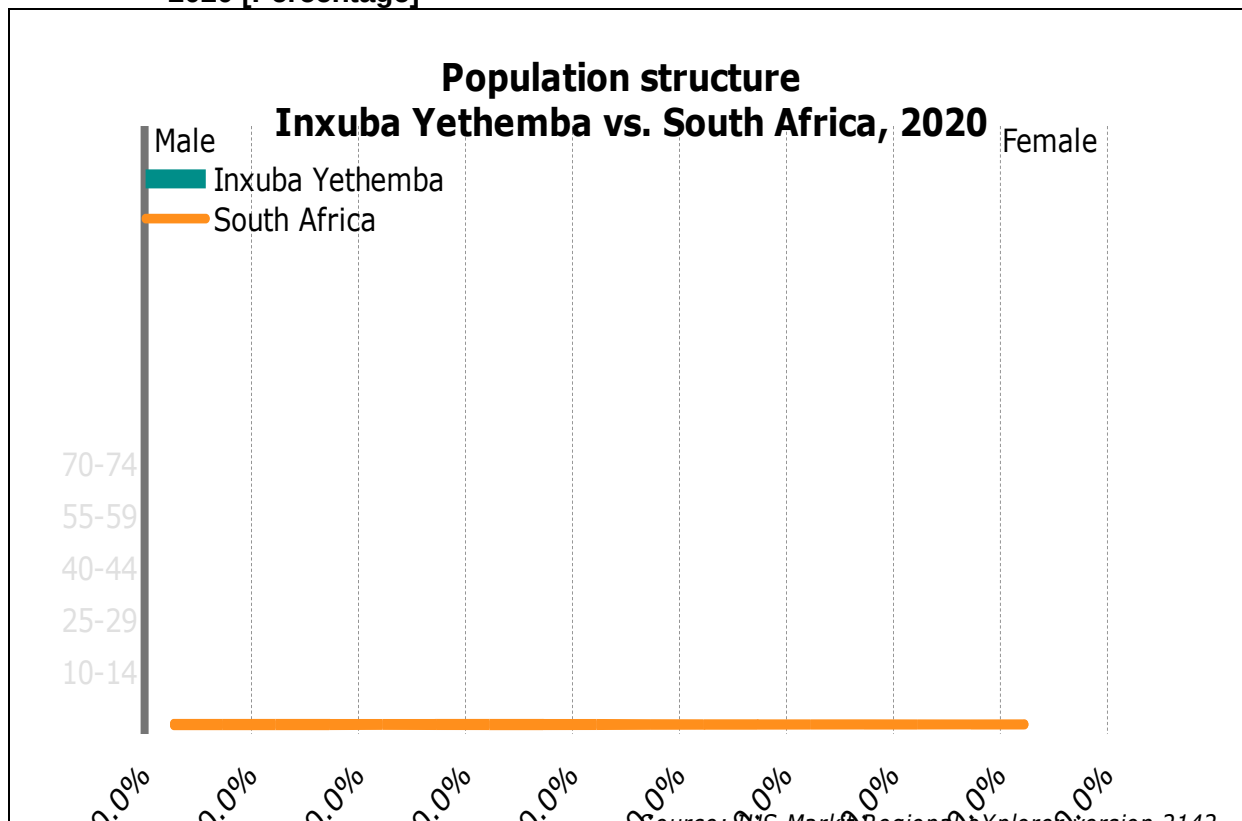
The largest share of population is within the young working age (25-44 years) age category with a total number of 24 100 or 32.5% of the total population. The age category with the second largest number of people is the babies and kids (0-14 years) age category with a total share of 27.5%, followed by the older working age (45-64 years) age category with 14 700 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 5 210 people, as reflected in the population pyramids below.

2.1.4. Population Pyramids

Definition: A population pyramid is a graphic representation of the population categorised by gender and age, for a specific year and region. The horizontal axis depicts the share of people, where the male population is charted on the left-hand side and the female population on the right-hand side of the vertical axis. The vertical axis is divided in 5-year age categories.

The chart below compares Inxuba Yethemba's population structure of 2020 to that of South Africa.

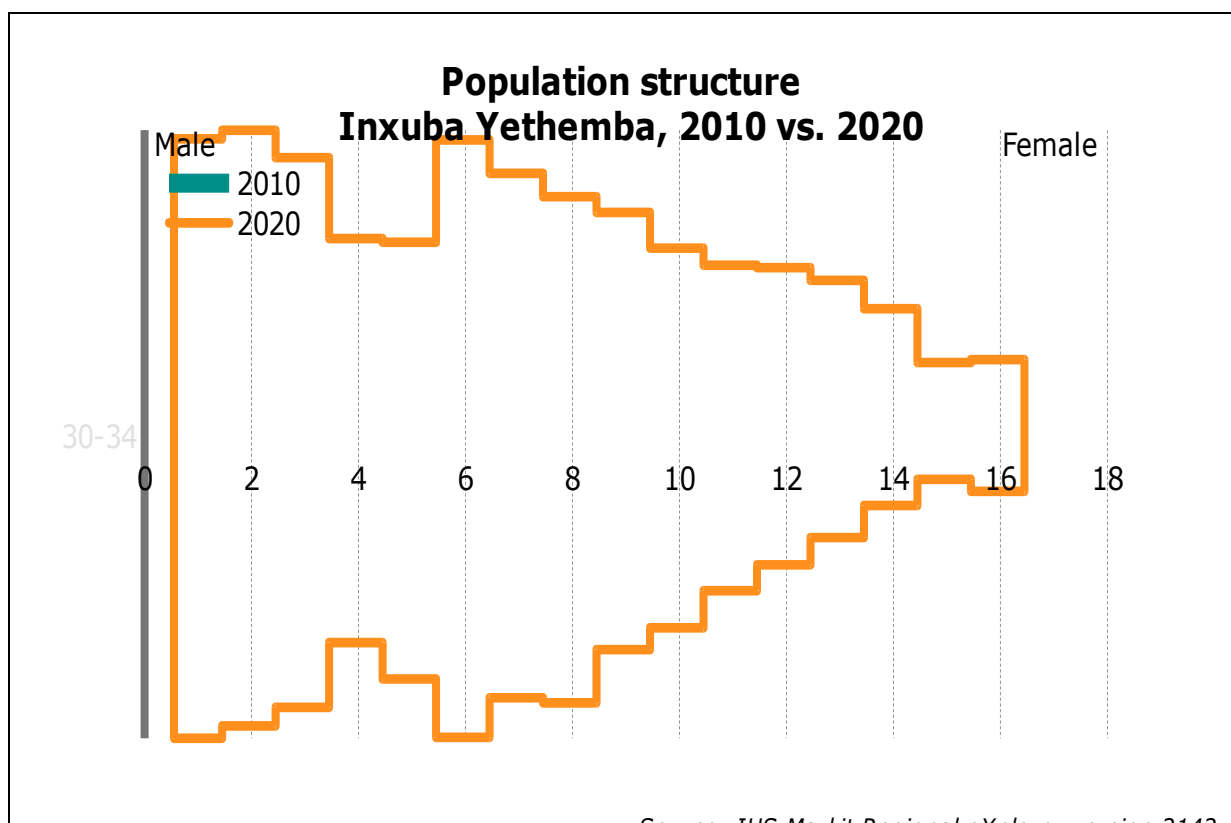
CHART 3. Population pyramid - Inxuba Yethemba Local Municipality vs. South Africa, 2020 [Percentage]



By comparing the population pyramid of the Inxuba Yethemba Local Municipality with the national age structure, the most significant differences are:

- There is a significant smaller share of young working age people - aged 20 to 34 (24.5%) - in Inxuba Yethemba, compared to the national picture (26.4%).
- Fertility in Inxuba Yethemba is slightly higher compared to South Africa as a whole.
- Spatial policies changed since 1994.
- The share of children between the ages of 0 to 14 years is slightly smaller (27.5%) in Inxuba Yethemba compared to South Africa (28.3%). Demand for expenditure on schooling as percentage of total budget within Inxuba Yethemba Local Municipality will therefore be lower than that of South Africa.

CHART 4. Population pyramid - Inxuba Yethemba Local Municipality, 2010 vs. 2020 [Percentage]



When comparing the 2010 population pyramid with the 2020 pyramid for the Inxuba Yethemba Local Municipality, some interesting differences are visible:

- In 2010, there were a slightly larger share of young working age people - aged 20 to 34 (25.0%) - compared to 2020 (24.5%).
- Fertility in 2010 was slightly higher compared to that of 2020.
- The share of children between the ages of 0 to 14 years is slightly larger in 2010 (27.7%) compared to 2020 (27.5%).
- Life expectancy is increasing.

In 2020, the female population for the 20 to 34 years age group amounted to 12.3% of the total female population while the male population group for the same age amounted to 12.8% of the total male population. In 2010 the male working age population at 12.6% still exceeds that of the female population working age population at 11.9%.

2.1.5. Number of Households by Population Group

In 2020, the Inxuba Yethemba Local Municipality comprised of 21 000 households. This equates to an average annual growth rate of 0.93% in the number of households from 2010 to 2020. With an average annual growth rate of 1.10% in the total population, the average household size in the Inxuba Yethemba Local Municipality is by implication increasing. This is confirmed by the data where the average household size in 2010 increased from approximately 3.5 individuals per household to 3.5 persons per household in 2020.

TABLE 5. Number of households - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2010-2020 [Number percentage]

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
2016	20,700	229,000	1,850,000	16,100,000	9.0%	1.12%	0.13%
2017	21,100	234,000	1,890,000	16,400,000	9.0%	1.11%	0.13%
2018	21,400	238,000	1,930,000	16,600,000	9.0%	1.11%	0.13%
2019	21,400	236,000	1,910,000	16,800,000	9.0%	1.12%	0.13%
2020	21,000	231,000	1,880,000	17,000,000	9.1%	1.12%	0.12%
Average Annual growth							
2010-2020	0.93%	0.86%	0.94%	1.88%			

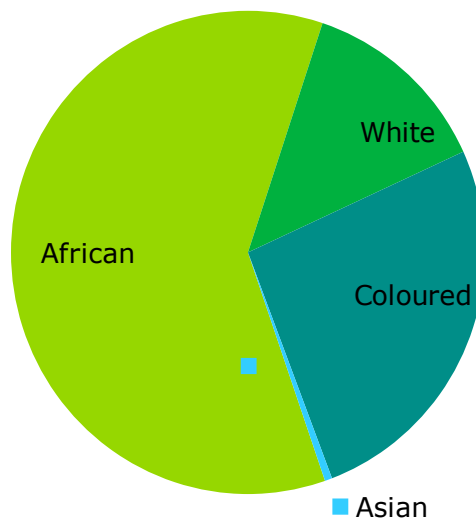
Source: IHS Markit Regional eXplorer version 2142

Relative to the district municipality, the Inxuba Yethemba Local Municipality had a higher average annual growth rate of 0.93% from 2010 to 2020. In contrast, the province had an average annual growth rate of 0.94% from 2010. The South Africa as a whole had a total of 17 million households, with a growth rate of 1.88%, thus growing at a higher rate than the Inxuba Yethemba.

The composition of the households by population group consists of 60.4% 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 26.1% (ranking second). The White population group had a total composition of 13.1% of the total households. The smallest population group by households is the Asian population group with only 0.5% in 2020.

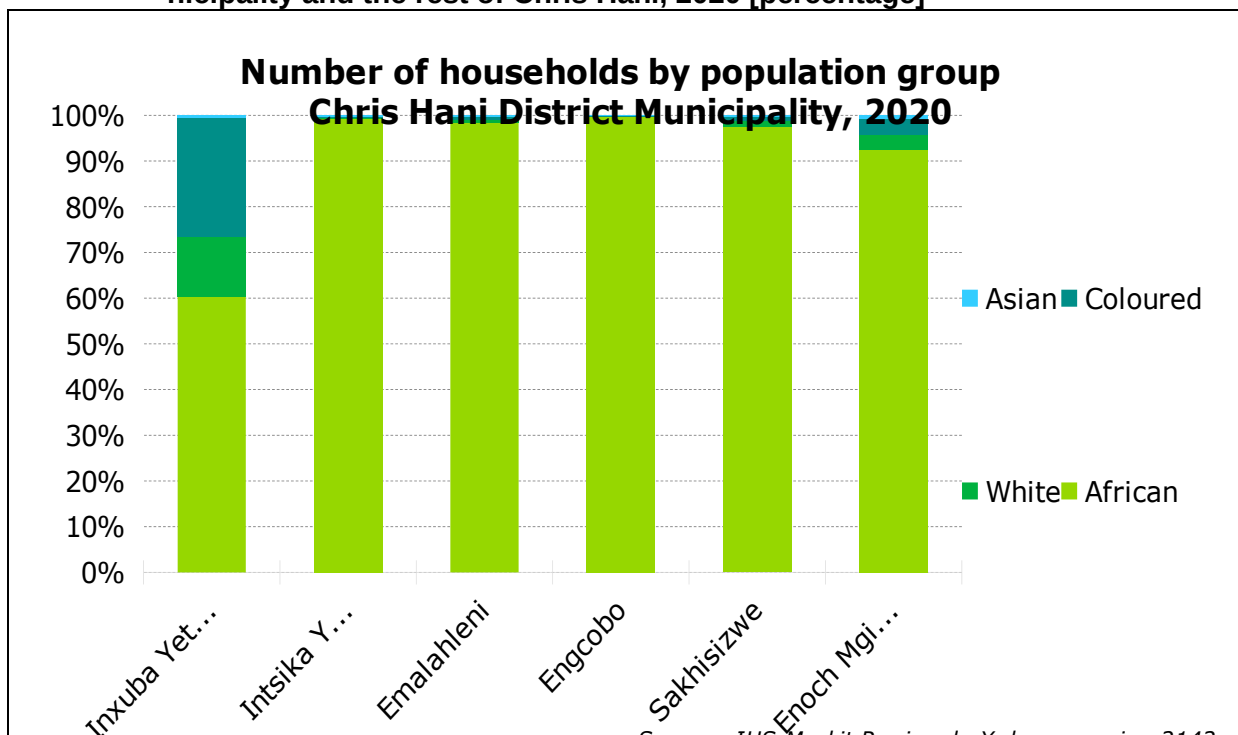
CHART 5. Number of households by population group - Inxuba Yethemba Local Municipality, 2020 [Percentage]

Number of Households by Population group Inxuba Yethemba, 2020



The growth in the number of African headed households was on average 1.47% per annum between 2010 and 2020, which translates in the number of households increasing by 1 720 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2010 and 2020 at 8.67%. The average annual growth rate in the number of households for all the other population groups has increased with 0.91%.

CHART 6. Number of households by population group - Inxuba Yethemba Local Municipality and the rest of Chris Hani, 2020 [percentage]



2.2. HIV+ and AIDS estimates

Access to Basic Household Services

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 Chris Hani District Municipality between 2020 and 2010.

3.1 Household by Dwelling Type

Using the StatsSA definition of a household and a dwelling unit, households can be categorised according to type of dwelling. The categories are:

Very formal dwellings - structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards that also have running water and flush toilets within the dwelling. .

Formal dwellings - structures built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere etc, but without running water or without a flush toilet within the dwelling.

Informal dwellings - shacks or shanties in informal settlements, serviced stands, or proclaimed townships, as well as shacks in the backyards of other dwelling types.

Traditional dwellings - structures made of clay, mud, reeds, or other locally available material.

Other dwelling units - tents, ships, caravans, etc.

Households by dwelling unit type - Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgijima local municipalities, 2020 [Number]

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Inxuba Yethemba	12,979	7,418	91	182	108	20,777
Intsika Yethu	404	10,004	4,398	26,806	248	41,860
Emalahleni	1,277	12,595	3,010	15,843	403	33,128
Engcobo	259	8,640	4,845	24,558	428	38,730
Sakhisizwe	1,924	8,511	1,086	5,071	82	16,674

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Enoch Mgi-jima	25,400	36,510	1,404	9,618	221	73,152
Total Chris Hani	42,243	83,677	14,833	82,078	1,490	224,321

Source: IHS Markit Regional eXplorer version 2201

Households by type of sanitation - Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgi-jima local municipalities, 2020 [Number]

Municipality	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Inxuba Yethemba	19,426	329	208	60	754	20,777
Intsika Yethu	3,417	25,913	7,223	36	5,271	41,860
Emalahleni	8,172	18,520	3,700	111	2,626	33,128
Engcobo	4,583	25,721	4,222	36	4,169	38,730
Sakhisizwe	5,189	8,298	2,009	78	1,100	16,674
Enoch Mgi-jima	43,857	24,003	3,111	397	1,784	73,152
Total Chris Hani	84,644	102,783	20,473	717	15,704	224,321

Source: IHS Markit Regional eXplorer version 2201

The region within Chris Hani with the highest number of flush toilets is Enoch Mgi-jima Local Municipality with 43 900 or a share of 51.81% of the flush toilets within Chris Hani. The region with the lowest number of flush toilets is Intsika Yethu Local Municipality with a total of 3 420 or a share of 4.04% of the total flush toilets within Chris Hani District Municipality.

Households by type of water access - Chris Hani District Municipality, 2020 [Number]

	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
Inxuba Yethemba	12,358	7,677	293	32	417	20,777
Intsika Yethu	2,699	4,142	16,847	6,721	11,451	41,860
Emalahleni	2,095	9,634	13,496	4,156	3,747	33,128
Engcobo	3,162	2,567	10,578	4,869	17,554	38,730
Sakhisizwe	2,910	6,086	4,488	1,508	1,681	16,674

	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 (Be-low RDP)	No formal piped water	Total
Enoch Mgijima	25,325	26,537	14,667	3,786	2,838	73,152
Total Chris Hani	48,549	56,642	60,369	21,072	37,689	224,321

Source: IHS Markit Regional eXplorer version 2201

The regions within Chris Hani District Municipality with the highest number of households with piped water inside the dwelling is Enoch Mgijima Local Municipality with 25 300 or a share of 52.16% of the households with piped water inside the dwelling within Chris Hani District Municipality. The region with the lowest number of households with piped water inside the dwelling is Emalahleni Local Municipality with a total of 2 100 or a share of 4.32% of the total households with piped water inside the dwelling within Chris Hani District Municipality.

Households by type of electrical connection - Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgijima local municipalities, 2020 [Number]

	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Inxuba Yethemba	290	20,152	335	20,777
Intsika Yethu	3,843	34,227	3,791	41,860
Emalahleni	1,624	29,844	1,661	33,128
Engcobo	5,317	29,139	4,274	38,730
Sakhisizwe	912	14,967	794	16,674
Enoch Mgijima	1,938	68,552	2,662	73,152
Total Chris Hani	13,924	196,881	13,516	224,321

Source: IHS Markit Regional eXplorer version 2201

The region within Chris Hani with the highest number of households with electricity for lighting and other purposes is Enoch Mgijima Local Municipality with 68 600 or a share of 34.82% of the households with electricity for lighting and other purposes within Chris Hani District Municipality. The Region with the lowest number of households with electricity for lighting and other purposes is Sakhisizwe Local Municipality with a total of 15 000 or a share of 7.60% of the total households with electricity for lighting and other purposes within Chris Hani District Municipality.

Electricity connection - Chris Hani District Municipality, 2010-2020 [Number of households with no electrical connection]

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

Households by refuse disposal - Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgijima local municipalities, 2020 [Number]

	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Inxuba Yethemba	16,416	901	682	2,629	150	20,777
Intsika Yethu	1,141	152	1,712	35,623	3,231	41,860
Emalahleni	3,760	109	1,363	25,972	1,925	33,128
Engcobo	832	340	1,182	32,670	3,707	38,730
Sakhisizwe	1,696	139	1,135	12,173	1,530	16,674
Enoch Mgijima	36,611	734	3,190	31,053	1,564	73,152
Total Chris Hani	60,456	2,375	9,265	140,120	12,106	224,321

Source: IHS Markit Regional eXplorer version 2201

The region within Chris Hani with the highest number of households where the refuse is removed weekly by the authority is Enoch Mgijima Local Municipality with 36 600 or a share of 60.56% of the households where the refuse is removed weekly by the authority within Chris Hani. The region with the lowest number of households where the refuse is removed weekly by the authority is Engcobo Local Municipality with a total of 832 or a share of 1.38% of the total households where the refuse is removed weekly by the authority within the district municipality.

Households by Other Infrastructure:

Cemetaries

Municipality	No of cemeteries
Inxuba Yethemba Local Municipality	2 (1 in Middelburg and 1 in Cradock)

Sportsfields

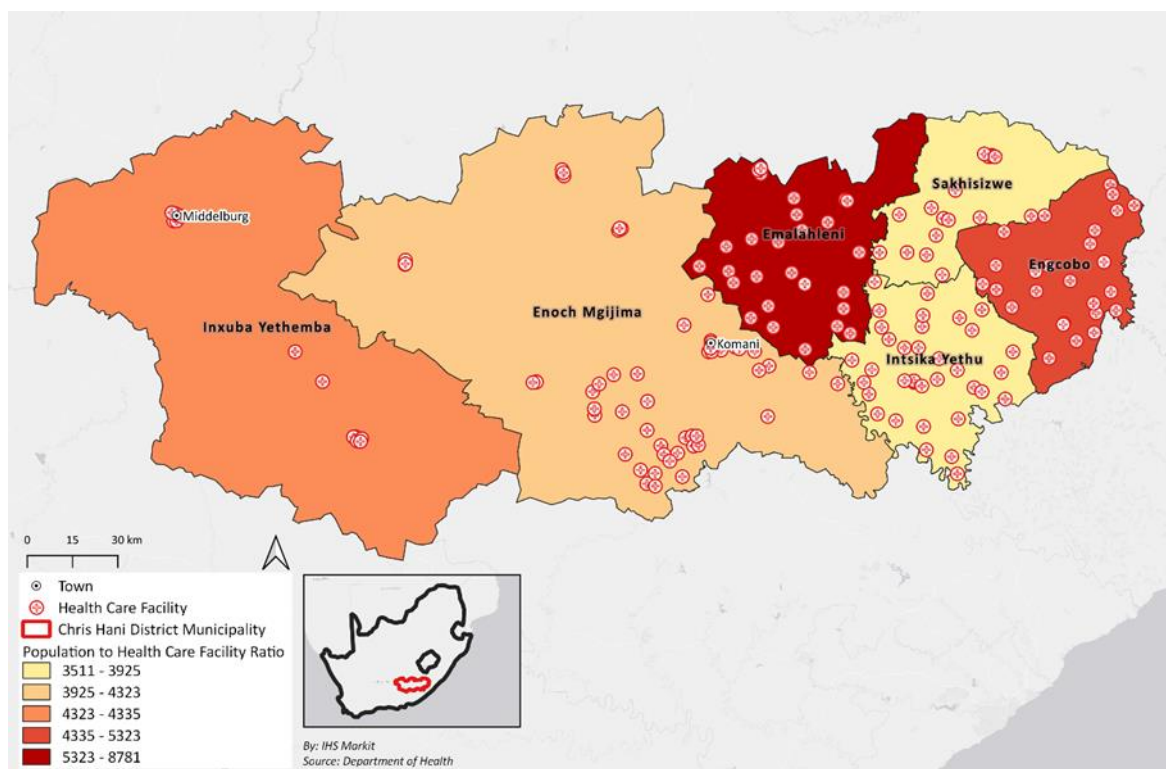
Municipality	No of Sportsfields
Inxuba Yethemba	4 (Kwanonzame, Midros Lingelihle, Lusaka, Michausdal)

SWIMMING POOLS

Municipality	No of Swimming Pools
Inxuba Yethemba	3 Swimming Pools (1 in Ward 4 and 2 in Ward 5)

HEALTH FACILITIES

Municipality	Ward Based Outreach teams	Clinic	CHC	District Hospital	Regional Hospital	Other Hospitals
Inxuba Yethemba SD	21	21	1	3	0	1



SSource: IHS Markit GIS

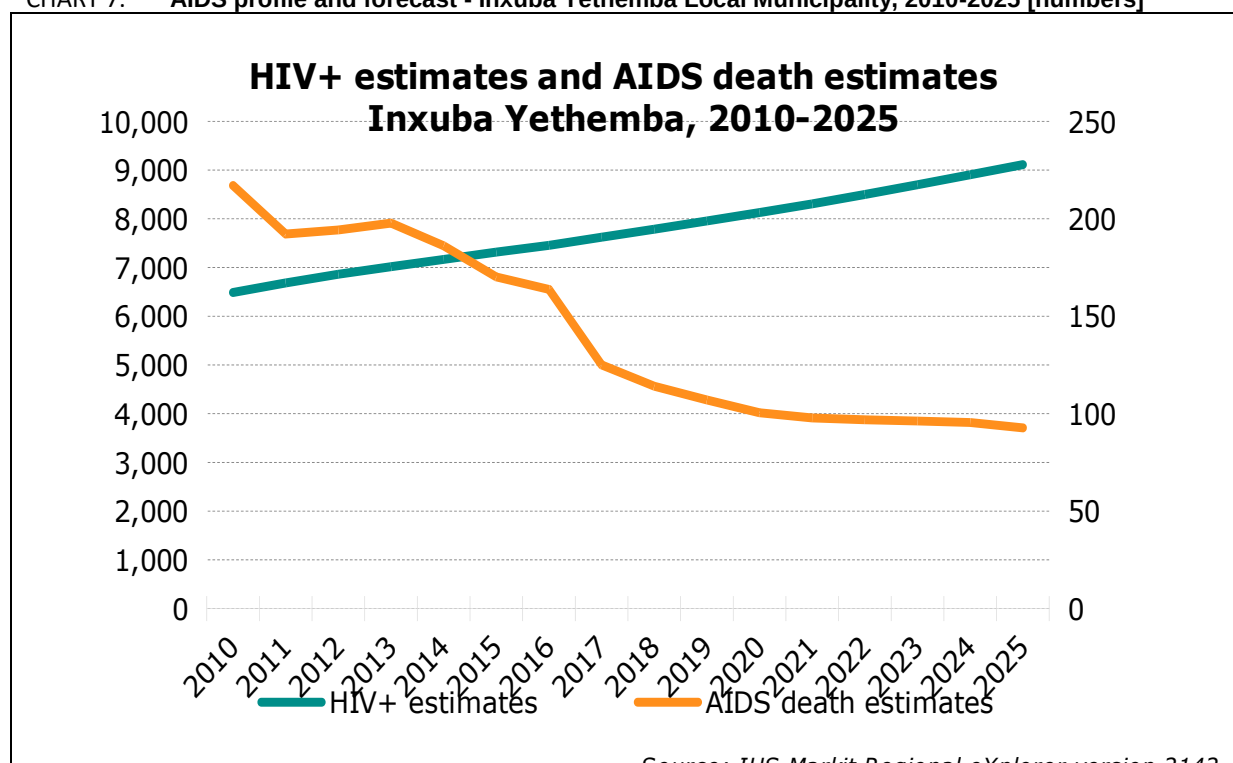
TABLE 6. Number of HIV+ people - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2010-2020 [Number and percentage]

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
2010	6,490	97,200	785,000	6,340,000	6.7%	0.83%	0.10%
2011	6,680	99,500	803,000	6,520,000	6.7%	0.83%	0.10%
2012	6,860	102,000	819,000	6,680,000	6.8%	0.84%	0.10%
2013	7,020	103,000	833,000	6,820,000	6.8%	0.84%	0.10%
2014	7,160	105,000	847,000	6,960,000	6.8%	0.85%	0.10%
2015	7,320	107,000	861,000	7,110,000	6.8%	0.85%	0.10%
2016	7,450	109,000	874,000	7,250,000	6.8%	0.85%	0.10%
2017	7,620	111,000	890,000	7,420,000	6.8%	0.86%	0.10%
2018	7,780	114,000	906,000	7,600,000	6.8%	0.86%	0.10%
2019	7,960	116,000	922,000	7,780,000	6.8%	0.86%	0.10%
2020	8,130	119,000	939,000	7,970,000	6.8%	0.87%	0.10%
Average Annual growth							
2010-2020	2.28%	2.02%	1.81%	2.31%			

Source: IHS Markit Regional eXplorer version 2142

In 2020, 8 130 people in the Inxuba Yethemba Local Municipality were infected with HIV. This reflects an increase at an average annual rate of 2.28% since 2010, and in 2020 represented 10.94% of the local municipality's total population. The Chris Hani District Municipality had an average annual growth rate of 2.02% from 2010 to 2020 in the number of people infected with HIV, which is lower than that of the Inxuba Yethemba Local Municipality. The number of infections in the Eastern Cape Province increased from 785,000 in 2010 to 940,000 in 2020. When looking at the South Africa as a whole it can be seen that the number of people that are infected increased from 2010 to 2020 with an average annual growth rate of 2.31%.

CHART 7. **AIDS profile and forecast - Inxuba Yethemba Local Municipality, 2010-2025 [numbers]**



Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 217 in 2010 and 100 for 2020. This number denotes a decrease from 2010 to 2020 with a high average annual rate of -7.42% (or -117 people).

For the year 2020, they represented 0.14% of the total population of the entire local municipality.

2.3. Economy

The economic state of Inxuba Yethemba Local Municipality is put in perspective by comparing it on a spatial level with its neighbouring locals, Chris Hani District Municipality, Eastern Cape Province and South Africa.

The Inxuba Yethemba Local Municipality does not function in isolation from Chris Hani, 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.

2.4. 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.

Definition: 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 7. Gross Domestic Product (GDP) - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2010-2020 [R billions, Current prices]

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
2010	2.9	16.7	211.6	2,748.0	17.5%	1.38%	0.11%
2011	3.1	18.0	226.0	3,023.7	17.5%	1.39%	0.10%
2012	3.6	20.2	252.3	3,253.9	17.8%	1.43%	0.11%
2013	4.0	21.9	273.2	3,540.0	18.1%	1.45%	0.11%
2014	4.3	23.7	293.6	3,805.3	18.3%	1.47%	0.11%
2015	4.7	25.6	316.3	4,049.9	18.3%	1.48%	0.12%
2016	5.0	27.1	334.4	4,359.1	18.4%	1.49%	0.11%
2017	5.4	29.0	358.6	4,653.6	18.4%	1.49%	0.12%
2018	5.6	30.4	375.5	4,873.9	18.4%	1.49%	0.11%
2019	5.8	31.3	387.4	5,077.6	18.4%	1.49%	0.11%
2020	5.6	30.7	378.1	4,973.0	18.4%	1.49%	0.11%

Source: IHS Markit Regional eXplorer version 2142

With a GDP of R 5.64 billion in 2020 (up from R 2.92 billion in 2010), the Inxuba Yethemba Local Municipality contributed 18.39% to the Chris Hani District Municipality GDP of R 30.7 billion in 2020 increasing in the share of the Chris Hani from 17.51% in 2010. The Inxuba Yethemba Local Municipality contributes 1.49% to the GDP of Eastern Cape Province and 0.11% the GDP of South Africa which had a total GDP of R 4.97 trillion in 2020 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2010 when it contributed 0.11% to South Africa, but it is lower than the peak of 0.12% in 2015.

TABLE 8. Gross Domestic Product (GDP) - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2010-2020 [Annual percentage change, Constant 2010 prices]

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total
2010	4.7%	1.7%	2.4%	3.0%

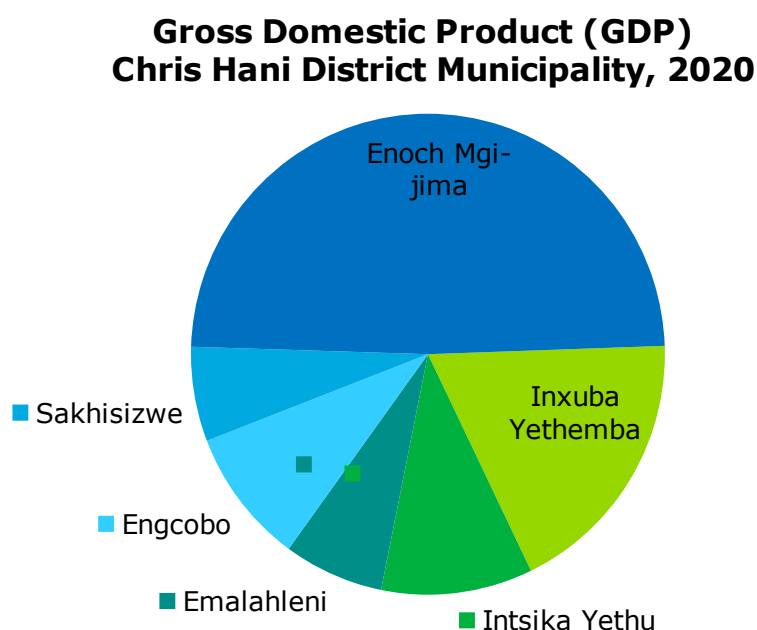
	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total
2011	3.7%	3.6%	3.7%	3.3%
2012	4.1%	2.1%	2.0%	2.2%
2013	3.1%	1.5%	1.4%	2.5%
2014	2.9%	2.1%	1.3%	1.8%
2015	1.5%	1.2%	0.8%	1.2%
2016	0.3%	0.6%	0.7%	0.4%
2017	1.8%	1.0%	0.6%	1.4%
2018	0.8%	0.4%	0.6%	0.8%
2019	0.5%	0.3%	0.0%	0.2%
2020	-5.9%	-5.7%	-6.7%	-7.0%
Average Annual growth 2010-2020	1.23%	0.69%	0.41%	0.64%

Source: IHS Markit Regional eXplorer version 2142

In 2020, the Inxuba Yethemba Local Municipality achieved an annual growth rate of -5.94% which is a significantly higher GDP growth than the Eastern Cape Province's -6.71%, but is higher than that of South Africa, where the 2020 GDP growth rate was -6.98%. Contrary to the short-term growth rate of 2020, the longer-term average growth rate for Inxuba Yethemba (1.23%) is slightly higher than that of South Africa (0.64%).

The economic growth in Inxuba Yethemba peaked in 2010 at 4.72%.

CHART 8. **Gross Domestic Product (GDP) - Inxuba Yethemba Local Municipality and the rest of Chris Hani, 2020 [Percentage]**



Source: IHS Markit Regional eXplorer version 2142

The Inxuba Yethemba Local Municipality had a total GDP of R 5.64 billion and in terms of total contribution towards Chris Hani District Municipality the Inxuba Yethemba Local Municipality ranked second relative to all the regional economies to total Chris Hani District Municipality GDP. This ranking in terms of size compared to other regions of Inxuba Yethemba remained the same since 2010. In terms of its share, it was in 2020 (18.4%) slightly larger compared to what it was in 2010 (17.5%). For the period 2010 to 2020, the average annual growth rate of 1.2% of Inxuba Yethemba was the highest relative to its peers in terms of growth in constant 2010 prices.

TABLE 9. **Gross Domestic Product (GDP) - Regions within Chris Hani District Municipality, 2010 to 2020, share and growth**

	2020 (Current prices)	Share of district municipality	2010 (Constant prices)	2020 (Constant prices)	Average Annual growth
Inxuba Yethemba	5.64	18.39%	2.95	3.34	1.23%

	2020 (Current prices)	Share of district municipality	2010 (Constant prices)	2020 (Constant prices)	Average Annual growth
Intsika Yethu	3.17	10.34%	1.68	1.82	0.83%
Emalahleni	2.09	6.83%	1.17	1.20	0.29%
Engcobo	2.80	9.14%	1.58	1.64	0.40%
Sakhisizwe	1.95	6.35%	1.05	1.13	0.81%
Enoch Mgijima	15.01	48.95%	8.26	8.73	0.55%

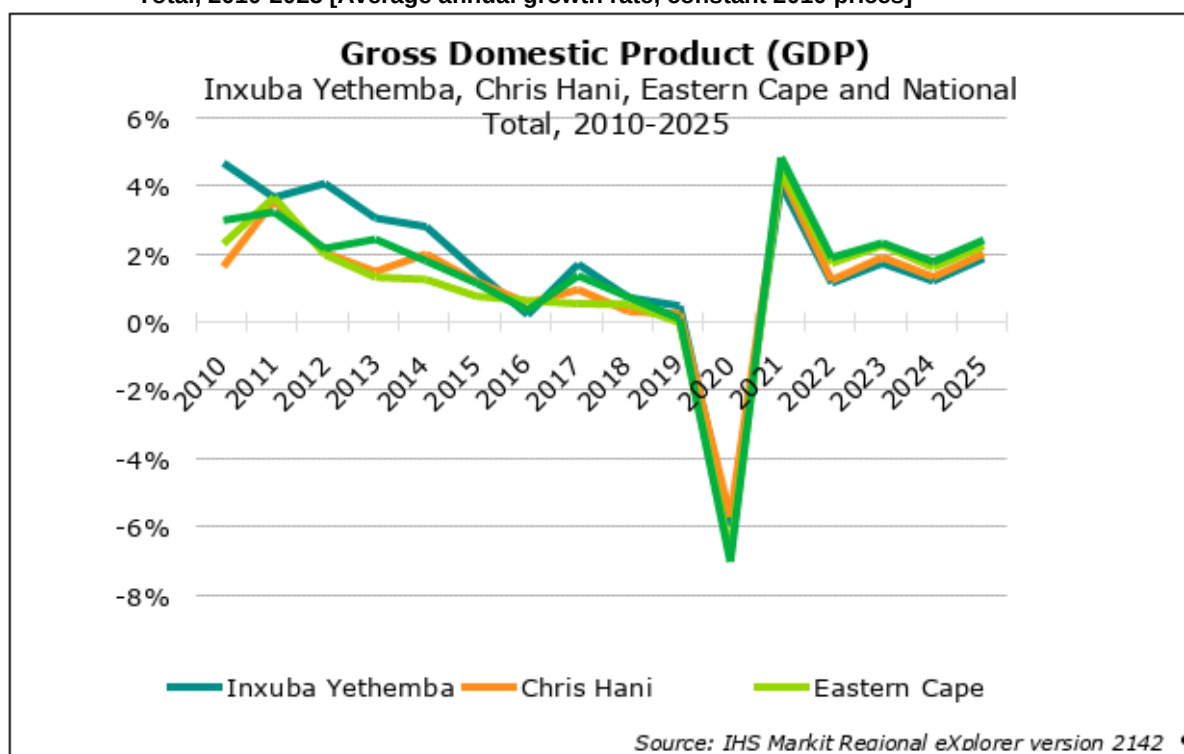
Source: IHS Markit Regional eXplorer version 2142

Inxuba Yethemba had the highest average annual economic growth, averaging 1.23% between 2010 and 2020, when compared to the rest of the regions within Chris Hani District Municipality. The Intsika Yethu Local Municipality had the second highest average annual growth rate of 0.83%. Emalahleni Local Municipality had the lowest average annual growth rate of 0.29% between 2010 and 2020.

2.5. Economic Growth Forecast

It is expected that Inxuba Yethemba Local Municipality will grow at an average annual rate of 2.05% from 2020 to 2025. The average annual growth rate in the GDP of Chris Hani District Municipality and Eastern Cape Province is expected to be 2.21% and 2.51% respectively. South Africa is forecasted to grow at an average annual growth rate of 2.69%, which is higher than that of the Inxuba Yethemba Local Municipality.

TABLE 10. Gross Domestic Product (GDP) - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2010-2025 [Average annual growth rate, constant 2010 prices]



In 2025, Inxuba Yethemba's forecasted GDP will be an estimated R 3.69 billion (constant 2010 prices) or 18.5% of the total GDP of Chris Hani District Municipality. The ranking in terms of size of the Inxuba Yethemba Local Municipality will remain the same between 2020 and 2025, with a contribution to the Chris Hani District Municipality GDP of 18.5% in 2025 compared to the 18.7% in 2020. At a 2.05% average annual GDP growth rate between 2020 and 2025, Inxuba Yethemba ranked the fifth compared to the other regional economies.

TABLE 11. **Gross Domestic Product (GDP) - Regions within Chris Hani District Municipality, 2010 to 2025, share and growth**

	2025 (Current prices)	Share of district municipality	2010 (Constant prices)	2025 (Constant prices)	Average Annual growth
Inxuba Yethemba	7.82	18.30%	2.95	3.69	1.50%
Intsika Yethu	4.61	10.80%	1.68	2.11	1.54%
Emalahleni	2.88	6.73%	1.17	1.31	0.76%
Engcobo	3.90	9.13%	1.58	1.83	0.99%
Sakhisizwe	2.80	6.54%	1.05	1.29	1.41%
Enoch Mgijima	20.73	48.51%	8.26	9.70	1.08%

Source: IHS Markit Regional eXplorer version 2142

2.6. Gross Value Added by Region (GVA-R)

The Inxuba Yethemba 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.

Definition: 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.

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Inxuba Yethemba Local Municipality.

TABLE 12. **Gross Value Added (GVA) by broad economic sector - Inxuba Yethemba Local Municipality, 2020 [R billions, current prices]**

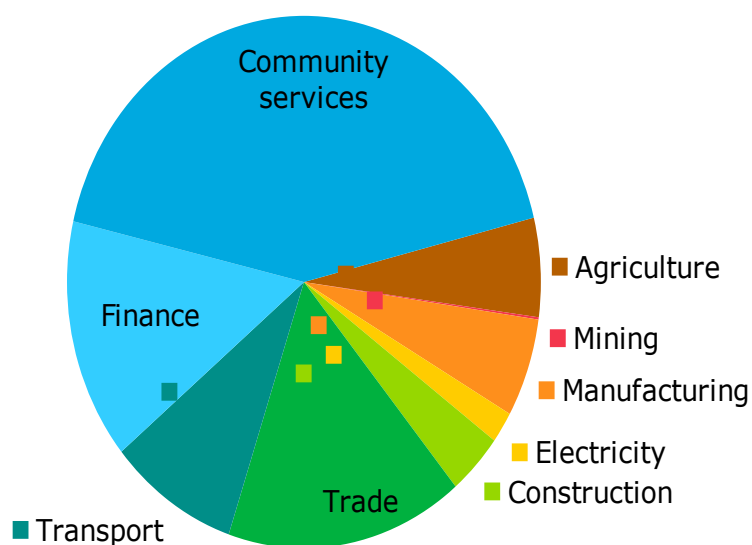
	IYM	Chris Hani	Eastern Cape	National Total	IYM as % of district municipality	IYM as % of province	IYM as % of national
Agriculture	0.3	0.8	6.3	119.6	39.7%	4.9%	0.26%
Mining	0.0	0.0	0.5	371.9	22.9%	1.4%	0.00%
Manufacturing	0.3	1.5	43.5	573.4	20.7%	0.7%	0.05%
Electricity	0.1	0.7	9.1	167.2	14.4%	1.1%	0.06%
Construction	0.2	0.9	10.9	140.2	21.1%	1.8%	0.14%
Trade	0.8	5.8	65.7	655.2	14.5%	1.3%	0.13%
Transport	0.5	1.9	27.0	396.4	23.8%	1.7%	0.12%
Finance	0.8	4.1	61.8	879.5	18.5%	1.2%	0.09%
Community services	2.2	12.2	111.1	1,125.3	18.0%	2.0%	0.20%
Total Industries	5.2	28.0	335.8	4,428.7	18.5%	1.5%	0.12%

Source: IHS Markit Regional eXplorer version 2142

In 2020, the community services sector is the largest within Inxuba Yethemba Local Municipality accounting for R 2.2 billion or 42.4% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Inxuba Yethemba Local Municipality is the trade sector at 16.2%, followed by the finance sector with 14.7%. The sector that contributes the least to the economy of Inxuba Yethemba Local Municipality is the mining sector with a contribution of R 7.01 million or 0.14% of the total GVA.

CHART 9. **Gross Value Added (GVA) by broad economic sector - Inxuba Yethemba Local Municipality, 2020 [percentage composition]**

Gross Value Added (GVA) by broad economic sector Inxuba Yethemba Local Municipality, 2020

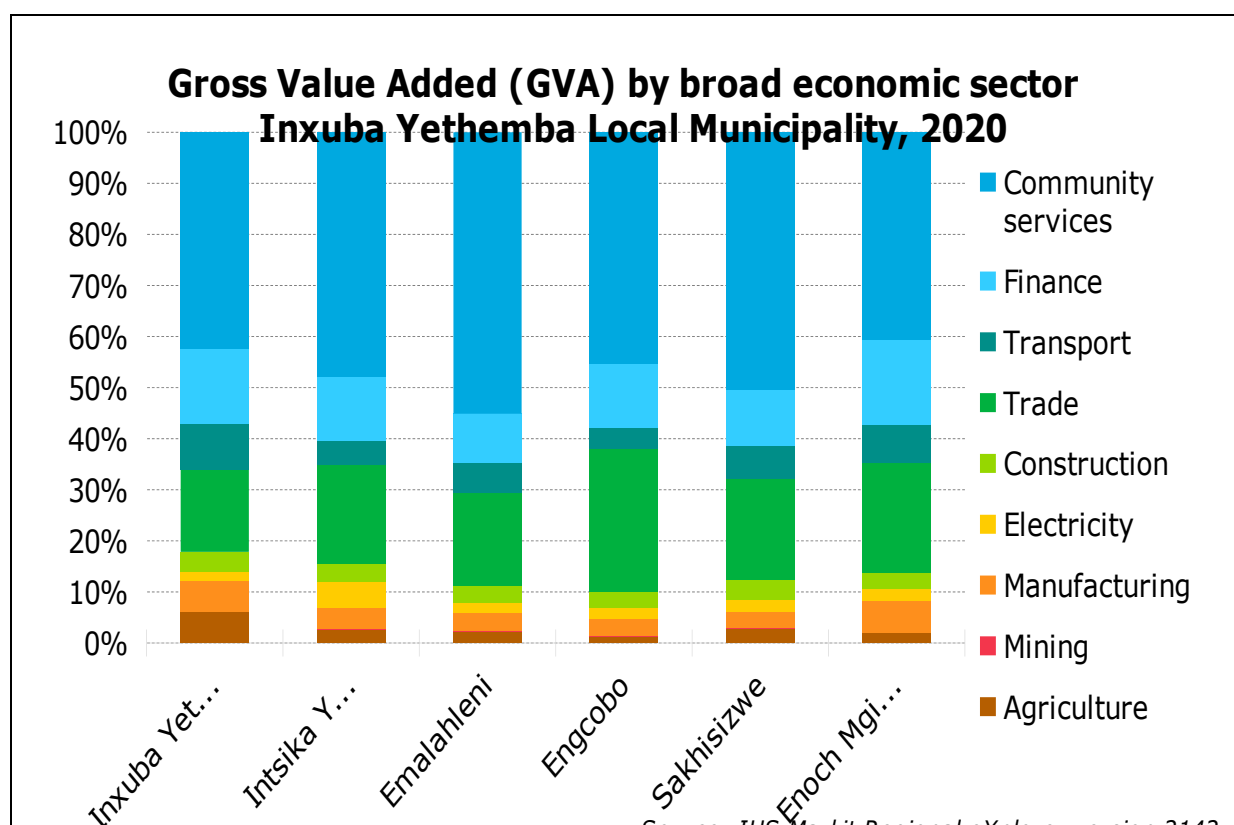


Source: IHS Markit Regional Explorer version 2142

The community sector, which includes the government services, is generally a large contributor towards GVA. When looking at all the regions within the Chris Hani District Municipality, it is clear that the Enoch Mgijima contributes the most community services towards its own GVA, with 45.71%, relative to the other regions within Chris Hani District Municipality.

The Enoch Mgijima contributed R 13.8 billion or 49.17% to the GVA of Chris Hani District Municipality. The Enoch Mgijima also contributes the most the overall GVA of Chris Hani District Municipality.

CHART 10. **Gross Value Added (GVA) by broad economic sector - Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgijima, 2020 [percentage composition]**



2.7. Historical Economic Growth

For the period 2020 and 2010, the GVA in the mining sector had the highest average annual growth rate in Inxuba Yethemba at 3.21%. The industry with the second highest average annual growth rate is the finance sector averaging at 2.31% per year. The construction sector had an average annual growth rate of -1.12%, while the electricity sector had the lowest average annual growth of -2.36%. Overall, a negative growth existed for all the industries in 2020 with an annual growth rate of -5.56% since 2019.

TABLE 13. Gross Value Added (GVA) by broad economic sector - Inxuba Yethemba Local Municipality, 2010, 2015 and 2020 [R millions, 2010 constant prices]

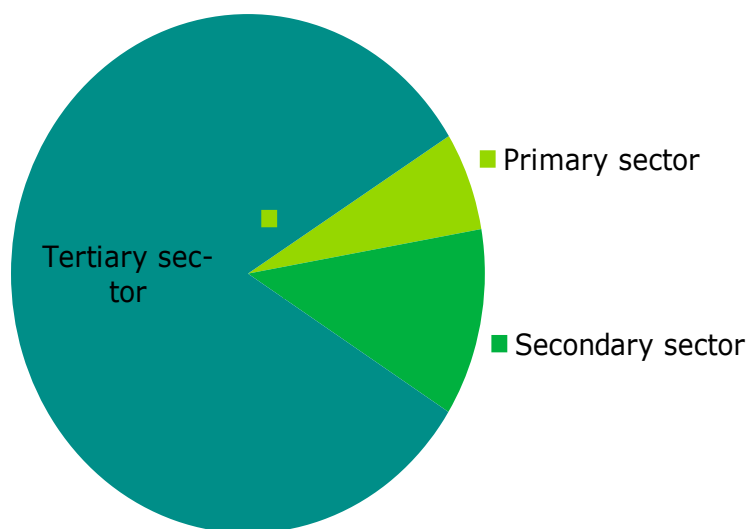
	2010	2015	2020	Average Annual growth
Agriculture	128.7	158.8	145.0	1.21%
Mining	6.2	7.8	8.5	3.21%
Manufacturing	186.2	199.4	183.7	-0.13%
Electricity	32.9	29.1	25.9	-2.36%
Construction	130.4	149.3	116.6	-1.12%
Trade	456.8	533.3	500.7	0.92%
Transport	274.0	317.5	282.4	0.30%
Finance	411.7	504.9	517.5	2.31%
Community services	1,119.2	1,287.9	1,335.1	1.78%
Total Industries	2,746.1	3,188.0	3,115.5	1.27%

Source: IHS Markit Regional eXplorer version 2142

The tertiary sector contributes the most to the Gross Value Added within the Inxuba Yethemba Local Municipality at 82.2%. This is significantly higher than the national economy (69.0%). The secondary sector contributed a total of 11.7% (ranking second), while the primary sector contributed the least at 6.1%.

CHART 11. Gross Value Added (GVA) by aggregate economic sector - Inxuba Yethemba Local Municipality, 2020 [percentage]

Gross Value Added (GVA) by aggregate sector Inxuba Yethemba Local Municipality, 2020



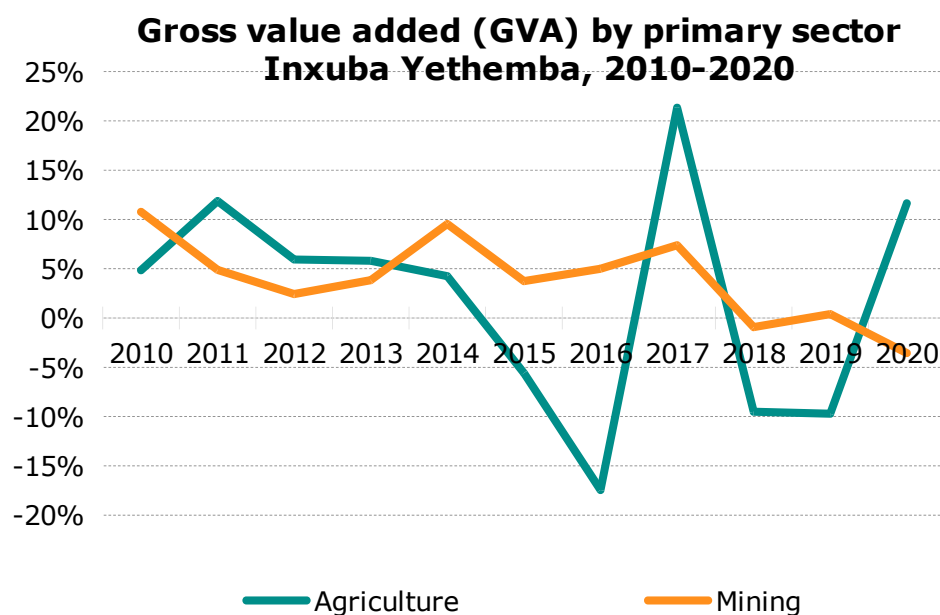
Source: IHS Markit Regional eXplorer version 2142

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

2.7.1. 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 Inxuba Yethemba Local Municipality from 2010 to 2020.

CHART 12. Gross Value Added (GVA) by primary sector - Inxuba Yethemba, 2010-2020 [Annual percentage change]



Source: IHS Markit Regional eXplorer version 2142

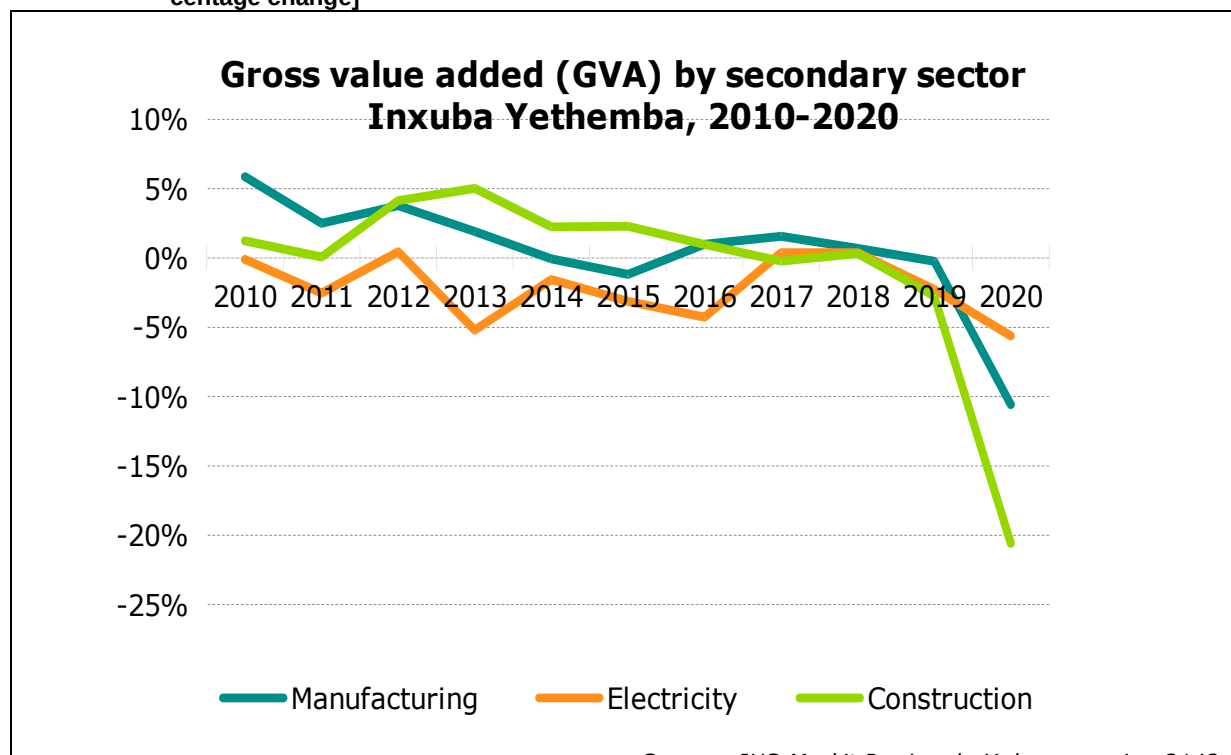
Between 2010 and 2020, the agriculture sector experienced the highest positive growth in 2017 with an average growth rate of 21.3%. The mining sector reached its highest point of growth of 10.8% in 2010. The agricultural sector experienced the lowest growth for the period during 2016 at -17.5%, while the mining sector reaching its

lowest point of growth in 2020 at -3.6%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

2.7.2. 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 Inxuba Yethemba Local Municipality from 2010 to 2020.

CHART 13. **Gross Value Added (GVA) by secondary sector - Inxuba Yethemba, 2010-2020 [Annual percentage change]**

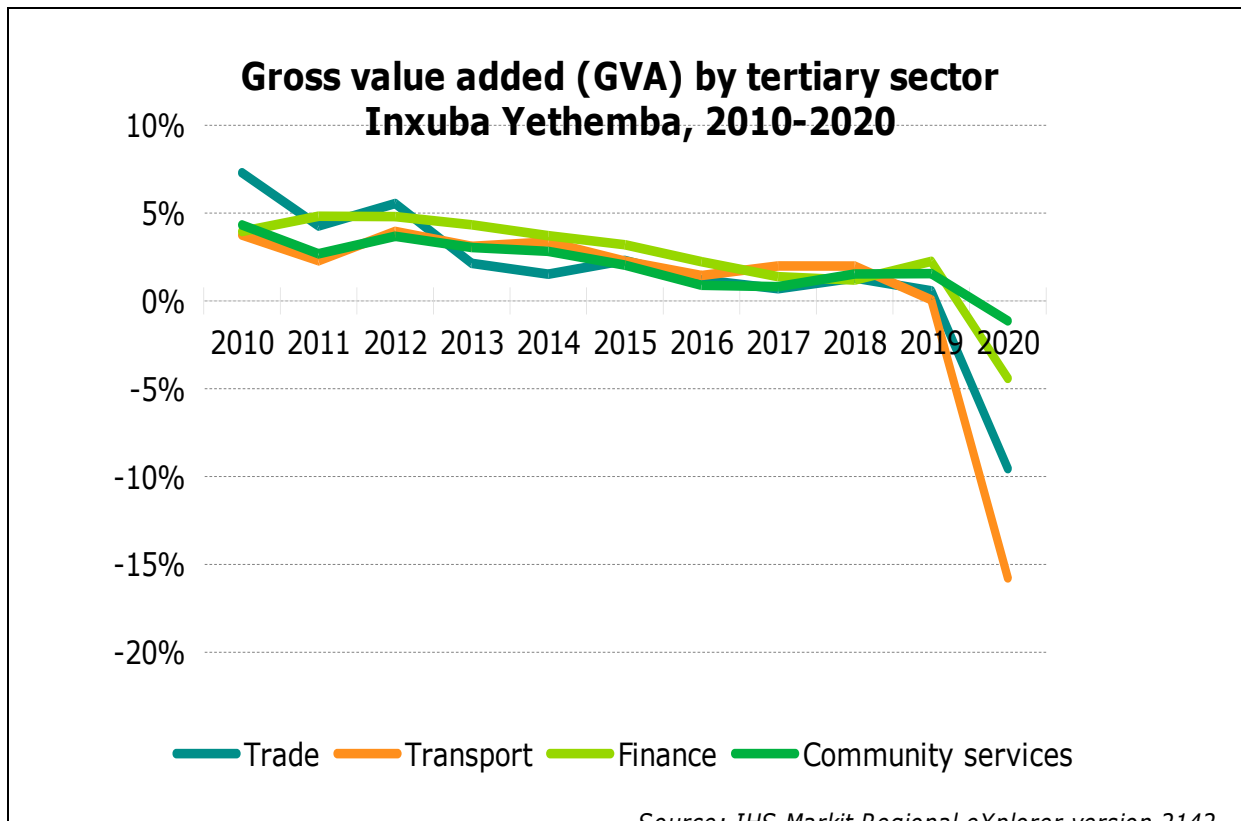


Between 2010 and 2020, the manufacturing sector experienced the highest positive growth in 2010 with a growth rate of 5.9%. The construction sector reached its highest growth in 2013 at 5.0%. The manufacturing sector experienced its lowest growth in 2020 of -10.6%, while construction sector also had the lowest growth rate in 2020 and it experiences a negative growth rate of -20.6% which is higher growth rate than that of the manufacturing sector. The electricity sector experienced the highest growth in 2012 at 0.4%, while it recorded the lowest growth of -5.6% in 2020.

2.7.3. 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 Inxuba Yethemba Local Municipality from 2010 to 2020.

CHART 14. **Gross Value Added (GVA) by tertiary sector - Inxuba Yethemba, 2010-2020 [Annual percentage change]**



The trade sector experienced the highest positive growth in 2010 with a growth rate of 7.3%. The transport sector reached its highest point of growth in 2012 at 4.0%. The finance sector experienced the highest growth rate in 2011 when it grew by 4.8% and recorded the lowest growth rate in 2020 at -4.4%. The Trade sector also had the lowest growth rate in 2020 at -9.5%. The community services sector, which largely consists of government, experienced its highest positive growth in 2010 with 4.3% and the lowest growth rate in 2020 with -1.1%.

2.7.4. 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.

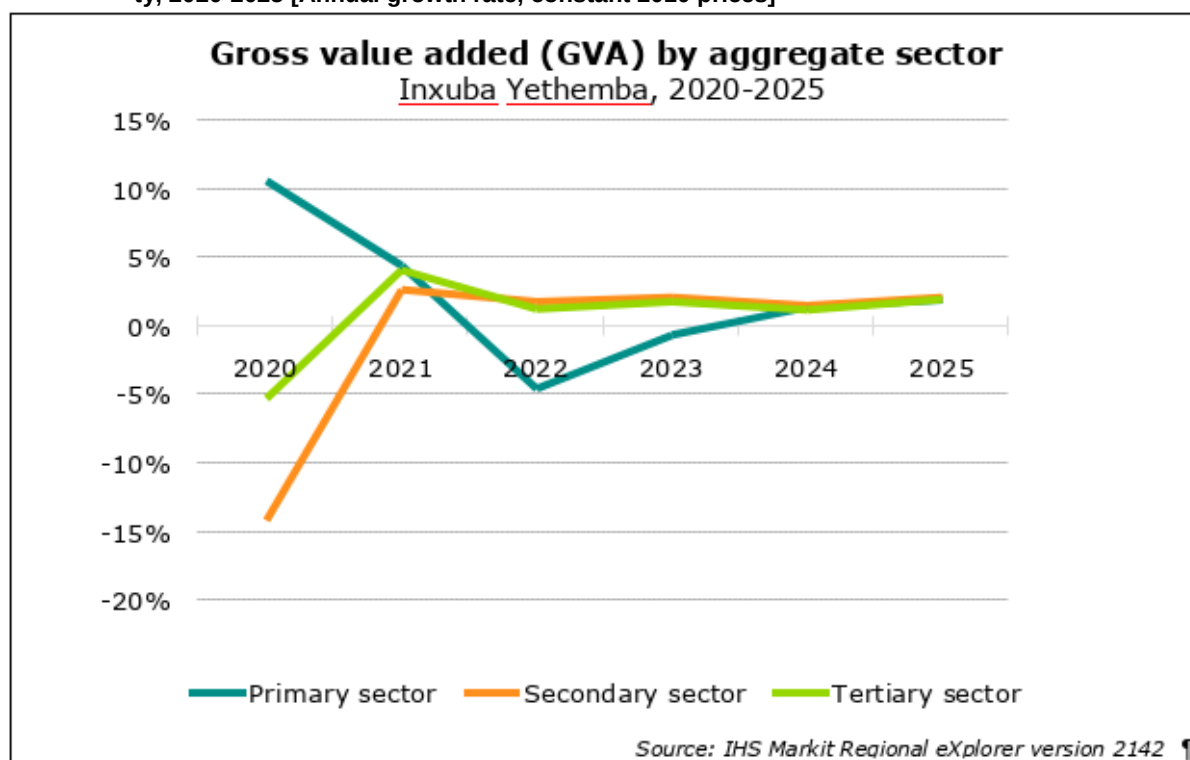
TABLE 14. Gross value added (GVA) by broad economic sector - Inxuba Yethemba Local Municipality, 2020-2025 [R millions, constant 2010 prices]

	2020	2021	2022	2023	2024	2025	Average Annual growth
Agriculture	145.0	151.1	144.1	143.5	145.9	149.1	0.55%
Mining	8.5	9.3	9.1	8.8	8.6	8.5	0.19%
Manufacturing	183.7	191.5	194.7	198.2	200.0	203.1	2.03%
Electricity	25.9	26.6	27.3	28.1	28.8	29.7	2.77%
Construction	116.6	117.0	119.5	122.6	125.6	129.2	2.07%
Trade	500.7	536.7	551.9	568.7	575.8	587.1	3.23%
Transport	282.4	302.7	311.5	320.0	326.1	334.4	3.44%
Finance	517.5	524.3	538.3	549.4	561.0	576.1	2.17%
Community services	1,335.1	1,381.8	1,380.5	1,395.4	1,406.4	1,429.6	1.38%
Total Industries	3,115.5	3,241.1	3,276.8	3,334.6	3,378.2	3,446.8	2.04%

Source: IHS Markit Regional eXplorer version 2142

The transport sector is expected to grow fastest at an average of 3.44% annually from R 282 million in Inxuba Yethemba Local Municipality to R 334 million in 2025. The community services sector is estimated to be the largest sector within the Inxuba Yethemba Local Municipality in 2025, with a total share of 41.5% of the total GVA (as measured in current prices), growing at an average annual rate of 1.4%. The sector that is estimated to grow the slowest is the mining sector with an average annual growth rate of 0.19%.

TABLE 15. **Gross value added (GVA) by aggregate economic sector - Inxuba Yethemba Local Municipality, 2020-2025 [Annual growth rate, constant 2010 prices]**

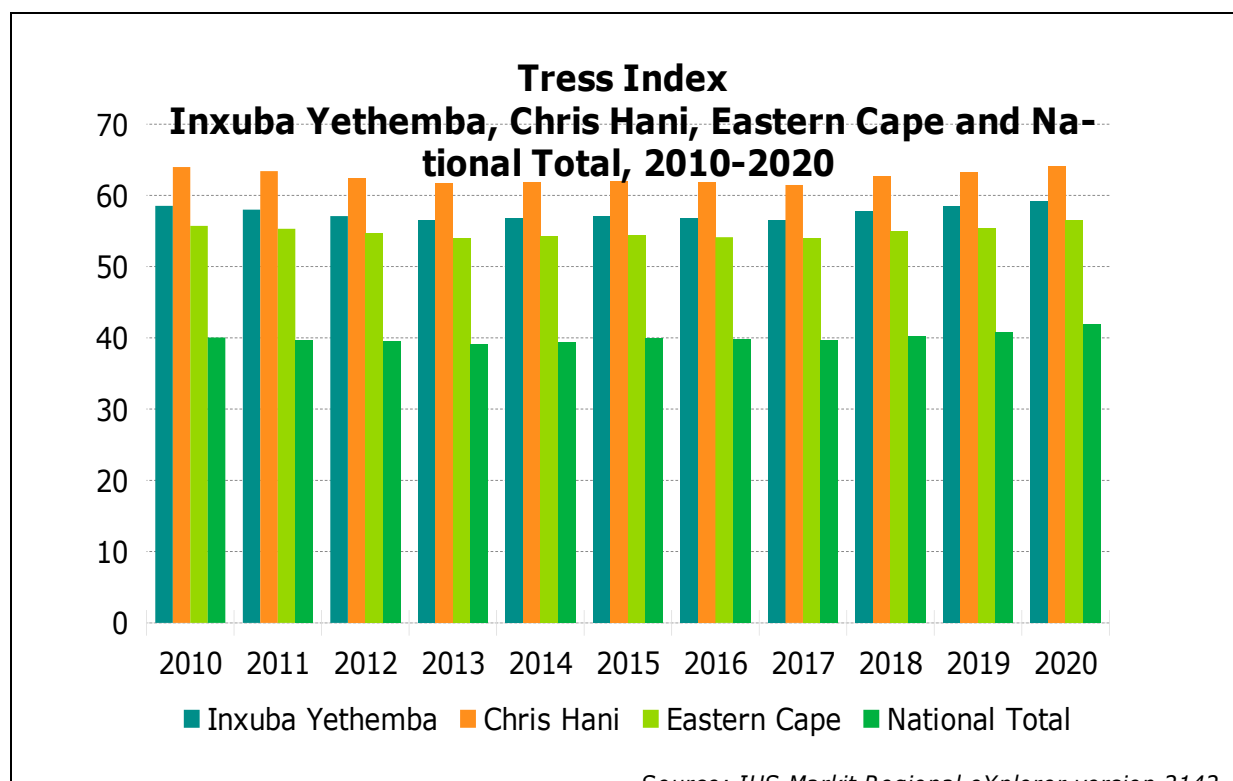


The Primary sector is expected to grow at an average annual rate of 0.53% between 2020 and 2025, with the Secondary sector growing at 2.10% on average annually. The Tertiary sector is expected to grow at an average annual rate of 2.12% for the same period.

2.8. Tress Index

Definition: 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 15. **Tress index - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2010-2020 [Number]**



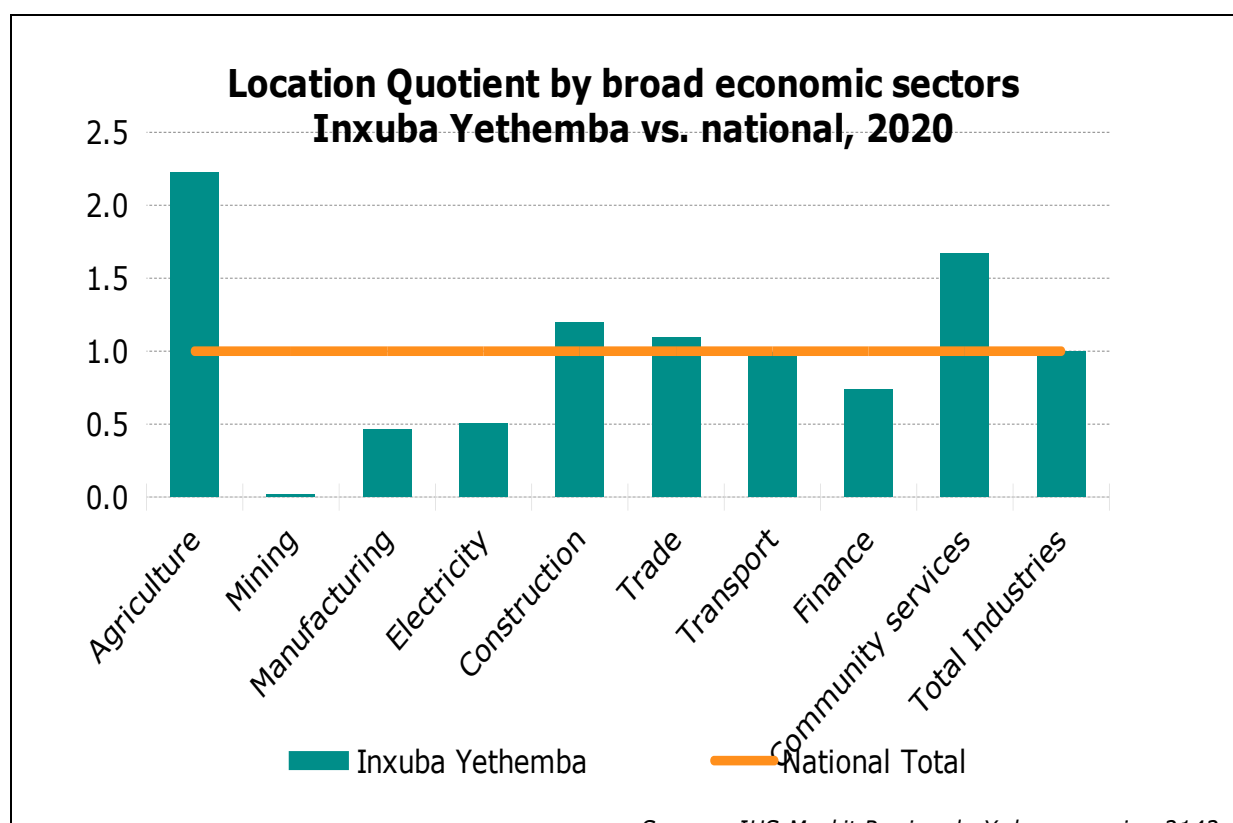
In 2020, Inxuba Yethemba's Tress Index was estimated at 59.2 which are lower than the 64.1 of the district municipality and higher than the 64.1 of the province. This implies that - on average - Inxuba Yethemba Local Municipality is less diversified in terms of its economic activity spread than the province's economy as a whole.

2.9. Location Quotient.

Definition: 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.

If the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector. This is because the share of that sector of the specified regional economy is greater than the same sector in the national economy. The location quotient is usually computed by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy.

CHART 16. Location quotient by broad economic sectors - Inxuba Yethemba Local Municipality and South Africa, 2020 [Number]



For 2020 Inxuba Yethemba Local Municipality has a very large comparative advantage in the agriculture sector. The community services sector also has a very large comparative advantage. The construction also has a comparative advantage when comparing it to the South Africa economy as a whole, although less prominent. The Inxuba Yethemba Local Municipality has a comparative disadvantage when it comes to the mining and manufacturing sector which has a very large comparative disadvantage. In general mining is a very concentrated economic sector. Unfortunately, the Inxuba Yethemba Local Municipality area currently does not have a lot of mining activity, with an LQ of only 0.0161.

2.10. Labour

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

TABLE 16. Working age population in Inxuba Yethemba, Chris Hani, Eastern CAPE, and National Total, 2010 and 2020 [Number]

	Inxuba Yethemba		Chris Hani		Eastern Cape		National Total	
	2010	2020	2010	2020	2010	2020	2010	2020
15-19	5,730	4,720	90,400	70,400	713,000	614,000	5,220,000	4,730,000
20-24	5,900	5,100	72,600	59,900	657,000	552,000	5,350,000	4,780,000
25-29	5,850	6,980	57,800	73,000	542,000	672,000	4,780,000	5,460,000
30-34	4,910	6,130	46,400	66,100	445,000	630,000	3,900,000	5,580,000
35-39	4,980	5,920	47,100	58,100	427,000	515,000	3,420,000	4,800,000
40-44	4,520	5,110	42,200	47,100	367,000	414,000	2,810,000	3,740,000
45-49	3,840	4,440	38,900	46,200	322,000	384,000	2,520,000	3,180,000

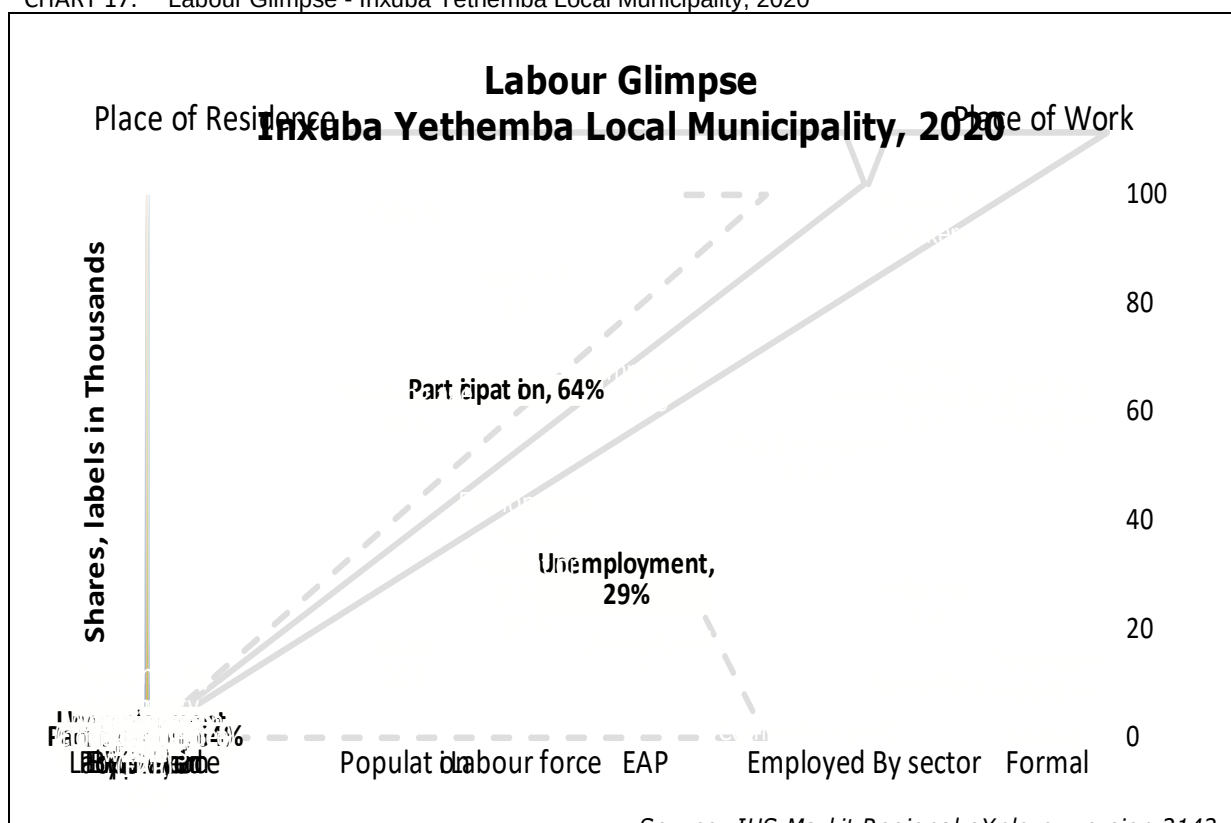
	Inxuba Yethemba		Chris Hani		Eastern Cape		National Total	
	2010	2020	2010	2020	2010	2020	2010	2020
50-54	3,340	3,800	35,700	41,200	277,000	322,000	2,150,000	2,570,000
55-59	2,620	3,470	28,400	38,400	214,000	285,000	1,750,000	2,270,000
60-64	2,150	3,010	24,800	34,300	178,000	246,000	1,410,000	1,900,000
Total	43,800	48,700	485,000	535,000	4,140,000	4,630,000	33,300,000	39,000,000

Source: IHS Markit Regional eXplorer version 2142

The working age population in Inxuba Yethemba in 2020 was 48 700, increasing at an average annual rate of 1.06% since 2010. For the same period the working age population for Chris Hani District Municipality increased at 0.99% annually, while that of Eastern Cape Province increased at 1.13% annually. South Africa's working age population has increased annually by 1.60% from 33.3 million in 2010 to 39 million in 2020.

The graph below combines all the facets of the labour force in the Inxuba Yethemba Local Municipality into one compact view. The chart is divided into "place of residence" on the left, which is measured from the population side, and "place of work" on the right, which is measured from the business side.

CHART 17. Labour Glimpse - Inxuba Yethemba Local Municipality, 2020



Source: IHS Markit Regional eXplorer version 2142

Reading the chart from the left-most bar, breaking down the total population of the Inxuba Yethemba Local Municipality (74 300) into working age and non-working age, the number of people that are of working age is about 48 700. As per definition, those that are of age 0 - 19 (youth) or age 65 and up (pensioners) are part of the non-working age population. Out of the working age group, 63.6% are participating in the labour force, meaning 31 000 residents of the local municipality forms currently part of the economically active population (EAP). Comparing this with the non-economically active population (NEAP) of the local municipality: fulltime students at tertiary institutions, disabled people, and those choosing not to work, sum to 17 700 people. Out of the economically active population, there are 9 010 that are unemployed, or when expressed as a percentage, an unemployment rate of 29.1%. Up to here all the statistics are measured at the place of residence.

On the far right we have the formal non-Agriculture jobs in Inxuba Yethemba, broken down by the primary (mining), secondary and tertiary industries. The majority of the formal employment lies in the Tertiary industry, with

10 000 jobs. When including the informal, agricultural and domestic workers, we have a total number of 21 400 jobs in the area. Formal jobs make up 56.4% of all jobs in the Inxuba Yethemba Local Municipality. The difference between the employment measured at the place of work, and the people employed living in the area can be explained by the net commuters that work outside of the local municipality.

2.11. Economically Active Population (EAP)

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.

Definition: The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

Definition:

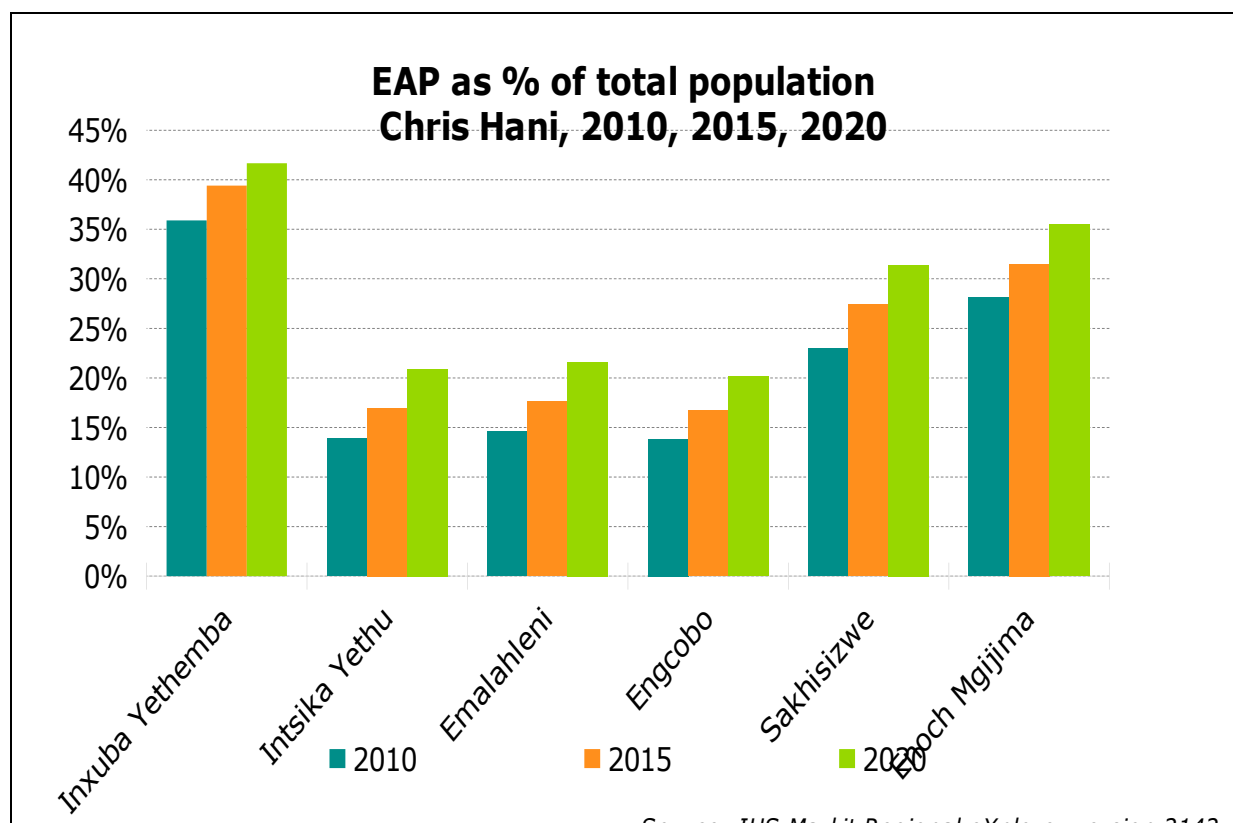
TABLE 17. Economically active population (EAP) - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2010-2020 [number, PERCENTAGE]

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
2010	23,900	171,000	1,760,000	18,000,000	14.0%	1.36%	0.13%
2011	23,600	170,000	1,770,000	18,300,000	13.9%	1.34%	0.13%
2012	24,100	174,000	1,800,000	18,700,000	13.9%	1.34%	0.13%
2013	25,100	183,000	1,870,000	19,400,000	13.7%	1.34%	0.13%
2014	26,600	195,000	1,970,000	20,200,000	13.6%	1.35%	0.13%
2015	27,800	205,000	2,050,000	20,900,000	13.5%	1.36%	0.13%
2016	28,900	217,000	2,140,000	21,500,000	13.3%	1.35%	0.13%
2017	29,900	229,000	2,230,000	22,100,000	13.0%	1.34%	0.14%
2018	30,400	236,000	2,290,000	22,400,000	12.9%	1.33%	0.14%
2019	31,200	247,000	2,370,000	22,800,000	12.6%	1.32%	0.14%
2020	31,000	248,000	2,380,000	22,200,000	12.5%	1.30%	0.14%
Average Annual growth							
2010-2020	2.62%	3.76%	3.06%	2.13%			

Source: IHS Markit Regional eXplorer version 2142

Inxuba Yethemba Local Municipality's EAP was 31 000 in 2020, which is 41.66% of its total population of 74 300, and roughly 12.50% of the total EAP of the Chris Hani District Municipality. From 2010 to 2020, the average annual increase in the EAP in the Inxuba Yethemba Local Municipality was 2.62%, which is 1.14 percentage points lower than the growth in the EAP of Chris Hani's for the same period.

CHART 18. EAP as % of total population - Inxuba Yethemba and the rest of Chris Hani, 2010, 2015, 2020 [percentage]



In 2010, 35.9% of the total population in Inxuba Yethemba Local Municipality were classified as economically active which increased to 41.7% in 2020. Compared to the other regions in Chris Hani District Municipality, Inxuba Yethemba Local Municipality had the highest EAP as a percentage of the total population within its own region relative to the other regions. On the other hand, Engcobo Local Municipality had the lowest EAP with 20.1% people classified as economically active population in 2020.

2.12. Labour Force Participation Rate

Definition: The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage of the total working age population.

The following is the labour participation rate of the Inxuba Yethemba, Chris Hani, Eastern Cape and National Total as a whole.

TABLE 18. The labour force participation rate - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2010-2020 [percentage]

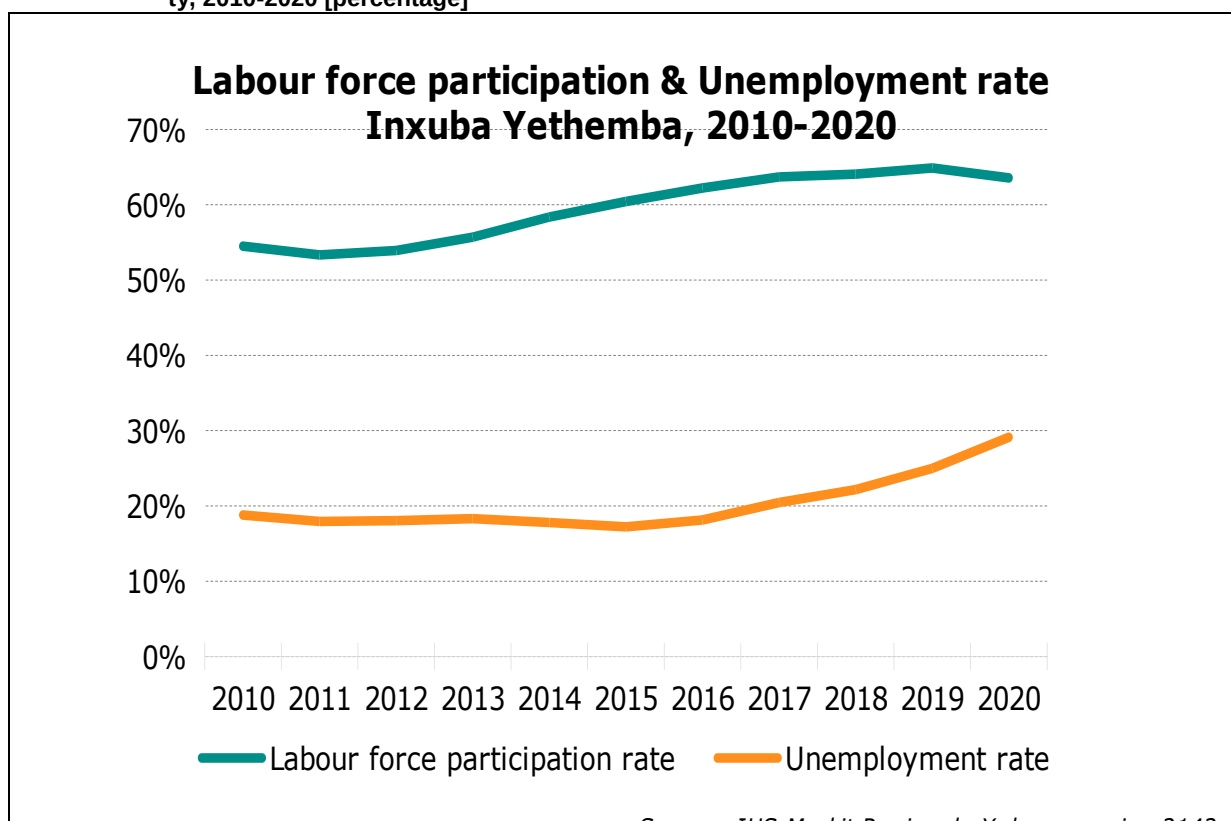
	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total
2010	54.5%	35.3%	42.6%	54.1%
2011	53.3%	34.8%	42.2%	53.9%
2012	53.9%	35.4%	42.6%	54.3%
2013	55.7%	37.0%	43.9%	55.2%
2014	58.4%	39.2%	45.7%	56.6%
2015	60.4%	40.8%	47.0%	57.7%
2016	62.2%	42.7%	48.6%	58.8%
2017	63.7%	44.8%	50.2%	59.5%
2018	64.1%	45.5%	50.8%	59.4%
2019	64.9%	46.9%	52.0%	59.4%

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total
2020	63.6%	46.3%	51.4%	57.0%

Source: IHS Markit Regional eXplorer version 2142

The Inxuba Yethemba Local Municipality's labour force participation rate increased from 54.50% to 63.57% which is an increase of 9.1 percentage points. The Chris Hani District Municipality increased from 35.34% to 46.30%, Eastern Cape Province increased from 42.57% to 51.42% and South Africa increased from 54.14% to 57.03% from 2010 to 2020. The Inxuba Yethemba Local Municipality labour force participation rate exhibited a higher percentage point change compared to the Eastern Cape Province from 2010 to 2020. The Inxuba Yethemba Local Municipality had a higher labour force participation rate when compared to South Africa in 2020.

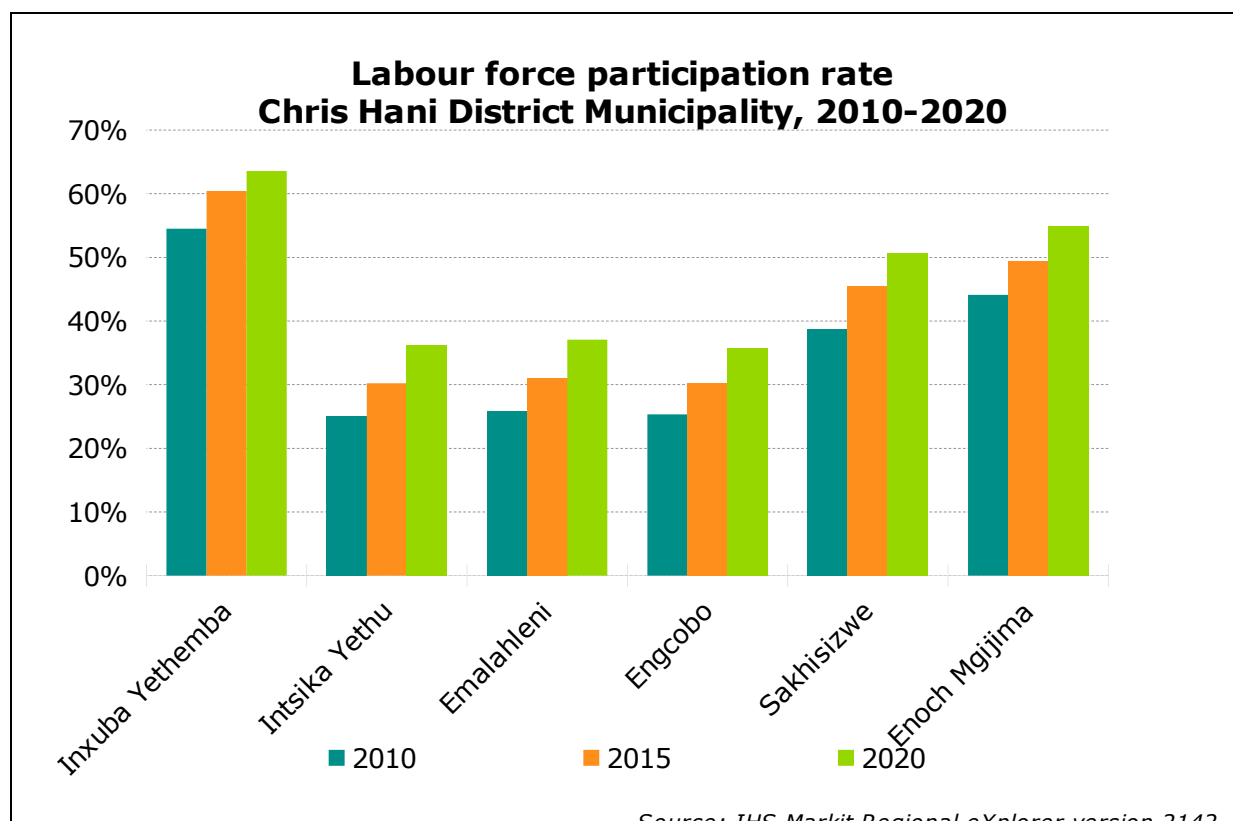
CHART 19. The labour force participation and unemployment rates - Inxuba Yethemba Local Municipality, 2010-2020 [percentage]



Source: IHS Markit Regional eXplorer version 2142

In 2020 the labour force participation rate for Inxuba Yethemba was at 63.6% which is significantly higher when compared to the 54.5% in 2010. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2010, the unemployment rate for Inxuba Yethemba was 18.8% and increased overtime to 29.1% in 2020. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Inxuba Yethemba Local Municipality.

CHART 20. The labour force participation rate - Inxuba Yethemba and the rest of Chris Hani, 2015 and 2020 [percentage]



Inxuba Yethemba Local Municipality had the highest labour force participation rate with 63.6% in 2020 increasing from 54.5% in 2010. Engcobo Local Municipality had the lowest labour force participation rate of 35.8% in 2020, this increased from 25.3% in 2010.

2.12.1. Total Employment

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators.

Definition: Total employment consists of two parts: employment in the formal sector, and employment in the informal sector

TABLE 19. Total employment - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2010-2020 [numbers]

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total
2010	18,900	114,000	1,260,000	13,500,000
2011	18,900	115,000	1,260,000	13,700,000
2012	19,300	116,000	1,270,000	14,000,000
2013	20,000	120,000	1,310,000	14,500,000
2014	21,300	129,000	1,370,000	15,100,000
2015	22,400	137,000	1,430,000	15,600,000
2016	23,100	141,000	1,470,000	15,900,000
2017	23,200	142,000	1,480,000	16,100,000
2018	23,100	140,000	1,470,000	16,300,000
2019	22,800	138,000	1,460,000	16,300,000
2020	21,400	127,000	1,380,000	15,600,000
Average Annual growth				
2010-2020	1.26%	1.08%	0.95%	1.42%

Source: IHS Markit Regional eXplorer version 2142

In 2020, Inxuba Yethemba employed 21 400 people which is 16.91% of the total employment in Chris Hani District Municipality (127 000), 1.55% of total employment in Eastern Cape Province (1.38 million), and 0.14% of the total employment of 15.6 million in South Africa. Employment within Inxuba Yethemba increased annually at an average rate of 1.26% from 2010 to 2020.

TABLE 20. Total employment per broad economic sector - Inxuba Yethemba and the rest of Chris Hani, 2020 [Numbers]

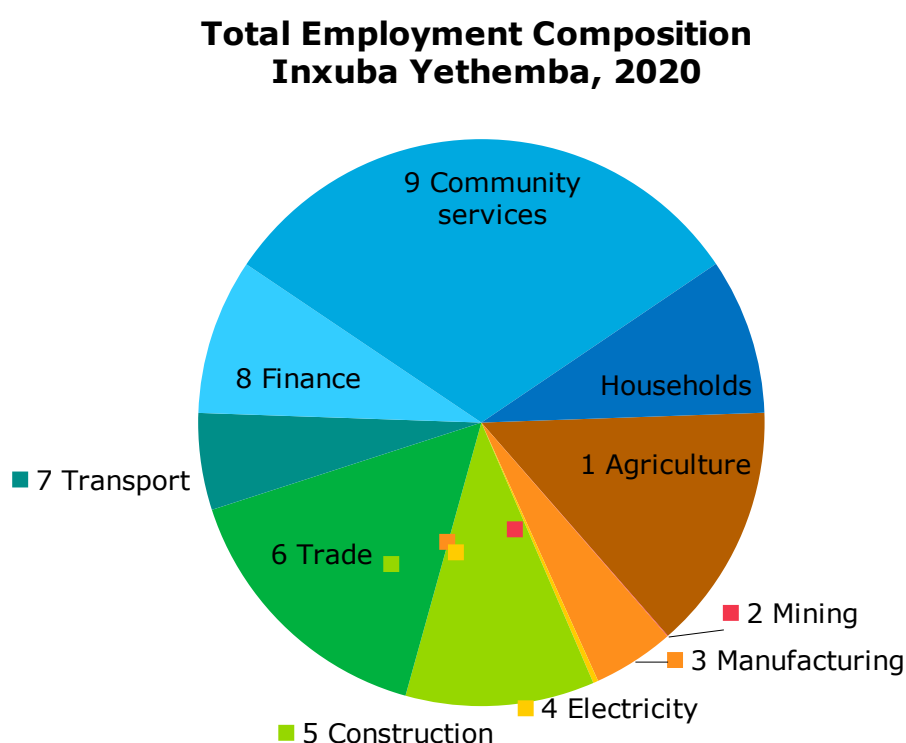
	Inxuba Yethemba	Intsika Yethu	Emalahleni	Engcobo	Sakhisizwe	Enoch Mgijima	Total Chris Hani
Agriculture	3,020	896	652	357	1,240	4,190	10,362
Mining	8	6	11	15	12	93	144
Manufacturing	998	599	328	493	200	2,580	5,193
Electricity	62	44	44	41	79	227	497
Construction	2,310	2,010	1,280	1,710	1,740	5,600	14,654
Trade	3,370	2,810	1,790	2,990	2,040	12,100	25,094
Transport	1,180	549	284	452	222	2,090	4,782
Finance	1,900	1,110	675	1,170	759	5,810	11,431
Community services	6,670	5,070	3,000	5,290	3,400	19,700	43,134
Households	1,910	1,090	774	747	827	6,120	11,474
Total	21,400	14,200	8,850	13,300	10,500	58,500	126,764

Source: IHS Markit Regional eXplorer version 2142

Inxuba Yethemba Local Municipality employs a total number of 21 400 people within its local municipality. The local municipality that employs the highest number of people relative to the other regions within Chris Hani District Municipality is Enoch Mgijima local municipality with a total number of 58 500. The local municipality that employs the lowest number of people relative to the other regions within Chris Hani District Municipality is Emalahleni local municipality with a total number of 8 850 employed people.

In Inxuba Yethemba Local Municipality the economic sectors that recorded the largest number of employment in 2020 were the community services sector with a total of 6 670 employed people or 31.1% of total employment in the local municipality. The trade sector with a total of 3 370 (15.7%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 7.54 (0.0%) is the sector that employs the least number of people in Inxuba Yethemba Local Municipality, followed by the electricity sector with 61.6 (0.3%) people employed.

CHART 21. **Total employment per broad economic sector - Inxuba Yethemba Local Municipality, 2020 [percentage]**



Source: IHS Markit Regional Explorer version 2142

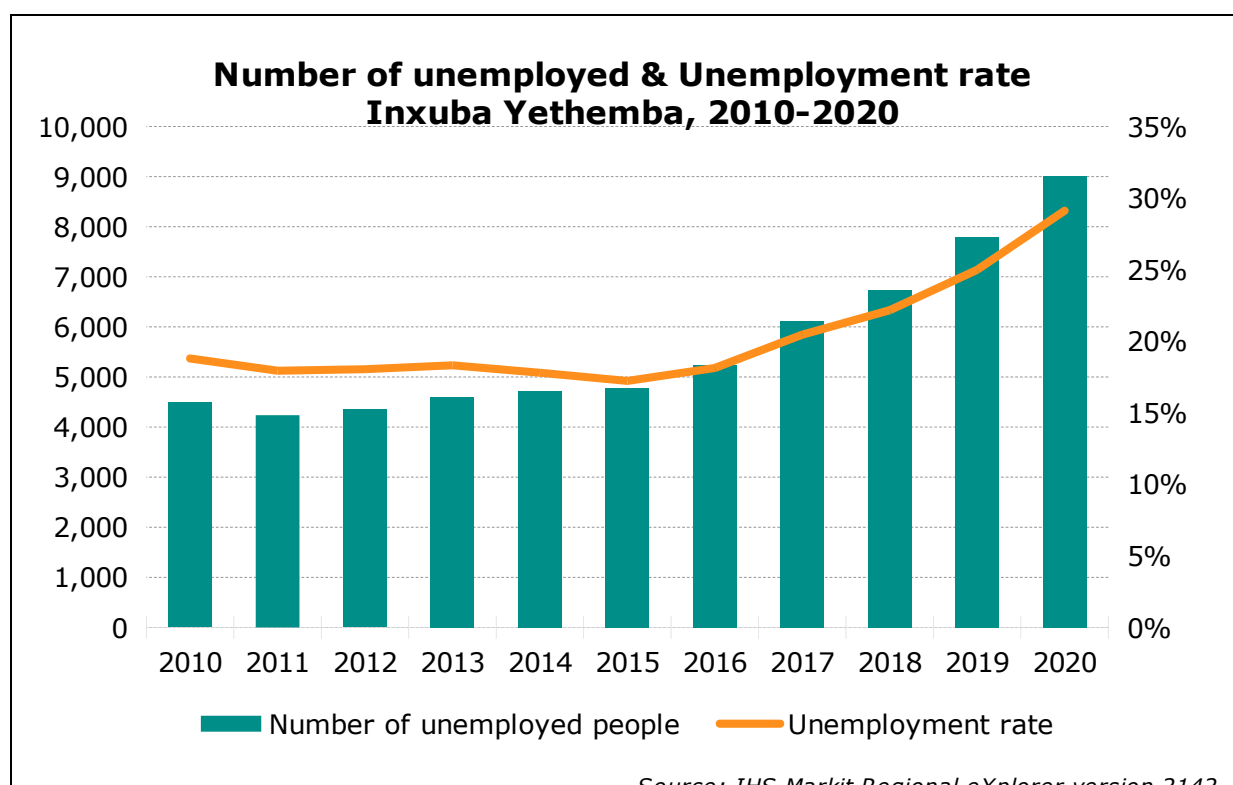
2.12.2. Formal and Informal employment

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 Inxuba Yethemba Local Municipality counted 17 000 in 2020, which is about 79.46% of total employment, while the number of people employed in the informal sector counted 4 400 or 20.54% of the total employment. Informal employment in Inxuba Yethemba increased from 3 770 in 2010 to an estimated 4 400 in 2020.

CHART 22. **Formal and informal employment by broad economic sector - Inxuba Yethemba Local Municipality, 2020 [numbers]**



In 2020 the Construction sector recorded the highest number of informally employed, with a total of 1 130 employees or 25.63% of the total informal employment. This can be expected as the barriers to enter the Construction 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 185 and only contributes 4.20% to total informal employment.

TABLE 21. Formal and informal employment by broad economic sector - Inxuba Yethemba Local Municipality, 2020 [numbers]

	Formal employment	Informal employment
Agriculture	3,020	N/A
Mining	8	N/A
Manufacturing	813	185
Electricity	62	N/A
Construction	1,180	1,130
Trade	2,270	1,100
Transport	435	749
Finance	1,710	191
Community services	5,620	1,050
Households	1,910	N/A

Source: IHS Markit Regional eXplorer version 2142

2.12.3. Unemployment

Definition: The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who are not actively seeking work (referred to as discouraged work seekers).

TABLE 22. Unemployment (official definition) - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2010-2020 [Number percentage]

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
2010	4,490	51,600	492,000	4,490,000	8.7%	0.91%	0.10%
2011	4,240	49,800	499,000	4,590,000	8.5%	0.85%	0.09%
2012	4,350	52,200	521,000	4,710,000	8.3%	0.83%	0.09%
2013	4,600	56,100	553,000	4,870,000	8.2%	0.83%	0.09%
2014	4,730	59,100	579,000	5,070,000	8.0%	0.82%	0.09%

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
2015	4,780	61,100	597,000	5,320,000	7.8%	0.80%	0.09%
2016	5,240	68,200	652,000	5,700,000	7.7%	0.80%	0.09%
2017	6,110	79,600	736,000	6,020,000	7.7%	0.83%	0.10%
2018	6,740	88,000	798,000	6,130,000	7.7%	0.85%	0.11%
2019	7,790	101,000	895,000	6,480,000	7.7%	0.87%	0.12%
2020	9,010	114,000	985,000	6,660,000	7.9%	0.91%	0.14%
Average Annual growth							
2010-2020	7.22%	8.23%	7.20%	4.01%			

Source: IHS Markit Regional eXplorer version 2142

In 2020, there were a total number of 9 010 people unemployed in Inxuba Yethemba, which is an increase of 4 520 from 4 490 in 2010. The total number of unemployed people within Inxuba Yethemba constitutes 7.92% of the total number of unemployed people in Chris Hani District Municipality. The Inxuba Yethemba Local Municipality experienced an average annual increase of 7.22% in the number of unemployed people, which is better than that of the Chris Hani District Municipality which had an average annual increase in unemployment of 8.23%.

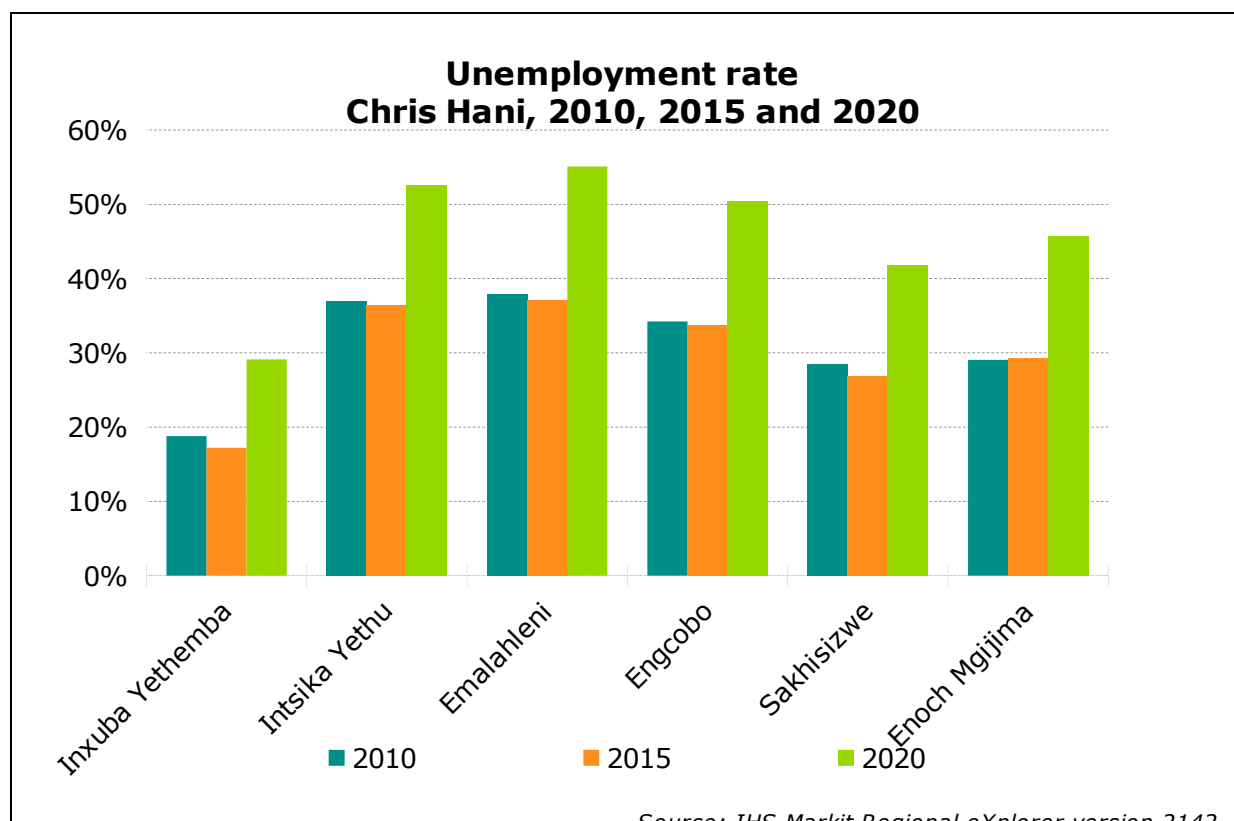
TABLE 23. Unemployment rate (official definition) - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2010-2020 [Percentage]

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total
2010	18.8%	30.1%	27.9%	24.9%
2011	17.9%	29.2%	28.2%	25.1%
2012	18.0%	30.0%	28.9%	25.1%
2013	18.3%	30.7%	29.6%	25.2%
2014	17.8%	30.3%	29.4%	25.2%
2015	17.2%	29.8%	29.2%	25.5%
2016	18.1%	31.5%	30.5%	26.4%
2017	20.5%	34.7%	33.0%	27.2%
2018	22.2%	37.3%	34.9%	27.4%
2019	25.0%	41.1%	37.8%	28.4%
2020	29.1%	45.9%	41.4%	29.9%

Source: IHS Markit Regional eXplorer version 2142

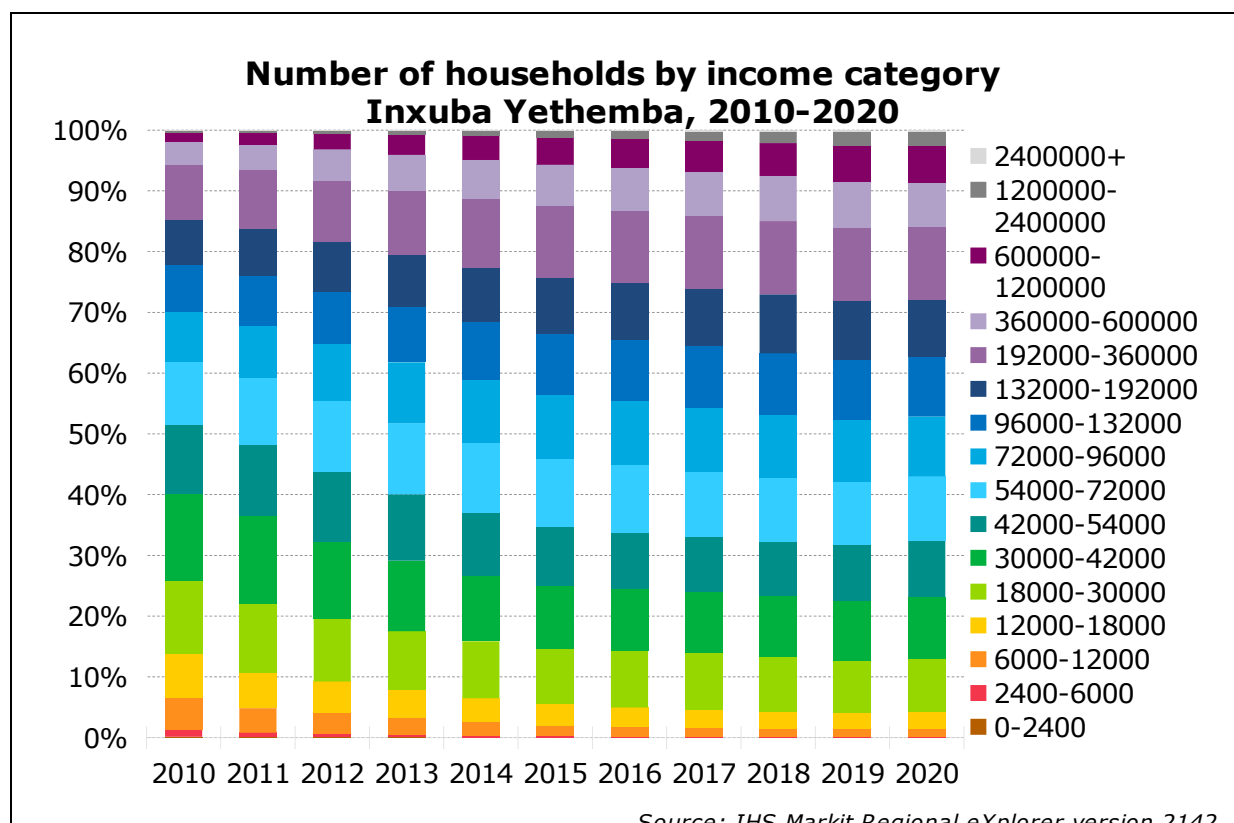
In 2020, the unemployment rate in Inxuba Yethemba Local Municipality (based on the official definition of unemployment) was 29.12%, which is an increase of 10.3 percentage points. The unemployment rate in Inxuba Yethemba Local Municipality is lower than that of Chris Hani. Comparing to the Eastern Cape Province it can be seen that the unemployment rate for Inxuba Yethemba Local Municipality was lower than that of Eastern Cape which was 41.36%. The unemployment rate for South Africa was 29.93% in 2020, which is a increase of -5 percentage points from 24.93% in 2010.

CHART 23. Unemployment and unemployment rate (official definition) - Inxuba Yethemba Local Municipality, 2010-2020 [number percentage]



When comparing unemployment rates among regions within Chris Hani District Municipality, Emalahleni Local Municipality has indicated the highest unemployment rate of 55.1%, which has increased from 37.9% in 2010. It can be seen that the Inxuba Yethemba Local Municipality had the lowest unemployment rate of 29.1% in 2020, this increased from 18.8% in 2010.

CHART 24. **Unemployment rate - Inxuba Yethemba and the rest of Chris Hani, 2010, 2015 and 2020 [percentage]**



2.13. Income and Expenditure

2.13.1. Number of Households by Income category

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.

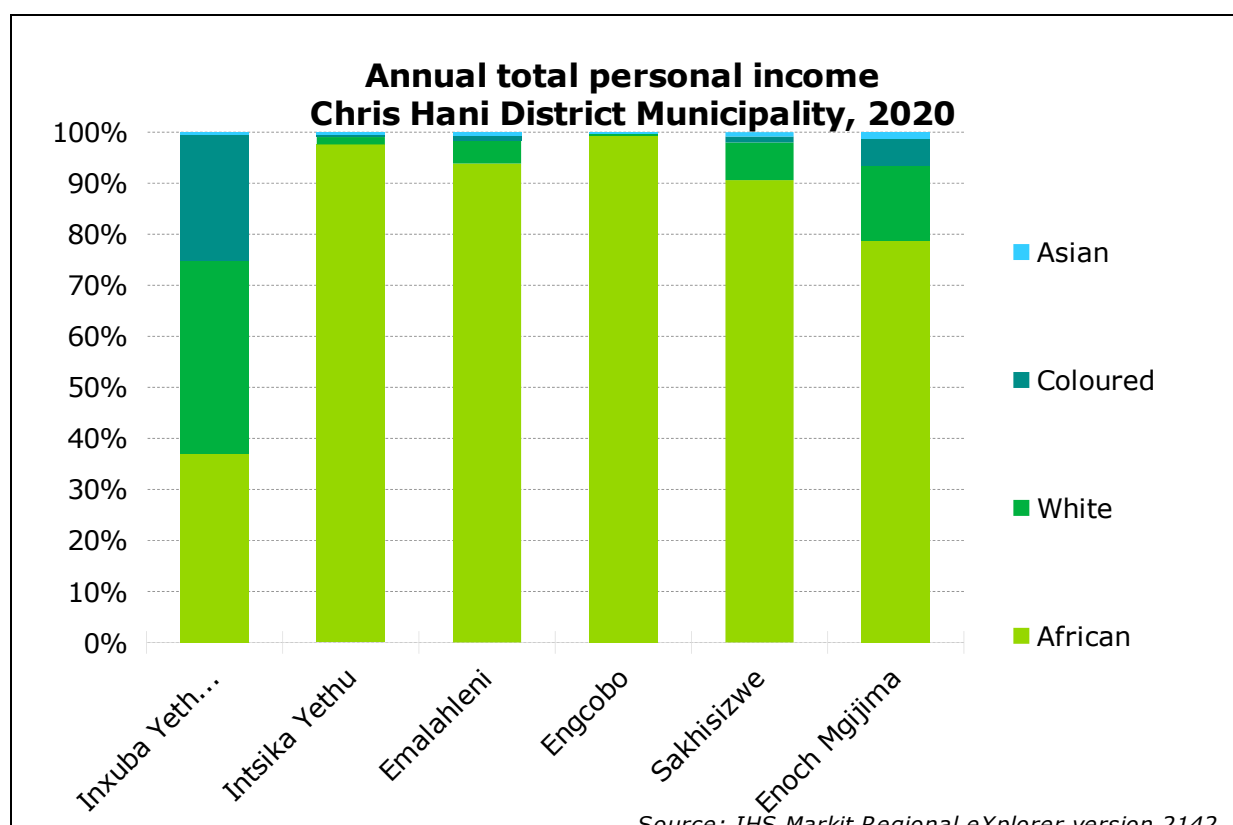
TABLE 24. Households by income category - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2020 [Number Percentage]

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total	Inxuba Yethemba as % of district municipality	Inxuba Yethemba as % of province	Inxuba Yethemba as % of national
0-2400	1	21	167	1,760	5.6%	0.69%	0.07%
2400-6000	30	435	3,620	34,900	7.0%	0.84%	0.09%
6000-12000	269	4,780	38,800	340,000	5.6%	0.69%	0.08%
12000-18000	584	10,000	79,600	663,000	5.8%	0.73%	0.09%
18000-30000	1,800	31,200	240,000	1,840,000	5.8%	0.75%	0.10%
30000-42000	2,120	35,000	254,000	1,860,000	6.1%	0.83%	0.11%
42000-54000	1,940	28,000	208,000	1,620,000	6.9%	0.93%	0.12%
54000-72000	2,190	28,100	212,000	1,750,000	7.8%	1.03%	0.13%
72000-96000	2,040	24,100	184,000	1,590,000	8.5%	1.11%	0.13%
96000-132000	2,040	19,800	160,000	1,480,000	10.3%	1.27%	0.14%
132000-192000	1,960	16,600	142,000	1,430,000	11.8%	1.38%	0.14%
192000-360000	2,480	17,600	165,000	1,840,000	14.1%	1.51%	0.13%
360000-600000	1,520	8,560	91,900	1,170,000	17.8%	1.65%	0.13%
600000-1200000	1,270	5,650	70,800	974,000	22.5%	1.80%	0.13%
1200000-2400000	444	1,630	22,900	310,000	27.2%	1.94%	0.14%
2400000+	68	213	3,290	44,900	32.0%	2.07%	0.15%
Total	20,800	232,000	1,880,000	17,000,000	9.0%	1.11%	0.12%

Source: IHS Markit Regional eXplorer version 2142

It was estimated that in 2020 12.94% of all the households in the Inxuba Yethemba Local Municipality, were living on R30,000 or less per annum. In comparison with 2010's 25.88%, the number is about half. The 192000-360000 income category has the highest number of households with a total number of 2 480, followed by the 54000-72000 income category with 2 190 households. Only 1.2 households fall within the 0-2400 income category.

CHART 25. Households by income bracket - Inxuba Yethemba Local Municipality, 2010-2020 [Percentage]



For the period 2010 to 2020 the number of households earning more than R30,000 per annum has increased from 74.12% to 87.06%. It can be seen that the number of households with income equal to or lower than R6,000 per year has decreased by a significant amount.

2.13.2. 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.

Definition: Annual total personal income is the sum of the total personal income for all households in a specific region. The definition of income is the same as used in the income brackets (Number of Households by Income Category), also including the income tax. For this variable, current prices are used, meaning that inflation has not been taken into account.

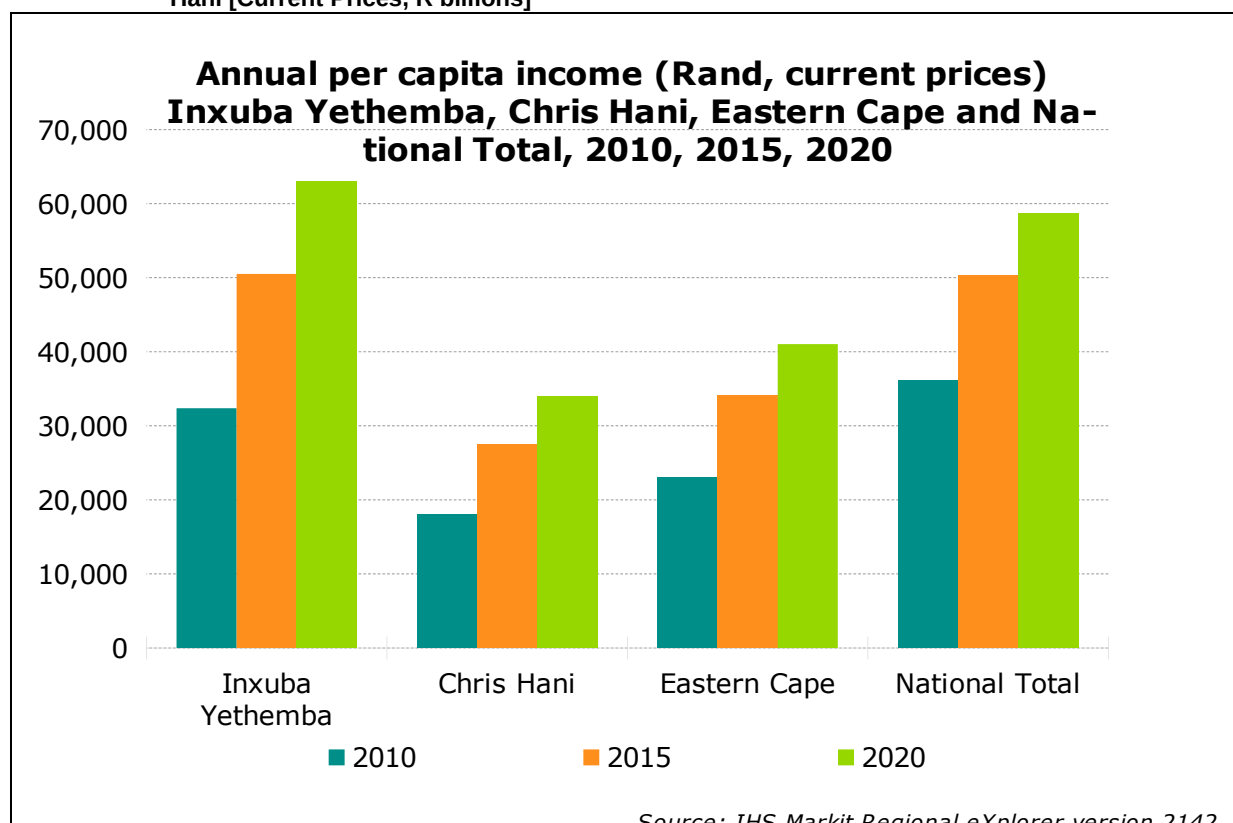
TABLE 25. Annual total personal income - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total [Current Prices, R billions]

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total
2010	2.2	14.7	153.6	1,843.3
2011	2.4	16.1	167.7	2,033.0
2012	2.7	17.9	187.1	2,226.5
2013	3.0	19.6	204.3	2,412.1
2014	3.3	21.2	219.5	2,590.6
2015	3.6	23.2	239.3	2,794.9
2016	3.8	24.9	255.4	2,990.4
2017	4.2	27.2	277.7	3,226.5
2018	4.5	29.0	294.4	3,413.7
2019	4.8	30.5	309.1	3,584.3
2020	4.7	29.9	302.0	3,508.3
Average Annual growth				
2010-2020	8.06%	7.34%	6.99%	6.65%

Source: IHS Markit Regional eXplorer version 2142

Inxuba Yethemba Local Municipality recorded an average annual growth rate of 8.06% (from R 2.16 billion to R 4.68 billion) from 2010 to 2020, which is more than both Chris Hani's (7.34%) as well as Eastern Cape Province's (6.99%) average annual growth rates. South Africa had an average annual growth rate of 6.65% (from R 1.84 trillion to R 3.51 trillion) which is less than the growth rate in Inxuba Yethemba Local Municipality.

CHART 26. Annual total personal income by population group - Inxuba Yethemba and the rest of Chris Hani [Current Prices, R billions]



The total personal income of Inxuba Yethemba Local Municipality amounted to approximately R 4.68 billion in 2020. The African population group earned R 1.73 billion, or 37.93% of total personal income, while the White population group earned R 1.78 billion, or 36.98% of the total personal income. The Coloured and the Asian population groups only had a share of 24.50% and 0.59% of total personal income respectively.

TABLE 26. Annual total personal income - Inxuba Yethemba and the rest of Chris Hani District Municipality [Current Prices, R billions]

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Inxuba Yethemba	2.16	2.36	2.68	2.98	3.25	3.56	3.82	4.21	4.51	4.76	4.68
Intsika Yethu	2.08	2.25	2.49	2.71	2.94	3.23	3.49	3.84	4.15	4.38	4.33
Emalahleni	1.60	1.74	1.94	2.12	2.30	2.53	2.74	3.02	3.25	3.44	3.41
Engcobo	2.05	2.23	2.45	2.66	2.86	3.11	3.33	3.64	3.90	4.10	4.03
Sakhisizwe	1.12	1.22	1.33	1.44	1.53	1.65	1.74	1.89	2.01	2.10	2.06
Enoch Mgi-jima	5.73	6.30	7.06	7.73	8.35	9.12	9.76	10.60	11.21	11.73	11.42

Source: IHS Markit Regional eXplorer version 2142

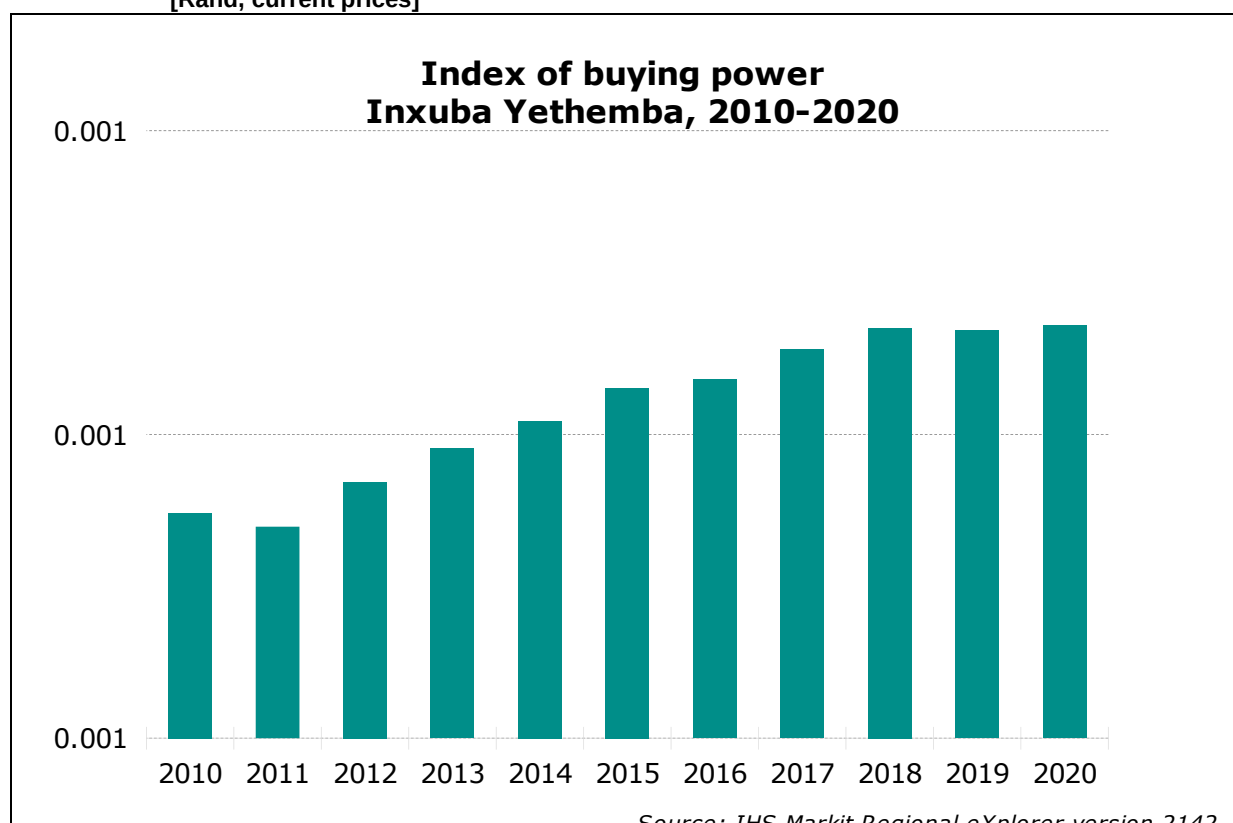
When looking at the annual total personal income for the regions within Chris Hani District Municipality it can be seen that the Enoch Mgijima Local Municipality had the highest total personal income with R 11.4 billion which increased from R 5.73 billion recorded in 2010. It can be seen that the Sakhisizwe Local Municipality had the lowest total personal income of R 2.06 billion in 2020, this increased from R 1.12 billion in 2010.

2.13.3. Annual per Capita Income

Definition: Per capita income refers to the income per person. Thus, it takes the total personal income per annum and divides it equally among the population.

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 27. **Per capita income - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2020**
[Rand, current prices]



The per capita income in Inxuba Yethemba Local Municipality in 2020 is R 63,000 which is higher than both the Eastern Cape (R 41,000) and of the Chris Hani District Municipality (R 34,000) per capita income. The per capita income for Inxuba Yethemba Local Municipality (R 63,000) is higher than that of the South Africa as a whole which is R 58,700.

CHART 28. **Per capita income by population group - Inxuba Yethemba and the rest of Chris Hani District Municipality, 2020** [Rand, current prices]

	African	White	Coloured
Inxuba Yethemba	38,900	250,000	51,100
Intsika Yethu	26,800	N/A	N/A
Emalahleni	24,800	N/A	N/A
Engcobo	24,300	N/A	N/A
Sakhisizwe	28,300	N/A	N/A
Enoch Mgijima	34,000	231,000	53,100

Source: IHS Markit Regional Explorer version 2142

Inxuba Yethemba Local Municipality has the highest per capita income with a total of R 63,000. Enoch Mgijima Local Municipality had the second highest per capita income at R 40,200, whereas Engcobo Local Municipality had the lowest per capita income at R 24,400. In Inxuba Yethemba Local Municipality, the White population

group has the highest per capita income, with R 250,000, relative to the other population groups. The population group with the second highest per capita income within Inxuba Yethemba Local Municipality is the Coloured population group (R 51,100). Some of the population groups - where there are less than 1,000 people living in the area were excluded from the analysis.

2.13.4. Index of Buying Power.

Definition: 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 27. **Index of buying power - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2020**
[Number]

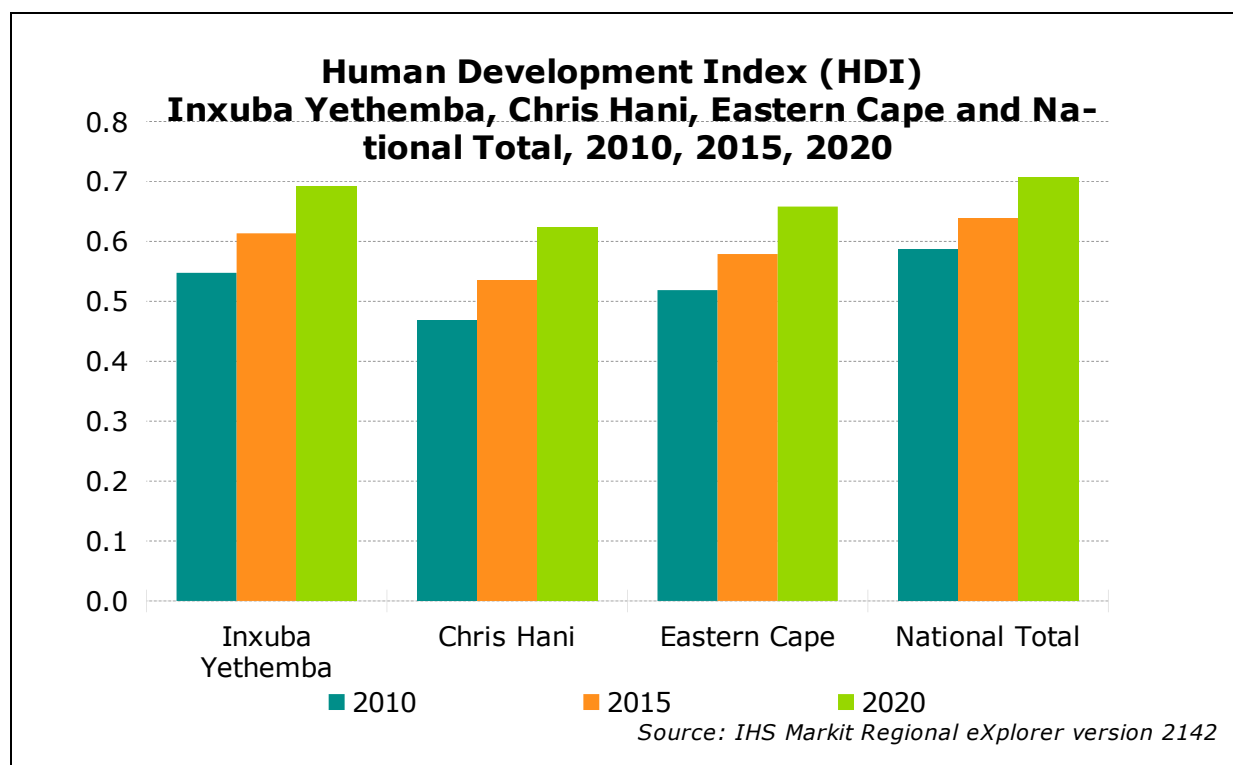
	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total
Population	74,294	880,606	7,360,699	59,809,786
Population - share of national total	0.1%	1.5%	12.3%	100.0%
Income	4,680	29,920	302,047	3,508,339
Income - share of national total	0.1%	0.9%	8.6%	100.0%
Retail	1,215,042	8,933,600	86,566,731	1,049,668,438
Retail - share of national total	0.1%	0.9%	8.2%	100.0%
Index	0.00	0.01	0.09	1.00

Source: IHS Markit Regional eXplorer version 2142

Inxuba Yethemba Local Municipality has a 0.1% 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 0.0013 relative to South Africa as a whole. Chris Hani has an IBP of 0.0091, while Eastern Cape Province has an IBP index value of 0.089 and South Africa a value of 1 relative to South Africa as a whole.

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

CHART 29. **Index of buying power Inxuba Yethemba Local Municipality, 2010-2020** [Index value]



Between 2010 and 2020, the index of buying power within Inxuba Yethemba Local Municipality increased to its highest level in 2020 (0.001272) from its lowest in 2011 (0.001139). Although the buying power within Inxuba Yethemba Local Municipality is relatively small compared to other regions, the IBP increased at an average annual growth rate of 1.03%.

2.14. Development

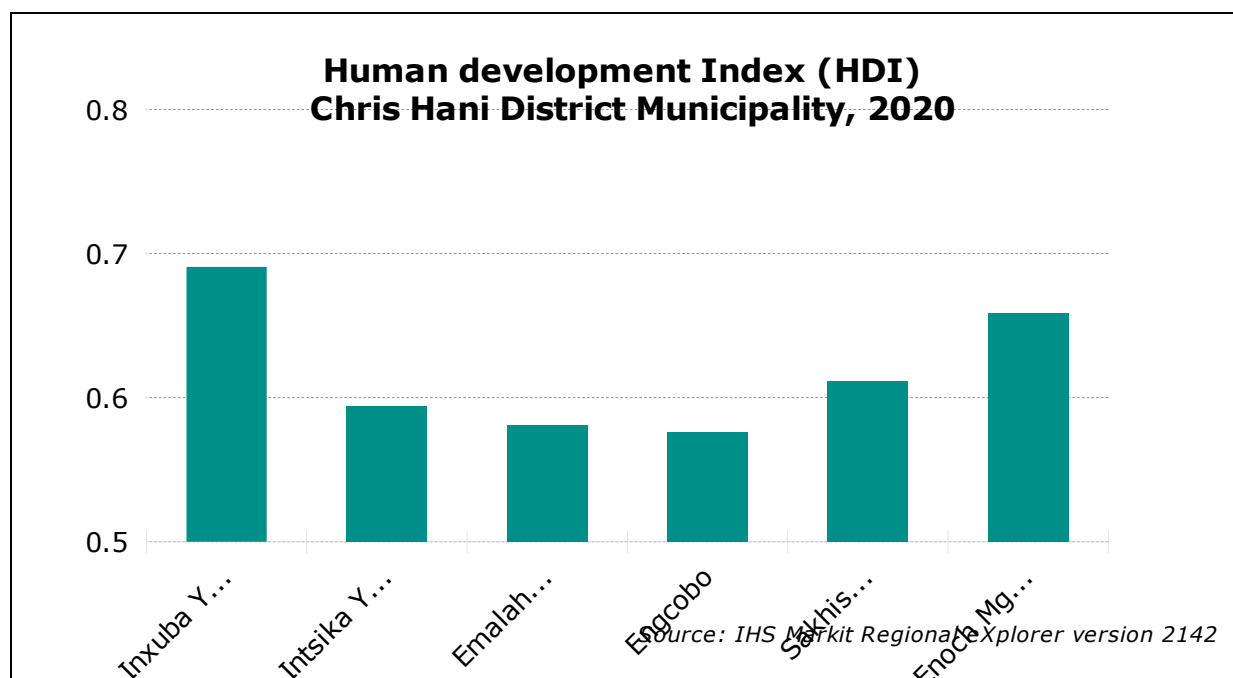
Indicators of development, like the Human Development Index (HDI), Gini Coefficient (income inequality), poverty and the poverty gap, and education, are used to estimate the level of development of a given region in South Africa relative to the rest of the country.

2.14.1. Human Development Index (HDI)

Definition: The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions.

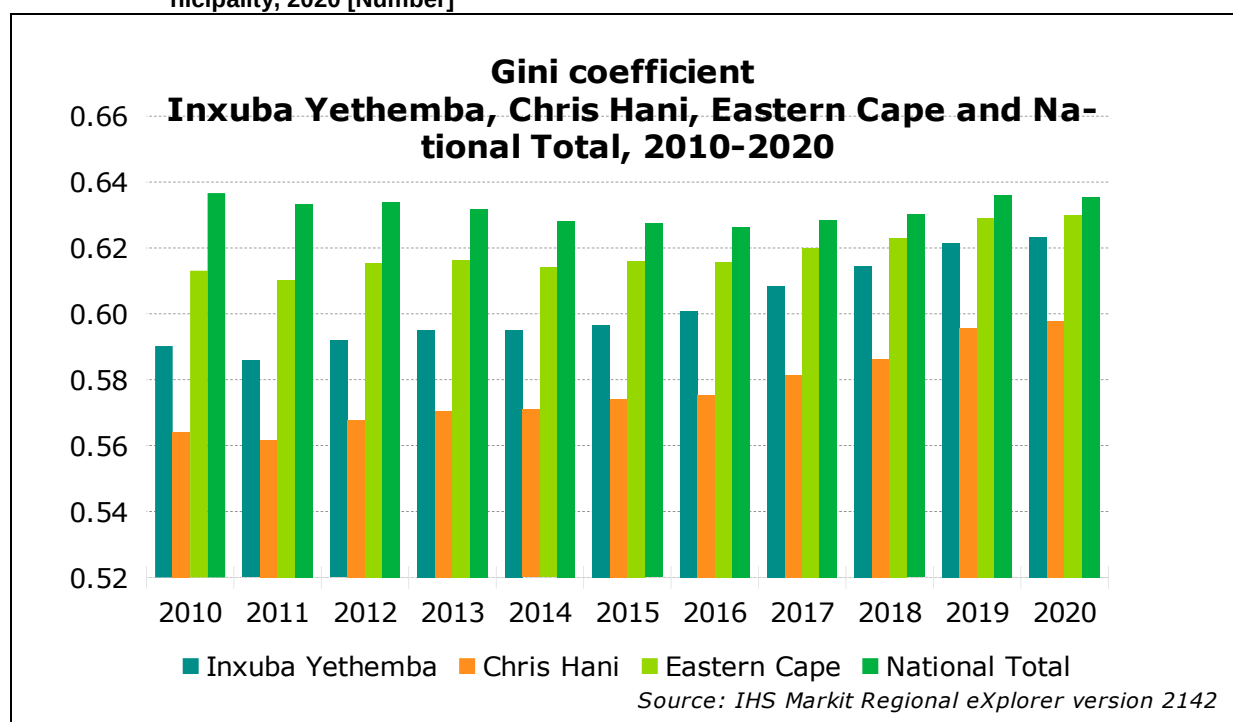
HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment in primary, secondary, and tertiary schools. 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.

CHART 30. **Human Development Index (HDI) - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2010, 2015, 2020 [Number]**



In 2020 Inxuba Yethemba Local Municipality had an HDI of 0.691 compared to the Chris Hani with a HDI of 0.623, 0.658 of Eastern Cape and 0.706 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2020 when compared to Inxuba Yethemba Local Municipality which translates to worse human development for Inxuba Yethemba Local Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.88% and this increase is lower than that of Inxuba Yethemba Local Municipality (2.35%).

CHART 31. Human development Index (HDI) - Inxuba Yethemba and the rest of Chris Hani District Municipality, 2020 [Number]



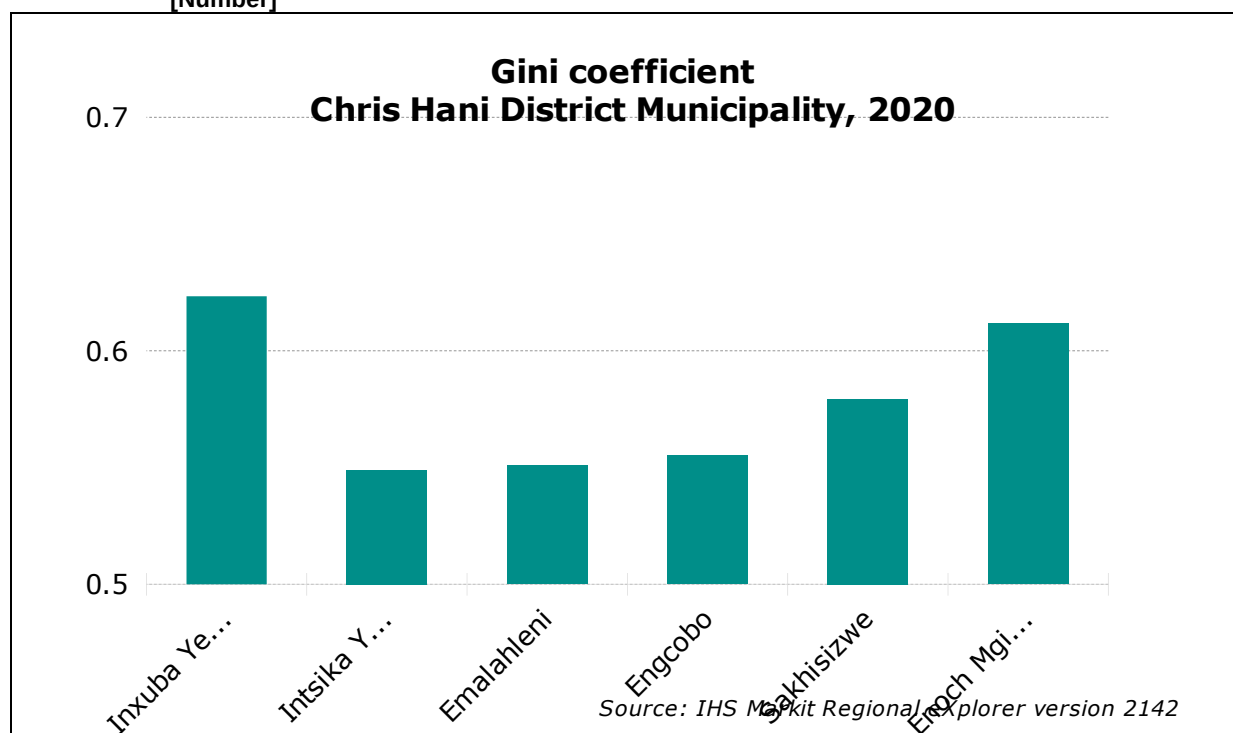
In terms of the HDI for each the regions within the Chris Hani District Municipality, Inxuba Yethemba Local Municipality has the highest HDI, with an index value of 0.691. The lowest can be observed in the Engcobo Local Municipality with an index value of 0.576.

2.14.2. Gini Coefficient

Definition: The Gini coefficient is a summary statistic of income inequality. It varies from 0 to 1.

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 32. **Gini coefficient - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2010-2020**
[Number]



In 2020, the Gini coefficient in Inxuba Yethemba Local Municipality was at 0.623, which reflects an increase in the number over the ten-year period from 2010 to 2020. The Chris Hani District Municipality and the Eastern Cape Province had a Gini coefficient of 0.598 and 0.63 respectively. When Inxuba Yethemba Local Municipality is contrasted against the entire South Africa, Inxuba Yethemba has a more equal income distribution with a lower Gini coefficient compared to the South African coefficient of 0.635 in 2020. This has been the case for the entire 10-year history.

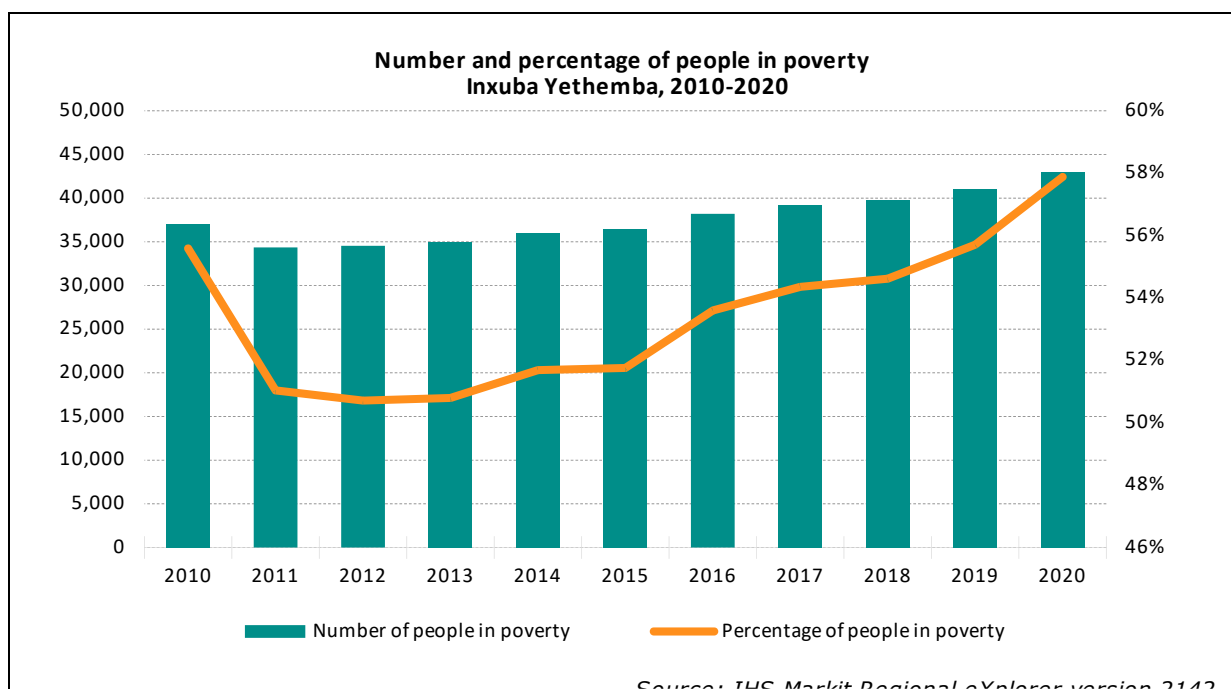
TABLE 28. **Gini coefficient by population group - Inxuba Yethemba, 2010, 2020** [Number]

	African	White	Coloured
2010	0.53	0.41	0.50
2020	0.59	0.44	0.56
Average Annual growth			
2010-2020	1.01%	0.69%	1.12%

Source: IHS Markit Regional Explorer version 2142

When segmenting the Inxuba Yethemba Local Municipality into population groups, it can be seen that the Gini coefficient for the Coloured population group increased the most amongst the population groups with an average annual growth rate of 1.12%. The Gini coefficient for the White population group increased the least with an average annual growth rate of 0.69%.

CHART 33. **Gini coefficient - Inxuba Yethemba and the rest of Chris Hani District Municipality, 2020**
[Number]

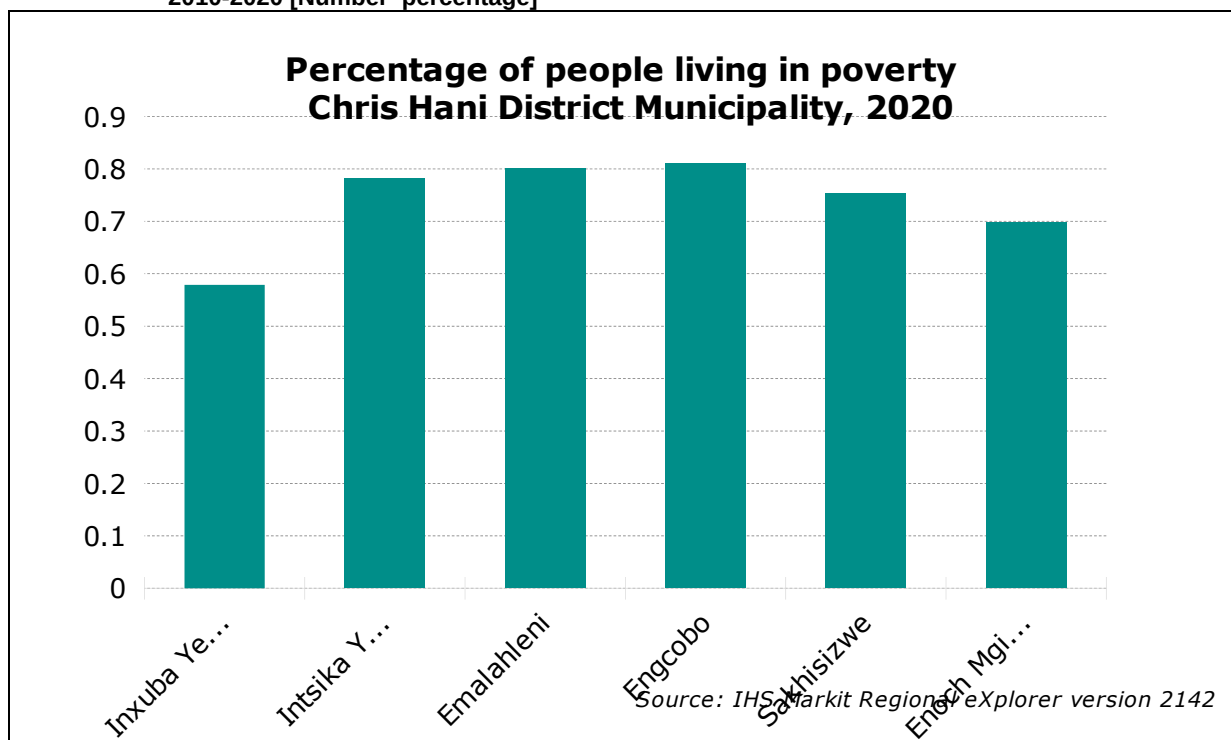


In terms of the Gini coefficient for each of the regions within the Chris Hani District Municipality, Inxuba Yethemba Local Municipality has the highest Gini coefficient, with an index value of 0.623. The lowest Gini coefficient can be observed in the Intsika Yethu Local Municipality with an index value of 0.549.

2.15. Poverty

Definition: 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 34. Number and percentage of people living in poverty - Inxuba Yethemba Local Municipality, 2010-2020 [Number percentage]



In 2020, there were 43 000 people living in poverty, using the upper poverty line definition, across Inxuba Yethemba Local Municipality - this is 16.22% higher than the 37 000 in 2010. The percentage of people living in poverty has increased from 55.59% in 2010 to 57.88% in 2020, which indicates a increase of -2.29 percentage points.

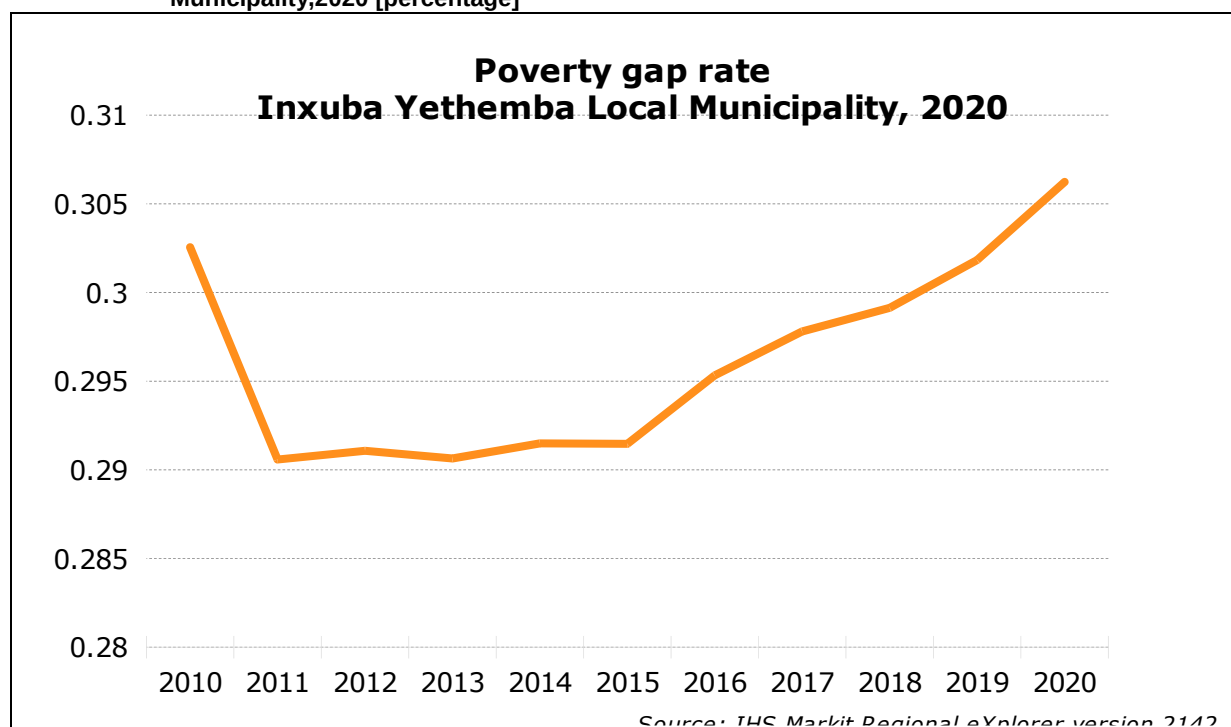
TABLE 29. Percentage of people living in poverty by population group - Inxuba Yethemba, 2010-2020
[Percentage]

	African	White	Coloured
2010	67.6%	1.2%	53.3%
2011	62.2%	0.6%	48.6%
2012	61.6%	0.6%	48.3%
2013	61.5%	0.6%	48.4%
2014	62.3%	0.6%	49.4%
2015	62.2%	0.8%	49.5%
2016	64.3%	1.2%	51.0%
2017	65.1%	1.6%	51.3%
2018	65.6%	1.8%	50.8%
2019	66.9%	2.1%	51.3%
2020	69.2%	2.7%	53.3%

Source: IHS Markit Regional eXplorer version 2142

In 2020, the population group with the highest percentage of people living in poverty was the Coloured population group with a total of 53.3% people living in poverty, using the upper poverty line definition. The proportion of the Coloured population group, living in poverty, decreased by -0.0816 percentage points, as can be seen by the change from 53.26% in 2010 to 53.34% in 2020. In 2020 69.21% of the African population group lived in poverty, as compared to the 67.62% in 2010.

CHART 35. Percentage of people living in poverty - Inxuba Yethemba and the rest of Chris Hani District Municipality, 2020 [percentage]



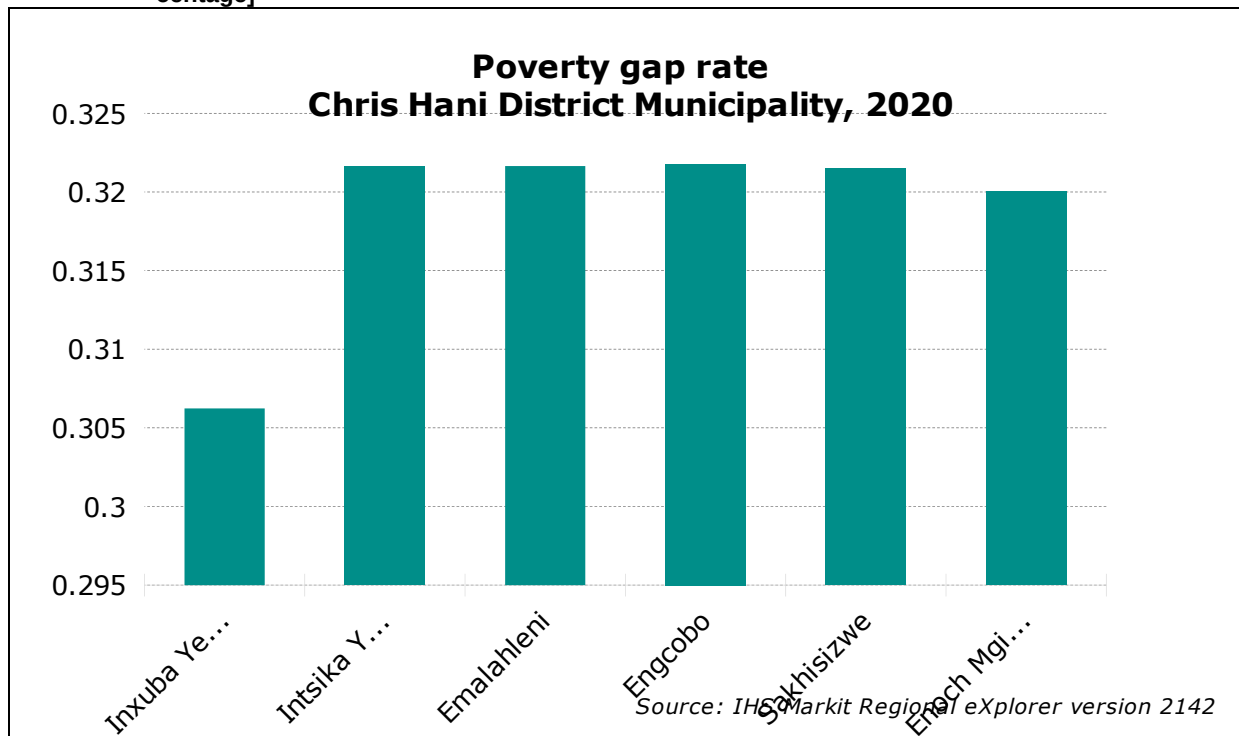
In terms of the percentage of people living in poverty for each of the regions within the Chris Hani District Municipality, Engcobo Local Municipality has the highest percentage of people living in poverty, with a total of 81.0%. The lowest percentage of people living in poverty can be observed in the Inxuba Yethemba Local Municipality with a total of 57.9% living in poverty, using the upper poverty line definition.

2.15.1. Poverty Gap Rate

Definition: 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.

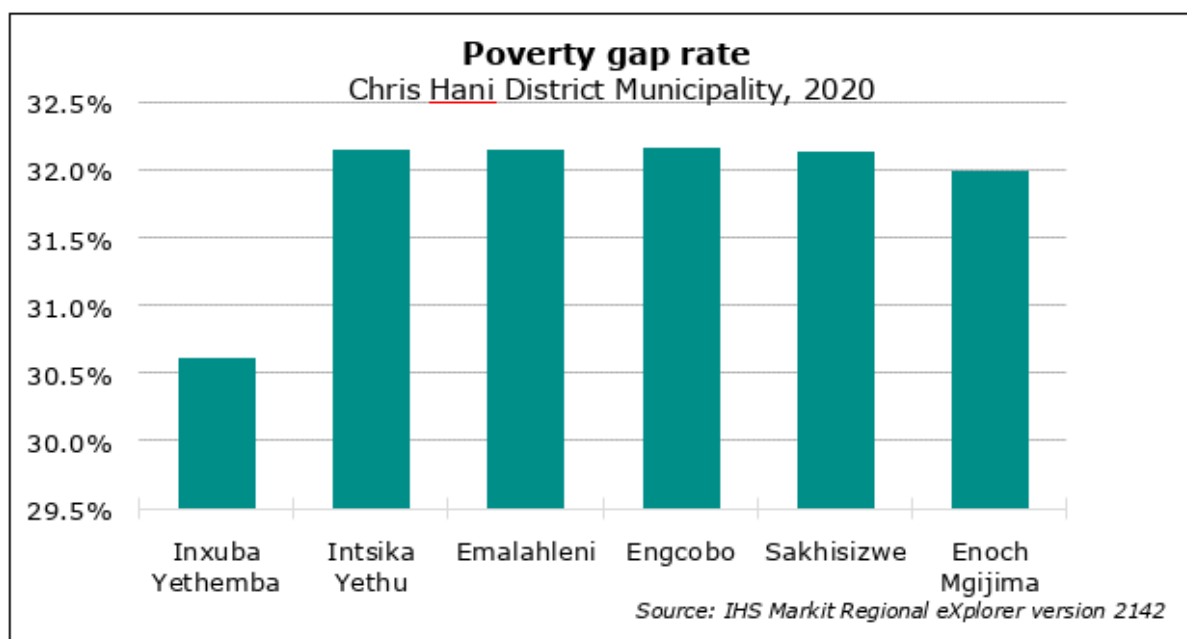
It is estimated that the poverty gap rate in Inxuba Yethemba Local Municipality amounted to 30.6% in 2020 - the rate needed to bring all poor households up to the poverty line and out of poverty.

TABLE 30. Poverty gap rate by population group - Inxuba Yethemba Local Municipality, 2010-2020 [Percentage]



In 2020, the poverty gap rate was 30.6% and in 2010 the poverty gap rate was 30.3%, it can be seen that the poverty gap rate increased from 2010 to 2020, which means that there were no improvements in terms of the depth of the poverty within Inxuba Yethemba Local Municipality.

CHART 36. Poverty gap rate - Inxuba Yethemba Local Municipality and the rest of Chris Hani, 2020 [Percentage]

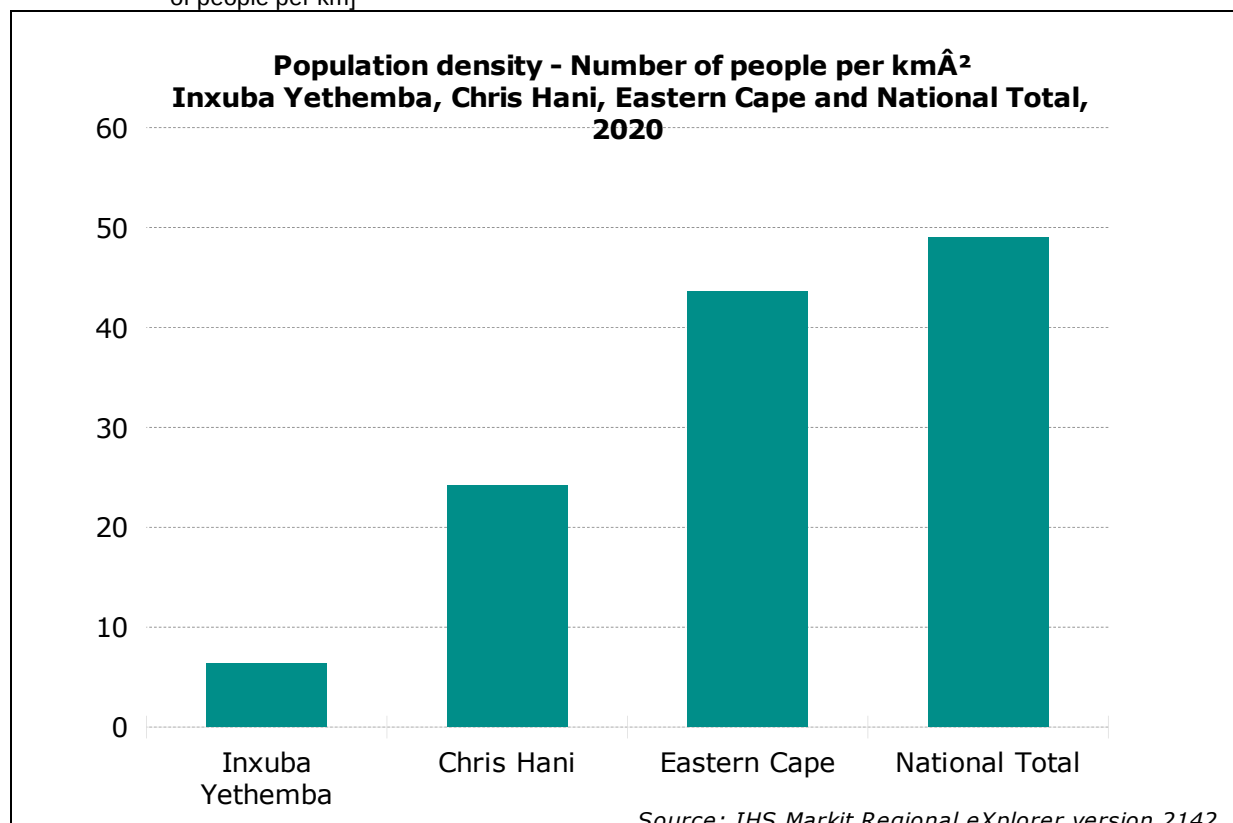


In terms of the poverty gap rate for each of the regions within the Chris Hani District Municipality, Engcobo Local Municipality had the highest poverty gap rate, with a rand value of 32.2%. The lowest poverty gap rate can be observed in the Inxuba Yethemba Local Municipality with a total of 30.6%

2.16. Population Density

Definition: 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 37. Population density - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2020 [number of people per km]



In 2020, with an average of 6.37 people per square kilometre, Inxuba Yethemba Local Municipality had a lower population density than Chris Hani (24.2 people per square kilometre). Compared to Eastern Cape Province (43.6 per square kilometre) there are less people living per square kilometre in Inxuba Yethemba Local Municipality than in Eastern Cape Province.

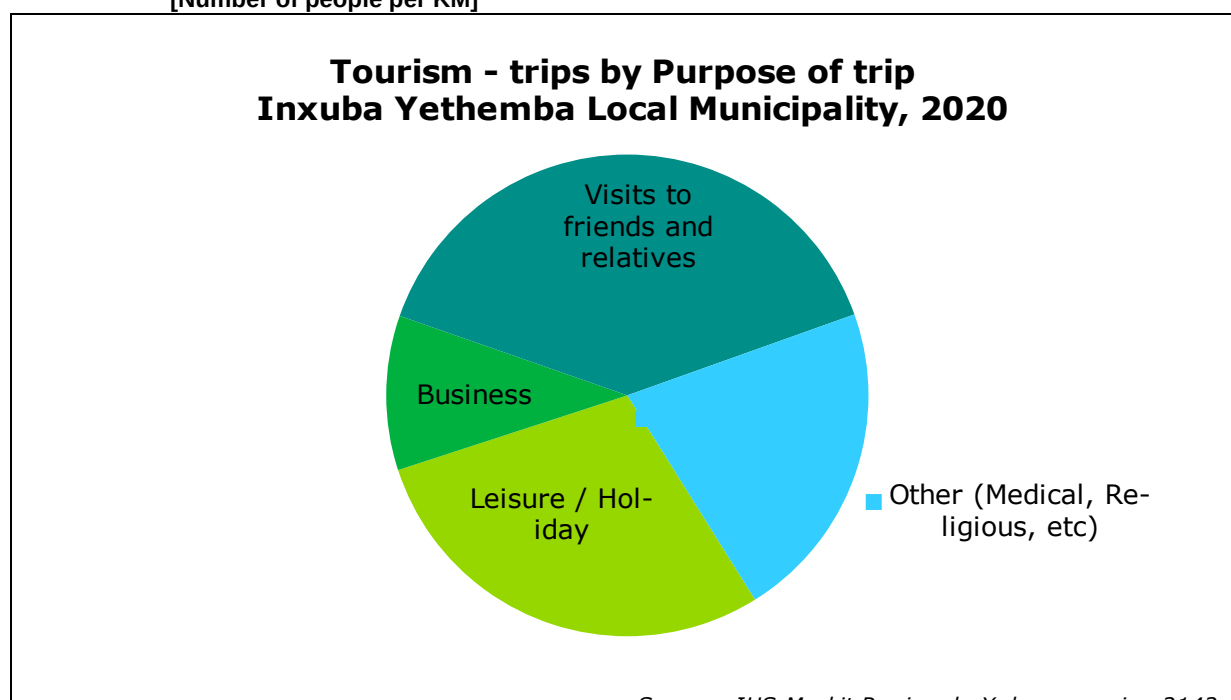
TABLE 31. Population density - Inxuba Yethemba and the rest of Chris Hani, 2010-2020 [number of people per km]

	Inxuba Yethemba	Intsika Yethu	Emalahleni	Engcobo	Sakhisizwe	Enoch Mgijima
2010	5.71	53.42	34.97	63.45	27.36	18.79
2011	5.77	53.36	35.14	63.51	27.42	18.99
2012	5.84	53.28	35.28	63.57	27.48	19.20
2013	5.91	53.31	35.46	63.74	27.60	19.41
2014	5.98	53.43	35.68	64.01	27.75	19.62
2015	6.04	53.63	35.94	64.36	27.93	19.85
2016	6.11	53.87	36.21	64.74	28.12	20.06
2017	6.18	54.18	36.51	65.19	28.33	20.29
2018	6.25	54.54	36.83	65.68	28.55	20.51
2019	6.31	54.91	37.15	66.16	28.77	20.72
2020	6.37	55.28	37.47	66.62	28.98	20.93
Average Annual growth						
2010-2020	1.10%	0.34%	0.69%	0.49%	0.58%	1.08%

Source: IHS Markit Regional eXplorer version 2142

In 2020, Inxuba Yethemba Local Municipality had a population density of 6.37 per square kilometre and it ranked highest amongst its peers. The region with the highest population density per square kilometre was the Engcobo with a total population density of 66.6 per square kilometre per annum. In terms of growth, Inxuba Yethemba Local Municipality had an average annual growth in its population density of 1.10% per square kilometre per annum. It was also the region that had the highest average annual growth rate. The region with the lowest average annual growth rate was the Intsika Yethu with an average annual growth rate of 0.34% people per square kilometre over the period under discussion.

CHART 38. Population Density - Inxuba Yethemba and the rest of Chris Hani District Municipality, 2020 [Number of people per KM]



In terms of the population density for each of the regions within the Chris Hani District Municipality, Engcobo Local Municipality had the highest density, with 66.6 people per square kilometre. The lowest population density can be observed in the Inxuba Yethemba Local Municipality with a total of 6.37 people per square kilometre.

2.17. 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.

2.17.1. Trips by purpose of trips.

Definition: As defined by the United Nations World Tourism Organisation (UN WTO), a trip refers to travel, by a person, from the time they leave their usual residence until they return to that residence. This is usually referred to as a round trip. IHS likes to narrow this definition down to overnight trips only, and only those made by adult visitors (over 18 years). Also note that the number of "person" trips are measured, not household or "party trips".

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 32. Number of trips by purpose of trips - Inxuba Yethemba Local Municipality, 2010-2020 [Number Percentage]

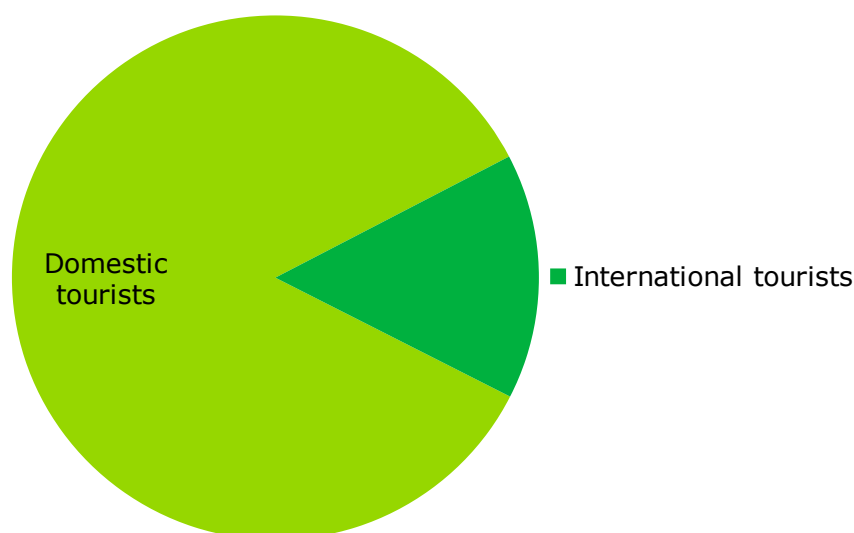
	Leisure / Holiday	Business	Visits to friends and relatives	Other (Medical, Religious, etc)	Total
2010	31,600	11,600	46,400	20,500	110,000
2011	29,600	11,500	42,200	19,700	103,000
2012	26,500	11,600	36,700	18,700	93,500
2013	24,300	11,100	30,000	19,700	85,100
2014	21,600	10,700	29,000	19,100	80,400
2015	19,900	10,400	26,600	18,300	75,200
2016	19,300	10,300	25,100	17,900	72,500
2017	18,500	9,740	24,300	17,000	69,600
2018	18,100	9,160	23,000	15,300	65,600
2019	17,400	8,080	21,300	13,000	59,800
2020	5,820	2,090	7,900	4,350	20,200
Average Annual growth					
2010-2020	-15.57%	-15.73%	-16.22%	-14.36%	-15.61%

Source: IHS Markit Regional eXplorer version 2142

In Inxuba Yethemba Local Municipality, the Other (Medical, Religious, etc), relative to the other tourism, recorded the highest average annual growth rate from 2010 (20 500) to 2020 (4 350) at -14.36%. Visits to friends and relatives recorded the highest number of visits in 2020 at 7 900, with an average annual growth rate of -16.22%. The tourism type that recorded the lowest growth was Visits to friends and relatives tourism with an average annual growth rate of -16.22% from 2010 (46 400) to 2020 (7 900).

CHART 39. Trips by Purpose of trip - Inxuba Yethemba Local Municipality, 2020 [Percentage]

Tourism - tourists by origin Inxuba Yethemba Local Municipality, 2020



Source: IHS Markit Regional eXplorer version 2142

The Visits to friends and relatives at 39.18% have largest share the total tourism within Inxuba Yethemba Local Municipality. Leisure / Holiday tourism had the second highest share at 28.87%, followed by Other (Medical, Religious, etc) tourism at 21.57% and the Business tourism with the smallest share of 10.37% of the total tourism within Inxuba Yethemba Local Municipality.

2.17.2. Origin of Tourists

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

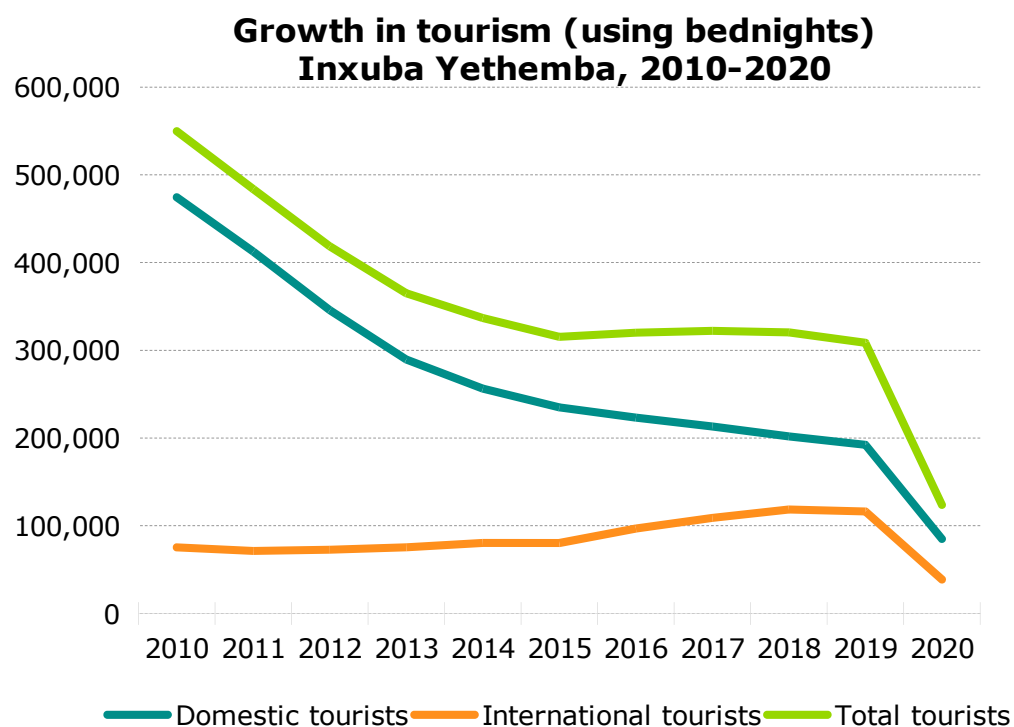
TABLE 33. Total number of trips by origin tourists - Inxuba Yethemba Local Municipality, 2010-2020
[Number]

	Domestic tourists	International tourists	Total tourists
2010	103,000	7,200	110,000
2011	95,900	7,060	103,000
2012	86,000	7,420	93,500
2013	77,500	7,650	85,100
2014	72,600	7,760	80,400
2015	67,900	7,250	75,200
2016	64,300	8,260	72,500
2017	61,000	8,600	69,600
2018	56,500	9,040	65,600
2019	50,800	9,010	59,800
2020	17,100	3,050	20,200
Average Annual growth			
2010-2020	-16.42%	-8.23%	-15.61%

Source: IHS Markit Regional eXplorer version 2142

The number of trips by tourists visiting Inxuba Yethemba Local Municipality from other regions in South Africa has decreased at an average annual rate of -16.42% from 2010 (103 000) to 2020 (17 100). The tourists visiting from other countries decreased at an average annual growth rate of -8.23% (from 7 200 in 2010 to 3 050). International tourists constitute 15.14% of the total number of trips, with domestic tourism representing the balance of 84.86%.

CHART 40. Tourists by origin - Inxuba Yethemba Local Municipality, 2020 [Percentage]



2.17.3. Benights by origin of tourist

Definition: A bed night is the tourism industry measurement of one night away from home on a single person trip.

The following is a summary of the number of bed nights spent by domestic and international tourist within Inxuba Yethemba Local Municipality between 2010 and 2020.

TABLE 34. Bednights by origin of tourist - Inxuba Yethemba Local Municipality, 2010-2020 [Number]

	Domestic tourists	International tourists	Total tourists
2010	474,000	75,300	550,000
2011	412,000	71,300	484,000
2012	346,000	72,700	418,000
2013	290,000	75,400	365,000
2014	256,000	80,500	337,000
2015	235,000	80,400	315,000
2016	223,000	96,800	320,000
2017	213,000	109,000	322,000
2018	202,000	119,000	320,000
2019	192,000	116,000	309,000
2020	85,000	38,800	124,000
Average Annual growth			
2010-2020	-15.80%	-6.43%	-13.85%

Source: IHS Markit Regional eXplorer version 2142

From 2010 to 2020, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -15.80%, while in the same period the international tourists had an average annual decrease of -6.43%. The total number of bed nights spent by tourists decreased at an average annual growth rate of -13.85% from 550 000 in 2010 to 124 000 in 2020.

CHART 41. Growth in tourism (using bednights) by origin - Inxuba Yethemba Local Municipality, 2010-2020 [Number]



2.17.4. Tourism spending

TABLE 35. **Total tourism spending - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2010-2020 [R billions, Current Prices]**

	Inxuba Yethemba	Chris Hani	Eastern Cape	National Total
2010	0.2	0.9	12.7	167.2
2011	0.2	0.9	12.7	174.5
2012	0.3	1.1	15.2	199.4
2013	0.3	1.1	16.4	217.8
2014	0.4	1.3	18.0	240.5
2015	0.3	1.2	17.2	231.4
2016	0.4	1.4	20.0	267.2
2017	0.4	1.4	20.4	277.5
2018	0.4	1.4	19.4	273.2
2019	0.4	1.4	19.8	284.6
2020	0.1	0.4	5.8	84.9
Average Annual growth				
2010-2020	-5.92%	-8.23%	-7.60%	-6.55%

Source: IHS Markit Regional eXplorer version 2142

Inxuba Yethemba Local Municipality had a total tourism spending of R 125 million in 2020 with an average annual growth rate of -5.9% since 2010 (R 230 million). Chris Hani District Municipality had a total tourism spending of R 374 million in 2020 and an average annual growth rate of -8.2% over the period. Total spending in Eastern Cape Province decreased from R 12.7 billion in 2010 to R 5.75 billion in 2020 at an average annual rate of -7.6%.

South Africa as whole had an average annual rate of -6.6% and decreased from R 167 billion in 2010 to R 84.9 billion in 2020.

2.17.5. Tourism Spend per Resident Capita

Another interesting topic to look at is tourism spending 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.

TABLE 36. **Tourism spend per resident capita - Inxuba Yethemba Local Municipality and the rest of Chris Hani, 2010,2015 and 2020 [R Thousands]**

	2010	2015	2020
Inxuba Yethemba	R 3,462	R 4,670	R 1,685
Intsika Yethu	R 480	R 633	R 202
Emalahleni	R 440	R 437	R 129
Engcobo	R 663	R 810	R 204
Sakhisizwe	R 730	R 938	R 287
Enoch Mgijima	R 1,464	R 1,807	R 515

Source: IHS Markit Regional eXplorer version 2142

In 2020, Inxuba Yethemba Local Municipality had a tourism spend per capita of R 1,680 and an average annual growth rate of -6.95%, Inxuba Yethemba Local Municipality ranked highest amongst all the regions within Chris Hani in terms of tourism spend per capita. The local municipality that ranked lowest in terms of tourism spend per capita is Emalahleni with a total of R 129 which reflects an decrease at an average annual rate of -11.55% from 2010.

2.17.6. Tourism Spend as a Share of GDP

Definition: 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 37. **Total spending as % share of GDP - Inxuba Yethemba, Chris Hani, Eastern Cape and National Total, 2010-2020 [Percentage]**

	Inxuba Yethem- ba	Chris Hani	Eastern Cape	National Total
2010	7.9%	5.3%	6.0%	6.1%
2011	7.4%	5.0%	5.6%	5.8%
2012	8.0%	5.3%	6.0%	6.1%
2013	8.0%	5.2%	6.0%	6.2%
2014	8.1%	5.3%	6.1%	6.3%
2015	7.0%	4.5%	5.4%	5.7%
2016	8.0%	5.1%	6.0%	6.1%
2017	7.9%	4.9%	5.7%	6.0%
2018	7.3%	4.5%	5.2%	5.6%
2019	7.5%	4.4%	5.1%	5.6%
2020	2.2%	1.2%	1.5%	1.7%

Source: IHS Markit Regional eXplorer version 2142

In Inxuba Yethemba Local Municipality the tourism spending as a percentage of GDP in 2020 was 2.22%. Tourism spending as a percentage of GDP for 2020 was 1.22% in Chris Hani District Municipality, 1.52% 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 1.71%.

2.18. IMPACT OF COVID-19 ON INXUBA YETHEMBA MUNICIPALITY

Economic Impact

South Africa and the world at large was hit by a pandemic that not only altered how we work but that also changed the economic outlook of the world. The emergence of Covid-19 in December 2019 brought with it a burden that no government was prepared for or that was not anticipated. The Hard lock down that resulted as numbers of infections and deaths rose in South Africa had such negative spin-off that were felt by everyone. Inxuba Yethemba Municipality is a rural Municipality within Chris Hani District and it has very few industries that support its economy, with most of its citizens relying mostly on farming activities which are sea-

sonal, migrant labor system, small and medium enterprises and general retail as sources of employment.

The economy of IYM took a battering as shops and offices closed, and that meant there was no economic activity from March 2020 until a few industries were allowed to open in the later months of the year as we went to Level 3 and/or 2. This means that the citizens were faced with unemployment, poverty and lack of economic activity like the rest of the country, but the devastation this caused in our area is immense since we already have a high rate of unemployment and rely mostly on seasonal/casual work. As the municipality, it is envisaged that our economy will start to normalize once the Covid-19 pandemic is fully controlled and managed.

Both the Primary and Secondary sectors of our economy as the municipality were hard hit during the lockdown levels 5 & 4, and some ease in activities was experienced during lockdown level 3 and below. The complete closure of the Mining and Agricultural sectors in the highest 2 levels meant there was no economic activity, no revenue generation and no direct/indirect economic spin-off for our municipality and citizens. All the major 4 industries that fall within the Primary and Secondary experienced loss of revenue, job losses and some of them had to close shop or declare a loss for the financial year.

Education

All our schools were closed during the lockdown period, and continue to operate at minimum capacity due to the regulations set out by government as per the Disaster Management Act protocols. This drastically affected the delivery of lessons as all children were forced to home school themselves or be helped by their parents. It is a known factor that the literacy rate amongst parents in IYM is low, which means that learners were on their own, more so those who were doing Matric in 2020. As per the national and provincial norm, we also experienced a decline on the quantity and quality of our Matric passes for the past academic year. Despite the challenges, including the deaths of both students, learners and education officials, we continue to strive for an improvement in our Matrix results both from a quantitative and qualitative side.

Service Delivery

There was a noticeable decline in the provision of services to the people due to the lockdown, but also due to Budget re-prioritisation where all government institutions and departments, including municipalities, had to channel available funds to emergency procurement of PPE in the fight against Covid-19. This meant that funds that had been previously earmarked for certain projects had to be channelled to efforts aimed at curbing the rise of

Covid-19. Also, some capital and infrastructure projects that were planned and/or being implemented had to be halted due to the lockdown and due to budgets being redirected. This means that such projects will have to continue beyond their projected periods of completion.

Mortality

We experienced a rapid rise on the cases of deaths related to Covid-19 and this put a strain on many families and on the municipality as it affected the number of active labor force in the area.

CHAPTER 2: SITUATIONAL ANALYSIS PER KEY PERFORMANCE AREA

SITUATIONAL ANALYSIS PER KEY PERFORMANCE AREA

During the development and review of the Integrated Development Plan, the Municipality undertakes a Situational Analysis process which ultimately identifies levels of development, priority issues to be noted and addressed during the process of developing strategic objectives and targets for the institution.

The Key Performance Areas.

The Key Performance Areas (KPA's) are defined in the following table:

Table 6: DEFINITION OF THE National KPA's	
KPA 1: Basic Service Delivery and Infrastructure Development	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Inxuba Yethemba LM.
KPA 2: Local Economic Development	To facilitate sustainable economic empowerment for all communities within Inxuba Yethemba LM and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development.
KPA 3: Municipal Transformation & Organisational Development	To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy to deliver quality services.
KPA 4: Good Governance & Public Participation	To promote proper governance and public participation
KPA 4: Financial Management and Viability	To ensure the financial sustainability of the municipality in order and to adhere to statutory requirements.

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT.

The Service Delivery and Infrastructure Key Performance Area is shared by 2 directorates namely the Technical Services and Community Services. The functional areas within this KPA include:

- Water
- Sanitation
- Electricity
- Roads and Stormwater
- Environmental Management
- Solid Waste
- Traffic and Law Enforcement
- Public Amenities
- Safety and Security

WATER

Inxuba Yethemba Municipality is not a Water Service Authority nor a Water Service Provider as such all matters relating to Water Provision are a function of the Chris Hani District Municipality.

Households by type of water access - Chris Hani District Municipality, 2020 [Number]

	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
Inxuba Yethemba	12,358	7,677	293	32	417	20,777
Intsika Yethu	2,699	4,142	16,847	6,721	11,451	41,860
Emalahleni	2,095	9,634	13,496	4,156	3,747	33,128
Engcobo	3,162	2,567	10,578	4,869	17,554	38,730
Sakhisizwe	2,910	6,086	4,488	1,508	1,681	16,674
Enoch Mgijima	25,325	26,537	14,667	3,786	2,838	73,152
Total Chris Hani	48,549	56,642	60,369	21,072	37,689	224,321

Source: IHS Markit Regional eXplorer version 2201

- Inxuba Yethemba, has about 90% piped water inside dwelling. A fair distribution of piped water in the yard and a few households with no formal piped water.
- Chris Hani and Eastern Cape, have a fairly shared amount of dwellings with piped water inside, in the yards and communal piped water (less than 200m from dwelling) About 25% of the dwellings have not formal piped water.

ELECTRICITY

The municipality distributes electricity to Cradock town, Michausdal and the whole of Middelburg. In Lingelihle township Eskom is the distributor. It also has a responsibility to provide and maintain street lights throughout the municipality. Electricity is purchased in bulk from Eskom and distributed through the municipality's infrastructure and network. The municipality's role is administered as follows:

- Bulk purchase of electricity supply from Eskom

- Distribution of electricity to consumers
- Management of pre-paid electricity to consumers
- Taking measures to prevent theft of electricity
- Maintaining links with government departments and institutions like DME, NERSA etc.
- Implementation of projects on housing electrification
- Maintenance and upgrade of electricity infrastructure and networks
- Public lighting of streets and maintenance of street light fittings and fixtures

Strategic objectives of the function are:

- to ensure that all communities receive adequate and uninterrupted supply of electricity
- ensure adequate street lighting so as to provide safety and security in the communities

Electrification in Inxuba Yethemba

The Municipality has reached the Universal Access, 100% electricity connections **and there are no backlogs.**

The Notified Maximum Demand (NMD) for Middelburg Unit is 6 MVA, the current usage is 5.8 MVA which translates to 0.2 MVA Spare capacity. The above statement shows that there's a limit or inability to provide electricity for future developments in Middelburg. The Municipality is unable to apply for capacity increase from Eskom due to historical debt.

Vandalism and Copper Theft (Cables) is a huge risk to Municipal economy and reliability of electricity supply.

The municipality currently experiences no less than 20.43% Electricity Distribution losses.

Electrification Programmes within IYM

For electricity in the 2020/2021 financial year 150 households were electrified in Lusaka. And in the 2021/2022 financial year = 68 houses and 25 Highmast Lights were installed in Lusaka and Midros.

In addition to the electricity programmes, the Electricity Unit responded to (Fixed) 268 Faulty Electric Meters and 80 Faulty Streetlights.

The Electricity Unit has developed an Electricity By-Law and Electricity Maintenance Plan which covers preventative and condition monitoring maintenance.

In the 2022-2027 the Electricity programmes have been funded successfully:

GRANT DESCRIPTION	ALLOCATION 2022/23	2023/24	2024/25
EEDSM – Energy Efficient Demand Side Management	R4 500 000	R5000 000	R6000 000
INEP	R0	R12 000 000	R12 539 000

Alternative Sources of Renewable Energy

There are projects being implemented by the Municipality, which serve as initiative to bring alternative sources of energy within IYM. The installation of Solar Street Lights.

Energy Efficient Demand Side Management (Streetlight Retrofit Programme)

In addition to this initiative the municipality has secured an Energy Efficient Demand Side Management Grant for the next 3 years starting in the 2022/23 as indicated in the table above where Old Street lights are Retrofited (Replacement of non solar bulbs with solar bulbs) to reduce electricity consumption.



Renewable Wind Farm Energy

Inxuba Yethemba has a privilege of getting EDF Renewables Company to install a 3 Wind Farms within its jurisdiction. The project is called the Koruson 1 Wind Energy Cluster which is located between Noupoot and Middelburg. The completion of the project is envisaged for February 2025.

Roads and Stormwater

Surfaced and Gravel Roads

The Road Network in CHDM in general comprises of National, Provincial and Municipal Roads. Inxuba Yethemba Municipality has been blessed with National Roads i.e N10 (National) and also R61 which runs from Cradock through to Queenstown. Out of the 8253km Road Length within the Chris Hani District Municipality, Inxuba Yethemba Municipality takes a slice of 2150km comprising of Gravel (2111km) and Surfaced (39km). The District Municipality is responsible for maintaining identified roads in IYM area in an agency basis of the Department of Roads and Transport.

Paved Roads

SANRAL covers 1202.06km of the paved roads in the Chris Hani District as compared to the Eastern Cnt of Roads and Public Works (333.06km). The Department of Roads and Public Works has a large 7963km portion paved roads and of this Inxuba Yethemba takes 109.9kms. Inxuba Yethemba has 143.9km

unpaved roads. The District Municipality, they assessed the condition of IYM paved roads according to 3 categories: Rehabilitation (32.3%), Special Maintenance (1.1%) and periodic maintenance (54.2%).

Unpaved Roads

On unpaved roads, Inxuba Yethemba Municipality as per the Unpaved Roads assessment conducted by the District, these were categorised into 3 :

- Regravelling : 89.1%
- Construction : 9.5%
- Reshaping : 9.1%

ROAD STRUCTURES IN IYM

Inxuba Yethemba has 1 Bridge and 2 Major Culverts

In the Division of Revenue Bill 2020 the Municipality was allocated R 16 785 000.00 for (MIG) Capital Infrastructure Projects the 2021/2022 FY. Projects implemented were as follows:

MIG PROJECTS (2021/22 FY)
Project Description
Upgrading of Municipal Commonages
Construction of Lingelihle Community Hall (Ward 2)
Paving of Makwemba Street (Ward)
Paving of Lusaka (Ward)
Paving of Fort Calata Street (Ward)
Reseal of Middelburg Streets – Van Der Walt & Van Reneen (Phase 2)
Reseal of Cradock Streets – Adderly (Phase 2)

INXUBA YETHEMBA MUNICIPALITY

THREE YEAR CAPITAL PLAN (3YCP)

Table 1: Direct Allocations

Grant (Source of Funding)	Project Name	Ward	Total Project Cost	2022/23 Allocation	2023/24 Allocation	2024/25 Allocation
				MTEF		
	IYM Municipal Farm Commonages	All	R 4 000 000	R 2 000 000,00	R 0,00	R 0,00

	Lusaka & Midros High Mast Lights	7&8	R 12 950 000	R 3 000 000,00	R 0,00	R 0,00
	Lingelihle Community Hall	2	R 13 500 000	R 3 000 000	R 0	0
Municipal Infrastructure Grant (MIG)	Paving of Midros Access Road (Rivier Weg)	7&8	R 15 000 000	R 5 500 000	R 7 000 000	R 2 500 000
	Paving of Chris Hani Street & Storm Water Control	2	R 12 000 000	R 4 500 000	R 6 000 000	R 1 500 000
	Paving of Joko Avenue & Storm Water Control	9	R 9 000 000	R 4 500 000	R 4 500 000	R 0
	Paving of Michausdal Internal Roads & Storm Water Control	4	R 12 000 000	R 0	R 4 000 000	R 8 000 000
	Installation of High Mast Lights in Rosmead	7	R 3 700 000	R 0	R 3 700 000	
	Paving of Raymond Mhlaba Street	6	R 9 000 000	R 0	R 2 000 000,00	R 4 000 000,00
	Refurbishment of Cradock Sports Field (DSRAC)	5	R 11 000 000		R 11 000 000,00	R 0,00
	Paving of Nkonjane Street	1	R 12 950 000			R 3 000 000,00
	Paving of Thembeni Street	3	R 9 500 000			R 3 000 000,00
	Paving of Solomon Mahlangu Street (KwaNonzame2 Rooms Section)	8	R 15 000 000			R 4 000 000,00
	Paving of Sikulu Street (Phase 1), Cradock	1;2;3	R 15 500 000			R 7 000 000,00
	Refurbishment of Cradock Town Hall, Phase 2	5	R 9 000 000			
	Paving of Olifants Street & Storm Water Control	6	R 7 800 000			
MIG MTEF Total Allocation			R 180 900 000,00	R 22 500 000,00	R 38 200 000,00	R 33 000 000,00
Energy Efficiency and Demand-Side Management Grant (EEDSMG)						
	Upgrading of Municipal Street Lighting	5&9	R 15 500 000,00	R 4 500 000,00	R 5 000 000,00	R 6 000 000,00
CHDM	Paving Projects - Lusaka & Fort Calata)	6;8	R 0,00	R 0,00	R 0,00	R 0,00
OWN FUNDING	Rehabilitation of Cradock & Middelburg CBD Streets	5	R 8 500 000,00	R 8 500 000,00	R 0,00	R 0,00
EEDSMG; CHDM & OWN FUNDING MTEF Total Allocation			R 24 000 000,00	R 13 000 000,00	R 5 000 000,00	R 6 000 000,00
Total MTEF 3YCP Allocation			R 204 900 000,00	R 35 500 000,00	R 43 200 000,00	R 39 000 000,00

The Roads Systems

The Municipality subscribes to the RURAL ROAD ASSET MANAGEMENT SYSTEMS (RRAMS) and the Primavera-AM-ES Asset Management System. However, the Municipality needs assistance with upgrading the system to ensure full functionality.

The Stormwater Management Plan

The Municipality submitted a request along with other municipalities for assistance with the development of a Storm Water Management Plan in the 2022/2023 financial year to the Municipal Infrastructure Support Agent (MISA). The package was approved for implementation in the 2023/2024. However the approval status changed in May 2023 when a new CEO was appointed.

The Roads and Transport Forum

The Municipality participates in the Roads and Transport Forum, chaired by the Community Services MMC. It convenes on a quarterly basis and reports are submitted for consideration the Technical Service Standing Committee. Other Sector departments include Department of Transport, CHDM Transport Department, Traffic Services and external stakeholders, which include Taxi Associations.

Environmental Management

The Municipality's Environmental Management aspect is guided by the Integrated Waste Management Plan (IWMP). It must be made known that the IWMP is on reviewed stage.. The municipality is currently in the process of developing bylaws they are in draft form to better manage the environment in IYM. All related Environmental Management Activities or educational programmes are entrusted to the Environmental Management and Cleansing sections.

Waste minimisation programmes will be implemented as part of this programme to reduce the waste going to the landfill sites.

CLIMATE AND NATURAL ENVIRONMENT ANALYSIS

Climate

The municipal area stretches over a geographical area of 11594.65 square kilometers comprising of a potentially arable area with a slope ranging from 0° to 12°, with the rest of slope above 12° being mountainous area that is not arable.

The area is characterized by harsh climatic conditions with day temperatures averaging between 20°C and 40°C and night temperatures between - 5°C and 16°C. The average annual rainfall is between 200mm and 300mm with north westerly and westerly winds being more prevalent.

Most of the municipal area is covered with shrub land and low fynbos. The v9 pteld type is typical Ka-roo vegetation which is ideal for stock farming. Inxuba Yethemba falls within the Great Fish River

drainage system and its many tributaries. Cradock receives its water from the Gariep dam through a transfer scheme which is managed by the Department of Water Affairs and Forestry whilst Middelburg on the other hand solely depends on its ground water. The present drought has thus a detrimental effect on water sources in Middelburg.

Inxuba Yethemba experienced extreme flood damage during the 70's and they still pose a potential danger. Veld fires are most common causing a threat to the agricultural sector. Drought is another major risk in the agricultural sector, which is important for the economy of the area.

Climate Change

For the last 50 years or so, rumblings about Global Warming have become louder and more urgent; as a result the past decade has seen a more concerted effort in researching the effects of Global Warming and the signs that have been associated with an increase in the earth's temperature and melting of the ice caps. Some researchers maintain that Global Warming has been with us since the end of the last Ice Age, some 18,000 – 21,000 years ago. The increase in sea levels apparently peaked about 6,000 years ago, but has continued their gradual rise, albeit at a much slower pace; research puts the sea-level rise at about 120 metres since the end of the Ice Age. Atolls and small islands are already beginning to disappear, and according to reports, oceans are becoming warmer, killing off some sensitive species of marine life.

The El Nino Phenomenon is affecting South Africa with floods. Although IYM has not yet been hit with floods, such as the floods in Johannesburg and Durban which caused devastation, it may be just a matter of time before its occurrence.

Waste management

Waste Management Includes:

- refuse removal
- solid waste disposal
- management of landfill site
- street cleaning
- waste recycling

The refuse collection functions of the municipality are administered as follows and include:

- The removal of household and business refuse industrial waste, street sweeping of the central business zone and peripheries. This also includes the management of solid waste disposal side.
- Removal of refuse from households and business premises is done once a week throughout the municipality. Each household is supplied with a refuse bag on a weekly basis

The Municipality of Inxuba Yethemba as mandated by the Constitution of South Africa has to reduce recycle, minimize and remove refuse in each household. This function is to ensure that all inhabitants of Inxuba Yethemba Municipality are living in a safe and healthy environment. The role of the Municipality is to provide machinery, equipment, human resource and allocate a budget in each financial year to render this service effectively. The National Waste Management strategy encourages that municipalities involve all stakeholders that are within their communities to form an integrated waste management forum. The Waste Management function is led by the Environmental Management Officer who ensures all relevant activities are undertaken.

Waste Management ByLaw

The Municipal Council Approved Waste Management Bylaw on 31 May 2023. The next step is to submit it for Gazetting in the relevant departments (COGTA).

The Waste Management Forum

The Municipality will still establish Waste Management Forum in the new financial year, led by the Community Services MMC

Waste Management Programmes

Inxuba Yethemba, through Funding provided by the Department of Environment, Forestry and Fisheries has benefited and implemented the Good Green Deeds and Youth Community Outreach Programme. the Municipality also conducts Cleaning Campaigns in all 9 Wards.

Greening and Land Care Programmes

The programme is the initiative of the District Municipality. A research and a management programme for Satanbos within IYM was conducted through the Greening and Environmental Rehabilitation Programme.

Awareness Campaigns

The municipal conducts awareness campaigns not less than twice a year

The Environmental Impact Assessment (EIA) Process

A capital project that will require an Environmental Impact Assessment Process is the Construction of a new **Waste Disposal Site** in Cradock and the Municipality is in consultation with DEDEAT on the application of the Approval of the proposed site.

Also the construction of the **Middelburg Intergrated Traffic Center (ITCC)** by the Eastern Cape Department of Transport (EC – DoT) which intergrates the Traffic Police, SAPS and Emergency Services.

Landfill sites

Waste in IYM is disposed at two municipal landfill sites, one at Cradock and the other one at Middelburg. The Cradock municipal landfill site is licensed for closure but is currently operational until a new suitable site is developed for a new landfill. The Middelburg landfill site is licensed for operation in terms of NEMWA and is being used for disposal of general domestic and commercial waste. Both of the municipal disposal sites are experiencing operational problems, but mainly as a result of a severe equipment and personnel shortages. None of the sites have their waste covered on a daily basis and the fencing and access controls are not in place. Windblown litter, vectors, dust and odours are common concerns in both sites.

The Municipality has appointed a service provider to manage both landfill sites until they comply with NEMWA.

Illegal dumping

Machinery is hired on a quarterly basis to remove the hips of the illegal dumped waste. Awareness campaigns are also conducted to educate community members on the health risks of illegal dumping.

Traffic and Law Enforcement

Traffic Services is a shared responsibility between the Municipality and the Department of Transport. The Municipal Traffic Service is responsible for the following:

- Registration and Licensing of motor vehicles
- Renewal of Driver's Licenses
- Issuing of Learner Licenses
- Issuing of Traffic Fines

The municipality has resolved to improve law enforcement, and this will be achieved through the establishment of a bylaw enforcement unit and the installation of speed cameras in the municipality and the procurement of traffic management system. The vehicle testing machines in both units are not in working condition and this leads to revenue losses, thus a need to renovate the two machines. Pound facilities are compliant with the Animal Act and are in need of renovations. All the above services will increase the revenue for the institution.

Fire services

An emergency service centre is established in our Fire Services Unit within the Community Service Department to ensure that our citizens are serviced in a satisfactory manner. There is a need for a proper fire station for the municipality in both Cradock and Middelburg to ensure that the service rendered is of an acceptable standard.

Public Amenities

IYM has various public amenities in both Cradock and Middelburg. The municipality manages halls, libraries, sportsfields, parks, cemeteries .

The Table listed below provides more information on Public Amenities and their status quo:

Facility Type	Location	No	Status
Sports Fields	IYM in all urban areas	6	Vandalized and needs security
Parks	IYM in all urban areas	4	Vandalized and needs maintenance
Halls	Cradock (5), Middelburg (4)	9	Per Ward: 2- Functional but vandalised 3-Vandalised needs renovations 4-Vandalised needs renovations 5-Functional but roof needs

			to be renovated 6-Functional 7- Functional 8-Functional 9-Functional
Cemeteries	IYM in all urban areas	8	Vandalized and needs fencing and renovations. The Central cemetery in Cra-dock is almost full to capacity and needs reconstruction to access the burial site.
Libraries	IYM in all urban areas	6	Vandalized and needs security
Public Toilets	CBD	3	Vandalized and needs security
Animal Pounds	IYM	2	Needs renovations

There are challenges with the maintenance of other facilities whilst others are prone to vandalism which is a major setback in ensuring that our communities have access to well-maintained facilities. Communities need to own and protect facilities that have been built for them to ensure that the municipality continues to grow. We are further planning to upgrade some of our sport facilities to increase their capacity and to this extent we will be sourcing funding from other funding sources.

Part of the budget that has been set aside for the maintenance will go into the maintenance of our sport facilities.

SAFETY AND SECURITY

Community Safety: Inxuba Yethemba has a number of in its jurisdiction. All the mentioned Police Stations have their own Community Policing Forums.

Community Safety Forums

is to be established and Community Safety plan will be developed so as to have programmes that are relevant per areas of safety within IYM.

The Disaster Management Plan

The Municipal Systems Act states that the Integrated Development Plans of local authorities should contain Disaster Management Plans.

The Municipality has developed and approved its Disaster Management Plan which addresses all forms of disasters. The Plan was approved in the Council convened on 31 May 2023 after it had undergone a public participation or stakeholder engagement process.

The Municipal Procurement Policy makes provision for Emergency Expenditure during a Disaster.

Social Infrastructure needs

No.	Development Needs	Location

1.1	Sports Facilities Upgrade	Kwanonzame, Midros Lingelihle, Lusaka, Michausdal
1.2	Cemetery fencing, construction of guard houses and maintenance	Cradock, Lingelihle, Michausdal, Middelburg, Kwanonzame
1.3	Health Care Centres (mobile)	Inxuba Yethemba Municipality
1.5	Disaster Management Centre and Equipment	Inxuba Yethemba Municipality
1.6	Landfill sites	Inxuba Yethemba Municipality
1.7	New sport facilities	Inxuba Yethemba Municipality
1.8	Educational Facilities (Pre-schools)	Lusaka, Rosmead, Schoombee, Lingelihle
1.9	Recycling facilities	Cradock
1.10	Garden Waste Transferstation	Cradock & Middelburg

BASIC SERVICES AND INFRASTRUCTURE CHALLENGES:

Roads: An urgent need exists to upgrade access and collector roads, more particular in the newly established areas. Proper storm water channels are non-existent in the previously disadvantaged communities. The condition of the roads throughout the municipality is a serious cause of concern as this affects access to the communities of essential emergency services such as ambulance services and even the police cannot reach some of these areas. As the result of poor maintenance over the years due to cash flow problems, even those roads thought to be in a fair state are fast deteriorating. The condition of our plant vehicle and equipment further exacerbate the situation.

The roads infrastructure needs attention. The Municipality is trying as much as possible to address the issue with the little budget they get.

Electricity As is the case with water infrastructure, the electrical infrastructure requires serious and urgent attention as the municipality is currently unable to meet the increasing current demands. Middelburg unit is currently experiencing serious power supply shortcomings due to limited capacity levels. This is happening at a time when the area is experiencing an influx of people wanting to invest and local developers wanting to develop the area and the oncoming huge Sugar Beet Project. The street light fixing has become a serious challenge due to fittings, which are expensive and in short supply in stores.

Environmental Management (Illegal) dumping sites are increasing at a very high and alarming rate. The municipality also needs to invest in machinery or appropriate equipment to assist in the execution of this function.

KPA 2: LOCAL ECONOMIC DEVELOPMENT

The Local Economic Development Function is entrusted to the Integrated Planning and Economic Development (IPED) Directorate.

The KPA has the following functional areas:

- Small Enterprise Development
- Investment Promotion and Marketing
- Tourism, Heritage and Hospitality
- Agriculture

- Human Settlement
- Spatial Planning and Land Use Management

Economic Infrastructure

The municipality has the following notable economic infrastructure to promote economic activity:

- Roads** (the N10 traverses IYM to link with the primary economy of Port Elizabeth, while also flowing from the province to the Free State and Northern Cape.
- Windmills**
- Commonages**
- Cradock Four Garden of Remembrance**
- Cradock Four Gallery**
- Cradock Spa**
- Mountain Zebra National Park**
- Egg Rock**
- Custom FeedLot**
- Grootfontein Agricultural College**
- Steve Biko legacy in Middelburg**
- Vusubuntu Cultural Village**

Adoption of the LED Strategy

The municipality approved comprehensive LED Strategy back to 2009. The Municipality recently reviewed and adopted its Local Economic Development Strategy in 2023. The strategy implementation plan identifies focus areas set improve and strengthen Local Economic Development in the next 5 years (2022-2027). There are clearly articulated objectives and strategic priorities with indicators, targets and milestones, which are linked to the current status quo.

Strategic Alignment of the LED Strategy

This Strategy is fully aligned to the Inxuba Yethemba LM's 2017-2022 IDP. It also considers several **regional, national, provincial economic legislative and policy imperatives** that are critical in ensuring higher levels of policy and programmatic integration and alignment. This Strategy is informed by:

- District Development Model.
- Eastern Cape's Vision 2030.
- Inxuba Yethemba LM's 2017-2022 IDP.
- National Development Plan.
- The National Framework for Local Economic Development.
- The White Paper on Local Government.

Sector Comparative and Competitive Advantages of IYM

Comparative Advantages	Competitive Advantages
• Commercial Farming • Quarry • Red Hubs • Agro-processing • Wool production • Great Fish River	• N10 Access Route • Railway Station • Milk Farms • Wild Life • Game Farming • Tourist Attractions

Stakeholder and Community Participation Platforms

There is a number of LED Platforms that the municipality participates in and are fully functional to support Local Economic Development. These include the Chris Hani District LED Forum which local municipalities are part of, Chris Hani Heritage Forum which is two fold, there is a political forum and Technical Forum, SMME Forum, Farmers Association, Community Work Programme (Provincial Meetings), Local Tourism Organisation (LTO) which serves as a platform for tourism marketing at local level and ultimately feeds to CHARTO at district level and also the Business Forum.

Community Works Programme and Expanded Public Works Programme

The data on socio-economic analysis is informed by reliable and credible data from Census 2011 and HIS Global Insight 2016.

Some major strategy proposals have already been implemented while others are still in the implementation phases. The Vusubuntu Cultural village is a case in point, so are the Garden of remembrance, Egg Rock (which is part of diversification of tourist sites), etc. In some respects, the strategy is no longer appropriate to the existing economy because even some elements of the situational analysis have changed fundamentally.

The municipality needs to do more to inject a meaningful capital budget to implement its LED strategy. The institutional arrangements are quite adequate compared to other municipalities of similar size.

The IPED unit needs to be beefed up with an official who will focus on industrial/commercial development and investment. Institutional capacity to implement IPED programmes need to be established. There is also a great need for networking with other institutions and forging partnerships to be able to offer support to emerging farmers and SMME's. The potential of tourism benefits is not fully explored as it remains the domain of previously advantaged communities.

Part of the IYM LED strategy is a well-developed business incentive scheme which was adopted by council but never implemented due to challenges with revenue collection. The scheme contains a number of proposals for business attraction and retention like lower electricity rates, water rates, etc. It remains for the municipality to reconsider the implementation of the scheme if the revenue situation has improved.

As per the IYM LED Strategy the objectives of the Municipality are:

- local economic development of agricultural sector
- effective land management
- support the establishment of SMMEs
- centralise the operations of informal traders in IYM
- develop the iym owned tourism sites into major tourist attractions provincially and nationally
- effective land management

The IYM's Local Economic Development programme focuses on the following areas:

1 **Agriculture**

The following key characteristics of the commercial agricultural sector in IYM have been identified:

- There are approximate 100 to 130 farmers in the Middelburg area and about 350 to 400 farmers in the Cradock area;
- There are two distinct types of farming in the IYM area:

Intensive Irrigation Farms	Dryland farming
• Mostly next to Great Fish River (32,500 ha), on smaller scale at the Tarka River (700ha) with farmers having a supply of water • Produce include: • Maize, lucern, wheat, oats, vegetables • Livestock: Dairy farming and pig • Farm size: • Average: 40ha-60ha, but 100ha / farmer for financial sustainability • Max 200ha • Cost: R25,000 – R30,000 / ha (2008) • Location: next to Great Fish and Tarka Rivers	• Produce: • Livestock: beef, sheep (Merino & Dorper), goats • Ostrich • Game • Average Farm Size: 3,500ha to 4,000ha • Location: everywhere else

- There is one farmers association in the Middelburg area, and one main association in Cradock (AgriCradock) with 8 sub-regional associations underneath it.
- Local farmers assisted in establishing farming enterprises and shearing sheds in former homeland areas over past decade.
- Area is world renowned for the quality of its wool, with 95% of wool produced in area exported to northern markets.
- There has been a slight decrease in demand for hunting from overseas visitors.

- Emerging farmers in IYM:
 - There are only a about handful of emerging farmers in IYM: 2 groups in Middelburg area and about 12 groups in the Cradock area
 - Emerging farmers mostly farm in groups on the same piece of land
 - Most farm on commonages rented from the local municipality, which is only 1,200 ha in the case of Cradock
 - Produce is mostly wool and meat, with the livestock including cattle, sheep and pigs;
 - Approach government without success to install adequate infrastructure such as dipping tanks and other farming equipment.
 - Short skills development courses offered at Grootfontein Agricultural College, but language and institutional culture limit emerging farmer participation at Marlow Agricultural High School

Specific technical farming skills training required

Not enough support from Dept of Agriculture, especially to acquire mentorship support, with emerging farmers having to pay commercial farmers – an additional cost to emerging farmers.

Manufacturing

Local stakeholders described the manufacturing sector in IYM to include the following:

- There is only small scale manufacturing focussing on the local market taking place in Cradock. These include supermarket bakeries, small scale furniture manufacturers, mechanics and vehicle repair shops, and a few niche product producers.
- There are a few notable manufacturers in Middelburg producing products for the national and export markets, including:
 - GDE Leather which employs 16 permanent staff producing leather products such as saddles, hats, belts, etc
 - Rolfe Laboratories, which employs about 300 persons producing shoe polish, sprays and deodorants to name a few;
- There are also small scale manufacturers in Middelburg producing products for the local market including, cheese and craft manufacturers.
- Production that has closed down in Middelburg in the past include:
 - Coke bottling plant, which moved to Bloemfontein
 - Lucern Tech which produced chemical products for the agricultural sectors
- Stakeholders have identified the following strengths, weaknesses, opportunities and threats for the manufacturing sector in IYM.

Strengths	Weaknesses
• Well educated workforce; • Plenty of flat land available for industrial development near urban locations • Located on main transport corridor between	• Lack of water in Middelburg hampering further industrial development • Poor electricity infrastructure in Cradock hampering industrial development;

Strengths	Weaknesses
Gauteng and Port Elizabeth provides easy access to national and international markets • Very good and reputable education institutions • Access to primary raw material from agricultural sector, such as milk, wool, leather • Some local firms integrated into national and international economy provide the area with specialist skills	• Not enough serviced industrial land in Cradock; • Municipality focus mostly on Cradock and feeling of neglect to Middelburg • Cradock not part of national development strategies • Lack of access for local firms to national incentives/grants for economic development • No local big business to assist in SMME development through procurement policies • Many local firms source supplies from outside • Local labour force is over politicized and lack advanced skills for new enterprises.

Opportunities	Threats
• Agro-processing in Cradock e.g. • Dairy producing • Small leather tannery / hides depot • Sugarbeet ethanol production • Revitalise Lucern Tech in Middelburg • Coega IDZ presents opportunities to Cradock including linkage in big business supply chain • Making some municipal land available for manufacturing • Toilet roll manufacturing	• High dependency in Middelburg on Rolfe Laboratories pose serious risk to Middelburg economy • Relative high income leakage from Middelburg • High level of competition for local market reduce profitability of local enterprises

Construction

The following characteristics of the construction industry in Cradock were identified by local stakeholders:

- There are two medium size contractors in Cradock. They have approximately 200-250 permanent local employees and between 600 and 700 on a temporary basis if there is a local construction project. There are a handful of smaller builders in the Cradock area that benefits from a rotation schedule by provincial departments and local municipality. However, this also means they are occasionally unemployed.
- Most residents focus on maintenance and repair of their properties due to the current economic situation and property market prospects;
- Most construction activity in Middelburg area occurs on farms with construction of new sheds and buildings

Characteristics of the property market in IYM:

- There has a shortage of new middle income residential properties in Cradock due mostly to the lack of bulk infrastructure (electricity, water and sanitation).
- Nearly all housing development over the past 10 years has been in the underdeveloped townships, i.e. Lingelihle, Michausdal and KwaNonzame
- Some property developments in Middelburg has been halted due to the shortage of water
- The demand for residential property in Cradock from non-locals has disappeared mostly due to the national economic situation in SA.
- The demand for commercial property in Cradock has increased, but is limited by the supply of property onto the local market.
- There is urgent need for more industrial property as nearly all property zone for industrial use in Cradock is used
- Existing owners of property in Cradock are reluctant to sell property
- There is increased demand for property in Middelburg from Gauteng wishing to relocate to country side

Strengths • Well established contracting skills based • Many emerging contractors • Local contractors support local suppliers where possible such as fence manufacturing and general indoor bricks	Weakness • Limited local opportunity for local contractors • Limited preferential procurement benefit for locally based contractors • Profit margins of local hardware suppliers too high for large contractors • Poor quality of locally produced bricks • Limited demand for local construction projects • Expansion of low income housing has negatively affected maintenance and capacity of water and electricity grids • Water and electricity constraints limit future housing developments
Opportunities • Higher density housing in open spaces close to Cradock town • Zoning and development of serviced industrial land • Opportunities for retirement housing in Mid-delburg	Threats • High level of competitions amongst local contractors • Water and electricity infrastructure strained due to extension of the grid

2.4.5 Retail and Wholesale Trade

The following comments have been made by local stakeholders with regards to the retail and trade sector:

- The trade sector is relatively large in Cradock but small in Middelburg with many Cradock businesses also servicing Middelburg residents
- There are a wide variety of retailers, including Spar and Shoprite that focuses on the middle to high income market, as well as a few independent supermarkets focussing on the low income market
- Low income clients are mostly dependent on government grants for their income
- About 80% of employment in the retail trade sector is semi- and unskilled persons
- The retail sector SETA is slow in responding to training enquiries from local employers;
- There are three vehicle dealers in Cradock, i.e.
 - JW Auto (Ford and Mazda, Ssangyong)
 - CAT DELTA Motors (Isuzu, GM & Opel), and
 - Status Toyota Motors (Toyota and Hino)

Strengths	Weaknesses
• Well established industry • Large unskilled labour force • Local cooperatives supply farmers with most of their requirements	• There is limited local manufacturing to source fresh produce from • Limited size of local market • High level of unemployment lead to opportunity crime with retailers especially prone to this
Opportunities	Threats
• Greater opportunity for local food processing	• Exploitation of low income earners by financial institutions • Leakage of income out of IYM

Transport

Key Features

- Transport industry has relative small contribution to local GGP
- Contribution to employment is also relatively low
- Growth in transport sector GVA has been positive, but low

The following characterises the Transport Sector in IYM:

- It is the main transport route between Gauteng and Port Elizabeth and thus has many commercial and leisure travellers passing through;
- However not many trucking companies are based in IYM, the trucks are long distance trucks coming to and from Gauteng and the Eastern Cape.
- Trucking in IYM:
 - There is an average of 20-30 trucks per night in Middelburg
 - There is an average 25 to 35 trucks per night in Cradock, with as many on the side of the road into and out of Cradock
 - The growth in the national transport industry has lead to increased demand for transport related services
 - Development of Coega IDZ likely to increase traffic between Gauteng and Port Elizabeth
- Fuel filling stations:
 - There are 2 petrol filling stations in Middelburg, down from 4 stations 10 years ago;
 - There are 7 petrol filling stations in Cradock
 - There is one dedicated truck stops in IYM, located in Middelburg
 - High and sharp increase in fuel costs has had a negative impact on whole transport sector, with profits margins declining due to lower sales volumes
 - Fuel station owners finding additional revenue sources such as workshop, convenience store, car rental, take aways, to name but a few
- Courier services:
 - Number of parcel couriers with representatives in Cradock has increased by 4 in the past 2 years to 6

High level of competition

Strengths	Weaknesses
• Main transport route between Gauteng and Port Elizabeth • Well established transport services sector	• Lack of established truck stops in IYM blocks transit routes at night • Enforcement of local traffic by-laws with regards to heavy vehicles

Strengths	Weaknesses
	• Ageing and poor road condition • Too much traffic just pass through IYM without stopping • Not effective utilisation of rail network
Opportunities	Threats
• Petro-port in Middelburg and/or Cradock • Truck stop in Middelburg and/or Cradock • Development of Coega IDZ likely to lead to increased road transport between Gauteng and PE	• New filling stations will threaten existing stations sustainability • High level of competition between local courier services

Finance and Business Services

The following characteristics of the Finance and Business Services sector have been identified by local stakeholders:

- There are 4 commercial retail banks in both Cradock and Middelburg Units: ABSA, FNB, Standard Bank, Capitec Bank.
- There are many micro-lenders situated in IYM, including Louhen Financial services etc.
- There are two main auditing firms located in IYM:
 - Theron du Plessis, head office in Middelburg and branch in Cradock trading as PSG;
 - Gerber Botha Gowar Auditors in Cradock

The following brokers in Cradock provide long term and short term insurance:

Long Term insurance	Short Term Insurance
• OVK • SANLAM • Karoo Brokers	• OVK • Karoo Brokers • SANLAM • ABSA • FNB • PSG • Gerber Botha Gowar • Old Mutual

Strengths	Weaknesses
• Well established local financial and business services • Steady, slow growing market encourages local firms to diversify revenue sources • Growing income based encourage financial institutions to expand local operations, e.g. FNB new branch	• Limited market size with growing local competition for insurance brokers limits the profitability of firms
Opportunities	Threats
• Expansion of financial services into the township	• Growing competition threaten established businesses • Changes in legislation placing additional indirect costs on small, independent brokerages

Tourism

The following is extracted from the IYM Responsible Tourism Sector Plan (2008) which will be reviewed in 2016 (this process was started as planned). The supply of tourism products and services in IYM are nature-based and heritage tourism products. IYM has wildlife, scenic beauty, warm hospitality, business opportunities, culture, heritage and history, but it needs to be further developed.

Tourist attractions can be divided into four main elements:

- Natural Attractions
- Built Attractions
- Cultural Attractions
- Social Attractions

The tourist attractions in the IYM have been analysed in the Tourism Strategy according to these categories. The IYM has a reasonable selection of accommodation available to the visitor, both in Mid-delburg and Cradock. These include country hotels, town-based guest houses and B&Bs, guest farms (farm stays), guest cottages, game farms, lodges and camping / caravan sites. In each type, there is a reasonable selection of different establishments.

HERITAGE

Cradock Heritage Features

<u>NAME</u>	<u>DESCRIPTION</u>
<u>Dutch Reformed Mother Church</u>	A national monument and designed to look like London's St Martin's-in-the-field. The Mother Church was used for the christening of Statesman Paul Kruger in 1826 and its roof was used as a look-out point for British soldiers during the Anglo-Boer war. Currently maintained and used as a Church.
<u>Old Municipal Building</u>	Old building
<u>Horse Trough</u>	Old drinking trough for horses
<u>Olive Shreiner House Museum</u>	Devoted to the authoress's life and works. Olive was said to write the novel 'The Story of an African Farm' whilst working as a governess on farms in the district and much of her early life was spent in the town. Currently maintained and used as a museum. Hall used for small meetings.
<u>Die Tuishuis</u>	An excellent example of typical Karoo architecture.
<u>The Great Fish River Museum</u>	The Great Fish River Museum - housed in the converted second Dutch Reformed church - conveys what it was like to live as a settler after 1806, during the second British occupation of the Cape. Used as museum. Reflects the history between 1840-1900.

<u>Calata House</u>	Residence of Reverend James Calata (1895-1983), who was politically active for more than forty years under conditions of harsh repression, yet he remained strong to the last.
<u>Cradock Four Grave – Garden Of Remembrance</u>	Graves of Fort Daniel Calata; Matthew Timothy Goniwe; Sicelo Mhlauli and Sparro Thomas Mkonto, members of the Cradock Resident's Association (CRADORA) that was founded in August 1983 to fight rent increases in Lingelihle Township.
<u>Monument to Fallen Heroes</u>	Memorial to the 'Cradock Four' and the four sons of Cradock (JJ Goniwe, Gandhi Hlekani, LT Melani and BS Ngalo) who left the country in 1960 to Umkhonto Wesizwe and perished with the Luthuli Brigade in the Wankie Campaign of 1968.
<u>Skweyiya Church</u>	Named in honour of Alfred Sithethi Skweyiya (known as 'Oom Gili'), one of the unsung heroes of the Cradock struggle.
<u>Flame of Hope</u>	Memorial to Liberation Heroes
<u>Mountain Zebra National Park</u>	Has 28 000ha sanctuary of Cape Mountain Zebra, Eland, Springbok, Kudu, Black Waterbuck and Blesbok. Doornhoek Farmstead dates back to 1836.
<u>Egg Rock</u>	Egg Rock (near Cradock) stands 10 meters tall and weighs about 488 tons. This large piece of Dolerite rock is egg shaped and has a piece missing out the back where lightning apparently struck it in 1937.
<u>Cradock Mineral Spa</u>	Healing mineral waters containing equal concentrations of chlorides, sulphates and bicarbonates.
<u>Fish River</u>	Every October, the famous Fish River Canoe Marathon attracts large crowds to watch the best canoeists in South Africa.
<u>Ilex Oak Trees</u>	Ilex Oak Trees, particularly on Dundas Street, have been declared a national monument.

Areas requiring focus

Attraction and retention of major events

- Renovations of Cradock SPA
- Source funding for Middelburg Tourism Hub
- Revise Tourism Sector Plan
- Review LED Strategy
- Development of SMME Development Strategy

- Develop and promote SMME's
- Land Audit has been completed in 2017
- Maintenance of Agricultural commonages
- Support to emerging farmers and all agricultural related projects
- Assist in establishment of an Agricultural Primary co-operations
- Support Sugar Beet initiative
- Develop a local brand for agricultural products
- Facilitate establishment of emerging construction companies
- Provide support to business forums

There are various programmes that the municipality is embarking upon to improve the status quo. Amongst these are:

1. Cradock Spa redevelopment
2. Upgrading of tombstone and wall of remembrance in Middelburg

The unemployment rate of Inxuba Yethemba is 16.7 % and the municipality has several projects planned to assist in the scaling down this percentage. These include amongst others:

1. Holding an Economic and Jobs Summit before end of December 2018;
2. Enterprise Development and Support;
3. Paving bricks plant project;
 - Contractor and co-operatives support;
 - New business ventures in partnerships with SEDA, ECDC, CHDM, CHDA;
 - Learnership programmes with Seta's (CETA & Services SETA);
 - Projects/business assistance Project;
 - Ensuring that our emerging contractors are developed and supported so that their production capacity and grading is enhanced. In this regard we will ensure that through the infrastructure projects that are happening in our jurisdiction we enforce the 30% sub-contracting. More so we will rotate the use of these contractors and all other SMME. My expectation is that Management must develop and introduce the roaster system to ensure that this rotation is realised. More so in the SDBIP of all Directors commitment must be reflected in the empowerment of our SMMEs.

In this regard lets appreciate the commitment by our District by allocating R 5 000 000. 00 for the entire District for SMME support and development and therefore we need to justify our case for this allocation. IPED must accordingly ensure that are ready to access this funding with immediate effect.

MUNICIPAL STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS ANALYSIS

STRENGTHS

- Fish River
- Accessible from Port Elizabeth, Grahamstown, and East London: captive markets for domestic and

foreign tourists.

- Agricultural Tourism Route
- Available land parcels for development
- Business Forum onboard on economic development opportunities
- Complimentarity of the products between the areas: Cradock, Middelburg
- Convenient stop-over between inland towns and coastal towns (Port Elizabeth & Garden Route).
- Cooperation with SEDA
- Cooperation with SMME Unit at CHDM
- Cradock Four Gallery/Garden of Remembrance
- Windmills
- Cradock Spa
- Custom feedlot
- Die Tuishuise
- SDF aligned SPLUMA
- Egg Rock
- Established outlets for agriculture equipment and implements (John Deere, Massey Ferguson, etc)
- Established vehicle retail outlets
- Farmstays - agritourism
- Fish River Canoe Marathon - an international event
- Fossil & rock art
- Freedom Challenge race (mountain bike race from Pietermaritzburg to Cape Town)
- Game farms
- Great Fish River
- Grootfontein Agricultural College
- Home of Mohair goats
- Identified & confirmed Heritage Routes
- Integrated Land Use Management Scheme
- Link to the Karoo Heartland Route
- Mountain Zebra National Park & planned expansion to the Great Karoo National Park
- Niphou birds
- Olive Schreiner legacy
- Orange Fish River Tunnel
- Position on the N9 and N10 – access to travelers between inland areas and the coast
- Predominantly dairy farmers, exporting milk to PE & Uitenhage
- R56 Route – Middelburg, Steynsburg and Maclear
- Railway Station
- Richmond Road Route – shortest distance from Cape Town to Durban
- Soil suitable for milk production (Cradock & Middelburg)
- Steve Biko legacy in Middelburg
- Strong retail sector characterized by franchise store (Spar, Shoprite, Powersave etc)
- Tourism Sector Plan
- Vusubuntu Cultural Village
- Wildlife and game

WEAKENESSES

- Access to entrepreneurship funding
- access to markets for emerging farmers
- Branding and animal identification
- Building rubble being dumped in Fish River in Cradock
- Control of waste from commercial premises
- Cradock Spa
- Difficult to market, since there is no critical mass of attractions
- Existence of racial barriers between black and white farmers
- GIS capabilities
- Hawkers' infrastructure
- Heavy vehicle parking in the town
- High dependency on tenders
- Inadequate funding of the LED Unit
- Inconsistent supply and poor quality of water
- Information offices are not benefiting from synergies with regional/provincial/national tourism organisations
- Lack of bulk infrastructure services
- Lack of business development services
- Lack of cohesion in the tourism product
- Lack of cooperation between farmers
- Lack of coordinated support from government departments
- Lack of entrepreneurial skills
- Lack of proper breeding mechanisms
- Lack of public facilities (ablutions) in town
- Lack of telecommunication infrastructure (wi-fi)
- Lack of veterinary support (meat inspectors and veterinary services)
- Livestock theft
- Low cooperative marketing and promotion of the area
- Middelburg water shortage
- No land use management scheme for Cradock
- No linkage to Surveyor General
- No veld management
- Overgrazing
- Poor road infrastructure
- Regular electricity outages for long periods
- River is not used as an attraction
- Rural and township businesses leased to and run by foreign nationals
- Shared trading spaces
- Taxi rank with trading facilities

OPPORTUNITIES

- 30% procurement set-aside
- Biofuels from sugar beat
- contractor development program
- Custom feedlot
- Custom mill
- Dairy production in Cradock (Cheese, amasi, milk, juices, etc)
- Develop the area into the preferred stop-over destination, through the development of facilities and attractions for this market
- Develop tourism cluster destinations to encourage longer length of stay by targeting niche markets
- Funding opportunities from LRED, TREP, Informal Support Fund etc
- Improve a range of attractions to provide a varied tourism experience
- Improve cooperation and coordination between product owners
- Meat production
- promotion of facilities of the Inxuba Yethemba Municipal area
- SEFA accessed through to SEDA
- Sugar beet as a feed supplement for livestock
- Support the development of unique community-based products
- Training opportunities through SEDA, ECDC, CDC, CHDA, DEDEAT etc

THREATS

- Access to funding
- Building rubble being dumped in Fish River in Cradock
- Climate change
- Contamination of the Fish River by sewerage spillage and human excreta
- Crime targeting tourists
- Eastern Cape Tourism Board focuses more on coastal towns – they don't provide information on the inland areas to tourists
- Global warming and climate change
- Lack of involvement of HDI community
- Lack of support from Chris Hani DTO and ECPTA
- Water scarce Middleburg.

SMALL TOWN REVITALISATION PROGRAMME

Inxuba Yethemba is one of the 18 small towns that was identified through Small Town Revitalisation Programme with the aim to bring or improve local economic developed to the towns. The programme was first introduced in 2013 by COGTA and SALGA. To set the programme in motion, in the town a meeting between the municipality, Salga and HSRC was convened in May 2022.

MAPPING THE KAROO INNOVATION LANDSCAPE USING THE LOCAL INNOVATION ADVACEMENT TOOLKIT

Is the first step, where SALGA with HSRC seek to develop an innovation strategy for the karoo. So for now the HSRC will be actively collecting information about Cradock and Middelburg to feed into this strategy. The final strategy is to be expected in November 2023.

JOB CREATION

KPA 3: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT.

Introduction

This Key Performance Area is shared between Corporate Services and the Municipal Manager's Office. The Municipality has an approved Human Resource Policy in place and it was last reviewed in May 2022. The KPA is made up of the following indicators:

- Human Resources (Organisational Design, Recruitment and Selection, Personnel Administration, Leave Administration, Skills Development, Employment Equity, Wellness, Occupational Health and Safety)
- Council Support and Committees
- Administration (Registry and Archives)
- Information Communication and Technology
- Archives and Records
- Management of Satellite Office

Human Resources

The unit is responsible for:

- Organisational Design (Development and Review Of Organisational Structure)- The municipality undertook a process to review its Structure in the 2021/22 in preparation for the 2022/2023 Financial Year. The office is in the process of developing Job Descriptions for all positions in the municipality.

The table below provides a brief summary on the number of vacant and filled positions in the municipality per Directorate as at May 2023:

MUNICIPAL MANAGER'S OFFICE:

No	Occupation	Vacant/ Filled
1	Youth Outreach Coordinator	Filled
2	Career Guidance Coordinator	Filled
3	Unit Manager Middelburg	Filled
4.	Manager: Office of the MM	Filled
4	Manager : Internal Audit	Filled
5	Senior Internal Auditor	Vacant
6	Public Participation Officer	Filled
7	Secretary MM	Vacant
8	Manager: IDP/PMS	Filled
9	SPU Officer	Vacant
10	Executive Secretary	Filled
11	MPAC Co-ordinator	Vacant

No	Occupation	Vacant/ Filled
12	Risk Officer	Filled
13	Junior Internal Auditor	Filled
14.	Communications Officer	Filled
CORPORATE SERVICES DEPARTMENT		
15	IT MANAGER	Filled
16	Skills Development Facilitator	Filled
17	Occupational Health and Safety Officer	Filled
18	Labour Relations Officer	Filled
19	Employee Assistant Practitioner	Filled
21	ADMINISTRATION CLERK	T07
22	COMMITTEE CLERK	Filled
23	SECRETARY FINANCIAL DEPARTMENT	T06
24	CLERK: Committee	Filled
25	HUMAN RESOURCES CLERK	Filled
26	Registry Clerk	Filled
27	SwitchBoard Operator	Filled
28	GENERAL CLEANER LEVEL II	Filled
29	GENERAL WORKER LEVEL II (CLEAN)	Filled
30	Human Resource Practitioner	Filled
31	ICT-SYSTEMS ADMINISTRATOR	Filled
32	SENIOR CARETAKER	Filled
33	SUPERVISOR(HALLS CLEANING Services)	Filled
34	CARETAKER LINGELIHLE	T05
35	CARETAKER	T05
36	CLEANER : CORPORATE SERVICES	Filled
37	CLEANER : CORPORATE SERVICES	Filled
38	CLEANER : CORPORATE SERVICES	Filled
39	CLEANER: MBG	Filled
40	CLEANER: CDK	Filled
41	GENERAL CLEANER LEVEL II	Filled
42	HANDYMAN PW	T02
43	GENERAL CLEANER LEVEL II	Filled
44	GENERAL WORKER	Filled
45	CLEANER / MESSENGER	Filled
46	CLEANER	Filled
47	CLEANER	Filled
48	GENERAL CLEANER LEVEL II	Filled
49	GENERAL CLEANER LEVEL II	Field

No	Occupation	Vacant/ Filled
50	RECORDS MANAGEMENT OFFICER	Vacant
51	CLERK: HUMAN RESOURCESClerk Human Resources	Filled
52	DRIVER/MESSENGER	Filled
53	CARETAKER X 2	Vacant
54	GENERAL ASSISTANT	Filled
55	MANAGER: ADMINISTRATION/LEGAL SERVICES	Vacant
56	HUMAN RESOURCES PRACTITIONER	Vacant
57	COUNCIL SUPPORT OFFICER	Filled
	BUDGET AND TREASURY OFFICE	
58	ACCOUNTANT (FINANCE)	Filled
59	DEBTORS COLLECTION : OFFICER	Filled
60	SECRETARY	Filled
61	CASHIER	Filled
62	CASHIER	Filled
63	CASHIER	T05
64	CASHIER	T05
65	ENQUIRY CLERK: CRADOCK	T06
66	INCOME CLERK	T06
67	CLERK: ASSESS. RATES VALUATION CLEARANCE	T06
68	SENIOR CLERK(RATES)	T06
69	RATES CLERK: CRADOCK	T05
70	CASHIER	T05
71	RELIEF CASHIER	T05
72	CASHIER	T05
73	CASHIER	T05
74	RELIEF CASHIER	T05
75	PREPAID SYSTEM OPERATOR	T05
76	CUSTOMER CARE CLERK	T05
77	CUSTOMER CARE CLERK	T05
78	CASHIER	T05
79	DATA CAPTURER	T05
80	CASHIER	T05
81	CASHIER	T05
82	METER READER	T04
83	METER READER	T04
84	METER READER	T04
85	METER READER	T04
86	METER READER	T04

No	Occupation	Vacant/ Filled
87	MANAGER : SUPPLY CHAIN	Filled
88	ACCOUNTANT (FINANCE)	Filled
89	CONTROLLER(FINANCE)	T10
90	CLERK: CREDITORS	T06
91	CLERK(SALARIES)	Filled
92	CLERK(EXPENDITURE)	Filled
93	CLERK(SALARIES)	Filled
94	Supply Chain Practitioner	Vacant
95	Supply Chain Clerk	Filled
96	BUYER / STORES CONTROLLER	Filled
97	STORES ASSISTANT	Filled
98	BUDGET REPORTING OFFICER	Vacant
99	CLERK: ASSET MANAGEMENT	Filled
100	CLERK: BANK RECONCILIATION	Filled
101	BUDGET REPORTING CLERK	Filled
102	CLERK: DEBT COLLECTING CDK	Filled
103	CLERK: INDIGENTS CDK	Filled
104	CLERK(INDIGENTS)	Filled
	MANAGER: REVENUE & EXPENDITURE	Filled
	ACCOUNTANT: BUDGET & REPORTING	Filled
105		
106	EXPENDITURE CONTROLLER	T10
108	SPECIALIST DEMAND & ACQUISITION	T12
109	ACCOUNTANT: ASSETS	T12
110	SECRETARY	T06
111	OFFICE ASSISTANT / CLEANER MBG	T03
112	GENERAL WORKER	T03
113		T15
114	SNR LIBRARIAN ASSISTANT	T06
115	SNR LIBRARIAN ASSISTANT	T06
116	SNR LIBRARIAN ASSISTANT MBG	T06
117	SNR LIBRARIAN ASSISTANT MIDROS	T06
118	SNR LIBRARY ASSISTENT MASIZAME	T04
119	LIBRARY ATTENDANT	T04
120	LIBRARY ATTENDANT	T04
121	LIBRARY ATTENDANT	T04
122	CLEANER / MESSENGER MICHDAL.	T03
123	GENERAL WORKER	T03
124	CLEANER / MESSENGER MBG	T03
125	GENERAL ASSISTANT(CLEANER/MESS	T03

No	Occupation	Vacant/ Filled
126	SUPERINTENDENT CLEANSING	T11
127	FOREMAN ENVIRONMENTAL SERVICES	T09
128	CLEANSING FOREMAN	T09
129	TRUCK DRIVER REFUSE REMOVAL	T06
130	GENERAL WORKER: MECHANICAL WORKSHOP	T06
131	DRIVER OPERATOR	T06
132	TRACTOR DRIVER BUS. INDUS H/HOLD REFUSE	T05
133	GENERAL WORKER REFUSE REMOVAL	T03
134	GENERAL WORKER (GARDEN REFUSE REMOVAL) LING	T03
135	GENERAL WORKER (TRACTOR STREET SWEEPERS)	T03
136	GENERAL WORKER (TRUCK REFUSE REMOVAL)	T03
137	GENERAL WORKER STREET SWEEPER	T03
138	GENERAL WORKER (TRUCK REFUSE REMOVAL)	T03
139	GENERAL WORKER (TRACTOR STREET SWEEPERS)	T03
140	GENERAL WORKER NIGHT SOIL SUCTION TANK	T03
141	GENERAL WORKER NIGHT SOIL SUCTION TANK	T03
142	GENERAL WORKER NIGHT SOIL SUCTION TANK	T03
143	GENERAL WORKER REFUSE REMOVAL	T03
144	GENERAL WORKER PUBLIC TOILET	T03
145	GENERAL WORKER SUCTION TANK	T03
146	GENERAL WORKER BUS. INDUS. H/HOLD	T03
147	GENERAL WORKER	T03
148	GENERAL WORKER REFUSE REMOVAL	T03
149	GENERAL WORKER	T03
150	GENERAL WORKER	T03
151	GENERAL WORKER	T03
152	GENERAL WORKER	T03
153	GENERAL WORKER	T03
154	GENERAL WORKER	T03
155	GENERAL WORKER	T03
156	GENERAL WORKER	T03
157	GENERAL WORKER	T03
158	GENERAL WORKER	T03
159	GENERAL WORKER	T03
160	GENERAL WORKER	T03
161	GENERAL WORKER	T03
162	GENERAL WORKER	T03
163	GENERAL WORKER	T03
164	GENERAL WORKER	T03

No	Occupation	Vacant/ Filled
165	GENERAL WORKER	T03
166	GENERAL WORKER	T03
167	GENERAL WORKER	T03
168	GENERAL WORKER NIGHT SOIL SUCTION TANK	T03
169	GENERAL WORKER	T02
170	GENERAL WORKER	T02
171	GENERAL WORKER PUBLIC OPEN SPACE	T03
172	GENERAL WORKER (TRUCK REFUSE REMOVAL)	T03
173	GENERAL WORKER	T03
174	GENERAL WORKER	T03
175	GENERAL WORKER	T03
176	GENERAL WORKER	T03
177	GENERAL WORKER STREET CLEANSING	T03
178	SUPERINTENDENT PARKS RECREATION	T11
179	FOREMAN ENVIRONMENTAL SERVICES	T09
180	TRACTOR DRIVER	T05
181	GENERAL WORKER	T03
182	GENERAL WORKER (TRUCKS)	T03
183	MOWER OPERATOR	T03
184	GENERAL WORKER	T03
185	GENERAL WORKER L	T03
186	GENERAL WORKER M/DAL	T03
187	GENERAL WORKER M/DAL	T03
188	GENERAL WORKER	T03
189	GENERAL WORKER	T03
190	GENERAL WORKER	T03
191	GENERAL WORKER	T03
192	GENERAL WORKER	T03
193	CLEANER / MESSENGER KWANOZ.	T03
194	GENERAL WORKER	T03
195	GENERAL WORKER	T03
196	GENERAL WORKER	T03
197	GENERAL WORKER	T03
198	GENERAL WORKER	T03
199	GENERAL WORKER	T03
200	GENERAL WORKER	T03
201	GENERAL WORKER	T03
202	GENERAL WORKER	T03
203	GENERAL WORKER	T03
204	GENERAL WORKER	T03

No	Occupation	Vacant/ Filled
205	GENERAL WORKER	T03
206	TRACTOR DRIVER CDK	T06
207	TRUCK DRIVER	T05
208	TRACTOR DRIVER MICH D LING	T05
209	GENERAL WORKER M/DAL	T05
210	CHALET CLEANER	T03
211	MOWER OPERATOR	T03
212	CASHIER	T06
213	CHIEF PROTECTION SERVICES	T12
214	EXAMINER OF LICENCES	T10
215	EXAMINER OF VEHICLES	T10
216	TRAFFIC OFFICER	T09
217	ADMIN CLERK NATIS	T06
218	CASHIER	T05
219	GENERAL WORKER - TRAFFIC SECTI	T03
220	PIT ASSISTANT / CLEANER MBG	T03
221	Truck Driver x 4	T05
222	Tractor Driver	T05
223	Caretaker	T05
224	HIV Co-ordinator Assistant	T05
225	Librarian Assistant	T04
226	General Workers x 7	T03
227	GW Landfill site x 3	T04
228	GW Street Sweeper	T05
229	GW Chainsaw Operator x 3	T06
230	GW Brush Cutter x 6	T07
231	GW Cemeteries x 1	T08
232	Traffic Officer/Examiner	T10
233	Traffic Officer x 2	T10
234	Law Enforcement Officer x 5	T06
235	Fire Fighters x 6	T06
236	Security Guards x 9	T03
237	Admin Assistant	T07
238	HIV Co-ordinator	T07
239		T05
240	RECEPTIONIST/WORD PROCESSING OPERATOR	T05
241	GENERAL WORKER	T03
242	MANAGER : TOWN PLANNING	T14
243	SUPERINTENDENT(TOWN PLANNING)	T11
244	BUILDING INSPECTOR	T10

No	Occupation	Vacant/ Filled
245	ADMIN OFFICER(LAND,VALUATION	T10
246	BUILDING INSPECTOR	T10
247	MANAGER : HUMAN SETTLEMENT	T14
248	SENIOR HOUSING OFFICER	T12
249	HOUSING OFFICER : CRADOCK	T10
250	HOUSING OFFICER : MIDDELBURG	T10
251	CLERK(HOUSING)	T06
252	HOUSING : DATA CAPTURER : CRAD	T05
253	HANDYMAN: MECHANICAL WORKSHOP CRADOCK	T05
254	WELDER	T05
255	HANDYMAN(WELDING)	T05
256	GENERAL WORKER: MECHANICAL WORKSHOP	T03
257	GENERAL WORKER	T03
258	GENERAL WORKER	T03
259	GENERAL ASSISTANT(WELDING)	T03
260	GENERAL WORKER	T03
261	HANDYMAN: PWORKS CDK	T05
262	TRACTOR DRIVER	T05
263	ASA HEAVY PLANT OPERATOR : GRA	T05
264	ASA HEAVY PLANT OPERATOR : TLB	T05
265	GENERAL WORKER	T03
266	GENERAL WORKER	T03
267	GENERAL WORKER	T03
268	GENERAL WORKER	T03
269	GENERAL WORKER	T03
270	GENERAL WORKER	T03
271	GENERAL WORKER	T03
272	GENERAL WORKER	T03
273	GENERAL WORKER	T03
274	GENERAL WORKER	T03
275	GENERAL WORKER	T03
276	GENERAL WORKER	T03
277	GENERAL WORKER	T03
278	GENERAL WORKER	T03
279	GENERAL WORKER	T03
280	GENERAL WORKER	T03
281	GENERAL WORKER	T03
282	SUPERINTENDENT(PUBLIC WORKS)	T12
283	CHIEF: PUBLIC WORKS HSING BUILDING CTRL	T11
284	FOREMAN	T08

No	Occupation	Vacant/ Filled
285	FOREMAN: PUBLIC WORKS CDK	T08
286	FOREMAN	T08
287	FOREMAN	T08
288	TRACTOR DRIVER	T05
289	RECEPTIONIST/RADIO OPERATOR/DATA CAPTURE	T05
290	TRACTOR DRIVER	T05
291	HEAVY PLANT OPERATOR: P/WORKS MBG	T05
292	GENERAL WORKER	T03
293	GENERAL WORKER	T03
294	GENERAL WORKER	T03
295	GENERAL WORKER	T03
296	GENERAL WORKER	T03
297	GENERAL WORKER	T03
298	MANAGER : ELECTRICAL MECHANICAL SERVIC	T16
299	FIELD WORKER	T03
300	FIELDWORKER	T03
301	FIELD WORKER	T03
302	SUPERINTENDENT(ELECTRICAL)	T11
303	SUPERINTENDENT(ELECTRICAL)	T11
304	ELECTRICIAN	T10
305	ARTISAN(ELECTRICIAN)	T10
306	ARTISAN(ELECTRICIAN)	T10
307	ARTISAN(ELECTRICIAN)	T10
308	ARTISAN(ELECTRICIAN)	T10
309	HANDYMAN(ELECTRICAL)	T05
310	GENERAL WORKER	T03
311	GENERAL WORKER GRADE 1	T03
312	GENERAL WORKER	T03
313	GENERAL WORKER	T03
314	GENERAL WORKER	T03
315	ASSISTANT ELECTRICIAN	T03
316	GENERAL ASSISTANT(ELECTRICAL)	T03
317	GENERAL ASSISTANT(ELECTRICAL)	T03
318	SEMI-SKILLED WORKER / ELEC. AS	T03
319	ASSISTANT ELECTRICIAN	T03
320	ASSISTANT ELECTRICIAN	T03
321	GENERAL WORKER : ELECTRICAL SE	T03
322	GENERAL ASSISTANT(ELECTRICAL)	T03
323	GENERAL ASSISTANT(ELECTRICAL)	T03
324	GENERAL WORKER	T03

No	Occupation	Vacant/ Filled
325	GENERAL WORKER : ELECTRICAL SE	T03
326	Snr Civil Engineering Technician	T11
327	Artisan Mechanics x 2	T10
328	ISD Officer	T10
329	Artisan Electrician	T10
330	Senior Superintendent	T11
331	Admin Assistant	T07
332	Truck Driver	T05
333	Tractor Driver	T05
334	Secretary	T06
335	Technician Electrical Services	T10
336	Superintendent Distribution	T11
337	Superintendent Electrical	T11
338	Artisan Electrical Metering	T10
339	Artisan x 2	T10
340	Meter Readers x 5	T05
341	General Worker x 16	T03
342	Handyman Public Works	T05
343	Handyman Mechanical x 4	T05
344	Meter Reader x 5	T05
345	SMME DEVELOPMENT OFFICER	T11
346	SECRETARY LED MANAGER	T06
347	GENERAL WORKER	T03
348	NIGHT WATCHMAN : CRADOCK SPA	T03
349	NIGHTWATCHMAN	T03
350	NIGHTWATCHMAN	T03
351	GENERAL WORKER LEVEL II (CLEAN	T02
352	GENERAL WORKER LEVEL II (CLEAN	T02
353	GENERAL WORKER LEVEL II (CLEAN	T02
354	GENERAL WORKER LEVEL II (CLEAN	T02
355	GENERAL WORKER LEVEL II (CLEAN	T02
356	GENERAL WORKER LEVEL II (CLEAN	T02
357	GENERAL WORKER LEVEL II (CLEAN	T02
358	CLEANER: CARAVAN PARK MBG	T02
359	AGRICULTURAL DEVELOPMENT OFFIC	T11
360	AGRIC. SERVICES ASSISTANT: CDK	T03
361	AGRIC. SERVICES ASSISTANT: CDK	T03
362	AGRIC. SERVICES ASSISTANT: CDK	T03
363	GENERAL WORKER	T03
364	GENERAL WORKER	T03

No	Occupation	Vacant/ Filled
365	GENERAL ASSISTANT(CLEANER/MESSENGER)	T03
366	POUND ASSISTANT	T03
367	POUND ASSISTANT	T03
368	POUND ASSISTANT	T03
369	POUND ASSISTANT	T03
370	GENERAL WORKER	T02
371	NIGHT WATCH	T03
372	NIGHT WATCH	T03
373	GENERAL WORKER LEVEL II (CLEAN	T03
374	NIGHT WATCHMAN : CRADOCK SPA	T03
375	TERRAIN CLEANER	T02
376	CHALET CLEANER	T02
377	CHALET CLEANER	T02
378	GENERAL WORKER LEVEL II (CLEAN	T02
379	GENERAL WORKER LEVEL II (CLEAN	T02
380	GENERAL WORKER TERRAIN CLEANER	T02
381	NIGHT WATCH	T02
382	GENERAL WORKER LEVEL II (CLEAN	T02
383	ASSISTANT CURATOR: MBG	T05
384	MUSEUM CLEANER CDK	T02
385	HOUSING : DATA CAPTURER : CRAD	T05
386	TOURISM DEVELOPMENT OFFICER	T11
387	TOURISM INFORMATION PRACTITIONER	T07
388	TOURISM INFORMATION PRACTITION	T07
389	RECEPTIONIST: VUSUBUNTHU	Filled
390	Fleet Management Officer	Vacant
391	Curator	T10
392	Senior Housing Officer	T12
393	LED Officer	T10
394	LED Assistant	T07
395	Supervisor	T07
396	Clerk Housing	T06
397	General Worker	T03
398	GIS Technician	Vacant

Municipal Vacancy Rate

Political and Administrative Components

The Political Component: comprises of councillors i.e Executive Mayor, Speaker, Chief Whip, MMCs

Detailed below is a list of political office bearers and their respective portfolios

Executive Mayor	-	Cllr N. Zonke
Speaker	-	Cllr T. Mbotya
Chief Whip	-	Cllr L. Davids
MMC:BTO	-	Cllr Masawe
MMC: Corporate Services	-	Cllr Masawe
MMC: IPED	-	Cllr S. Ndonose
MMC: Community Services	-	Cllr N. Mongo
MPAC CHAIRPERSON	-	Cllr N. Biko

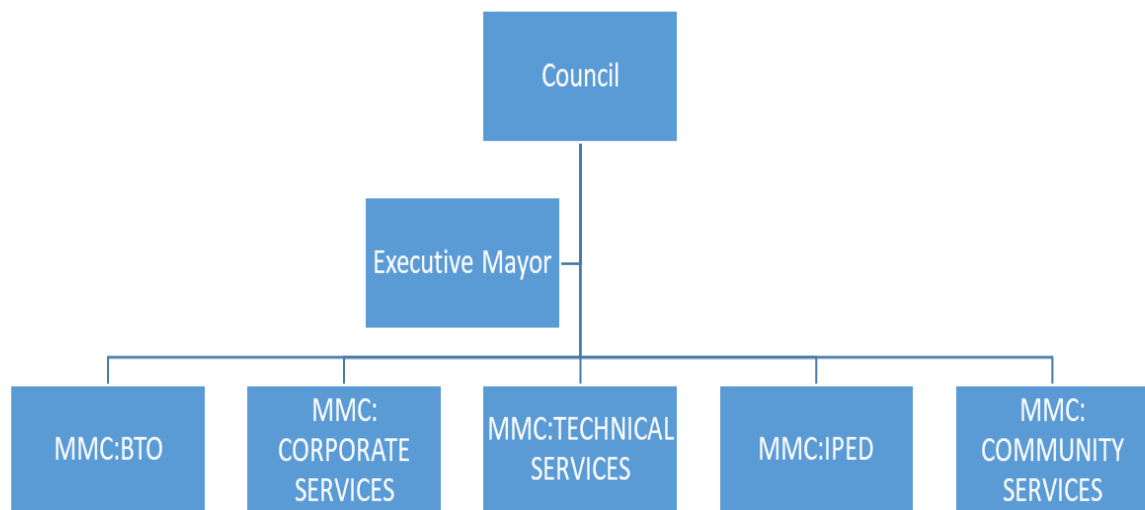


DIAGRAM: POLITICAL STRUCTURE

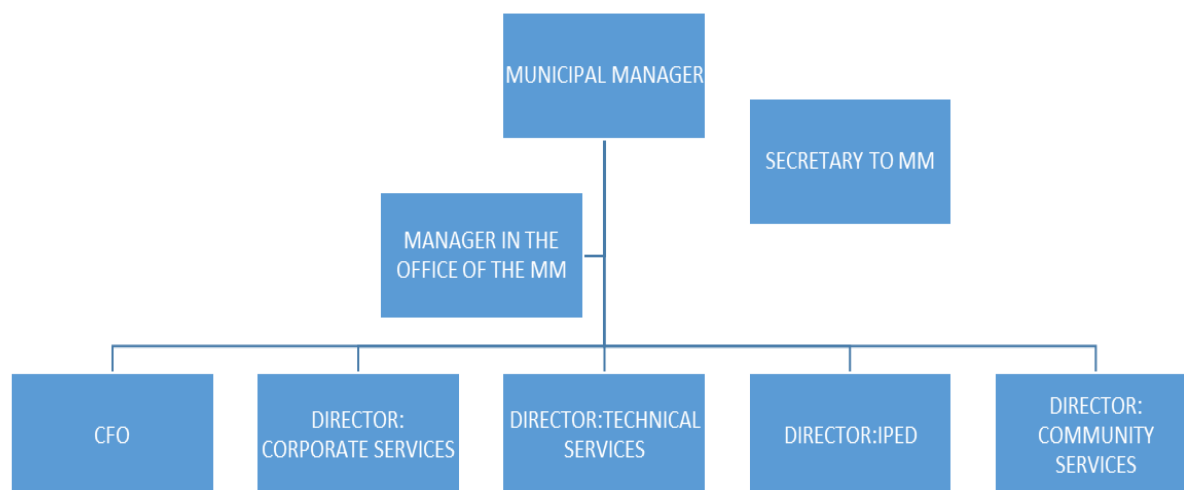
THE MUNICIPAL ADMINISTRATION

Below is the Municipal Administration led by the Accounting Officer

SECTION 56/57 VACANT/FILLED POSITIONS

POSITION	VACANT/FILLED
MUNICIPAL MANAGER	FILLED
CHIEF FINANCIAL OFFICER	FILLED
DIRECTOR: TECHNICAL SERVICES	FILLED

DIRECTOR: COMMUNITY SERVICES	FILLED
DIRECTOR: IPED	FILLED
DIRECTOR: CORPORATE SERVICES	FILLED



Employment Equity Plan

The Municipality with the assistance of the Department of labour has developed a Draft Employment Equity Plan which will be adopted by June 2022.

Organisational Structure

The Organisational Structure is reviewed annually. The last review was in May 2022 where management tried to link the organisational structure to the planned strategic objectives of Council to ensure their successful implementation. The full organisational Structure is attached as an annexure to the IDP in a folder containing all IDP related annexures.

Council Support and Committees

The Unit provides support to the functioning of Council and all its relevant Committees. There are Standing Rules of Council that were adopted in....financial year. In addition to this the unit develops and coordinates the Council Calender which ultimately informs the convening of these meeting. The Calender is adopted on an annual basis. Council Meetings are convened Virtually and sometimes Physically, depending on Venue or area chosen by Council.

The Municipality has various committees as prescribed. These include the Section 79, Section 80, Independent Committees of Council and Management Committees. All committees are regulated by the Municipal Structures Act.

SETION 79 CONVENING FREQUENCY

No	Committee	Frequency

1.	Mayoral Committee	Bi- quarterly
2.	Budget and Treasury Standing Committee	Bi- quarterly
3.	Corporate Services Standing Committee	Bi- quarterly
4.	IPED Standing Committee	Bi- quarterly
5.	Community Services Standing Committee	Bi- quarterly
6.	Technical Services Standing Committee	Bi- quarterly
7.	IDP/BUDGET AND PMS Standing Committee	As per process plan
8.	Intergovernmental Relations Forum	Quarterly
9.	Local Labour Form	Quarterly
10.	IDP,BUDGET % PMS Rep Forum	Quarterly

SETION 80 CONVENING FREQUENCY

No	Committee	Frequency
1.	Council	As per process plan
2.	Women's Caucus	Quarterly
3.	Rules Committee	Quarterly
4.	Training and Equity Committee	Quarterly

OVERSIGHT COMMITTEES CONVENING FREQUENCY

No	Committee	Frequency
1.	Audit Committee	Quarterly
2.	MPAC	Quarterly

Skills Development and Training

The unit is responsible for conducting Skills Audit, Developing the Workplace Skills Plan and implementing training programmes. Skills Development is guided by the Skills Development Act, 97 of 1998. But there are various policies in place that govern the function and were reviewed in the Council of May 2022. These include Study On an annual basis training and capacity building programmes to various levels of employees and a budget even though limited, is made available. The department had a total of R 1 246 000 for the 2021/22 FY.

Critical and Scarce Skills

Town Planning

Mechanical Engineering

Electrical Engineering

GIS

Civil Engineering

Employee Wellness

The programme is governed by Employee Wellness Policy which was last reviewed in 2019/2020 but the municipality is in the process of reviewing. Programmes include provision of psychosocial, physical and socio-economic services to all employees.

In the 2021/22 fy various Employee Wellness were conducted. These include World Aids Day, EA Policy Roadshow, Men's Empowerment Sessions.

Labour Relations

The SALGBC Collective Bargaining regulates Labour Relations. In addition to the Collective Bargaining, there's also the Code of Conduct Policy which is also implemented. The unit holds awareness campaigns with the aim to refresh employee memory as to what is expected of them.

Registry and Archives Services

The Unit needs attention as there is no professional archiving method in place. Also there's no Records Management Plan. The Records Management Policy dates back to 1996 and is in Afrikaans

The Municipality uses a Manual System, Index Book, which is currently in Afrikaans. The Municipality has a very old system which needs urgent intervention. The Department of Sports, Recreation, Arts and Culture (Provincial Archives) was invited to assess the status quo of the Records and Archives of the institution and made a recommendation of the development and capacitation on the importance of a functional records unit.

Information and Communication Technology

The function is governed by the ICT Governance Framework Policy which was reviewed in 2021/22 financial year. The Unit is responsible for the following:

- Information Security and System Support
- Disaster Recovery (Server Rooms)
- Acquisition of hardware and software
- Monitoring and maintenance of Network
- Telephone Management

In the 2021/22 the ICT implemented 3 projects which include Network Infrastructure Upgrade, End-Point Data Protection Solution and Enterprise Server Infrastructure Upgrade. The projects are likely to carry over to the 2022/23 FY.

Legal Services

The Municipality currently does not have an established Legal Unit. At present the Municipality outsources the function to Private Firms.

As at the 2021/2022 the Municipality has a number of litigations Other cases are still ongoing while others are pending an outcome.

Individual Performance Management (Cascading): The municipality at present only cascades to Management Level (Section 54 and 56 Managers).

SATELITE OFFICES (Middleburg Offices)

The Municipality has strengthened its operations for the Middelburg Offices. The main purpose of these offices is to ensure that all Municipal Services are received by the Middelburg residents. The offices perform the following activities:

- Public Amenities Management and Maintenance;
- Roads and Stormwater Management;
- Customer Care;
- Revenue Collection;
- Stakeholder Engagements; and
- Solid Waste Management.

Challenges on Municipal Transformation:

Records and Archiving: Is none existent, needs to be started afresh as all guiding prescripts are in Afrikaans and are old.

Legal: The municipality is outsourcing the function; there is no designated personnel within the municipality.

Cascading Performance: The Municipality needs to cascade its performance to lower levels other than Section 54 and Section 57 as it is constantly receiving a finding on the matter.

KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION.

Introduction

Good governance and Public Participation can be classified as a process of measuring how public institutions conduct public affairs, manage public resources, and guarantee the realization of human rights. This KPA is made up of following components , these include:

Communications

There is an approved Communication Strategy approved in May 2022 and is valid for a 5 year period linked to the current term of Council. The Institution has an approved Social Media Strategy which regulates the use of social media within the institution

Communication function includes the following:

- Communication (Internal and External)
- Develop Press Release Content for BroadCasting
- Institutional Branding

Provide guidelines on Communication Processes.

Customer Care

The Municipality has developed and approved its Customer Care Policy in the Council Meeting of end May 2023.

Customer Care is in the Budget and Treasury Office, currently servicing IYM Communities with only Municipal Accounts and related queries.

The Municipality needs to invest in putting together a Customer Care unit to assist Institution-wide with all IYM Customer Queries.

Municipal Public Accounts Committee

The Municipality has an established MPAC and it is responsible for the following functions:

- To oversee annual reporting and public accountability
- To assess effectiveness and efficiency and service quality of the municipality
- To oversee in-year financial and performance reporting
- Public Participation
- Special Programmes

Internal Audit and Audit Committee

The Internal Audit is responsible for review, evaluating the adequacy, efficiency and effectiveness of all internal controls of the Institution at large. On an annual basis, the Internal Audit Charter and Audit Plan are reviewed and adopted by Council. The Unit reports to the Municipal Manager, ultimately to the Audit Committee.

The Audit Committee is established as per the MFMA, Section 166. The Committee advises Council on efficiency and effectiveness of all internal controls relating to:

Risk Management

The municipality has an adopted Risk Management Policy and is reviewed on an annual basis. Risk Management entails the functions of identifying, evaluating risk and setting risk mitigating controls in order to minimize or avoid impact which might hinder service delivery by the institution to its community.

The municipality also has an established Risk Management Committee with an independent Chairperson. The Committee convenes on a quarterly basis and looks at the effective and efficient implementation of the Risk Mitigation Factors and Reports to the Audit Committee.

- Performance Management and IDP
- Financial Controls
- Accounting Policies
- Adequacy, reliability, and accuracy of financial reporting and information.
- Effective Governance
- Compliance with DORA, MFMA and other applicable legislation

Intergovernmental Relations

The municipality approved its IGR Policy/Strategy in the 2020/2021 Financial Year, aligned to the Intergovernmental Relations Framework Act 13 of 2005 which works as a guide to the sitting of the

meetings. Members of the Forum include National and Provincial Departments, Parastatals and the District Municipality. The political IGR forum chaired by the Executive Mayor meets quarterly whilst the technical IGR consisting of officials meets bi-monthly.

Fraud Prevention

The municipality has an adopted fraud prevention plan which was approved by the province but it must be mentioned that its implementation has not been successful. The fraud prevention plan is currently under review.

Special Programmes

The unit was disadvantaged in the last three years where programmes were not properly being implemented due to incapacity and lack of financial resources. However in the year 2021/2022 in January The Special Programmes Policy was adopted by Council. In the same year, when the new term of Council started, Special Programmes Forums were appointed to align with the new term of Council.

Special Programmes is responsible for coordinating the following programmes:

- Women
- Youth
- People Living With Disability
- Children
- Elderly
- Sport

The following programmes were successfully implemented and will continue to be implemented on an annual basis, financial resources allowing:

- Youth Programmes
- Women Programmes
- Programmes for people living with Disability
- HIV/Aids

Public Participation

The Public Participation Strategy was approved under 2021/2022 Financial Year in end May with the IDP.

As per the Municipal Structures Act 117 of 1998, new Public Participation Structures were appointed to assist Council in executing its mandate:

- Ward Committees – established in all 9 wards
- Ward War Rooms – established in all 9 wards
- Community Development Workers – currently placed under the Community Services Directorate

Council annual budgets for Ward Committee Stipend. Reports of Ward Committees are considered by the Steering Committee; Mayoral Committee and finally by Council.

Various Mechanisms for Community/ Public Participation are in place to. These include:

- Mayoral Imbizo
- IDP/PMS and Budget Roadshows

IDP/PMS and Budget Representative Forum

PETITIONS MANAGEMENT PROCESS

ACTIVITY	RESPONSIBLE OFFICIAL	TIME-FRAME	ACTION
Petition Received through recognised channels	Delegated Official	Seven Days	Petition Actioned
Petition is acknowledged	Petition Office	Three Days	Petition is registered in the Petition Database, formal communication acknowledging receipt of the petition is sent to the practitioner
Qualification of Petition is undertaken	Petition Office	Two days	Validation of petition and referral to the relevant institution or stakeholder
Additional Information from petitioner	Petition Office	One day	Formal communication is sent to the petitioner requesting additional information
Referral	Petition Office	Two days	Referred to relevant department or unit, for action and report back on the steps undertaken to address the petition, formal communication is sent to the petitioner/s informing them of the referral
Referral Follow Up	Petition Office	Three days	Follow up is undertaken where no report has been received
Petition actioned	Petition official	Seven days	Petitioner is formally notified that the petition has been actioned
Additional	Petition official	Two days	Formal written or verbal

POLICY DEVELOPMENT

The Municipality undergoes a Policy Development/Review Process annually. This is undertaken to ensure that all Institutional Policies are up-to-date. The review and approval of policies was considered as follow by the IYM Council

- Communication Policy
- Social Media Policy

- Performance Management Framework
- Job Evaluation Policy
- Acting, Secondment Policy
- Bereavement Policy
- Declaration of Private Work and interest Policy
- Education, Training & Skills development Policy
- Employment Equity Policy
- Final Draft Imprisonment of Employee Policy
- Internship Learnership & Experiential Training Policy
- Leave and Attendance Policy
- Placement Policy
- Policy Governance EAP
- Promotion and Demotion Policy
- Recruitment and Selection Policy
- Succession Planning Policy
- User Access Management Policy
- BYOD –BYOMD
- Email Use Policy
- ICT Change Management Policy
- ICT Equipment Usage Policy
- Internal Policy
- Municipal Corporate Governance of ICT Charter
- Municipal Corporate ICT Governance Framework Policy.
- Disaster Management Plan
- Capital Implementation and Management
- ISD Policy
- Customer Care Policy
- Housing Allowance Policy
- Special Programmes Policy

ADOPTED BUDGET RELATED POLICIES :

Resolution C80/22 Adopted on the 31 May 2023

- Inventory Management Policy 2022.23 financial year.
- Credit Control and Debt Collection Policy 2022.23 financial year.
- Virement Policy 2022.23 financial year.
- Cash Management and Investment Policy 2022.23 financial year.

- Supply Chain Management Policy
- Unauthorized, Irregular, Fruitless and Wasteful Expenditure
- Budget Policy
- Asset Management Policy
- Property Rates Policy
- Grant Policy
- Indigent Policy
- Tariff Policy
- Debtors Impairment and Write-Off Policy.
- Funding and Reserve Policy
- Contract Management Policy
- Incentive Policy
- Subsistence and Travel Allowance Policy

MUNICIPAL BYLAWS

- TARIFF BY-LAW IYM
- Cemeteries By LAW
- Final Draft Solid Waste Disposal BY LAW
- Storm Water BY LAW
- Electricity BY LAW
- BY LAW relating to prevention of Public Nuisances and Public Nuisance Arising from keeping of Animals.

KPA 5: FINANCIAL VIABILITY AND MANAGEMENT

Introduction

The Budget and Treasury Office is responsible for effective and efficient management of municipal finances.

The Budget and Treasury (BTO) Directorate has the following sections:

- Expenditure and Payroll Management
- Revenue and Debt Management
- Supply Chain Management
- Budget Planning and Reporting
- Assets Management

Budget Planning and Financial Reporting

This division is responsible for the development and monitoring of the Medium Term and Expenditure Framework in line with the legislated framework. The 3-year budget has been developed and is further outlined under chapter 7 of this document, under Sector Plans.

Financial Reporting:

Is responsible for the overall financial reporting as per the MFMA and all relevant Circulars that assist in this function. The Municipality makes use of an external service provider to assist in the preparation of Annual Financial Statements which are reviewed by the Audit Committee before they are submitted to the Auditor General for compliance. The Municipality has an approved Annual Financial Statement Preparation/Process Plan and it is implemented to assist in the development of Annual Financial Statements. In line with MFMA Section 126, the Municipality has compiled and submitted its Financial Statements to the Auditor General by no later than the 31 August on an annual basis without fail.

The following legislated reports Section 71 (Monthly), Section 52 (d) (Quarterly); Section 72 (Mid-Year Assessment) and Annual Reports are prepared and adopted by Council then religiously submitted to Treasury (Provincial and National) as per reporting requirements. Reports on expenditure on Conditional Grants are prepared and submitted to Treasury as per requirements of the DORA. At present the Municipality does not have loans.

Expenditure incurred on Conditional Grants as at April 2022:

Description	Allocation	Received to date	March Expenditure	Expenditure to date	Balance
MIG	16 785 000	16 785 000	1 020 871	13 795 712	2 989 288
DSRAC	2 510 000	2 510 000	292 950	2 261 690	248 310
FMG	3 100 000	3 100 000	331 665	2 831 124	268 876
EPWP	1 542 000	1 542 000	-	1 542 000	-
TOTAL	23 937 000	23 937 000	1 645 486	18 562 807	3 506 474

AUDIT OPINION TABLE FOR THE PAST 3 YEARS

2019/2020	2020/2021	2021/22
Unqualified	Unqualified	Unqualified

Expenditure and Payroll Management

The Unit handles:

- Payment of all employees
- VAT reconciliations and submissions to SARS
- Payment and reconciliation of Creditors

Expenditure reports are compiled timeously and submitted to relevant Council Committees

For noting and adoption. It must be noted that the Municipality struggles to pay its debtors on a regular basis within 30 days as prescribed by the MFMA due to financial constraints

SUPPLY CHAIN MANAGEMENT

The Municipality has a functional SCM Unit. To ensure proper implementation of programmes there's an adopted SCM Policy that is reviewed on an annual basis. In line with Treasury Regulations and SCM Policy, Bid Committees have been established and are functional. These are the Bid Specification, Evaluation and Adjudication. SCM Reports are compiled and tabled to Council and its committees as required by Section 52 (d)

ASSET MANAGEMENT

A consultant was appointed to assist the Municipality with the development and management of a GRAP Compliant Register. Asset Verifications are undertaken on Bi annually basis. The Municipal has an an approved GRAP Compliant Asset Register.

Revenue and Debt Management

Revenue Management : The Municipality has adopted the following policies

- Property Rates Policy
- Investment Policy
- Credit Control and Debt Management Policy
- Cash Management Policy
- Policy and ByLaw
- Revenue Enhancement Strategy

Revenue Sources for the Municipality include:

- Own Revenue Source – includes property rates, rentals, traffic income (vehicle licensing, learner's licences and fines)
- Government Grants – Equitable Share, MIG, INEP, EPWP.

In the 2021/2022 Financial Year the Municipality collected a Revenue of **R 110 142 08** The Municipality collects more than **67%** from its debtors. .

Debt Management: (provide a brief summary on the status quo of debt management

INCOME COLLECTED BY THE MUNICIPALITY as at April 2023

REVENUE- MARCH 2022

Description	Adjustment Budget 2021/2022	Collection to date	YTD% of budget	Budget Available
RAND				
Revenue By Source				
Property rates	47 793 724	47 793 724	100%	-

Property rates - penalties & collection charges	2 388 661	185 894	8%	2 202 767
Service charges - electricity revenue	164 928 730	81 163 365	51%	83 765 365
Service charges - refuse revenue	35 718 930	20 401 370	58%	15 317 560
Rental of facilities and equipment	1 710 458	1 122 227	63%	588 231
Interest earned - external investments	1 558 500	297 170	33%	1 261 330
Interest earned - outstanding debtors	10 909 500	5 909 254	31%	5 000 246
Fines	280 678	120 401	36%	160 277
Licences and permits	4 156 000	1 477 520	31%	2 678 480
Transfers recognised - operational	54 690 250	54 690 250	100%	-
Other revenue	3 532 600	948 096	28%	2 584 504
Gains on disposal of PPE	4 937 328		-	4 937 328
Total Revenue	332 605 358	214 109 271		118 496 087

EXPENDITURE- MARCH 2022

Description	Adjustment Budget 2021/2022	Expenditure to date	YTD% of budget	Budget Available
RAND				
		-		-
Expenditure By Type		-		-
Employee related costs	98 580 000	73 299 486	75%	25 280 514
Remuneration of councillors	8 215 411	6 035 808	74%	2 179 603
Debt impairment	46 000 000	-	-	46 000 000
Depreciation & asset impairment	69 235 552	-	-	69 235 552
Finance charges	9 500 000	3 423 835	36%	6 076 165
Bulk purchases	35 000 000	11 200 000	21%	23 800 000
Repairs & maintenance	12 624 785	10 447 026	80%	2 177 759
Contracted Services	8 312 000	8 015 805	93%	296 195
Transfers and grants	1 100 000	942 056	73%	157 944
Other expenditure	13 000 000	14 365 789	109%	- 1 365 789
Total Expenditure	301 567 748	127 729 805		173 837 943
Surplus/(Deficit)	31 037 610	86 379 466		- 55 341 856

Indigent Section: The Municipality has an approved Indigent Policy and Indigent Register which are both reviewed on an annual basis. As at April 2022, the Unit undertook Indigent Registration Roadshows to ensure that those who qualify are provided with the service.

EXPENDITURE INCURRED FOR FREE BASIC SERVICES FOR THE PAST 3 YEARS

2020/2021	2021/2022	2022/2023
3 481 938	R 4 908 219	

INDICATE THE FREE BASIC SERVICES BUDGET FOR 2023/2024FY

The Municipality has an established Indigent Steering Committee and it's functional. Reports on expenditure on Free Basic Services are considered in the Indigent Steering Committee, Standing Committee, Mayoral and Council, in line with Section 52 (d) reporting requirements.

Financial Viability and Management Challenges:

The municipality in general faces a challenge of limited resources, particularly financially. The institution is unable to meet all its financial obligations as and when required. To address this challenge the municipality has developed and adopted a Revenue Enhancement Strategy. In at least the 3 year previous years the municipality has not been able to meet its 100% debt collection rate.

The debtors book of the municipality is at **R 252 935 619** Million owned by the following:

- Government Departments: **R 51 517 790 that is 20%**
- Households: **R 169 324 792 that is 67%**
- Businesses: **R 30 353 550 that is 12%**

The debtors turnover rate is currently at % due to an outdated database which requires data cleansing

Separate Bank Account for Conditional Grant: There's a separate bank account for Conditional Grants. Capital Budget is spent at 100% without fail.

Municipal budget for salaries is above the prescribed norms and standards and its at 45% of the Total Operating Budget. Creditors are not being paid as per regulated norms and standard due to cashflow problems.

The municipality has a credible data/information to bill its debtors on a monthly basis.

STRATEGIC CONTEXT.

2.19. Municipal vision.

This chapter maps the progress made by Inxuba Yethemba LM against the manifesto for government, the 14 Outcomes, the National Development Plan, and the Sustainable Development Goals. The last part of the chapter provides the details of the Strategic Objectives that guide the development of the IYM's 2022/27 IDP.

Hierarchy of plans informing Inxuba Yethemba LM's Service Delivery Agen-



da.

National and Provincial Agenda

- Government priorities and focus areas are set at both a national and provincial level (NDP, MP Vision 2030 – MTSF)

District Agenda

- District plans (SDF, IDP, and District Management Area/Land Use Guidelines)
- District Development Model, One Plan

Integrated Development Plan

- Five-year plan linked to long-term goals i.e. breaking down IYM's long-term objectives into five-year strategic planning

Semi-operational

- Annual IDP review that outlines overview of planning for a specific year against high-level strategic plans outlined in five-year IDP and reports on progress against those high-level goals on an annual basis

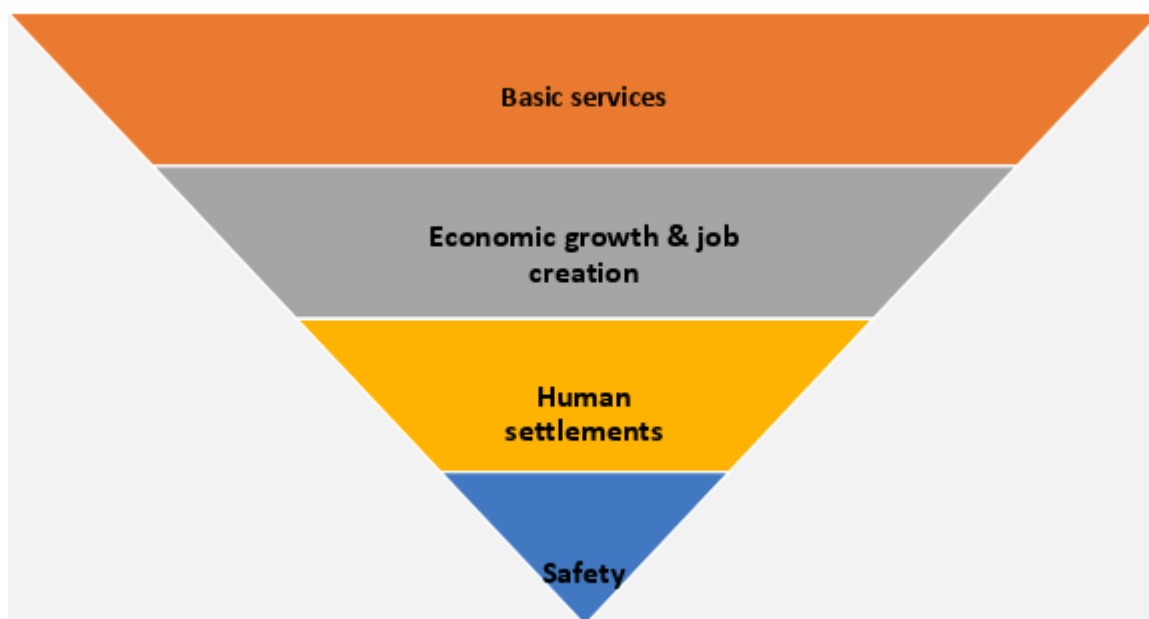
SDBIP and Business Plans

- Annual business planning by departments linked to achieving objectives outlined in the IDP.

2.20. Inxuba Yethemba LM's Strategic Direction.

2.21. Inxuba Yethemba LM's Five-Year Service Delivery Priorities SDP's).

Based on the service delivery priorities identified and submitted by IYM communities during public participation, the municipality has identified the following service delivery priorities: -



Priority 1: Provision of basic services

- **Patching and resealing of internal roads**
- Fixing electricity infrastructure
- Eliminate electricity outages
- Facilitate refurbishment of water infrastructure with Chris Hani District Municipality
- Eliminate water outages
- Refuse removal and disposal.

Priority 2: Economic growth & job creation

- Facilitate enterprise creation.
- Facilitate access to enterprise finance
- Facilitate entrepreneurial training and development.
- Facilitate access to job opportunities.
- Provide economic infrastructure

Priority 3: Human settlements

- Facilitate access to low-cost housing
- Facilitate access to middle income housing.
- Facilitate access to land for private development.

Priority 4: Safety.

- Pass and gazette municipal bylaws.
- Implement and enforce bylaws.

A Municipality working together with its citizens to ensure provision of sustainable, equitable and quality services to all

Key Performance Areas, Strategic Goals, Strategic Objectives and Priority Areas.

The inputs in the matrix are generally addressed in terms of the municipal priority issues herein grouped under five Key Performance Areas, namely: -

KPA 1: BASIC SERVICE DELIVERY AND INFRA-STRUCTURE DEVELOPMENT	STRATEGIC GOAL: To provide good quality and sustainable infrastructure and basic services
STRATEGIC OBJECTIVE	PRIORITY ISSUES/FUNCTIONS.
	Electricity, Roads and Stormwater, Environmental Management, Solid waste, Traffic and Law enforcement, public amenities, Safety and Security
KPA 2: MUNICIPAL FINANCIAL VIABILITY	STRATEGIC GOAL: Provision of effective and efficient management of municipal finances and assets
STRATEGIC OBJECTIVE	PRIORITY ISSUES/FUNCTIONS.
	Expenditure and payroll management, Revenue and Debt Management, Supply chain management, Budget planning and reporting, Asset management.
KPA 3: LOCAL ECONOMIC DEVELOPMENT	STRATEGIC GOAL: To facilitate enterprise development, job creation, human settlements, and town planning
STRATEGIC OBJECTIVE	PRIORITY ISSUES/FUNCTIONS.
To facilitate the creation, retention and re-investment in sustainable enterprises that can create jobs and improve the quality of life for the Citizens of Inxuba Yethemba by 2027.	Local economic development, agriculture, tourism and heritage, town planning and human settlements
KPA 4: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	STRATEGIC GOAL:
STRATEGIC OBJECTIVE	PRIORITY ISSUES/FUNCTIONS.
	Human resources (Organisational design, Recruitment, and selection, Personnel administration, Leave administration, Skills development, Employment equity, Wellness, Occupational health and safety), Council Support and Committees, Information Communication Technology, Archives and Records, Management of Satellite Office).
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	STRATEGIC GOAL:
STRATEGIC OBJECTIVE	PRIORITY ISSUES/FUNCTIONS.

	Communication, Municipal Public Accounts, Internal Audit and Audit Committee, Risk Management, Fraud Prevention, Special Programs, Public Participation, Petitions Management,

CHAPTER 4: STRATEGIES, KEY PERFORMANCE INDICATORS AND TARGETS

STRATEGIES, KEY PERFORMANCE INDICATORS AND TARGETS

Org KPA	Dev Objective	department	KpiCode	KPI Description	Activity Description	Budget Allocation	Budget Source	BaseLine	Year 1 Target 2022/23	Year 2 Target 2023/24	Year 3 Target 2024/25	Year 4 Target 2025/26	Year 5 Target 2026/27
Financial Viability and Management	To implement proper expenditure management in compliance with legislation	bto	2223.1.1.1	Number of creditors paid within 30 days	payment of creditors within 30 days			115	115	115	115	115	115
institutional development and transformation	To implement proper expenditure management in compliance with legislation	bto	2223.1.1.4	Number of smme creditors paid within 30 days	payment of SMMEs creditors within 30 days. SOPA kpi	N/A	N/A	12	12	0	0	0	0
Financial Viability and Management	To increase the amount of revenue collected annually	bto	2223.1.2.4	Percentage monthly collection rate (Opening balance + billed revenue-closing balance)/billed revenue)X100	% monthly collection rate (Opening balance + billed revenue-closing balance)/billed revenue)X100			80	80	80	80	80	80
Financial Viability and Management	To implement proper supply chain protocols in compliance with the MFMA legislation	bto	2223.1.3.4	Number of SCM reports on the implementation of Supply Chain Management Policy submitted to Council	Measurement – the submission that was made for previous Quarter to council and the resolution	R0	Opex	4	4	4	4	4	4
Financial Viability and Management	To implement proper supply chain protocols in compliance with the MFMA legislation	bto	2223.1.3.5	Number of Procurement Plans submitted to council for approval	The procurement plan submitted to council and the resolution	R0	Opex	2	2	2	2	2	2
financial viability and management	To improve compliance and adherence to legislation	bto	2223.1.4.2	Number of Section 71 reports submitted to the executive mayor and treasury	Submission of s71 reports within 10 working days after the end of each month to the Executive Mayor, Treasury	R0	Opex	12	12	12	12	12	12

Org KPA	Dev Objective	department	KpiCode	KPI Description	Activity Description	Budget Allocation	Budget Source	BaseLine	Year 1 Target 2022/23	Year 2 Target 2023/24	Year 3 Target 2024/25	Year 4 Target 2025/26	Year 5 Target 2026/27
		bto	2223.1.4.2	Number of Section 52 (d) reports compiled and submitted to Council for approval	Compile and submit Section 52(d) reports to Council for approval	R0	Opex	4	0	4	4	4	4
		bto	2223.1.4.2	Number of Section 72 Reports submitted to Council for approval	Compile a Mid-Year Financial Performance Report and submit to Council for approval	R0	Opex	1	0	1	1	1	1
		bto	2223.1.4.2	Number of fixed asset registers developed and maintained	Develop and maintain the fixed asset register	R3500000	Contracted Services	1	0	1	1	1	1
		bto	2223.1.4.2	Prepare and submit 22/23 Annual Financial Statements to AG by 31 August	Prepare Annual Financial Statements for the 2022/23 FY and submit to Auditor General by 31 August	R4500000	Contracted Services	Annual Financial Statements prepared and submitted to AG by 31 August 2022	0	Annual Financial Statements prepared and submitted to AG by 31 August 2023	Annual Financial Statements prepared and submitted to AG by 31 August	Annual Financial Statements prepared and submitted to AG by 31 August	Annual Financial Statements prepared and submitted to AG by 31 August
Basic Service Delivery	To provide support Indigent beneficiaries	bto	2223.1.4.2	Number of reports on Implementation of Indigent Policy submitted to Council	Prepare reports based on activities undertaken in support of Indigent beneficiaries	R3,120,000	Opex	0	0	4	4	4	4
financial viability and management	To improve compliance and adherence to legislation	bto	2223.1.4.7	Percentage of submission of information requested by ag	Address auditor general findings and RFIs. for 2022/2023 audit	R0	Opex	100	100	100	100	100	100
local economic development	To improve local economic development	community services	2223.2.10.1	Number of work opportunities created through Public Employment Programmes	Appoint epwp workers to be deployed in technical community and iped directorates	R3,300,000	Public Works/E PWP Grant	150	150	150	150	150	150

Org KPA	Dev Objective	department	KpiCode	KPI Description	Activity Description	Budget Allocation	Budget Source	BaseLine	Year 1 Target 2022/23	Year 2 Target 2023/24	Year 3 Target 2024/25	Year 4 Target 2025/26	Year 5 Target 2026/27
basic service delivery	To promote a clean environment	community services	2223.2.1.2	Number of Solid Waste Programmes implemented	Measurement shall be the activities (1.refuse removal from streets (household/business/industry refuse) 2. street cleaning/cleansing) which is measured on a weekly basis.		Opex	2	2	2	2	2	2
basic service delivery	To ensure properly maintained municipal facilities	community services	2223.2.2.1	Number of facilities maintained	Maintenance will cover Activities such as grass cutting, tree cutting, irrigation, fixing of fences, litter picking. landfill sites maintained(1 Middleburg) and (1 Cradock). Midros Sports ground, mara sports ground, phiti sports ground, cradock sports ground, lingelithle sports ground, midros cemetery, kwanonzame cemetery, middelburg cemetery, central cemetery, cradock town cemetery, michaulsdal cemetery, lingelihle cemetery. Refurbishment of Cradock Sportsfield. measurement is the number of facilities maintained and not the number of times the facility has been	R11, 000 000	DASRAC/IYM	8	14	15	14	14	14

Org KPA	Dev Objective	department	KpiCode	KPI Description	Activity Description	Budget Allocation	Budget Source	BaseLine	Year 1 Target 2022/23	Year 2 Target 2023/24	Year 3 Target 2024/25	Year 4 Target 2025/26	Year 5 Target 2026/27
					visited								
basic service delivery	To improve literacy levels	community services	2223.2.3.5	Number of library awareness campaigns and educational programmes facilitated for ecd, primary and high school scholars	The targetted Wards are for Lingelithle Ward 2, Ward 4 , Ward 9, Ward 7 Campaigns shall be counted per event for each Ward	R100 000	Opex	4	4	4	4	4	4
basic service delivery	To contribute in community safety programmes within the municipal area	community services	2223.2.5.3	Number of law enforcement fines issued	traffic enforcement indicator focusing on the issuing of law enforcement fines	R100 000	Opex	400	400	400	400	400	400
basic service delivery	To promote a clean environment	community services	2223.2.7.8	Number of environmental management campaigns conducted	environmental awareness campaigns (refuse and cultivation of plants) conducted for community and schools. A campaign is here understood to be an event per ward. Targetted Wards are – Ward 9, Ward 7, Ward 2, and Ward 4		Opex	4	4	4	4	4	4
basic service delivery	To promote a clean and safe environment	community services	2324.2.12.1	Number of Waste Management Machineries and Vehicle Testing Stations purchased	Purchase of 1 Compact Truck and 1 Vehicle Testing Stations equipment	R1,800,000	Capex	0	0	2	2	0	0
basic service delivery	To ensure a safe and secure environment through mitigating the negative impacts of disasters	community services	2223.2.9.2	Number of fire awareness campaigns conducted	Conduct fire awareness campaigns	R100 000	Opex	13	6	6	6	6	6

Org KPA	Dev Objective	department	KpiCode	KPI Description	Activity Description	Budget Allocation	Budget Source	BaseLine	Year 1 Target 2022/23	Year 2 Target 2023/24	Year 3 Target 2024/25	Year 4 Target 2025/26	Year 5 Target 2026/27
basic service delivery	To ensure effective construction and maintenance of municipal infrastructure	technical services	2223.3.1.8	Number of road segments to be patched in order to repair potholes	repairing of potholes on road sections. Section defined as length of road between two junctions		Opex	27	50	50	50	50	50
basic service delivery	To ensure provision of adequate electricity supply to iym communities	technical services	2223.3.2.1	Number of actions undertaken to reduce electricity losses	Perform annual audits on technical and non-technical losses of electricity to ensure minimum electricity losses	R0	Opex	4	4	4	4	4	4
basic service delivery	To ensure provision of adequate electricity supply to iym communities	technical services	2223.3.2.7	Number of street lights repaired	repairing of street lights such as replacing bulbs, holders and wiring		Opex	174	100	100	100	100	100
basic service delivery	To ensure provision of adequate electricity supply to iym communities	technical services	2223.3.2.8	Number of Street-lights Retrofited	Replacement of HPS bulbs with LED bulbs in the following areas,	R5 000 000	EEDSM	0	377	377	377	0	0
basic service delivery	To ensure effective planning and maintance of municipal infrastructure	technical services	2223.3.3.1	Number of infrastructure maintenance plans updated	update infrastructure maintenance plan. Every year the plan must be updated and timelines provided	R0	Opex/ Maintan- ance Budget	1	1	1	1	1	1
basic service delivery	To ensure effective construction and maintenance of municipal infrastructure	technical services	2223.3.4.4	Number of meters of road infrastructure paved	1. Paving of Joko Street – Phase 2 (Ward 9); 2. Midros Access Road – Phase 2 (Revier Weg in Ward 7 & 8); 3.Chris Hani Street – Phase 2 (Ward 2); 4. Mischausdal Internal Roads and Storm-water Control – Phase 1 (Ward 4) 5. Paving of Raymond Mhlaba Street;By definition paving can include tar, interlocking blocks and concrete surfacing).	R23,500,000	MIG	4500	1500	1500	1500	1500	1500

Org KPA	Dev Objective	department	KpiCode	KPI Description	Activity Description	Budget Allocation	Budget Source	BaseLine	Year 1 Target 2022/23	Year 2 Target 2023/24	Year 3 Target 2024/25	Year 4 Target 2025/26	Year 5 Target 2026/27
basic service delivery	To ensure effective construction and maintenance of municipal infrastructure	technical services	2223.3.4.6	Number of highmast lights erected	Highmast Lights erected (Rosemead)	R 3,700,000	MIG	25	25	4	0	0	0
basic service delivery	To ensure effective construction and maintenance of municipal infrastructure	technical services	2223.3.4.7	Percentage expenditure on mig funds	Percentage expenditure on MIG Funds	R38,200,000	MIG	100	100	100	100	100	100
basic service delivery	To ensure effective construction and maintenance of municipal infrastructure	technical services	2223.3.4.9	Number of meters of cradock streets rehabilitated	the kpi measures the number of meters of streets resealed or reahabilitated. The following streets ca-wood and sprigg street are considered.	R8 500 000,00	Own Funding	0	1500	1500	0	0	0
local economic development	To improve and protect the agricultural infrastructure	iped	2223.4.1.1	Number of meters of fencing commonages of iym	build fences on animal grazing commonages to promote agricultural activities and practices		Opex	2000	2500	2000	2000	2000	2000
local economic development	To ensure efficient and effective spatial planning and land use management	iped	2223.4.2.1	Number of building applications to be approved.	Approval of Building Plans and land development applications.	R0	Opex	110	110	110	110	110	110
local economic development	To ensure efficient and effective spatial planning and land use management	iped	2223.4.2.3	Number of land development applications received and processed by iym	Processing of Land development applications received by IYM	R0	Opex	20	15	15	15	15	15
local economic development	To support the establishment of smmes	iped	2223.4.3.5	Number of smme capacitation training workshops/ seminars conducted	Conduct Training Workshops and Seminars for smmes	R100 000	Opex	4	4	4	4	4	4

Org KPA	Dev Objective	department	KpiCode	KPI Description	Activity Description	Budget Allocation	Budget Source	BaseLine	Year 1 Target 2022/23	Year 2 Target 2023/24	Year 3 Target 2024/25	Year 4 Target 2025/26	Year 5 Target 2026/27
local economic development	To support the establishment of smmes	iped	2223.4.3.7	Number of business licenses approved	Approve Business Licenses for operating businesses	R0	Opex	100	100	100	100	100	100
local economic development	To Implement Tourism and Heritage Management Plan	iped	2223.4.4.7	Number of tourism awareness campaigns conducted	awareness campaigns focusing on tourism month	R60 000	Opex	4	4	4	4	4	4
local economic development	To educate communities about home ownership	iped	2223.4.6.8	Number of human settlement workshops conducted for the community	Conduct workshops with our community covering aspects such as human settlement activities, property ownership, title deeds	R0	Opex	4	4	4	4	4	4
institutional development and transformation	To provide Human Resources Support to all Directorates in the Municipality	corporate services	2223.5.1.1	Number of reports on implementation of Human Resource Policy Programmes	Report on HR related activities (Recruitment, JD Writing EE)	R0	Opex	0	3	3	3	3	3
institutional development and transformation	To provide appropriate Human Resource to support all Directorates in the Municipality	corporate services	2223.5.1.2	Number of Local Labour Forum Meetings convened	Convene LLF Meetings	R0	Opex	4	4	4	4	4	4
institutional development and transformation	To improve institutional ict capacity	corporate services	2223.5.2.3	Number of critical weekly data backups	ensure critical weekly data backups	R0	Opex	52	52	52	52	52	52
institutional development and transformation	To improve institutional ict capacity	corporate services	2223.5.2.4	Number of ict systems with uptime of 95 percent	ensure ICT Systems uptime of 95 percent. measured per quarter for the servers below -File Server -Financial System -Domain Controller -Electrical Vending System	R0	Opex	20		6	6	6	6

Org KPA	Dev Objective	department	KpiCode	KPI Description	Activity Description	Budget Allocation	Budget Source	BaseLine	Year 1 Target 2022/23	Year 2 Target 2023/24	Year 3 Target 2024/25	Year 4 Target 2025/26	Year 5 Target 2026/27
					-Back Up server -Firewall				6				
institutional development and transformation	To improve institutional ict capacity	corporate services	2223.5.2.5	Number of ICT Projects implemented	For Q1 - telecommunications solution R1.5m ; Q3 Print Service R1M, Q4- Establish ICT Disaster Recovery site R1,200,000; Cradock Server Room upgrade (Installation of biometric system, fire detector and fire suppressors) for R500,000 ICT Help Desk System Q4 for R300 000 and Procurement of Office 365 licenses R500,000	R5 000 000	Capex	7	7	7	3	3	3
institutional development and transformation	To ensure knowledge dissemination and compliance with occupational health and safety regulations	corporate services	2223.5.4.1	Number of occupational health and safety policy programmes implemented (PPE Provision, Medical Screening, Health and Safety Inspections)	identify hazards in department on their sections and recommend action thereafter. How we are measuring (measured by the quarter by programme) Q2 – issuing of ppe – technical, community, iped, Q3 – inspections (E.G. PHYSICAL, CHEMICAL BIOLOGICAL) targeting technical service Q4- medical screening for waste and electrical department section		Opex	2	3	3	3	3	3

Org KPA	Dev Objective	department	KpiCode	KPI Description	Activity Description	Budget Allocation	Budget Source	BaseLine	Year 1 Target 2022/23	Year 2 Target 2023/24	Year 3 Target 2024/25	Year 4 Target 2025/26	Year 5 Target 2026/27
institutional development and transformation	To create work environment in which employees are adequately informed and educated on their well-being	corporate services	2223.5.5.3	Number of employee assistance policy programmes implemented	report on the number of staff members receiving psychosocial support (Substance Abuse, Wellness (Psychological, Socio-Economic & Physical Workshop)		Opex	2	2	2	2	2	2
institutional development and transformation	To streamline special programs by ensuring functionality of all special programmes structures	omm	2223.6.5.4	Number of SPU strategy programs implemented	Implement the approved Special Programmes Strategy		Opex	3	3	3	3	3	3
good governance and public participation	To ensure an effective municipal governance in line with applicable legislation	corporate services	2223.5.7.1	Number of policies, strategies, bylaws developed and reviewed	Compilation and submission of documentation relating to new/ amended policies strategies, and bylaws	R0	Opex	5	10	10	10	10	10
institutional development and transformation	To develop the skills of the workforce and unemployed youth to enhance their competencies	corporate services	2223.5.8.1	number of staff that have undergone a skills audit including competency profiles within the current 5 year term cogta	Cogta kpi. skills audit report focussed on staff members over a 5 year period	R0	Opex	1	1	1	1	1	1
institutional development and transformation	institutional development	corporate services	2223.5.8.2	number of officials and councillors trained as per the approved workplace skills plan	training based on skills audit	R1,200,000	Opex	30	10	10	10	10	10
good governance and public participation	To ensure effective Audit and Corporate governance function that will result in improved compliance and clean administration	omm	2223.6.1.1	Number of internal audit programmes executed by financial year end	Implementation various audit programmes by year end	R100 000.00	Opex	12	12	12	12	12	12
good governance and public participation	To ensure that the municipality operates free of anticipated risk of maladministration, fraud and corrup-	omm	2223.6.3.1	Number of anti-fraud and corruption prevention initiatives	Implementation of public service anti-corruption and fraud	R50 000.00	Opex	2		1	1	1	1

Org KPA	Dev Objective	department	KpiCode	KPI Description	Activity Description	Budget Allocation	Budget Source	BaseLine	Year 1 Target 2022/23	Year 2 Target 2023/24	Year 3 Target 2024/25	Year 4 Target 2025/26	Year 5 Target 2026/27
	tion			undertaken	prevention plans				2				
	To ensure that the municipality operates free of anticipated risk of maladministration, fraud and corruption	omm	2324.6.2.2	Number of Strategic and operational risk registers reviewed and monitored	Review and monitor the Strategic and Operational Risk Registers on a quarterly basis	R0	Opex	1	0	2	2	2	2
good governance and public participation	To ensure effective performance management	omm	2223.6.4.1	Number of formal performance evaluations for section 56/57 conducted	valuations for section 56 and 57 manager performance	R100 000.00	Contracted Services	2	2	2	2	2	2
good governance and public participation	To ensure effective performance management	omm	2223.6.4.2	Number of institutional performance reports developed and submitted to council for noting	performance reports (Annual Report, Quarterly Performance Reports) developed and submitted to council for noting	R100 000.00	Contracted Services	5	5	5	5	5	5
good governance and public participation	To ensure effective performance management	omm	2223.6.5.3	Number of institutional strategic documents developed and submitted to council for approval	Develop 1 IDP and 1 SDBIP, submit to Council for approval as legislated	R100 000.00	Contracted Services	2	2	2	2	2	2
good governance and public participation	To Promote Public Accountability	omm	2223.6.6.1	Number of Municipal Public Accounts Meetings held	Convene MPAC Meetings	R50 000.00	Opex	4	4	4	4	4	4
good governance and public participation	To improve community participation in the affairs of the municipality	omm	2223.6.7.4	Number of public participation strategy programmes implemented	The programmes are as directed by the Executive Mayor and the Speaker. The reports should be signed by the office bearer of the MM. The 5 programmes are: - initiation x 2 (one in June and other in December) reported in Q1 and Q2 -MRM (Moral Regen-	R100 000.00	Opex	5 5	5	5	5	5	5

Org KPA	Dev Objective	department	KpiCode	KPI Description	Activity Description	Budget Allocation	Budget Source	BaseLine	Year 1 Target 2022/23	Year 2 Target 2023/24	Year 3 Target 2024/25	Year 4 Target 2025/26	Year 5 Target 2026/27
					eration movement) - Woman Caucus -War Rooms (these take place throuout the year)								
good governance and public partic- ipation	To ensure functional sys- tems of internal and exter- nal communication	omm	2223.6.7.5	Number of quarterly reports on the com- munication strategy programmes imple- mented	Implement the ap- proved communica- tion strategy pro- grammes. These are quarterly reports These will cover 9 road shows, radio talk show, website, placing media ad- verts,	R60 000.00	Opex	4	4	4	4	4	4

CHAPTER 5 PUBLIC PARTICIPATION

INTRODUCTION

Chapter 4 of the Municipal Systems Act, 2000 regulates the participation of communities in the affairs of the municipality. Inxuba Yethemba Municipality adopted its Public Participation Policy in May 2023.

(a) Mechanisms For Community Participation

The Municipality undertakes various mechanisms with the sole purpose to involve its communities in the planning, development, implementation and review of the IDP and also in the activities and programmes of the municipality at large:

- (i) **Ward Committee Meetings:** are convened on a monthly basis
- (ii) **Ward Meetings:** are convened atleast once a quarter
- (iii) **IDP Rep Forum:** convened on a quarterly basis
- (iv) **Newspaper**
- (v) **Social Media Platforms:** the municipality makes use of IYM Facebook Pages and Whatsapp Groups to communicate with relevant stakeholders.
- (vi) **Mayoral Imbizo:** convened bi-annually in both towns.
- (vii) **Radio Station:** the municipality uses Vukani FM to broadcast municipal affairs

(2023/2024) Identified Needs Per Ward.

DATE OF MEETING	WARD	WARDS PRIORITIES RAISED for 2022/23 IDP	NEW WARDS PRIORITIES RAISED for 2023/24 IDP
08/11/2022	WARD 1	Paving of: 1. Nkonjane Street 2. Gala Street Phase 2 3. Mpangele Street 4. Mazosiwe Street 5. Hobe Street 6. Ntlakohlaza Street 7. Sisulu Street 8. Ncada Street 9. Kahle Street Installation/Construction of 10. New Sewerage System in Gala Street 11. Multipurpose Youth Centre 12. Clinic 13. Police Station	1. Sikhulu Street 2. Nkonjane Street + Mpangele Street with Stormwater System 3. Gala Street 4. Construction of Sewerage System in the Old Graveyard 5. Hobe Street 6. Ntlakohlaza Street 7. Sisulu Street 8. Ncada Street 9. Kahle Street Installation/Construction of 10. New Sewerage System in Gala Street 11. Park (for children) 12. Multipurpose Youth Centre 13. Youth Development 14. Clinic 15. Police Station 16. Ploughing Fields

21/11/2022	WARD 2	Surfacing Maintenance of the streets: 1. Hlekani 2. Zambodla 3. Qhina 4. Nyanda 5. Mhlawuli 6. Chris Hani 7. Ndlovini 8. Zwelitsha Flood Lights Mobile Police Station Clinic Recreational Facilities Community Empowerment in Projects FET College Job Creation Rectification of Houses Library and Park Sportsfield Night School Facilities	1. Chris Hani Street and Stormwater Drainage 2. Sikhulu Street 3. Zambodla Street 4. Hlekani Street 5. Vabaza Street 6. Qhina Street 7. Ntenetyana Street Flood Lights Mobile Police Station Clinic Recreational Facilities Community Empowerment in Projects FET College Job Creation Rectification of Houses Library and Park Sportsfield Night School Facilities
10/11/2022	WARD 3	Paving of: Thembeni Street Luse Street Mali Street	Paving of: 1. Thembeni Street 2. Luse Street 3. Mali Street 4. Community Hall 5. Youth Centre/Multipurpose 6. Kolunga Street 7. Sonwabile Street 7. Street Lights (Apolo) 7. FET/ Skills Training College 8. Factories 9. Old Age Home 10. SMME Development 11. Youth Development 12. Management of Foreign Spaza Shops 13. Support of Boxing Sport 14. Control of Illegal Live-Stock Farming (Pigs and Goats in yards) 15. Housing Development 16. Ngalo House/Site be cleared

09/11/2022	WARD 4	Paving of • Steenbok Street • Takbok Street • Pine Street • Springbok • Shannon • Eland Electricity Upgrade Water Tanks per Household Stormwater Drainage system throughout the ward Installation of Streetlights: Shannon Street, Blesbok Street, Gembok Street, Alpha Street, Amandel Street, New Street, Short Street, Sion Street, Viola Street Parks and Vege Gardens Upgrade of Old Sport Complex & Swimming Pool Upgrade of Michausdal Complex and Hall	1. Mischausdal Internal Roads and Stormwater Control 2. Steenbok Street 3. Takbok Street 4. Pine Street 5. Springbok Street 6. Shannon Street 7. Eland Street Fixing of Potholes: • All Tarred Roads Blanding of Streets: • All ground streets Fixing of : • Swimming pool, Sportfields and Community Hall Cleaning of: • All storm water drains Street lights need to be fixed/ installed of new street lights Building of: • New houses • Rebuilding of the Preparatory Primary schools(Carinas and Michausdal Primary) • Michausdal Clinic be extended Traditional Leaders: • Land Audit • Land for Gardening and farming • Land for traditional Affairs
21/11/2022	WARD 5	1.1 Development and provision of a Place of Shelter/ Safe Haven for abused children 1.2 Provide a tap in the Old Cemetery. Do regular maintenance in the old cemetery. It is a tourism attraction. 1.3 Make available serviced residential stands for sale. 1.4 Construct two new public toilet facilities at strategic places in Ward 5. 1.5 Enter into an agreement with the Cradock Animal Shelter in the Industrial Area to manage and impound stray animals in partnership with the Municipality. 2. Building the economy 2.1 Promote growth in Tourism – find a private operator to manage the abandoned Caravan Park next to the swimming pool.	1.1 Reseal of Cradock Streets (Phase 3) 1.2 Cradock Sportfield 1.3 Renovation of Town Hall and Council Chambers 1.3 Regular maintenance of old cemetery. 1.4 Available serviced residential stands for sale. 1.5 public toilet facilities. 1.6 Enter into an agreement with the Cradock Animal Shelter in the Industrial Area to manage and impound stray animals in partnership with the Municipality. 2. Building the economy 2.1 Promote Tourism – find a private operator to manage the abandoned Caravan Park next to the swimming pool. 2.2 Upgrade the municipal swimming pool. 2.3 Recycling Project. 2.4 Relocate the Technical Services and Public Works Department to a more suitable

		2.2 Upgrade and renovate the municipal swimming pool to facilitate more sporting events to be hosted in Cradock. 2.3 Recycling project to be undertaken in Ward 5. Separating at source: Glass, tin, paper, plastic. Create opportunities for sources of income for unemployed people in Ward 5. 2.4 Relocate the Technical Services and Public Works Department to a more suitable building and location. (Industrial Area) Then redevelop the Old Boys' School Buildings into a Training facility for vocational training, to settle a College in. 2.5 Relocate the Traffic Department to more suitable location and redevelop the site into a tourism hub to be linked with Market Street and tourism activities at the internationally-renowned Victoria Manor Hotel and Tuishuise. 2.6 Develop a section of the completed Hawkers' Facilities into a hub of Street food to be included in the Tourism development plans of the Municipality. 2.7 Development of an industrial hub for small business enterprises in the Industrial area. 2.8 Make available serviced stands for sale in the industrial area. 3. Roads and Storm water Resealing of Adderley, Frere, Cawood and Sprigg Streets. Include streets in the industrial area into the planning as well. Nu-Stockenstroom, High, Cross, Metcalf, De Kick, J G Strydom, Protea Streets. Speed bumps to be erected in: Rocklands Street next to Coetzee Hall of Cradock High School. Neasted Street at the back of the Cradock Primary School gate. Four-way stop to be constructed on the corner of Dundas and Church Streets Maintain and upgrade all storm water	building and location. (Industrial Area) Then redevelop the Old Boys' School Buildings into a Training facility for vocational training, to settle a College in. 2.5 Relocate the Traffic Department to more suitable location and redevelop the site into a tourism hub to be linked with Market Street and tourism activities at the internationally-renowned Victoria Manor Hotel and Tuishuise. 2.6 Develop a section of the completed Hawkers' Facilities into a hub of Street food to be included in the Tourism development plans of the Municipality. 2.7 Development of an industrial hub for small business enterprises in the Industrial area. 2.8 Make available serviced stands for sale in the industrial area. 3. Roads and Storm water Nu-Stockenstroom, High, Cross, Metcalf, De Kick, J G Strydom, Protea Streets. Speed bumps to be erected in: Rocklands Street next to Coetzee Hall of Cradock High School. Neasted Street at the back of the Cradock Primary School gate. Four-way stop to be constructed on the corner of Dundas and Church Streets Stormwater Drainage System. 4. Electricity a. Maintain and upgrade electricity infrastructure b. Street lights c. Electrical lines, mini subs, transformers and ring feeds to upgrade and fix problem areas. 5. LED, Town Planning & PMU Upgrade and extension of landing strip to provide for planned expansion of businesses and tourism industry. 5.1 Obtain licence for landing strip through the Civil Aviation Authority of SA. 6. Developing an extensive expansion of an Integrated Information Technology system to enable the purchasing of electricity vouchers via cell phones and improved email and customer management services for improved service delivery and improved communication

		drains in Ward 5. 4. Electricity Maintain and upgrade infrastructure, especially: - Street lights - Proper trimming & maintenance of trees overhanging the electrical lines - Electrical lines, mini subs, transformers and ring feeds to upgrade and fix problem areas. 5. LED, Town Planning & PMU Upgrade and extension of landing strip to provide for planned expansion of businesses and tourism industry. 5.1 Obtain licence for landing strip through the Civil Aviation Authority of SA. 6. Developing an extensive expansion of an Integrated Information Technology system to enable the purchasing of electricity vouchers via cell phones and improved email and customer management services for improved service delivery and improved communication with the residents of the Municipality. Additional items added on 18 Oct 2021: - Upgrade & renovation of Cradock Spa - Completion of Taxi Rank & Hawker facilities - Access Road to SA Police station. - Renovation and refurbishment of municipal flats - Development of middle-class housing	with the residents of the Municipality. - Upgrade & renovation of Cradock Spa - Completion of Taxi Rank & Hawker facilities - Access Road to SA Police station. - Renovation and refurbishment of municipal flats - Development of middle-class housing
22/11/2022	WARD 6	Priorities raised by the Farmers association: - District roads maintenance - Water Infrastructure - Municipal Roads Maintenance Dumping and litter to be controlled	Paving of: - Raymond Mhlaba Street - Olifant Street - Luvuyo street - Leeu Street - Sakhwatsha + Ekuthuleni Street - Vuyisani Street - Primary School. - Skills Development Initiative - Mobile Library and Clinic. - Transfer of land from Transnet to Inxuba Yethemba Municipality. - Housing Development. - Signage in illegal dumping sites.
23/11/2022	WARD 7 (Midros)	- Water & Drainage - Housing - Replacement of Asbestos Roof - Rehabilitation of Riverveg Access	- Midros Access Road - Sportfield - Harmse Veg and Lank Veg - Pretorius Veg

		Road. 5. Water 6. Midros Sportfield 7. The extension of clinic to provide space for TB and Covid Testing. 8. All roads going to the school should be paved, Johnson road,Booyesen Road, Anderson Road, Grootfontein road should also be paved that goes to the school. 9. Esau weg. 10. Parks. 11. Train contractors	5. Gert Jooste Street 6. Robert Veg Street 7. Gert Louw Street 8. Water and Drainage System 9. Houses 10. The extension of clinic to provide space for TB and Covid Testing. 11. All roads going to the school should be paved, Johnson road,Booyesen Road, Anderson Road, Grootfontein road should also be paved that goes to the school. 12. Esau weg. 13. Parks. 14. Train contractors
23/01/2023	WARD 7 (Rosemead)		1. High Mast lights 2. Electricity vendor in Rosmead 3. Flushing toilets 4. Community Hall 5. Construction of Roads or Paving Streets 6. Sewerage System and fixing of Storm Water drains 7. Transport for school children and Learnership Participants from Rosmead to Middleburg and back 8. Job Creation 9. Houses 10. Land for Burial 11. Clinic
23/11/2022	WARD 8	1.Clinic 2.Old location in Lusaka near the river when going to town needs to be fixed or renovated. 3.A Cross-Bridge for children 4.Training to local Smmes	Paving of: 1. Midros Access Road 2. Simpiwe Bleki/Ray Shweni/ Oliver Tambo 3. Sisonke Street 4. Sam Shilowa/Mandela Avenue 5. Khulani Street 6. O.R. Tambo Street 7. Somerweg Street 8. Athenkosi Street 9. Solomon Mahlangu 10. Mandela Avenue 11. Thembaletu Street 12. Clinic 13. Bridge to school in KwaNonzame 14. SMME Development
29/11/2022	WARD 9	1. Joko Street 2. Ephuleni street and September street will also be accommodated 3. Victoria street 4. Water tanks in every house hold at ward 9 5. Dineni street floods due to rain 6. Water. 7. Stadium 8. Youth Centre.	1. Joko Street and Stormwater Control 2. Mguga Street 3. September Street 4. Youth Center. 5. Street lights 6. Speed humps 7. Traffic Circle 8. Sinking Houses in Joko Avenue

SUMMARY OF COMMENTS RAISED DURING IDP, BUDGET ROADSHOWS FOR DRAFT IDP/BUDGET 2023/2024 (APRIL 2023)

Ward No	Date	DRAFT IDP/BUDGET AND ANNUAL REPORT COMMENTS RAISED	RESPONSES BY MANAGEMENT
1	09/05/2023 Jerusalem Church	1. Indigent Application Drive must cover the area extensively and must not be convened in one area in Ward 1. Also must give enough time for the process and provide a list of things needed in advance 2. There are houses in Ncanda Street being rented out. The tenants need to be billed for the services 3. Lingelihle Hall will be renovated but what is the plan for revenue enhancement 4. Municipal Flats are vandalized must be fixed for revenue generation	The requirements for the Indigent registration are set or guided by National Treasury. On the next drive the municipality will consult with Ward Councillors for additional suitable spots to convene the application drive and the community will be advised in time. The municipality bills the owner. However the policy will be amended to allow for tenants to be billed. Management to develop a plan IYM will initiate a Public Private Partnership as done with Cradock Spa to ensure proper management of these facilities which will assist with revenue for IYM
		SERVICE DELIVERY AND/OTHER ISSUES	RESPONSES BY MANAGEMENT
		5. The municipality must revive or invest in Brick Makers and Milk Factory in the area and not depend only on grants 6. CHDM must do proper meter readings and not guess 7. Youth must be considered for employment in the new paving project 8. Roadshow or information session on rates must be conducted for the community. Proper Rezoning of properties being used as businesses must be done. 9. SMMEs (Enterprises, NGO and NPO) must be trained before entering a venture so they understand business administration and the consequence of a venture 10. Dumping sites in are a concern. These include dumping sites in Solomon Akena and part of VD Sku-vet inside the Church 11. Highmast light is not working (1st light in Barayi Street inside the side) 12. Why encourage community to start new businesses instead of revitalizing the old ones 13. Electrical employees must be trained	Commercial farmers were requested to establish Milk Farms but they await for IYM to kickstart the initiative and prove it will be beneficial for farmers to participate. It is important for the community to attend the CHDM Roadshows so they can voice their concerns and get answers from CHDM because IYM can't respond on behalf of another municipality. 30% of project costs is benefited by SMMEs (Youths) within IYM. Management notes the recommendation When a project is awarded SMMEs (Enterprises funded by Government Depts) are trained before implementation of the project. Training is provided in financial management, project management and administration before the project starts. Ms Majiba to attend to the matter Mr Nomandela to attend to the matter It is not to say new business must be started rather that the initiative must come from the youth so that IYM may support where possible. Employees with extensive experience will be trained through SETA through the RLP Programme.

2.	11/04/2023 Lingelihle Hall	DRAFT IDP/BUDGET AND ANNUAL REPORT COMMENTS/ISSUES RAISED	RESPONSES BY MANAGEMENT
		1. Write off Uncoverable Debt for Indigent Households in Lingelihle and allow for communities to start on clean slate 2. Renovation of municipal flats to boost revenue 3. Free Basic Electricity should be given in Ward 2 4. For the past 6 years the Audit outcomes have not improved to Clean Audit. This is a long time. 5. Chris Hani Project is slow as compared to other projects due to protests and the R4.5mil allocated might not be enough 6. Account Statements are not delivered to communities 7. Since Sikhulu Street Project is slow and won't be completed will the amount left in the 2022/23 fy be rolled over to next financial year 8. Appointment of contractors leaves municipal communities/youths redundant 9. EPWP does the work of permanent employees 10. Include a budget for replacement sewerage pipes in graveyard	Council to take note IYM will initiate a Public Private Partnership as done with Cradock Spa to ensure proper management of these facilities which will assist with revenue for IYM Council to take note Management is working towards a clean audit Delays in project due to project or closure have cost implications. The ward cllr, ward committees, management and Council to take note. CFO to address this matter The project still is of the 3 year capital plan which starts in 23/24 fy. Grants come with conditions, specifies how community benefits and how much is the project and IYM must comply. Vacancy rate is still high and Currently municipality is focusing on critical positions due to cashflow challenges. CHDM is has covered some of the infrastructure revamping requests.
3.		SERVICE DELIVERY AND/OTHER ISSUES	RESPONSES BY MANAGEMENT
		11. Revamp Carwash opposite Vusubuntu into a Parking Lot since it is not being used 12. Safeguarding of municipal assets 13. Illegal dumping sites next to schools and municipality left a pile of sand that's destroying a fence 14. Solar Streetlights should kick in during loadshedding 15. Reseal R61 Road to Zebra Park	Suggestion was noted and Council to note regarding municipal assets. It is the responsibility of both the municipality and community. Community must join hands and fight vandalism Ms Majiba to attend to the matter The Renewable Energy project is still under initiation phase. The road is not under IYM. Notice to be forwarded to SANRAL
4.	13/04/2023 Sonskyn Hall	DRAFT IDP/BUDGET AND ANNUAL REPORT COMMENTS/ISSUES RAISED	RESPONSES BY MANAGEMENT
		• NOT YET CONVENED	NOT YET CONVENED
4		DRAFT IDP/BUDGET AND ANNUAL REPORT COMMENTS/ISSUES RAISED	RESPONSES BY MANAGEMENT
		1. The presentation does not reflect the streets to be implemented in the ward as presented by Executive Mayor. 2. About the R8mil for the sportfield. What is the Sports community/Sport Council input?	Manager IDP to update the error. The streets in the 3 year capital plan for Ward 4 include: Steenbok, Takbok, Pine Street and a portion of Springbok Street Gazetted on DORA Funding, when the project is about to commence,

		3.The listed projects are they the only projects for ward 4? And isn't there money for Michausdal Hall that can be spared for renovations? 4.Appreciation of the Audit Outcome 5.When will the street projects commence 6. EPWP Uniform is old 7.EPWP Cradock must clean the gravesite as well SERVICE DELIVERY AND/OTHER ISSUES 8.Electrical cable lying on ground 9. Lots of unclaimed land in the Ward 10. Stormwater Systems for the Ward 11. Safeguarding of Municipal Assets	public participation will be undertaken to cover all relevant stakeholders The budget is for what is prioritized , Michausdal Hall was not a new priorities will be captured in the next review of the IDP Noted In the 2023/24 FY which will start in July 2023 The amount received is meant to cover stipend and cant afford uniforms. However iym gives participants gloves and masks Director Majiba to put a team to handle the issue RESPONSES BY MANAGEMENT Must be formally reported to the Municipality and cases must be opened with the police It's a mutual responsibility between IYM and Communities must discipline their children because it is them who vandalise
5	12/04/2023 Cradock Town Hall	DRAFT IDP/BUDGET AND ANNUAL REPORT COMMENTS/ISSUES RAISED 1.Community member believes that the budget is not funded and is unrealistic. 2.What are we doing with the surplus SERVICE DELIVERY AND/OTHER ISSUES 3.Vandalizing of properties is high and CCTV Cameras must be installed	RESPONSES BY MANAGEMENT National Treasury is consulted on all budget transactions (Benchmarking), assessment before the budget can actually be approved.a letter on status of budget to municipality confirming approval/decline of the budget. Last step would be to table to Council. IYM is spending the surplus on Roads in Ward 5 and currently we are on phase 3 of rehabilitating Cradock streets RESPONSES BY MANAGEMENT The suggestion is noted
6	09/05/2023 Nomsa Frans Hall	DRAFT IDP/BUDGET AND ANNUAL REPORT COMMENTS/ISSUES RAISED 1.There was money allocated for water pipes. What happened to the money 2.If you increase rates, increase also service delivery. There is no refuse collection, electricity 3.Install an electricity line that will service purely the Hill Side area 4.Paving in the ward is it done by IYM or there's an	RESPONSES BY MANAGEMENT Water is under CHDM and the EM convened a Roadshow to address issues related to it Council notes the suggestion. Management is to improve their performance. Long term solution: The municipality needs R15 mil and must make a submission to dept of Energy. Short term solution: Maintenance of the breaker the area currently has Medium term solution: Management must source funds for 2 breakers (Bergseg & Hill Side)so that the areas don't share a breaker to reduce load Lets wait for the process to unfold

		appointed contractor	where the contractor will be introduced to the community.
		SERVICE DELIVERY AND/OTHER ISSUES	RESPONSES BY MANAGEMENT
		5.CWP is burning waste close to peoples yards	Director Majiba to follow up and liaise with Ward Councillor
		6.Black bags are not being delivered	
		7.Dermarcation of Derbesview falls under ward 6.	This was approved in April and Ward Councillors from both Ward 4 and 6 need to set up a meeting and advise people of the new change
7	18/04/2023 Midros Hall	DRAFT IDP/BUDGET AND ANNUAL REPORT COMMENTS/ISSUES RAISED	RESPONSES BY MANAGEMENT
		1.What was the trench (budget) for the last financial year	
		2.Is there a budget to upgrade electricity infrastructure to avoid tripping/overload	
		SERVICE DELIVERY AND/OTHER ISSUES	RESPONSES BY MANAGEMENT
		3.When are houses going to be built	Human Settlement has a project
		4.Stop signs must be visible	
		5. Highmast Lights are not functional at Langweg and Lankmass Street	All highmast lights are working.
		6.Unemployment is high	There are various mega projects to be implemented including the wind farm and ITCC projects. Communities are requested to apply. Emails for applications will be given to the Ward Councillor.
8	25/04/2023 Lusaka Hall	DRAFT IDP/BUDGET AND ANNUAL REPORT COMMENTS/ISSUES RAISED	RESPONSES BY MANAGEMENT
		1.Upload Annual Report on municipal website and make available copies at libraries	The Municipal website is being fixed and immediately after completion the document will be loaded. Documents were delivered, communities are requested not to remove the annual reports engage and leave them for the next person. More copies will be placed.
		2.Purification of Indigent register for Lusaka must be conducted to eliminate misuse of Indigent Policy	BTO & Human Settlements must work together in the process
		SERVICE DELIVERY AND/OTHER ISSUES	RESPONSES BY MANAGEMENT
		3.Amabhubesi Contractor is not employing in Middelburg	There are various mega projects to be implemented including the wind farm and ITCC projects. Communities are requested to apply. Emails for applications will be given to the Ward Councillor.
		4.Appreciation for Highmast Lights	Lights will be strategically placed, to cover a wide area
		5.Are Spaza Shops converted into Business sites	Director IPED to do a proper investigation
		6.Theres a building/structure in the commonages	Director IPED to do a proper investigation, along with the Building Inspector
		7.Police do not assist with Taverns that operate in irregular hours	IYM to speed the process of Gazetting of Bylaws by MEC. Police cannot intervene where there are no gazetted bylaws.

1. Joko Street Paving is good however was Human Settlement Dept approached to fix the houses that were damaged by slides or floods.

2. Are we allowed to give inputs since these are drafts. Can we change priorities.

3. Joko Project costs R9.6mil. It is expensive but it is small. It is outsourced when it can be done internally and assist in eradicating levels of indigents in the database

4. When is Ekuphumleni going to be done. Can it be considered now/.

5. Eskom Debt Relief how will it unfold

6. Too many discrepancies in revenue and expenditure for the new budget year 23/24 as compared to 21/22fy
7. CLO & PSC of the project have never been met or introduced

8. The ITCC Project (Traffic) is it going to generate its own electricity or is it going to depend on already strained electricity

9. There must be a tool or plan that will show how the municipality will generate revenue from the stadium

10. Indigent benefits from National Treasury must reflect on the presentation

11. Indigent Register – no communication of approval/decline by municipality. The register must be linked with that of CHDM water and must reflect on statement

12. Ekuphumleni Street (School) why is not considered

13. Electricity charges and water charges are too high

14. What is the next step after this consultation

SERVICE DELIVERY AND/OTHER ISSUES

15. Why EMS Ambulance service issue has not been resolved

16. Electric appliances are damaged to electricity outages and it should be considered as a disaster

17. Farmers Association not allowing new farmers to use land in commonages

18. Water meter readings are incorrect

Yes, there's a rectification of programme which is to start in Middelburg for RDP houses with defects. Inputs maybe given however priorities cannot be changed. The process will start again in October/Nov 2023 where priorities can be changed.

Grant projects come with conditions, one being the advertisement of the tender on National papers. If we fail to comply we will break the conditions of that grant.

Inputs maybe given however priorities cannot be changed. The process will start again in October/Nov 2023 where priorities can be changed. Treasury will assist municipalities who can't pay due to low revenue collection rate. However the process is still to be outlined.

Don't wait till it's too late, submit your grievances to Ward Councillor

The comment was appreciated and noted.

The comment was appreciated and noted.

The drive is undertaken annually as status regularly change. Ward Councillor must do a follow up on behalf of their ward.

Ekuphumleni, K53 Road, Nombewu Street also need attention. Sanral social project to cater for the above streets.

Written submissions are welcome and they will be consolidated for Council Agenda for consideration.

RESPONSES BY MANAGEMENT

The issue is the centre that is in CHDM and not in IYMM.

Disaster is CHDM responsibility. IYM can only submit a request. Please attend the upcoming CHDM Roadshow that is still to be convened. Councillors will be advised.

It is incorrect for Farmers Association to collect money from individuals. Management will come with approach to address the matter.

Please attend the upcoming CHDM Roadshow that is still to be convened. Councillors will be advised.

CHAPTER 6 PROJECT/PROGRAMMES FROM OTHER STAKEHOLDERS

CHRIS HANI DISTRICT MUNICIPALITY

<u>MIG PROJECT NAME</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
<u>CRADOCK BULK SERVICES</u>	<u>R9000 000.00</u>	<u>R14 000 000.00</u>	<u>R6 300 000.00</u>
<u>Refurbishment of Middelburg WWTW</u>	<u>R2000 000.00</u>	<u>R11 600 000.00</u>	<u>R2 000 000.00</u>

DICLA TRAINING OPPORTUNITIES

- 100 Students under 35 to participate in Artisan Programme.
- 1500 Participants for Plant and Animal Production Programme
- 3 year Diploma in Plant and Animal Production, must have grade 12
- A programme for People with Disability in IYM must participate.

Department Agriculture, Land Reform & Rural Development

- Presidential Stimulus Programme where applicants receive vouchers to the value of R12 000.

EASTERN CAPE DEPARTMENT OF TRANSPORT

ROAD NUMBER	AREA/WARD	ALLOCATED BUDGET	ROAD LENGTH (KM)	PROJECT DESCRIPTION
DR02524	Cradock/Ward 76	R 3 150 000,00	7km	Re-gravelling
DR02394	Cradock/Ward 6	R 3 600 00,00	8km	Re-gravelling
DR02419	Middelburg/ Ward 7	R 3 150 000.00	7km	Re-gravelling
MR00610	Middelburg/Ward 7	Not Yet Available	15km	Re-gravelling, Planned
DR02549	Cradock/Ward 6	Not Yet Available	10km	Re-gravelling, Planned

THE MIDDELBURG TRAFFIC INTEGRATED TRAFFIC CONTROL CENTRE

Phase 1: N9 AND MENTJIES UPGRADE - Is the construction of Additional Auxiliary Lanes, Lane Configuration, ITCC Entrance and Exit Lanes, Street Lighting, Mechanical Detectors Points Sleeves.

Department of Social Development

(a) Funded Residential Facilities 2022/23

Project/Program Name	Ward	Project Status	Allocated Budget	Number of Beneficiaries	Number of Jobs created/To be created	Time Frame
Elizabeth Jordaan Home	5 Cradock town	Funded	R720 000.00	30	Nil	01 April 2023 – 31 March 2024
Huis Sliwerjare Old Age Home	8 Midros	Funded	R720 000.00	30	Nil	01 April 2023– 31 March 2024
Uniefeesherdenkingster-huis	7 Middelburg town	Funded	R 360 000.00	15	Nil	01 April 2023 – 31 March 2024
TOTAL AMOUNT			R1 800 000.00			

(b) Funded Community Based Care Centres

Project/Program Name	Ward	Project Status	Allocated Budget	Number of Beneficiaries	Number of Jobs created/To be created	Time Frame
Midros Service Centre	9 KwaNonzame	Funded	R 136 000 00	34	1	01 April 2023 – 31 March 2024
Lingelihle Old Age Centre	2 Lingelihle Qhina str	Funded	R 122 929.00.00	32	1	01 April 20223– 31 March 2024
J.A Calata Service Centre	2 Lingelihle Sikhulu str	Funded	R 84 530.00	28	1	01 April 2023– 31 March 2024

ACVV Sonskyn Service Center	4 Michausdal	Funded	R 530.00	84	28	1	01 April 2023 – 31 March 2024
TOTAL AMOUNT	Wards		R 989.00	427			

© Services to Persons with Disabilities

Project/Program Name	Ward	Project Status	Allocated Budget	Number of Beneficiaries	Number of Jobs created/To be created	Time Frame
Lukhanyo Adult Care Centre CBR	Ward 1 Lingelihle	funded amount paid	R100 000.00	27	2	01 April 2023 – 31 March 2024
HIV & AIDS Programme						
Noncedo HCBC	Ward 2 (Lingelihle clinic)	funded amount paid	R291 525.00 R713 000.00	489	10	01 April 2023 – 31 March 2024
Services to Families						
Craddock Family Resource Centre	Ward 3 (Lingelihle, Masizame Building)	Funded	R145 000.00	120	3	01 April 2023 – 31 March 2024

(c) Child Protection Services

Project/Program Name	Ward	Project Status	Allocated Budget	Number of Benefi-	Number of Jobs created/To be	Time Frame

				ciaries	created	
ACVV Cradock	5 Cradock town	Funded	R651 669.00	1220	7	01 April 2023 – 31 March 2024
CHILD WELFARE Cradock	4 Michausdal	Funded	R 651 672.00.00	1662	7	01 April 2023 – 31 March 2024
ACVV Middelburg	9 Middelburg town	Funded	R 232 932.00	1000	4	01 April 2023 – 31 March 2024
Total			R 1 536 273.00			
Child And Youth Care Services						
Emmanuel CYCC	9 Middelburg town	Funded Funded	R1 248 000.00 R179 445.00	30	9	01 April 2023 – 31 March 2024
Nomzamo Special Day Care Centre	2 Masizame Lingelihle			34	2	01 April 2023 – 31 March 2024
Substance ABUSE						
TADA	All wards	Funded	R48 016	1000	2	01 April 2023– 31 March 2024

(d) **VICTIM EMPOWERMENT PROGRAMME**

Project/Program Name	Ward	Project Status	Allocated Budget	Number of Beneficiaries	Number of Jobs created/To be created	Time Frame
Cradock White Door Centre of Hope	1 Ncanda Atlanta Cradock	Funded	R169 000.00	250	5 Care givers	01 April 2023– 31 March 2024

Kwakhanya White Door Centre of Hope	6 Hillside	Funded	R153 996.00	250	3 Care givers	01 April 2023 – 31 March 2024
Middelburg Victim Support Centre	8 Lusaka	Funded	R176 055.00	450	6 Care givers	01 April 2023 – 31 March 2024
Total			R570 000.00		14	

(e) COMMUNITY DEVELOPMENT & RESEARCH

Project/Program Name	Ward	Project Status	Allocated Budget	Number of Beneficiaries	Number of Jobs created/To be created	Time Frame
Khanya Ukhanyise CNDC	8 Lusaka	Funded	R 331 825 00	250	4	01 April 2023 – 31 March 2024
Asikhocele Primary Co-op	8 farming camps	Waiting for Provincial Recommendation	R 120 000.00	06	06	01 April 2023 – 31 March 2023
Sinawo Amandla Primary Co-op	9 Middelburg town	Waiting for Provincial Recommendation	R 50 000.00	13	13	01 April 2023 – 31 March 2024
Olunganathi CNDC	3 Lingelihle	Funded	R 360 000.00	200	4	01 April 2023 – 31 March 2024
TOTAL			R905 000.00			

SOUTH AFRICAN NATIONAL ROADS AGENCY LIMITED (SANRAL)

The Routine Road Maintenance (RRM) of The R390

<u>Project Description</u>	<u>Points of Project</u>	<u>Amount</u>
<u>R390 – Section 1</u>	km 62.50	R 533 000 000.

DEPARTMENT OF SPORT, RECREATION, ARTS AND CULTURE

ACTIVITY	TIME FRAME	VENUE	BUDGET	DIRECTORATE
Support Middelburg netball league	April to June	Middelburg	R 25 000.00	Sport and recreation
District Indigenous games festival	June	Cradock	R45 000.00	Sport and recreation
Support Junior football league	July	Middelburg	R35 000.00	Sport and recreation
Nelson Mandela day	July	Ixuba yethemba	R25 000.00	Sport and recreation
Heritage games	September	Middelburg	R45 000.00	Sport and recreation

ACTIVITY	TIME FRAME	VENUE	BUDGET	DIRECTORATE
Children's day	November	Middelburg (Rosemead)	R42 000.00	Sport and recreation
International Museum Day celebration	May	Cradock	R50 000.00	Museums and Heritage
Literacy Day	August	Cradock	R70 000.00	Libraries and information services



CROPPING AND HOUSEHOLD



- **Four (4) farms (Helvetia, Cloverfields, Alfa & Avelon)** are to be supported with 110 hectares of Maize seed. Remember this selection is done through application where farmers declare through bank statement an amount of money, they prepared to augment the support with. **R350 000 budget**
- **240 household beneficiaries** are to be supported in 23/24. **R384 000 budget**
- **Two (2) farms (Alfa Vorentoe)** are to be supported with 50 hectares of fodder (lucerne) seed. The selection is also through application and amount of money the farmer is prepared to augment the support with. **R160 000 budget**

INFRASTRUCTURE



- **One (1) multi purpose shed** is to be constructed on Egg Rock commonage. A site briefing took place on 11 May 2023 already. **R1 100 000 budget**
- **Two farms (Cloverfields & Sanctuary)** are each to be supported with 10 kilometres of fencing material. . **R550 000 budget**

DRDAR- Presentation

LIVESTOCK IMPROVEMENT



- **7 485 cattle** are to be vaccinated against controlled diseases (Anthrax & black quarter) **R150 000 budget**
- **13 667 sheep** are to be treated for sheep scab and external parasites. **R70 000 budget**

DRDAR- Presentation



OUTLINE

- Main highlights 2022/2023 Performance
- 2023/2024 PLANS
 - Economic Development
 - Tourism
 - Environmental Affairs



2023/24 PLANS – ECONOMIC DEVELOPMENT

- Township and rural economy and small towns revitalization
 - Enterprise development
 - Local and Regional Economic Development
- Business Compliance Support and Consumer Protection
- Renewable Energy



TOWNSHIP, RURAL ECONOMY AND SMALL TOWNS

Programme	Interventions	Budget
Enterprise Development	Non financial support to MSMEs and Cooperatives (DEDEAT & ECDC) -Information Dissemination Workshops and business opportunities workshops (8 workshops) -Facilitation of training for cooperatives -Informal Business Support Programme monitoring - Funding (ECDC and LRED) - MSME Summit	R150 000

TOWNSHIP, RURAL ECONOMY AND SMALL TOWNS

Programme	Interventions	Budget
Local and Regional Economic Development	- Continue with the roll out of LRED Fund - Targeted sectors include: manufacturing, agro-industry value chain, , tourism, creative industry, auto, sustainable energy, service/retails, ICT, Franchise, oceans economy - LED forums	R6m



FUNDING

FUND	IMPLEMENTING ENTITY	2023/2024 PLAN
LRED	DEDEAT	R6 m
Economic Stimulus Fund (once off fund)	ECDC	Packhouse to be operational Tsolwane Reserve Upgrade (no new funding)



FUNDING

Fund	Implementing Agent	Amount	2023/24 Target
Imvaba	ECDC	Up to R600 000 per cooperative	Targeting 7 cooperative – R4m
Jobs Protection Stimulus Fund	ECDC	R10 000 per job saved	Targeting 100 jobs – R1m
Small Towns, Rural and Township Entrepreneurship Programme (STRTEP)	ECDC	R150 000 grant	Target 16 MSMEs – R1,6m
Bridging loans	ECDC	Working capital	Targeting 28 MSMEs – R18m



MSME STRATEGY – 2021-2025

- New MSME Strategy has been adopted by the Province
- To disseminate information about the new Strategy and strengthen support for the sector, a Regional MSME Summit is planned for Quarter 1 of FY
- Location still to be determined



REGULATORY COMPLIANCE AND CONSUMER PROTECTION

Programme	Interventions	Budget
Consumer Protection	Consumer education and awareness programme (24 sessions)	R200 000
	Joint operations	



RENEWABLE ENERGY

- Power Producer Support Programme
 - Investment facilitation
 - Investment support
 - Koruson/Coleskop1 Wind Farm Project already in implementation stage
 - Funding is through private investment



ENVIRONMENTAL AFFAIRS – 2023/24 PLANS

- Basic Assessment Report (BAR) / Scoping EIA Review and environmental authorisations
- Assessment of waste management facilities
- Resuscitate District Women in Environment Forum
- Biodiversity Management
- Two expanded public works programme will be supported (focus on waste management and alien plants eradication - R6m) – Enoch Mgijima and A B Xuma
- Support Municipalities to develop and implementation of Climate Change Strategies
- Greenest Municipality Award



Thank you



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Province of the
EASTERN CAPE
HUMAN SETTLEMENTS

PRESENTATION ON IYM PROJECTS STATUS QUO –EXECUTIVE MAYORS IGR SESSION/ BILATERAL ENGAGEMENT

PRESENTER : MR. B. PANDA

REGION : CHRIS HANI

DATE : 25 MAY 2023



TOP STRUCTURES PROJECTS (22/23)

9



Province of the
EASTERN CAPE
HUMAN SETTLEMENTS

PROJECT	UNITS	BUDGET	STATUS
Middelburg Lusaka 595 (195)	40	R 6,800,000	Project affected by procurement process, CDC was appointed and contracted as I.Agent on the 16 February 2023 and busy with pre-planning studies
Chris Hani Destitute 800 - 10	2	R 496,875,000	Contractor appointed on the 20th April 2022 and contracted on the 18th August 2022. Contractor was delayed due to NHBRC Home enrolment required, engineers were busy with designs & Verification of beneficiaries. Contractor was required to start with Site establishment.
TOTALS	42	R 7, 296, 875	



PROJECTS AT PLANNING STAGE (22/23)

10



PROJECT	UNITS	BUDGET	STATUS
Chris Hani Disaster 879 - 60	10	R 1 380 000	Project affected by procurement process, CDC was appointed and contracted as I.Agent on the 16 February 2023 and busy with pre-planning studies
Middelburg–Midrose 493 Phase1	0	R 1 809 704	
Middelburg – KwaNonzame 1000 Phase1	0	R 3 200 000	
Middelburg – Rosmead 220	0	R 807 576	
Chris Hani Military Veterans 98 – Inxuba Yethemba 27	3	R 900 000	Project surrendered by Chris Hani District and Department was in process to appoint PSP's for assessments, designs and activities during implementation
Chris Hani Disaster 424 (30)	0	R 100 000	
TOTALS	13	R 8, 197, 280	



RECTIFICATION PROJECTS (22/23)

11



PROJECT	UNITS PLANNED	ACTUAL	BUDGET	EXPENDITURE	STATUS
Craddock 2700 (1350)	-	171	R 500,000	R 20 229 071.00	Construction stage. 171 practically completed in Ward 4 & Ward 6
Middelburg 1628 (150)	-	-	R 5, 600, 000	-	Project affected by procurement process, CDC was appointed and contracted as I.Agent on the 16 February 2023 and busy with pre-planning studies
TOTALS	-		R 6, 100, 000	R 20 229 071.00	



TITLE DEEDS (22/23)

12



PROJECT	UNITS	BUDGET	STATUS
Middleburg Lusaka 595 (400)	-	R 0,00	Procurement process for service providers is at IBAC with anticipation that contracts will be awarded in the beginning of 2023/24 financial year
Cradock vision 2000 Phase1 - 1700	-	R 0,00	Procurement process for service providers is at IBAC with anticipation that contracts anticipated for award in 01 st qtr of 2023/24 Fi. Year
Cradock vision 2000 Phase1 - 1700	-	R 0,00	Procurement process for service providers is at IBAC with anticipation that contracts anticipated for award in 01 st qtr of 2023/24 Fi. Year
TOTALS	0	R 0,00	



BUSINESS PLAN TARGETS AS PER 2023/24 -02ND DRAFT

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KPA'S	PLANNED TARGETS (23/24)	PROGRESS FROM APRIL 2023
HOUSING UNITS	0	-
SERVICES	0	-
RECTIFICATION	245	11
TRANSFERES	400	-
BUDGET	R 24,510, 355.00	2,090,723.00



PROJECTS AT PLANNING STAGE (23/24)

14



PROJECT	UNITS	BUDGET	STATUS
Chris Hani Disaster 879 - 60	-	-	CDC appointed as I Agent and is busy with Pre-planning as contract has been concluded on 16 th Feb 2023. KwaNonzame, Rosemead & Midrose are planned for state of readiness for implementation. Other projects are planned for construction.
Middelburg- Midrose 493 Phase1	-	R4,745,917.00	
Middelburg - KwaNonzame 1000 Phase1	-	R250,000.00	
Middelburg - Rosemead 220	-	-	
Chris Hani Military Veterans 98 - Inxuba Yethemba 27	-	R 750 000.00	Project surrendered by Chris Hani District and Department has appointed PSP's on the 18 th May 2023 for Planning & designs and activities during construction and are being contracted.
Chris Hani Disaster 424 (30)	-	R 133,000.00	
Middelburg Lusaka 595 (195) units	-	R17,068,638.00	CDC appointed as I Agent and is busy with Pre-planning as contract has been concluded on 16 th Feb 2023. CDC will be appointing PSP's for planning & Designs then contractor within financial year.
Chris hani Destitute 800 (10 units) in Middelburg	10	R 1,650 000.00	Contractor has been appointed and contracted however awaiting home enrolment from NHBRC before they can commence.
TOTALS	-	R 24,597,555.00	



RECTIFICATION PROJECTS (23/24) AND PROGRESS AS AT END APRIL 2023

15



PROJECT	UNITS PLANNED FOR REMEDIAL WORKS	ACTUAL UNITS RECTIFIED	BUDGET FOR 2023/24	EXPENDITURE	STATUS
Cradock 2700 (1350)	245	11	R2,195,800.00	R 2,090,723.00	Construction stage. 182 houses practically completed in Ward 2, Ward 4 & Ward 6.
Middelburg 1628 (150)	0	-	R250,000.00	-	CDC appointed as I Agent and is busy with Pre-planning as contract has been concluded on 16 th Feb 2023. CDC will be appointing PSP's for planning & Designs then contractor within financial year.
TOTALS	0	11	R 2,445,2000.00	R 2,090,723.00	



TITLE DEEDS (22/23)

17



PROJECT	UNITS	BUDGET	STATUS
Middleburg Lusaka 595 (400)	-	R 0, 00	Procurement of Conveyancer and Lodgement of title deeds at Deeds Office targeted for 2023/24 Financial year.
TOTALS	-	R 0, 00	



Enkosi Thank You Dankie



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CHAPTER 7 – SECTOR PLANS

Financial Plan

1.1 Introduction

Chapter 5, section 26 of the Local Government Municipal Systems Act prescribes the core components of the Integrated Development Plan. Section 26(h) requires the inclusion of a financial plan, which should include a budget projection for at least the next three years. This financial plan aims to determine the financial affordability and sustainability levels of Inxuba Yethemba Municipality over the medium term.

The Municipal Budget and Reporting Regulations (Part 2: “Budget-related policies of municipalities”) require the accounting officer to ensure that budget-related policies i.e. Tariff Policy; Credit Control and Debt Collection Policy; Budget and Virement Policy; Cash Management, Banking and Investment Policy; Funding, Borrowing and Reserve Policy; Supply Chain Management Policy; Property Rates Policy are prepared and submitted to Council. Amongst the abovementioned one of these policies relates to the long-term financial plan, which aims to ensure that all long-term financial planning is based on a structured and consistent methodology, thereby ensuring long-term financial affordability and sustainability.

A municipality’s financial plan integrates the financial relationships of various revenue and expenditure streams to give effect to the Integrated Development Plan (IDP). It provides guidance for the development of current budgets and assesses financial impacts on outer years’ budgets by incorporating capital expenditure outcomes, operating expenditure trends, optimal asset management plans and the consequential impact on rates, tariffs and other service charges.

1.2 Overview of the 2023/24 MTREF

The municipality’s business and service-delivery priorities were reviewed as part of the year’s planning and budgeting process. Where appropriate, funds were transferred to address crucial service-delivery needs and to ensure compliance with legislative requirements and to meet service-delivery obligations. The current year adjustment budget is reflective of this principle and supports the municipality’s quest for financial sustainability. The main challenges experienced during the compilation of the 2023/24 MTREF can be summarized as follows:

- i. The slow recovery from the economic downturn that is still hampering growth and development.
- ii. Ageing and maintenance of service-delivery infrastructure such as roads, and electricity infrastructure;
- iii. The increased cost of bulk electricity as a result of continued annual increases which is placing upward pressure on service tariffs to residents.
- iv. Wage increases for municipal staff that continues to exceed consumer inflation, as well as the need to fill critical vacancies;
- v. The continued funding constraints with regards to the low available funding for the Capital Budget;

The following table is a consolidated overview of the proposed 2023/24 Medium-term Revenue and Expenditure Framework:

Operating and Capital Budget

R thousand	Adjustment 2022/23	Budget	Annual 2023-24	Budget	Annual 2024-25	Budget	Annual 2025-26	Budget
Total operating Revenue	393 990 992		420 876 653		439 883 147		458 527 477	
Total Operating Expenditure	331 881 224		373 321 436		391 614 263		410 020 222	
Surplus/Deficit for the year	62 109 768		47 555 217		48 268 884		48 507 255	
Total Capital Expenditure	21 422 350		30 103 750		39 622 200		35 749 250	

Grant Allocation from the Division of the Revenue Bill

Government Grants as per the Division of the Revenue Bill are as follows:

Transfers recognised - Capital			
	Allocation 2023/2024	Allocation 2024/2025	Allocation 2025/2026
MIG	26 425 000	19 076 000	19 755 000
EEDS	5 000 000	6 000 000	-
INEP	-	15 500 000	16 982 000
TOTAL	31 425 000	40 576 000	36 737 000

Operating Revenue Framework

For Inxuba Yethemba Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2023/24 MTREF (classified by main revenue source):

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Financial Performance										
Property rates	835 ⁴³	45 119	47 639	47 585	50 007	50 007	50 007	52 657	55 237	57 833
Service charges	125 535	127 834	139 180	227 072	227 072	227 072	229 691	239 527	251 264	263 073
Investment revenue	-	-	-	1 633	1 633	1 633	1 633	1 720	1 804	1 889
Transfer and subsidies - Operational	-	-	-	59 023	59 023	59 023	59 023	63 000	64 471	65 471
Other own revenue	-	-	-	26 752	56 256	56 256	56 256	63 973	67 107	70 261
Total Revenue (excluding capital transfers and contributions)	169 370	172 953	186 819	362 064	393 991	393 991	396 610	420 877	439 883	458 527

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2023/24 financial year, revenue from rates and services charges total R292 million. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Property rates is the second largest revenue source totalling to R52 million rand and increases to R57 million by 2025/26. The third largest sources is 'other revenue' which consists of various items such as income received from permits and licenses,

building plan fees, connection fees, and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R63 million in the 2023/24 financial year and steadily increases to R65 million by 2025/26. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Operating Expenditure Framework

The Municipality's expenditure framework for the 2023/24 budget and MTREF is informed by the following:

1. The asset renewal strategy and the repairs and maintenance plan;
2. Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
3. Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
4. The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
5. Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
6. Strict adherence to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2023/24 budget and MTREF (classified per main type of operating expenditure):

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Financial Performance										
Employee costs	87 381	92 107	105 656	103 312	103 312	103 312	103 312	111 032	116 473	121 947
Remuneration of councillors	—	—	—	8 610	8 610	8 610	8 610	9 126	9 574	10 023
Depreciation and amortisation	62 293	61 541	69 238	72 559	72 559	72 559	72 559	76 404	80 148	83 915
Finance charges	—	—	—	9 956	9 956	9 956	9 956	10 484	10 997	11 514
Inventory consumed and bulk purchases	77 384	87 075	104 029	49 911	49 911	49 911	49 911	61 574	64 591	67 627
Transfers and subsidies	—	—	645	1 153	2 306	2 306	2 306	2 306	2 419	2 538
Other expenditure	54 554	49 932	55 618	72 360	85 228	85 228	85 228	102 395	107 412	112 461
Total Expenditure	281 612	290 655	335 186	317 860	331 881	331 881	331 881	373 321	391 614	410 020

The budgeted allocation for employee related costs for the 2023/24 financial year totals R111 million, which equals 29 per cent of the operating expenditure including non-cash items. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6 per cent for the 2023/24 financial year. An annual increase of 4.8 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the Municipality. For the 2023/24 financial year this amount equates to R50 million and escalates to R55 million by 2025/26. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R76 million for the 2023/24 financial and equates to 22 per cent of the total operating expenditure.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Operational costs comprise of various line items relating to the daily operations of the municipality.

Repairs and maintenance

In order to provide basic services, Council needs to provide for the repairs maintenance of its infrastructure assets. Such expenses are needed to maintain the current service standards and will also extend the assets' useful lives. Budget Circular 66 cautions municipalities not to affect savings in repairs and maintenance to balance the budget but to ensure that sufficient budgetary allocation is made for this expenditure item.

Free Basic Services

The social package assists poor households in paying for municipal services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. Currently there are 16 544 households on the Indigent register.

The indigent process is one of self-registration – therefore, households needing assistance must apply for the subsidy annually. The cost of the social package of the registered indigent households is financed by National Government through the Local Government Equitable Share received in terms of the annual Division of Revenue Act.

Capital Budget and Expenditure

The IDP process informs the capital budget and information obtained from relevant stakeholders, through public participation and ward committee processes. The total capital requirements for the 2023/24 financial year are R30 million.

SUMMARY OF THE 2022-2025 MTREF BUDGET

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<u>Financial Performance</u>										
Property rates	43 835	45 119	47 639	47 585	50 007	50 007	50 007	52 657	55 237	57 833
Service charges	125 535	127 834	139 180	227 072	227 072	227 072	229 691	239 527	251 264	263 073
Investment revenue	–	–	–	1 633	1 633	1 633	1 633	1 720	1 804	1 889
Transfer and subsidies - Operational	–	–	–	59 023	59 023	59 023	59 023	63 000	64 471	65 471
Other own revenue	–	–	–	26 752	56 256	56 256	56 256	63 973	67 107	70 261
Total Revenue (excluding capital transfers and contributions)	169 370	172 953	186 819	362 064	393 991	393 991	396 610	420 877	439 883	458 527
Employee costs	87 381	92 107	105 656	103 312	103 312	103 312	103 312	111 032	116 473	121 947
Remuneration of councillors	–	–	–	8 610	8 610	8 610	8 610	9 126	9 574	10 023
Depreciation and amortisation	62 293	61 541	69 238	72 559	72 559	72 559	72 559	76 404	80 148	83 915
Finance charges	–	–	–	9 956	9 956	9 956	9 956	10 484	10 997	11 514
Inventory consumed and bulk purchases	77 384	87 075	104 029	49 911	49 911	49 911	49 911	61 574	64 591	67 627
Transfers and subsidies	–	–	645	1 153	2 306	2 306	2 306	2 306	2 419	2 533
Other expenditure	54 554	49 932	55 618	72 360	85 228	85 228	85 228	102 395	107 412	112 461
Total Expenditure	281 612	290 655	335 186	317 860	331 881	331 881	331 881	373 321	391 614	410 020
Surplus/(Deficit)	(112 243)	(117 702)	(148 368)	44 204	62 110	62 110	64 728	47 555	48 269	48 507
Transfers and subsidies - capital (mone-	–	–	–	21 422	21 422	21 422	21 422	30 104	39 622	35 749

tary allocations) Transfers and subsi- dies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(112 243)	(117 702)	(148 368)	65 626	83 532	83 532	86 151	77 659	87 891	84 257
Share of Sur- plus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(112 243)	(117 702)	(148 368)	65 626	83 532	83 532	86 151	77 659	87 891	84 257
<u>Capital expenditure & funds sources</u>										
Capital expenditure	51 317	–	27 185	21 422	21 422	21 422	21 422	30 104	24 122	18 767
Transfers recognised - capital	51 317	–	27 185	21 422	21 422	21 422	21 422	30 104	24 122	18 767
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	–	–
Total sources of capital funds	51 317	–	27 185	21 422	21 422	21 422	21 422	30 104	24 122	18 767
<u>Financial position</u>										
Total current assets	30 184	32 847	36 577	232 012	277 398	277 398	277 398	218 058	333 506	453 102
Total non current as- sets	1 203 222	1 184 187	1 153 197	1 201 657	1 1 176 821	1 176 821	1 176 821	1 208 797	1 181 241	1 145 901
Total current liabilities	–	–	–	358 566	495 912	495 912	495 912	493 606	493 606	493 606
Total non current lia- bilities	27 762	31 728	30 614	28 291	36 254	36 254	36 254	36 254	36 254	36 254
Community wealth/Equity	1 (122 908)	1 (122 908)	1 (122 908)	1 023 873	1 902 869	1 902 869	1 902 869	1 896 995	1 984 887	1 069 143
<u>Cash flows</u>										
Net cash from (used) operating	173 295	165 071	109 858	194 520	185 891	176 305	176 305	103 922	115 441	113 101
Net cash from (used) investing	–	–	–	–	–	–	–	(49 744)	(44 725)	(40 338)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equiva- lents at the year end	–	–	–	–	–	–	–	55 153	125 869	198 633
<u>Cash back- ing/surplus reconcil- iation</u>										
Cash and investments available	1 227 616	1 209 987	1 183 135	1 317 405	1 1 315 044	1 315 044	1 315 044	1 264 268	1 350 164	1 432 331
Application of cash and investments	221 251	302 511	420 445	281 129	383 657	392 627	392 745	382 827	382 083	381 305
Balance - surplus (shortfall)	1 006 365	1 907 476	1 762 690	1 036 276	1 931 387	1 922 417	1 922 299	1 881 441	1 968 081	1 051 026
<u>Asset management</u>										
Asset register sum- mary (WDV)	1 218 627	1 191 868	1 205 245	1 140 732	1 1 161 098	1 161 098	1 168 772	1 123 094	1 068 986	–
Depreciation	62 293	61 541	69 238	72 559	72 559	72 559	76 404	80 148	83 915	–
Renewal and Upgrad- ing of Existing Assets	29 375	–	16 076	19 256	19 256	19 256	30 104	24 122	18 767	–
Repairs and Mainte- nance	1 100	2 979	8 629	14 074	14 469	14 469	1 484	1 557	1 630	–

SPATIAL DEVELOPMENT FRAMEWORK

SPATIAL PLANNING.

MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK (MSDF)

Background.

In terms of the Constitution of the Republic of South Africa, municipal planning is a core function of the local municipalities. To give effect to the constitutional mandate, Section 34 of the Municipal Systems Act, 2000 (MSA) and Section 20 Spatial Planning and Land Use Management Act No. 16 of 2013 respectively, call upon municipalities to formulate the Spatial Development Frameworks.

The Municipal Spatial Development Framework (MSDF) is a municipal spatial planning tool that indicates future areas for expansion of residential, community facilities, industrial, business, resort development and other activities. It also defines the urban edge and provides guidance with respect to areas of highest impact and priority projects. Therefore, MSDF includes spatial objectives, strategies and proposals, which are specific to broadly inform land use management and investment decisions for both public and private sectors. This tool provides spatially referenced data and complementary spatial analysis of the issues within a municipal area. This analysis needs to be expanded to include the high-level spatial interactions and linkages both within a municipal area and regionally, including corridor development and national infrastructure development plans. The aim is to achieve integrated and strategic development.

According to the MSA, the SDF forms a core component or a sector plan of an Integrated Development Plan (IDP) and should provide for basic guidelines for a land use management system for the municipality. Therefore, all land development related IDP projects should be informed by the SDF and be spatially referenced in an endeavour to achieve the desired spatial pattern of a municipality.

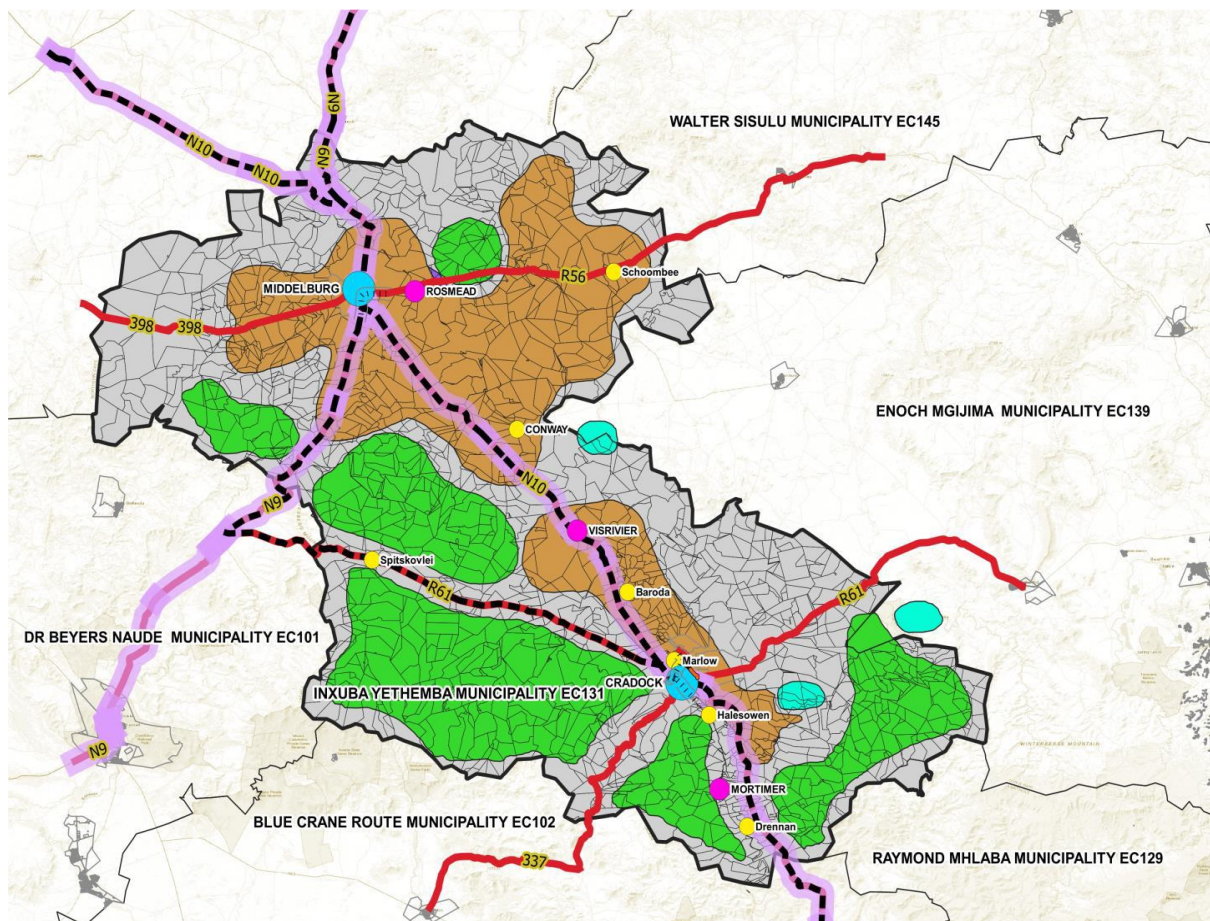
SPLUMA stipulates that the content of a municipal SDF must include a written spatial representation of a five-year spatial development plan for the spatial form of the municipality. It should also include a longer spatial development vision statement for the municipal area that indicates a desired spatial growth and development pattern for the next 10-20 years. The SPLUMA still links the SDF to the IDP.

The Municipal Spatial Development Framework was reviewed and adopted in 2021 to be aligned with the provisions of the Spatial Planning and Land Use Management Act No. 16 of 2013.

Purpose of the Municipal Spatial Development Framework.

The purpose of the MSDF is to provide general direction and to guide decision making on an on-going basis with the aim of creating integrated, sustainable, and habitable regions, cities, towns and residential areas. Therefore, spatial analysis of the broader Municipal area (trends and issues) is important.

Heading 1



The spatial characteristics presents primary agricultural production areas along the central spine of Great Fish River and the N10 route together with more extensive agriculture in the surroundings of Middelburg and to the east towards Steynsburg.

The primary biodiversity footprint is accommodated to the east of Cradock around the Mountain Zebra National Park and includes the potential biodiversity linkages to the west.

Advantages of the Municipal Spatial Development Framework.

The SDF has the following direct advantages for IYM:

- Ensuring the identification of a common spatial vision and a set of objectives focused on a desired orderly spatial development pattern for the area.
- Informing a broad land use management policy, which can be referred to and used to objectively assess the desirability of all future development applications.
- Identification and prioritisation of capital and management projects that will be used by the local authority to inform the annual budgetary allocations in terms of the IDP.

The SDF strives to redress the spatial imbalance by seeking spatial integration, encouraging densification and the compaction of urban settlements.

Legal Framework for the MSDF.

Section 20 of the Spatial Planning and Land Use Management Act No. 16 of 2013 (SPLUMA) states that the Municipal Council must by notice in the Provincial Gazette adopt a municipal spatial development framework. It also states that the municipal spatial development framework must be prepared as part of a municipality's integrated development plan (IDP) in accordance with the provisions of the Municipal System Act. SPLUMA that before adopting the municipal spatial framework contemplated in

subsection (1) and any proposed amendments to the municipal spatial development framework, the Municipal Council must-

- a) Give notice of the proposed municipal spatial development framework in the Gazette and the media;
- b) Invite the public to submit written representations in respect of the proposed municipal spatial development framework to the Municipal Council within 60 days after the publication of the notice referred to in paragraph (a); and
- c) Consider all representations received in respect of the proposed municipal spatial development framework.
- d) Previously, some municipalities would take decisions that are inconsistent with the SDF without following procedures or facing legal consequences. However, Section 22 of the SPLUMA gives a MSDF a legal effect in the sense that it states that:

According to SPLMA, a Municipal Planning Tribunal or any other authority required or mandated to make a land development decision in terms of this Act or any other law relating to land development, may not decide, which is inconsistent with a municipal spatial development framework. Deviation from the SDF may only be allowed subject to compliance with Section 42 of the SPLUMA and only if site-specific circumstances justify a departure from the provisions of such municipal spatial development framework.

Section 22(3) of the SPLUMA states that where a provincial spatial development framework is inconsistent with a municipal spatial development framework, the Premier must, in accordance with the Intergovernmental Relations Framework Act, take the necessary steps, including the provision of technical assistance, to support the revision of those spatial development frameworks to ensure consistency between the two.

Objectives of the MSDF.

The objective of Inxuba Yethemba Spatial Development Framework is to formulate strategic and spatially based policy guidelines and proposals whereby changes, needs and growth in the municipal area can be managed to the benefit of the environment and its inhabitants. The SDF process is guided by a realistic set of local goals and objectives which are contextualised within the overall vision for the municipality.

2.21.1. Contents of the Municipal Spatial Development Framework.

In terms of Section 21 of the SPLUMA, the municipal Spatial Development Framework must:

- a) Give effect to the development principles and applicable norms and standards set out in Chapter 2.
- b) Include a written and spatial representation of a five-year spatial development plan for the spatial form of the municipality.
- c) Include a longer-term spatial development vision statement for the municipal area which indicates a desired spatial growth and development pattern for the next 10 to 20 years.
- d) Identify current and future significant structuring and restructuring elements of the spatial form of the municipality, including development corridors, activity spines and economic nodes where public and private investment will be prioritized and facilitated.
- e) Include population growth estimates for the next five years;
- f) Include estimates of the demand for housing units across different socio-economic categories and the planned location and density of future housing developments;
- g) include estimates of economic activity and employment trends and locations in the municipal area for the next five years.
- h) Identify, quality and provide location requirements of engineering infrastructure and services provision for existing and future development needs for the next five years;

- i) Identify the designated areas where a national or provincial inclusionary housing policy may be applicable;
- j) Include a strategic assessment of the environmental pressures and opportunities within the municipal area, including the spatial location of environmental sensitivities, high potential agricultural land and coastal access strips, where applicable;
- k) Identify the designation of areas in the municipality where incremental upgrading approaches to development and regulation will be applicable;
- l) Identify the designation of areas in which-
 - more detailed local plans must be developed; and
 - shortened land use development procedures may be applicable and land-use schemes may be so amended;
- m) Provide the spatial expression of the coordination, alignment and integration of sectoral policies of all municipal departments;
- n) Determine a capital expenditure framework for the municipality's development programmes, depicted spatially;
- o) Determine the purpose, desired impact and structure of the land use management scheme to apply in that municipal area and
- p) Include an implementation plan comprising of-
 - sectoral requirements, including budgets and resources for implementation.
 - specification of institutional arrangements necessary for implementation
 - specification of implementation targets, including dates and monitoring indicators
 - Specification where necessary, of any arrangements for partnerships in the implementation process.

National And Provincial Policy Context and Development Guidelines.

Municipalities throughout South Africa are finding it increasingly difficult to provide their inhabitants not only with cost-effective and equitable infrastructure, but also with sufficient social infrastructure and economic opportunities. For this reason, development in South Africa is guided and directed by a range of national, provincial, and local development policies. The most prominent development directives emerging from the various developments policy documents, which should inform the development of Inxuba Yethemba MSDF include the following:

The National Development Plan

In Urban Areas, amongst others, the NDP advocates the following:

- Upgrading of informal settlements.
- Urban densification within the existing urban fabric and along development corridors.
- Extensive provision and prioritization of public transport.
- Job creation and urban renewal in former township areas.
- The diverse range of subsidized housing typologies and densities and focusing on filling the housing "gap market" in terms of bonded housing.

In Rural Areas, the NDP advocates the following:

- Spatial consolidation of rural settlements to increase densities and enhance sustainability; Innovative (green), targeted and coordinated infrastructure delivery.
- Prioritize rural development along mobility corridors and at strategic intersections.
- Rural nodal development and revitalization of small towns.
- Diversification of rural economy towards mining, tourism, and local business.

Based on Chapter 4, that Inxuba Yethemba Local Municipality and Chris Hani District Municipality should ensure that they upgrade and develop services infrastructure for existing and new developments/neighbourhoods. The infrastructure development shall ensure a sustainable growth of communities that also promotes private sector investment within the municipal area.

Based on Chapter 5, NDP give guidance to adherence to environmental regulations when for any within Inxuba Yethemba Local Municipality development through guidance of Environmental Authorisations and Environmental Management Plans as contemplated in the National Environmental Management Act, 107 of 1998. The implementation of these regulations shall assist in mitigating against activities that might lead to compromise of biodiversity in the municipal area with detrimental consequences of global warming and climate change.

Based on Chapter 6, the review of SDF to consider spatial planning that integrates Cradock and Middelburg urban centres with existing rural nodes while encouraging local spatial development frameworks (LSDFs) that are tailor made for rural nodes within the municipality. With these LSDFs, precinct plans that encompass area specific spatial elements, Rural District Development Plan for Chris Hani, spatial directive of greater Inxuba Yethemba Local municipality.

Based on Chapter 8, the review of SDF for Inxuba Yethemba Local Municipality should be biased towards integrating urban and rural planning.

The National Transport Master Plan, 2005 – 2050 (NATMAP)

This plan places greater emphasis on developing rail as a transportation medium, rather than road-based modes in South Africa. Further, integration between land use development and transportation planning should be achieved through ensuring that land development is concentrated in and around transport corridors. Corridors should be orientated towards providing sustainable rail transport rather than road-based transport modes.

Eastern Cape's Vision 2030.

- In terms of Section 4, PGDP's response to the uncoordinated and inefficient spatial planning guides a policy framework for the municipalities to initiate formulation of Integrated Development Plans (IDPs) outside the context of an embracing spatial planning that guides and coordinates such planning according to the sound norms and principles. The strategy also adopted planning approach that foster spatial development that promotes optimal investment of resources and sustainable development for areas of potential. The PGDP also promotes spatial development planning should be guided by an agreed, overarching strategy for growth and development.
- Therefore, the review of the SDF is guided by those principles of inclusive and participatory planning that is also looking into integrated planning for rural and urban areas of Inxuba Yethemba Local Municipality to redress social and economic inequalities

Chris Hani District Spatial Development Framework (SDF)

Integrating Municipal Spatial Development Framework with Integrated Urban Development Framework.

Background On the Introduction of The Urban Development Framework Grant.

A review of Local Government Infrastructure Grants was initiated in October 2013, led by National Treasury together with the COGTA, the Financial and Fiscal Commission, the South African Local Government Association, and the Department of Performance Monitoring and Evaluation. The review envisioned a grant system that included:

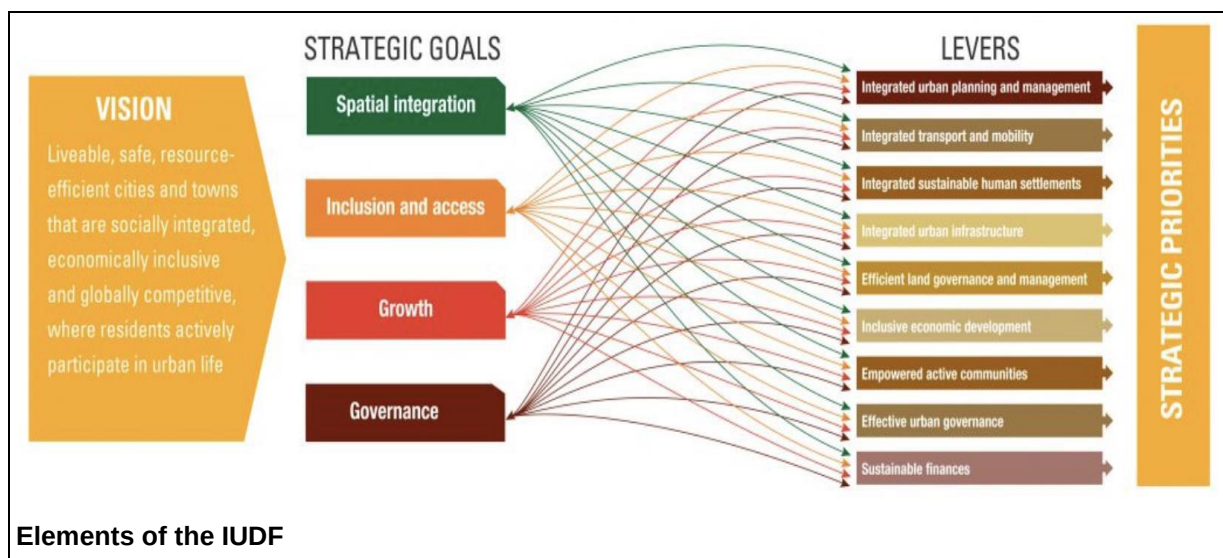
- a) A move from focusing on rolling out new infrastructure to an increased focus on the management, maintenance, and renewal of existing infrastructure.
- b) Ensuring greater coherence in the management of the grant system.
- c) Ensuring greater value for money for the funds spent, and;
- d) Greater differentiation in the type of grants provided to different municipalities.

Subsequent to the above, the government of South Africa introduced the Integrated Urban Development Framework (IUDF) which is a policy initiative coordinated by COGTA. The IUDF seeks to foster an understanding between local government and civil society on how best to manage urbanisation and achieve the goals of economic development, job creation and improved living conditions within municipalities by addressing current urban challenges as outlined in the National Development Plan. The IUDF responds to and builds on various chapters of the NDP, particularly Chapter 8 dealing with the Transformation of human settlements and the national space economy.

The IUDF marks a new deal for South African cities and towns and sets a policy framework to guide the development of inclusive, safe, productive, resourceful resilient and liveable urban settlements while addressing the unique conditions and challenges facing South Africa's cities and towns. It advocates the effective management of urbanisation so that the increasing concentration of an economically active population translates into higher levels of economic activity, greater productivity and higher rates of growth, thereby transforming our South African cities into engines of growth and prosperity. The IUDF proposes an urban growth model premised on compact and connected municipalities and towns.

The key outcome of the IUDF is spatial transformation.

The identified policy levers and priorities are crucial for maximising the potential of urban areas, by integrating and aligning investments in a way that improves the urban form, refer to Figure 1 below:



What Is Capital Expenditure Framework?

The term “Capital Expenditure Framework” (CEF) became a municipal mandate with the promulgation of the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA) Section 21 (n). However, the concept of a Capital Investment- or Capital Expenditure Framework has been alluded to in several other preceding legislative and policy instruments. According to the IUDG policy framework, a CEF is a comprehensive, high-level, long-term infrastructure plan that flows from a Spatial Development Framework (SDF), which estimates the level of affordable capital investment by the municipality over the long-term. The CEF is therefore the mechanism of the municipality, which aims to achieve spatial transformation by aligning capital investment in such a way that the key outcomes of the IUDF are achieved.

The Purpose of the Capital Expenditure Framework.

The IUDF is consistent with and reinforces the findings of the Review of Local Government Infrastructure Grants. The IUDG was introduced in the 2019/20 Division of Revenue Act (DORA) as a consolidated infrastructure grant for the support of the targeted 39 Intermediate City Municipalities (ICMs). The IUDG aims to support spatially aligned public infrastructure investment that will lead to functional and efficient urban spaces and ultimately unlock urban growth. In terms of the IUDG description, the purpose of the grant is to:

- a) Provide funding for public investment in infrastructure for the poor.
- b) Promote increased access to municipal own sources of capital finance to increase funding for public investment in economic infrastructure.
- c) Ensure that public investments are spatially aligned with municipal development vision, and;
- d) Promote the sound management of the assets delivered.

The purpose of the ICM support strategy is to help translate IUDF policy into practical programmes of action. In so doing, the initiative aims to give impetus to achieve the main IUDF goals, which are forging new integrated forms of spatial development; ensuring that people have access to social-economic services, opportunities, and choices; harnessing urban dynamism to achieve inclusive and sustainable growth; and enhancing the governance capacity of the state and citizens in ICMs.

Development of Precinct Plans

In line with the Spatial Development Framework, the municipality developed precinct plans for Cradock and Middelburg urban nodes. The precinct plans are spatial transformation tools used to address spatial inadequacies at various urban nodes.

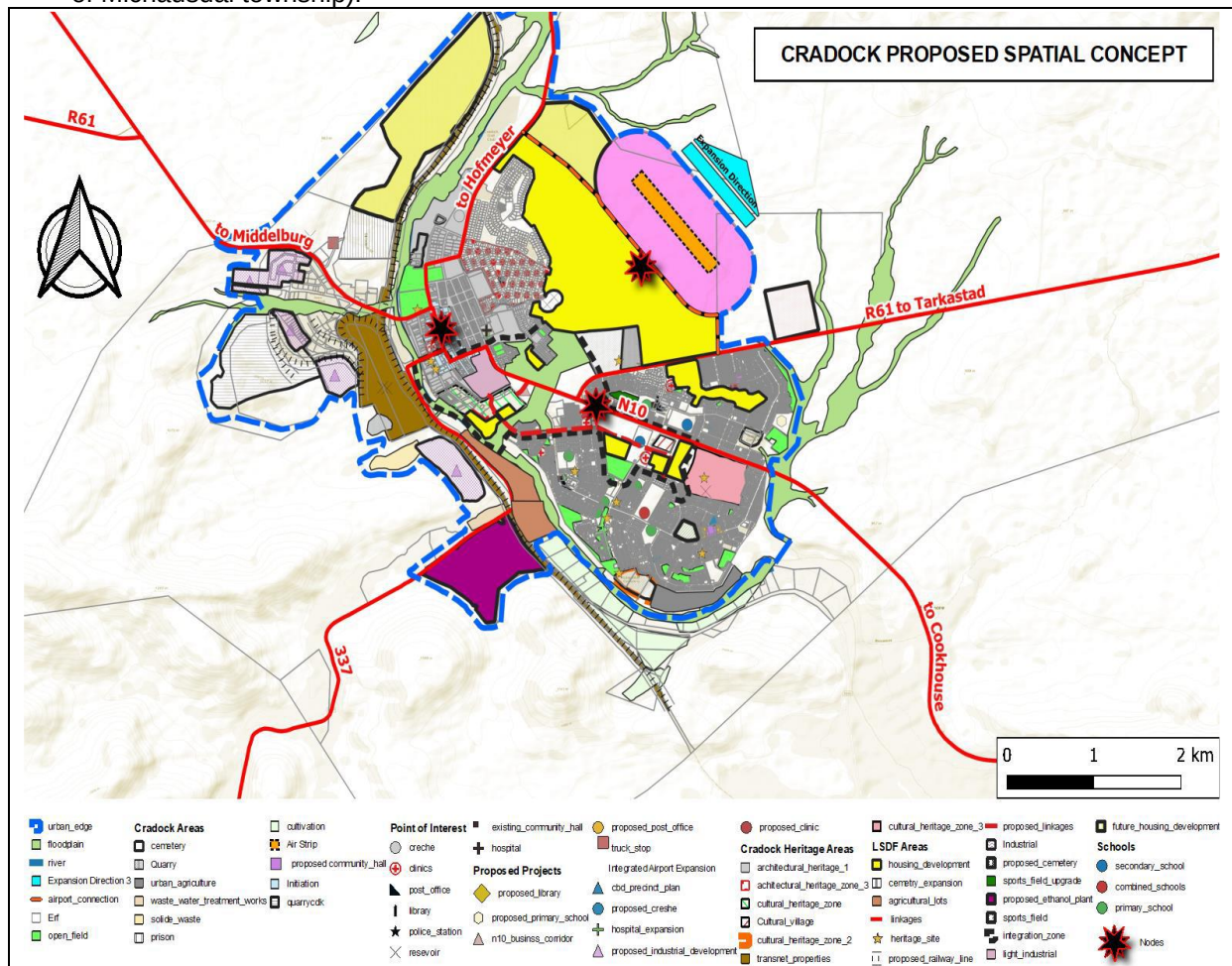
Proposed Spatial Restructuring of Cradock.

The proposed Conceptual Spatial Development Framework for Cradock is introducing few changes on the existing layout and conceptual SDF.

The new changes include:

- a) *Extended Urban Edge* to encompass cemetery and aerodrome expansion.
- b) *Integrated Aerodrome Expansion*. This will require a Public Private Partnership initiative with Flight Schools and Tourism companies to develop a Small Non-Jet Aerodrome facility that has:
 - i) Flying School Training Circuits.
 - ii) Tourism facilities (Restaurants & Accommodation).

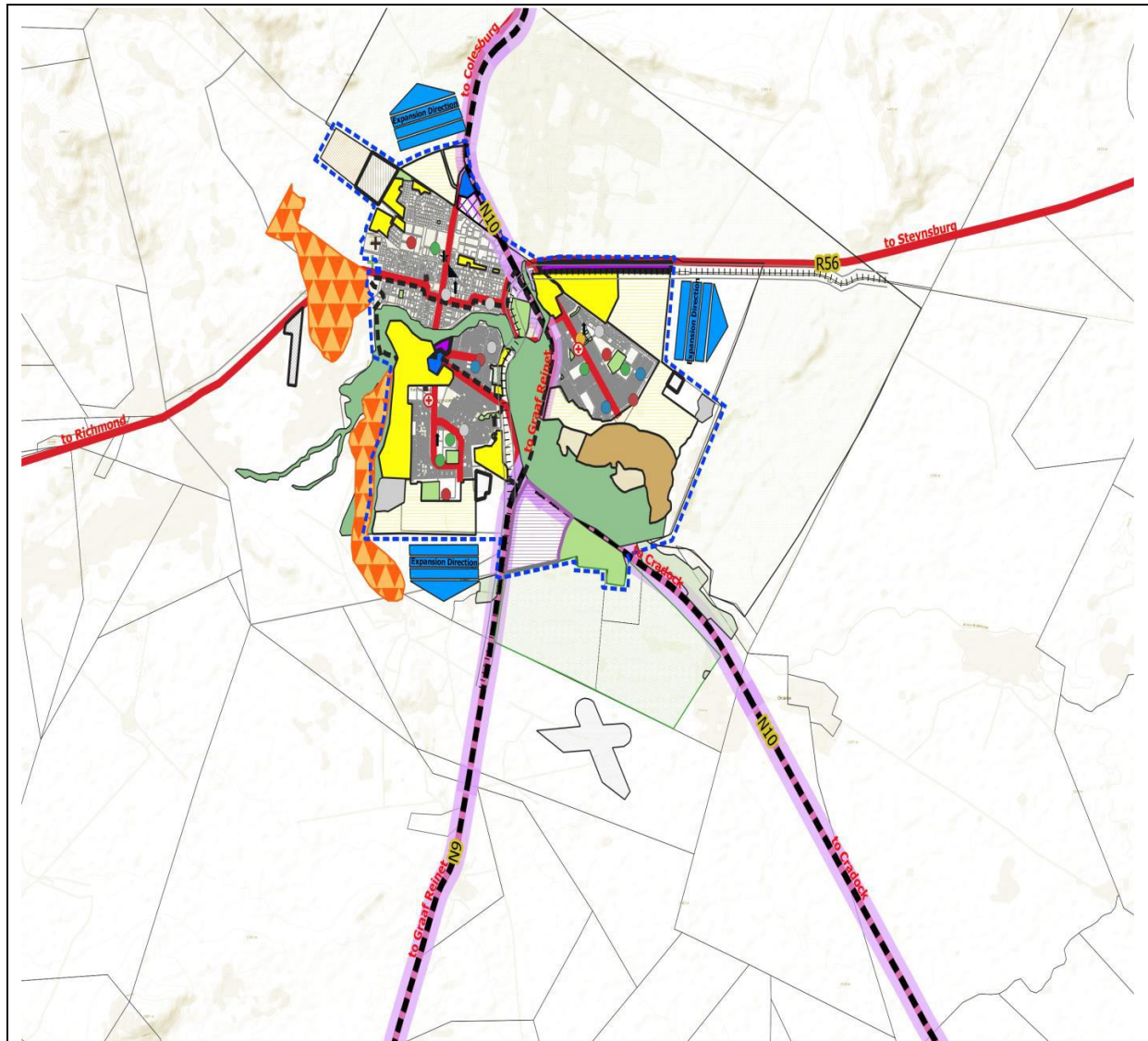
- iii) Emergency Services/Disaster Management Facility.
- c) New R390–61 Linkage: that connects Integrated Aerodrome Expansion with R390 and R61 (north of Michausdal township).



Proposed Spatial Restructuring of Middelburg.

- a) The proposed ITCC is bringing socioeconomic opportunities in the area with integrated services/facilities that include:
- Disaster Management facility
 - Fire Services Department
 - Provincial Traffic Department
 - South African Police Services
 - Small Business Unit
 - Law Court
 - Educational/Training Centre
 - Vehicle Maintenance
 - Traffic Control Centre
 - Solar Farm/Covered Sound

- b) Greening/tree plantation that is concealing the Wastewater Treatment Works from Midros residential area. This can also assist towards initiating relocation of the treatment works which will require dismantling of structures and other related activities that might be the eyesore from Midros and surrounding areas.
- c) Growth direction remains towards the north-western, north-eastern, and south-eastern directions.



The spatial characteristics presents primary agricultural production areas along the central spine of Great Fish River and the N10 route together with more extensive agriculture in the surroundings of Middelburg and to the east towards Steynsburg.

The primary biodiversity footprint is accommodated to the east of Cradock around the Mountain Zebra National Park and includes the potential biodiversity linkages to the west.

2.21.2. Smart City in Spatial Planning.

1. Introduction.

Spatial planning can be described as a largely public-sector-led repertoire of activities to influence the future spatial distribution of activities, to enhance the integration between different sectors, to create a more rational territorial organization of land uses including the linkages between them, to balance

demands for development with the need to protect the environment, and to achieve social and economic objectives. Spatial planning is regarded as a key instrument for establishing long-term sustainable frameworks for social, environmental and economic development and thus relates to the concept of a smart city.

According to the Focus Group on Smart Sustainable Cities, a smart sustainable city is an innovative city that uses ICTs and other means to improve the quality of life, efficiency of urban operation and services, and competitiveness, while ensuring that it meets the needs of present and future generations with respect to economic, social and environmental aspects.

II. Smart City in The Context of Spatial Planning.

Smart cities require intelligent planning and active citizenry rather than the overlay of technological solutions. The focus is on main issues such as harnessing smart urbanism to drive the transformation of cities, bridging the digital divide in sustainable development in the information age, and how best to realise urban mobility. A smart city should not be looked at in the context of technology rollout and about the social implications of technology. A key factor in this regard is spatial design, which considers dead corners on streets for safety and security purposes and allows for transparency, shading, natural cooling and ventilation, and planting such as roof gardens in office complexes and food gardens for housing developments.

Rapid and unplanned urbanization has led to the growth of slums, sprawl, housing and infrastructure shortages, social segregation, and exclusion. Accompanied by motorization, it has caused congestion and hazardous air pollution. Inadequate models of urban development turned cities and neighbourhoods into fragmented zones with low-density sprawl and high density disconnected residential areas, which are inefficient in terms of public transportation and service delivery point of view. All this has a strong social impact in terms of liveability, cultural diversity, adaptability of the urban pattern, and housing options. Therefore, the smart city concept should be used as an approach to spatial management, particularly in the context of rapid urbanization.

III. Aspects of a Sustainable Smart City.

Attributes	Sustainability: Related to city infrastructure and governance, energy and climate change, pollution, waste, and social, economic and health.
	Quality of life: Improving the quality of life in terms of emotional and financial wellbeing.
	Urban aspects: Includes technology and infrastructure, sustainability, governance, and economics.
	Intelligence or smartness: include smart economy, smart people, smart governance, smart mobility, smart living, and smart environment.
Theme	Society: The city is for its inhabitants.
	Economy: The city must be able to thrive – jobs, economic growth and finance.
	Environment: The city must be sustainable in its functioning for the present as well as future generations.
	Governance: The city must be robust in its ability for administrating policies.
Infrastructure	Physical infrastructure includes buildings, train tracks, roads, electric lines, gas pipelines, water, factories, etc.
	The ICT infrastructure acts as the "glue" which integrates all the other elements of the smartness of the city acting as a foundational platform. ICT infrastructure functions as the nerve centre, orchestrating all the different interactions between the various core elements.

The Smart City approach requires a combination of smart efforts to improve inhabitants' quality of life, promote economic growth, and protect the environment from degradation. Key systems of smart and sustainable cities include smart energy, smart buildings, smart transportation, smart water, smart waste, smart physical safety and security, smart health care, and smart education.

ICT based concepts such as big data, open data, Internet of Things (IoT), data accessibility and management, data security, mobile broadband, ubiquitous sensor networks are essential in smart and sustainable cities and are predicated on an ICT infrastructure to improve the Quality of Life and promote overall sustainability.

IV. Planning and Design Parameters for Archiving a Smart City.

Below are some of the key urban design parameters recommended for achieving a sustainable smart city from a spatial planning point of view:

- a) **High-quality streets and public spaces.** Well-planned streets and public spaces that shape the urban structure help support the local economy, connectivity, culture, creativity, and future developments. A good street network works well for vehicles and public transport as well as for pedestrians and cyclists.
- b) **Proper and well-designed density:** To meet the challenge of rapid urbanization and benefit from the economies of scale and to promote sustainable urban extension, it is important to have a proper and well-designed density of at least between 80 and 120 units/ha.
- c) **Mixed Urban Uses and limited land-use specialization:** Mixed land-use planning helps create local jobs, promote the local economy, reduce car dependency and commute, encourage pedestrian, cyclist and other non-motorised transport, reduce landscape fragmentation and green-house gas emissions, provide closer public services, support mixed communities and local economies, promote safer communities and create attractive neighbourhoods.
- d) **Connectivity:** The purpose of increasing connectivity is to create access to jobs and services for all and to boost local economies. This encourages walking, public transport, and ICT accessibility.
- e) **Mixed social structure:** This principle aims to promote cohesion and interaction between different social classes in the same neighbourhood and ensure accessibility to equitable urban opportunities by providing different types of housing.
- f) **Urban resilience:** Resilience requires policies, disaster preparedness strategies, frameworks, plans and designs that promote both, the adaptation to climate change and mitigation of GHG emissions.
- g) **Energy and Resource Efficiency:** This requires managing growth addressing consumption and resource exhaustion, through strategic planning, policies and measures focused on buildings, appliances, transport and agricultural, industrial and services industries. By sustainably using resources, assisted by smart technologies cities can minimize impacts on the environment and be responsive to the needs of the poor and vulnerable.

V. Actions to put in place to achieve a Smart City.

Smart and sustainable cities must be planned, designed, implemented, and managed effectively. The below are actions put in place to ensure enforcement and incorporation of the planning and design parameters for achieving a smart and sustainable city:

- a) Density Directives have to be delineated and incorporated in the MSDF and development, further, a Policy on Densification and Compaction of urban areas must be developed.
- b) The assessment of land development and land use application must be done in line with development principles as contained in Chapter 2 of the SPLUMA.
- c) Municipality to develop or review its Land Use Scheme so as to promotes mixed-used and high-density development and urbanism. The said land use scheme should incorporate overlay zones that depict areas prioritised for conservation, high-density residential and mixed uses.
- d) SANS 10400 of National Building Regulations and Green Buildings Guidelines to be enforced when evaluating building plans.
- e) Planning and design parameters guidelines to be used when planning integrated human settlements to achieve a smart and sustainable city.
- f) Precinct plans for Middelburg and Cradock urban nodes have been compiled to promote spatial restructuring and revitalisation of town centres from a socio-economic and environmental point of view.

2.21.3. Recommendations from the IYM Municipal Spatial Development Framework.

- a) LSDFs for Rosmead and Mortimer to consider decentralization of perceived Corridor 3 economic opportunities that are earmarked for Middelburg and Cradock.
- b) Bulk Infrastructure development to accommodate settlement and industrial developments in Cradock, Middelburg, Mortimer and Rosmead.
- c) Expansion of airstrip to support economic viability within the municipal area.
- d) Expansion of urban edge to allow for infrastructure development in line with projected urban growth.
- e) Development of densification strategy for sustainable urban growth amid topographic barriers in two urban centers.
- f) The proposed expansion of the Mountain Zebra National Park a linkage to the Camdeboo National Park through voluntary participation and not land acquisition
- g) Land identification in support of tourism and agricultural industrial development in Cradock with low impact to natural ambiance.
- h) Improvement of access roads to heritage sites.

- i) Development of heritage inventory in terms of section 30(5) of National Heritage Resources Act, 1999 (Act 25 of 1999)
- j) Municipality register Local Heritage Conservation Bodies in terms of section 25 of National Heritage Resources Act, 1999 (Act 25 of 1999)
- k) Establishment of new landfill sites in strategic areas to service all the wards.
- l) Law enforcement to improve regulation of illegal dumping in all the wards.
- m) Provision, maintenance, and protection of cemeteries for all areas as a measure to accommodate population growth and unforeseen disasters.

Planned Projects for 2022-2025.

The below listed projects are planned to address the growing demand for serviced land:-

A: Planned Projects: Middelburg R56 Housing Development		
BNG (Low Cost)	3 500	NB: 1. The land belongs to Dept. of Public Works. 2. The land is not serviced 3. Feasibility studies have been conducted
FLISP	250	
Rental Stock (CRU)	250	
Rental Stock (Social Housing)	250	
Destitute Housing	80	
Free Standing	1000	
Total Planned	5 330	
B: Planned Projects: Cradock		
BNG (Low Cost)	5 000	NB: 1. The land belongs to Inxuba Yethemba Local Municipality 2. The land is not serviced 3. Feasibility studies have been conducted
FLISP	500	
Rental Stock (CRU)	500	
Rental Stock (Social Housing)	500	
Destitute Housing	0	
Free Standing	2 000	
Total Planned	8 500	
C: Planned Projects: Provincial Human Settlements Initiatives		
Street Children	40	Middelburg: 20 & Cradock: 20 Middelburg: 2000 & Cradock: 2500 Middelburg: 80 & Cradock: 50 Fish River: 30 & Mortimer: 30 Cradock: 60
Youth	4500	
Destitute	130	
Farm Workers	60	
Military Veterans	60	
Total Planned	4 790	
TOTAL (A + B + C)	18 620	

THE LOCAL ECONOMIC DEVELOPEMENT STRATEGY EXECUTIVE SUMMARY

The Strategy Review Process

The Integrated Strategic Planning Model (“**ISPM**”) has been used in compiling the Inxuba Yethemba LM’s Revised LED Strategy. The ISPM is summarized in the following graphic: -



Key phases as outlined in the ISPM were carried out and implemented through various integrated activities which solicited inputs from internal and external municipal stakeholders at different engagement and public participation platforms. Each of the activities and inputs resulted in various outputs that constituted critical components of the strategy as contained in the full text of this documents whilst others have been included as annexures to the Revised Strategy.

1. THE IYM LED STRATEGIC PLAN.

The IYLM LED Strategic Plan builds upon the opportunities presented by its endowments and specialisations discussed in the SWOT Analysis above, and it also aims to address some of the weaknesses and threats.

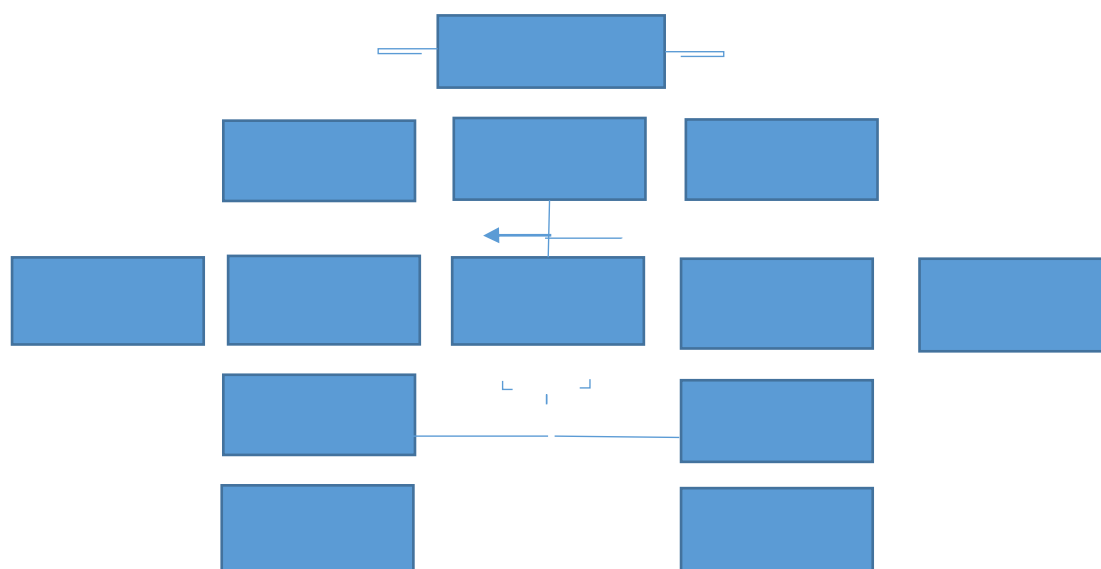
The five elements to the Strategic Plan are derived from analysis of the existing strengths and opportunities that enhance IYLM’s competitive advantages.

Each element of the Strategic Plan is accompanied by a set of early actions, which should be interpreted simply as example actions derived from the preliminary application of the Strategic Framework.

It is therefore expected that there will be other actions capable of contributing to the attainment of the municipality's vision for local economic development.

Consequently, an action's alignment with the Strategy is the primary strategic consideration, rather than it being listed in this document, and all proposed actions will be subject to further qualitative and quantitative evaluative processes.

The following is a graphical illustration of the LED Strategic Framework for Inxuba Yethemba LM:-



1.1. Critical Success Factors for Implementation of the LED Strategic Plan

To ensure that the strategy is implementable, the following must happen:-

- 1) Political will for economic development.
- 2) Adequate funding for the LED unit.
- 3) Investment in hard and soft infrastructure.
- 4) Leverage private sector investment.
- 5) Establish clear decision-making rules and processes.
- 6) Ease of doing business and enforce regulations.
- 7) Reduce economic leakages and create economic multipliers.
- 8) Attract sustainable businesses.

1.1.1. Mission Statement

The LED mission statement identified for Inxuba Yethemba is as follows: -

“To facilitate the creation, retention and re-investment in sustainable enterprises that can create jobs and improve the quality of life for the Citizens of Inxuba Yethemba”.

1.1.2. Strategic Goals.

The LED Unit aspires to achieve a broad set of long-term goals and outcome by implementing its mission:-

- 1) Build institutional capacity for sustainable tourism development
- 2) Create a sectorial collaboration platform with other departments
- 3) Develop and promote tourism sites.
- 4) Develop bylaws to regulate business practices.
- 5) Develop R & D capacity for agricultural development
- 6) Develop tourism support infrastructure
- 7) Facilitate access to market for agricultural products
- 8) Facilitate development of irrigation infrastructure
- 9) Facilitate on-going training & development of farmers
- 10) Facilitate small enterprise creation
- 11) Have well capacitated human capital in support of tourism sector
- 12) Implement enterprise development solutions.
- 13) Improve aesthetic appeal of the CBD in Cradock and Middleburg
- 14) Train businesses on sustainable business practices

1.2. **IYLM LED Program for 2022-2027.**

The LED Program for IYM will be based on the strategic pillars that are linked to the key focus areas as follows:-

1st Pillar	Support and facilitate growth in agriculture, agroprocessing and agribusiness
2nd Pillar	Support and facilitate growth in tourism and visitor economy
3rd Pillar	Support the retail sector
4th Pillar	Facilitate development of a transport and logistics sector
5th Pillar	Support and grow small, medium, and micro enterprises.

1.3. **1st Pillar: Support and facilitate growth in agriculture, agroprocessing and agribusiness.**

Inxuba Yethemba has a competitive advantage in several agricultural sub-sectors, based on its significant natural resources as well as the proximity of COEGA IDZ which imports products such as milk from local farmers for processing into various dairy products. The area is also competitive in sheep, mohair goats and wool production by extension. There is a strong agribusiness sector in Cradock that supports these subsectors. There are, however, no value-adding, thus the sector is not utilized to its full potential.

1.3.1. **Infrastructure Priorities to support agriculture, agroprocessing and agribusiness.**

The following infrastructure priorities will be prioritized for implementation of the next 5 years (2022-2026) to support the strategic pillar:

- a) **Transport infrastructure:** Build and maintain road infrastructure to improve access to primary production enterprises for freight vehicles.
- b) **Telecommunication:** Provide telecommunication infrastructure to decrease mobile reception blackspots for greater mobile connectivity.
- c) **Access to irrigation infrastructure:** Provide irrigation infrastructure for ease of doing business and to improve product quality.
- d) **Fencing of commonages:** Commonages to be fenced for livestock control and improvement.
- e) **Emerging farmer support infrastructure:** Provide infrastructure such as dipping tanks, livestock handling facilities, fodder storage sheds, etc.

1.3.2. Action Plan for agriculture, agroprocessing and agribusiness.

The following projects will be implemented by the LED Unit between 2022-2027:-

1) Establishment of a commercial Dairy Enterprise

Activity Plan		
#	Activity	Possible funder
1	Conduct feasibility study	CHDM, DEDEAT (LRED Fund), SEDA, IYM, ECDC, Department of Small Business Development
2	Develop business plan	CHDM, DEDEAT (LRED Fund), SEDA, IYM, ECDC, Department of Small Business Development
3	Identify potential investors	CHDM, DEDEAT (LRED Fund), SEDA, IYM, ECDC, Department of Small Business Development
4	Link with sources of enterprise funding.	CHDM, DEDEAT (LRED Fund), SEDA, IYM, ECDC, Department of Small Business Development

2) Establishment of a Fodder Production Plant

Activity Plan		
#	Activity	Possible funder
1	Conduct feasibility study	CHDM, DEDEAT (LRED Fund), SEDA, IYM, ECDC, DRDAR, DRDLR
2	Develop business plan	CHDM, DEDEAT (LRED Fund), SEDA, IYM, ECDC, DRDAR, DRDLR

3	Identify potential investors	CHDM, DEDEAT (LRED Fund), SEDA, IYM, ECDC, DRDAR, DRDLR
4	Link with sources of enterprise funding.	CHDM, DEDEAT (LRED Fund), SEDA, IYM, ECDC, DRDAR, DRDLR

3) Establishment of a Small Stock Feedlot (Sheep and Goats).

Activity Plan		
#	Activity	Possible partners
1	Conduct feasibility study	CHDM, DEDEAT (LRED Fund), IYM, ECDC, DRDAR, DRDLR, SHEEPCO
2	Develop business plan	CHDM, DEDEAT (LRED Fund), IYM, ECDC, DRDAR, DRDLR, SHEEPCO
3	Identify potential investors	CHDM, DEDEAT (LRED Fund), IYM, ECDC, DRDAR, DRDLR, SHEEPCO
4	Link with sources of enterprise funding.	CHDM, DEDEAT (LRED Fund), IYM, ECDC, DRDAR, DRDLR, SHEEPCO

4) Establishment of a Cattle Feedlot.

Activity Plan		
#	Activity	Possible partners
1	Conduct feasibility study	CHDM, DEDEAT (LRED Fund), IYM, ECDC, DRDAR, DRDLR
2	Develop business plan	CHDM, DEDEAT (LRED Fund), IYM, ECDC, DRDAR, DRDLR
3	Identify potential investors	CHDM, DEDEAT (LRED Fund), IYM, ECDC, DRDAR, DRDLR
4	Link with sources of enterprise funding.	CHDM, DEDEAT (LRED Fund), IYM, ECDC, DRDAR, DRDLR

5) Establishment of a Game Farm as an Agri-Tourism Enterprise.

Busi Fish to provide more details.

1.4. 2nd Pillar - Support and facilitate growth in tourism and visitor economy.

Inxuba Yethemba a significant tourism sector which caters for domestic visitors and international tourists.

Of enormous importance to the economic development of Cradock was the construction of the [Orange-Fish River Tunnel](#). Completed in 1975 and 83 km in length, it diverts water from the [Gariiep Dam](#) on the [Orange River](#) to the Great Fish River and then on as far as the Addo Valley, [Grahamstown](#) and [Port Elizabeth](#) for irrigation, household and industrial use.

The construction of the tunnel also made possible the annual [Fish River Canoe Marathon](#). From humble beginnings in 1982, the two-day, 80 km event now attracts more than 1 500 paddlers from around the world.

Another notable attraction is the [Mountain Zebra National Park](#) just 15 kilometres from the town, where the once-endangered [zebra](#) species together with lion, cheetah, buffalo and a range of antelope species are to be seen in magnificent surroundings.

Other notable attractions in the town are the "tuishuise" (at-home houses), superbly restored Victorian era craftsmen's houses in Market Street which form part of the Victoria Manor Hotel; the [Dutch Reformed Moederkerk](#) which dates back to 1868 and was designed after the style of [St Martin-in-the-Fields](#) in [Trafalgar Square](#), London; and [Schreiner House](#) where the renowned author of [The Story of an African Farm](#) lived as a young girl. The house, which is located at 9 Cross Street and is a satellite of the [National English Literary Museum](#), contains a modern set of exhibitions portraying the life of Olive Schreiner.

The business, health and family segments of the tourism market will likely grow in line with economic and population growth.

1.4.1. Infrastructure Priorities to support tourism and visitor economy.

The following infrastructure priorities will be prioritized for implementation of the next 5 years (2022-2026) to support the strategic pillar:

- a) **Tourism Infrastructure:** Investment to a range of infrastructure to develop tourism products and assets that can attract visitors to Cradock and Middleburg.
- b) **Upgrade internal roads:** Improve ease of travelling and access to tourism products such as hotels, BnB's, lodges, etc.
- c) **Provision of clean drinking water:** Work with CHDM to ensure consistent availability of clean drinking water.
- d) **Provision of electricity:** Work with ESKOM to ensure uninterrupted supply of electricity.
- e) **Telecommunication:** Provide telecommunication infrastructure (e.g., WIFI) to decrease mobile reception blackspots for greater mobile connectivity.
- f) **Signage:** Signage to all tourism products.

1.4.2. Action Plan for tourism and visitor economy.

The following projects will be implemented by the LED Unit between 2022-2027: -

- a) Operationalize Vusubuntu Arts & Culture Centre through a PPP.
- b) Refurbishment of Cradock SPA.
- c) Implement anchor projects in the Tourism Sector Plan.

1.5. 3rd Pillar - Support the retail sector.

Inxuba Yethemba is endowed with a booming retail sector which consists of established national franchise stores. Such stores have a footprint both in Cradock and Middleburg and carry out trade in food and beverage retail sector, automotive sector, building industry, clothing retail etc. this is a 2nd largest creator of employment opportunities, following the government and it is a consumer of locally produced goods. When properly supported, the sector has a potential of creating downstream economic opportunities which can result into job creation.

1.5.1. Infrastructure Priorities to support the retail sector.

The following infrastructure priorities will be prioritized for implementation of the next 5 years (2022-2026) to support the strategic pillar:

- a) **Retail Infrastructure:** Investment to a range of infrastructure such a warehouses and storage facilities to support the sector.
- b) **Upgrade internal roads:** Improve ease of travelling and access to retail facilities.
- c) **Provision of clean drinking water:** Work with CHDM to ensure consistent availability of clean drinking water.
- d) **Provision of electricity:** Work with ESKOM to ensure uninterrupted supply of electricity.

1.5.2. Action Plan for the retail sector.

The following projects will be implemented by the LED Unit between 2022-2027: -

- a) Patch and reseal internal roads in Cradock and Middleburg (specific street linked to major retail outlets).
- b) Investigate alternative renewable energy sources.
- c) Refurbishment of water infrastructure.

1.6. 4th Pillar – Facilitate of a transport and logistics sector.

An assessment of the municipality's competitive advantages identified transport infrastructure and IYM's strategic location as an interchange for heavy duty trucks that transport manganese and other minerals from Kimberly to the Coega IDZ and the automotive sector in Gqeberha. In addition to this haulage influx, IYM is an exit and entry point for minibus taxi's transporting passengers from the Western Cape to the Eastern Cape and vice versa, and this movement picks up during the festive season.

The above opportunities provide a significant platform for the introduction of a tolling facility/weigh bridge for both trucks that transport minerals to Gqeberha and minibus taxis which transport passengers between Eastern Cape and Western Cape. Relevant authorities such as the Department of Roads and Transport as well as SANRAL will need to be onboarded for this project.

1.6.1. Infrastructure Priorities to support the transport and logistics sector.

None at present.

1.6.2. Action Plan for the transport and logistics sector.

The following projects will be implemented by the LED Unit between 2022-2027: -

1) Establishment of a Pay-Per-Load Facility/Tolling for Heavy Duty Trucks along the N10.

Activity Plan		
#	Activity	Possible partners
1	Conduct feasibility study	SANRAL, Department of Transport, IYLM
2	Develop business plan	SANRAL, Department of Transport, IYLM
3	Identify potential investors	SANRAL, Department of Transport, IYLM
4	Link with sources of enterprise funding.	SANRAL, Department of Transport, IYLM

2) Establishment of Designated Truck Inn in Middleburg.

Activity Plan		
#	Activity	Possible partners
1	Conduct feasibility study	SANRAL, Department of Transport, IYLM
2	Develop business plan	SANRAL, Department of Transport, IYLM
3	Identify potential investors	SANRAL, Department of Transport, IYLM
4	Link with sources of enterprise funding.	SANRAL, Department of Transport, IYLM

1.7. 5th Pillar – Facilitate support for growth of SMME's.

This pillar is biased towards the provision of support to SMME's based in the townships and peri-urban areas in Cradock and Middleburg. without specific focus to any subsector, IYM will endeavor to link such SMME's with financial and non-financial support, made available to this category of businesses by all 3 spheres of government.

1.7.1. Infrastructure Priorities to support SMME Development.

The following infrastructure priorities will be prioritized for implementation of the next 5 years (2022-2026) to support the strategic pillar:

- a) Automotive aftersales support infrastructure
- b) Bakery equipment
- c) Butchery/tshisanyama equipment.
- d) Carwash/valet equipment
- e) Hair and beauty equipment.
- f) Establishment business development centre.
- g) Hawker stalls and equipment, etc.

1.7.2. Action Plan for SMME Development.

The following are the programs to be implemented to support the SMME's:-

- a) Identify skills development opportunities as a tool for business development.
- b) Enforce implementation of gazetted by-laws for compliance with business requirements.
- c) To assist businesses to access government support and funding through business development service providers.
- d) Linking SMME's with existing business development service providers such as Seda, ECDC and relevant sector departments such as DEDEAT and Department of Small Business Development.
- e) Link SMME's with established businesses to access funding support through programs such as LRED and similar programs.
- f) Link SMME's and provide support to access funding opportunities such as TREP Funding, Isiqalo, Informal Sector Support, etc.

HUMAN SETTLEMENT SECTOR PLAN

1 INTRODUCTION

1.1 BACKGROUND

Inxuba Yethemba Local Municipality (IYLM), like all other municipalities, is required to prepare a Human Settlements Sector Plan (HSSP) as a component of the Integrated Development Plan (IDP), in terms of the Municipal Systems Act (MSA) 32 of 2000 and the National Housing Act 107 of 1997. These are to ensure that the inhabitants within its area of jurisdiction have access to adequate human settlements on a progressive basis by setting human settlements delivery goals, identify suitable land for human settlements development and planning, facilitating, initiating and co-ordinating human settlements development in its area of jurisdiction.

Towards this goal, the Chris Hani District Municipality (CHDM) has embarked on a programme to develop an Integrated Human Settlements Sector Plan (IHSSP) and an Emergency Human Settlements Policy for the District and the Local Municipalities under its area of jurisdiction.

There are local challenges that are facing CHDM in terms of human settlements developments and these challenges require urgent attention to ensure that government objectives are achieved. There are numerous difficulties encountered by the Local Municipalities (LMs) within the district in fulfilling the need for human settlements infrastructure, social development, the availability and ownership of land, bulk infrastructure and other factors.

As one of the planning tools for local government in terms of its developmental role, the HSSP aims at ensuring, orientating and refocusing the municipality's vision and mission in the performance of its development role of human settlements development. The Housing Act (Act 107 of 1997) also guides and informs the preparation of Human Settlements Sector Plans.

1.2 PROJECT PURPOSE

The purpose of this document is to analyse the human settlements situation and then compile a well crediblere-searched human settlements sector plan with all social, economic and demographics indicators impacting on human settlements planning and delivery with an emergency human settlements policy for the CHDM.

The main purpose of this assignment is two poned, that is:

- To determine the current state of human settlement throughout the District in terms of the of the current delivery status and in order to determine the human settlements demand to guide the compilation of the human settlements status quo report; and
- To develop a new integrated human settlements sector plan for CHDM to incorporate with the development of emergency human settlements policy for CHDM.

This HSSP will therefore aim to outline the needs and demands for housing, respond to issues underlying provision of human settlements and make proposals for strategic human settlements interventions. Amongst others, the objectives of a Human Settlements Sector Plan will be as follows:

- To accelerate the delivery of houses as key for poverty alleviation.
- To utilise provision of human settlements as a major job creation strategy.
- To leverage growth in the economy.
- To combat crime, format social cohesion and improve quality of life for the poor.
- To support the function of the entire single residential property market to reduce duality within the sector by breaking the barriers between the first economy residential property boom and the second economy slump.
- To ensure the effective allocation of limited resources (specifically financial and human) to a large pool of potential development interventions.
- To provide a formal and practical method of prioritising human settlements projects and obtaining political consensus from for the sequencing of their implementation.
- To ensure more integrated development through bringing together the relevant cross-sectoral role players to coordinate their development interventions.
- To provide greater spatial linkages between the spatial development framework and the physical implementation of projects on the ground
- To ensure that there is a definite human settlements focus for the IDP.

This document sets the context of the existing situation in Inxuba Yethemba Local Municipality area, the legal and policy setting and the various plans for human settlements delivery. It also provides a desktop situation analysis of the local municipality giving the current reality in terms of the demographic characteristics, social, economic and environmental situation. Again, the participatory planning process is also outlined. The various challenges facing housing delivery are described according to the information obtained from the survey and relevant documents.

This section outlines the current human settlements legislation and policies as they affect human settlements delivery in the municipalities.

2 LEGISLATIVE AND POLICY MANDATES

2.1 LEGISLATIVE FRAMEWORK

The following is a summary of the main pieces of legislation, as well as policy directives, applicable to the integrated human settlements development environment.

Legislation	Purpose and Specific Provision
The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)	This Act forms the basis for the executing the mandate of the Department of Human Settlements with particular reference to Section 26 and Schedule 4. Section 26 guarantees the rights to have access to housing as a basic human rights and the State is mandated to take steps to achieve the progressive realization of this right. Schedule 4 ensures that the National and Provincial governments have concurrent legislative competence. This schedule guides the assignment of delegations of section components of the housing functions to municipalities.
The Housing Act, 1997 (Act No. 107 of 1997)	This Act lays down general principles applicable to housing development in all spheres of government. The Act defines the functions of national, provincial and local governments in respect to housing development and provides for financial arrangements for housing development. This Act further creates the provision for all spheres of government to give priority to the needs of the poor in respect of housing development.
Prevention of Illegal Eviction from Unlawful Occupation of Land Act, 1998	This Act repeals the Prevention of Illegal squatting act (Act 52 of 1951) and makes provision for a fair and equitable process to be followed when evicting people who have unlawfully invaded land, from their homes. The Act makes it an offence to evict without following the due process of law.
The Housing Consumer Protection Measures Act, 1998	The Act provides for the establishment of a statutory regulating body for home-builders. The National Home Builders Registration Council (NHBRC) registers builders engaged in certain categories of housing construction, and regulates the home building industry by formulating and enforcing a code of conduct.
The Rental Housing Act, 1999 as amended	The Rental Housing Act repeals the Rent Control Act (1976) and defines government responsibilities in respect of rental housing property. The Act establishes the Rent Tribunal to regulate and promote sound relations between landlords and tenants. There is a clear requirement to stimulate the rental housing market.
Social Housing Act, No.16 of (2008)	The Act provides for the establishment of affordable rental accommodation for low to medium income households in designated Restructuring Zones i.e. places of economic opportunities, enabling spatial and social integration.
Home Loan and Mortgage Disclosure Act, 2000	This Act provides for the establishment of the Office of Disclosure and the monitoring of financial institutions serving the housing credit needs of communities to disclose information and identifies discriminatory lending patterns.
Sectional Titles Act, 1986 (Act No. 95 of 1986) as Amended	This Act provides for the division of buildings into sections and common property and for the acquisition of separate ownership in sections coupled with joint ownership in common property.
The Deeds Registries Act, 1937 (Act No. 47 of 1937)	This Act governs the entire set of procedures and requirements for registering ownership and transfer of land.
National Building Regulations and Building Standard Act, No. 103 of 1997 (Act No. 103 of 1997)	The Act provides for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities, and for the prescribing of building standards.
Municipal Systems Act	.
Interim Protection of Informal Land Rights Act, IPILRA, 1996	This Act aims to protect a category of rights to land – called ‘informal rights’ – held by people living in rural areas of the former homelands and South African

Legislation	Purpose and Specific Provision
(Act No. 31 of 1996)	Development Trust (SADT) areas.
State Land Disposal Act, 1961 (Act No. 48 of 1961)	The Act provides for the disposal of certain State land and for matters incidental thereto, and to prohibit the acquisition of State Land by prescription.
Land Administration Act, 1995 (Act No. 2 of 1995)	The Act provides for the delegation of powers and the assignment of the administration of laws regarding land matters to the provinces. It also provides for the creation of uniform land legislation.
Public Finance Management Act, 1999 (Act No. 1 of 1999)	This Act regulates financial management in National Government and Provincial Government, to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively.
Promotion of Access to Information Act, 2000, Act No. 2 of 2000, as amended	The Act underlines the importance of access to information for an open, democratic, transparent society. The Act gives legislative form to Section 32 of the Bill of Rights of the Constitution and should be interpreted as legislation giving effect to a constitutional right.
Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	The Act aims at promoting the achievement of the constitutional right to equality by increasing broad-based and effective participation of Black people in the economy. It also sets parameters for the development of the Property Charter and the Construction Charter as mechanisms to secure commitment from stakeholders in the construction and property industries.
Division of Revenue Act (DoRA)	Makes provision for the equitable division of revenue raised nationally, among the National, Provincial and Local spheres of government and the responsibilities of all three spheres pursuant to such division and for matters connected therewith. The Integrated Housing and Human Settlement Development Grant is managed in terms of the DoRA.
Inter-governmental Relations Framework Act of 2005	Establish a framework for National, Provincial and Local spheres of government to promote and facilitate the settlement of intergovernmental disputes and matters connected therewith.
Skills Development Act & Skills Development Levies Act	This Act regulates the training and Development of the employees and the funding thereof.
Preferential Procurement Policy Framework Act, No 5 of 2000	This Act gives effect to Section 217, Chapter 3 of the Constitution by providing a framework for the implementation of the Procurement Policy contemplated in Section 217, Chapter 2, of the Constitution and to provide for matters connected therewith.
Disaster Management Act, 2002	This Act mandates each province as well as each district and metropolitan municipality is, in terms of sections 28 and 42 of the Disaster Management Act, 2002, to "establish and implement a framework for Disaster Risk Management (DRM) aimed at ensuring an integrated and uniform approach to DRM" in its jurisdiction by all provincial and municipal organs of state, etc.
Occupational Health and Safety Act	It regulates the Health and safety issues in the workplace

Policy Framework

Policy	Brief Description of the Policy
White Paper: A new Housing Policy and Strategy for South Africa, 1994	Commits Government to the establishment of socially and economically integrated communities situated in areas allowing convenient access to economic opportunities as well as health, educational and social amenities.
National Housing Code, 2000 (Revised in 2009)	Provides administrative guidelines for implementation of national housing policy. It sets the underlying policy principles, guidelines and norms and standards which apply to government's various housing assistance pro-

Policy	Brief Description of the Policy
	grammes.
The Comprehensive Plan for the Development of Sustainable Human Settlements (Breaking New Ground (BNG), 2004)	A multi-dimensional plan focusing on improving the quality of living environments, new tenure options, integration, fast track delivery, capacity building and anti-corruption measures. The comprehensive Plan is supplemented by seven business plans: • Stimulating the Residential Property Market; • Spatial Restructuring and Sustainable Human Settlements; • Social (Medium-Density) Housing Programme; • Informal Settlement Upgrading Programme; • Institutional Reform and Capacity Building; • Housing Subsidy Funding and System Reforms; and • Housing and Job Creation.
Policy on Emergency Housing Assistance within urban and rural contexts	Facilitate programmes that will ensure speedy provision of temporary housing relief to people, in urban and rural areas within the province of the Eastern Cape, who find themselves in emergency situations. These include the following categories of households: Those whose existing shelters have been destroyed or damaged by natural causes, (e.g. tornados, flooding, fire, etc.); Those whose existing houses are located in prevailing situation that poses an immediate threat to their lives, health and safety, (buildings that are not conducive for human habitation, environmentally unsafe areas, etc.) Those evicted or face a threat of imminent evictions (e.g. farm-dwellers and worker, tenants, etc.)
Policy on Housing People Infected with and affected by HIV and AIDS / people with disability	The policy overcomes the barriers affecting housing delivery to HIV and AIDS victims and orphans who are always left destitute as well as people with disability, by enhancing their sustainable human settlements. Ensure that there is uniform and equitable approach in the utilization, provision and management of facilities that are funded and managed under the ambit of this policy.
Supply Chain Management Policies and Procedures	Procurement Policy for Urgent Interventions for Housing Delivery in the Eastern Cape- deals with elimination of backlog in housing delivery and accelerated housing delivery.
Acquisition Management Manual	It provides guidelines that regulate procurement of goods and services by organs of state in a fair, competitive, cost-effective, transparent and equitable manner.
Compliance and Risk Management Policies	Compliance to policies and eliminate risks in the procurement of goods and services to fulfil the provisions of the Public Finance Management Act.
Human Resource Development Policies	HRD policy clearly guides the employees and the employer on the training and development of staff
Information and Communication Technology Policy	It ensures efficient and effective use of information and communication technology resources and applications.

2.2 HOUSING INSTITUTIONAL FRAMEWORK

The Housing Act, 1997 (Act No. 107 of 1997) assigns the three spheres of government the responsibility of ensuring that: “the need of the poor in respect of housing development is given priority by government; government consults meaningfully with individuals and communities affected by housing development; housing development is economically, fiscally, socially and financially affordable and sustainable”.

The Housing Act further clarifies the role and responsibility of the national, provincial and local spheres of government with regard to housing development but when it comes to the local sphere of government, the Housing Act does not differentiate between the District and Local Municipality. Constitution of 1996, however, defines Category C municipality as a municipality that has municipal executive and legislative authority over an area that includes more than one local municipality. This, in effect, means that the immediate constituency of a district municipality is its local municipality not communities.

In terms of the Municipal Structures Act No. 117 of 1998, a district municipality is expected to build the “capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking. A district municipality may provide services to citizen directly when that affects significant proportion of municipalities in the district.

The table below summarizes the roles and responsibilities of the various spheres of government in relation to housing delivery:

National	Provincial	Municipality
To establish and facilitate a sustainable national housing development process (Sect. 3(1)) National housing policy Goals - setting broad national housing delivery goals; facilitating setting of provincial housing delivery goals; where appropriate, facilitating setting of municipal housing delivery goals in support of national and provincial goals - Sect. 3(2) Funding - negotiate for the national apportionment of the state budget for housing and based on DORA formula, determines conditional grant allocations - Sect 3(4) Performance Monitoring - monitors performance of all three spheres of government against housing delivery goals and budget- Sect3 (2)(c) Capacity Building – assists provinces to develop administrative capacity – Sect 3(2)(d) and, supports and strengthens municipalities - Sect 3(2)(e) Consultation – promotes consultation between National and housing sector, including other spheres of government - Sect 3(2)(f) Communication – promotes effective communication i.r.o. housing development- Sect 3(2)(g)	To promote and facilitate the provision of adequate housing in the Province, within a framework of national policy, after consulting the provincial organizations representing municipalities (Sect 7(1)) <i>Provincial policy</i> determined - Sect. 7(2)(a) Provincial legislation to ensure effective housing delivery - Sect. 7(2)(b) Capacity Building – support and strengthen municipalities - Sect 7(2)(c) and (e) Housing development – to co-ordinate housing development in the Province - Sect 7(2)(d) Intervention – when municipality fails to perform functions i.t.o. Housing Act - Sect 7(2)(f) Planning- Multi-year plan to be prepared - Sect 7(2)(g) Municipal Accreditation -Sect 10	As part of the process of integrated development planning, to ensure within the framework of national and provincial housing legislation and policy, that the right to have access to adequate housing is realized on a progressive basis (Sect 9(1)) Housing delivery goals – to be set for municipal area in annual housing Plan Sect 9(1)(b) Housing development - initiate plan, co-ordinate, facilitate, promote and enable appropriate housing development in municipal area - Sect 9(1)(f) Land for housing – identify and designate land for housing development- Sect 9(1)(c); plan and manage land use and development- Sect 9(1)(h) Health and safety – Sect 9(1)(a)(ii) Efficient Services - water, sanitation, electricity, roads, storm water drainage and transport to be provided in economically efficient manner - Sect 9(1)(a)(iii) Public environment - to be created and maintained to be conducive to housing development- Sect 9(1)(d) Conflict resolution - in respect of conflict arising in housing development - process - sect 9(1)(e) Bulk and revenue generating services- to be provided by municipality where not provided by specialist utility suppliers – Sect 9(1)(g)

2.3 HOUSING PROGRAMMES

The Housing Act, 1997 (Act No. 107 of 1997) outlined the various housing development programmes that serve as instruments for the implementation of the national housing policy. The following represents the various housing programmes.

National Housing Programme	Policy Objective
Individual subsidy	To assist beneficiaries to acquire ownership of fixed residential properties for the first time and to enable them to buy existing homes or homes in projects not approved by the Provincial Department of Human Settlements.
Project-linked subsidy	To assist beneficiaries to acquire ownership of fixed residential properties for the first time and to enable them to buy homes in projects approved by the Provincial Department of Human Settlements
Project-linked Consolidation subsidy	To enable beneficiaries who have only received serviced sites under the previous dispensation and who hold ownership rights to such sites to provide or upgrade a top structure on such site.
Discount Benefit Scheme	To promote home ownership among tenants of State-financed rental stock, including formal housing and serviced sites. In terms of this Scheme. Where the discount amount equals or exceeds the purchase price or loan balance, the property is transferred free of any further capital charges.
Institutional Subsidy	To provide subsidised accommodation through institutions, to persons who qualify for individual ownership subsidies on the basis of secure tenure such as rental, instalment sale, share-block, etc. This subsidy type is utilised through social housing
People's Housing Process (PHP)	To support people who want to build or manage building of their homes themselves to access consolidation, project-linked, institutional and rural housing subsidies as well as other support measures.
Housing for the Disabled	To enable disabled persons to access housing
Consolidation Subsidy Programme	Available to beneficiaries of previous government housing assistance schemes who received services stands in ownership. Beneficiaries of such stands may apply for further assistance to construct a house on their stands or to upgrade their house they have constructed from their own resources.
Rural Housing subsidy: Informal Land Rights	Facilitate project based housing development for beneficiaries on communal land. Can be addressed through appropriate funding, institutional, decision-making and management framework for the programme.
Emergency Housing Programme	It provides temporary assistance in the form of secure access to land and/or basic municipal engineering services and/or shelter in a wide range of emergency situations.
Informal Settlement Upgrading	To facilitate the structures in-situ upgrading of informal settlements as opposed to relocation to achieve tenure security, health and security and empowerment.
Social Housing	Contribute to the government vision of economically empowered, non-racial, and integrated society living in sustainable human settlement through national priority to address structural, economic, social and spatial dysfunctionalities.
Community Residential Units (CRUs)	CRU aims to facilitate the provision of secure stable rental tenure for lower income persons, households with income between R800 and R3 500 per month who are not able to enter the formal private rental and social housing market.

3 PARTICIPATORY PROCESSES AND METHODOLOGY

Public participation as it is the most powerful tool that shapes development practices will form one of the principles of this Human Settlements Sector Plan (HSSP). This process will ensure involvement of different actors, especially the Local Municipality, District Municipality, and other stakeholders such as the Provincial Department of Human Settlements. The quality of this HSSP process is dependent on the level of involvement and participation of the interested and affected parties, most especially the Local Municipalities, who will have to adopt the HSSP into their IDPs. This is a democratic process through which municipalities were requested to identify their needs, voice their demands in order contribute to the improvement of the livelihoods of their people.

These major actors will be involved in all the phases of planning process. This means that the process promotes decentralization of resource allocation and enhances transparency and accountability in the management of pub-

lic goods. It is also an important factor in the efficiency and effectiveness of the project design and implementation. Although the process itself can be time consuming, the involvement gives the local municipality a sense of ownership and a sense of responsibility thereby guaranteeing better project performance. The human settlement sector planning process of the development of this HSSP follows that of the IDP and will be undertaken in five phases (See Figure 3.1) as follows:

Phase 1: Inception and Analysis

At this stage, the project vision was identified and a detail project plan was developed. This was followed by a project introductory session, whereby the project was introduced to both local and district office of the Department of Human Settlements by CHDM. Institutional Arrangements were discussed to guarantee the involvement of various local municipalities. A project Inception report was then developed and submitted to the CHDM.

The analysis stage involved two processes, namely, desk-top analysis and field interview involving administration of questionnaire from relevant data sources. The broad aim of this phase was to identify human settlements demand.

The desk-top analysis gives an overview of the legislative framework on human settlements as well as the municipality's current situation with regards to human settlements development and management. Taking into consideration the legislative and policy documents relevant to human settlements delivery as well as the municipality's IDP and SDF, information on the human settlements needs and demands were revealed. A report was then compiled, which enables an informed assessment of the level of human settlements development to be undertaken within the municipality. This report was presented in order to provide the municipality with information on the status and also to get an understanding of the current human settlements and related conditions.

The phase of the situation analysis also involved the development and administration of questionnaire. Unlike the previous phase, this phase was more interactive. It aimed at acquiring more detailed and updated information on the municipality's human settlements situation. This included an investigation of human settlements backlog / need, land availability, access to infrastructure, human resource capacity to deal with human settlements issues within the municipality, and other issues relevant to human settlements delivery. Fieldwork was also undertaken to physically engage with the key issues affecting the municipality as well as investigations on particular issues of critical importance to human settlements. This was followed by a workshop at a local level, which aimed to identify and discuss all the key issues and challenges affecting human settlements development. A District Coordinating Committee Meeting where all the municipalities were represented was held. All the information was then analyzed and collated to form a consolidated situation analysis report.

Phase 2: Formulation of Human Settlements Strategy

After all key issues have been identified; the vision and mission statements indicating where the municipality would like to go in terms of human settlements delivery were developed. Objectives and strategies on how to achieve this vision were thereafter developed. Careful consideration of all the above challenges and available resources and potential needs were considered. These were meant that the municipality finds more appropriate, innovative and cost-effective solutions for resolving the identified human settlements issues as targets for human settlements delivery were specified and the methodology for their achievement clarified in this phase. Again local and district municipality workshops / forums were held and a report was then produced detailing the human settlements vision, goals, objectives and strategies.

Phase 3: Projects Identification

Human settlements projects will be formulated at this phase and these must fundamentally related to the achievement of the objectives and strategies developed in phase 2 above. Information on human settlements demand must be obtained from the municipalities and other sources.

Phase 4: Integration

The compilation of sector programmes and plans is meant to ensure that the collective impact and resource requirement of individual human settlements projects makes most efficient use of all available resources.

Phase 5: Final Human Settlements Sector Plan and Approval

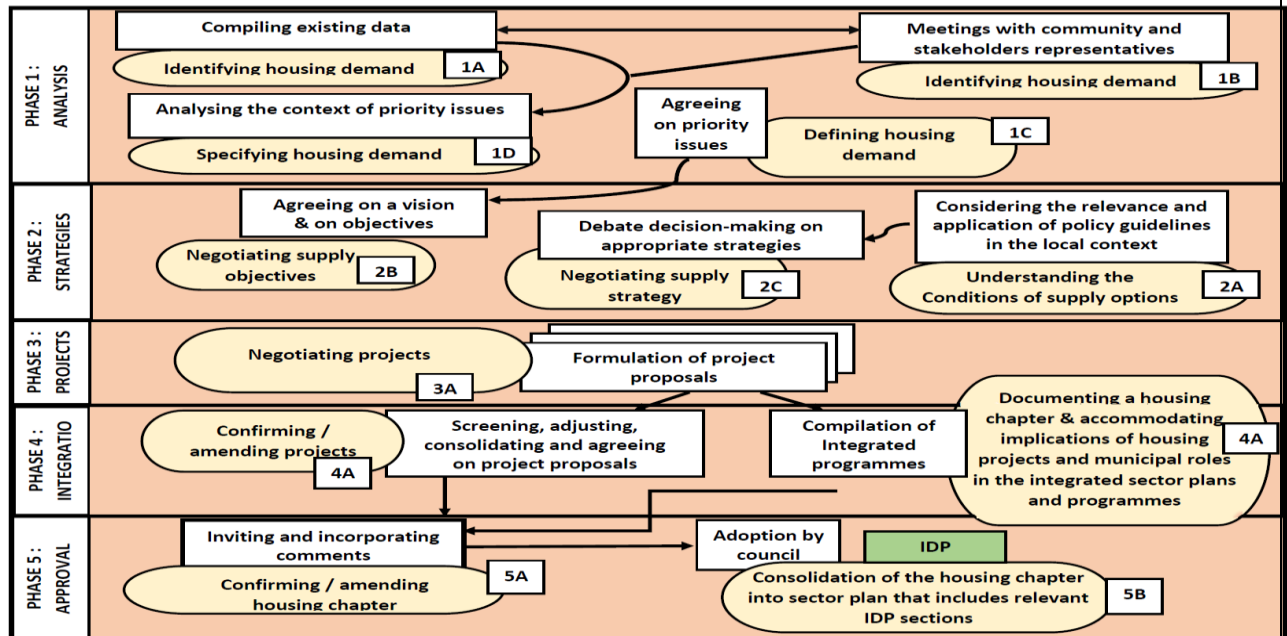
This final phase deals with the identification of actions that will be undertaken in order to achieve realistic solutions for effective human settlements development within each local municipality. A draft Human Settlements Sector Plan (HSSP) will be prepared, with an implementation plan. Amongst others, the phase will involve the following:

- Alignment with overall IDP objectives and strategies
- Consolidation of the requirements of individual human settlements projects from resources available
- The technical, financial, environmental and institutional viability of projects

- The achievement of coherence and integration between the projects of different sectors
- The process of closing off with the documentation of housing related information into a 'human settlements chapter' within the IDP.

In support of the above, a workshop will be held to discuss and agree upon, the quantum targets and budget requirements for all the Key Performance Areas will be indicated. This ensures an implementable HSSP. The draft HSSP will then be presented to Council for approval and will be reviewed annually.

Figure 3.1 Human Settlements Sector Planning Process



Adapted from Municipal Housing Sector Manual, 2006

4 SITUATION ANALYSIS

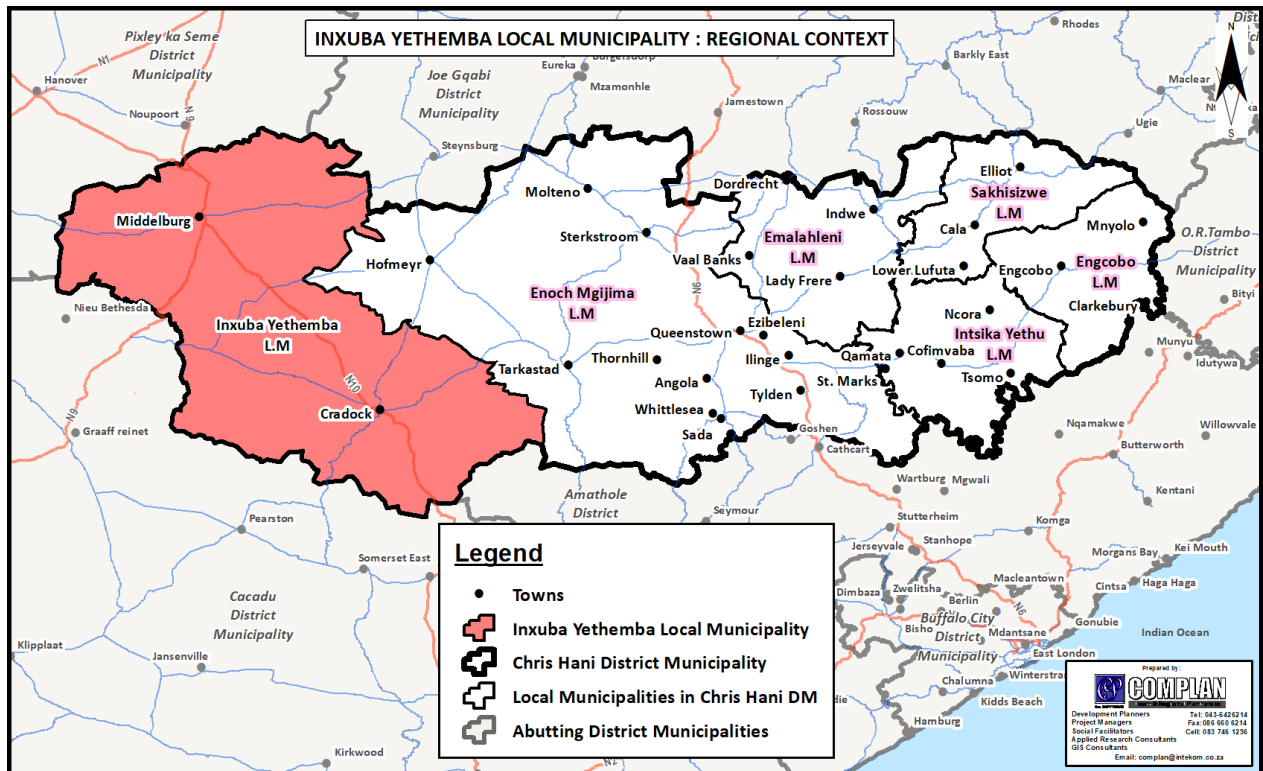
The situational analysis aims at presenting factual status quo report on the, natural, environmental and the socio-economic conditions and the human settlements situation in the Inxuba Yethemba Local Municipality (IYLM). It also highlights issues that impinge on policy such as problems and challenges. It is felt that doing this will enable informed conclusions to be made on matters that require strategic intervention which will enable the municipality to achieve its human settlements delivery goals.

The situation analysis may not be all-inclusive and comprehensive as it focuses on issues relevant to human settlements provision within the framework of the Integrated Development Plan (IDP). The socio-economic indicators are also analysed.

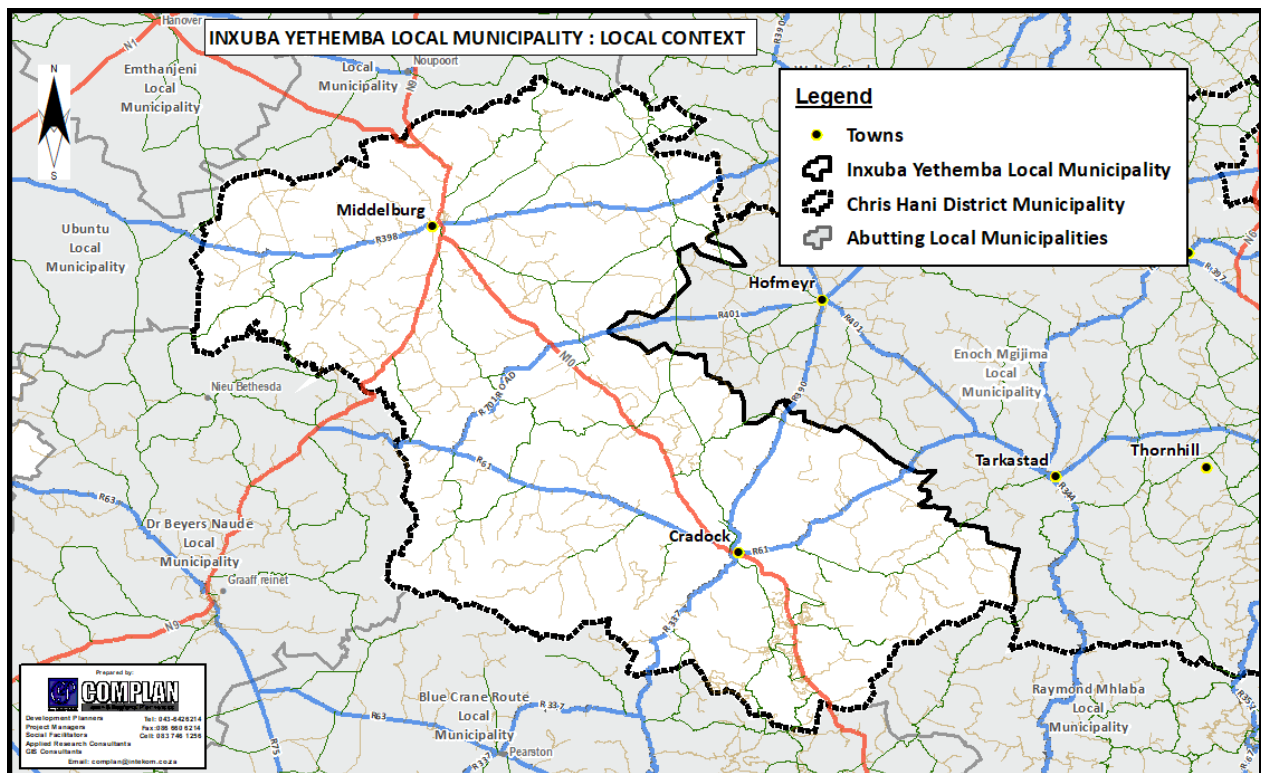
4.1 LOCALITY AND DESCRIPTION

Inxuba Yethemba Local Municipality (IYLM) is situated in the Chris Hani District Municipality in the Eastern Cape Province. It is approximately 144km West of Queenstown which is the District's Administrative Centre. The Local Municipal area stretches over a geographical space of 11 663km². The N10 National Road, a vital economic link between Port Elizabeth and the north runs through Cradock and skirts Middelburg. The Cradock area consists of Cradock town the suburb of Lingelihle, Michausdal and Hillside, whilst Middelburg area has the suburb of Middelburg with Kwa-Nonzame, Lusaka and Midros. The rural areas of both towns are mostly commercial farms, with small settlements of Fish River, Mortimer and Rosmead. The Local Municipality currently has nine (9) wards and Cradock is the municipal seat.

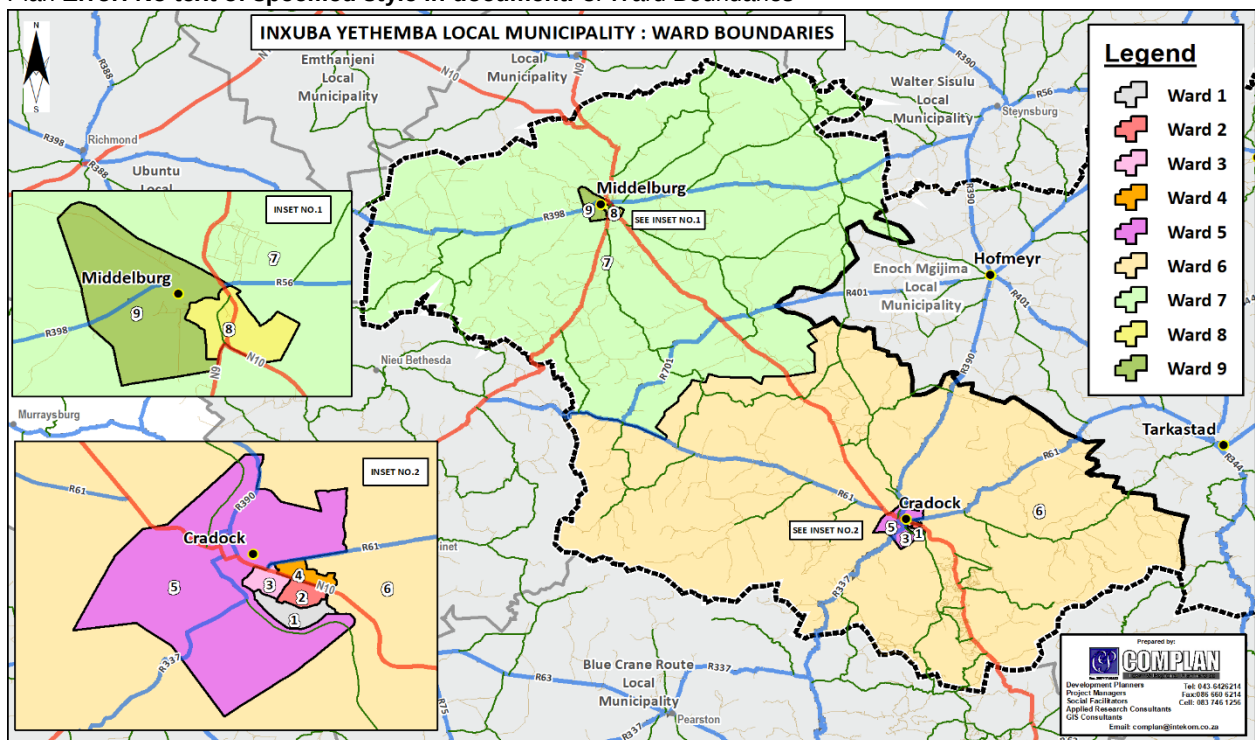
Plan **Error! No text of specified style in document.**-1: Regional Context



Plan Error! No text of specified style in document.-2: Local Context



Plan Error! No text of specified style in document.-3: Ward Boundaries



4.2 DEMOGRAPHIC INDICATORS

4.2.1 Population Size and Households

The total population residing in the whole IYLM Municipality area stood at 70 493 (Community Survey 2016) with 18 282 households resulting in an average household size of 3.9 persons. The population growth rate over between the three census periods (1996 – 2011) is approximately 0.9% per annum. Comparisons between Census 2011 and Community survey 2016 indicate that the population of the municipal area has increased by 4 933 people which is approximately 7.5%. The following factors may be the cause of population increase as the likely factors:

- Inward migration to the municipal area from other parts of province, South Africa and outside South Africa
- Increase in birth rate which leads high dependant ratio within the municipality.
- High life expectancy in the municipal area due to better health facilities.

Table **Error! No text of specified style in document.-1**: Population & Households

	1996	2001	2011	2016	Av. growth 1996-2011
Population	57 507	60 362	65 560	70 493	0.9%
Household	13 048	16 002	18 465	18 282	2.3%
Av. Household Size	4.4	3.7	3.6	3.9	

Source: SSA Census 2001, Census 2011 & Community Survey 2016

4.2.2 Population Projection

The HSSP should provide a trend analysis to inform future growth. Population projections have become very important in predicting the development of a particular area in terms of human settlement provisions in the IYLM. Through population projections, the municipality will know how many houses, schools, job opportunities, community facilities need to be developed to provide for the area for future purposes.

Based on the present age-gender structure and the present fertility, mortality and migration rates, IYLMs population is projected to grow at an average annual rate of 1.1% from 70 493 in 2016 to 73 800 in 2021. Therefore housing officials, planners, municipal and government officials need to plan for the municipality according to such a figure.

Table **Error! No text of specified style in document.-2**: Population Projection

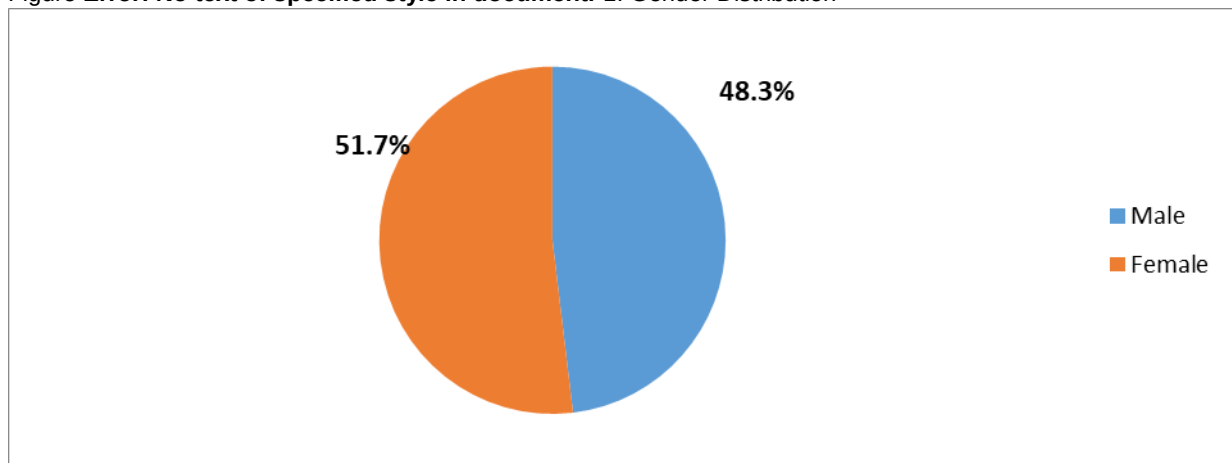
Year	2016	2017	2018	2019	2020	2021	2022
IYLM	70 493	70 600	71 500	72 300	73 100	73 800	

Source:

4.2.3 Gender – Age Distribution

In terms of gender distribution, females currently dominate with 51.7% while males account to 48.3% (Community Survey, 2016). The different in the ratios might be attributed to high mobility of the male population to other places of employment in search of job opportunities, although there has been high migration into the area.

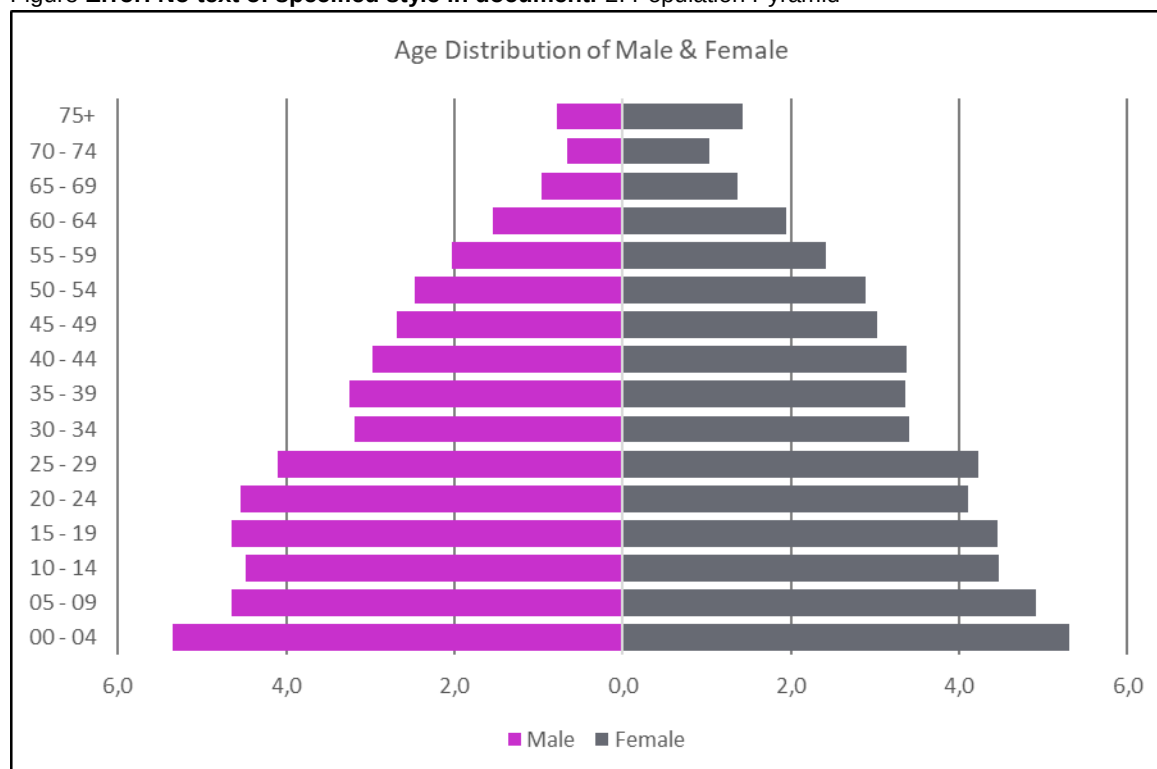
Figure **Error! No text of specified style in document.-1**: Gender Distribution



Source: Inxuba Yethemba LM IDP (2017 – 2022)

- IYLM has predominantly a youthful population in terms of age distribution. The youthful population (0-19years) in the municipality is amount to approximately 38.2%, while working class population (20-64years) accounts for 55.6% and the old age(above 65+ years) accounts for 6.2%.
- The dependency rate within the municipality accounts for 44.4% (youth population 0-19years and population above 65+ years).
- The general prevalence of young people as well the working age in the area suggest that more employment and social facilities are needed to meet the needs of these categories of the population now and in the future, therefore service provision, social development and employment initiatives should be an important consideration for integrated sustainable development decisions by IYLM.

Figure Error! No text of specified style in document.-2: Population Pyramid



4.2.4 Employment Status

There were 27 822 people who were in the employment age group in 2001, compared with 42 372 in 2011. Out of these figures about 40% were employed in 2001 and 2011. It is however important to note that majority of those employed are unable to buy or build houses on their own but have to rely on the human settlements subsidy scheme from the government. It can also be seen from the table that there has been a rise in the not active population from 2001 to 2011.

Table Error! No text of specified style in document.-3: Employment Status

Category	2001		2011	
	No.	%	No	%
Unemployed	6 871	24.7	5 817	13.7
Employed	11 151	40.1	16 836	39.7
Others (not economically active)	9 801	35.2	19 719	46.6
Total Economic Active Population	27 823	100.0	42 372	100.0

Source: Census 2001 & 2011

4.2.5 Income Level

From the table below, it can be deduced that about 17.1% in 2001 and 10.8% of the households received no income at all. Also a great number of the households earn between R1.00 - R3 200 income bracket in both 2001 and 2011 census periods and these people qualify for full human settlements subsidy as indicated in the table below. These are 67.5% and 54.7% respectively. About 23.0% of the households earn between R3201 – R12 800 per month and can be assumed to fall within the middle income bracket in 2011 and therefore qualify for social housing.

Table Error! No text of specified style in document.-4: Monthly Household Income

Monthly Household Income	2001		2011	
	No	%	No.	%
No income	2 741	17.1	1 998	10.8
R1 – R400	1 974	12.3	762	4.1

Monthly Household Income	2001		2011	
	No	%	No.	%
R401 – R800	4 006	25.0	1 209	6.5
R801 – R1600	3 062	19.1	4 014	21.7
R1601 – R3 200	1 788	11.1	4 134	22.4
R3 201 – R6 400	1 149	7.2	2 497	13.5
R6 401 - R12800	776	4.8	1 767	9.6
R12 801 – R25 600	403	2.5	1 263	6.8
R25 601 – R51 200	80	0.5	570	3.1
R51 201 – R102 400	24	0.2	145	0.8
Above R102 400	46	0.4	103	0.6
Total	16 049	100.0	18 465	100.0

Source: Census 2001 & 2011

4.2.6 Poverty Distribution

Out of 70 493 people in the municipality, about 60.0% people in the municipality are living in poverty and rely on social grants from the government and also in terms of human settlements, they rely on human settlements subsidies offered by the government through Provincial Department of Human Settlements (ECPDoHS). In terms of the percentage of race of people living in poverty in the municipality, African people have the highest percentage (69.0%) of people living in poverty, and followed by Coloureds who amount to 30.6%. The people living in poverty with lowest percentage are Whites and Asians who account for 0.3% and 0.1% respectively.

4.2.7 Educational Level

According to the STATSSA groupings and education level analysis, population aged at 0 – 5 years is not included in the educational overall profile as they are not yet in the level of being considered schooling. In light of the above there are currently **38 492** people in 2016 recorded based on their level of education.

- Approximately 6.3% of the total population has not received any form of education. The comparisons between Census 2011 and Community Survey 2016 indicated that the number of people without any form of education has decreased from 10.7% in 2011 to 6.3% in 2016. The percentage of decrease amount to 4.4% from 2011 to 2016.
- A further 15.1% received some primary and 8.2% of the population completed primary school.
- About 38.5% received some secondary education in the grades of 8, 9, 10, and 11.
- Approximately 25.3% of the population completed school or matric (Std 10).
- Approximately 5.9% of the population has attended tertiary education either at university or college/FET education.

The municipality is characterised by low levels of education as seen above. Education plays significant roles in allowing the local population to be employable and this allows them to get some of incomes which allow them to buy or build their own houses.

Table **Error! No text of specified style in document.**-5: Education Levels

	2011		2016	
	No	%	No	%
No Schooling	4 228	10.7	2 420	6.3
Some Primary	7 924	20.1	5 801	15.1
Completed Primary	2 995	7.6	3 139	8.2
Some Secondary	12 826	32.6	14 831	38.5
Completed secondary	7 943	20.2	9 721	25.3
Higher Education	3 286	8.4	2 271	5.9

Others	176	0.4	309	0.7
Total	39 378	100.0	38 492	100.0

Source: Census, 2011 and Community Survey, 2016

4.3 SOCIO - ECONOMIC INDICATORS

- The economy of the area is largely based on agriculture, game farming and tourism with small and medium enterprises, formal sector like government departments, finance and commercial institutions.
- IYLM is situated within the Karoo Midlands, which is predominantly agricultural area and this has bearing on its socio – economic profile. The area is characterized by harsh climatic conditions and Karoo vegetation and it is ideal for smaller livestock farming.
- The LM consists of two urban centers, Cradock and Middelburg, which serve as the home for secondary and tertiary industries in the region.
- The tourism industry also contributes significantly to the economy of the area.
- The average rainfall of the region does not often surpass 400mm per annum, thus making irrigation vital to crop farming in this drought stricken region.
- Irrigation farming producing maize, lucerne, wheat, oats, vegetables, dairy and piggery together with dryland farming such as beef, sheep (Merino and Dorper), goats, ostrich and game are distinct in the area. The quality of wool produced in the area is world renowned.
- Almost 95% of its wool production is exported to industrialized countries and is used in premium garments. Access to raw materials such as wool, milk and leather allows for further development in the agro-processing sector.
- The wildlife, scenic beauty, warm hospitality and cultural heritage makes IYLM a sought after tourist destination. IYLM has beautiful gardens and is renowned for its world-class recreational sport facilities such as golf and hunting.

From Table 4-8 below, the following deductions are made:

- **Primary sector** - Agriculture, game farming, mining and quarrying contribute 26.7% in 2011 to the IYLM's economy.
- **Secondary sector** – manufacturing, electricity and construction contribute 4.5% in 2011 to the municipality's economy.
- **Tertiary sector** – trade, transport, financial, community services (government) and households contribute 68.7% to the municipality's economy.

It should be indicated that for an economy of an area to grow, there is the need to strengthen both the primary and secondary sectors, which both currently contribute only 31.2% to the municipality's economy.

Table Error! No text of specified style in document.-6: Employment Sectors

Sector	Activity	2011	
		No	%
Primary	Agriculture	4 091	24.3
	Mining	404	2.4
	Sub total	4 495	26.7
Secondary	Manufacturing	320	1.9
	Electricity	0	0.0
	Construction	438	2.6
	Sub total	758	4.5
Tertiary	Trade	1 162	6.9
	Transport	286	1.7
	Finance	455	2.7
	Community services	6 683	39.7
	Households	2 980	17.7
	Sub total	11 566	68.7

Sector	Activity	2011	
		No	%
	Total Industries	16 835	100.0

Source: Census, 2011

4.4 INFRASTRUCTURE ASSESSMENT

4.4.1 Existing water resources utilized

According to the CHDM Water Services Development Plan (April, 2016) IYLM falls within the Great Fish River drainage system and its many tributaries. Cradock receives its water from the Gariep Dam through a transfer scheme which is managed by the Department of Water Affairs and Forestry, whilst Middelburg on the other hand solely depends on its groundwater resources.

Cradock is supplied with water from a weir on the Great Fish River as part of the Orange-Fish-Sundays Water Supply Scheme. The Orange-Fish-Sundays transfer scheme supplies Orange River water to the Great Fish River valley and then to the Sundays River valley, to supplement local water supply. Orange River water is transferred from the Gariep Dam through an 83 km long Orange-Fish Tunnel and discharges into the Teebus Spruit, a tributary of the Great Fish River. It then flows into the Grassridge Balancing Dam. The tunnel is one of the largest water supply tunnels in the world. The maximum original capacity of the tunnel was 54 kl/s (1 704 million m³/a) at full supply level in the Gariep Dam. Transferred water released from the Grassridge Dam is used by the various sub-areas of the Great Fish River WUA for irrigation along the Great Fish River, down to its confluence with the Little Fish River. Cradock's registered abstraction from the Fish River is 2.895 Mm³/annum.

Middelburg is supplied with water from 13 boreholes and one artesian well, which are situated in the well fields on Matjieskloof, Die Vleie, Uitsig, Midros and Zonnebloom. Most of these are equipped with electrically driven submersible pumps. The current water supply includes the supply to Middelburg as well as the adjacent townships of Midros and KwaNonzame (Lusaka), and the railway settlement of Rosmead situated 9 km east of Middelburg. Three of these boreholes are currently dry and the well-fields are generally under stress. The boreholes can supply 60.4 l/s however there is a plan to increase the capacity to 117.5 l/s. Five (5) New boreholes had just been drilled in the Grootfontein area with a combined yield of 2 Ml/d (0.73 million m³/a).

4.4.2 Source of water supply

- From the below about 96.8% of households have access to piped (tap) water from Regional / local water scheme (operated by the CHDM or other water services provider), while in 2011 the figure was about 75.9%.
- Boreholes are second source of water supply in the municipality and it serves about 402 households (2.2), compared with about 17.6% in 2011.

Table **Error! No text of specified style in document.**-7: Source of water supply

Water Source	2001		2011		2016	
	No.	%	No of HH	%	No.	%
Regional/local water scheme (operated by municipality or other water services provider)	15 594	97.2	14 022	75.9	17 697	96.8
Borehole /borehole	142	0.9	3 249	17.6	402	2.2
Rain water tanker	25	0.2	69	0.4	37	0.2
Dam/pool/stagnant water	75	0.5	222	1.2	110	0.6
River/ stream	115	0.7	36	0.2	18	0.1
Other	98	0.6	861	0.6	18	0.1
Total	16 049		18 465	100.0	18 282	100.0

Source: Census 2001 & 2011 and Community Survey, 2016

4.4.3 Household access to water supply

- Although the households without access to piped water has increased from 2.8% in 2001 to 3.3% in 2016, piped water provision is generally very high in IYLM. The backlog of water provision in IYM is therefore sitting at 3.2%.
- About 95.9% of households in the IYM have access to piped water inside the dwelling or in the yard compared with 85.6% in 2001.

Table **Error! No text of specified style in document.**-8: Household Access to Water Supply

Source	2001		2011		2016	
	No	%	No	%	No	%
Piped water inside dwelling	7 645	47.6	12 591	68.2	13 600	74.4
Piped water inside yard	6 091	38.0	5091	27.6	3 930	21.5
Communal stand pipe: distance less than 200m	814	5.1	513	2.8	167	0.9
Communal stand pipe: distance greater than 200m	1 043	6.5	129	0.7	2	0.01
No access to pipe water	455	2.8	141	0.9	583	3.2
Total	16 049	100.0	18 465	100.0	18 282	100.0

Source: Census 2001 & 2011 and Community Survey, 2016

Water provision challenges

According to NUSP Report (2017) for IYLM, water provision challenges include the following:

- Rehabilitation of the bulk infrastructure and reticulation network. This has led to water losses that exceed acceptable levels due to leakages.
- Water storage and treatment capacity require expansion to meet the increasing demand.
- Middleburg unit solely relies in on ground water and in the dry season ground water levels are at their lowest, posing a serious challenge to the municipality. A lasting solution can only be achieved by drawing water from Fish River Scheme, which is very expensive (above R 100 million), which CHDM as a Water Service Authority cannot undertake alone.
- Rosmead is an area which needs serious attention in terms of up to the erf water provision as is the norm of all other areas in the municipality. The transfer of land from the Transnet to IYLM needs to be finalized before this project can be implemented in the area.
- The Water Service Master Plan is required to take informed decisions in addressing the challenges.

1.1.4 Sanitation supply

The IYLM collects waterborne sewerage via bulk sewer and street collectors. The raw sewer is treated at two treatment plants in Cradock and Middleburg. The sanitation service is administered as follows:

- Maintenance of sewer network and pump stations
- Installation of sewer lines
- Treatment of all waste water.

There has been a great improvement in sanitation provision from 2001 to date since about 90.0% the households have access to sanitation facilities in form of flush toilets either connected to sewerage system or with septic tanks in 2011 and 2016, compared with 69.0% in 2001.

Although the number of households using pit latrines without ventilation, bucket toilets and those without toilet facilities have reduced considerably since 2001, the backlog still remains high (7.3%) in 2016.

Table **Error! No text of specified style in document.**-9: Sanitation facilities

Sanitation type	2001		2011		2016	
	No	%	No.	%	No.	%
Flush toilet (sewerage system)	10 604	66.1	16 128	87.3	16,200	88.6
Flush toilet (with septic tank)	492	3.1	501	2.8	200	1.1
Pit latrine with ventilation (VIP)	262	1.6	129	0.7	552	3.0
Pit latrine without ventilation (VIP)	527	3.3	369	2.0	728	4.0
Bucket toilet system	2 476	15.4	120	0.7	141	0.8

Other (e.g. dry toilet system)	12	0.1	273	1.5	0	0
None	1 675	10.4	927	5.0	461	2.5
Total	16 049		18 465	100.0	18 282	100.0

Source: Census 2001 & 2011 and Community Survey, 2016

Sanitation Challenges

- Rehabilitation of the bulk sanitation infrastructure and reticulation networks.
- Constant sewer blockages.
- Waste water treatment and refurbishment capacity require expansion to meet the increasing demand.
- Rosmead is the area which need serious attention in terms of sanitation services as is the norm in all other areas in the municipality.
- Rosmead which is still owned by Transnet still poses a challenge as it is only area where the deadline of removing bucket by 2007 could not be met.

1.1.5 Electricity supply

The municipality distributes electricity to Cradock town, Michausdal and the whole of Middelburg. In Lingelihle township Eskom is the distributor. It also has a responsibility to provide and maintain streetlights throughout the municipality. Electricity is bought in bulk from Eskom and distribute throughout the municipality's infrastructure and network.

- There has been a great improvement in household electricity supply forlightening in the IYLM since in 2001to 2016 (from 82.6% in 2001 to 97.2% in 2016).
- Only 2.8% of the households use other sources of energy for lightning.

Table **Error! No text of specified style in document.**-10: Sources of energy

Energy source for lighting	2001		2011		2016	
	No	%	No.	%	No.	%
Electricity	13 258	82.6	17 658	95.6	17 764	97.2
Gas	12	0.1	24	0.1	15	0.1
Paraffin	1 056	6.6	138	0.7	102	0.6
Candles	1 658	10.3	564	3.1	342	1.9
Solar	21	0.1	48	0.3	35	0.2
Other	44	0.3	33	0.2	24	0.1
Total	16 049	100.0	18 465	100.0	18 282	100.0

Source: Census 2001 & 2011 and Community Survey, 2016

The strategic objectives of IYLM are to ensure that all communities receive adequate and uninterrupted supply of electricity and also to ensure that adequate street lighting is provided to promote efficient and effective safety and security of the communities within the municipality.

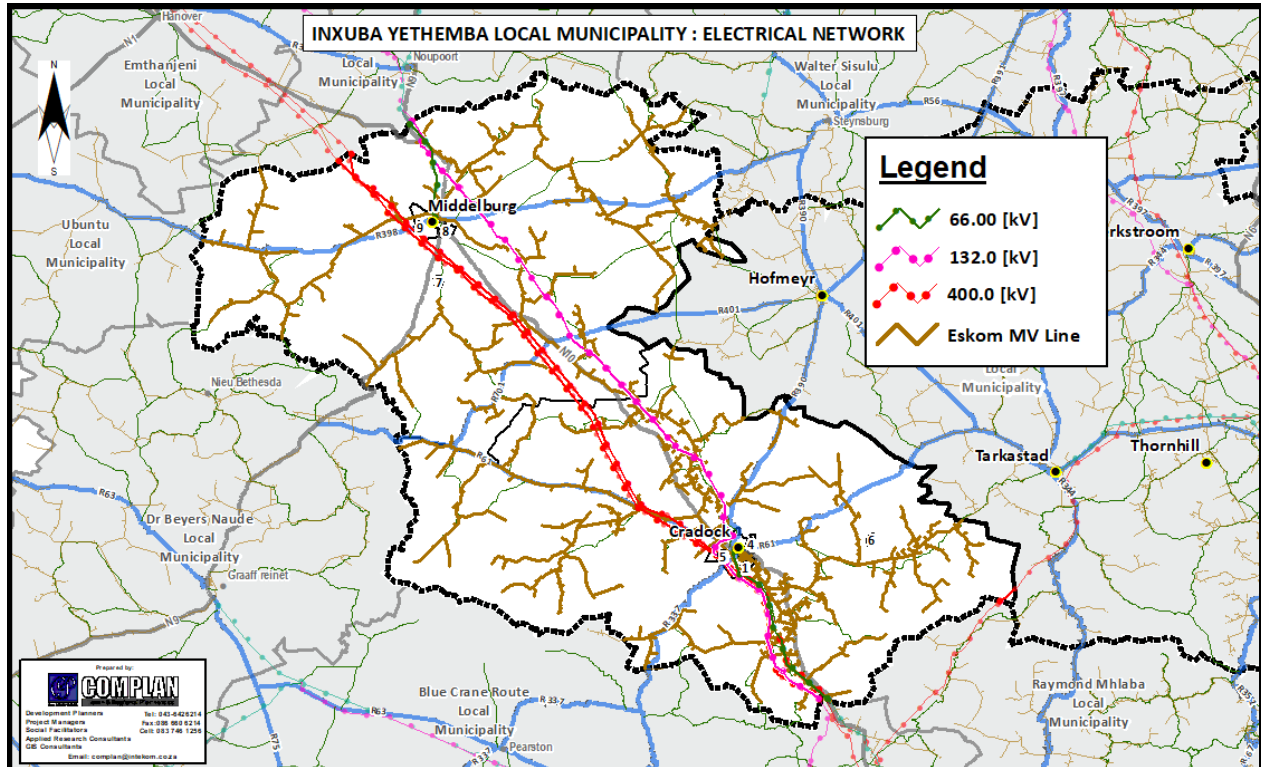
Table 4-13: Electrification within IYLM

Ward	% Household with Electricity	% Ward with Adequate Street Lights
1	100	100
2	100	100
3	95	100
4	100	100
5	100	100
6	90	99

7	100	100
8	100	100
9	95	90

Source: NUSP Report (2017)

Plan Error! No text of specified style in document.-4: Electrical Network



Electrical Challenges

- Electrical infrastructure requires serious and urgent attention as the municipality is currently unable to meet the increasing current demand.
- Cradock is unit currently experiencing serious power supply shortcomings due to limited capacity levels.
- The serious challenge in Cradock unit is affecting continuous supply of electricity to Michausdal Township.

4.4.4 Waste Management

Waste Management Services include:

- Refuse removal
- Solid waste disposal
- Landfills
- Street cleaning
- Waste recycling

4.4.5 Refuse Disposal Services

The refuse collection functions of the municipality are administered and include the removal of household and business refuse, industrial waste and medical waste, street sweeping of CBD and peripheries. It also include the management of solid waste disposal site.

- The services are limited only to the urban centres but do take account of the rural areas of the municipality and removal of refuse from households and business premises is mostly done once a week.
- IYLM has an integrated Waste Management Plan in terms of section 11 of the NEMA: Waste Act 59 of 2008 developed on its behalf by CHDM but there are plans to review it.
- The municipality has two (2) land fill sites in Cradock and Middleburg units which are currently being registered and comply with legislation.
- There is improvement in refuse disposal services in the area from 76.6% in 2001 to 84.6% 2016, there is still inadequate refuse disposal system especially in the newly developed settlements and the rural

environments, which should be a major concern of the municipality because of the attendant environmental and health hazard.

Table **Error! No text of specified style in document.**-11: Refuse Removal Services

Refuse disposal	2001		2011		2016	
	No	%	No.	%	No.	%
Removed by local authority / private company regularly at least once a week	12 247	76.3	15 360	83.2	15 400	84.2
Removed by local authority / private company not regularly but less often	161	1.0	297	1.6	62	0.3
Own refuse dump	2 432	15.2	1 860	10.1	620	3.4
Communal refuse dump	396	2.5	321	1.7	2 200	12.0
No refuse disposal	813	5.0	624	3.4	461	2.5
Total	16 049	100.0	18 465	100.0	18 282	100.0

Source: Census 2001 & 2011 and Community Survey, 2016

Major challenges in waste management services

- Shortage of equipment is a major challenge as the equipment that is used is old (1978 – 2001 model) of which parts are no longer available. Also tractors that are already irreparable are in use and these take longer time to get to the disposal sites.
- The maintenance cost is high due to the condition that the municipal equipment is currently in.
- Landfill sites for both units do not have proper machinery to compact the waste.
- Continued littering of garden refuse and other household material is becoming a norm and is a serious concern in most of the wards as this creates unsightly, unregulated and dumping sights also posing a health risk.
- There is a need for properly regulated temporary dumping sites with the necessary facilities for each ward.
- Waste disposal sites in both units are operated without the requisite licenses which is a serious non-compliance issue from auditors.

4.4.6 Transport Network

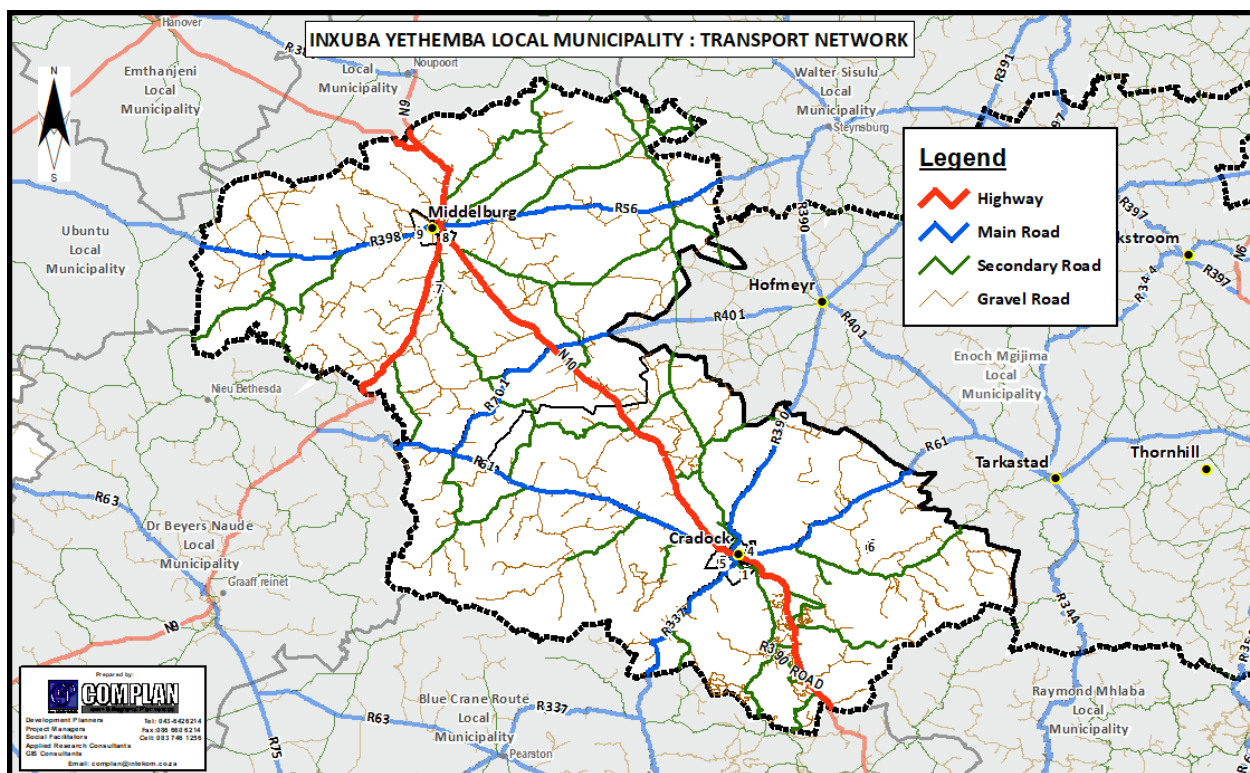
The municipality has a responsibility to construct and maintain roads within the municipal area of jurisdiction. There is 138 km tarred and about 177 km gravelled roads in the municipal area. Very few of the roads are in a fair condition and the majority is in a very poor state.

Table **Error! No text of specified style in document.**-12: Percentage (%) of tarred streets

Ward	1	2	3	4	5	6	7	8	9
%	17	20	15	35	93	0	11	54	34

Source: IYM IDP 2017-2022

Plan **Error! No text of specified style in document.**-5: Transport Network



4.4.7 Telecommunications

Telkom is currently expanding its public phone infrastructure in the rural homeland areas with the result that the majority of IYM residents do have access to some sort of telephones. Cellular phones cannot be used in all areas of the municipality due to the mountainous terrain, which disrupts cell phone reception. The investment into telecommunications infrastructure is further hindered by vandalism and theft. Approximately 95.2% of people in the municipality use cell phone and about 4.8% use other mobile services.

Table Error! No text of specified style in document.-13: Telecommunication services

	No of people	%
Cell phone	45 678	95.2
Other mobile service	2,294	4.8
Total	47 972	100.0

Source: Community Survey, 2016

4.5 SOCIAL SERVICES

4.5.1 Educational Facilities

The municipality is also endowed with a number of primary and secondary schools as well as pre-primary schools as indicated in the table below but there are challenges such as, long distances to reach schools, especially the learners from the farms.

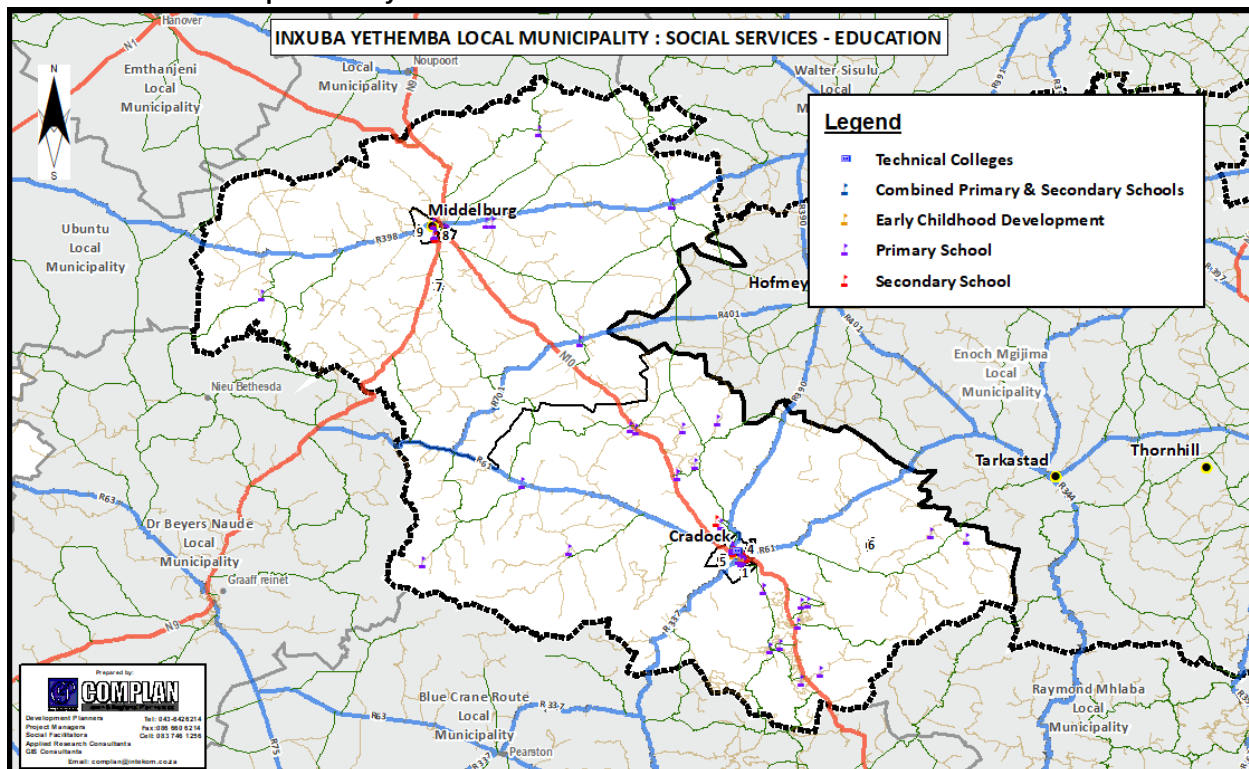
Table Error! No text of specified style in document.-14: Educational Facilities

ward	Crèches	Pre-Primary	Primary School	Secondary School	Tertiary
1	5	1	1	0	0
2	3	0	2	1	0
3	4	0	2	1	0
4	5	1	1	1	0
5	3	2	1	1	0
6	1	0	4	0	0
7	1	0	1	1	0

ward	Crèches	Pre-Primary	Primary School	Secondary School	Tertiary
8	1	0	2	1	1
9	1	0	2	1	0
Total	24	4	16	7	1

Source: IYLM IDP 2017 – 2022

Plan Error! No text of specified style in document.-6: Education Facilities



4.5.2 Health facilities

- There are currently 2 hospitals and 9 clinics within the municipality.
- Some of the health facilities within the municipality require maintenance and upgrading.

Some of the challenges facing the health facilities in the municipality are as follows:

- The long distances to travel to access health facilities, in particular, by the elderly.
- Insufficient clinic staff and lack of medicine in the clinics.
- The grey area around transfer of Environmental Health to the District also poses another challenge in terms of accountability of staff and general confusion in the community as it happened in the past with ambulance services.
- As both the Primary Health Care and Environmental Health have been transferred to the Province and District respectively and the community is still confused about this arrangement.

Table Error! No text of specified style in document.-15: Number of Health Facilities

Ward	Hospitals	Conditions	Clinics	Conditions
1	0	N/A	0	N/A
2	0	N/A	1	Fair
3	0	N/A	1	Fair
4	0	N/A	1	Fair
5	1	Fair	1	Fair
6	0	N/A	0	N/A

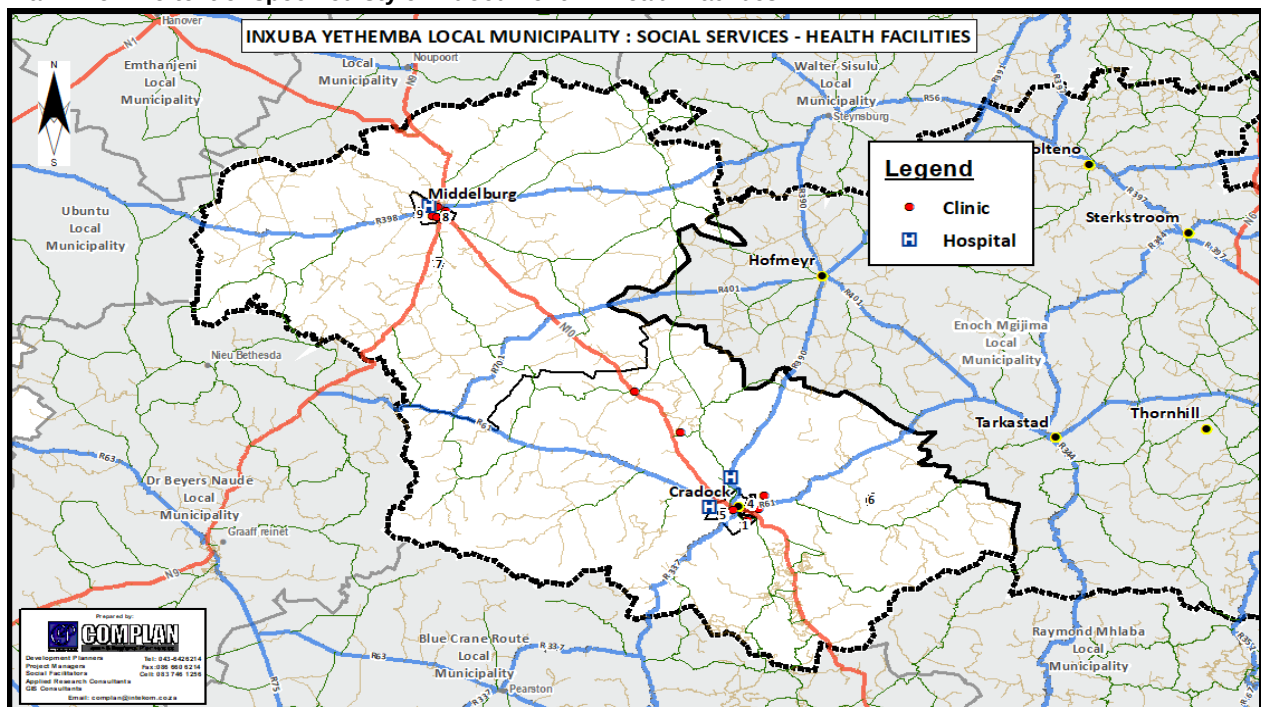
Ward	Hospitals	Conditions	Clinics	Conditions
7	0	N/A	1	Fair
8	1	Fair	2	Fair
9	0	N/A	2	Fair

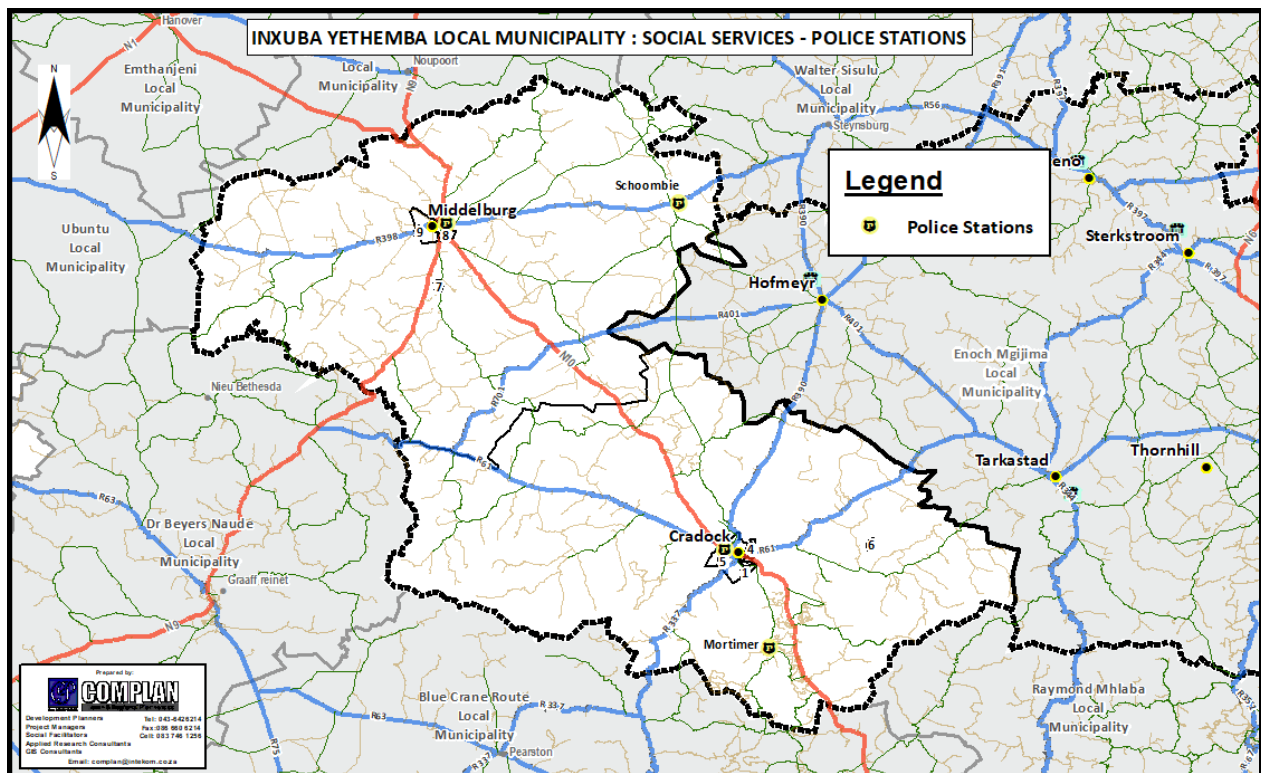
Source: IYM IDP 2017 – 2022

Challenges to efficient health services provision include:

- The long distances travelled to access health facilities
- lack of/insufficient mobile clinics
- Insufficient clinic staff shortage of medicine in all the clinics.

Plan Error! No text of specified style in document.-7: Health Facilities





4.5.4 Cemeteries

- There are two (2) municipal cemeteries in the municipality that satisfy the existing service demand but there is urgent need to expand current capacity and ensure that all communities have access to adequate burial facilities.
- These two (2) cemeteries are found in Cradock and Middleburg and they are managed by the municipality.
- These rural cemeteries are informally managed by the local communities. They are also located in places the communities find fit, meaning that no proper geo-technical investigations have been carried out to ascertain their suitability in terms of underground water contamination.

4.5.5 Sport and Recreation

- There are four (4) sport facilities within the municipality.
- There is a significant lack of sports and recreational facilities within the municipality.
- The sport facilities require upgrading and maintenance, especially those in KwaNonzame, Midros, Lingelihle, Lusaka, and Michausdal.

4.6 IDP ALIGNMENT AND SPATIAL ANALYSIS

It is vital that the human settlements sector plan is aligned with the IDPs for the municipal area. There are two potential scenarios that exist when developing a human settlements sector plan:

- Firstly the human settlements sector plan is developed in parallel with the IDP.
- Secondly the human settlements sector plan is only developed after the IDP has been completed.

If the human settlements sector plan is developed after the approval of the IDP it is imperative that the information, strategies, and policy guidelines outlined in the IDP are followed. The HSP development then follows five process stages. Where significant incongruities exist it may be possible to adjust certain IDP strategies to align with human settlements programs, through the annual IDP review process. However, it is recommended that this route should only be taken in extreme cases, which can be adequately justified.

4.6.1 CHDM Integrated Development Plan (2017 – 2022)

In terms of the Municipal Structures Act 1998 NO 117, a district municipality is expected “to build the capacity of local municipality in its area to perform their functions and exercises their powers where such capacity is lacking.” Chris Hani District Municipality therefore serves to coordinate; support; guide and facilitate the process of human settlements development within its area of jurisdiction.

Spatial planning which also has to do with sustainable human settlement planning is a shared function among Provincial Department of Human Settlements, Chris Hani District Municipality and the Local Municipalities. The CHDM IDP (2017-2022) therefore acts as an enabling framework that guides the establishment of sustainable human settlement in the district municipality as well as the local municipalities.

The CHDM IDP indicates infrastructure development projects which play significant roles in establishing sustainable human settlements within the jurisdiction of the entire district. Community facilities such as community halls,

The IDP indicates that the CHDM assists local municipalities through various capacity means with special regard to human settlements delivery in line with Housing Act and guide LMs on how to develop their Human Settlements Sector Plans, assist in the monitoring of human settlements projects, give support on planning and implementation of subsidy projects towards integrated and sustainable settlements, and coordinate the formulation and review of human settlements policy and legislation.

The IDP is the IYLM's strategic plan that informs all planning decisions in terms of human settlements and infrastructure provisions. The IDP indicated that there is adequate municipal owned land (situated within the urban edge) available for development, which is approximately 283.2ha. Land availability is therefore not a constraint to the development process. The main problems with municipal land relates to the non - availability of bulk infrastructure.

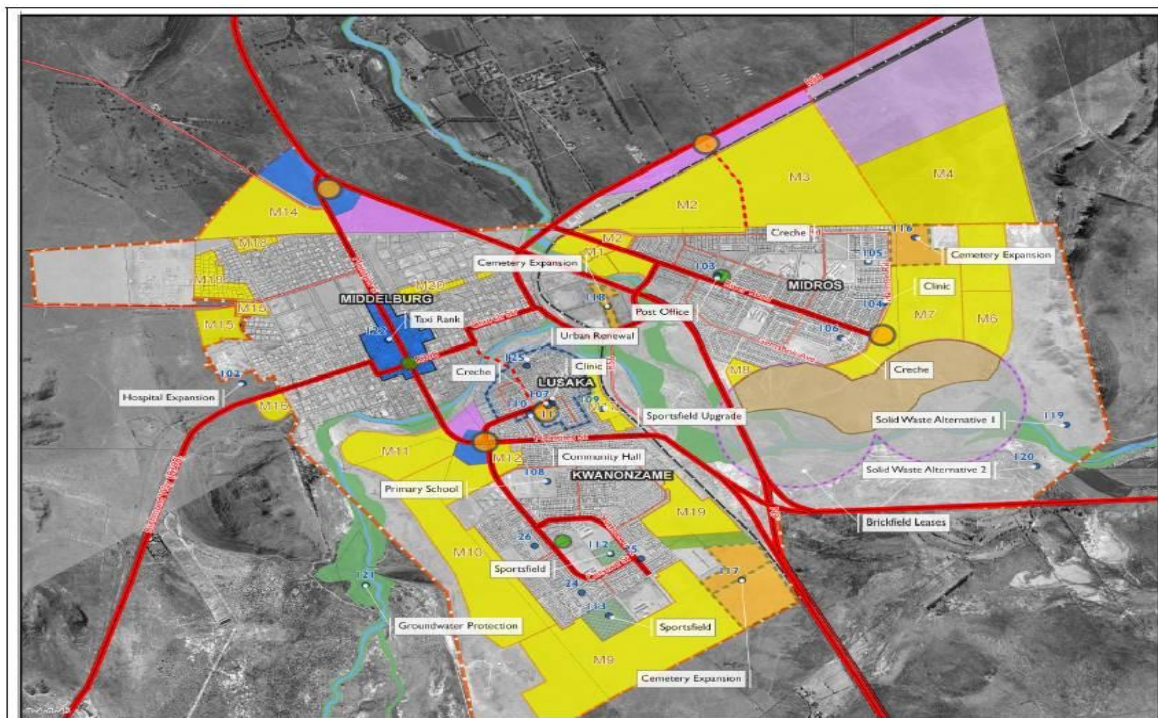
In summary, the following issues and challenges were identified by the IDP:

- #### 4.6.3 Inxuba Yethemba SDF (2012)

4.6.4 Cradock and Middleburg Local Spatial Development Framework (2010)

The land identified in the LSDF can provide more housing units than needed and all of the identified land is municipal or state owned. Therefore, land availability will not be an obstacle in the provision of housing. Although all this land has been identified for housing, the LSDF provides no description for the need in housing delivery.

Source: Cradock and Middleburg Local Spatial Development Framework (2010)
LSDF Plan: Middleburg



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from low density agrarian communities to relatively high density urban settlements. The layout of these rural vil-
lages is informal and are based firstly on family units and secondly on community units.

4.6.6 General Land Uses

The main land uses in the IYLM area are indicated below:

Human settlements (rural and urban), magistrate offices, police stations, schools, clinics and post offices as well as sub-municipal offices within the IYLM area. Various wholesalers and retail activities also operate within IYLM area.

- **Settlements**

Apart from the main Cradock and Middleburg towns which show signs of compactness, there are rural settle-
ments which are scattered within the municipal area. These rural settlements, characterized by homesteads
which are dispersed mostly along ridge crests on the upland, valley and flat lands combine both traditional and
modern dwellings.

- **Subsistence / commercial farming**

Agriculture is one of the mainstays of the region's economic base; it involves the investment of basic infrastruc-
ture (water supply) as well as, poverty alleviation programmes such as crop and livestock production.

4.6.7 National Upgrading Support Programme (NUSP) (2017)

The National Department of Human Settlements (NDoHS): National Upgrading Support Programme (NUSP) is
providing Informal Settlements Participatory Based Planning Support to the IYLM and compiles viable and practi-
cal upgrading plans for selected informal settlements. The overall intention is to facilitate the structured in-situ
upgrading of informal settlements to achieve security of tenure, health and safety, and improve community em-
powerment and appropriate basic levels of service. This includes ensuring community participation, achieves
higher settlement densification, prioritisation of well-located land and improved spatial efficiency.

The NUSP report indicates there are two (2) informal settlements within the municipality and they are as follow:

Number	Main Town	Name of the Informal Settlement	Estimated House- holds
1	Cradock	Hillside	1100

2	Middleburg	Rosemead	137
Total HH			1237

Source: NUSP Report (2017)

4.6.7.1 Informal Settlement Locality and Sites Descriptions

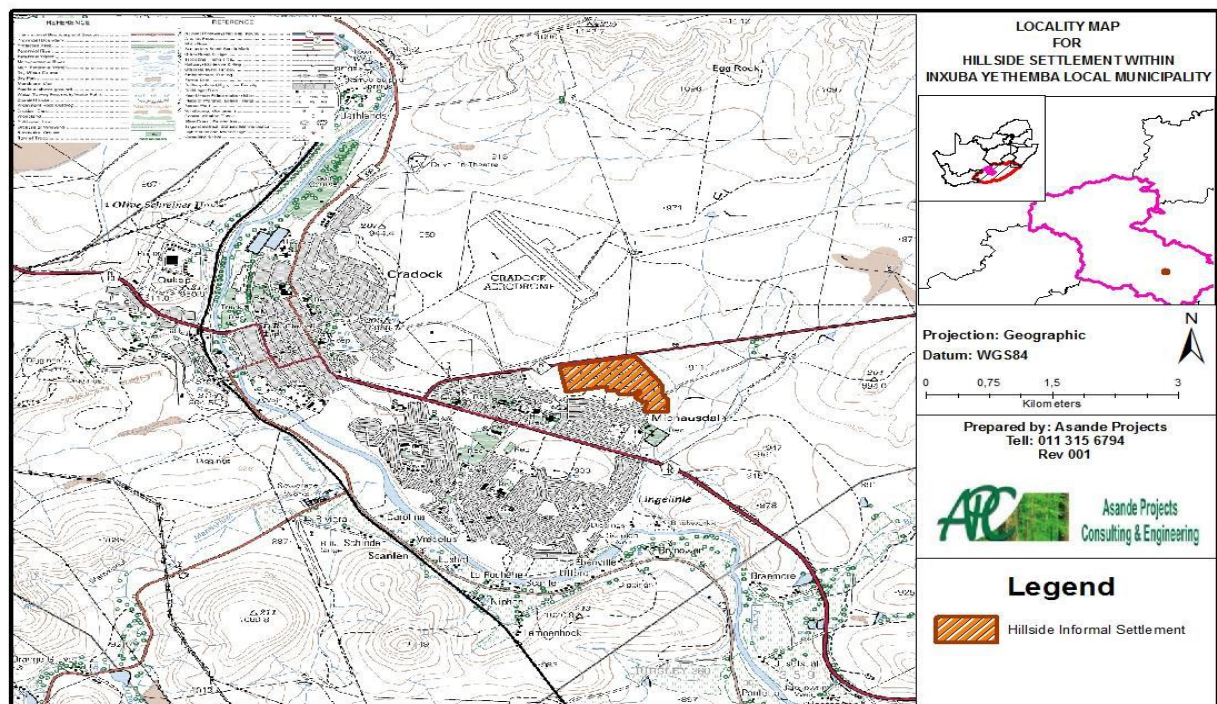
- Hillside Informal Settlement**

The Hillside Informal Settlement forms and extension of a formal township and the residents have resided in a well-defined pattern. The settlement is also border by R61 road forming its northern border. The settlement is located approximately 3km south east of Cradock town.

The settlement is medium density settlement; it is located within the approved General Plan No. 843/2002 within the Allotment Township of Cradock (C0220002). The size of each erven is approximately 300 m². The settlement has good access, with a network of tarred main street and gravel internal streets with some form of storm-water management system.

The site is located in an area that is already integrated into the existing township and therefore has access to wide range of basic services provided by the municipality. These provide an ideal sustainable human settlement.

Plan--: Hillside Informal Settlement



The figure below shows the aerial view of the informal units.



- **Land Legal Assessment**

The land legal assessments are as follows:

Settlement	Hillside
Property Description:	Various Erven
Extent: hectares	54 ha
Property Owner:	Private individuals
Zoning:	Residential Purposes

Source: NUSP Report, 2017

- **Infrastructure Assessment**

In terms of **access road, internal roads and storm-water management**, the settlement site is highly accessible from the R61 and the internal road networks. The settlement has adequate engineered access routes in accordance to the required hierarchies. The main and some of the internal roads are tarred with some form of storm water infrastructure.

Water supply: there are adequate standpipes that have been provided by the municipality.

With regard to **sanitation**, the settlement is located within settlements with full waterborne systems. Most of the households use **Waterborne Sanitation System**.

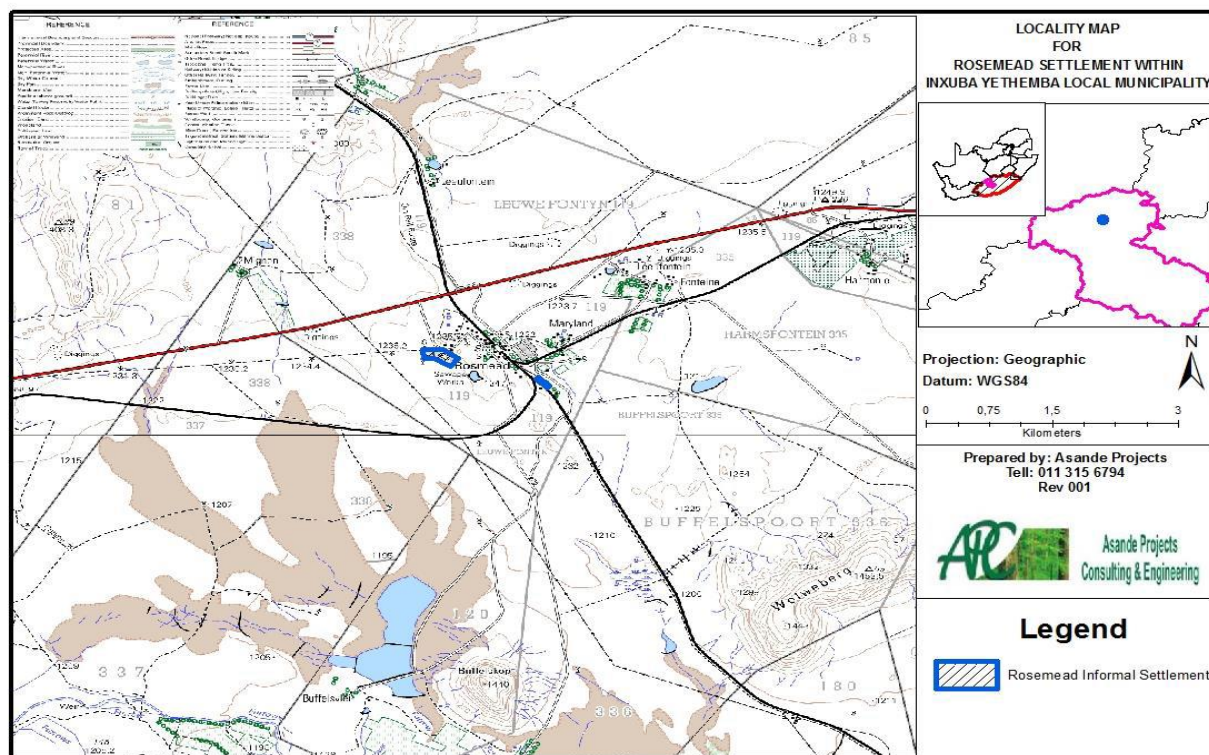
Electricity supply: most of the households within the settlement are electrified, and there is adequate high mast lighting available.

Solid waste: solid wastes are collected by the municipality on weekly basis.

4.6.7.2 Rosemead Informal Settlement

The settlement is divided into two (2) portions. One consisting of mostly roundavels structured with well-structured streets located west of the Transnet facilities. The second portion is located south of the Transnet facility along the railway line. This portion consists of block housing, initially used by Transnet workers. The road (R56) passes north of the settlement. The settlement is located approximately 12km east of Middleburg town.

Plan--: Rosemead Informal Settlement



The figure below shows the aerial view of the settlements.



- Land Legal Assessment

Settlement	Rosemead (Roundable side)	Rosemead (Block Housing next to the Railway line)

Property Description:	Portion 28 of the Farm Leuwefontyn 199	Portion 41 of the Farm Leuwefontyn 199	Portion 15 of the Farm Leuwefontyn 199
Extent: hectares	0.8 Ha	34 Ha	30 Ha
Property Owner:	Shell South Africa Marketing (Pty) Ltd	Transnet SOC Ltd.	
Zoning:	Special		

• **Infrastructure Assessment**

Access Road, Internal Roads and Storm-water Management: the settlement site is highly accessible from the R56 and the internal road networks. The settlement has adequate engineered main access road however; access to the Block Hosing section is limited due to its location between railway lines.

Water supply: there are standpipes within each erf which have been provided by the municipality.

Sanitation services: the settlement is located within settlements without any formal sanitation system. As a result the most of the households use **bucket Sanitation Systems**.

Electricity supply: Limited number of households within the settlement are electrified.

Solid waste: the solid wastes are not collected by the municipality.

4.6.8 Settlement Hierarchy

Cradock and Middleburg are the only urban centres with well-developed Central Business Districts. Identified development nodes within the IYLM Municipality are:

- Cradock (Sub District Centre)
 - Kwanonzame Development Node
 - Midros Development Node
 - Central Development node
- Middleburg (Local Centre)

Table **Error! No text of specified style in document.**-16: Hierarchy of Settlements

Type	Location	Function of Settlement and associated typical land uses	Spatial Development Priorities
Sub-District Centres	Cradock	• Municipal-scale Administrative Centre • Municipal-scale service centre for commercial and • social goods and services • Residential development covering limited range of economic bands (Middle income– Low-income) • Potential for value-adding agro-industrial processes • Potential for event-related tourism events	• Land Management & Administration ○ CBD Revitalisation and associated planning • Sustainable Human Settlement Programme ○ Public-funded Housing Development ○ Urban level of service infrastructure & Social Facilities upgrade • Maintenance and upgrade of existing infrastructure
Local Centres	Middelburg	• Municipal-scale Administrative Centre • Local-scale Service Centre for commercial and social goods and services • Residential development covering limited range of economic bands (Middle income– Low-income) • Potential for value-adding agro-industrial processes	• Limit urbanization (sustainability) • Urban aesthetics and land use management (to support local tourism) • Maintenance and upgrade of urban level of service infrastructure • Environmental management (to support local tourism)
Rural Settlements		• Minor rural service centre for social	• Basic level of service extension

	goods and services Focused support of local economic initiatives –agriculture-based	- Local planning to maximize use of resources - Local land use schemes to be negotiated

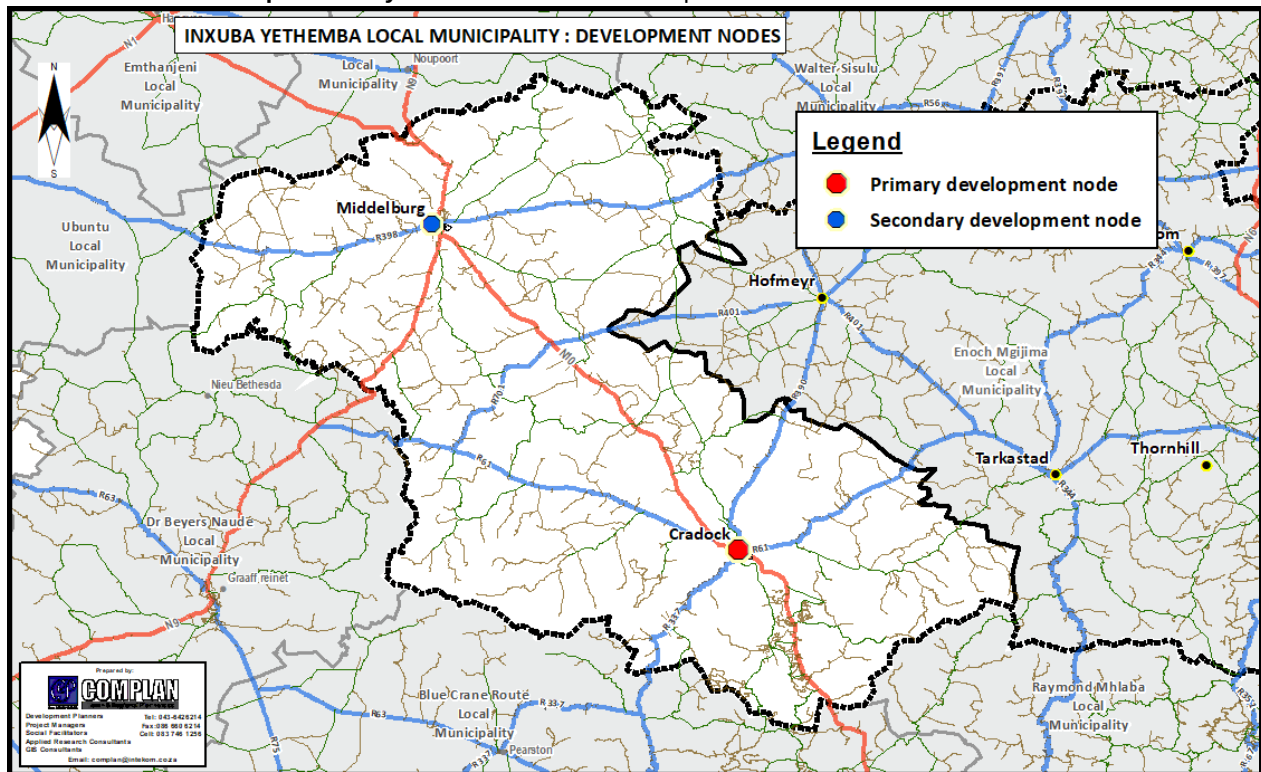
Source: CHDM IDP (2017 – 2022) and CHDM SDF (2015)

Development corridors are described in planning terms as roads or railway routes that are usually associated with the movement of people between places. This function of facilitating movement of people along a route also means that these “movement corridors” have the potential to accommodate development of different levels of intensity and a mix of land uses at certain points along the route. The table below shows corridors within the municipal area.

Table Error! No text of specified style in document.-17: Development Corridor

Corridor type	Road	Description
Primary corridor	N10	Cradock – Middleburg
	R61	Cradock – Tarkastad - Queenstown
Secondary corridor	R56	Middleburg – Molteno – Sterkstroom – Queenstown

Plan Error! No text of specified style in document.-9: Development Nodes and Corridors



4.7 LAND ISSUES

4.7.1 Land tenure and ownership

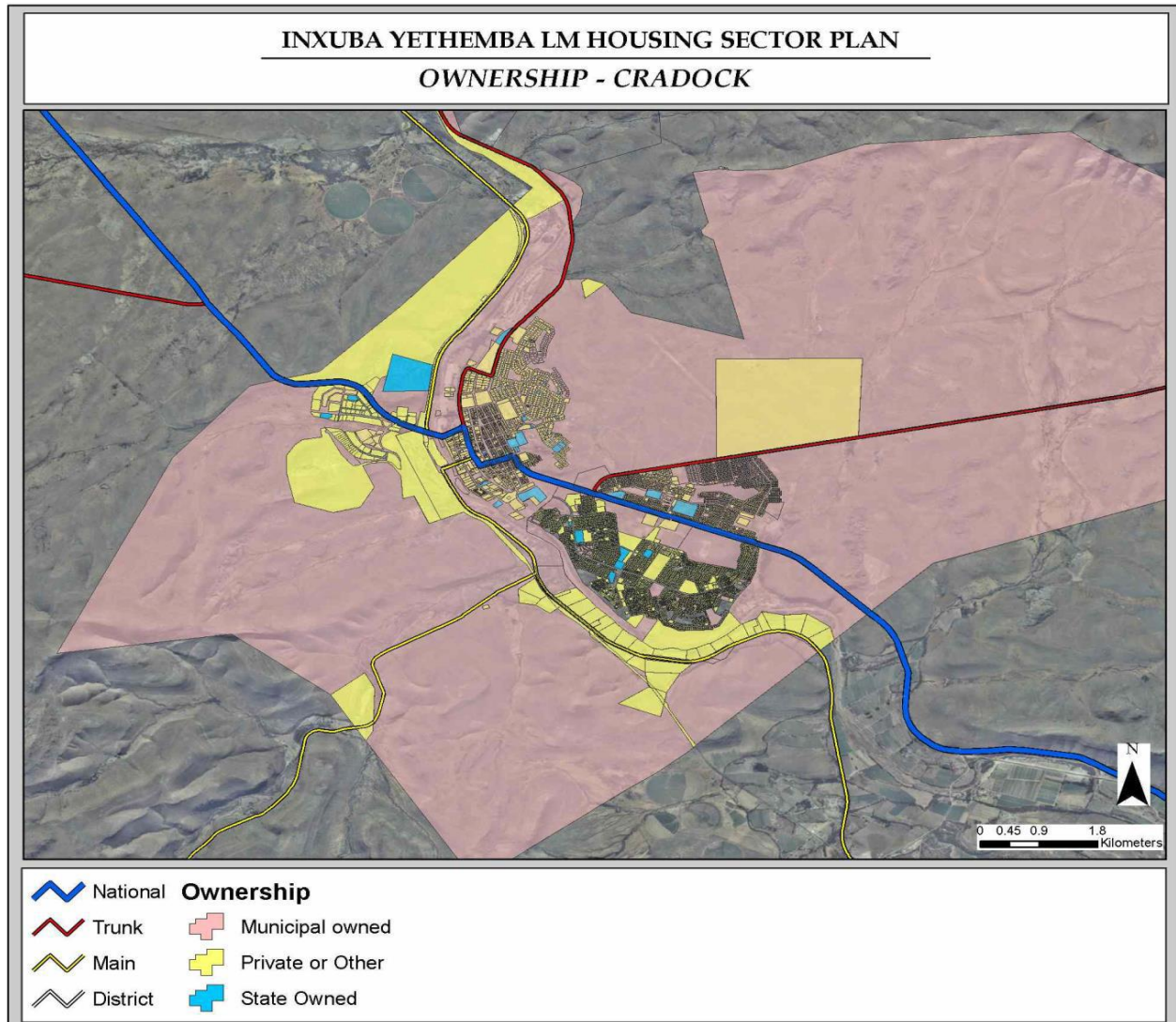
IYLM area is characterised by freehold tenure in Cradock Town, Middleburg Town and communal tenure in the rural areas. In general terms, the stability of freehold title in the urban settlements makes it easier for formal large scale investments and settlement development to occur. The communal owned land areas, on the other hand, do not offer security of tenure, hence large scale investment, including housing development, by private sector is generally more difficult to achieve and in these areas, informal development tend takes place without conventional security of tenure. The primary constraint with regards to the provision of housing in rural areas relates to issues around land ownership and registration of title.

Table Error! No text of specified style in document.-18: Land Ownership in Cradock

Ownership	No. of Erven	Hectares	%

Municipal owned	1638	9638.8461	85.13
Private or Other	8295	1614.1604	14.26
State Owned	46	69.2545	0.61
Total	9979	11322	100

Source: Inxuba Yethemba IDP (2017 – 2022)



Source:

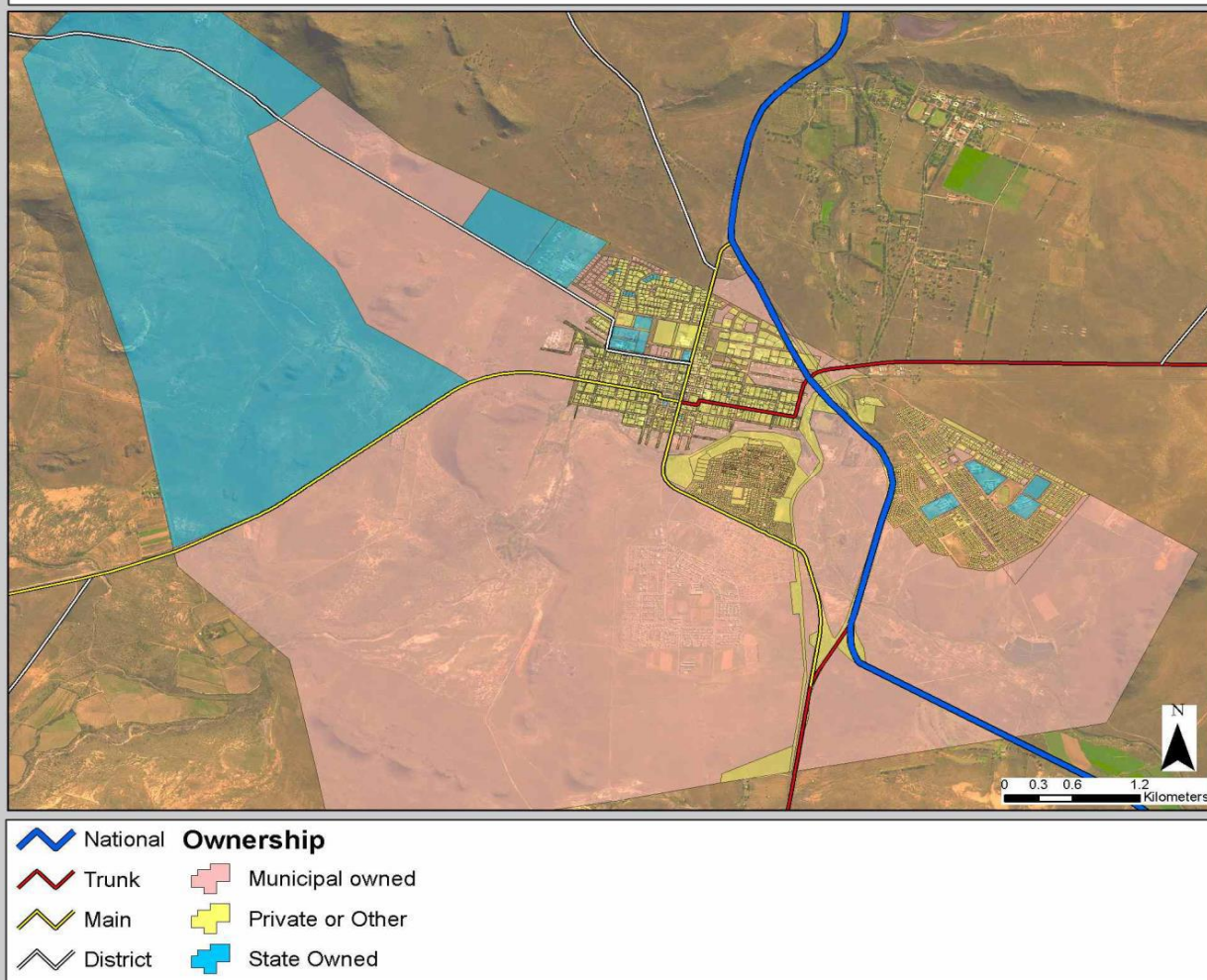
Table **Error! No text of specified style in document.**-19: Land Ownership in Middleburg

Ownership	No. of Erven	Hectares	%
Municipal owned	443	2398.5276	62.51
Private or Other	5642	488.3242	12.73
State Owned	31	950.3364	24.77
Total	6116	3837	100

Source: Inxuba Yethemba IDP (2017 – 2022)

INXUBA YETHEMBA LM HOUSING SECTOR PLAN

OWNERSHIP - MIDDELBURG



Source:

4.7.2 Land availability for Human Settlements

As previously in the IDP, there is adequate municipal-owned land (situated within the urban edge) available for development with approximately 283.2Ha of municipal land reserved for housing development. Land availability is therefore not a constraint to the development process but the main issue is lack of bulk infrastructure. In general, rural land is privately owned and has to be purchased and negotiated with private landowners.

The following land issues are identified and summarised as follows:

- Municipal land set aside for human settlements has no access to bulk infrastructure (approx. 4542 erven)
- There is a need to negotiate for Transnet land for Rosmead human settlement development
- Difficulty and long delays in obtaining Environmental Authorization (RoD) (4542 erven)
- Authorization in terms of Subdivision of Agricultural Land Act 70 is another challenge to human settlements delivery system for 280 erven.
- Also land situated on the periphery and far from job opportunities.
- Land required for human settlements in the rural areas of Fish River, Mortimer and Midros are still under private ownership.

4.8 HUMAN SETTLEMENT ASSESSMENT

4.8.1 Housing Type and quality

- There has been improvement in the supply of formal housing in the IYLM since 2001. However, inadequate dwellings constitute an important component of housing need, that is, a backlog of 978 in 2016.
- Traditional dwellings have been reduced from 225 in 2001 to 66 in 2011 and to 59 in 2016. These traditional dwellings are mostly found in the rural areas of IYLM.
- From the above table, there are 571 informal dwellings in IYLM, either in the form of shacks in backyard, shacks in informal settlements, caravan/tent or others in 2016.

- The presence of 420 households residing in informal flats and or room in backyards as well as those using caravan and tent calls for demand for rental accommodation provision, especially in the urban nodes.
- There are 441 households currently residing in informal dwellings not in backyard and this indicates a need for slum upgrading and/or rental accommodation.

Table **Error! No text of specified style in document.**-20: Type of Dwelling

	2001		2011		2016	
	No	%	No	%	No	%
House or brick structure on a separate stand or yard	15 145	94.4	16 269	88.1	16 800	91.9
Traditional dwelling or structure made of traditional material	225	1.4	66	0.4	59	0.3
Flat or apartment in block of flats	155	1.0	318	1.7	495	2.7
Town house/Cluster house/semi-detached house	97	0.6	825	5.5	200	1.1
House/flat/room in back yard	78	0.5	420	2.3	100	0.5
Informal dwelling/shack in backyard	149	0.9	243	1.3	23	0.1
Informal dwelling/shack not in backyard	87	0.6	138	0.7	441	2.4
Room/flatlet not in backyard but on shared property	42	0.3	72	0.4	57	0.3
Caravan or tent	3	0.0	66	0.4	20	0.1
Others	67	0.4	48	0.3	87	0.5
	16 048	100.0	18 462	100.0	18 282	100.0

Source: Census 2001 & 2011 and Community Survey, 2016

4.8.2 Housing Supply -Formal and Informal (Backlog) Housing

Type	2001 (urban/rural)		2011 (urban/rural)		2016 (urban/rural)	
	No	%	No	%	No	%
Formal Housing	15 439	96.2	17 904	97.0	17 652	96.6
Informal (Backlog)	609	3.8	558	3.0	978	3.4
Total	16 048	100.0	18 462	100.0	18 282	100.0

Source: Census 2001 & 2011 and Community Survey, 2016

4.8.3 List of Informal Settlement with the associated chapter number

No	Main Town	Name of the Informal Settlement	Estimated Households	Category (RAC)	Chapter
1	Cradock	Hillside	1100	A	3.1
2	Middleburg	Rosmead	131		3.2
Total Number of Household			1237		

Source: NUSP Report (2017)

4.9 INFORMATION FROM ECDOHS

4.9.1 Human Settlement Delivered from 1994 to Date (ECDoHS)

HSS Project Description	Subsidy Instrument	Project Type	Project Approval Date	Total Contractual Target	Delivery To Date (Sites)	Delivery To Date (Units)
FINANCIAL -1.5a RECTIFICATION OF RDP STOCK POST 1994 - 2002						
Cradock - 2700 Rectifi-	Project	Linked	Progress Payment	2010/07/20	2 700	-

cation	Subsidy		Housing Project				
Craddock - Motimer 60 Units	Project Subsidy	Linked	Progress Payment Housing Project	2012/04/23	60	-	-
Craddock - R/land Ph 2 (Michausdal) - 1000 subs	Project Subsidy	Linked	People's Housing Process (Project Linked)	2001/11/30	1 000	1 000	1 000
Craddock Ph 1 - 1700 subs	Project Subsidy	Linked	Progress Payment Housing Project	1995/08/25	1 700	1 700	1 700
Craddock Ph 2 - 1500 subs	Project Subsidy	Linked	Progress Payment Housing Project	1998/08/14	1 500	1 500	1 500
INCREMENTAL - 2.2d INTEGRATED RESIDENTIAL DEVELOPMENT PROGRAMME: PHASE 2: TOP STRUCTURE CONSTRUCTION INFORMAL SETTLEMENTS							
Middelburg - Lusaka 595 subs	Project Subsidy	Linked	Progress Payment Housing Project	2009/09/15	320	110	142
Middelburg - Midro - 615 subs	Project Subsidy	Linked	Progress Payment Housing Project	1996/08/30	615	615	615
Middelburg - Rosemead 220 Units	Project Subsidy	Linked	Progress Payment Housing Project	2012/04/23	220	-	-
Middleburg - R/land Ph 2 (Lusaka) - 324 subs	Project Subsidy	Linked	People's Housing Process (Project Linked)	2001/11/30	324	324	324
PROVINCIAL SPECIFIC PROGRAMMES							
Middelburg - Midros 493 Units	Project Subsidy	Linked	Progress Payment Housing Project	2012/04/23	493	-	-
Middelburg - 1628 Rectification	Project Subsidy	Linked	Progress Payment Housing Project	2010/07/20	1 628	-	-
Middelburg - 220 subs	Project Subsidy	Linked	Progress Payment Housing Project	1996/08/30	220	220	220
Middelburg - Kwa-Nonzame 1000 Units	Project Subsidy	Linked	Progress Payment Housing Project	2012/04/23	160	-	-
Middelburg - Kwa-nonzamo - 793 Subs	Project Subsidy	Linked	Progress Payment Housing Project	1996/08/30	793	793	793
Middelburg - Lusaka 595 subs	Project Subsidy	Linked	Progress Payment Housing Project	2009/09/15	595	25	38
Middelburg - Lusaka 595 subs	Project Subsidy	Linked	Progress Payment Housing Project	2010/11/10	80	-	80
TOTAL					12 408	6 287	6 412

Source: EC Human Settlements Business Plan for 2018/19 Financial Year

4.10 INFORMATION FROM DISTRICT OFFICE (ECDoHS – KOMANI)

4.10.1 Service Delivery Update 2016/17 (April 2016 – March 2017)

	UNITS AND BUDGET				TO	STATUS/PROGRES
Inxuba Yethemba LM	UNITS PLANNED	UNITS ACHIEVED	PLANNED BUDGET	EXPENDITURE DATE		

	150	23	R 14 143 108,00	R 6 250 775,97	Turnkey contractor is on site

Source: Department of Human Settlements (District Office) March, 2018

4.10.2 Business Plan for 2017/2018-Targets per LM

	TARGETS AND BUDGET			STATUS/PROGRES
Inxuba Yethemba LM	UNITS PLANNED	SERVICES PLANNED	BUDGET PLANNED	
	15	10	R 10 434 316,00	Turnkey contractor is on site

Source: Department of Human Settlements (District Office) March, 2018

4.10.3 Regional Target (2017/2018) for IYLM

Houses		Services	Rectification	Destitute	Emergency/Disaster
Location	No.				
Middleburg Lusaka 15,	15	15	Cradock 10	30	15
Total	15	15	10	30	15

Source: Department of Human Settlements (District Office) March, 2018

4.10.4 High Impact Projects and with Contractors on site (2017/18-18/19 (IYLM)

NO	MUNICIPALITY	WARD	PROJECT NAME	UNITS	APPROVED BUDGET	CONTRACTOR	STATUS
1	Inxuba Yethemba	8	Middleburg Lusaka 595 (320 units)	320	R 52 729 516,01	SC Contractors	Turnkey contractor is on site. Turnkey Contractor is on site-277 units completed and 21 units at various stages of completion.

Source: Department of Human Settlements (District Office) March, 2018

4.10.5 Emergency/Disaster Human Settlements

This entails the construction of 430 units for the entire Chris Hani Region (06 Municipalities) and is funded by Human Settlements and COGTA grants. Chris Hani District Municipality is the developer and there are 430 units out of which IYLM has 30 housing units.

LM	Units	Status	Developer
Inxuba Yethemba	30	None approved	CHDM

Source: Department of Human Settlements (District Office) March, 2018

4.10.6 Priority Projects-Chris Hani Destitute

Municipality	Units	Number approved	Comments/Status
Inxuba Yethemba		03	Individual Destitute 83 (reserved for individual requests where need is identified)
GRAND TOTAL			

Source: Department of Human Settlements (District Office) March, 2018

4.11INFORMATION FROM INXUBA YETHEMBA LM (MAY 2018)

4.11.1 Current Projects

Location	Housing Type	Number of Units	Comments, if any
Middleburg	Emergency Housing Project	30	

Lusaka	Greenfields	96	
Kwanonzame	Blocked	1000	
Midros	Blocked	425	
Rosemead	Blocked	225	
Fish River	Blocked	30	
Motimer	Blocked	30	
Lingelihle	Rectification	900	
Total			

4.11.2 Planned Projects

Location	Housing Type	Number of Units	Comments
Middleburg	Social Housing	100	
Cradock	Social Housing	250	
Middleburg	Emergency Housing	70	
Fish River	Emergency Housing	50	
Lusaka	In-situ upgrade	595	
Cradock Egg Rock City	Proposed human settlement project		Land owned by IYLM
Middleburg (R56) Small City	Proposed human settlement project		Land owned by Public Works

4.11.3 Planned Special Provincial Human Settlements Related Initiatives

No.	Housing Type	Number of Units	Location/No.
1	No. of street children requiring housing	40	Middleburg (20) Cradock (20)
2	No. of youth requiring housing	4500	Middleburg (2000) Cradock (2500)
3	No. of HIV/Aids orphans requiring housing	N/A	
4	No. of Destitute people that require houses	150	Middleburg 100 Cradock (50)
5	No. of Farm Workers requiring housing	60	Fish River (30) Motimor (30)
6	No. of Military Veterans requiring housing	60	Cradock (60)

4.12 MUNICIPAL CAPACITY AND HOUSING DELIVERY MECHANISM

IYLM has a dedicated Human Settlement Unit which is currently manned by 7 officials. The municipal organogram makes provision for 10 human settlement officials, which means two positions are still vacant. In terms of the capacity to manage housing delivery, it was emerged the majority of the human settlements delivery functions are performed in-house.

However, some of these functions are shared with consultants and service providers (developers). On the whole there is a functional Human Settlements Unit, which is capable of handling the human settlements delivery issues of the Municipality even though the Municipality has no approved Housing Policy.

Institutional Capacity for Housing Delivery

Capacity	In-house (LM)	District CHDM	Province	Service Provider
Project inception	X			
Development of Human Settlements Sector Plan		X		
Demand Database	X			
Beneficiary Administration	X			
Land Release	X			
Land Packaging			X	
Project Packaging	X			
Project Development			X	
Housing Administration	X			
Project Management		X	X	
Comments	Project development services are currently provided by the Province but IYLM is in the process to take over that function, when it becomes a developer.			

4.13KEY HUMAN SETTLEMENT ISSUES (SYNTHESIS)

The following summarizes the issues as identified through the Status Quo Analysis

IHSSP Theme	Key Issue
Demographic Indicators	- The total population residing in the whole Inxuba Yethemba Municipality area stood at 70 493 (Community Survey 2016) with 18 282 households resulting in an average household size of 3.9 persons which spread across nine (9) wards. - Records indicate that about 82.0% of the population reside in urban centres of Cradock and Middleburg and the remaining 18.1% residing in rural areas - In terms of gender distribution, females currently dominate with 51.7% while males account for 48.3%. - In terms of age distribution, the youthful population (0-19years) in the municipality is amount to approximately 38.2%.The working class population (20-64years) accounts for 55.6%. The percentage of the population above 65+ years accounts for 6.2%. - With regard to migration, about 3 317 people were migrated to IYLM from other parts of the province or country and outside the country.
Socio-Economic Indicators	- The population growth rate over the past ten year is estimated at 1.5% per annum. - Females currently dominate with 51.7% while males account for 48.3%. - There are 76 child headed Households within the municipality and these children are under 18 years old - High rate of migration, about 3 317 people migrated to the municipal area. - About 60.0% of economic activity population is unemployed and rely on government subsidies and social grants. - About 10.8% of the households received no income at all rely on government subsidies and social grants. - Out of 70 493 people in the municipality, about 60.0% people in the municipality are living in poverty and rely on social grants from the government and also in terms of human settlements, they rely on human settlements subsidies offered by the government through Provin-

	cial Department of Human Settlements (ECDoHS). The municipality is characterised by low levels of education. Approximately 6.3% of the total population has not received any form of education. A further 15.1% received some primary and 8.2% of the population completed primary school. About 38.5% received some secondary education in the grades of 8, 9, 10, and 11. This can minimise their chances of getting employment.
Spatial Planning	- The CHDM SDF identifies 2 major nodes in IYLM, i.e. Cradock and Middleburg. - The LSDF for Middleburg and Cradock has indicated several potential human settlement areas within the two towns. - It designated a total of 813ha of land within the north of Cradock for housing, which can accommodate approximately 12 188 units at a density of 25du/ha. - In case of Middleburg, a total of 322ha of land has been identified for potential housing development to accommodate for a total of 7 181 units at a density of 25du/ha. - The land identified in the LSDF can provide more housing units than needed and all of the identified land is municipal or state owned. Therefore, land availability will not be an obstacle in the provision of housing. - The IDP also highlights social, economic and infrastructure projects which support development of sustainable human settlements.
Infrastructure	- The major water sources are from regional / local water schemes and bore holes operated by CHDM or water providers - Although the households without access to piped water has increased from 2.8% in 2001 to 3.3% in 2016, piped water provision is generally very high in IYLM. The backlog of water provision in IYM is therefore sitting at 3.2%. - About 95.9% of households in the IYM have access to piped water inside the dwelling or in the yard compared with 85.6% in 2001. - There has been a great improvement in sanitation provision from 2001 to date since about 90.0% the households have access to sanitation facilities in form of flush toilets either connected to sewerage system or with septic tanks in 2011 and 2016, compared with 69.0% in 2001. - Although the number of households using pit latrines without ventilation, bucket toilets and those without toilet facilities have reduced considerably since 2001, the backlog still remains very high (7.3%) in 2016. - There is a great improvement in electricity supply for lightening in the IYLM since in 2016 about 97.2% of the households have access to electricity, compared with 82.6% in 2001. - There is improvement in refuse disposal services in the area from 76.6% in 2001 to 84.6% in 2016, there is still inadequate refuse disposal system especially in the newly developed settlements and the rural environments, which should be a major concern of the municipality because of the attendant environmental and health hazard. - There is 138 km tarred and about 177 km gravelled roads in the municipal area. Very few of the roads are in a fair condition and the majority is in a very poor state.
Community Facilities	- The municipality is endowed with a number of primary and secondary schools as well as pre-primary schools but there are challenges such as, long distances to reach schools, especially the learners from the farms. - There are currently 2 hospitals and 9 clinics within the municipality but some of the health facilities within the municipality require maintenance and upgrading, as well as insufficient clinic staff and medicine. - The long distances to travel to access health facilities, in particular, by the elderly.

	- There are two (2) municipal cemeteries in Cradock and Middleburg, which are managed by the municipality, satisfy the existing service demand but there is urgent need to expand the current capacity and ensure that all communities have access to adequate burial facilities. - Almost all the rural settlements in the municipality have cemeteries of various sizes, shapes and capacities. - There are four (4) sport facilities within the municipality but those Kwanonzame, Midros, Lingelihle, Lusaka, and Michausdal require upgrading and maintenance.
Human Settlements Assessment	- There has been improvement in the supply of formal housing in the IYLM since 2001. However, inadequate dwellings constitute an important component of housing need, that is, a backlog of 978 in 2016. - Traditional dwellings have been reduced from 225 in 2001 to 66 in 2011 and to 59 in 2016. These traditional dwellings are mostly found in the rural areas of IYLM. - There are 571 informal dwellings in IYLM, either in the form of shacks in backyard, shacks in informal settlements, caravan/tent or others in 2016. - The presence of 420 households residing in informal flats and/or room in backyards as well as those using caravan and tent calls for demand for rental accommodation provision, especially in the urban nodes. - There are 441 households currently residing in informal dwellings not in backyard and this indicates a need for slum upgrading and/or rental accommodation. - The condition of some of the houses, especially those in Lusaka and Rosmead, need urgent attention as these are old and dilapidated
Land Assessment	- There is adequate municipal-owned land (situated within the urban edge) available for development with approximately 283.2Ha of municipal land reserved for housing development. Land availability is therefore not a constraint to the development process. - In general, rural land is privately owned and has to be purchased and/or negotiated with private landowners. - The Municipality could not come out clearly as to whether there is sufficient land available for human settlement development in the rural areas (taking into account growth trends). This is an area the Municipality plans to investigate - Municipal land set aside for housing has no access to bulk infrastructure (approx. 4542 erven) - Difficulty and long delays in obtaining Environmental Authorization (RoD) (4542 erven) - Authorization in terms of Subdivision of Agricultural Land Act 70 is outstanding for 280 erven 3543 erven are situated on the periphery and far from job opportunities 280 erven out of the land required for housing are still under private ownership. So far, there is no land under restitution. - A total of 21 land claims in the urban areas of the municipality have been established
Institutional Capacity	- There is a functional Housing Division, which is capable of handling the human settlements delivery issues of the Municipality even though the Municipality has no approved Housing policy. - The municipality has seven (7) personnel for the Human Settlements Unit, meaning some vacancies still exist. - In some cases the municipality is assisted by Consultants, especially in areas such as building construction, service installation and top structure construction. - On the other hand, the municipality handles all the necessary housing delivery processes, including project planning and programming, beneficiary identification, business plan applications, financial control, progress reporting, and top structure design.

5 STRATEGIC FRAMEWORK REVIEW

5.1 HUMAN SETTLEMENTS VISION AND MISSION

The vision of the municipality (including human settlements delivery) as stated in the IDP (2017-2018) reads as follows:

"A coherent developmental municipality putting people first and providing a better life for its citizens."

5.2 STRATEGIC HUMAN SETTLEMENTS GOALS AND OBJECTIVES

The vision of this Human Settlements Sector Plan is to create integrated and sustainable communities. To make this vision a reality, the Municipality has to support the notion of productivity, inclusivity, good governance and sustainability. Given the demand profile, the provision of a suitable rural and urban human settlements programme should be one core issues to this plan.

5.2.1 Consolidated strategic Goal and Objectives

Strategic goal	Objective
GOAL 1 To determine expressed demand and to declare such demand.	To undertake housing consumer education / awareness and the housing voice
	To implement the human settlements needs register and to ensure on-going management thereof
	To engage the social welfare department and Special Programs Unit (SPU) in order to cater for the child headed households and orphans.
GOAL 2 Scale up of the delivery of subsidised human settlement delivery to meet the demand.	Strategic planning for human settlements delivery - Conduct an annual environment analysis in order to review and revise annual human settlements sector plan. - To develop localised policies to create a more enabling environment and to manage the mushrooming of inadequate human settlements.
	Project pipeline - To integrate the existing information on delivered, planned, in implementation and blocked projects into a single project pipeline database with system for regular updating. - To plan projects that are aligned with the provincial human settlements sustainability criteria - To submit new projects to the Province for funding approval and technical support
	Land and land packaging - To undertake a land identification and land packaging programme. - To understand the land reform programme and to create a linkage with such a programme. - To undertake feasibility studies on the identified state land on offer from the Department of Public Works, which will enable preparation of a business plan for each parcel of land required in order to effect the transfer of such land.
	Infrastructure To engage with the infrastructure officials and plans to seek prioritisation and alignment with human settlements programme.

	I. Integrated Sustainable Rural Human Settlements Delivery Programme (inclusive of Farm Worker accommodation) II. Define a specific ISRHDP strategy that contains an analysis of the rural demand (including farm worker human settlements demand) and status quo and links it to a strategy that defines the needs and demands in terms of basic infrastructure, top structure and tenure and further links these to the mechanisms available to tackle the priority needs.
	Project development and management I. To package projects in terms of top structure, undertake procurement of contractors and to initiate project construction. II. To undertake project management of all current running projects in order to ensure good quality and timely completion. III. Continue to roll out existing projects and ensure that financing and systems are in place to initiate new priority projects including those within the ISRHDP strategy. IV. To have a dedicated programme to close out blocked projects. V. To programme the rectification needs of the current projects.
GOAL3 To build a suitably structured human settlements unit in order to meet the human settlements delivery mandate	(i) To undertake a capacity assessment with the view of preparing a business plan to source funding from the Department's Capacitation Grant for improving staff and skills capacity within the Municipality and to also ensure that those officials within the Municipality that have received training through the Department's Capacity Building programme are committed to / engaged in the municipality's human settlements section.
	(ii) To develop the internal organisation to meet the municipal human settlements mandate and Level 1 Accreditation. The proposed structure has to include a Human Settlements / Housing Manager to undertake strategic planning and performance management and a technical resource to ensure the projects are managed and administrative staff to undertake beneficiary administration.
	(iii) To develop operational systems, i.e. policies, procedures and documents and forms.
	(iv) Procurement of required office infrastructure and resources to fulfil human settlements mandate, and this must include the installation and implementation of the project tracking tool.
GOAL 4 To formalise the required institutional structures to support the Municipality in meeting its human settlements delivery targets	(i) Strengthen internal and external partnerships required by the municipality to plan, facilitate, and where relevant implement, the necessary human settlements development to meet the demand in the municipal area.

5.3 STRATEGIES AND PROPOSED PROGRAMMES

The IYLM Human Settlements Sector Plan should include the following strategic programmes for human settlements implementation.

Programme	Strategic Priorities	Activities
Programme 1	Defining and understanding Demand	- Detailed Human Settlements / Housing waiting list. - Investigate feasibility of human settlements projects in the municipal area (urban and rural).
Programme 2	Scaled up supply of state funded human settlements delivery to meet demand.	- Land Acquisition - Appointment of competent contractors. - Prioritization of human settlements development applications. - Investigate and determine the human settlements need in the entire Municipal area. - Refurbish old houses. - Land identification and Town Planning Establishment processes - Developed Strategy for Households in Traditional Structures in Rural Areas - Develop Strategy for Rural Housing and Human Settlements - Develop Strategy for informal/in-situ upgrading. - Develop Strategy for CRUs and affordable rental housing
	Eradicate all squatters and Informal Settlements with provision of Housing for Middle Income Earners	
Programme 3	Closure of all Blocked Projects and Rectification of all Defective Houses	Closure of all Blocked Projects and Rectification of all Defective Houses
Programme 4	To formalise the required institutional structures to support the Municipality in meeting its human settlements delivery targets	- Procurement + tenders is a problem. - Professional team is needed. - Local Municipality is performing Provincial roles. - Strengthening and reinforcement of IDRs - Continued involvement of all relevant stakeholders. - Establishment of a Dedicated Human settlements Unit and/ or capacitating the existing department
Programme 5	Enhance Quality and Standard of RDP Houses	- Encourage local contractors to register with CIDB. - Monitor all projects for compliance with National and Provincial Standards. - Repair old Housing Projects. - Rectification needed for some of the pre and post 1994 Housing projects.

5.4 DETAILED STRATEGIC PROGRAMMES

Programme 1: To determine expressed demand and to declare such demand

Programme 2: Scale up of the delivery of subsidised human settlements delivery to meet the demand

Deliverable	Key activity	Timeframe					Responsibility	Cost
Deliverable	Key activity	Timeframe					Responsibility	Cost
		2018	2019	2020	2021	2022		
Strategic planning:								
Annual environment analysis in order to review and revise annual human settlement sector plan / aligned with IDP Review	Consider: - Report on human settlements demand from housing voice and Human Settlements /Housing Needs Register - Supply report from pipeline of projects - Integration report	Apr					Municipality	
Plan for emergency human settlements / housing	Collect information on disaster risk in the Municipal area (Provincial Disaster Management Plan preparation underway) and establish appropriate systems and networks to respond to potential disasters.	July					Municipality	
Developed localised policies to create a more enabling environment and to manage the mushrooming of inadequate housing	- Local Town planning dispensation - Localised policy to address tenure related to commonage - ISRHDP policy - Informal settlement strategy	Oct					Municipality	
Project pipeline:								
Installation of designed data base system that holds the integrated project pipeline	Upload tracking tool for the project pipeline	Jan					Province	
Trained staff able to use and update.	Training of relevant staff in the municipality to use and update the system.	Feb					Province	
Populated pipeline with all information up to date and verified.	Collect and input all the information from the relevant sources including importantly sections in the	Mar					Province and Municipality	

	LM, the DM and the Province								
Quarterly updates and annual review report	All the additional projects or changes in status and information of existing entered and quarterly report for management and council. Informed annual review reports.	Oct					Municipality		
ISRHDP Strategy:									
Proposal for development of a rural strategy with budget	Prepare proposal for education the information gathering, analysis and strategy.	Feb					Municipality in conjunction with Province		
Internal or external people appointed to carry out work	The selection of the right team to undertake the work.	Mar					Municipality in conjunction with Province		
Baseline information.	Collection of all existing relevant information on the context, nature and location of rural housing, priority interventions re tenure, infrastructure and top structure for all key stakeholders.	Jul					Selected Internal or external team		
Key stakeholder feedback and direction on baseline information.	Workshop of key stakeholders to discuss baseline information, its accuracy, relevancy and identify gaps.	Aug					Stakeholders and Selected Team		
Further information gathered and analysis and initial strategy.	To fill the gaps and to proceed to defining a draft strategy from analysis of information gathered through desktop or informant interviews.	Oct					Selected team		
Stakeholder Input into Strategy	Workshop to present and discuss the information, analysis and draft strategy.	Oct					Stakeholders and Selected Team		
Strategy and linkage to Municipal and Provincial budget and MTEF.	From the workshop contributions finalise the strategy but link with available resource streams.		Jan				Selected team.		
Strategy inputted into IDP and reviewed annually.	The strategy integrated into the Human settlements chapter and linkage back to municipal budget and MTEF.		Jan				Municipal Human Settlements Section		
Land for human settlements development	Undertake land feasibility, procurement of suitable parcels, including land	Mar		On-going			Human Settlements officer with Prov-		

	identified by Province for transfer to Municipality					ince		
Preparation of identified priority projects for financing and implementation – including rectification and blocked projects.	Co-ordination of the preparation of the projects: - Land - Land preparation and packaging - Initial design - Beneficiary identification - Scope of work (rectification and blocked) - Finance packaging - Preparation of tendering etc.	Mar		On-going		Human Settlements Officer with Province		
Properly managed implementation of financed projects.	Management of the technical service providers in ensuring that projects are delivered on time, to quality and within cost. Carry out effective community liaison and consultation.	Feb		On-going		Human Settlements Officer with Province		
Monitoring and Evaluation Framework	Drafting of monitoring and evaluation framework, The framework to be integrated into the Human Settlements Chapter.	Jan				Human Settlements officer with Province		
Formation of Project Steering Committees to ensure the collaboration of developers, ward committees and councillors in the speedy execution of projects.	Project Steering Committees to be formed for all human settlements projects comprising ward committee, councillor and local stakeholders. Submit project reports to the Human Settlements Department	Jan				Human Settlements officer with Province		

Programme 3: To build a suitably structured human settlements unit in order to meet the human settlements mandate.

Deliverable	Key activity	Timeframe					Responsibility	Cost
		2018	2019	2020	2021	2022		
Development of dedicated Human Settlements Unit	Development of Job descriptions, Approval of structure, Procurement of budget, Recruitment, orientation	Jan					Province support with Municipality	

Development of internal operational policies and procedures	Develop operations procedures manual together with standardised documents and forms	Jun					Province support with Municipality	
Identification and procurement of resources	Approval and procurement of required resources, computers and software, equipment, furniture etc.	Jun					Municipality	
Development and implementation of performance management system	Link performance measures to job description outputs and human settlements delivery programme, performance agreement with staff and regular monitoring of performance		Jan				Province support with Municipality	

Programme 4: To formalise the required institutional structures to support the Municipality in meeting its human settlements delivery targets

Deliverable	Key activity	Timeframe					Responsibility	Cost
		2018	2019	2020	2021	2022		
Identified Key Potential Partners	Internal workshop Identify key roles and responsibilities and which are key stakeholders undertake these and present status of relationship.	Jan					Municipal management	
Defined Approach to strengthening Partnerships	Based on roles and responsibilities and key potential partners - defining the type of relationship and approach negotiating this.	Mar					Municipal management	
Negotiated basis of co-operation	Meeting with individual key stakeholders to discuss bases of co-operation and action plan for co-operation over the next 2 years.	Jun					Municipal management	
Agreed MOU on Co-operation	Preparation of MOU and action plan based on above and ready for signing between partners.	Jul					Municipal management	
Working together	Implementing the action plan around municipal priorities.	Continuous					Municipal officials and partner officials	

6 PROJECT PIPELINE AND CAPITAL BUDGET

6.1 Cash Flow

A multi-year housing plan outlines a further set of developments aimed at improving the quality of strategic and performance plans, while at the same time simplifying the process further.

Once all of the projects have been identified and initially prioritized, individual cash flows will be determined. Once all of the cash flows are complete they should be summaries and condensed into an overall project program schedule and then into a single cash flow spreadsheet.

7 PROPOSALS FOR INFORMAL SETTLEMENTS UPGRADING

This Upgrading of Informal Settlements Policy seeks to build on the regularisation approach within IYM. Proposals for Informal Settlements Upgrading recognise that there is a need to be a radically different approach to addressing the informal settlement challenge in IYM.

7.1 Make serviced sites available

IYM will make new (fully or semi) serviced land parcels available for phased incremental settlement development (and other forms of settlement development) to accommodate new people moving into the municipal area, people needing to be relocated from those informal settlements that have been earmarked for removal and others in need of accommodation. This will complement IYLM's existing IDP and five year implementation plan which proposes the delivery of subsidised houses, the upgrading of existing informal and rural settlements, the opening up of land for the private sector and the initiation of a social housing support programme.

7.2 Build on the regularisation approach

IYM will formulate regularisation approach by implementing a programme for the in-situ upgrading of all informal settlements that have been categorised to remain in their present locations to be funded from the Upgrading of Informal Settlement Programme Grant, the Provision of Social and Amenities Grant and the Urban Settlement Development Grant (amongst others).

Building on the requirement of the SPLUMA (2013) Act 16, which requires municipalities, in their Spatial Development Framework (SDF) plans to designate areas where incremental approaches to upgrading and regularisation will be adopted, IYLM will designate all informal settlements that have been categorized for in-situ upgrading as incremental settlement areas which will allow for blanket tenure security for people living in these areas.

The CHDM and IYM will also continue to roll-out basic services including a package of services that includes standpipes, VIP toilets or waterborne sanitation where possible, grey water treatment, stormwater control, electricity or alternative energy supply to informal settlements that have been classified for in-situ upgrading. The current layouts of informal settlements will be improved to ensure access for emergency and refuse vehicles. IYM will also ensure that continuous maintenance of the installed services takes place.

7.3 Flexible standards and regulations for planning, land, infrastructure and housing

Rigid standards and regulations in the context of in-situ upgrading often tend to have a range of adverse effects if not applied cautiously. Building and infrastructure standards and regulations are often developed and enforced by IYM primarily for the reason of ensuring the safety and security of residents and may include standards for road widths, setbacks from the street; building materials, water reticulation etc. The standards for planning, land, infrastructure and housing are often defined in the context of efficiency (affordability, finance and cost recovery), equality (access), quality and sustainability, which are outlined in detail in the Guidelines for Human Settlement Planning and Design (otherwise known as the Red Book). Whilst these guidelines are useful, and in the case of Red Book are far more progressive in providing recommendations for alternative engineering solutions, they often tend to be too rigid in the context of in-situ upgrading.

As in-situ upgrading is incremental, the gradual transition from informal to formal is often predicated on the transition for being unplanned / unregulated to planned/regulated and it is precisely this transition which needs to be managed most cautiously, as formalizing too quickly and rigidly can potentially have a range of negative impacts.

7.4 Hillside Informal Settlement

7.4.1 Formal Settlement Layout Plan

There is a need to provide a formal settlement layout plan for Hillside Informal Settlement. The formal settlement layout plan allows residents to benefit from sound and proper planning principles and determine the level of interim services and proposed full services in the near future.

7.4.2 Service Required

In any potential or planned development, engineering infrastructure plays an important role, particularly in the upgrading of Informal Settlements. Access to bulk infrastructure, such as water, electricity, sanitation and roads is very critical. Bulk infrastructure is one of the critical factors to any township establishment process.

7.4.3 Design and Implement Skill Development LED Project

The IYLM also should undertake a basic skills audit in order to assess the existing skills in the informal settlement and develop a Skills Development Programme (LED based) for creating employment, including self-employment and entrepreneurship.

Table --: Estimated Cost for formalisation of the settlement

Category		Unit	Amount/Rate	Total Amount
Livelihood Support Services	<i>Design and Implement Skill Development LED Project</i>	1	R 100 000,00	R 100 000,00
Total Upgrading of Services Costs				R 100 000,00

7.5 Rosemead Informal Settlement

7.5.1 Formal Settlement Layout Plan

There is a need to provide a formal settlement layout plan for Hillside Informal Settlement. The formal settlement layout plan allows residents to benefit from sound and proper planning principles and determine the level of inter-im services and proposed full services in the near future.

7.5.2 Infrastructure

In any potential or planned development, engineering infrastructure plays an important role, particularly in the upgrading of Informal Settlements. Access to bulk infrastructure, such as water, electricity, sanitation and roads is very critical. Bulk infrastructure is one of the critical factors to any township establishment process.

Sanitation: there is a need to provide sanitation facilities in order to get rid of budget system which is currently used in other parts of informal settlement.

Solid Waste: Currently, the municipality does not collect waste in the settlement. It is proposed that the municipality collects the waste on weekly bases. The **long term / permanents solution** is to provide each household with 240L waste bin and weekly collection of the waste by the municipality to be disposed on registered landfill.

Energy (Electricity and Street Lighting): there is a need to supply all households with electricity for domestic use.

7.5.3 Design and Implement Skill Development LED Project

The IYLM also should undertake a basic skills audit in order to assess the existing skills in the informal settlement and develop a Skills Development Programme (LED based) for creating employment, including self-employment and entrepreneurship.

Table --: Estimated Cost for formalisation of Rosemead Informal Settlement

Category		Unit	Amount/Rate	Total Amount
Engineering Services	<i>Solid Waste Collection</i>	137	R800,00	R 109 600,00
	<i>Communal Ablution Facilities</i>	2	R56 000,00	R 112 000,00
	<i>Electricity</i>	57	R 2 400,00	R 136 800,00
Total Permanent Engineering Services				R 357 400,00
Livelihood Support Services	<i>Design and Implement Skill Development LED Project</i>	1	R 100 000,00	R 100 000,00
Total				R 457 400,00
Professional Fees				R 64 036,00
Total Upgrading of Services Costs				R 521 436,00

8 INTEGRATION (CROSS SECTOR ALIGNMENT ISSUES)

In order to provide sustainable living environments, it is vital that the delivery of sustainable human settlements be occurred in conjunction with other services and facilities (including health, education, sports, etc.) which identified and proposed by IYLM IDP (2017 – 2022). The human settlements proposals set out in this Municipal Human Settlements Sector Plan are all in accordance with the IYLM IDP (2017 -2022).

The IDP is the core document guiding all decision-making in, and with respect to, the municipal area, service providers responsible for the delivery of services and facilities integral to the creation of sustainable livelihood will be able to plan and budget for the provision of such services and facilities in an informed manner.

With reference to the primary node of the municipality, it is noted that all of the land that has been identified for housing purposes is well located with respect to existing community and social services and facilities. In regard to the housing proposals in the rural areas of the municipality, the delivery of rural residential opportunities is to be targeted at the identified service satellites.

8.1 Implementation Plan for other Projects

Department of Health

Project Name	Project	Budget
Ekuphumleni Clinic	Renovations & refurbishments	R750,000

Source: CHDM IDP (2017 -2022)

CHDM Capital Projects 2017-2020

MIG CAPITAL PROJECTS FOR 2017/18-2018/19-2019/20			
PROJECTS	2017/18	2018/19	2019/20
Cradock Bulk Services(Water and Sanitation)	R 2 000 000.00	R 30 000 000.00	R 30 000 000.00
Water Service Infrastructure Grant			
Middelburg Water Provision	R 7 000 000	R 3 000 000	R 0

Source: CHDM IDP (2017 -2022)

Water supply

Project	Budget/Time Frame					Source of Funding
	2013/14	2014/15	2015/16	2016/17	2017 / 18	
Rosmead Rural Water	R2.11m	2m	1.3m			CHDM MIG
Cradock Water Treatment Works (WTW)	R3.5m	1.3 m	2.226 m			CHDM MIG
Primary Clear water Tank (WTW)	1.9 m	1m	1.463 m			CHDM MIG
Lingelihle Sewer Pump Station	0.5m	2m	2m			CHDM MIG
Refurbishment of Biofilter: Cradock						CHDM
Upgrade existing water reticulation network and pump stations in Cradock			R0.909 m	R0.736m		
Upgrade existing water reticulation network and pump stations in Middelburg		R0.790m	R0.64m	-	-	CHDM
Provide new reservoir for Cradock				R7.05m		CHDM/MIG/ DWA
Middelburg Ground Water Supply				R2.0m		CHDM RBIG

Source: Inxuba Yethemba LM IDP (2016 – 2017)

Electricity supply

Project	Budget/Time Frame	Source of

	2013/14	2014/15	2015/16	2016/17	2017 / 18	Funding
Upgrading of Main Substations			2.5m	0.5m		DE/ INEP
Michausdal bulk supply line (Ring Feed)						Own funding
Rosmead Electricity supply			1.5m	4.5m		DE INEP

Source: Inxuba Yethemba LM IDP (2016 – 2017)

9 INSTITUTIONAL ARRANGEMENTS

9.1 ACCREDITATION

It emerged from the situation analysis that the municipality has a dedicated housing unit with 7 personnel. Only one post is currently vacant and needs to be filled. Secondly, an independent unit, the Infrastructure Unit, falling under the Directorate of Technical Services handles all technical and financial matters pertinent to housing projects. Also, majority of the housing delivery activities - project planning and programming, building designs, project design, beneficial identification and PHB approval, financial control and progress reports are done in-house. From the above, it is recommended that *the municipality be considered as one of the best municipalities for its potentials or readiness in implementing housing project on its own*. This therefore means that with the required support in areas of need of the municipality from the Department of Housing to enhance their capacity on housing delivery, funding, IYLM be considered for **Level 1 Accreditation** latest by 2020. It is also recommended that for the municipality to be successful in housing delivery, the following key capacities (some of which are currently available) need to be strengthened:

- Project Management of overall housing process
- Town Planning (housing development planning, township establishment process including approvals, etc.).
- Land and Housing administration
- Infrastructure planning (from Engineering section of the municipality or District Municipality)
- Financial Administration (from Finance section of the municipality)
- Contract Administration (from Procurement section of the municipality)
- Quality monitoring (from Engineering section of the municipality or District Municipality)
- Others

The budget for the Human Settlements Unit, which should be funded by the Department of Human Settlements and the Municipality is as follows:

Table **Error! No text of specified style in document.**-21: Budget Requirement for Housing Unit

Requirement	Annual Salary
Additional Staff required	
• Housing Support Staff (Grade 12)	R 58.290.00
• Town Planning Technician	R 157 686.00
Total Annual Budget	R 215 976.00

Additionally, there is the need for strong co-operative governance (inter-departmental / governmental relations) in line with the Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005). For example, the national government should function in housing delivery as establishing and facilitating a sustainable national housing development process. It does this by determining the national policy.

The provincial government function is to create an enabling environment, meaning that it does everything in its power to facilitate the provision of adequate housing in the province within the framework of national housing policy, for example by providing the funding.

The Local Municipality must pursue the delivery of housing. It should work within the policy framework of national and provincial housing. It must address issues of land management and usage, service and infrastructure provision and creation of enabling environment for housing development.

In essence, there should be local intergovernmental housing forum and the function of this forum, amongst others, should include a system of co-operative governance that must continually operate in ways that result in bet-

ter co-ordinated and integrated planning, budgeting and service delivery within across spheres of government to ensure the promotion of sustainable human settlement.

9.2 CAPACITY BUILDING STRATEGY

Training, skills development and capacity building programmes and courses need to be provided at the municipal level to ensure that municipal officials and Councillors are well capacitated in housing delivery systems.

Amongst others, the following training will be required:

- Project Management
- Project Planning and Programming
- Land Administration and Acquisition Procedures
- Basic Town Planning Principles and Procedures
- Housing Subsidy Administration
- Housing Administration
- Financial Administration
- Contract Administration

It is important to indicate that mentorship programme, using experienced housing practitioners would be necessary for at 12 month period to ensure a hand on transfer of skills. An estimated budget of R 300 000 per annum will be required for such training.

Capacity training in housing delivery should not only be restricted to municipal officials and Councillors but also Traditional Leaders and Community members. Areas of importance for discussion / training to this category of stakeholders should include:

- Traditional Building Technology improvement
- Housing Delivery Processes
- Vandalism to housing properties
- Impact of informal housing development.
- Self-help housing provision
- Land related issues

An estimated budget of R 100 000 per annum will be required for such training / meetings for discussion.

Contractor training for emerging contractors and construction workforce in order to efficiency in housing delivery is also important. This should involve partnering with Service Providers like CETA and FET institutions to provide appropriate training courses in housing development.

An estimated budget of R 200 000 per annum for about 10 contractors and 10 construction workforce will be required for such training.

10 HUMAN SETTLEMENT PLANNING AND DELIVERY RISK MANAGEMENT MATTERS

Table **Error! No text of specified style in document.**-22: Risk Assessment

RISK	RISK MITIGATION
Poor information and analyse on need and demand for proper planning	Human Settlement / Housing voice and demand data-base
Poor capacity within the municipality	Appropriate structure, systems development and resourcing
Lack of properly structured co-operation between the municipality and the province	MOU
Difficulty of resolving the secure tenure issues in the communal areas.	Research and policy to establish secure tenure and pilot implementation
Lack of proper control and management of the started projects	Project tracking tool and technical expertise

11 GAPS REQUIRING FILLING

The following Table outlines the key gaps that require filling to substantially strengthen the possibility of an implementable strategy for this human settlements chapter.

Table **Error! No text of specified style in document.**-23: Gaps requiring filling

GAPS TO ADDRESS	MODE
Establishment of the real nature of need and demand including better analysis of the interaction and separation of tenure security, basic	Research on the baseline documents including Provincial MTEF, land reform stats and basic infrastructure information plus discussion with municipalities on summarised information

infrastructure and top structure.	
Development of rural human settlements strategy that does not just use global guesstimates.	Using the information from above and then linking this to specific priority geographical areas that can have more intensive information gathering. Closer planning linkage with ECDoHS and Department of Rural Development & Land Reform to develop responses.
Proper listing of completed, existing and future projects with necessary baseline and tracking information	Use of supplied template to co-ordinate information from different sources and then updating and completing this in contact with key local and provincial stakeholders. Possibly a provincial project.
Analysis of proposed infrastructure expenditure including water, sanitation, roads and storm water drainage and linkage of this to housing priority areas.	Source from provincial government documents and use local municipality to link with existing priority areas of human settlements need. Important to link this back to the human settlements project pipeline to identify where there are direct linkages.
Financing available for human settlements and infrastructure in the area and analysing the existing financing allocated to the area for infrastructure, land reform and housing and the linkage to established priorities	From the provincial MTEF and land reform MTEF and linkage back to defined human settlements priorities in the area.

12 APPROVAL

The adoption process is a very crucial stage in the implementation of the human settlements sector plan for all the various role players, therefore it has to be conducted thoroughly. This process ensures the approval of the human settlements sector plan (buy in process / ownership) and also ensures to smooth delivery of the desired goals.

Table **Error! No text of specified style in document.**-24: Approval Process

ACTIVITY	RESPONSIBILITY
Presentation of 1 st draft strategy report to IYLM	Professional Team
Presentation of final draft to Project Committee	Professional Team / IYLM
Consultations and Opportunity for comments	IYLM
Council Approval and Adoption of Final Report	IYLM

Consultations with the various stakeholders must be done in a way that does not create any expectations from the communities but that provides them with the necessary information. This process should be dealt with in a manner that is transparent and fair. After consultations have been done, comments are then summarised and the committee must interrogate the comment and decide how each comment should be treated.

To ensure that the human settlement sector plan has a legal status as required by the Housing Act of 1997 and Municipal Systems Act No 32 of 2000, the human settlement sector plan will have to be approved by the Council. Once the council has adopted the human settlements sector plan, the IYLM will have to advertise the human settlement sector plan on all the relevant local newspaper to ensure that final comments are received within 21 days. Once this process has been finalised, the human settlement sector plan will form part of the approved IDP.

13 CONCLUSION

The human settlement sector plan also demonstrates that human settlement projects cannot be developed in isolation; transversal co-ordination is required to ensure that the broader integrated development is achieved within Inxuba Yethemba Municipal area.

Significant intervention has been the shift in settlement planning legislation and policy to a normative approach, the development of environmental legislation and the inclusion of environmental and sustainability considerations into planning legislation. Significant planning legislations include SPLUMA and Breaking New Ground and key strategies include the NDP.

The shift from sprawling, mono-functional, low-density and car-dependent settlements to higher-density, integrated, low-carbon and sustainable settlements is a difficult due to the entrenchment of past urban patterns and investment. Progress has mostly been made in:

- **Settlement structure:** higher density, integrated (fully developed with social facilities etc.) settlements that are well-located in term of access to jobs and facilities;
- **Protection of environmentally sensitive areas and ecological corridors:** hardly any formal settlement development still takes place within ecologically sensitive areas due to stringent environment legis-

lation that is integrated into planning processes. Of specific importance are the NEMA regulations, which have completely changed planning approaches and processes. This has probably been the most successful Act to integrate environmental issues with development actions.

Furthermore, access of all communities to engineering services such as water, electricity, sanitation, and solid waste collection, was improved dramatically thereby lessening the direct impact of settlements on the environment through the treatment of raw sewage.

The challenge we face to limit the impact on the environment of a growing population that is concentrating in a number of large settlements and whose demands and consumption patterns are increasing, is daunting. It does not only concern technical issues such as residential densities and transport options, but is intrinsically linked to demographic, economic and cultural factors. In order to save the environment we also need to address issues such as poverty, mass consumption, investment models and preconceived ideas

The most important actions that should be taken from a human settlement planning perspective to contribute to a healthy environment are:

- The role-players need to be informed and educated about the substance and processes of low-carbon, sustainable city building: the responsibility for this lies on the shoulders of the universities who train planners and on the shoulders of the Council for Planners who should enforce a programme of continual education (as is required of the other built-environment professions);
- National government (being the agency with the most capacity) should coordinate and integrate planning legislation with the objectives of sustainable development;
- Institutional weaknesses which prevent compliance and monitoring, remain the main stumbling block to implementation of sustainability measures;
- A shift in values and attitudes needs to take place but the opportunities for change have to be created and,
- Incentives to promote the application of renewable, water saving measures, passive building design and other sustainability metrics must be initiated at local authority level. Municipal by-laws that require and reward this must be enacted.

14 REFERENCE

1. Chris Hani District Municipality Integrated Development Plan (IDP) (2017 -2022)
2. Chris Hani District Municipality Spatial Development Framework (SDF) (2015)
3. Inxuba Yethemba Local Municipality Integrated Development Plan (IDP) (2017 -2022)
4. Intsika Yethu Local Municipality Spatial Development Framework (2012)
5. Cradock and Middleburg Local Spatial Development Framework (2010)
6. National Upgrading Support Programme Report (NUSP) (2017)
7. South African Statistics: Census, 1996, 2001 and 2011
8. Community Survey (2016)
9. EC Human Settlements Business Plan for 2018/19 Financial Year
10. District Office of DoHS (Komani)

15 ANNEXURES

15.1 ANNEXURE 1 – QUESTIONNAIRE RESPONSES FOR LM (2018) RESPONSE TO QUESTIONNAIRE FOR CHDM IHSSP (INXUBA YETHEMBA LM)

1. HUMAN SETTLEMENTS BACKLOG IN THE LM

1	Human settlements backlog in the period 2001 – 2018 (urban and rural)	14 000	
2	Human settlements backlog addressed in the period 2004 – 2018 (urban and rural)	Partially	
3	Human settlements backlog as at 2017	14 000	

4	Human settlements backlog of people affected by disaster and are in need of permanent human settlement solution	120	
5	Backyard shacks requiring human settlements interventions	4076	
6	Informal settlements requiring upgrading	2 (Midros & Lingelihle)	
7	Any human settlements waiting list available? Number?	14 000 Cradock (8000) Middleburg (6000)	

2. CURRENT AND PLANNED HUMAN SETTLEMENTS PROJECTS IN THE LM

	Housing Typology	Current	Planned	No & Location	
1	Social human settlement Projects		350	Middleburg (100) Cradock (250)	
2	Rural human settlements projects				
3	Emergency settlements projects	30 (Middleburg)	120	Middleburg (70), Fish River (50)	
4	Greenfield & in-situ projects	Greenfields (96)	In-situ (595)	Lusaka (595) (in-Situ)	
5	Blocked human settlements projects	1 735		Kwanonzame (1000), Midros (425), Rosemead (225), Fish River (30), Motimer (30)	
6	Rectification human settlements projects	900		Lingelihle (900)	
7	Proposed human settlements projects		2	Cradock Egg Rock Small City Middleburg (R56),	

3. SPECIAL PROVINCIAL HUMAN SETTLEMENTS RELATED INITIATIVES

	Housing Typology	Current	Planned	No & Location	
1	No. of street children that require human settlements		40	Middleburg (20) Cradock (40)	
2	No. of youth requiring human settlements		4500	Middleburg (2000) Cradock (2500)	
2	No. of HIV/Aids orphans requiring human settlements		N/A		
4	No. of destitute people that require houses		150	Middleburg (100) Cradock (50)	
5	No. of Farm workers requiring human settlements		60	Fish River (30) Motimor (30)	

	No. of Military Veterans requiring human settlements		60	Cradock (60)	

4. LAND AVAILABILITY FOR HUMAN SETTLEMENTS DEVELOPMENT

		Yes	No	Area if yes and location	
1	Is there land available within the LM (urban and rural) for human settlements	Yes		Cradock Egg Rock Middleburg R 56	
	Specifically, is there land available within the LM for rental human settlements	Yes		Cradock Egg Rock Middleburg R 56	
	Is there land readiness for human settlements	Yes		AS Above	
2	What is land ownership status within the LM			Cradock Egg Rock owned by IYLM Middleburg R 56 owned by Public Works	
3	Any land reform programme within the LM?		No		
4	Comment on any other issue related to land availability for human settlement			CHDM to assist with the transfer of R56 and other Public Works properties to IYLM	

5. INSTITUTIONAL CAPACITY FOR HUMAN SETTLEMENTS DELIVERY

1	Has the LM has a dedicated Human Settlements Unit?	Yes	No	Can you please provide the organogram, if yes.
		Yes		To be provided via e-mail
2	Indicate the posts filled			7 Filled
3	Who undertake the following key areas for the LM			
4	Development of human settlements sector plan	LM	CHDM(X)	Province
	Demand database	X		
	Beneficiary Administration	X		
	Land Release	X		
	Land packaging			X
	Project packaging	X		
	Project development			X
	Housing administration	X		
	Project management			
		Project development services currently provided by Province but planning for IYLM to be a developer		

6. KINDLY LIST PROBLEMS AND/OR KEY ISSUES AFFECTING HUMAN SETTLEMENT DELIVERY IN THE LM

- Slow pace of housing building by contractors
- Land issue with Lusaka 595
- Storm water and sanitation

- Provision of houses in the green fields without first addressing the bulk infrastructure issues.
- Capacity Building of officials
- Accreditation
- Funding for new development and block projects
- Bulk infrastructure

15.2 ANNEXURE 1 – MINUTES FOR INXUBA YETHEMBA LM MEETING (2018)

DATE: 31 MAY 2018

VENUE: INXUBA YETHEMBA LM OFFICES, MIDDLEBURG

TIME: 11 H 00

ITEM	DESCRIPTION AND ACTION	BY WHOM	WHEN	
Opening of Meeting	Meeting was opened by Project Manager of CHDM Manager for Human settlements	Ms. No-buhle		
Welcome				
Introduction and apologies	All present introduced themselves .No apologies received	All		
Agenda	Adopted	All		
Purpose of the meeting	To present the draft report and obtain inputs from IYLM towards the finalisation of the Plan	Complan IYLM	At the meeting	
Opening remarks	The Human settlements Manager of IYLM urged the need for the plan to ensure a shift of focus from basic housing provision to the creation of integrated and sustainable human settlements	Complan	30 June 2018	
Presentation	Complan presented a draft diagnostic report on IYLM with respect to human settlements by highlighting on the key issues that need to be addressed. Inputs were then solicited to finalise the report. Emerging issues were • Decline in household numbers from 2011 to 2016 • Department of Human Settlements no longer funding bulk infrastructure. • Provision of training to capacitate NYLM official towards accreditation • Functional IGR to be in place • Outstanding land issues to be addressed, especially, those of the Department of Public Works.	Complan & IYLM		
Presentation of survey questionnaire responses	A detailed response to questionnaire forwarded to solicit inputs was provided by the officials of IYLM (See below). Additional information, if any, to be provided by the LM, especially the organogram for the Human Settlements Directorate.	IN YLM	As soon as possible (before 15-06-2016)	as possible (before 15-06-2016)
Way forward	Finalisation of the report for submission and presentation to IYLM Council for endorsement	Complan & IYLM	15-06-2018	

15.3 ANNEXURE 2 – PROJECTS FROM PREVIOUS HOUSING SECTOR PLANS

Annexure 2.1: Projects from HSP (2008 – 2011)

Current Projects

Project Name	Project Type	No of Sites	Status

Cradock Ph 1		1700	Running
Cradock Ph 2		1500	Completed
Cradock Michausdal R/L 2		1000	Completed
Middelburg		1628	Completed
Middelburg Lusaka R/L 2		324	Completed
Total	Total	6152	

DELIVERED HOUSING (FROM PREVIOUS SECTOR PLANS)

Project Name	Project Type	No Sites	of	Status
Cradock Ph 1	IRDP Phased approach top structure (informal settlements)	1676		Completed
Cradock Ph 2	IRDP Phased approach top structure (informal settlements)	1500		Completed
Cradock Michausdal R/L 2	IRDP Phased approach top structure (informal settlements)	1000		Completed
Middelburg	Rectification & Project Linked	1628		Completed
Middelburg Lusaka R/L 2	IRDP Phased approach top structure (informal settlements)	595		Completed
Total		771		

Annexure 2.2- HSP (2011 -2014)

Completed Projects

Project Name	Project Type	No Sites	of	Status
Cradock Ph 1	IRDP Phased approach top structure (informal settlements)	1676		Completed
Cradock Ph 2	IRDP Phased approach top structure (informal settlements)	1500		Completed
Cradock Michausdal R/L 2	IRDP Phased approach top structure (informal settlements)	1000		Completed
Middelburg	Rectification & Project Linked	1628		Completed
Middelburg Lusaka R/L 2	IRDP Phased approach top structure (informal settlements)	595		Completed
Total		4 771		

Completed Project (2014)

Project Name		Subsidy Instrument	Project Type	Planned Units	Current Status
Middelburg – Lusaka 592 Units		Project Linked Subsidy	Progress Payment Housing Project	80	Complete
Middelburg – Kwa-nonzamo – Greenfields 793 Sites +15% Geotec		Project Linked Subsidy	Progress Payment Housing Project	793	This project is complete but in need of rectification

Middelburg - MDROS - Greenfields 615 Sites +7.5% Geotec		Project Linked Subsidy	Progress Payment Housing Project	615	This project is complete but in need of rectification
Middelburg – 220 Subs		Project Linked Subsidy	Progress Payment Housing Project	220	This project is complete but in need of rectification

Source: DoHS - IYLM Housing Sector Plan 2014-2018

High Income	High Income	150	Private Land
Total		623	

15.4 PROJECTS FROM HSP(2014-2018)

Current Projects

Project Name	Subsidy Instrument	Project Type	Units	Current Status
Craddock - 2700 Rectification	Project Linked Subsidy	Progress Payment Housing Project	2700	Rectification Project at procurement stage
Middelburg - R/land Ph2 (Lusaka) – 324 subs	Project Linked Subsidy	People's Housing Process (Project Linked)	324	Current Project - Contractor has been appointed and will break ground in March
Middelburg - Lusaka 595 Units	Project Linked Subsidy	Progress Payment Housing Project	595	Current Project – Under Construction.
Middelburg - 1628 Rectification	Project Linked Subsidy	Progress Payment Housing Project	1628	Project is at procurement stage

Source: DoHS - IYLM Housing Sector Plan 2014-2018

Blocked Project

Project Name	Subsidy Instrument	Project Type	Planned Units	Current Status
Craddock - R/1 Ph 2 (Michausdal) 1000 subs	Project Linked Subsidy	Progress Payment Housing Project	1000	Blocked Project – Issue with availability of bulk.

Source: DoHS - IYLM Housing Sector Plan 2014-2018

Midros 493	493	Ex. Erven	Mun (?)	Project linked subsidy	Vacant, services and un-surveyed.	Planned – Feasibility has been conducted.
Middleburg backlog 3300	3300	No Site	Mun (?)	Rectification	Occupied, serviced and surveyed.	Complete – Planned for Rectification
Middleburg Destitute 12	12	Greenfield	N/A	In-situ Inn. Subsidy into existing plots.	(?)	
Rosmead 220	220	Greenfield	Private (?)	In-situ Inn. Subsidy into existing plots.	Vacant, un-surveyed, serviced (Bulk)	Planned – Feasibility has been conducted.
KwaNonzame 100	100	Ex Erven	Mun (?)	In-situ Inn. Subsidy into existing plots.	Vacant, services and un-surveyed.	Planned – Feasibility has been conducted.

DISASTER MANAGEMENT PLAN

Introduction

This plan confirms the arrangements for managing Disaster risk and for preparing for and responding to disasters within the Inxuba Yethemba Local Municipality as required by the Disaster Management Act, 2002 (Act 57 of 2002).

1.1. Legal requirements

Inxuba Yethemba LM is legally obliged to prepare a disaster management plan for its area according to the circumstances prevailing in the area; to co-ordinate and align the implementation of its plan with those of other organs of state and institutional role players; and to regularly review and update its plan. The municipality must also consult the local municipalities within its area and local communities on the preparation or amendment of its plan.

Section 53(1)(a) of the Disaster Management Act, 2002 (Act 57 of 2002-hereafter referred to as “the Act”) requires the Inxuba Yethemba LM to prepare a disaster management plan for its area according to the circumstances prevailing in the area and within the ambit of its municipal disaster management framework.

Section 53(2)(a) of the Act specifies that the disaster management (DM) plan, must form an integral part of the municipality’s integrated development plan (IDP).

The Municipality must submit a copy of its disaster management (DM) plan, and of any amendment to the plan, to the Disaster Management Centre of the Eastern Cape and National Disaster Management Centre.

1.2. Key Outcomes

This plan seeks to achieve the following key outcomes

- Integration of Disaster Risk Management into the strategic and operational planning and project implementation of all line functions and role players within the municipality;
- Resilient communities; and
- An integrated, fast and efficient response to emergencies and disasters by all role-players

1.3. Linkage with the Integrated Development Plan of Inxuba Yethemba LM

Both the Municipality Systems Act and the Disaster Management Act requires the inclusion of this plan into the Integrated Development Plan (IDP) of Inxuba Yethemba LM. It would however not be practical to include the complete Disaster Management Plan with its annexures within the integrated Development Plan of Inxuba Yethemba LM. Therefore, the complete plan can be considered as an annexure to the IDP, while this core document without annexures will be submitted for inclusion within the IDP document.

A separate disaster management plan included into the IDP but standing on its own and isolated from the rest of the IDP does not necessarily give evidence of the integration of disaster management into the IDP. All departments and role players submitting input to the content of the current and future IDP of the municipality are therefore urged to consider the inclusion and integration of disaster risk management into their strategies, operational planning and project implementation.

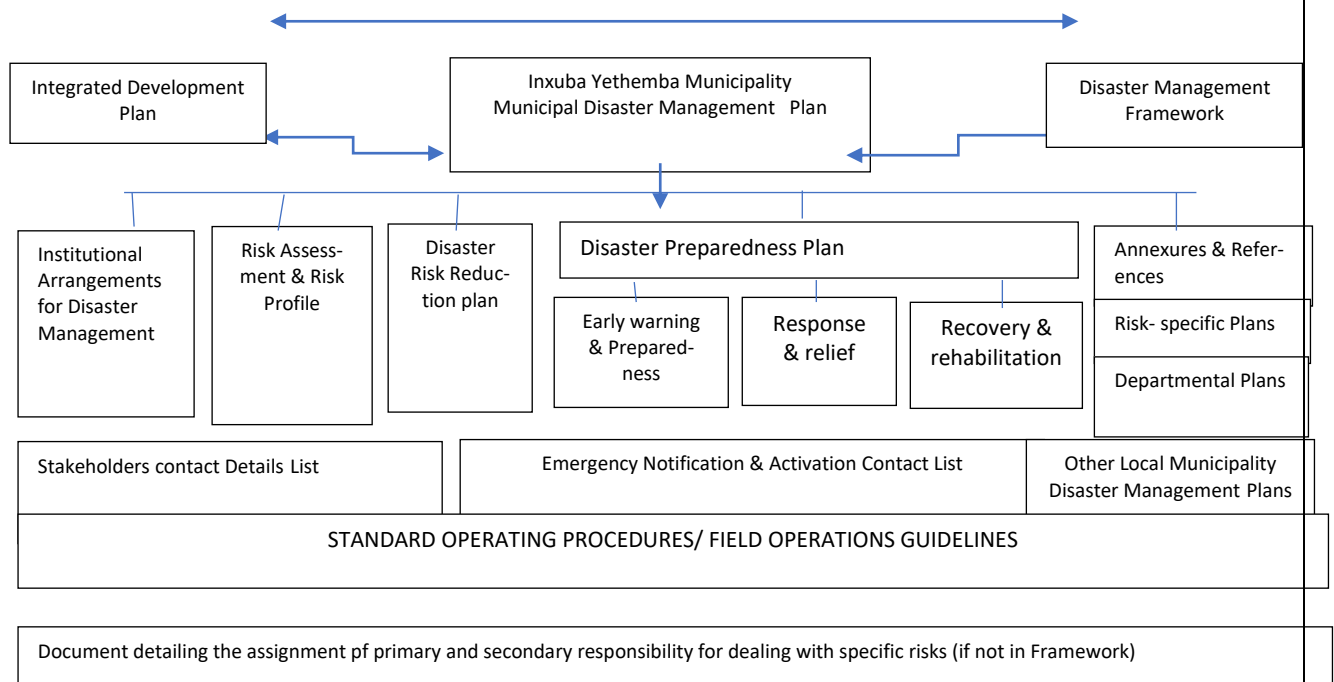
It is strongly recommended that the municipality institutes the compulsory consideration of disaster risk management in the planning and execution stages of all IDP projects. This will ensure the integration of disaster management into the IDP, and will ensure that all plans and projects are focused on contributing to disaster risk reduction and disaster preparedness – thus reducing the impact of disasters on lives, property, community activities, the economy and the environment in Inxuba Yethemba LM.

1.4. Linkage with the Disaster Management Framework of the Chris Hani DM

Inxuba Yethemba LM must prepare and execute its Disaster Management Plan within the disaster management framework of the CHDM. The National, Eastern Cape Provincial and CHDM frameworks will guide the development of this plan and future versions of this plan.

1.5. Structure of the plan

The municipal disaster management plan of Inxuba Yethemba LM consists of components as indicated below.



2. INSTITUTIONAL ARRANGEMENTS

2.1 SHARED responsibility for disaster management

The responsibility for reducing disaster risk, preparing for disasters, and responding to disasters is shared among all departments and employees of the CHDM, local municipalities within the CHDM, all departments and employees of the Inxuba Yethemba LM, all provincial and national organs of state operating within the municipality, all sectors of society within the municipality and, perhaps most importantly, all the residents of the municipality.

The Inxuba Yethemba communication operating centre is located at CHDM Disaster Management Centre at 56 Tylden Street, Komani, to serve as Control Room using toll free NO: 0800 100 100.

2.2. Corporate Disaster Management Structure of the Inxuba Yethemba Local Municipality

Internal Bodies

Municipal Manager
 Executive Director: Corporate Services
 Chief Financial Officer
 Executive Director: Technical Services
 Executive Director: Community Services
 Executive Director: Planning and Economic Development
 Senior Manager: Public Safety
 Manager: Fire Services
 IDP Manager and
 Communication Officer

External Bodies

Municipal Managers and/or Disaster Management Functionaries of the local surrounding municipalities in the same area:

Disaster Management Centre

Emergency Medical Services

Social Services

Department of Agriculture

DEDEAT

Department of Home Affairs

SAPS

Department of Social Development

SASSA and

Representatives from other public or private bodies as required.

The Corporate Disaster Management structure for the Inxuba Yethemba LM must deal with both proactive and reactive disaster management issues and encompasses more than the department which is responsible for the function. The structure includes the following elements which may be collapsed into a smaller number of elements if less complexity is required.

3 RISK ASSESSMENT

3.1. General Area Description

The Inxuba Yethemba Local Municipality is a Category B municipality situated in the Chris Hani District in the Eastern Cape Province. It is approximately 240km North of Nelson Mandela Metropolitan Municipality. It is one of six municipalities in the district, making up a third of its geographical area. Cradock consists of the suburb of Cradock, and the Lingelihle and Michausdal communities, whilst Middelburg has the suburb of Middelburg, with the KwaNonzame Lusaka and Midros communities. The two urban centres of Cradock and Middelburg are fairly similar, with well-developed CBDs and fair infrastructure. A lot still needs to be done in the former previously disadvantaged communities. The rural areas of both towns are mostly commercial farms, with small settlements in the rural areas of Fish River Mortimer and Rosmead. The N10 National Road, which is the vital economic link between Port Elizabeth and the north, runs through Cradock and skirts Middelburg.

Area: 11 663km²

Cities/Towns: Cradock, Middelburg, Mount Zebra National Park

Main Economic Sectors: Community services (58.9%), finance (13.8%), trade (7.5%), transport (5.9%), agriculture (5.4%), construction (4.2%), manufacturing (3.6%)

3.2 Risk Profile of the Inxuba Yethemba LM

The following disaster risks were identified as priority risks to be addressed by disaster risk reduction as well as preparedness plans:

- Fires Veld and Domestic
- Floods
- Transport incidents – Roads & Rail
- Communicable diseases
- Hazmat incidents
- Environmental Pollution – water, air, ground and
- Sever weather conditions

The above lists illustrate the types of disasters that pose the highest risks within the area of the Inxuba Yethemba LM and their possible effects. The communities at risk can be derived from the risk lists and are also shown in the risk assessment that was conducted for the area. It is considered necessary that a Municipal Disaster Management Advisory Forum be established to ensure adequate inputs into disaster risk management planning.

4 DISASTER RISK REDUCTION PLANS

The risk reduction plans outline in this document and its annexures which are implementable must be considered for inclusion within the IDP projects of the municipality and if included must be budgeting for in terms of the operating and capital budgets of the municipality.

Each project should be evaluated to determine which municipal department can lead its implementation. When a lead department is assigned through consensus in the DMAF, such a lead department must manage all planning and budgeting processes for said project. The disaster management department of the Inxuba Yethemba LM must assist in this regard.

Where the proposed projects fall outside the mandate of the municipality, the municipality should establish a lobbying and monitoring mechanism to motivate the need for the project in the correct government or societal sector and to track progress on the project.

It is anticipated that projects will need to be executed on a partnership level, and in such cases the department of the municipality responsible for service delivery partnerships should take the lead with support from the INXUBA Yethemba LM.

4.1. RISK REDUCTION CAPACITY FOR THE INXUBA YETHEMBA LM

The organisational structure for risk reduction within the municipality includes Inxuba Yethemba LM, Disaster Management unit, Disaster Management Advisory Forum, the top management team of Inxuba Yethemba LM, the nodal points for disaster management within municipal departments within the municipality, departmental planning groups, risk reduction project teams and preparedness planning groups. The total structure of the municipality, with every member of personnel and every resource should be committed to disaster risk reduction.

5. PREPAREDNESS PLANS

Preparedness plans are compiled in order to enable fast and effective response to predicted and unpredicted emergencies

5.1 Preparedness plans of the Inxuba Yethemba LM

Risk-specific preparedness plans proposals for priority risks are listed in the attached preparedness plan document, along with a standard response procedure for Disaster Management. The risk-specific preparedness plans have been compiled through a participative process.

5.2 Preparedness capacity for the Inxuba Yethemba LM

The Inxuba Yethemba Disaster Management unit centre is responsible for the operational procedures associated with day-to-day operational response to emergencies by municipal departments. The Inxuba Yethemba Disaster Management unit and the Inxuba Yethemba top management team are jointly responsible for the emergency management policy framework and organisation that will be utilized to mitigate any significant emergency or disaster affecting the municipality.

Daily communication exists, using social media platforms, effectively communicating and being informed of severe weather conditions and what the fire index is for the day.

During response and recovery operations the relevant disaster preparedness plans of municipality will be executed by disaster management structures.

5.3 DECLARATION OF A STATE OF DISASTER AND DISASTER CLASSIFICATION

It is advisable that the Inxuba Yethemba LM adopts a formal policy for the declaration of a local state of disaster. Such a policy will replace this section of the plan which provides a general description of issues surrounding the declaration of a state of disaster.

When a disastrous event occurs or is threatening to occur in the area of the municipality, the DMS/ Section will determine whether the event is a disaster in terms of the Act, and, if so, Head of the Centre will immediately

- Initiate efforts to assess the magnitude and severity or potential magnitude and severity of the disaster
- Alert Disaster Management role players in the municipal area that may be of assistance in the circumstances
- Initiate the implementation of the disaster response plan or contingency plans and emergency procedures that may be applicable in the circumstances and
- Inform the Eastern Cape Provincial Disaster Management Centre and the National Centre, via the CHDM Disaster Management Centre of the Disaster and its initial assessment of the magnitude and severity of potential magnitude and severity of the disaster

When informing the Eastern Cape Provincial DMC and National Centre, via the CHDM Disaster Management Centre the Inxuba Yethemba Disaster Unit may make recommendation regarding the classification of the disaster as may be appropriate.

Irrespective of whether a local state of disaster has been declared or not, the municipality is primarily responsible for the co-ordination and management of local disasters that occur in its area.

Whether or not an emergency situation is determined to exist, municipal and other agencies may take such actions under this plan as may be necessary to protect the lives and property of the inhabitants of the issue of the municipality.

Service level agreement exist between Inxuba Yethemba Municipality and CHDM allowing intergovernmental support service as required.

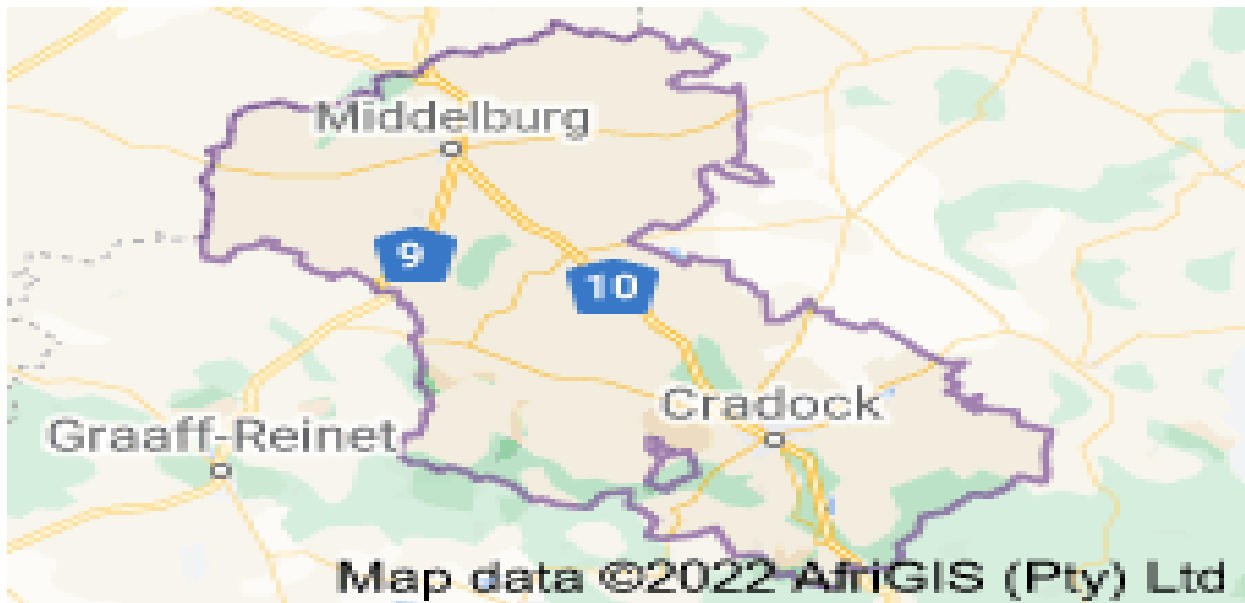
Declaration of local state of disaster: In the event of local disaster the municipal council may by notice in the provincial gazette declare a local state of disaster if existing legislation and contingency arrangements to do adequately provide for the municipality to deal effectively with the disaster or other special circumstances warrant the declaration of a local state of disaster.

If a local state of disaster has been declared, the Council may make or issue directions, or authorise the issue of directions to:

- Assist and protect the public
- Provide relief to the public
- Prevent or combat disruption or
- Deal with the destructive and other effect of the disaster.

6. TESTING AND REVIEW OF THE PLAN

The municipality will annually review and update its plan, as required by SECTION 48 OF THE Disaster Management Act, 2002. The Disaster Management Advisory Forum shall be responsible for the review of the municipal disaster management plan on an annual basis.



Overview

Doing Business As: INXUBA YETHEMBA LOCAL MUNICIPALITY

Company Description: INXUBA YETHEMBA LOCAL MUNICIPALITY is located in CRA-DOCK, Eastern Cape, South Africa and is part of the Executive, Legislative, and Other General Government Support Industry. INXUBA YETHEMBA LOCAL MUNICIPALITY has 155 total employees across all of its locations. (Employees figure is modelled).

Industry: [Executive, Legislative, and Other General Government Support](#), [Public Administration](#), General government, nec

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CHAPTER 7: PERFORMANCE MANAGEMENT SYSTEM.

Introduction

This document constitutes a new framework for Inxuba Yethemba Municipality's Performance Management System.

The Municipal Planning and Performance Management Regulations (2001) stipulate that "a municipality's performance management-system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role-players". This document is in line with this requirement

The framework acts as a municipal policy document that defines its performance management system. It constitutes council policy with regards to:

1. The requirements that a PMS for Inxuba Yethemba will need to fulfil,
2. The principles that will inform its development and application,
3. A model that describes what areas of performance will be managed, in Inxuba Yethemba Municipality,
4. What processes will be followed in managing performance,
5. What institutional arrangements are necessary for this,
6. Who will take responsibility for parts of the system,
7. How this links to S57 Performance agreements,
8. How S57 Managers will have their performance managed,

This framework is therefore a documented record of the municipality's performance management system to be implemented.

The remainder of this framework is divided into three sections:

4. Section A: Legal and Policy context
5. Section B: Performance Management System objectives and principles
6. Section C: Performance Management Process

Section A: Legal and policy context

1 Policy and Legal Context for Inxuba Yethemba PMS

1.1 The White Paper on Local Government (1998)

The White Paper on Local Government (1998) suggested that local government should introduce the idea of *performance management systems*.

The white paper acknowledges that, "involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may prioritise the amount of time it takes a municipality to answer a query, others will prioritise the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities in setting key performance indicators and reporting back to communities on performance, accountability is increased, and public trust in the local government system enhanced" (The White Paper on Local Government, 1998).

1.2 Batho Pele (1998)

The White Paper on Transforming Public Service Delivery (Batho Pele) puts forward eight principles for good public service. Our municipality is duty bound to uphold these principles:

2 **Consultation:**

Communities should be consulted about the level and quality of public service they receive, and, where possible, should be given a choice about the services which are provided.

3 **Service standards:**

Communities should know what standard of service to expect.

4 **Access:**

All communities should have equal access to the services to which they are entitled.

5 **Courtesy:**

Communities should be treated with courtesy and consideration.

6 **Information:**

Communities should be given full and accurate information about the public services they are entitled to receive.

7 **Openness and transparency:**

Communities should know how directorates are run, how resources are spent, and who is in charge of particular services.

8 **Redress:**

If the promised standard of service is not delivered, communities should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made communities should receive a sympathetic, positive response.

9 **Value-for-money:**

Public services should be provided economically and efficiently in order to give communities the best possible value-for-money.

Importantly, the Batho Pele White Paper notes that the development of a service-oriented culture requires the active participation of the wider community. Municipalities need constant feedback from service-users if they are to improve their operations. Local partners can be mobilized to assist in building a service culture. "For example, local businesses or non-governmental organisations may assist

with funding a helpline, providing information about specific services, identifying service gaps or conducting a customer survey" - The White Paper on Local Government (1998).

9.1 Municipal Structures Act (1998)

The Municipal Structures Act Section 19 (2)(a) mandates the council of the municipality to conduct annual reviews of the municipality's overall performance in achieving its set objectives.

9.2 The Municipal Systems Act (2000)

The Municipal Systems Act (2000) enforces the idea of local government PMS and requires all municipalities to:

- Develop a performance management system
- Set *targets*, monitor and *review performance* based on indicators linked to their IDP
- Publish an *annual report* on performance for the councillors, staff, the public and other spheres of government
- Incorporate and report on a set of *general indicators* prescribed nationally by the minister responsible for local government
- Conduct an *internal audit* on performance.
- Have their annual performance report audited by the Auditor-General
- *Involve the community* in setting indicators and targets and reviewing municipal performance

The Department of Provincial and Local Government has published national guidelines on performance management systems.

9.3 Municipal Planning and Performance Management Regulations (2001)

The Municipal Planning and Performance Management Regulations set out in detail requirements for municipal PM systems. However, the regulations do not sufficiently constitute a framework that fully proposes how the system will work. Each component of the proposed framework in this document is strongly informed by the regulations.

9.4 Municipal Finance Management Act (2003)

The Municipal Finance Management Act states requirements for a municipality to include its annual municipal performance report with its financial statements and other requirements in constituting its annual report. This must be dealt with by the municipal council within 9 months of the end of the municipal financial year.

9.5 Municipal Performance Management Regulations (2006)

The Local Government Municipal Performance Regulations for municipal managers and managers directly accountable to municipal managers (Government Gazette No.29089, 1 August 2006), sets out how the performance of Section 57 staff will be uniformly directed, monitored and improved. The regulations address both the employment contract and performance agreement of municipal managers and managers directly accountable to municipal managers. It further provides a methodology for the performance management system as well as criteria for performance bonus payments. The regulations also provide an approach for addressing under-performance, should this occur. The regulations will be discussed in greater detail in a later section of this framework document.

Section B: Performance Management System objective and principles

10 Objectives of the Performance Management System

Beyond the fulfilling of legislative requirements, Inxuba Yethemba Municipality requires a performance management system that will be constituted as the primary mechanism to plan for performance management, monitor, review and improve the implementation of the municipality's IDP. This will have to be fulfilled by ensuring that we:

10.1 Facilitate increased accountability

The performance management system should provide a mechanism for ensuring increased accountability between

- The communities of Inxuba Yethemba and the municipal council,
- The political and administrative components of the municipality,
- Each directorate and the office of the municipal manager.

10.2 Facilitate learning and improvement

While ensuring that accountability is maximised, the performance management system must also provide a mechanism for learning and improvement. It should allow for the municipality to know which approaches are having the desired impact, and enable the municipality to improve delivery. It should form the basis for monitoring, evaluation and improving IDP implementation.

10.3 Provide early warning signals

The performance management system should provide managers, the Municipal Manager, Portfolio Committees and the Mayoral Committee with diagnostic signal of the potential risks that are likely to affect the realisation of full IDP implementation. It is important that the system ensure decision-makers are timeously informed of risks, so that they can facilitate intervention, where it is necessary and possible to do so.

10.4 Facilitate decision-making

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly in so far as indicating where the allocation of limited resources should be prioritised.

The functions listed above are not exhaustive, but summarise the intended benefits of the performance management system to be developed and implemented. These intended functions should be used to evaluate the performance management system, periodically.

11 Principles governing PM

The following principles inform and guide the development and implementation of the Inxuba Yethemba performance management system:

11.1 Simplicity

The system must be a simple user-friendly system that enables the municipality to operate it within its existing capacity of its financial, human resources and information management system.

11.2 Politically driven

Legislation clearly tasks the municipal council and mayor as the owner of the performance management system. The Mayoral Committee **must** drive both the implementation and improvement of the system.

Legislation allows for the delegation of this responsibility or aspects of it to the municipal manager or other appropriate structure as the Mayoral Committee may deem fit.

11.3 Incremental implementation

It is important that while a holistic performance management system is being developed, the municipality should adopt a phased approach to implementation, dependent on the existing capacity and resources within the municipality.

It is also important to note that municipal performance management is a new approach to local government functioning and therefore requires adequate time to be given to the organization's process of change. The performance management system will not be perfect from the start it should be constantly improved based on its workability.

11.4 Transparency and accountability

Members of the organization whose performance will be monitored and measured must ensure that the process of managing performance is inclusive open and transparent. This can only be achieved by taking effective participation in the design and implementation of the system within the municipality.

Again, the process must involve and empower communities so that they are able to understand how the municipality and its directorates are run, how resources are spent, and who is in charge of particular services. Similarly, all information on the performance of directorates should be available for other managers, employees, the public and specific interest groups.

11.5 Integration

The performance management system should be integrated into other management processes in the municipality, such that it becomes a tool for more efficient and effective management rather than an additional reporting burden. It should be seen as a central tool to the ongoing management functions.

11.6 Objectivity

Performance management must be founded on objectivity and credibility. Both the processes of managing performance and the information on which it relies need to be objective and credible. Sources of data for measuring indicators should be scrutinized to enhance credibility of information and therefore objective decision-making.

Section C: The Performance Management Process

12 What do we monitor and review?

It has become well accepted that in order to assess an organisation's performance, a balanced view is required, incorporating a multi-perspective assessment of how the organisation is performing as seen by differing categories of stakeholders. To ensure this balanced multi-perspective examination of Inxuba Yethemba's performance, a model has been adopted to guide performance management in the entire municipal organisation.

12.1 What is a model?

A model for performance management is a conceptual framework that provides guidance as to what aspects of the municipality's performance should be measured and managed.

12.2 Why do we need a model?

Models have proved useful in performance management for the following reasons. They provide:

12.2.1 Balance

A good model will prompt the organisation to take a balanced view in terms of how it measures and manages its performance. It should prevent bias by ensuring that performance measurement does not rely heavily on one facet of performance (i.e. financial viability), but rather encapsulates a multi-perspective holistic assessment of the municipality's performance.

12.2.2 Simplicity

A good model should organise simply, what would otherwise be a long list of indicators attempting to comprehensively cover performance, into a set of categories sufficiently covering all key areas of performance. Models differ most significantly in what they assert are the key aspects of performance.

12.2.3 Alignment to the Integrated Development Planning (IDP) methodology

A good performance management model for a municipality in South Africa will align the processes of performance management to the IDP processes of the municipality. It will ensure that the IDP is translated into performance plans that will be monitored and reviewed. The categories of key performance areas provided by a model should relate directly to the identified priority areas of the IDP.

12.3 The Revised Municipal Scorecard Model

The Inxuba Yethemba municipal council is advised to make use of the Municipal Scorecard Model (as revised in 2006) as its model for performance management. This model is useful for the following reasons. It is:

- Tightly aligned to the strategic planning and IDP processes of the municipality
- Directly relevant to the notion of developmental local government
- A balanced view of performance based on municipal inputs, outputs, outcomes and process
- A simple portrayal of municipal performance, where inter-relationships can be mapped (municipal-wide, sectoral/directorate and unit/programme levels)
- Compliant with the requirements of the Municipal Systems act (2002) and its subsequent Regulations (2001)
- It aligns to 5 Key Performance Areas for Local Government used in the
- Regulations
- Five Year Local Government Strategic Agenda
- Vuna Awards for Performance Excellence

The 5 Key Performance Areas from the Five Year local Government Strategic Agenda are

- Municipal Transformation & Organisational Development
- Infrastructure development and Service Delivery
- Local Economic Development
- Municipal Financial Viability & Management
- Good Governance & Public Participation

12.3.1 The Municipal Development Perspective

In this perspective, the municipality will assess whether the desired development impact in the municipal area is being achieved. It incorporates social, environmental and economic development aspects. This perspective will constitute the development priorities for the municipal area and indicators that tell us whether the desired development outcomes are being achieved. It will be difficult to isolate development outcomes for which the municipality is solely accountable. It is expected that the development priorities and indicators, will often lie within the shared accountability of the municipality, other spheres of government and civil society. The measurement of developmental outcomes in the municipal area will be useful in telling us whether our policies and strategies are having the desired development impact.

12.3.2 The Service Delivery Perspective

This perspective should tell us how a municipality is performing with respect to the delivery of services and products. This relates to the output of the municipality as a whole.

12.3.3 The Institutional Development Perspective

This perspective should tell us how a municipality is performing with respect to the management of its resources:

- Human Resources
- Information
- Organizational Infrastructure
- Asset management

This relates to the inputs of the municipality as a whole.

12.3.4 The Financial Management Perspective

This perspective tells us how a municipality is performing with respect to its financial management

- Operating income
- Operating expenditure
- Financing infrastructure investment
- Capital expenditure

12.3.5 Governance Process Perspective:

This perspective should tell us how a municipality is performing with respect to its engagement and relationship with its stakeholders in the process of governance. This perspective should include, amongst others:

- Public participation, including the functionality and impact of ward committees

- Functionality and impact of municipal governance structures (council structures including the offices of the speaker, and portfolio committees and executive)
- Access to information
- Intergovernmental relations

This relates to the governance processes of the municipality as a whole.

12.4 Organisational Scorecards at different levels

Inxuba Yethemba has two levels of scorecards as depicted in figure-2 that follows.

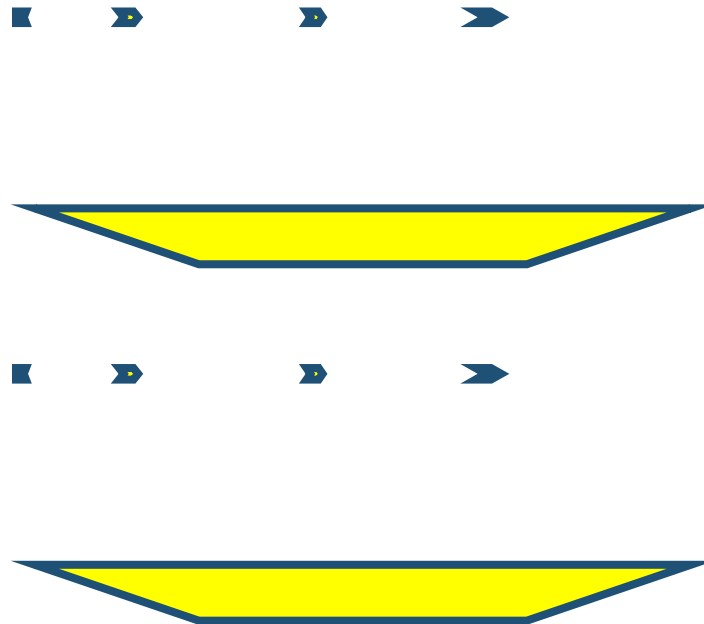


Figure 3: Two levels of scorecards

Fig-

12.4.1 The Institutional Scorecard

The institutional scorecard will provide an overall picture of performance for the municipality as a whole, reflecting performance on the strategic priorities set in the IDP.

The development perspective of this scorecard will therefore necessitate that information be collected from other development role players in the municipal area for reporting purposes. These include other spheres of government, business formations and civil society organisations.

The Municipal Manager and Directors will use it, after review, as a basis for reporting to the Mayoral Committee, Council and the public. The institutional scorecard has to be reported on, to the Mayoral Committee and Council on a quarterly basis.

It must be noted that the Municipal Manager is primarily responsible for performance on the institutional scorecard. As such, the institutional scorecard is closely linked and forms the largest component of how the municipal manager's performance will be appraised.

12.5 Scorecard concepts

The institutional and directorate scorecards should be presented in a consistent format so that they are easy to use and understand. Several concepts that are commonly used in the scorecard concept are defined below:

Objectives: are statements (often drawn from the IDP) about what a service wants to achieve.

Indicators: are variables (qualitative or quantitative) that tell us whether we are making progress towards achieving our objectives.

A baseline: is the value (or status quo) of the indicator before the start of the programme or prior to the period over which performance is to be monitored and reviewed. For the purpose of standardising the setting of baselines and for the sake of clarity, the following descriptions will be used:

1. If the indicator is measurable on an annual basis, the baseline will be its measure in the last financial year.
2. The baseline for annual targets that are incrementally measurable per quarter or per month will be the measure at the end of the last financial year but the targets can be set incrementally
3. The baseline for quarterly targets that are not incrementally contributing to an annual target will be the indicator's measure in the last quarter it was measured unless by its nature it is seasonally variable in which case it will be an average of the last four quarterly measures
4. The baseline for monthly targets, that are not incrementally contributing to a quarterly or annual target, will be its measure in the last month it was measured unless by its nature it varies monthly in which case it will be an average of the last three monthly measurements

A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period.

The diagram below provides a graphical representation of how some of the key scorecard concepts link together:



Figure 4 Linking key scorecard concepts

In addition to the above, the following are also important scorecard concepts:

The measurement source (Portfolio of Evidence) and frequency: should indicate where the data for measuring will emanate from, and how frequently the indicator will be measured and reported. This information is crucial for the auditing process.

Indicator custodian: refers to the person that takes responsibility for the monitoring of change in the indicator and report on it.

The performance management plan for Inxuba Yethemba has suggested various indicators for the goals that are set in the IDP. These indicators including those that will be further developed for directorate scorecards should be assessed against the following criteria.

12.6 Elements of a Good Indicator

In developing indicators, the municipality will ensure that adheres to the following principles:

12.6.1 Focused and Specific

Indicators should be clearly focused and stated unambiguously.

12.6.2 Measurable

An indicator should by definition contain a unit of measurement.

12.6.3 Valid and Relevant

Validity is the degree to which an indicator measures what is intended to be measured. This correlates strongly to the relevance of the indicator to the objective being measured. It is also important that the whole set of indicators chosen should be contextually relevant to the Inxuba Yethemba municipal and South African contexts.

12.6.4 Reliable

Reliability is the degree to which repeated measures, under exactly the same set of conditions will produce the same result. This is particularly relevant to those indicators that use ratios (formulas) and figures.

12.6.5 Simple

Good indicators will be simple, easy to communicate such that their relevance is apparent.

12.6.6 Minimise perverse consequences

Poorly chosen indicators, while nobly intended can have perverse consequences in the behaviours it incentivizes. Chosen indicators should ensure that the performance behaviours likely to emerge from its pursuance are those that are intended to contribute to the objectives.

12.6.7 Data Availability

Good indicators will also rely on data that is, or intended to be, available on a regular basis.

12.7 Core Government Indicators

12.7.1 National Indicators

The municipality's performance management indicators will incorporate the following indicators prescribed by the Minister of Provisional and Local Government as per the Municipal Planning and Performance Management Regulations of 2001:

- a) The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- b) The percentage of households earning less than R1100 per month with access to free basic services;
- c) The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan;
- d) The number of jobs created through municipality's local economic development initiatives including capital projects;
- e) The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;
- f) The percentage of a municipality's budget actually spent on implementing its workplace skills plan; and
- g) Financial viability as expressed by the following ratios:

- (i) $B - C$

$$A = \frac{B + C + D}{D}$$

D

Where -

"A" represents debt coverage

"B" represents total operating revenue received

"C" represents operating grants

"D" represents debt service payments (i.e. interest + redemption) due within the financial year;

(ii)

$$A = \frac{B}{C}$$

Where -

"A" represents outstanding service debtors to revenue

"B" represents total outstanding service debtors

"C" represents annual revenue actually received for services;

(iii)

$$A = \frac{B + C}{D}$$

Where -

"A" represents cost coverage

"B" represents all available cash at a particular time

"C" represents investments "D" represents monthly fixed operating expenditure.

While there is no legal requirement to incorporate any other local government performance monitoring indicators used by other spheres of government other than those prescribed by the Minister, Inxuba Yethemba municipality will, in addition to indicators prescribed by the Minister, as practically feasible as possible incorporate a core set of local government indicators used by other spheres of government into its performance management system.

12.7.2 Local Government Turnaround Strategy

The Local Government Turnaround Strategy (LGTAS) is a high level government wide response to the challenges facing local government in South Africa, which was approved by Cabinet in December 2009. Its aim is to put municipalities on a path of responsive and accountable service delivery. The strategy aims to achieve this by counteracting forces that undermined the system of local government.

Among these, which are critical to performance management, are: lack of municipal accountability to citizens and its staff. According to the strategy, an ideal municipality must be accountable to both the local community and its staff members. Effective monitoring and evaluation of performance is another aspect encouraged by the strategy which promotes accountability at all levels.

12.7.3 Green Paper: Monitoring & Evaluation

The Green Paper on Monitoring and Evaluation is a discussion document aimed at institutionalising the Government-Wide Monitoring and Evaluation system. The discussion document is based on the priorities of the Medium Term Strategic Framework, which are derived from the ruling party's election manifesto. The document also introduces outcome performance system as it is of the view that citizens are not interested in processes but in outcomes, hence the importance of having a renewed focus on improving input, output and outcome measures is encouraged. It should however be noted that the purpose of outcomes performance systems is wider than just measuring outcomes and outputs, it is a mechanism that seek to guide the direction of policy implementation. For this system to work, someone will have to be held accountable. The Green Paper calls for accountability measures to go beyond the usual directorate and individual performance management scope, to holding political and management staff accountable.

12.8 District Indicators

In order to align with a district PMS system, the municipality will also include a set of indicators required by the district PMS.

13 The Process of Managing Performance

The process of performance management is central to modern notions of management i.e. it is inseparable from the things that a manager must do. It is important that performance management is mainstreamed in municipalities as an approach to daily management.

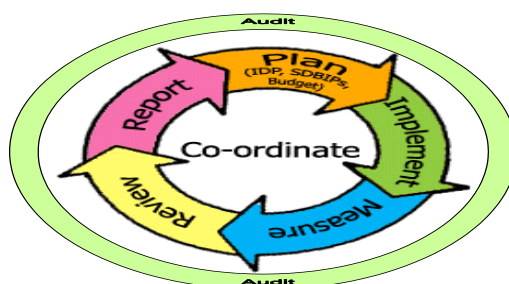


Figure 5: Performance Management as an Approach to Management

The annual process of managing the performance of the Inxuba Yethemba Municipality will involve the following components:

- Co-ordination
- Performance Planning
- Performance Measurement, Analysis
- Performance Reviews & Reporting
- Performance Auditing

For each of these components, this chapter sets out the role stakeholders in the performance management system will play and how these components are to be carried out.

13.1 **Co-ordination**

Oversight over co-ordination of the implementation of the planning, measurement, reporting and is the responsibility of the IDP/PMS & Budget Steering Committee which is made up of:

1. Executive Mayor
2. Speaker
3. Chief Whip
4. Mayoral Committee
5. Municipal Manager
6. Executive Management
7. Manager: IDP/PMS
8. Manager: Budget and Financial Reporting

The IDP/PMS and Budget Steering Committee is chaired by the Executive Mayor or any duly elected Councilor and will be accountable to Council in regard to the work of the committee.

The Secretariat of the Committee shall be an official from the Directorate of Corporate Services.

13.2 **Performance Planning**

The IDP, Strategic Scorecard and the Service Delivery and Budget Implementation Plans constitute the planning components for performance management. The Municipal Planning Process starts from the development of the 5 year IDP and Strategic Scorecard with priority areas, objectives, strategies, indicators and targets. The Service Delivery and Budget Implementation Plan is derived from the Strategic Scorecard

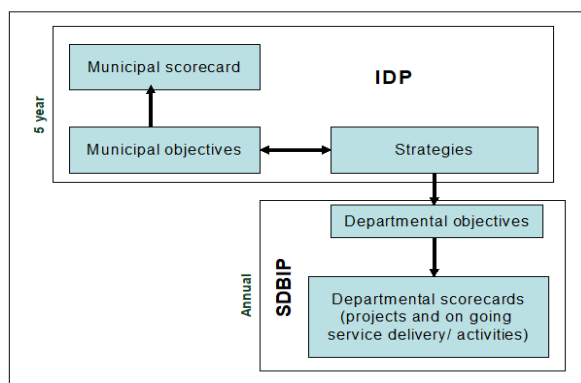


Figure: Municipal Planning

review process the strategic objectives, strategies and the institutional scorecard will be finalised. The next step is to develop directorate scorecards that should support the realisation of the objectives and targets set in the institutional scorecard. With these in place, the Municipality is now on track to implement and monitor the implementation of the IDP.

13.3 **Performance Reporting and Reviewing**

Measurement is the act of collecting data on identified performance indicators while analysis is the act of interpreting the meaning of such data in terms of performance.

For each Municipal Scorecard indicator, a relevant custodian has to be designated. The custodian will not necessarily be accountable for performance he/she will be responsible for conducting measurements of the applicable indicators, analysing and reporting these for reviews.

Analysis requires that current performance be compared with targets, past performance and possibly the performance of other municipalities, where data is available, to determine whether or not performance is poor. It should provide reasons for performance levels and suggest corrective action where necessary.

Reviews will be undertaken by the Municipal Manager, a committee of Councillors delegated a responsibility for performance management, and Council. Prior to reviews taking place, performance reporting will need to be tracked and co-ordinated. The Municipal Manager's Office will be responsible for this process.

The Municipal Manager's Office will provide an overall analysis of municipal performance, for quarterly and annual reviews. Such an analysis will aim to pick up trends in performance over time and over all directorates.

13.3.1 Performance analysis

Performance analysis is often conducted when an organisation wants to improve its services and wants to determine what is needed to achieve this goal. Performance analysis is also conducted when an organisation is faced with a challenge relating to its performance. The analysis of performance is useful as it assists the organisation to discover its present level of performance and the performance level it requires in order to achieve its goals. Organisational performance analysis does not only require individual performance analysis but also analysis of organisational needs, job performance needs and training needs. The holistic view of the organisation will assist in finding out what causes the gap, which is defined as the needs of the organisation minus the present performance levels.¹

When conducting performance analysis of an organisation, it is recommended to take a long term approach. This will assist in ensuring that the improvement of the organisational performance ties in with the vision, mission and values of the organisation. Once the gap is understood, the organisation needs to respond with how the gap will be bridged.

Having noted the importance of a long-term view, the analysis of performance is an on-going exercise. It is the responsibility of each directorate to understand what its own performance levels and trends are, as well as the factors underlying its performance. In terms of organisational performance analysis, the PMS unit is better placed to conduct performance analysis. This emphasises the importance of placing the PMS unit in the strategic position within the organisation, such as the MM's office in the case of Inxuba Yethemba. The major performance analysis activity of the municipality is the drafting of the Annual Report which reflects on annual performance across the institution. In addition, this informs future planning activities such as the drafting of the municipal budget and the development of the IDP. The different directorates also have a responsibility for ensuring that their performance is in line with the vision, mission and values of the organisation. They also have a responsibility to work with the PMS unit in ensuring integrated performance management within the municipality, including on-going reflection and analysis of performance.

13.4 Performance Reporting & Reviews

¹ Phillips, J. & Phillips, P. "Reasons Why Training & Development Fails and What You Can Do About It." *Training Magazine*, September 2002 (pp. 78-85).

The figure below aims to provide a picture of the annual process of reporting and reviews.

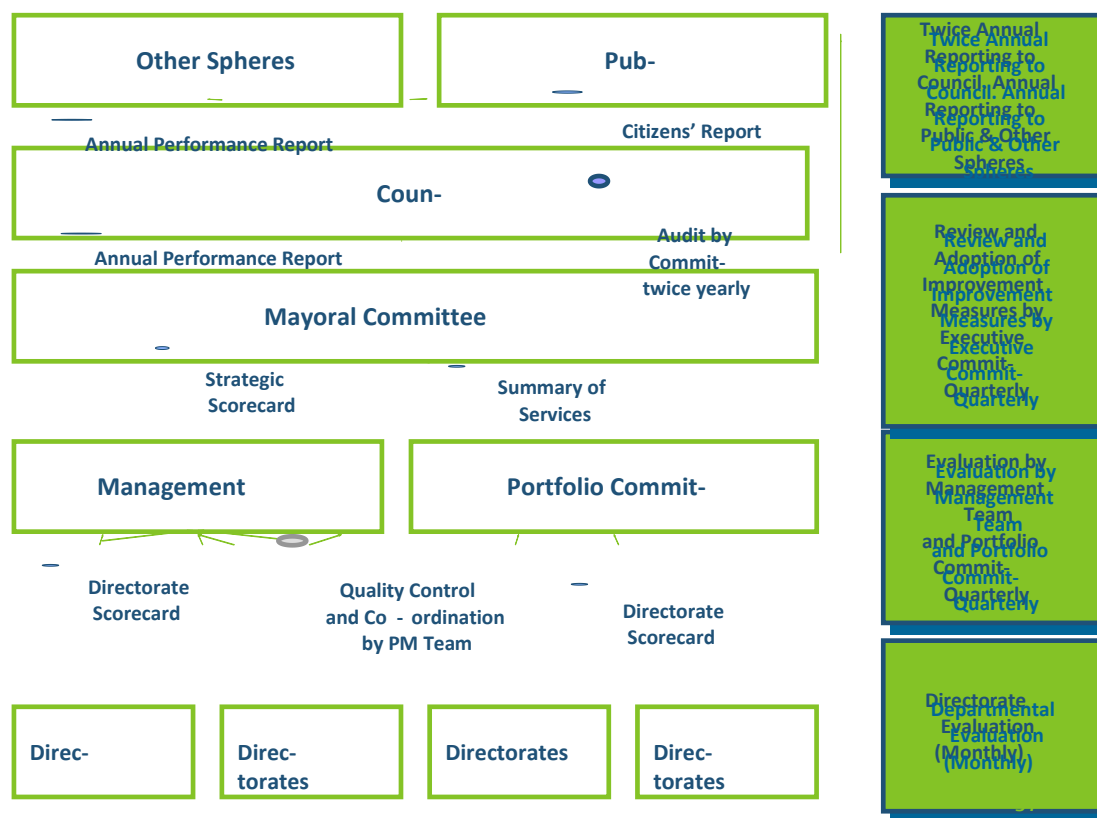


Figure 6: The annual process of reporting and review

Once the system is embedded, a web-based reporting system will be considered in order to enhance the reporting process and simplify it. It must however be noted that a computer based automating system will only enhance the reporting processes within the municipality and potentially improve review processes. Most aspects of performance management still need human beings.

13.4.1 Directorate Reviews

It is intended that directorates review their performance at least monthly, using their directorate scorecards. Decision-makers should be immediately warned of any emerging failures to service delivery such that they can intervene if necessary.

Directorates should use these reviews as an opportunity for reflection on their goals and programmes and whether these are being achieved. Minutes of these reviews should be forwarded to the performance management team. Changes in indicators and targets may be proposed at this meeting but can only be approved by the relevant portfolio committee, in consultation with the Municipal Manager. The review of the SDBIP should be done bi-annually (half-yearly) immediately after the approval of the adjustment budget. This is where indicators and targets can be revisited so as to align them with the adjustment budget.

- **PERFORMANCE REVIEWS**

Performance Reviews shall be as follows:

Performance Reporting Period	Type of Review	Date
1 st Quarter	Informal	07 th October
Mid-Year	Formal	07 th January
3 rd Quarter	Informal	07 th April
Annual Performance	Formal	07 th July

In the event that the above mentioned dates fall on a weekend, a Friday before shall serve as the submission date

Performance reviews, formal and informal shall be coordinated by the office of the municipal manager; prior to performance information being presented to the IDP and PMS Office in the Office of the Municipal Manager

On submission of the performance information, covering report will be prepared by the IDP and PMS Manager and submitted to the internal audit unit for final verification and confirmation

13.4.2 Management Team Reviews

Directorates will then need to report on their performance in the directorate scorecard format to the municipal manager. Additional indicators that occur in the institutional scorecard will also be reviewed bi-annually (half-yearly). The formulation of the institutional scorecard and the process of review will be co-ordinated by the performance management team.

The management team will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, the management team can endorse these, for approval by the portfolio committee. The management team can delegate tasks to the performance management team in developing an analysis of performance prior to management team reviews. These reviews should at least take place quarterly.

13.4.3 Portfolio Committee Reviews

Each portfolio committee will be required to review the performance of their respective directorates against their directorate scorecard, at least quarterly. The portfolio committee should appraise the performance of the service against committed targets. Where targets are not being met, portfolio committees should ensure that the reasons for poor performance are satisfactory and sufficient, and the corrective strategies proposed are sufficient to address the reasons for poor performance. Changes in indicators and targets that do not appear in the institutional scorecard may be proposed to and can only be approved by the relevant portfolio committee, in consultation with the IDP/PM co-ordinator. Changes in indicators and targets that fall within the institutional scorecard will need to be approved by the Mayoral Committee.

13.4.4 Mayoral Committee Reviews

On a quarterly basis, the Mayoral Committee should engage in an intensive review of municipal performance against the institutional scorecard, as reported by the municipal manager.

Many of the indicators in the institutional scorecard will only be measurable on an annual basis. The quarterly reviews should thus culminate in a comprehensive annual review of performance in terms of both scorecards.

The review should reflect on the performance of services and the institutional scorecard. The Mayoral Committee will need to ensure that targets committed to in the institutional scorecard are being met, where they are not, that satisfactory and sufficient reasons are provided and that the corrective action being proposed is sufficient to address the reasons for poor performance.

The review should also focus on reviewing the systematic compliance to the performance management system, by directorates, portfolio committees and the Municipal Manager.

13.4.5 Council Reviews

At least twice annually, the council will be required to review municipal performance. The institutional scorecard should be used for this reporting in an annual report. The Municipal Systems Act requires that the annual report should at least constitute a performance report (the institutional scorecard), financial statements and an audit report from the Auditor General.

13.4.6 Reporting to other spheres and agencies of government

14 Auditor General and MEC

The Systems Act requires the municipal manager to give written notice of meetings, in which the municipality's the annual report, is tabled or discussed by the Council, to the Auditor-General and the MEC for local government. The Municipal Manager must also submit copies of the minutes of these meetings to the Auditor-General and the MEC for local government in the province. Representatives of the Auditor-General and the MEC for local government in the province are entitled to attend and to speak at such meetings. A copy of the report must be submitted to the MEC for local government in the province and the Auditor-General.

Table 25: Reporting and Reviews

Reporting Structure	Reviewing structure	Report	When
Directorates	Management Team	Directorate Scorecard	Quarterly
Directorates	Portfolio Committee	Directorate Scorecard	Quarterly
Portfolio Committee	Mayoral Committee	High Level Summary	Quarterly
Management Team	Mayoral Committee	Institutional Score-card	Quarterly
Mayoral Committee	Council	Institutional Score-card	Twice a year
Council	Public (IDP Forum)	Citizen's report	Annually
Council	Province	Annual Report	Annually

14.1 Auditing and Quality Control

All auditing must cover Section 14 of the Municipal Planning and Performance Management Regulations (2001). Auditing of performance reports will be conducted by the internal audit structure and be submitted to the Municipal Manager and Audit Committee, on a quarterly basis.

14.1.1 Quality Control and Co-ordination

The Office of the Municipal Manager, overseen by and reporting regularly to the PMS Management Team, will be required on an ongoing basis to co-ordinate and ensure good quality of reporting and reviews. It will be its role to ensure conformity to reporting formats and check the reliability of reported information, where possible.

15 Data validation

Data validation takes place at each stage of the PMS process in that the individuals responsible for the performance reports need to ensure that their data is accurate and quality checks should be exercised by the report recipient.

At the institutional level, data validation is essentially the shared responsibility of the Internal Audit team and the Monitoring and Evaluation unit.

16 Portfolio of evidence

It is important to note that the scorecard reports submitted by directorates and by the Municipal Manager in the case of the institutional scorecard should be accompanied by portfolio of evidence each time they are submitted.

16.1.1 Performance Investigations

The Mayoral Committee or Audit Committee will be able to recommend in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis. Performance investigations should assess

- The reliability of reported information
- The extent of performance gaps from targets
- The reasons for performance gaps
- Corrective action and improvement strategies

While the internal audit function may be used to conduct these investigations, it is preferable that external service providers, preferably academic institutions, who are experts in the area to be audited, should be used. Clear terms of reference will need to be adopted by the respective committee.

16.1.2 Internal Audit

The municipality's internal audit function will be continuously involved in auditing the performance reports of directorate scorecards and the institutional scorecard. As required by the regulations, they will be required to produce an audit report on a quarterly basis, to be submitted to the Municipal Manager and Audit Committee.

Auditing is necessary to identify:

- Inconsistencies in performance management definition or methodology of data collection;
- Incorrect processing and poor documentation of performance management;
- Biased information collection and reporting by those whose image is at stake in the performance management process.

The Regulations specify that any auditing must include assessment of:

- The functionality of the municipality's performance management system;
- The compliance of the system with the legislation; and
- The extent to which performance measurements are reliable in measuring performance of the municipality

16.2 Role of Stakeholders in Performance Management

Stakeholder	Performance Planning	Measurement & Analysis	Performance Reporting & Reviews
Community Structures and IDP Forum	• Be consulted on needs • Develop the long term vision for the area • Influence the identification of priorities • Influence the choice of indicators and setting of targets		• Be given the opportunity to review municipal performance and suggest new indicators and targets
Mayor	• Responsible for managing development of PMS and assign responsibilities in		• Plays a leading role in evaluating the performance of the Municipal Manager

	this regard to MM • Play the leading role in giving strategic direction and developing strategies and policies for the organisation • Manage the development of an IDP • Enters into performance agreement with Municipal Manager on behalf of Council		against the Institutional Scorecard • Reports on organisational performance to relevant MEC
Council	• Facilitate the development of a long-term vision (IDP). • Develop strategies to achieve vision • Identify priorities for the financial year. • Adopt indicators and set targets		• Review municipal performance bi-annually • Report back to community through established structures such as ward committee meetings
Portfolio (S79) Committees	• Influence the preparation of directorate scorecards • Adopt directorate scorecards • Ensure involvement of communities in the setting of municipal targets (IDP)	• Monitor performance of relevant services	• Receive reports from service managers • Review monthly directorate scorecards • Report to Mayco • Adopt corrective actions where necessary and recommend to Mayco
Mayoral Committee	• Play the leading role in giving strategic direction and developing strategies and policies for the organisation • Manage the development of an IDP • Approve and adopt indicators and set targets • Communicate the plan to other stakeholders		• Conduct the major reviews of municipal performance, determining where goals had or had not been met, what the causal reasons were and to adopt response strategies
Municipal Manager	• Has responsibilities assigned by the Mayor regarding the PMS • Manage the drafting and implementation of the IDP • Plays a leading role in the development of the Institutional Scorecard (which is his/her personal scorecard)	• Plays a leading role in monitoring implementation of IDP • Ensure that regular reporting and monitoring by directorates takes place	• Play a leading role in the evaluation of performance of directorates, including conducting quarterly reviews

	• Enter into Performance Agreement, in line with Regulations (2006) requirements		
Management Team	Assist the Mayoral Committee in • providing strategic direction and developing strategies and policies for the organisation • Manage the development of the IDP • Ensure that the plan is integrated • Identify and propose indicators and targets • Communicate the plan to other stakeholders • Develop SDBIPs & Budget	• Regularly monitor the implementation of the IDP, identifying risks early • Ensure that regular monitoring (measurement, analysis and reporting) is happening in the organisation • Intervene in performance problems on a daily operational basis	• Conduct quarterly reviews of performance • Ensure that performance reviews at the political level are organised • Ensure the availability of information • Propose response strategies to the Mayoral Committee • Report to Exco
Internal Audit			• Produce quarterly audit reports for MM and Audit committee
Audit Committee			• Review internal audit reports • Assess system and indicators • Provide audit report twice annually to council

16.3 Responding to Organisational Performance

This outlines how the municipality may reward good organisational performance and address poor organisational performance.

16.3.1 Good or Exceptional Organisational Performance

There will be a Mayoral Award for excellent performance that can take the form of rotating trophies or plaques for the best four directorates / units annually. These can be designated:

- Platinum
- Gold
- Silver
- Bronze

An annual entertainment fund can be used to provide funds for at least the Platinum winners to entertain themselves as determined by the Executive on an annual basis.

16.3.2 Poor Performance

Poorly performing directorates will be asked to provide an explanation and analysis of poor performance. If this is insufficient, an investigation will be conducted to deepen the understanding of the underlying problems, whether they be policy-related, systemic, structural or attributed to the poor performance of individuals.

This section does not deal with employee performance and rewarding good performance and addressing poor employee performance. These are dealt with at the end of the next section.

17 Employee Performance

This section focuses on the performance management arrangements for employees of the municipality. The following framework can be used for all employees. However, the legal framework that underpins it requires that it be enforced for all Section 57 Managers. The municipality will incrementally roll-out this system for all employees.

The legislation upon which this is based includes:

- *The Local Government Municipal Systems Act, No. 32 of 2000.*
- *The Local Government Municipal Systems Amendment Act, No. 44 of 2003.*
- *Local Government Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006. Regulation Gazette No. 29089.*
- *Draft competency guidelines for Municipal Managers and Managers directly accountable to Municipal Managers, 2006.*

17.1.1 Responsibilities for implementing system

The Municipal Manager, as head of the administration (see section 55 Municipal Systems Act or MSA) or as accounting officer (see section 60 Municipal Finance Management Act or MFMA) is responsible and accountable for the formation and development of an accountable administration operating in accordance with the municipality's performance management system. She or he is also responsible for the management of the administration in accordance with legislation.

The final responsibility for ensuring that employment contracts for all staff are in place rests with the municipal manager. The final responsibility for ensuring that performance agreements with the relevant managers, including his or her own, are in place, rests with the municipal manager.

17.1.2 Performance agreement

The performance agreement (see sub regulation 8(2) read with sub-regulation 23) provides the basis upon which the municipality will reward good performance on the part of the employee. Performance Agreements form the basis upon which the performance of Section 57 staff are measured and monitored against targets. The performance agreement is put in place to comply with the provisions of Section 57 (1)(b), (4A), (4B) and (5) of the Municipal Systems Act as well as the employment contract entered into between the parties. This agreement must be entered into for each financial year and be reviewed annually in June.

According to the Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (2006), the performance agreements fulfil the following key purposes:

- specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;
- specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- monitor and measure performance against set targeted outputs;
- use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- and in the event of outstanding performance, to appropriately reward the employee;
- give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

18 **Retrospectivity**

The question arises whether it would be possible to enter into a performance agreement retrospectively, even after the end of the financial year for that financial year. The language of the MSA (see section 57(2)) is peremptory in this regard. It provides that a “performance agreement **must** be concluded with a reasonable time after a person has been appointed.” The regulation provides that the performance agreement must be signed within 90 calendar days after assumption of duty. The municipal council does not have the authority to change these prescripts. The absence of a performance agreement at the end of a financial year will negatively affect the ability of the municipality to hold the manager accountable for performance, as well as its ability to respond to his/her performance.

19 **Legal validity after 90 days**

A further issue which may arise is the legal validity of a performance agreement that is concluded after the period of 90 days has lapsed. In this regard, it is instructive to consider that the regulation provides that **employment** is subject to the compliance with sub-regulation 4(4)(a). It would appear that one would still be able to enter into a valid performance agreement after the 90 day period provided that there is consensus between the parties that the employment contract is still in force. Thus, where the performance agreement is entered into after the expiry of the 90 day limit, the agreement can still be entered into for part of that financial year (see sub-regulation 24(1)).

A performance agreement comprises a performance plan and a personal development plan.

19.1.1 **Performance Plan**

The performance plan establishes:

- a detailed set of objectives and targets to be met by the Municipal Manager and Section 57 employee as well as;
- the time frames within which these should be met.

The specifics of the performance plan will be determined by the Mayoral Committee, in consultation with the Municipal Manager, and will be based on the IDP, SDBIP and the Budget. Similarly the Municipal Manager and the Section 57 Managers should discuss and agree on performance plans. It shall include the following elements:

1. Key Objectives
2. Key Performance Indicators
3. Targets
4. Weightings

In addition, the employee will be measured in terms of their contribution to the goals and strategic planning as set out in the Municipality's IDP.

Section 57 staff will be assessed against **two components**, weighted as follows:

20 **Key Performance Area (KPA) which is weighted at 80%**

The employees assessment will in part be based on his/her performance in terms of outcomes/outputs (performance indicators) identified in the performance plan which are linked to the KPAs. This contributes to 80% of the overall assessment result. The weightings per KPA will be agreed upon between the Mayoral Committee and the employee. For Managers directly responsible to the Municipal Manager, the KPAs are those related to their key functional areas.

For the municipal manager this will be the organizational scorecard, not dealing with outcomes, representing the IDP. For managers reporting to the municipal manager, this component will be their directorate scorecards, without outcomes.

For all other staff that this system will be rolled out to, this component will need to be drawn up for them and align with their job description.

21 **Core Competency Requirement (CCR) which is weighted at 20%**

The CCRs which are deemed most critical to the employee's specific function will be selected from a list and agreed upon with the employer, with consideration for proficiency levels as agreed between the two parties. Weights will further be assigned to the CCRs selected.

This refers to a separate component dealing with competency and expected behavior.

Table 26: Core Competency Requirements from Regulations (2006)

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
Core Managerial and Occupational Competencies	☐ (Indicate choice)	Weight
Core Managerial Competencies		
Strategic Capability and Leadership		
Programme and Project Management		
Financial Management	compulsory	
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		
Core Occupational Competencies		
Competence in Self-Management		
Interpretation of and implementation within the legislative and national policy frameworks		
Knowledge of developmental local government		
Knowledge of Performance Management and Reporting		
Knowledge of global and South African specific political, social and economic contexts		
Competence in policy conceptualization, analysis and implementation		
Knowledge of more than one functional municipal field discipline		
Skills in Mediation		
Skills in Governance		

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
Competence as required by other national line sector departments		
Exceptional and dynamic creativity to improve the functioning of the municipality		
Total percentage	-	100%

21.1.1 Personal Development Plan

As part of the performance agreement, a personal development plan will be included. This section should state the activities, including training, that the employee wishes to undertake to improve themselves or is required to take to better fulfill the needs of the job.

21.2 Evaluating performance

The Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (2006), stipulates in detail how the evaluation process should be undertaken.

21.2.1 Evaluators

For purposes of evaluating the annual performance of the municipal manager, an evaluation panel constituted of the following persons will be established -

- Executive Mayor;
- Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- Member of the Mayoral Committee
- Mayor and/or municipal manager from another municipality; and
- Member of a ward committee as nominated by the Mayor.

For purposes of evaluating the annual performance of managers directly accountable to the municipal managers, an evaluation panel constituted of the following persons will be established

1. Municipal Manager;
2. Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
3. Member of the Mayoral Committee
4. Municipal manager from another municipality.

21.2.2 Process and scoring

Performance will be reviewed on a quarterly basis within two weeks after completion of the evaluation of a unit (directorates or section) to which the employee belongs of managing. The employer will keep a record of the mid-year review and annual assessment meetings. The performance plan will include a Personal Development Plan, in order to address any weaknesses or skills gaps which may have been identified.

In summary, the annual performance appraisal will involve an assessment of results as outlined in the performance plan, discussed below:

22 KPA assessment

1. Each KPA will be assessed according to whether performance indicators have been met
2. An indicative rating on a 5-point scale will be provided for each KPA

3. The applicable assessment rating calculator will be used to add to the scores and calculate the final KPA score based on a weighted average score.

23 **CCR assessment**

1. Each CCR will be assessed according to performance indicators have been met
2. An indicative rating on a 5-point scale will be provided for each CCR
3. The rating is multiplied by the weighting given to each CCR, to provide a score
4. The applicable assessment rating calculator will be used to add to the scores and calculate the final CCR score, based on a weighted average score.

The scoring system suggested by the Regulations is captured in the table below. In addition, the last column provides proposed revisions to the descriptions of performance, offering a more user friendly set of definitions.

Table 27: Scoring suggested by the Regulations (2006)

Level	Terminology	Description	Proposed revised definitions or performance against indicators
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.	Individual has performed exceptionally on these indicators and has very significantly surpassed expectations.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.	Individual has performed well and has gone slightly above expectations.
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.	Individual has met the expectations associated with these indicators.
2	Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more	Performance is below the standard required for the job in key areas.

Level	Terminology	Description	Proposed revised definitions or performance against indicators
		than half the key performance criteria and indicators as specified in the PA and Performance Plan.	
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.	Individual has performed poorly on these indicators – significantly below the standard required

The combined KPA and CCR assessment scores, weighted 80% and 20% respectively, will make up the overall assessment score. While the regulations do not specify, it is assumed that the total percentage score is arrived at by dividing the combined weighted average score by 3 and reflecting as a percentage.

23.1.1 PERFORMANCE ASSESSMENTS OF SECTION 54 & 56 MANAGERS

MID – YEAR ASSESSMENTS (February)

The mid-year assessment for the Performance Cycle convene in February (after the adoption of the Audited Section 72 Report by Council

THE FINAL ASSESSMENT (January)

The final assessment for the Performance Cycle convenes during January (after the adoption of the draft annual report of the previous financial year), however no ratification and payment of bonuses may be concluded until the Annual Report for the same period under review has been submitted to and ratified by Council.

23.2 Responding to Good Employee Performance by Section 57 managers

23.2.1 Bonuses

A performance bonus, based on affordability may be paid to the employees, after:

- the annual report for the financial year under review has been tabled and adopted by the municipal council
- an evaluation of performance in accordance with the provisions of the Regulation
- approval of such evaluation by the municipal council as a reward for outstanding performance

In addition to the annual cost-of-living increase, the employee shall be eligible to be considered for a performance related increase (pay progression) on an annual basis.

24 **Performance Bonus criteria**

The regulations provide that a performance bonus between 5% and 14% of the inclusive annual remuneration package may be paid to the employee after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the Municipal Council, as a reward for excellent performance. In determining the bonus payment, the regulations specify that the relevant percentage depends on the overall rating, calculated by using the applicable assessment rating calculator:

The Municipal performance regulations for s.56 Managers promulgated in August 2006 in respect of the management of performance evaluation outcomes indicate that a performance bonus ranging between 5% and 14% of all-inclusive remuneration package may be paid in order to recognize **out-standing** performance.

In determining the performance bonus, it must be noted that the relevant percentages will be required to be based on the overall rating calculated by using the applicable assessment rating calculator.

Score	% Bonus
130	5
134	6
138	7
142	8
146	9
150	10
154	11
158	12
162	13
166+	14

2. A score of 130% - 149% is awarded a performance bonus ranging between 5%-9%.

3. A score of 150% and above is awarded a performance bonus ranging 10% - 14%.

The diagram below depicts the relationship between the performance score and the performance bonus as per the Regulations.

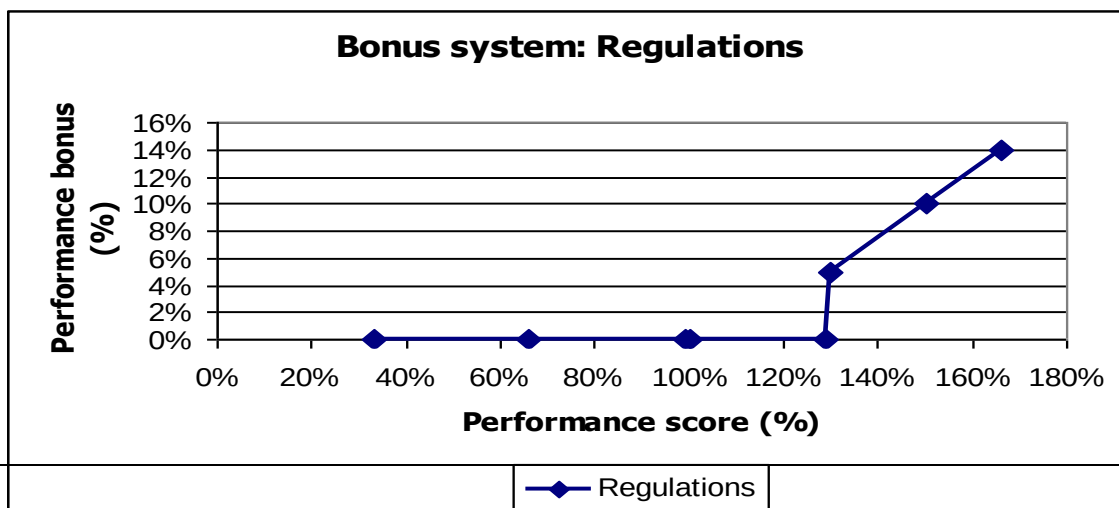


Figure 7 Bonus system as per the Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006

24.1 Comment on 'Acting' Directors

There is no legislation governing the performance management of individuals serving in 'Acting' positions, either in the Section 57 posts or the Municipal Manager post. The Regulations of 2006 (governing the performance management of the Municipal Manager and managers directly accountable to the Municipal Manager) do not make reference to Acting managers. However, in principle acting directors should take responsibility and accountability for the performance of the directorate or institution which he/she is responsible for managing in their capacity as Acting Director or Acting Municipal Manager, respectively. It is expected therefore that the Acting Director or Acting Municipal Manager be subjected to the PMS performance processes (such as reviews etc) and that he/she take responsibility for achieving the targets which have been established. This need not be on the basis of a signed performance contract or agreement necessarily (i.e. his/her bonus will not be determined by the performance against the scorecard targets). Rather they are accountable for performance as part of their new roles and responsibilities for the period in which they are acting.

24.2 Responding to Good Employee Performance by non- section 56 employees

24.2.1 Mayor's Merit Award

A Mayor's merit award may be introduced for all employees who are not on fixed term performance related contracts that perform excellently based on the following awards:

Figure 8 Suggested Mayor's Merit Award system

Score obtained on Performance Score-card	The Employee may be eligible to choose ONE of the options listed below
Platinum (>100%)	Medal plus: a) Employee is granted 6 "free" leave days. or b) The Employee is able to attend a conference/seminar relevant to his/her work that costs a maximum of 6 leave days for that employee or c) The Employee may select a work tool that will enhance his/her ability to perform better in his/her job that costs a maximum of 6 leave days for that employee
Gold (90% – 100%)	Medal plus: a) Employee is granted 4 "free" leave days or b) The Employee is able to attend a conference/seminar relevant to his/her work that costs a maximum of 4 leave days for that employee or c) The Employee may select a work tool that will enhance his/her ability to perform better in his/her job that costs a maximum of 4 leave days for that em-

	ployee
Silver (80% - 90%)	Medal plus: - Employee is granted 2 leave days or - The Employee is able to attend a conference/seminar relevant to his/her work that costs a maximum of 2 leave days for that employee or - The Employee may select a work tool that will enhance his/her ability to perform better in his/her job that costs a maximum of 2 leave days for that employee
60 % - 80%	No specific reward
< 60	Compulsory performance counselling

24.3 Addressing Poor Employee Performance

In the case of unacceptable performance, the municipality shall:

- Provide systematic remedial and developmental support to assist the employee to improve his/her performance.
- Provide appropriate performance counselling and support, offering reasonable time for improvements in performance.

If performance does not improve, the municipality will consider steps to terminate the contract of the employee on the grounds of poor performance or operational incapacity.

The Labour Relations Act, requires an employee to be given two written warnings, before termination of employment can be sought due to poor performance.

24.4 Roll-out

While some aspect of the updated Performance Management System focuses to some degree on the performance of Section 56 Managers, the system can be rolled out at a later stage, to all levels of the municipality.

25 Evaluation and Improvement of the Performance Management System

The Municipal Systems Act requires the municipality to annually evaluate its performance management system. Once the full cycle of the annual review is complete, the performance management team need to initiate an evaluation report annually, taking into account the input provided by directorates. This report will then be discussed by the Management Team and finally submitted to the Mayoral Committee for discussion and approval.

The evaluation should assess:

- The adherence of the performance management system to the Municipal Systems Act.
- The fulfilment of the objectives for a performance management system captured in this document.
- The adherence of the performance management system to the objectives and principles captured in this document.
- Opportunities for improvement and a proposed action plan.

It must once again be emphasised that there are no definitive solutions to managing municipal performance. The process of implementing a performance management system must be seen as a learning process, where there is a conscious buy-in to incremental improvement of the way the system works in order to fulfil the objectives of the system and address the emerging challenges from a constantly changing environment.

26 Implementation approach

This section provides an indication of how the PM Framework can be implemented in Inxuba Yethemba Local Municipality. The diagram below illustrates the general phases which form part of the implementation of a Performance Management System (PMS).

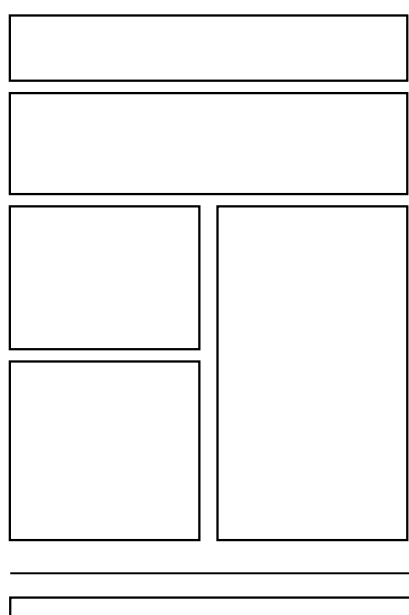


Figure 9 Process for development and implementation of PMS

26.1 Council approval of PM Framework

In the case of Inxuba Yethemba, the project initiation and development of the framework is already underway, with a draft framework being developed. The next key stage is for approval and Council adoption of the framework. Once this has taken place, Inxuba Yethemba can begin to develop and workshop the institutional and directorate scorecards and concurrently establish the reporting and monitoring systems. The envisioned approach for these stages is described below.

26.2 Develop Municipal Scorecard

This activity needs to be aligned to the IDP process, and will involve the following:

26.2.1 Conduct training for IDP process

It is believed that those involved in the next IDP process should be trained on the performance management system with particular reference to indicators, baselines, targets etc. This will help them ensure that what comes out of the IDP process can feed into the PM system.

26.2.2 Scorecard workshop

As the IDP process culminates, the institutional scorecard workshop should be conducted to populate the municipal scorecard with priorities, objectives, indicators and targets from the IDP process. This should be a one-day workshop.

26.2.3 Finalisation

The scorecard should then be finalised and circulated for adoption by Council before the start of the financial year.

26.2.4 Develop and Finalise MM's Performance Agreement

As required by regulations the Municipal Manager's performance agreement and individual scorecard should be finalised simultaneously.

26.3 Develop Directorate Scorecards and Section 56 & 54 Performance Agreements

26.3.1 Directorate workshops

These workshops should be used to develop and agree on directorate scorecards for all the directorates within Inxuba Yethemba Municipality.

A one-day workshop is advised for each directorate, to develop their scorecards in detail. Once it is finalised the scorecard can be for adopted and approved.

26.3.2 Section 57 Performance Scorecards

Performance Agreements for Section 57 managers should be developed simultaneously for adoption.

26.3.3 Load indicators onto Monitoring tool

Indicators and available data for all scorecards should be loaded onto a monitoring tool (to be decided upon).

26.4 Establish Institutional Arrangements and Capacity

If not already in place, the necessary institutional arrangements and capacity designed in the framework should be established. At least the following are anticipated:

26.4.1 A PMS Champion is identified

This person should ideally be identified from each Directorate.

26.4.2 Clarify roles and responsibilities

All relevant stakeholders should be clear on their role and responsibilities with respect to the institutional PMS. Training may be necessary to ensure that the institution is equipped to implement the system effectively.

26.4.3 Training on PMS for Internal Audit team

Once the PMS been finalised, those performing the Internal Audit function of Inxuba Yethemba should be briefed and trained on the PMS, so as to be able to perform their functions effectively.

26.4.4 Establish Audit Committee

The Audit committee's scope has been broadened in Inxuba Yethemba to accommodate for the auditing of financial and performance aspects. Training should be on-going.

Appendix A: Extracts of relevant policies and legislation (References)

26.4.5 The White Paper on Local Government (1998)

The White Paper on Local Government (1998)ⁱ nationally introduced performance management systems to local government, as a tool to ensure Developmental Local Government. It concludes that

"Integrated development planning, budgeting and performance management are powerful tools which can assist municipalities to develop an integrated perspective on development in their area. It will enable them to focus on priorities within an increasingly complex and diverse set of demands. It will enable them to direct resource allocations and institutional systems to a new set of development objectives".

The White Paper adds that

"Involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may prioritise the amount of time it takes a municipality to answer a query; others will prioritise the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities in setting key performance indicators and reporting back to communities on performance, accountability is increased, and public trust in the local government system enhanced".

26.4.6 Batho Pele (1998)

Similarly, the White Paper on Transforming Public Service Delivery (Batho Pele) puts forward eight principles for good public service:

27 **Consultation:**

Citizens should be consulted about the level and quality of public service they receive, and, where possible, should be given a choice about the services that are provided.

28 **Service standards:**

Citizens should know what standard of service to expect.

29 **Access:**

All citizens should have equal access to the services to which they are entitled.

30 **Courtesy:**

Citizens should be treated with courtesy and consideration.

31 **Information:**

Citizens should be given full and accurate information about the public services they are entitled to receive.

32 **Openness and transparency:**

Citizens should know how departments are run, how resources are spent, and who is in charge of particular services.

33 **Redress:**

If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made citizens should receive a sympathetic, positive response.

34 **Value-for-money:**

Public services should be provided economically and efficiently in order to give citizens the best possible value-for-money.

"Importantly, the Batho Pele White Paper notes that the development of a service-oriented culture requires the active participation of the wider community. Municipalities need constant feedback from service-users if they are to improve their operations. Local partners can be mobilised to assist in building a service culture. For example, local businesses or non-governmental organisations may assist with funding a help line, providing information about specific services, identifying service gaps or conducting a customer survey" - The White Paper on Local Government (1998).

34.1.1 The Municipal Systems Act (2000)

The Municipal Systems Act, enacted in November 2000, requires all municipalities to:

- *Develop a performance management system*
- *Set targets, monitor and review performance based on indicators linked to their IDP*
- *Publish an annual report on performance for the councillors, staff, the public and other spheres of government*
- *Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government*
- *Conduct an internal audit on performance before tabling the report.*
- *Have their annual performance report audited by the Auditor-General*
- *Involve the community in setting indicators and targets and reviewing municipal performance*

34.1.2 Municipal Planning and Performance Management Regulations (2001)

The Municipal Planning and Performance Management Regulations set out in detail requirements for municipal PM systems. However, the regulations do not sufficiently constitute a framework that fully proposes how the system will work. Each component of the proposed framework in this document is strongly informed by the regulations.

34.1.3 Municipal Finance Management Act (2003)

The Municipal Finance Management Act states requirements for a municipality to include its annual municipal performance report with its financial statements and other requirements in constituting its annual report. This must be dealt with by the municipal council within 9 months of the end of the municipal financial year.

Chapter 12: Financial Reporting and Auditing

Preparation and adoption of annual reports

121. (1) Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

- The purpose of an annual report is –
 - (a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
 - (b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
 - (c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.
- the annual report of a municipality must include –
 - (a) the annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);
 - (b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;
 - (c) the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal System Act;
 - (d) the Auditor-General's audit report in terms of section 45(b) of the

- Municipal Systems Act;
- (e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;
 - (f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 12(3)(b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;
 - (g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d);
 - (h) any explanations that may be necessary to clarify issues in connection with the financial statements;
 - (i) any information as determined by the municipality;
 - (j) any recommendations of the municipality's audit committee; and
 - (k) any other information as may be prescribed.
- The annual report of a municipal entity must include-
 - (a) the annual financial statements of the entity, as submitted to the Auditor-General for audit in terms of section 126(2);
 - (b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;
 - (c) an assessment by the entity's accounting officer of any arrears on municipal taxes and service charges;
 - (d) an assessment by the entity's accounting officer of the entity's performance against any measurable performance objectives set in terms the service delivery agreement or other agreement between the entity and its parent municipality;
 - (e) particulars of any corrective action taken or to be taken in response to issues raised in the audit report referred to in paragraph (b);
 - (f) any information as determined by the entity or its parent municipality;
 - (g) any recommendations of the audit committee of the entity or of its parent municipality; and
 - (h) any other information as may be prescribed.

ANNEXURE A: AUDIT IMPROVEMENT PLAN

MGMT REPORT FINDING NUMBER	Detail	Root Cause	Recommendation	Management re- sponse	Responsible person	ACTION	TIMEFRAME	Progress: Comment	Annexure A:MATTERS AFFECTING AUDIT RE- PORT
1	ISS.4-(AR) COAF 03- Plan- ning: Consequence Man- agement Business Process: No investigation of UIFWE (Iss.4) 1. No investigations were conducted into the UIFWE that was incurred in the cur- rent year. Therefore, man- agement did not make any attempts to recover the ex- penditure from the persons who are liable for it. 2. There is no process in place for raising receivables when officials are held liable for UIFWE. 3. Further, there is no for- malised process of dealing with the approval of the write-off relating to fruitless and wasteful expenditure.	1. Due to the inef- fectiveness of the MPAC, council requested the assistance of Provincial Treas- ury, COGTA and SALGA with the investigation of the UIFWE. This has resulted in the process being delayed. 2. Per enquiry, this is because there have not been any officials who have been held liable for UIFWE at the municipality. 3. This is due to the lack of exer- cise of oversight by management to ensure that there is a process as required.	1. Management should ensure that the members of MPAC are equipped with the skills and competencies need- ed to be able to initi- ate and complete investigations of UIFWE. 2. Management should develop a formalised process that will be followed should there be any officials who are held liable. 3. Management should develop a formalised process that will be followed to deal with the ap- proval of write-offs relating to fruitless and wasteful ex- penditure.	Management agree to the audit findings & recommendations.	Mr. M.W Mbebe MM	A request was sent to Provincial Treasury to request for assistance	31/05/2022	National & Provincial Treasury will be visiting the municipality on the 03/06/2022 to attend to UIFW	
2	Predetermined objectives : ISS.14-(AR) COAF 29- CMRPD: Key performance indicators are not well de- fined (ISS.14) During the completion of the measurability test on the reported pre-determined objectives it was identified that the following key per- formance indicators are not measurable as they are not specific: 1. Number of road seg- ments to be patched in or- der to repair potholes 2. Number of KM's of road infrastructure upgraded 3. Number of street lights repaired 4. Number of facilities main- tained	Lack of manage- ment review over the defining of key performance indicators.	On creation of per- formance indicators, management must carefully analyse what is to be meas- ured. For targets to be specific the nature and required level of performance of the target must be clearly identifiable. This must be done at the plan- ning stages during public consultations for IDP and SDBIP.	Refer to CoAF for de- tail	Mr. M.W Mbebe MM	KPI's to be reviewed	30/04/2022	KPI's were reviewed and approved by Council.	

	5. Number of km's of internal gravel roads bladed 6. Number of facilities built or erected During the completion of the measurability test on the reported pre-determined objectives it was identified that the following key performance indicator was not measurable as it has an ambiguous definition: 1. Number of law enforcement fines issued 2. Number of road segments to be patched in order to repair potholes							
3	Predetermined objectives : ISS.15-(AR) COAF 29-CMRPD: Indicators not adequately presented and disclosed (ISS.15) During the completion of the presentation and disclosure test on the reported pre-determined objectives it was identified that the following key performance indicators were not adequately disclosed: 1. Actual performance is not compared to planned targets and prior year performance in the APR -Number of new electrical connections to households 2. Reasons for variances not included in the APR -Number of road segments to be patched in order to repair potholes -Number of facilities maintained -Number of environmental management campaigns conducted -Number of km's of internal gravel roads bladed	The cause of this finding is lack of management oversight over the reporting of key performance indicators.	The presentation and disclosure of reported indicators in the Annual Performance Report should be completed in line with the requirements of section 42 of the Municipal Systems Act.	•Concerning -Number of new electrical connections to households, Management agrees with the finding and requests AG to provide an opportunity to the Municipality to make the adjustment.. •Concerning Number of road segments to be patched in order to repair potholes, Management partly disagrees, the variance is stated on page 78 of the APR see 2021.3.1.8 and the reason provided is More machinery and Equipment are needed. The tables above this table will need to be updated. •Concerning Number of facilities maintained, Management agrees with the finding and requests AG to provide an opportunity to the Municipality to make the adjustment. •Concerning , Number of environmental management campaigns conducted, Management agrees with the finding and requests AG to provide an opportunity to the Municipality to make the adjustment.	Mr. M.W Mbebe MM	KPI's to be reviewed	30/04/2022	KPI's were reviewed and approved by Council in terms of Council Resolution No.xxxx

				pality to make the adjustment. Concerning , Number of km's of internal gravel roads bladed, Management disagrees, see page 78, it states, More machinery and Equipment are needed. The tables above this table will need to be updated.				
4	Predetermined objectives : ISS.23-(AR) COAF 29-AoPO: Reported performance is not valid (ISS.23) During the performance of audit work on the "Number of new electrical house connections" indicator it was identified that the job cards were not signed by the customer as a result it could not be confirmed that the meters installed at the client premises.	The impact of the above finding is that the validity of the information reported on the Annual Performance Report could not be confirmed. There is a projected misstatement of 270, which equates to a 97.3% occurrence rate.	On completion of installation on client premises, municipal officials responsible should ensure that the customer signs the job card as evidence that the job has been completed.	Management agrees, with the finding. The contractor installed the meters for the project and was not done by the inhouse electrical team. As a result of this, the contractor does not use jobcards but is monitored by PMU. There are 2 options to consider: - Obtain the completion of works by the contractor stating the number of meter connection on the letterhead of the contractor as an alternative means of verification; or - Management will update the APR based on the number of connections of house metes instead of relying on the PMU completion certificate.	Mr S Noman- dela Director Technical Services	Job cards on the installation of new meters to be signed by customers	30/04/2022	

5	Strategic budgeting and planning : ISS.25-(AR) COAF 06- Strategic budgeting and planning- Issues om SDBIP, IDP and KPIs (Iss.25) During the 2020/2021 audit, we assessed the business process followed by management for strategic budgeting and planning. We Identified that the Service Delivery and Budget Implementation Plan (SDBIP) does not have the revenue and expenditure projections for each months as prescribed in the MFMA. We further compared the medium Term Revenue Expenditure framework (MTREF) and noted that the Budget on the IDP and the Budget on the SDBIP do not agree for the 3 years that has been presented (Both the revenue and expenditure projections) In our analysis of the municipality's KPI on the SDBIP and IDP, we noted that the following was not provided for the KPI that relates to the free basic services that are provided by the municipality (Electricity, Sanitation, and waste management) · The amount of rand value of each of the free services · the total budgeted cost of providing each free basic service; and · the total budget revenue foregone by providing each free basic service This resulted in auditors not being to trace the amount that was budgeted for those specific KPIs.	The IDP and SDBIP was not prepared as per the act and the required regulations. Management did not satisfy themselves of all the requirements that they were expected to meet when drafting the IDP and SDBIP.	Management should ensure that the IDP and SDBIP are prepared in accordance with the proper guidelines. Checklist should be created to ensure full compliances with applicable laws and regulations that affects the preparation of the IDP and SDBIP.	Management agrees with the finding and it will be addressed going forward.	Mr. M.W Mbebe MM		30/04/2022	

6	Business Process: AoPO – Service Delivery : ISS.46-(AR) COAF 11:Planning: COGTA Indicator incorrectly revoked (ISS.46) While obtaining an understanding of the performance indicators of the municipality, it was noted that the "Number of household refuse removal collection" indicator was incorrectly revoked. This indicator was initially included in the SDBIP.	The cause of the above finding is lack of management oversight over measurement of performance indicator targets.	Management should liaise with COGTA and other local municipalities on how best to measure this performance indicator to ensure that it is SMART.	Management disagrees. The kpi was revoked because it is not SMART. The reason being: Refer to CoAF for detail	Mr. M.W Mbebe MM	COGTA KPI's tyo be included on the SDBIP	30/04/2022	
7	Predetermined objectives : ISS.61-(AR) COAF 29-AoPO: Reported performance is not accurate (ISS.61) During the performance of the audit work on "Number of km's of road infrastructure requiring upgrade" it was noted that the completion certificates provided by the consultant do not state the number of kilometres actually completed as a result the accuracy of the indicator could not be confirmed.	The cause of the above finding is lack of management oversight over the reporting of performance information.	On receipt of the completion certificate management should ensure that it includes details on the nature and scope of the work done by the contractor.	Management disagrees, a completion certificate by itself does not provide the accuracy of the works completed in detail. This is through As built drawings and contract (as built) Bill of Quantities	Mr. M.W Mbebe MM	Completion certificates signed by Consultants must indicate the number of KM's upgraded	30/04/2022	
8	Procurement and Contract Management: ISS.34-(AR) COAF 17:SCM- Competitive Bids-Appointment of panel (IYM03/07/2020T: Appointment of panel consultant engineers) (Iss.34) 1. The municipality does not have a process in place on how the suppliers are selected and awarded contracts from the list of approved contracts. The suppliers are selected from the pool with no considerations of points system per the Preferential Procurement Policy Framework Act. 2. The following awards	The finding is as a result of lack of oversight in monitoring the compliance with the SCM regulations and the policy of the municipality.	Management should have a process in place to state clearly how suppliers are selected from the panel. When there is a need to select suppliers from the panel, management should request quotations from approved suppliers, and ensure that preference point criteria is applied to ensure compliance with the Preferential Procurement Policy Framework Act.	The AFS were adjusted however the compliance finding remains. Going forward, management will apply the points system to panel appointments.	Mr. S Noman-dela Director Technical Services	Management to develop plans that will ensure that Consultant there is a rotational use of consultants	31/05/2022	

	were made to the suppliers without the points system per the Preferential Procurement Policy Framework Act applied as was specified on the specification of the awards: Refer to CoAF for detail							
9	Procurement and Contract Management : ISS.38-(AR) COAF 16:SCM: Quotations- Service providers not registered on CSD (Iss. 38) Management did not obtain at least three quotes from suppliers who are registered in the Central Supplier Data Base Below is are the quotations identified: Refer to CoAF for detail	Management did not implement their policy when inviting suppliers to submit quotations.	1.Management should add all the requirements on the checklist that is prepared before approval 2.Management must encourage their potential suppliers to register on the CSD	Of the eight RFQ that went out, management disagreed with the four findings and the AGSA accepted the information submitted. The AFS were adjusted for the remaining four. Management will include the CSD registration on the final checklist and ensure that the suppliers are registered on the CSD.	Mr KL Mulaudzi CFO	Management will ensure that Quotations are requested from service providers registered on CSD	30/04/2022	Quotations are sourced from service providers registered with CSD
10	Procurement and Contract Management : ISS.49-(AR) COAF 17:SCM- Competitive Bids- Contracts not advertised for the required minimum period (Iss.49) The following contract with a contract value of more than R10 million were advertised for less than 30 days with not reasons provided and approved by the accounting officer: Refer to CoAF for detail	The finding is as a result of lack of oversight in monitoring compliance with the policy of the municipality. The budget is also not specified for all the projects to have an estimation of the value of the contract to determine the period for advertising.	Management should adhere to the SCM regulation and SCM Policy regarding competitive bids to prevent irregular expenditure. Management should also ensure that the estimated budget for the project is determined during the specifications before determination of the closing date for the advert.	The AFS were adjusted however the compliance finding remains. Going forward, management will implement the recommendation.	Mr KL Mulaudzi CFO	Contracts will be advertised for the stipulated time frame	30/04/2022	Adverts are done in accordance with legislations

11	Procurement and Contract Management : ISS.34-(AR) COAF 17:SCM- Competitive Bids-Appointment of panel (Upgrading of Farm Commonages in Cradock and Middelburg) (Iss.62) The following award was made without considering the following: •Obtaining the quotations from other suppliers in the list of approved suppliers from IYM 14/08/2017T contract. •Applying the Preferential Procurement Policy Framework Act to the award that is above R30 000, with no reasons provided and approved by the accounting office. Refer to CoAF for detail	The finding is as a result of lack of oversight in monitoring the compliance with the SCM regulations and the policy of the municipality.	Management should have a process in place to state clearly how suppliers are selected from the panel. When there is a need to select suppliers from the panel, management should request quotations from approved suppliers, and ensure that preference point criteria is applied to ensure compliance with the Preferential Procurement Policy Framework Act.	Management agreed with the finding however the amount was already on the IRE register so no further adjustments were required. Management will implement the recommendation in order to avoid future IRE.	Mr KL Mulaudzi CFO	Quotes will be requested from other service providers	30/04/2022	Quoites are requested from other service providers
12	Procurement and Contract Management : ISS.69-(AR) COAF 17: SCM- Competitive Bids-Specification and documentation (Iss.69) The specifications of the following awards were biased as they made reference to a specific system to be used by the supplier in compiling the GRAP compliant fixed asset register: Refer to CoAF for detail	The finding is as a result of lack of oversight in monitoring the compliance with the SCM regulations and the policy of the municipality.	Management should ensure that the policies of the municipality are properly applied and implemented on all the stages of the procurement process for competitive bids.	Management agreed with the finding and adjusted the IRE register and AFS accordingly. Management will implement the recommendation in order to avoid future IRE.	Mr KL Mulaudzi CFO	Specifications to be designed in a fair manner	30/04/2022	Specifications are designed in a fair manner
13	Procurement and Contract Management : ISS.63-(AR) COAF 19: SCM: Local content: Minimum threshold for local production not specified on invitation (Iss.63) The minimum threshold for local production was not specified on invitation of suppliers for the following awards:	The finding is due to lack of management oversight in ensuring that there is a process in place for local content production, and ensure compliance with the PPR.	Management should ensure that the advertisement for invitations to tender include the specific condition that only locally produced goods or locally manufactured goods, meeting the stipulated minimum threshold for local production and content, will be considered, where goods or services	Management agreed with the finding and adjusted the IRE register and AFS accordingly. Management will implement the recommendation in order to avoid future IRE.	Mr KL Mulaudzi CFO	Minimum threshold for local production to be specified	30/04/2022	Minimum threshold are stipulated on the invitation to tender

	Refer to CoAF for detail		procured are part of the designated sector products.					
14	Procurement and Contract Management : ISS.58-COAF 18: SCM: Deviations above R200 000: Reasons for deviations not justifiable (Iss.58) The reasons on the following deviations that are above R200 000 are not reasonable on the basis that it was impossible/ impractical to procure on competitive bidding process: Refer to CoAF for detail	The Municipality does not have an appointed legal firm for the legal fees payments. The municipality is in the process of appointing the panel of legal firms for the legal matters. There is also a lack of management oversight in monitoring compliance with the SCM regulations.	The municipality should finalise the procurement processes of the panel for legal matters as the municipality has the legal matters that are still ongoing. Management should ensure that deviations are only made for cases as mentioned in the SCM regulation 36.	Management agreed with the finding however the amount was already on the IRE register so no further adjustments were required. Management will implement the recommendation in order to avoid future IRE.	Mr. M.W Mbebe MM	Employees to be trained/ workshopped on reasons for Deviation	30/06/2022	Training will be conducted in June 2022
15	Procurement and Contract Management : ISS.66-(AR) COAF 20:SCM: Contract Management- No measurement to monitor contract performance (Iss.66) 1. The additional work on Lusaka Community Hall amounting to R251 578.22 was not presented to the council. 2. The total additional work on Lusaka Community Hall is not justifiable and is indicative of non-compliance with the SCM processes as it exceeds 20% of the contract value: Refer to CoAF for detail	The finding is due to lack of internal controls by management in ensuring the implementation of the SCM policy of the municipality, MFMA, and the MFMA SCM regulations.	Management should define and implement the performance measures to monitor the active contracts of the municipality, and also monitor the performance on monthly basis.	Monitoring of the consultants will be one on a monthly basis.	Mr. M.W Mbebe MM	Mechanism to be developed on measurement of the performance of contract	31/05/2022	measures on measurement of contracts are currently being developed

16	Revenue: Conditional grants: Performance evaluation not done (Iss.16) Management did not evaluate the its performance in respect of programmes or functions funded by the Municipal Infrastructure Grant (MIG) and Integrated National Electrification Program Grant (INEPG).	The finding is due to lack of internal controls by management in ensuring the implementation of the SCM policy of the municipality, and compliance with DoRA.	Management should define and implement the performance measures to evaluate the contract funded by MIG and INEP.	Management agrees with the finding and recommendation. The municipality has an established project management unit within the Technical Department, which will be tasked to formally implement the performance measures to evaluate contract performance, to evaluate contract performance against these performance measure at agreed intervals and to document and sign off on the evaluation process.	Mr. M.W Mbebe MM	Mechanism to be developed on measurement of the performance of contract	31/05/2022	measures on measurement of contracts are currently being developed

ANNEXURE B: OTHER IMPORTANT MATTERS

3	Unauthorised, Irregular, Fruitless and Wasteful Expenditure: ISS.85-COAF 39: UIFW Reports not submitted When testing irregular expenditure, fruitless and unauthorised expenditure disclosure, it was noted that the municipality did not send reports to the Mayor, MEC for local government and the AGSA regarding unauthorised, irregular or fruitless and wasteful expenditure.	The cause of the above finding is lack of processes, as there is no consequence management process within the municipality.	Management should submit the required reports as per section 32(4)(a)-(c) regarding unauthorised, irregular or fruitless and wasteful expenditure.	Management agrees with the finding and will implement systems to ensure required reporting occurs.	Mr. M.W Mbebe MM	UIFW Reports to be submitted to the Mayor, MEC Local Government and AGSA	31/05/2022	UIFW registers are currently been developed & will be submitted to the Mayor, MEC for Local Government & AGSA
5	Operating expenditure : ISS.18-COAF 09: Planning: BP - Purchases, payables and payments- Suppliers not paid within the prescribed 30 days period The municipality does not always pay its suppliers within 30 days of receiving the invoice/ statement: Payment No.Invoice No.Invoice dateSupplierDate invoice received by SCM (date stamp)Date paidDays 18357 2011055 2020/11/23	The cause of the above finding is that the municipality is experiencing financial difficulties due to less revenue collections thus affecting their ability to pay debt on time.	Management should manage the municipality's finances better to ensure that suppliers are paid on time.	Management agree to the audit findings & recommendations. Municipality is busy implementing the Debtors & Credit Control policy to ensure that the financial position of the municipality improves.	Mr KL Mulaudzi CFO	Municipality top develop Revenue Enhancement Strategy to improve the cash flow position	31/05/2022	A service provider has been appointed by COGTA in collaboration with DBSA to assist with the Revenue Enhancement Strategy

	Ultimate Recruitment Solutions 2020/11/24 2021/01/22 59							
7	Procurement and Contract Management : ISS.32-COAF 12: Planning: BP SCM Non-compliance - Procurement plan not submitted to Treasury by 31 March (ISS.32) The municipality's procurement plans for the year 2020/21 were not submitted to the provincial treasury by 31 March 2021 respectively.	This is due to a lack of exercise of management oversight to ensure that the procurement plans are submitted within the legislated deadline.	1.Management should establish a system that will ensure that the procurement plan is prepared well before the deadline in order to allow for sufficient time for the reviews, approval and submission to Treasury. 2.Management should ensure that consequence management is instituted against officials who are responsible for ensuring compliance with the treasury instruction.	Management agree to the audit findings & recommendations. In future procurement plan will be submitted to Provincial Treasury by 31st March each year.	Mr KL Mulaudzi CFO	Procurement Plan to be submitted by 31/06/2022	30/03/2022	Procurement plan are currently being developed/finalised
8	Procurement and Contract Management : ISS.33-COAF 12: Planning: BP SCM Non-compliance - Procurement Plan quarterly reports not submitted to Treasury (ISS.33) The procurement plan report was not submitted quarterly to Provincial Treasury by the 15th of the month following the end of the quarter.	This is due to a lack of exercise of management oversight to ensure that the quarterly report was submitted within the legislated deadline.	1.Management should establish a system that will ensure that the procurement plan report is prepared well before the deadline in order to allow for sufficient time for the reviews, approval and submission to Treasury. 2.Management should ensure that consequence management is instituted against officials who are responsible for ensuring compliance with the treasury instruction.	Management agree to the audit findings & recommendations. In future, Procurement plan will be submitted to Provincial Treasury within the stipulated time frame.	Mr KL Mulaudzi CFO	Procurement plan reports to be submitted to Treasury	30/06/2022	Procurement plan reports to be submitted to Treasury

9	Procurement and Contract Management : ISS.36-COAF 12: Planning: BP SCM Non-compliance - No process to determine local content (ISS.36) Contrary to the above, there is no process at the municipality to determine local content.	This is due to a lack of exercise of oversight by management to ensure that the regulation was fully adhered to.	Management should ensure that the requirements of the regulation are implemented and that all relevant tender documents are updated to reflect said requirements.	Management agree to the audit findings & recommendations. SCM policy will be reviewed to include local content.	Mr. M.W Mbebe MM	Municipality to develop systems to develop local content	31/05/2022	systems to develop local content are being developed
10	Procurement and Contract Management : ISS.40-COAF 16: SCM: Quotations- Awarded suppliers not tax compliant (Iss.40) 1.The following suppliers were approved as the service providers irrespective of them not being registered or tax compliant with SARS: Refer to CoAF for detail 2.The CSD report of the following supplier was not provided to confirm the tax status of the awarded supplier: Refer to CoAF for detail	1. The proper verification was not conducted to check the tax status before awarding the service providers. 2. The information was not provided to auditors on request, which maybe evidence of improper record keeping of documents submitted by the suppliers.	1.Management must add all the requirements on the checklist that is prepared before approval. 2.Management must ensure that all requested information is submitted to AGSA on time, and implement proper processes for the record keeping of documents submitted by the suppliers.	Management agreed with the finding but no adjustment to the IRE and AFS was required because this expenditure had already been included in these AFS / IRE register bar one. Management will implement the recommendation.	Mr KL Mulaudzi CFO	CSD reports for the awinning bidder to be kept	31/05/2022	CSD reports for the awinning bidder to be kept
11	Procurement and Contract Management : ISS.57-COAF 18: SCM: Deviations above R200 000-MBD 4 and MBD 8 forms not submitted by awarded suppliers (Iss.57) The following suppliers did not complete the declarations forms for the awarded deviation: Refer to CoAF for detail	The declaration of the supplier was not considered because the awarded contract was a deviation. The municipality mainly focus on the declarations for written quotations and bids.	Management should ensure that all the required documents are received from the suppliers. The MBD 8 and 4 forms should be considered for all the awards as the SCM policy of the municipality state.	Management agreed with the finding but no adjustment to the IRE and AFS was required because this expenditure had already been included in these AFS / IRE register bar two. Management will implement the recommendation.	Mr KL Mulaudzi CFO	Municipality to develop systems to develop local content	31/05/2022	systems to develop local content are being developed

12	Procurement and Contract Management : ISS.67-COAF 18: SCM: Deviations above R200 000- Winning providers tax matters not in order (Iss.67) 1.The following suppliers were approved as the service providers irrespective of them not being registered or tax compliant with SARS: Refer to CoAF for detail	1. The proper verification was not conducted to check the tax status before awarding the service providers. 2. The information was not provided to auditors on request, which maybe evidence of improper record keeping of documents submitted by the suppliers.	1. Management should add all the requirements on the checklist that is prepared before approval. 2. Management should ensure that all requested information is submitted to AGSA on time, and implement proper processes for the record keeping of documents submitted by the suppliers.	Management agreed with the finding but no adjustment to the IRE and AFS was required because this expenditure had already been included in these AFS / IRE register. Management will implement the recommendation.	Mr KL Mulaudzi CFO	A request was sent to Provincial Treasury to request for assistance	31/05/2022	National & Provincial Treasury will be visiting the municipality on the 03/06/2022 to attend to UIFW
13	Procurement and Contract Management : ISS.59-COAF 16: SCM: Deviations below R200 000- The reasons of deviations not justifiable (Iss.59) The reasons on the following deviations that are below R200 000 are not reasonable on the basis that it was impossible/ impractical to obtain three written quotations: Refer to CoAF for detail	The Municipality does not have an appointed legal firm. The municipality is in the process of appointing the panel of legal firms for the legal matters.	Management needs to provide valid reason that is exceptional or in case of emergency. The municipality should finalise the procurement processes of the panel for legal matters as the municipality has the legal matters that are still ongoing.	Management agreed with the finding but no adjustment to the IRE and AFS was required because this expenditure had already been included in these AFS / IRE register. Management will implement the recommendation.	Mr M.W Mbebe MM	employees to be trained on reasons for Deviation	31/05/2022	Workshop on deviations to be conducted in June 2022

ANNEXURE C: ADMINISTRATIVE MATTERS

1	Cash and Cash Equivalents Business Process : ISS.9-COAF 05- Planning: BP Cash and Bank - Reconciliations are not performed timeously (Iss.9) Management does not ensure that bank reconciliations are prepared monthly. The bank reconciliation for October 2020 was only prepared on 7 May 2021.	There is a backlog on the cash-book that is preventing the bank reconciliations section from performing the reconciliations on time, the backlog is mainly caused by inefficiencies of the other sections of the municipality, for example the expenditure section fails to capture cheques on time or the revenue section failing to capture receipts on time.	1.Management must ensure that all the sections of the municipality work efficiently and capture financial movements timeously so that the reconciliations section can perform its reconciliations timeously. 2.Reconciliations should be performed monthly and the system should be updated accordingly. 3.Management should implement oversight controls over cash and bank section.	Management agree to the audit findings & recommendations. In future, Bank Reconciliations will be performed on a monthly basis.	Mr KL Mulaudzi CFO	Bank reconciliations to be performed on a monthly basis	31/05/2022	Bank reconciliations for March 2022 has been finalised & the municipality is busy with Recon for April 2022

2	Employee costs : ISS.28-COAF 14: Planning: BP Payroll compensation and employee benefits: No assessment process (Iss.28) 1.The performance evaluation was not conducted during 2020/21 financial period to identify and address gaps in competency levels of the following existing officials: •Chief Financial Officer •Head of supply chain •All financial officials and SCM officials 2.The is no process in place to ensure that the annual report of the auditee reflects the information on the compliance with the prescribed minimum competency.	The findings are as a result of the performance evaluation report not conducted during 2020/21 financial period due to lack of management oversight in ensuring compliance with the MFMA regulations.	Management should ensure that performance evaluation is conducted in every financial period, to identify the development areas of the officials.	Management agree to the audit findings & recommendations	Mr. M.W Mbebe MM		31/05/2022	
3	Employee costs : ISS.29-COAF 14: Planning: BP: Payroll Compensation of Employees and Employee Benefit 1. The is no HR plan for 2020/21 financial period as the draft HR plan was submitted to the auditors. 2. The final draft of the organisational structure for 2020/21 was approved on the council meeting held on the 27th of May 2021, which is evidence that the municipality used outdated the organisational structure for the significant part of the financial period. 3. The recruitment and selection policy for 2020/21 was approved on the council meeting held on the 22 August 2021, which is evidence that the municipality used draft policy for 2020/21 financial period.	This is due to a lack of oversight by leadership over HR planning and organisation to ensure that they comply with all relevant laws and legislation.	Leadership should provide adequate oversight over HR planning and organisation section, to ensure that the municipality comply with relevant laws and regulations to ensure that:	Management agrees to the findings and assures that for the next coming financial years we will have an approved HR Plan, Recruitment & Selection policy and Organizational Structure that is reviewed and approved by council annually.	Mrs. N Makwabe Acting Director Corporate Services		31/05/2022	

4	General IT controls: ISS.1-COAF 01- Planning: Internal Control deficiencies- ITEC Level 1 (Non-ISA) (Iss.1) While obtaining an understanding of the municipality's IT environment the following internal control deficiencies were identified: 1. There is no IT security policy to ensure data confidentiality, integrity and availability. 2. There is no User Access Management policy to ensure user access and privileges are commensurate with job responsibilities. 3. There is no User Access Management policy to ensure that independent reviews of activities of the person responsible for granting users access to the network, application systems and performance reporting systems are conducted. 4. There is no backup and retention strategy for information captured on financial systems. 5. There is no approved disaster recovery plan that include all financial systems used.	This is caused by of management oversight over the ICT function.	Management should formulate IT Security Policy, User Access Management Policy, Retention Strategy and Disaster Recovery Plan.	Management agree to the audit findings & recommendations. In future, IT Security policy, User Access Management Policy, Retention Strategy & Disaster Recovery Plan will be developed.	Mrs. N Makwabe Acting Director Corporate Services		31/05/2022	

11	Movable assets : ISS.53-COAF 26: Movable assets- Existence: Missing Assets were recorded in the register (Iss.53) 1.Asset not verified During the 2020/2021 IYM audit, we conducted Asset verification on a sample of movable assets selected from the asset register. The following assets could not be verified: Refer to CoAF for detail We enquired with management and they indicated that the assets have been stolen. However, management did not remove those assets from the asset register. The projected misstatement from the assets that could not be verified is R1 300 405,64. 2.Control deficiency During the verification process, we noted that the following control deficiencies: (a)The following asset did not have a barcode. Refer to CoAF for detail The Barcode on the asset was pasted during the verification process. (b)Majority of the assets verified were barcoded using a paper sticker. The challenge with the paper sticker is that it comes off or fade overtime. The following are the assets that had barcodes which had faded away: Refer to CoAF for detail New barcodes stickers were pasted during the verification process.	The Asset management system was not properly implemented, including ensuring that assets on the fixed assets asset register are assets that actually exists. Asset management seem to be implemented when AFS are being prepared. This lead to some asset being given a barcode in the books and not barcoding the asset itself. Some of the barcode used are paper stickers which fade with time.	Management should make proper adjustment to ensure that the Movable asset balance is free from any material misstatement and that all the asset in the asset register are assets that actually exists. Management should ensure that all assets are properly identifiable with a proper, clear barcode.	Assets not verified Management agrees with the AGSA that the assets could not be found at the time of audit verification. -The Hard drive was stolen on the 7th of July 2021 and is derecognised in the 2021/22 financial year. Refer to the attached Confirmation by the IT Manager. -HP computer desktop – Case number 130/212020 was opened regarding the desktop. This is an isolated case and management proposes to make an adjustment to recognise the disposal on 30 June 2021 as follows: Refer to CoAF for detail Non-Compliance with asset policy Management disagrees that the Municipality has not complied with the Asset Management Policy on the barcoding of assets. The stickers that had fallen off are isolated cases. The stickers may have fallen off due to movement. The AG did not accept this response - further work is required in this area to ensure this error does not repeat in the next financial year.	Mr KL Mulaudzi CFO	Municipality to ensure that all assets do have the barcode	31/05/2022	Management is busy with physical verification of assets & will ensure that barcodes are attached to each asset

12	Operating expenditure : ISS.17-COAF 09: Planning: BP - Purchases, payables and payments- VAT accounted for on a monthly basis VAT is accounted for once a month at the municipality which increases the likelihood of errors being made as the system used to record invoices does not cater for VAT and overreliance is placed on the consultant's knowledge.	The cause of the above finding is that the system used at the municipality does not cater for VAT.	There must be controls put in place that are affected by the system on a daily basis to account for VAT when purchases of goods or services are made.	Management agree to the audit findings & recommendations. Measures will be put in place to ensure that VAT is accounted for on a daily basis.	Mr KL Mulaudzi CFO	VAT to be accounted on regular basis	31/05/2022	VAT to be accounted on regular basis
14	Payable: ISS.92-COAF 44 of 2021: Trade payables: Journal for the restatement not provided (Iss.92) Based on work done to audit restatements for payable from exchange transaction a limitation of scope was encountered in verifying validity, accuracy and completeness of the following journal processed: Journal NoDateAccount NoAccount TitleDebit Credit EY02130-Jun-20628682975300Sundry Creditors- Provision 109 582,00 EY02130-Jun-20628961000319Inapp surplus: Prior year transactions 109 582,00	The finding is as a result of non-submission of the journal processed and its collaborating evidence/supporting documents.	Management should ensure that proper record of information is designed and implemented in order to be able to submit all the information required for audit timeously.	Management agrees with the finding. This was an unaexplained difference in the opening balance and this error will not exist in the future.	Mr KL Mulaudzi CFO	Journals to be kept safe & made available to AG	31/05/2022	Journals are kept in a separate files & easily accessible to AG.

16	Audit Committee: ISS.2-COAF 02 - Planning internal control deficiencies- Understanding the audit committee (Iss.2) The following issues were identified from understating the audit committee: 1. The audit committee was not appropriately constituted during 2020/21 financial period as only two members attended all the meeting held during the financial period. 2. The audit committee did not meet with the internal audit without the management during the 2020/21 financial period. 3. The audit committee responded to the council on the issues raised by the Auditor-General in the audit report, as the audit action plan was never discussed by the committee. 4. The audit committee did not assist in reviewing the functioning and effectiveness of information technology security and control. 5. The audit committee did not review and comment on the annual reports within the stipulated time frames.	The internal audit unit was not fully functioning as there was only one member in the unit. Lack of oversight by the audit committee in ensuring its compliance with laws and regulations applicable to it as a governing body.	The audit committee should ensure that it is fully compliant with laws and regulations applicable to it by providing the necessary oversight required by such laws and regulations.	Agree with all findings Corrective measure Council appointed 5 members of the audit committee, all findings listed above will be submitted to the new audit committee to ensure implementation thereof.	Ms. N Notshulwana ACAE		31/04/2022	
17	Consequence Management Business Process: ISS.3-COAF 03- Planning: BP Consequence Management - No MPAC terms of reference (Iss.3) The municipality does not have clear terms of reference for the MPAC insofar as it relates to the investigating allegations of financial misconduct and monitoring the institution of disciplinary proceedings against an alleged transgressor.	This is due to a lack of exercise of oversight by council to ensure that MPAC terms of reference are clearly defined and are in line with the regulation.	Council should develop a MPAC charter and develop accountability systems to ensure that the charter is implemented effectively.	Management agree to the audit findings & recommendations.	Mr. M.W Mbebe MM	Terms of reference for MPAC to be developed	31/05/2022	Terms of reference for MPAC to be developed

18	Consequence Management Business Process: ISS.5-COAF 03- Planning: BP Consequence Management - No process of taking appropriate steps on findings of investigations (Iss.5) There is no formalised process in place at the municipality to address the findings of all investigations into financial misconduct.	Per enquiry, no process has been developed because the municipality has not yet concluded any investigations into financial misconduct	Management should develop a formalised process to address the findings of all investigations into financial misconduct.	Management agree to the audit findings & recommendations.	Mr. M.W Mbebe MM		31/05/2022	
19	Consequence Management Business Process: ISS.6-COAF 03- Planning: BP Consequence Management - No process for reporting on completed investigations and disciplinary proceedings (Iss.6) There is no process in place at the municipality for reporting on completed investigation and disciplinary proceedings completed.	This is due to the lack of exercise of management oversight to ensure that there is a process in place for reporting on completed investigation and disciplinary proceedings completed.	Management should ensure that a formalised process is established for reporting on completed investigation and disciplinary proceedings completed.	Management agree to the audit findings & recommendations.	Mr. M.W Mbebe MM		31/05/2022	
20	Consequence Management Business Process: ISS.7-COAF 03- Planning: BP Consequence Management - No process in place to deal with suppliers who committed corrupt or fraudulent acts (Iss.7) There is no formalised process in place at the municipality for dealing with suppliers who have committed corrupt or fraudulent act during the bidding process or execution of that contract.	This is due to a lack of exercise of management oversight to ensure that there is a process in place.	Management should ensure that a formalised process is developed for dealing with suppliers who have committed corrupt or fraudulent act during the bidding process or execution of that contract.	Management agree to the audit findings & recommendations.	Mr. M.W Mbebe MM	a policy to be developed to deal suppliers who committed fraud or corrupt acts	31/05/2022	a policy to be developed to deal suppliers who committed fraud or corrupt acts
21	Consequence Management Business Process: ISS.8-COAF 03- Planning: BP Consequence Management - No process for tabling outcomes of investigations in council and treasury (Iss.8) There is no formalised process in place at the municipality for tabling the out-	Per enquiry, this is because no investigations have been finalised at the municipality. Therefore, no outcomes have needed to be tabled to council and treasury.	Management should ensure that a formalised process is developed for enabling the outcomes of investigations to council.	Management agree to the audit findings & recommendations.	Mr. M.W Mbebe MM		31/05/2022	

	comes of investigations to council and treasury.							
22	Consequence Management Business Process: ISS.10-COAF 03- Planning: BP Consequence Management - No trainings for labour law forum (Iss.10) No trainings were conducted in the current year to update the labour law forum on the updates issued by SALGGBC or any other matters relating to consequence management.	This is due to a lack of exercise of management oversight to ensure that there are effective controls at the municipality and that they are implemented as they should be.	Management should ensure that all the relevant trainings are adequately planned for and conducted.	Management agree to the audit findings & recommendations.	Mrs. N Makwabe Acting Director Corporate Services		31/05/2022	
23	Use of the work of internal auditor : ISS.12-COAF 07: Planning: Use of work of internal auditors - Non-compliance (ISS.12) Contrary to the above requirements, the following was identified during the audit of the work performed by the internal audit function: 1.Reporting to the audit committee as well as the accounting officer did not take place within the required intervals and only one report was submitted. 2.It was noted that the internal audit charter and methodology was signed in November 2020 and the internal audit plan in February 2021, this was after the 2020/21 year has commenced. 3.The internal audit function is not adequately resourced and and appropriately resourced relative to the size of the municipality and the nature of its operations due to this, the following internal control deficiencies were	1.Due to the internal audit function not being adequately resourced, the work was not always completed and the reports were not always ready in time for the audit committee meetings where the internal auditors were scheduled to report. 2.Due to the fact that the internal audit charter and methodology were only signed during November 2020 and the internal audit plan during February 2021, which was after the 2020/21 year had already commenced, the internal audit function could not start their work effectively on time..	1.Management should amend the internal audit function's organogram in order to make provision for additional resources. Further, management should prioritise the additional internal audit posts in order to ensure that they are promptly filled. 2.Management should also ensure that for the internal audit function to be effective, they need to approve their planning documents in advance so that they can start the work on time.	Management agree to the audit findings & recommendation. In future, the post of the Internal Auditor will be filled & Internal audit reports will be submitted to the audit committee.	Mr. M.W Mbebe MM	Internal Audit Unit vacancy to be filled	31/05/2022	Internal Audit Unit posts are advertised 7 not yet filled.

	identified: •The internal audit did not advise the accounting officer and reported to the audit committee on matters relating to items in their internal audit plan including internal controls as in the Quarter 1 PMS Report the root cause was not listed for the audit issues identified. •There was no evidence to confirm that the internal audit had an input on the preparation and submission of the financial statements for 2020/21. •Internal audit did not advise the accounting officer and did not report to the audit committee on matters relating to compliance with supply chain management legislation. •The was no sufficient capacity to complete the annual audit plan, as the internal audit plan for 2020/21 was only approved in November 2020 and presented to the audit committee meeting held on 5 February 2021. •No internal audit work was performed on the information systems.							
24	Employee costs : ISS.19-COAF 14: Planning: BP Payroll compensation and employee benefits: No signed performance agreement for the acting Municipal Manager 1.The current acting municipal manager did not sign the performance agreement for 2020/21 financial year after being appointed as the acting municipal manager. 2.The is no performance measure directly attributable to the audit outcome of the auditee for all performance agreements of the municipal manager and managers directly accountable to the	This is due to a lack of oversight by leadership of the municipality in monitoring the compliance on the requirement of the MSA.	Ensure that performance agreements are signed for all Senior managers and Municipal Managers upon appointment. Ensure performance assessments include a performance measure for the audit outcome of the auditee.	Management disagree with the audit findings & recommendations. The Acting Municipal Manager, Mr. L Mulaudzi signed the performance agreement with the Executive Mayor before the start of the 2020/21 financial year. Mr. M.W Mbebe continue to implement the same performance agreement that was signed by his predecessor. The AG did not agree and the disagreement stands.	Mr. M.W Mbebe MM	Performance contracts for all senior Managers including acting Directors are signed	31/03/2022	All performance contracts are signed

	municipal manager.							
25	Use of Consultants : ISS.27-COAF 04- Use of consultants - Non-compliance identified (Iss.27) During the 2020/2021 audit, we assessed the business process followed by management for the use of consultants. We noted the following: • The management did not perform Gap analysis before appointment of consultant • The municipality does not have a consultancy reduction plan	Proper guidelines from MFMA Circular 82 were followed in appointing the Consultants.	Management should ensure that the appointment of consultant is done per proper requirements from MFMA circular 82.	Management agrees to the audit findings & recommendations. In future Gap analysis will be performed before appointment of consultants & reduction plan will be developed.	Mr. M.W Mbebe MM	Management to perform GAP Analysis before posts are filled	31/05/2022	GAP analysis is being developed
26	Understanding the entity and its environment : ISS.41-COAF 10- Planning: No terms of reference for Council Committees (ISS.41) When preparing the understanding the entity (oversight tab) it was noted that the following committees do not have terms of reference: 1. Budget & Treasury Committee 2. Corporate Services Committee 3. Technical/ LED Service Committee 4. Community Service Committee	Lack of oversight from leadership in ensuring that it establishes terms of reference for each of the established committees.	Management should ensure that the council drafts terms of reference for each established committee and the terms of reference should be signed by the chairperson of each council committee.	Management agree to the audit findings & recommendations. In future, TOR for Section 79 Committees will be developed.	Mr. M.W Mbebe MM	TOR for Section 79 Committees to be developed	31/05/2022	TOR for Section 79 still to be developed

27	Understanding the entity and its environment : ISS.42-COAF 10: Planning: Information not received in RFI 1 (ISS.42) The following documents were not submitted to Auditor General of South Africa in terms of Request For Information 01 of 2020: 1. MPAC Committee meeting minutes 2. Risk Committee meeting minutes	This is due to lack of proper documentation management by management	Management should ensure that all supporting documents are made available to the Auditor General of South Africa when required in order to perform the audit in an efficient and effective manner.	Management agree to the audit findings & recommendations. In future, MPAC & Risk Committee minutes will be kept.	Mr. M.W Mbebe MM	MPAC & Risk committee minutes to be kept & made available for audit purposes	31/05/2022	MPAC & Risk Committee minutes are kept & available
28	Understanding the entity and its environment : ISS.44-COAF 10: Planning: Policies not approved/ reviewed on a timely basis (ISS.44) There is no evidence that the following policies were reviewed and approved by the delegated official or the policies are still in draft format: Title Custodian(s) Responsible person Accounting Policy and implementation guidance FI-NANCE Delegation of Powers Policy None Draft By Law Relating to Ward Committees None Draft Records Management Policy None Draft Risk Management Policy None Rental Allowance FINANCE Roles and Remuneration of councillors HR Reimbursement of Mobile Phone Costs Policy FI-NANCE Scarce Skills Policy None Smoking Policy None Substance Abuse Policy None Telephone Usage Policy None Transferring Internal Staff Policy HR	The cause of this finding is the lack of monitoring of policies by leadership.	Management should ensure for all approved policies they are dated and the person approving should individually sign the policies and also indicate full name and designation. Where such approval was done by council then the council resolution should be attached. Where policies have been reviewed or draft they should be indicated as such including the date of review and the full name and designation of such reviewer. Where such review was done by council then the council resolution should be attached.	Management agrees to the finding and assures that for all the upcoming financial years all policies will be reviewed and the ones that the Municipality does not have will be developed and be constantly reviewed for their effectiveness.	Mrs. N Makwabe Acting Director Corporate Services		30/06/2022	

29	Strategic budgeting and planning : ISS.24-COAF 06- Perf mgmt. monitoring reporting - MFMA BP: Annual performance report (Iss.24) During the 2020/2021 audit, we reviewed the Annual Performance Management Report for Financial year 2020-2021 and noted that there was no comparison of the current year performance with the previous financial year.	Lack of oversight by management to ensure that the Performance report is prepared in accordance with the MSA requirements.	Management should ensure that that performance report is prepared in accordance with the proper guidelines. Checklist should be created to ensure full compliances with applicable laws and regulations that affects the preparation of the report.	Management disagrees with the finding. The comparison between the current year and the prior year performance is covered on page 79 and Page 80 of the APR. The AG did not agree and the finding remained - refer to the detailed report for the reason so that his matter may be resolved.	Mr. M.W Mbebe MM	APR for 2020/21 to have comparison of the previous years	31/05/2022	APR for 2020/21 to have comparison of the previous years
30	Strategic budgeting and planning : ISS.26-COAF 06- Strategic budgeting and planning- IDP amendment (Iss.26) During the 2020/2021 audit, we assessed the business process followed by management for amendment of the IDP and noted the following: The processed amendment was published for public comment for a period of 15 days instead of at least 21 days We inspected the newspaper for the publication of the draft for public comments Newspaper: The Herald Publication date: 13 April 2021 Draft IDP review 2021/22 and Draft budget 2021 The documents were tabled in a council meeting held on 31 March 2021. Written comments were requested by no later than 15 days after publication of the advert"	This was caused by an oversight from management on the required number of days for publishing the proposed IDP amendments for public comments.	Management should ensure that the IDP is prepared in accordance with the proper guidelines. Checklist should be created to ensure full compliances with applicable laws and regulations that affects the preparation of the IDP.	Management agrees with the finding and it will be addressed going forward.	Mr. M.W Mbebe MM		31/05/2022	

32	Procurement and Contract Management : ISS.31-COAF 12: Planning: BP SCM - Control deficiencies (ISS.31) The following control deficiencies were identified while performing the walk-through for the SCM business process: 1.Per the approved organogram for 2020/21, confirmed that the following were proposed positions for the SCM unit, but no attempt was made to fill the posts: •Specialist Demand & Acquisition: Proposed but not yet filled. •Specialist Logistics: Proposed but not yet filled. •Specialist Contract Management: Proposed but not yet filled. 2.There was no work scheduled to be performed on the SCM unit by internal audit, and there is no process in place to ensure that internal audit findings relating to SCM would be addressed. 3.There is no process in place to monitor and report on the implementation of the audit action plan as it pertains to SCM, as a result the municipality did not correct all weaknesses/ shortcomings identified previously. 4.There was no review of the SCM bid document checklist by the manager of the department for the following project: Fencing of Masizane Library, IYM05/11/2019T as required. 5.There is no process for monitoring the implementation of the procurement plan throughout the year. 6.There is no evidence that contractor for Fencing of Mazimane Library, IYM05/11/2019T and the relevant service provider was monitored on a monthly	This is due to lack of exercise of management oversight to ensure that all controls that need to be implemented at the municipality are implemented.	1.Management should ensure that all the processes that have not yet been developed are developed. 2.Management should ensure that consequence management is instituted against all employees who do not implement controls as they are required to.	Management agree to the audit findings & recommendations. Posts were not filled within the SCM Unit due to cash flow challenges.	Mr KL Mulaudzi CFO		30/06/2022	

	basis and as a result we could not establish whether contract performance measures and the methods whereby it is monitored are sufficient to ensure effective contract management. 7.The procurement plans for 2020/21 were not approved by the council. 8.Prospective suppliers are not directly sourced from the CSD database which leads to suppliers being contacted for quotes although they are not registered on the CSD. This compromised the fairness and competitiveness of the process since the invited suppliers were already not qualifying to render the service.							
33	Procurement and Contract Management : ISS.35-COAF 12: Planning: BP SCM Non-compliance - SCM Policy for petty cash purchases not adequate (ISS.35) The SCM Policy of the municipality does not include the following condition on the petty cash section: -limiting the number of petty cash purchases or the maximum amounts per months for each manager; -excluding any types of expenditure from petty cash purchases; -requiring monthly petty cash reconciliation reports	Lack of oversight by the management in ensuring that the municipality's SCM Policy is in line with the SCM Regulations.	The municipality should ensure that all their policies are in line with the applicable SCM laws and regulations.	Management agree to the audit findings & recommendations. Petty cash policy will be reviewed to include certain conditions.	Mr KL Mulaudzi CFO	Petty cash policy to be reviewed	31/05/2022	Reviewed petty cash policy will be approved in May 2022

	from each manager to the CFO.							
35	Procurement and Contract Management (to confirm for removal) : ISS.78-COAF 20: SCM: Contract Management- Additional Work on Lusaka Community Hall (Iss.78) 1. The additional work on Lusaka Community Hall amounting to R251 578.22 was not presented to the council. 2. The total additional work on Lusaka Community Hall is not justifiable and is indicative of non-compliance with the SCM processes as it exceeds 20% of the contract value: Refer to CoAF for detail	The finding is due to lack of internal controls by management in ensuring the implementation of the SCM policy of the municipality, MFMA, and the MFMA SCM regulations.	Management should define and implement the measures to monitor performance of its contractors.	The finding was resolved. The contract was not exceeded by 20% - Extra work: 2 182 528 / Contract value: 10 929 918 = 19.97% The contract value used by the AG related to a cancelled/ceded contract and not the contract that related to the extra work.	Mr. M.W Mbebe MM	Municipality to ensure that Construction cost project does not exceed 20% of the total contract value	31/05/2022	municipality did not approve any variation in excess of 20% of the total construction cost
36	Procurement and Contract Management (to confirm for removal) : ISS.65-COAF 20: SCM: Contract Management- Service level agreements not provided (Iss.65) The Service Level Agreements of the following contracts requested from RFI 26 of 21 were not provided for audit: Refer to CoAF for detail	This is due to the lack of proper record keeping by management.	Management should ensure that written service level agreements are maintained and kept on record for all services obtained.	Only the old contracts were not provided. Going forward, management will keep a file of all current contracts along with appointment and acceptance letters.	Mr KL Mulaudzi CFO	SLA are in place	31/05/2022	SLA were developed for all contracts awarded in 2020/21 FY

37	Procurement and Contract Management (to confirm for removal) : ISS.64-COAF 19: SCM: Local Content- Internal control deficiencies identified (Iss.64) The following internal control deficiencies were identified for the above contracts: 1. The local content was not calculated in terms of formula $LC = (1-x/y)*100$. 2. The DTI was not notified on the successful bidder and the value of the contract. Refer to CoAF for detail	The municipality does not have a process in place for procurement of local content product.	Management should ensure the following: - The DTI are notified of successful bidders and the value of the contracts. - The required documentation is provided to the DTI.	Management agrees with the finding and recommendation.	Mr. M.W Mbebe MM	Management to develop policy on local content	30/06/2022	Management to develop policy on local content
40	Receivables : ISS.52-COAF 32: Receivables: Impairment- The methodology used for impairment is not on the policy (Iss.52) The impairment policy of the municipality does not include the methodology used to calculate the impairment loss presented in the financial statement.	The finding is due to inadequate reviews on the policies of the municipality to ensure that policies include all details of processes of the municipality in recording the financial information that is in line with GRAP requirements.	Management should ensure that the adequate reviews are implemented on policies, ensuring that policies are in line with the requirements of GRAP.	Management agrees with the finding that the impairment policy does not include the detailed methodology used to calculate the provision for impairment of receivables. The policy will be updated to include the broad principles of the methodology as set out in GRAP 104.	Mr KL Mulaudzi CFO	Management to review the Impairment policy	31/05/2022	Management will review the impairment policy

Performance indicator	Ref No.	Data element	Baseline (Annual Performance of 2021/22 estimated)	Annual target for 2022/2023	1st Quarter Planned output as per SDBIP	2nd Quarter Planned output as per SDBIP	3rd Quarter Planned output as per SDBIP	4th Quarter Planned output as per SDBIP	Reasons for no data, if not provided	Steps under-taken, or to be undertaken, to provide data in the future	Estimated date when data will be available	TYPE
EE1.11	EE1.11(1)	Number of dwellings provided with connections to mains electricity supply by the municipality	300	300								output
		(1) Number of residential supply points energised and commissioned by the municipality						300				
EE3.11		Percentage of unplanned outages that are restored to supply within industry standard timeframes										output
	EE3.11(1)	(1) Number of unplanned outages restored within x hours										
	EE3.11(2)	(2) Total number of unplanned outages										
EE3.21	EE3.21(1)	Percentage of planned maintenance performed	100	264								output
		(1) Actual number of maintenance 'jobs' for planned or preventative maintenance										
		(2) Budgeted number of maintenance 'jobs' for planned or preventative maintenance			66	66	66	66				
EE4.4		Percentage total electricity losses										outcome
	EE4.4(1)	(1) Electricity Purchases in kWh										
	EE4.4(2)	(2) Electricity Sales in kWh										
ENV3.11		Percentage of known informal settlements receiving basic refuse removal services										output
	ENV3.11(1)	(1) Number of informal settlements receiving waste handling services										
	ENV3.11(2)	(2) The total number of recognised informal settlements										
ENV4.11		Percentage of biodiversity priority area within the municipality										output
	ENV4.11(1)	(1) Total land area in hectares classified as "biodiversity priority areas"										

		ENV4.11(2)	(2) Total municipal area in hectares										
ENV5.1	Recreational water quality (coastal)												outcome
		ENV5.1(1)	(1) Number of coastal water samples classified as "sufficient"										
		ENV5.1(2)	(2) Total number of recreational coastal water quality samples taken										
ENV5.2	Recreational water quality (inland)												outcome
		ENV5.2(1)	(1) Number of inland water sample tests within the 'targeted range' for intermediate contact recreational water use										
		ENV5.2(2)	(2) Total number of sample tests undertaken										
HS3.5	Percentage utilisation rate of community halls												outcome
		HS3.5(1)	(1) Sum of hours booked across all community halls in the period of assessment										
		HS3.5(2)	(2) Sum of available hours for all community halls in the period of assessment.										
HS3.6	Average number of library visits per library												outcome
		HS3.6(1)	(1) Total number of library visits		12871				12871				
		HS3.6(2)	(2) Count of municipal libraries		6				6				
HS3.7	Percentage of municipal cemetery plots available												outcome
		HS3.7(1)	(1) Number of available municipal burial plots in active municipal cemeteries	8656	8656				8656				
TR6.11	Percentage of unsurfaced road graded									the municipality does not have machinery			output
		TR6.11(1)	(1) Kilometres of municipal road graded										
		TR6.11(2)	(2) Kilometres of unsurfaced road network										
TR6.12	Percentage of surfaced municipal road lanes which has been resurfaced and resealed												output
		TR6.12(1)	(1) Kilometres of municipal road lanes resurfaced and resealed										

		TR6.12(2)	(2) Kilometres of surfaced municipal road lanes										
TR6.13	KMs of new municipal road network			2	3				3				output
		TR6.13(1)	(1) Number of kilometres of surfaced road network built										
		TR6.13(2)	(2) Number of kilometres of unsurfaced road network built										
TR6.2	Number of potholes reported per 10kms of municipal road network												outcome
		TR6.2(1)	(1) Number of potholes reported										
		TR6.2(2)	(2) Kilometres of surfaced municipal road network										
TR6.21	Percentage of reported pothole complaints resolved within standard municipal response time			372	320								output
		TR6.21(1)	(1) Number of pothole complaints resolved within the standard time after being reported			80	80	80	80				
		TR6.21(2)	(2) Number of potholes reported										
WS1.11	Number of new sewer connections meeting minimum standards												output
		WS1.11(1)	(1) Number of new sewer connections to consumer units										
		WS1.11(2)	(2) Number of new sewer connections to communal toilet facilities.										
WS2.11	Number of new water connections meeting minimum standards												output
		WS2.11(1)	(1) Number of new water connections to piped (tap) water										
		WS2.11(2)	(2) Number of new water connections to public/communal facilities.										
WS3.1	Frequency of sewer blockages per 100 KMs of pipeline												outcome
		WS3.1(1)	(1) Number of blockages in sewers that occurred										
		WS3.1(2)	(2) Total sewer length in KMs										
WS3.11	Percentage of callouts responded to within 24 hours (sanita-												output

	tion/wastewater)												
		WS3.11(1)	(1) Number of callouts responded to within 24 hours (sanitation/wastewater)										
		WS3.11(2)	(2) Total number of callouts (sanitation/wastewater)										
WS3.2	Frequency of water mains failures per 100 KMs of pipeline												outcome
		WS3.2(1)	(1) Number of water mains failures (including failures of valves and fittings)										
		WS3.2(2)	(2) Total mains length (water) in KMs										
WS3.21	Percentage of callouts responded to within 24 hours (water)												output
		WS3.21(1)	(1) Number of callouts responded to within 24 hours (water)										
		WS3.21(2)	(2) Total water service callouts received										
WS3.3	Frequency of unplanned water service interruptions												output
		WS3.3(1)	(1) Number of unplanned water service interruptions										
		WS3.3(2)	(2) Total number of water service connections										
WS4.1	Percentage of drinking water samples complying to SANS241												outcome
		WS4.1(1)	(1) Number of water sample tests that complied with SANS 241 requirements										
WS4.2	Percentage of wastewater samples compliant to water use license conditions												outcome
		WS4.2(1)	(1) Number of wastewater samples tested per determinant that meet compliance to specified water use license requirements										
		WS4.2(2)	(2) Total wastewater samples tested for all determinants over the municipal financial year										
WS5.1	Percentage of non-revenue water												outcome
		WS5.1(1)	(1) Number of Kilolitres Water Purchased or Purified										
		WS5.1(2)	(2) Number of kilolitres of water sold										

WS5.2	Total water losses													outcome
		WS5.2(1)	(1) System input volume											
		WS5.2(2)	(2) Authorised consumption											
WS5.31	Percentage of total water connections metered													output
		WS5.31(1)	(1) Number of water connections metered											
		WS5.31(2)	(2) Number of connections unmetered											
WS5.4	Percentage of water reused													outcome
		WS5.4(1)	(1) 1.a Direct use of treated municipal wastewater (not including irrigation)											
		WS5.4(2)	(2) 1.b Direct use of treated municipal wastewater for irrigation purposes											
FD1.11	Percentage compliance with the required attendance time for structural firefighting incidents													output
		FD1.11(1)	(1) Number of structural fire incidents where the attendance time was 14 minutes or less											
		FD1.11(2)	(2) Total number of distress calls for structural fire incidents received											
LED1.11	Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area													output
		LED1.11(1)	(1) R-value of operating expenditure on contracted services within the municipal area											
		LED1.11(2)	(2) Total municipal operating expenditure on contracted services											
LED1.21	Number of work opportunities created through Public Employment Programmes (incl. EPWP, CWP and other related employment programmes)			109	150									output
		LED1.21(1)	(1) Number of work opportunities provided by the municipality through the Expanded Public Works Programme			150								
		LED1.21(2)	(2) Number of work opportunities provided through the Community Works Pro-											

		gramme and other related infrastructure initiatives.											
LED2.12	Percentage of the municipality's operating budget spent on indigent relief for free basic services												output
		LED2.12(1)	(1) R-value of operating budget expenditure on free basic services										
		LED2.12(2)	(2) Total operating budget for the municipality										
LED3.11	Average time taken to finalise business license applications												output
		LED3.11(1)	(1) Sum of the total working days per business application finalised										
		LED3.11(2)	(2) Number of business applications finalised										
LED3.31	Average number of days from the point of advertising to the letter of award per 80/20 procurement process												output
		LED3.31(1)	(1) Sum of the number of days from the point of advertising a tender in terms of the 80/20 procurement process to the issuing of the letter of award										
		LED3.31(2)	(2) Total number of 80/20 tenders awarded as per the procurement process										
LED3.32	Percentage of municipal payments made to service providers who submitted complete forms within 30-days of invoice submission			100	115								output
		LED3.32(1)	(1) Number of municipal payments within 30-days of complete invoice receipt made to service providers			50	28	28	9				
		LED3.32(2)	(2) Total number of complete invoices received (30 days or older)										
GG1.1	Percentage of municipal skills development levy recovered												outcome
		GG1.1(1)	(1) R-value of municipal skills development levy recovered										
		GG1.1(2)	(2) R-value of the total qualifying value of the municipal skills development levy										
GG1.2	Top management stability												outcome
		GG1.2(1)	(1) Total sum of standard										

		working days, in the reporting period, that each S56 and S57 post was occupied by a fully appointed official (not suspended or vacant) with a valid signed contract and performance agreement)											
	GG1.2(2)	(2) Aggregate working days for all S56 and S57 Posts											
GG1.21	Staff vacancy rate												output
	GG1.21(1)	(1) The number of employee posts on the approved organisational structure											
	GG1.21(2)	(2) The number of permanent employees in the municipality											
GG1.22	Percentage of vacant posts filled within 3 months												output
	GG1.22(1)	(1) Number of vacant posts filled within 3 months since the date (dd/mm/yyyy) of authority to proceed with filling the vacancy											
	GG1.22(2)	(2) Number of vacant posts that have been filled											
GG2.1	Percentage of ward committees that are functional (meet four times a year, are quorate, and have an action plan)												outcome
	GG2.1(1)	(1) Functional ward committees											
	GG2.1(2)	(2) Total number of wards											
GG2.11	Percentage of ward committees with 6 or more ward committee members (excluding the ward councillor)												output
	GG2.11(1)	(1) Total number of ward committees with 6 or more members											
	GG2.11(2)	(2) Total number of wards											
GG2.12	Percentage of wards that have held at least one councillor-convened community meeting												output
	GG2.12(1)	(1) Total number of councillor convened ward community meetings											
	GG2.12(2)	(2) Total number of wards											
GG2.31	Percentage of official complaints responded to through the municipal complaint management sys-												output

tem													
	GG2.31(1)	(1) Number of official complaints responded to according to municipal norms and standards											
	GG2.31(2)	(2) Number of official complaints received											
GG3.12		Percentage of councillors who have declared their financial interests											output
	GG3.12(1)	(1) Number of councillors that have declared their financial interests											
	GG3.12(2)	(2) Total number of municipal councillors											
GG4.1		Percentage of councillors attending council meetings											outcome
	GG4.1(1)	(1) The sum total of councillor attendance of all council meetings											
	GG4.1(2)	(2) The total number of council meetings											
GG5.11		Number of active suspensions longer than three months											output
	GG5.11(1)	(1) Simple count of the number of active suspensions in the municipality lasting more than three months											
GG5.12		Quarterly salary bill of suspended officials											output
	GG5.12(1)	(1) Sum of the salary bill for all suspended officials for the reporting period											
FM1.1		Percentage of expenditure against total budget		145%									outcome
	FM1.1(1)	(1) Total expenditure (operating + capital)	404,759,000										
	FM1.1(2)	(2) Total budget (operating + capital)	278,974,000	462,000,000	115,500,000	115,500,000	115,500,000	115,500,000					
FM1.11		Total Capital Expenditure as a percentage of Total Capital Budget		110%									output
	FM1.11(1)	(1) Actual Capital Expenditure	47,414,000										
	FM1.11(2)	(2) Budgeted Capital Expenditure	43,178,000	52,000,000	13,000,000	13,000,000	13,000,000	13,000,000					
FM1.12		Total Operating Expenditure as a percentage of Total Operating Expenditure Budget		156%									output
	FM1.12(1)	(1) Actual Operating Ex-	368,736,000										

		penditure											
	FM1.12(2)	(2) Budgeted Operating Expenditure	236,296,000	410,000,000	102,500,000	102,500,000	102,500,000	102,500,000					
FM1.13		Total Operating Revenue as a percentage of Total Operating Revenue Budget											output
	FM1.13(1)	(1) Actual Operating Revenue	301,429,000										
	FM1.13(2)	(2) Budgeted Operating Revenue	330,497,000	335,000,000	83,750,000	83,750,000	83,750,000	83,750,000					
FM1.14		Service Charges and Property Rates Revenue as a percentage of Service Charges and Property Rates Revenue Budget	51%										output
	FM1.14(1)	(1) Actual Service Charges Revenue	124,878,000										
	FM1.14(2)	(2) Actual Property Rates Revenue	45,119,000	50,250,000	12,562,500	12,562,500	12,562,500	12,562,500					
FM1.21		Funded budget (Y/N) (Municipal)											output
	FM1.21(1)	(1) Municipal funded budget self-assessment outcome	No										
FM2.1		Percentage of total operating revenue to finance total debt (Total Debt (Borrowing) / Total operating revenue)	n/a						No borrowings				outcome
	FM2.1(1)	(1) Debt (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease)											
	FM2.1(2)	(2) Total Operating Revenue											
FM2.2		Percentage change in cash backed reserves reconciliation											outcome
	FM2.2(1)	(1) Cash backed reserves (previous year)	n/a						Reserves not cash backed				
	FM2.2(2)	(2) Cash backed reserves (current year)	n/a						Reserves not cash backed				
FM2.21		Cash backed reserves reconciliation at year end											output
	FM2.21(1)	(1) Actual Cash and Cash Equivalents	1,767,000	2,000,000	18,000,000	10,000,000	10,000,000	2,000,000					
	FM2.21(2)	(2) Long Term Investment	-	-	-	-	-	-					
FM3.1		Percentage change in cash and cash equivalent (short term)	1%										outcome
	FM3.1(1)	(1) Cash and cash equivalent (Current year)	1,767,000										
	FM3.1(2)	(2) Cash and cash equivalent (Previous year)	1,752,000	2,000,000				2,000,000					
FM3.11		Cash/Cost coverage ratio	303%										output

		FM3.11(1)	(1) Cash and cash equivalent	1,767,000	2,000,000	18,000,000	10,000,000	10,000,000	2,000,000				
		FM3.11(2)	(2) Unspent Conditional Grants	584,000	-	16,000,000	8,000,000	8,000,000	-				
FM3.12	Current ratio (current assets/current liabilities)			23%	4%	18%	13%	9%	4%				output
		FM3.12(1)	(1) Current assets	70,351,000	12,000,000	55,763,250	41,175,500	26,587,750	12,000,000				
		FM3.12(2)	(2) Current liabilities	309,799,000	307,896,000	307,896,000	307,896,000	307,896,000	307,896,000				
FM3.13	Trade payables to cash ratio			1%	1%	6%	3%	3%	1%				output
		FM3.13(1)	(1) Cash and cash equivalents	1,767,000	2,000,000	18,000,000	10,000,000	10,000,000	2,000,000				
		FM3.13(2)	(2) Trade payables	307,896,000	307,896,000	307,896,000	307,896,000	307,896,000	307,896,000				
FM3.14	Liquidity ratio			1%	1%				1%				output
		FM3.14(1)	(1) Cash and cash equivalents	1,767,000	2,000,000	18,000,000	10,000,000	10,000,000	2,000,000				
		FM3.14(2)	(2) Current liabilities	309,799,000	307,896,000	307,896,000	307,896,000	307,896,000	307,896,000				
FM4.1	Percentage change of unauthorised, irregular, fruitless and wasteful expenditure			21%	-4%				-4%				outcome
		FM4.1(1)	(1) Irregular expenditure (previous year)	59,792,000	55,000,000				55,000,000				
		FM4.1(2)	(2) Fruitless and Wasteful expenditure (previous year)	14,826,000	15,000,000				15,000,000				
FM4.11	Irregular, Fruitless and Wasteful, Unauthorised Expenditure as a percentage of Total Operating Expenditure			24%									output
		FM4.11(1)	(1) Irregular expenditure	80,153,000	50,000,000				50,000,000				
		FM4.11(2)	(2) Fruitless and Wasteful expenditure	10,076,000	17,000,000				17,000,000				
FM4.2	Percentage of total operating expenditure on remuneration			27%	27%				27%				outcome
		FM4.2(1)	(1)Employee Related Costs	92,426,000	102,385,000				102,385,000				
		FM4.2(2)	(2) Councillors' Remuneration	7,931,000	8,783,000				8,783,000				
FM4.3	Percentage of total operating expenditure on contracted services			5%	5%				5%				outcome
		FM4.3(1)	(1) Contracted Services	17,541,000	19,431,000				19,431,000				
		FM4.3(2)	(2) Total Operating Expenditure	368,736,000	408,470,000				408,470,000				
FM4.31	Creditors payment period			542									output
		FM4.31(1)	(1) Trade Creditors Outstanding	307,896,000	307,896,000	307,896,000	307,896,000	307,896,000	307,896,000				
		FM4.31(2)	(2) Credit purchases (operating and capital)	207,394,650	-	-	-	-	-				
FM5.1	Percentage change of own funding (Internally generated funds +			100%	100%				100%				outcome

	Borrowings) to fund capital expenditure												
		FM5.1(1)	(1) Internally Generated Funds (current year)	23,087,000	25,575,000				25,575,000				
		FM5.1(2)	(2) Borrowings (current year)	-	-				-				
FM5.11	Percentage of total capital expenditure funded from own funding (Internally generated funds + Borrowings)			49%									output
		FM5.11(1)	(1) Internally Generated Funds	23,087,000	-1,869,250	1,869,250	-	-	-				
		FM5.11(2)	(2) Borrowings										
FM5.12	Percentage of total capital expenditure funded from capital conditional grants			51%									output
		FM5.12(1)	(1) Total Capital Transfers (provincial and national capital conditional grants)	24,327,000									
		FM5.12(2)	(2) Total Capital Expenditure	47,414,000									
FM5.2	Percentage change of renewal/upgrading of existing Assets			22%									outcome
		FM5.2(1)	(1) Total costs of Renewal and Upgrading of Existing Assets (current year)	45,925,000									
		FM5.2(2)	(2) Total costs of Renewal and Upgrading of Existing Assets (previous year)	37,728,000	50,874,000				50,874,000				
FM5.21	Percentage of total capital expenditure on renewal/upgrading of existing assets			97%									output
		FM5.21(1)	(1) Total costs of Renewal and Upgrading of Existing Assets	45,925,000									
		FM5.21(2)	(2) Total Capital Expenditure	47,414,000	50,000,000	12,500,000	12,500,000	12,500,000	12,500,000				
FM5.22	Renewal/Upgrading of Existing Assets as a percentage of Depreciation/Asset impairment			96%									output
		FM5.22(1)	(1) Total costs of Renewal and Upgrading of Existing Assets	45,925,000									
		FM5.22(2)	(2) Depreciation	47,612,000									
FM5.3	Percentage change of repairs and maintenance of existing infrastructure			109%									outcome
		FM5.3(1)	(1) Repairs and maintenance expenditure (current year)	4,633,000									
		FM5.3(2)	(2) Repairs and maintenance expenditure (previous year)	2,217,000	8,000,000				8,000,000				
FM5.31	Repairs and Maintenance as a			0%									output

	percentage of property, plant, equipment and investment property												
		FM5.31(1)	(1) Total Repairs and Maintenance Expenditure	4,633,000									
		FM5.31(2)	(2) Property, Plant and Equipment	1,255,522,000									
FM6.12	Percentage of awarded tenders [over R200k], published on the municipality's website												output
		FM6.12(1)	(1) Number of awarded tenders published on the municipality's website										
		FM6.12(2)	(2) Number of awarded tenders										
FM6.13	Percentage of tender cancellations												output
		FM6.13(1)	(1) Number of tenders cancelled										
		FM6.13(2)	(2) Total number of tenders advertised and closed										
FM7.1	Percentage change in Gross Consumer Debtors' (Current and Non-current)			-6%									outcome
		FM7.1(1)	(1) Gross consumer debtors (previous year)	117,187,000	121,662,000				121,662,000				
		FM7.1(2)	(2) Gross consumer debtors (current year)	109,827,000									
FM7.11	Debtors payment period			366									output
		FM7.11(1)	(1) Gross Debtors	208,255,000									
		FM7.11(2)	(2) Bad Debt Provision	165,193,000									
FM7.12	Collection rate ratio			75%									output
		FM7.12(1)	(1) Gross Debtors Opening Balance	200,806,000									
		FM7.12(2)	(2) Billed Revenue	203,939,000									
FM7.2	Percentage of Revenue Growth excluding capital grants			12%									outcome
		FM7.2(1)	(1) Total Revenue Excluding Capital Grants (current year)	277,917,000	277,917,000				277,917,000				
		FM7.2(2)	(2) Total Revenue Excluding Capital Grants (previous year)	248,178,000									
FM7.3	Percentage of net operating surplus margin												outcome
		FM7.3(1)	(1)Total Operating Revenue	301,429,000	-				-				
		FM7.3(2)	(2)Total Operating Expenditure	368,736,000									
FM7.31	Net Surplus /Deficit Margin for Electricity												output

		FM7.31(1)	(1) Total Electricity Revenue										
		FM7.31(2)	(2) Total Electricity Expenditure										
FM7.32	Net Surplus /Deficit Margin for Water												output
		FM7.32(1)	(1)Total Water Revenue										
		FM7.32(2)	(2) Total Water Expenditure										
FM7.33	Net Surplus /Deficit Margin for Wastewater												output
		FM7.33(1)	(1) Total Sanitation and Waste Water Revenue										
		FM7.33(2)	(2) Total Sanitation and Waste Water Expenditure										
FM7.34	Net Surplus /Deficit Margin for Refuse												output
		FM7.34(1)	(1) Total Refuse Revenue										
		FM7.34(2)	(2) Total Refuse Expenditure										

COMPLIANCE

C1 (GG)	Number of signed performance agreements by the MM and section 56 managers:												Compliance
C2 (GG)	Number of ExCo or Mayoral Executive meetings held:												Compliance
C3 (GG)	Number of Council portfolio committee meetings held:												Compliance
C4 (GG)	Number of MPAC meetings held:												Compliance
C5 (GG)	Number of recognised traditional leaders within your municipal boundary												Compliance
C6 (GG)	Number of formal (minuted) meetings between the Mayor, Speaker and MM were held to deal with municipal matters:												Compliance
C7 (GG)	Number of formal (minuted) meetings - to which all senior managers were invited- held:												Compliance
C8 (GG)	Number of councillors completed training:												Compliance
C9 (GG)	Number of municipal officials completed training:												Compliance
C10 (GG)	Number of work stoppages occurring:												Compliance
C11 (GG)	Number of litigation cases instituted by the municipality:												Compliance
C12 (GG)	Number of litigation cases instituted against the municipality:												Compliance
C13 (GG)	Number of forensic investigations instituted:												Compliance

C14 (GG)	Number of forensic investigations conducted:												Compliance
C15 (GG)	Number of days of sick leave taken by employees:												Compliance
C16 (GG)	Number of permanent employees employed												Compliance
C17 (GG)	Number of temporary employees employed:												Compliance
C18 (GG)	Number of approved demonstrations in the municipal area:												Compliance
C19 (GG)	Number of recognised traditional and Khoi-San leaders in attendance (sum of) at all council meetings:												Compliance
C20 (ENV)	Number of permanent environmental health practitioners employed by the municipality:												Compliance
C21 (ENV)	Number of approved environmental health practitioner posts in the municipality												Compliance
C22 (GG)	Number of Council meetings held:												Compliance
C23 (GG)	Number of disciplinary cases for misconduct relating to fraud and corruption:												Compliance
C24 (GG)	Number of council meetings disrupted												Compliance
C25 (GG)	Number of protests reported												Compliance
C26 (GG)	R-value of all tenders awarded												Compliance
C27 (GG)	Number of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations:												Compliance
C28 (GG)	R-value of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations:												Compliance
C29 (LED)	Number of approved applications for rezoning a property for commercial purposes:												Compliance
C30 (GG)	Number of business licenses approved:												Compliance
C31 (GG)	Number of approved posts in the municipality with regard to municipal infrastructure:												Compliance
C32 (GG)	Number of positions filled with regard to municipal infrastructure:												Compliance
C33 (GG)	Number of tenders over R200 000 awarded:												Compliance
C34 (GG)	Number of months the Municipality was in breach of the MFMA:												Compliance

	pal Managers' position has been filled (not Acting):												
C35 (GG)	Number of months the Chief Financial Officers' position has been filled (not Acting):												Compliance
C36 (GG)	Number of vacant posts of senior managers:												Compliance
C37 (GG)	Number of approved posts in the treasury and budget office:												Compliance
C38 (GG)	Number of filled posts in the treasury and budget office:												Compliance
C39 (GG)	Number of approved posts in the development and planning department:												Compliance
C40 (GG)	Number of filled posts in the development and planning department												Compliance
C41 (GG)	Number of approved engineer posts in the municipality:												Compliance
C42 (GG)	Number of registered engineers employed in approved posts												Compliance
C43 (GG)	Number of engineers employed in approved posts:												Compliance
C44 (GG)	Number of disciplinary cases in the municipality:												Compliance
C45 (GG)	Number of finalised disciplinary cases:												Compliance
C46 (ENV)	Number of approved waste management posts in the municipality:												Compliance
C47 (ENV)	Number of waste management posts filled:												Compliance
C48 (EE)	Number of approved electrician posts in the municipality:												Compliance
C49 (EE)	Number of electricians employed in approved posts:												Compliance
C50 (WS)	Number of approved water and wastewater management posts in the municipality:												Compliance
C51 (WS)	Number of filled water and wastewater management posts:												Compliance
C52 (HS)	Number of maintained sports fields and facilities												Compliance
C53 (HS)	Square meters of maintained public outdoor recreation space												Compliance
C54 (HS)	Number of municipality-owned community halls												Compliance
C56 (EE)	Number of customers provided with an alternative energy supply (e.g. LPG or paraffin or biogel according to supply level stand-												Compliance

	ards)												
C57 (EE)	Number of registered electricity consumers with a mini grid-based system in the municipal service area												Compliance
C58 (EE)	Total non-technical electricity losses in MWh (estimate)												Compliance
C59 (EE)	Number of municipal buildings that consume renewable energy												Compliance
C60(WS)	Total number of sewer connections												Compliance
C61 (WS)	Total number of chemical toilets in operation												Compliance
C62 (WS)	Total number of Ventilation Improved Pit Toilets (VIPs)												Compliance
C63 (WS)	Total volume of water delivered by water trucks												Compliance
C67 (FD)	Number of paid full-time fire-fighters employed by the municipality												Compliance
C68 (FD)	Number of part-time and fire-fighter reservists in the service of the municipality												Compliance
C69 (FD)	Number of 'displaced persons' to whom the municipality delivered assistance												Compliance
C71 (LED)	Number of procurement processes where disputes were raised												Compliance
C73 (FD)	Number of structural fires occurring in informal settlements												Compliance
C74 (FD)	Number of dwellings in informal settlements affected by structural fires (estimate)												Compliance
C76 (LED)	Number of SMMEs and informal businesses benefitting from municipal digitisation support programmes rolled out directly or in partnership with other stakeholders												Compliance
C77 (LED)	B-BBEE Procurement Spend on Empowering Suppliers that are at least 51% black owned based												Compliance
C78 (LED)	B-BBEE Procurement Spend on Empowering Suppliers that are at least 30% black women owned												Compliance
C79 (LED)	B-BBEE Procurement Spend from all Empowering Suppliers based on the B-BBEE Procurement												Compliance
C86 (LED)	Number of households in the municipal area registered as in-												Compliance

	digent												
C89 (GG)	Number of meetings of the Ex- cutive or Mayoral Committee postponed due to lack of quor- um												Compliance
C92(GG)	Number of agenda items de- ferred to the next council meet- ing												Compliance
C93(FM)	Number of awards made in terms of SCM Reg 32												Compliance
C94(FM)	Number of requests approved for deviation from approved procurement plan												Compliance
C95(FM)	Number of residential properties in the billing system												Compliance
C96(FM)	Number of non-residential prop- erties in the billing system												Compliance
C97(FM)	Number of properties in the val- uation roll												Compliance