

2022-2027

# Sakhisizwe Local Municipality Integrated Development Plan



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2022-2027 IDP

## GLOSSARY OF TERMS

ABET	Adult Based Education and Training
ABSA	Amalgamated Banks of South Africa
AIDS	Acquired Immune Deficiency Syndrome
ASGISA	Accelerated and Shared Growth Initiative for South Africa
CASP	Comprehensive Agriculture Support Programme
CBO	Community Based Organization
CHDM	Chris Hani District Municipality
CHARTO	Chris Hani Regional Tourism Organisation
CPF	Community Policing Forum
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DEAT	Department of Environment and Tourism (Also known as DEA)
DFA	Development Facilitation Act No 67 of 1995
DLA	Department of Land Affairs
DLGH	Department of Local Government
DM	District Municipality
DDM	District Development Model
DME	Department of Mineral and Energy
DRDAR	Department of Rural Development and Agrarian Reform
DRLR	Department of Rural Development and Land Reform
DoE	Department of Education
DoH	Department of Health
DHS	Department of Human Settlements
DoSD	Department of Social Development
DoT	Department of Transport
DPLG	Department of Provincial and Local Government (National)
DRPW	Department of Roads and Public Works
DSRAC	Department of Sport, Recreational, Arts & Culture
DWS	Department of Water and Sanitation
ECA	Environmental Conservation Act
EIA	Environmental Impact Assessment
ES	Equitable Share (grant)
FBS	Free Basic Services
ECDC	Eastern Cape Development Corporation
ECPGDS	Eastern Cape Provincial Growth & Development Strategy
EXCO	Executive Committee
GGP	Gross Geographic Product
GIS	Geographical Information System
GTZ	German Technical Cooperation
GVA	Gross Value Added
HDI	Human Development Index
HIV	Human Immune Deficiency Virus
HR	Human Resource
IDC	Independent Development Corporation

IDP	Integrated Development Plan
IDT	Independent Development Trust
ICT	Information Communication & Technology
ISDM	Integrated Service Delivery Model
ITP	Integrated Transportation Plan
IWMP	Integrated Waste Management Plan
LDO	Land Development Objectives
LED	Local Economic Development
MEC	Member of the Executive Committee
MIG	Municipal Infrastructure Grant
MFMA	Municipal Finance Management Act
MSIG	Municipal Support & Institutional Grant
MSA	Municipal Systems Act, 2000
MSA	Municipal Structures Act, 1998
NDC	National Development Corporation
NEMA	National Environmental Management Act
NER	National Electrification Regulator
NGO	Non-Governmental Organizations
NSS	National Sanitation Strategy
PAJA	Promotion of Administrative Justice Act
PMS	Performance Management System
PPP	Public Private Partnership
RAFI	Rural Agro-Industries Finance Initiative
RDP	Reconstruction and Development Programme
REDs	Regional Electricity Distributors
RTP	Responsible Tourism Planning
SMME	Small Medium and Micro Enterprises
SoE	State Owned Enterprises
SoR	State of Environment Report
SADC	Southern African Development Community
SALGA	South African Local Government Association
SANDF	South African National Defence Force
SAPS	South African Police Service
SGB	School Governing Body
SMME	Small, Medium and Micro Enterprises
STDs	Sexual Transmitted Diseases
TB	Tuberculosis
VAT	Value Added Tax
VIP	Ventilated Improved Pit (dry sanitation facility)
WSDP	Water Services Development Plan

## FOREWORD BY MAYOR

Greetings to all Sakhisizwe local Municipality Communities

It is a great pleasure to present the 2022/2023 IDP and Budget for the municipality to all Sakhisizwe Local Municipality communities. This is the work that has been complied working together with our entire community and different stakeholders, through engagements at different phases in ensuring that it represents what our communities have been requesting during our engagements.

In March 2019 our Hounorable President Cyril Ramaphosa pronounced the state of disaster due to the outbreak of COVID19 pandemic. This severely hampered service delivery, wherein our communities could not receive rendered services as envisaged. Most of our people lost their loved ones. It became difficult as people could not conduct business, earn a living and support their families. During the lockdown period (COVID19) there was no economic growth and some of our people could not sustain themselves as they usually do.

As the President eased the COVID19 Regulations, which allowed for Municipal elections to take place. Our communities went out and took advantage of the opportunities as they casted their votes so that their voices could be had. At the elections, our Council was inaugurated, Council structures established such as the Women's Caucus. When Census 2022 was undertaken our communities took advantage of the period as they fully participated and they were counted during the Census 2022. The Census period is very crucial as it informs Government on how to plan and allocate resource that will permit service delivery to our communities.



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**CLLR B. E. PONOSHE**  
**HONOURABLE MAYOR**  
**SAKHISIZWE LOCAL MUNICIPLAITY**



## CHAPTER 1: EXECUTIVE SUMMARY

### 1.1 INTRODUCTION

prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which (a) links, integrates and coordinates plans and takes into account proposals for the development of the municipality (b) aligns the resources and capacity of the municipality with the implementation of the plan and (c) forms the policy framework and general basis on which annual budgets must be based.

In line with the Municipal Systems Act (MSA) and the Municipal Finance Management Act, 2003 (Act 56 of 2003), the Sakhisizwe Municipality has developed its five-year IDP for 2022-2027, which is supported by the Medium-term Revenue and Expenditure Framework (MTREF) for the 2023–2027 financial years.

This IDP development has amended the agreed vision but had not amended the mission statement of the municipal council at our Strategic Plan in April 2022.

The document also provides a detailed list of programmes and projects to be implemented in attempting to reverse the development challenge outlined above. It further provides a framework for ensuring smooth integration, alignment and synergy in the implementation of this IDP's intention. It concludes with the outline of the processes followed in approving this IDP review for implementation.

### 1.2 OBJECTIVES OF THIS DEVELOPMENT

The main objectives of this review are to:

- Identify the progress, gaps and challenges in the provision of services
- Comply with legal requirements in terms of LG MSA of 2000
- Update our planning information and integrate ward based planning
- Improve credibility of our IDP document
- Address the concerns and comments made by MEC on our previous document so that we may achieve a credible plan
- Correct and prevent recurrence of the issues relating to the alignment of Planning, Governance and Performance Management processes raised as concerns to the Auditor General (AG) in our annual reports

## **1.2 PROCESS FOR THE DEVELOPMENT OF THE 2022-2027 IDP**

The process followed in the review of this IDP document is in line with the legislative requirements of both the Municipal Systems Act and the Municipal Finance Management Act, which is detailed in the IDP/Budget and PMS Process Plan. The Process Plan outlines the roles and responsibilities of all key role players in the IDP review process, outlines the public participation and mechanisms for alignment as well as timeframes for each phase of the IDP. The process was adopted by Council in August 2021

### **1.2.1 Pre-Planning**

In terms of the Municipal Systems Act, Chapter 5, Part 3, a Municipal Council must review its integrated development plan annually in accordance with its performance measurements in section 41; and to the extent that changing circumstances so demand and may amend its integrated development plan in accordance with a prescribed process plan.

Further, the Local government Municipal Finance Management Act 56 of 2003 provides for the Mayor/Speaker of the municipality to:

- Co-ordinate the process for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies,
- Ensure that tabled budget and revisions of the integrated development and budget related policies are mutually consistent and credible.

Sakhisizwe council adopted its process plan for the review of the 2022/2027 IDP by August 2021.

### **1.2.2 Organisational Arrangements**

The following arrangements have been set in place to institutionalize community/ stakeholder participation and also to enable the municipality to manage the drafting of the IDP Review. Through these platforms, municipal stakeholders will be empowered to contribute, influence and inform decision making relating to municipal affairs and general issues relating to service delivery and planning.

### **1.2.3 IDP Steering Committee**

The IDP steering committee comprising largely of internal senior management is tasked to: Provide technical and advisory support to the IDP Manager and drafting team

- Perform daily planning activities including the preparation and facilitation of events; documentation of outputs and making recommendation to the IDP Manager and the Municipal Council and Mayor
- Commission in depth studies when necessary
- Act as the secretariat for the IDP Representative Forum.

IDP Steering Committee work sessions and meetings may, from time to time be arranged by the IDP manager or his/her delegate in order to implement this process plan. Ideally, these sessions would precede the representative forum workshops.

### **1.2.4 IDP Representative Forum**

The IDP representative forum forms the main platform for broad consultations and debates on issues and policy recommendations. It is chaired by the Mayor and composed of representatives across our stakeholder community including but not limited to the following institutions or interest groups:

- Secretariat of IDP steering committee or the drafting team
- Councillors, Ward Committees and Community development workers
- Government Organs including Sector Departments, State Owned Entities and our District Municipality
- Business Formations

- Youth Formations
- Rate payers association
- Traditional Leaders
- Civic bodies & Community Organizations (NGO's, CBOs etc.)

IDP representative forum workshops or meetings shall be convened by the Mayor from time to time in order to consult municipal stakeholders on critical issues relating to municipal planning and decision-making in general.

### **1.2.3 Activity Process Plan**

The following table illustrates the 2022/2027 IDP development action programme and also gives an indication to the planning activities that will be undertaken in a calendar format. This action plan incorporates the IDP, Budget and PMS programmes.

In conclusion the municipality will continue to provide efficient, effectiveness and financial management prudence remain the key priority for good governance and administration in the municipality in order to achieve service delivery and good governance.

2022-2027 IDP

<b>SAKHISIZWE LOCAL MUNICIPALITY 2022/2027 IDP/ BUDGET-PMS PROCESS PLAN</b>		
	<b>Time Frame</b>	<b>Responsible Department</b>
<b>Preparation Phase / Pre-planning</b>		
Performance Review	12 -013 July 2021	MM/IPED
IDP/PMS and Budget Steering Committee	16 July 2021	MM/IPED/BTO
Inter-Governmental Relations (IGR) meeting	22 July 2021	MM
Draft Process Plan alignment with District Framework	5 August 2021	MM/IPED
Council: Considers and adopt Final IDP/ Budget & PMS Process Plan	26 August 2021	MM/IPED
Submit Annual Performance Report and AFS to the Auditor General	31 August 2021	MM/IPED/BTO
<b>Analysis Phase / Monitoring and Evaluation</b>		
IDP/PMS & Budget Representative Forum Meeting	22 September 2021	MM/IPED
IGR Meeting	29 September 2021	MM
<b>Strategies Phase / Refined Objectives, Strategies, Programmes and Projects Phase</b>		
Performance Reviews	15-18 October 2021	MM
Commencement of Ward Base Planning Engagement: Collection & Prioritisation of Community needs per Ward	26-29 October 2021	MM/IPED
IDP Steering Committee	09 November 2021	MM/IPED
Budget Steering Committee	11 November 2021	MM/BTO
IDP/PMS & Budget Representative Forum Meeting	17 November 2021	MM/IPED
DIMAFO	25 November 2021	MM
Council: Report on Community Needs	14 December 2021	MM
<b>Reviewed IDP Document (Integration/Programme Implementation and Operational Plan)</b>		
Performance Review	11-12 January 2022	MM
Technical IDP Steering Committee Meeting	17 January 2022	MM/IPED

<b>SAKHISIZWE LOCAL MUNICIPALITY 2022/2027 IDP/ BUDGET-PMS PROCESS PLAN</b>		
	<b>Time Frame</b>	<b>Responsible Department</b>
Council: Consider Mid-year Assessment, Second Quarter Report and adjustment Budget	26 January 2022	MM/IPED/BTO
Institutional Strategic Planning Review of the Development Strategies and Objectives	7-11 February 2022	MM
IDP/PMS & Budget Steering	17 February 2022	MM/IPED/BTO
IGR Meeting	22 February 2022	MM
DIMAFO	24 February 2022	MM
<b>Project and Approval Phase</b>		
IDP/PMS & Budget Steering Committee Meeting: Alignment of IDP with Budget	09 March 2022	MM/IPED/BTO
IDP/PMS & Budget Representative Forum: Alignment of Sector plans	15 March 2022	MM/IPED/BTO
Council: Consider proposed Draft IDP and Budget	31 March 2022	MM
IDP & Budget Roadshows	5-8 April 2022	MM/IPED/BTO
IDP/PMS & Budget Steering Committee: Consider IDP/Budget Roadshows Report; Draft Final IDP and Budget Report	4 May 2022	MM/IPED/BTO
IGR Meeting	10 May 2022	MM
IDP/PMS & Budget Representative Forum: Tabling of Final IDP and Budget	11 May 2022	MM/IPED/BTO
Council: Consider and adopt Final IDP and Budget	26 May 2022	MM



### 1.3 COMMUNITY PARTICIPATION STRATEGY

ISSUE	PARTICIPATION MECHANISM & PLANNING EVENTS
Planning participation	<ul style="list-style-type: none"> <li>▪ Use of workshops &amp; Community Based Plans</li> </ul>
Attendance at meeting workshops etc.	<ul style="list-style-type: none"> <li>▪ Interchanging of venue logistics between Khowa and Cala to ensure convenience</li> <li>▪ Support with transportation where it is financially feasible</li> <li>▪ Issuing of invitations via popular media and local institutions like ward committees, public announcements in community radio, newspapers and social events etc.</li> </ul>
Effective communication	<ul style="list-style-type: none"> <li>▪ Meetings shall largely run in IsiXhosa and this is done to allow the majority of participants to inputs meaningfully without restrictions of language</li> </ul>
Approval & Comments on the document	<ul style="list-style-type: none"> <li>▪ Use of ward level Mayoral Imbizos/ War Rooms and Road shows further explaining the budget and IDP Review to the communities</li> </ul>

### 1.4 MECHANISMS AND PROCEDURES FOR ALIGNMENT

The IDP Manager is responsible for ensuring smooth coordination of the municipal IDP development and its alignment with the district IDP review through the use of workshops and bilateral discussions with affected sector departments. Inter-departmental Forum will be utilized as a mechanism for alignment of programmes and projects. Below are the mechanisms that the municipality uses to ensure alignment and integration with others spheres and sectors of government.

PHASE	ALIGNMENT ON CROSS CUTTING ISSUES	WITH WHOM
1 and 2. Process Plan + Situation Analysis	<ul style="list-style-type: none"> <li>▪ IDP &amp; Budget process activity plans</li> <li>▪ Sector Department planning &amp; Municipal IDP inputs</li> </ul>	<ul style="list-style-type: none"> <li>▪ BTO &amp; IPED</li> <li>▪ District Municipality</li> <li>▪ Sector Departments</li> </ul>
2. Strategies	<ul style="list-style-type: none"> <li>▪ Technical input on objectives and goals of programme</li> <li>▪ Local and wide strategic debates</li> </ul>	<ul style="list-style-type: none"> <li>▪ Internal Departments;</li> <li>▪ District Municipality;</li> <li>▪ Sector Departments</li> </ul>
3. Projects	<ul style="list-style-type: none"> <li>▪ Technical input on projects</li> <li>▪ Input on budgets</li> <li>▪ Cross cutting projects e.g. HIV/Aids</li> </ul>	<ul style="list-style-type: none"> <li>▪ Internal Departments;</li> <li>▪ District Municipality;</li> <li>▪ Sector Departments</li> </ul>
4. Integration Alignment	<ul style="list-style-type: none"> <li>▪ Technical input</li> <li>▪ Sector alignment &amp; integration</li> </ul>	<ul style="list-style-type: none"> <li>▪ Internal Departments;</li> <li>▪ District Municipality;</li> <li>▪ Sector Departments</li> </ul>
5. Approval	<ul style="list-style-type: none"> <li>▪ Submission; Comments on revised IDP's</li> </ul>	<ul style="list-style-type: none"> <li>▪ Municipality</li> </ul>

## **1.5 MAIN LEGISLATION AND POLICY FRAMEWORK**

The Sakhisizwe Municipality's IDP formulation and implementation processes will be bound by the following, but not limited to, legislation and policy framework:

### **1.5.1 Legislation framework**

- Constitution: 1996
- Development Facilitation Act 96 of 1995
- White paper on Local government of 1998
- Municipal Structures Act 117 of 1998
- Municipal Systems Act 32 of 2000 + its regulations of Aug 2001
- Municipal Finance Management Act: 2003
- Municipal Property Rates Act: 2004
- All other laws governing and regulating development in South Africa

### **1.5.2 Policy Framework**

- LG White paper of 1997
- National Planning & Performance Management circulars by CoGTA, National Treasury etc.
- National Development Plan 2030
- National LG Turn Around Strategy for LG - 2009
- Eastern Cape Provincial Growth & Development Plan (PGDP)
- Eastern Cape Spatial Development Plan
- Credible IDP guide by CoGTA
- District Municipal Strategic Plans (IDP, SDF, LED etc.
- Municipal Strategic Planning 2018 Report
- Provincial Development Plan
- National, Provincial and District SDF
- Chris Hani District Development Model

### **1.5.3 MEC Comments**

- Signed comments by the Member of the Executive Council on the Integrated Development Plan (IDP) Review: 2020-2021
- Signed comments by the Member of the Executive Council on the Integrated Development Plan (IDP) Review: 2021-2022

## **1.6 THE KEY DEVELOPMENT CHALLENGES**

Sakhisizwe Municipality is still struggling to emerge from the establishment phase of local government largely due to a huge apartheid legacy, past internal instability and poor administrative capacity. The resultant situation from such legacy manifests in the existence of high service backlogs, poorly structured and underperforming local economy.

Grand Apartheid segregated South Africa into three kinds of social, economic and politico administrative spaces: the major urban areas, which were a preserve of white people; fertile commercial farming regions and associated small rural towns, also a preserve of white South Africans; and, barren, economically unviable so-called homelands, reserved for South Africa's black majority population.

The result is enduring underdevelopment with its social, economic, and cultural manifestations: poverty, gross income inequality compared to urban areas, chronic unemployment, and cultural backwardness.

- Unequal distribution of assets, skewed distribution of income and employment opportunities amongst citizens, inequality in access to social services, high level of illiteracy and social backwardness.
- Segregated planning approaches and scattered residential and farming settlements without viable economic and social linkages to the more economically active areas of the country.

- Under-utilisation and/or unsustainable use of natural resources, Poor or lack of access to socio-economic infrastructure and services, public amenities and government services (e.g. industrial parks lying idle especially in the former homeland areas).
- Poor access to water and/or water sources for both household and agricultural development
- Low literacy, skills levels and migratory labour practices.

However, considerable gains have been achieved in certain areas of Municipality's interventions, more needs to be done in especially the areas of obtaining a clean audit, expanding basic services, fighting the scourge of poverty, inequality and HIV/Aids among our people, and those will be elaborated further below in the plan.

The promise to a better future remains an elusive goal for many households and peoples who are trapped into a vicious cycle of poverty and unemployment. It remains a commitment of this council to lay a solid foundation for better life for all and to direct our development trajectory toward improved economic development, better service delivery and marked reduction in poverty and unemployment.

#### **1.6.1 Basic Infrastructure & Service Delivery**

The municipality continues to lag behind with provision of basic services. This poses a strategic risk for the municipality of not meeting strategic goals. Chris Hani District's commitment to fast track the community's access to water & sanitation acceptable progress is made in this area. Our own competency on the functions run directly by us is severely affected by staff shortages, especially at senior levels. This is due to, among others, brain drain and better socio-economic profiles offered by our competitor employers.

Our backlogs are roads and bridges, water, sanitation, electricity, housing and refuse. There are also other challenges such as poor accessibility of facilities and quality outputs affecting Education, Health, Public Transport, Social Development and Safety & Security. These challenges militate against the strength to better the lives of our people.

#### **1.6.2 Economic Development and Environment**

Sakhisizwe has an underperforming local economy unable to deal with strategic challenges such as poverty, unemployment and low revenue base. The LED strategy was developed in 2011 to institutionalise responses of the municipality to LED. That strategy is outdated and due to capacity and financial resources the municipality could not perform reviews. There is a need for the development of a new LED strategy. Sakhisizwe's competitive advantage is on tourism and agriculture, these sectors contribute in the LED strategy and economic growth of the area. The infrastructure development also plays a critical role in the ability for the municipality to attract business.

Key sectors with potential but currently under performing and needing focused interventions include Agriculture, forestry and Tourism and explore manufacturing. While Sakhisizwe is a small economy it is appreciated that it currently shows a better tress index of diversification at 79, 7 compared to that of the region at 65, 5. The municipalities' comparative advantage is in agriculture, forestry and tourism, though the major economic contributors include community services and trade sectors.

#### **1.6.3 Municipal Institutional Development & Transformation**

The municipality is still unable to perform all are expected mandate in terms of assigned powers and functions due to administrative and other capacity constraints and the ability to retain and employ staff. These are manifested by low revenue base and the low salary packages that are not attractable to the market. The council is an executive system and administration is managed through six key administrative departments including that of the office of the municipal manager. In terms of transformation, the administrative arm is largely male dominated, in management there are four men and one women with one vacancy.

This is partly due to our poor scarce skills staff retention which leaves us with few options on who we employ and retain. Furthermore the municipality is faced with challenge of high staff turnover. This can also be attributed to the ability for the municipality to attract and budget for vacant and critical positions. This has a huge impact on service delivery and implementation of Council policies.

#### **1.6.4 Good Governance**

Sakhisizwe Local Municipality is politically and administratively fairly stable. Though the past year has been challenging politically and financially, this had an impact on the operations of the municipality. The Municipality has experienced instability in the political governance of the municipality. This is attributed to a number of issues, such as the pace of service delivery and resulted protests. This affected the Council role of performing its oversight role, such that some of the legislated requirements were not met during the last financial year.

The findings of the Auditor General do not necessary indicate poor governance and administration, but point to poor audit education and inadequate systems. This is usually a secondary consequence resulting from in capacity. IGR is existent with sector departments taking place. However, this needs to be strengthened. This is a co-operation environment that requires other sectors to take IGR seriously.

#### **1.6.5 Financial Viability**

The municipality has, as defined by national treasury a weak low capacity organization. Our current systems of financial control as found by auditor general reports of the last 2 years are evidently showing signs of improvement. We however remain weak in our main operation areas namely:

- (a) Revenue Enhancement
- (b) Debt Collection
- (c) Supply chain management
- (d) Expenditure management

We have resolved to pay specific attention to the following critical areas of our turnaround strategy:

- AG queries
- Debt collection
- Audit education
- Systems development and financial controls
- Revenue enhancement

### **1.7 DEVELOPMENT PRIORITIES FOR 2022-2027**

The following are key priorities and strategic development goals of SLM in 2022/2027

#### **1.7.1 Municipal Institutional Development & Transformation**

##### **Strategic Goal:**

- Improve organisation capacity to effectively enhance service delivery

##### **Intended Outcome:**

- **Simunye we are one-** free happy workers; dedicated; well-resourced to effectively deliver quality services to our communities

#### **1.7.2 Basic Service Delivery**

##### **Strategic Goal:**

- Eradicate infrastructure backlogs in order to improve access to services and maintenance
- Be innovative towards applying new technology designs that cater for climate change to improve the quality of our road networks and electricity.

##### **Intended outcome:**

- Improved road & storm water networks and sustainable electricity supply

### **1.7.3 Local Economic Development**

#### **Strategic Goal:**

- Promoting Local Economic Development and Tourism within the Municipality
- Promote economic growth through promotion of agricultural initiatives

#### **Intended outcome:**

- Improved municipal economic viability (in line with term of council, 2027).

### **1.7.4 Financial Viability**

#### **Strategic Goals:**

- To enhance the Revenue of the Municipality to ensure sustainability
- To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems

#### **Intended outcome:**

- To create a surplus of funds for the Municipality so as have a healthy cash flow;

### **1.7.5 Good Governance & Public Participation**

#### **Strategic Goal:**

- Promote a culture of participation, accountability and good governance
- To achieve a clean audit

**Intended outcome:** Entrenched culture of accountability and clean governance (in line with term of council, 2027)

### **1.7.6 Spatial Planning and Land Use management**

#### **Strategic Goal:**

- Promote adherence to Spatial Planning and Land Use Management principles and adherence legal building practices
- Unlocking access to land & dealing with land invasion

**Intended Outcome:** Sustainable planning and use of Land resource and care for the environment by 2027



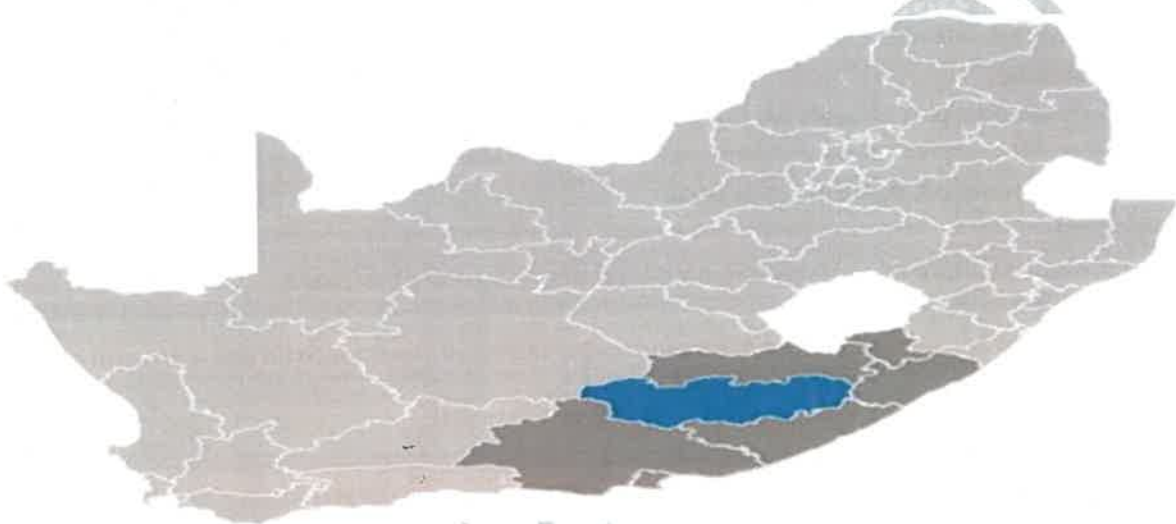
## CHAPTER 2 – SITUATIONAL ANALYSIS

### 2.1 LOCALITY

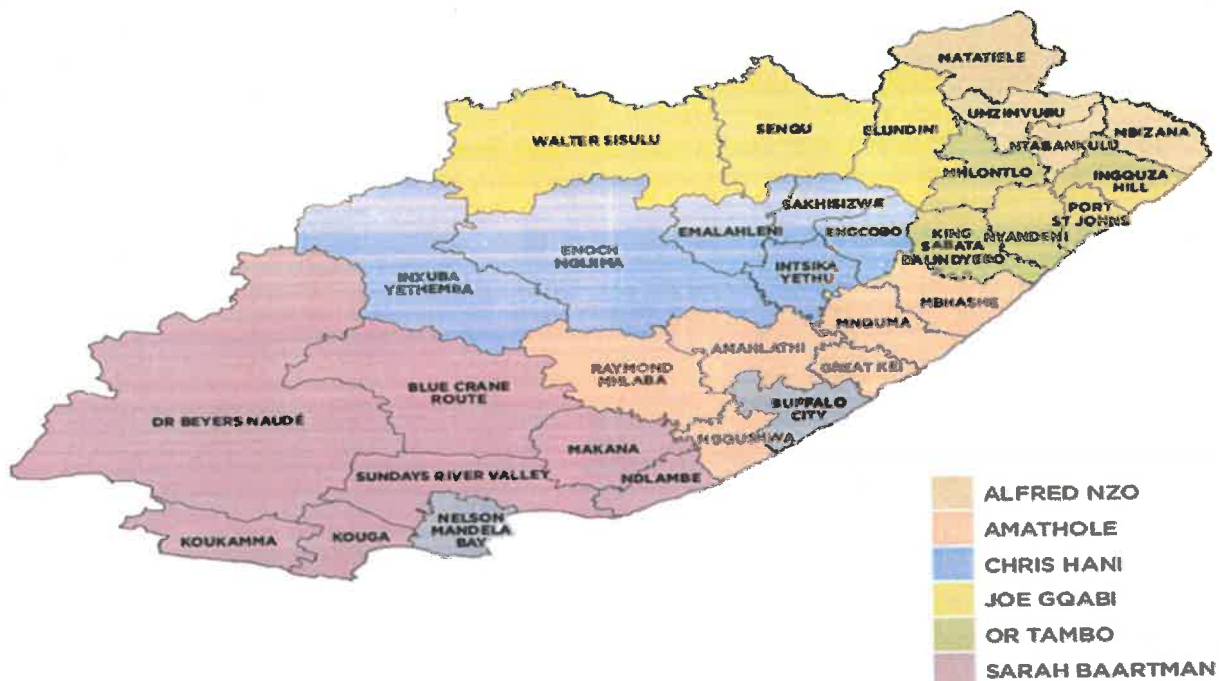
The Sakhisizwe Local Municipality is a Category B municipality (Area: 2 355km<sup>2</sup>) situated within the Chris Hani District in the Eastern Cape Province. It is bordered by the Joe Gqabi District to the north, Intsika Yethu to the south, Engcobo to the east, and Emalahleni to the west. The municipality is the smallest of six in the district, making up 6% of its geographical area. Sakhisizwe is an isiXhosa name meaning 'we are building the nation'.

Sakhisizwe is a category B4 type with largely rural (61%) and low revenue base) situated within the Chris Hani District of the Eastern Cape Province (see maps below). It is made up of the main town of Cala and Khowa as well as the surrounding rural villages and farms.

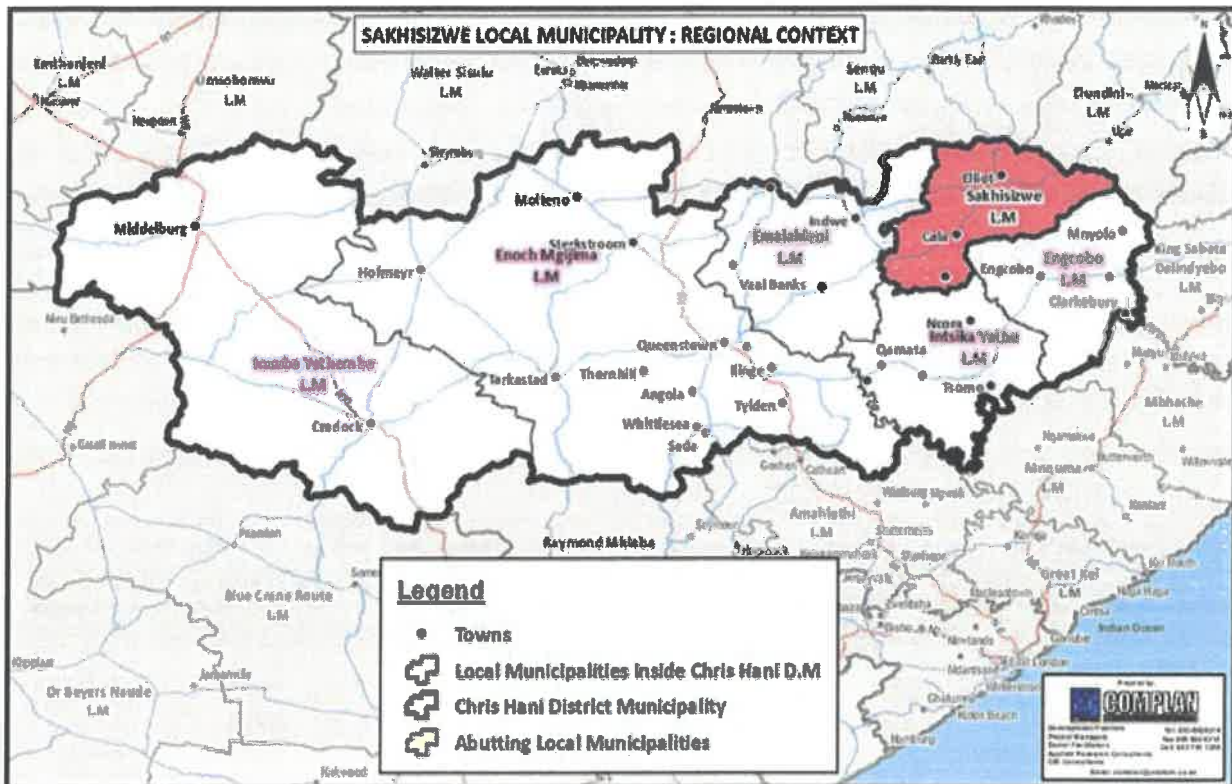
#### 2.1.1 Nationality: South Africa



#### 2.1.2 Provincial: Eastern Cape

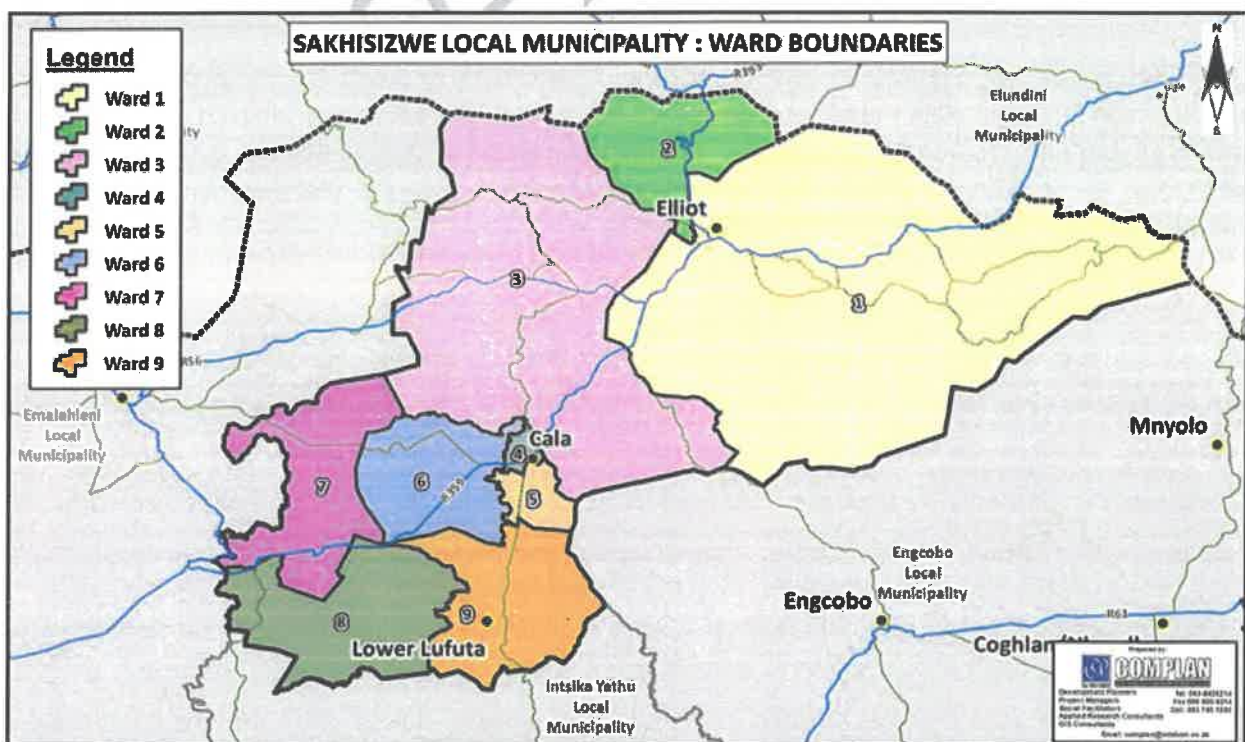


### 2.1.3 District Locality



### 2.1.4 Municipal Locality: Sakhisizwe Local Municipality

The Sakhisizwe Local Municipal Area consists of 9 Wards as reflected in the map below. The main administrative centre is located in Cala (Ward 5). Khowa (Ward 1) serves as a secondary administrative centre with some offices like Budget and Treasury located there.



## 2.2 DEMOGRAPHIC PROFILE

Demographics", or "population characteristics", includes analysis of the population of a region. Distributions of values within a demographic variable, and across households, as well as trends over time are of interest.

In this section, an overview is provided of the demography of the Sakhisizwe Local Municipality and all its neighbouring regions, Chris Hani District Municipality, Eastern Cape Province and South Africa as a whole.

### 2.2.1 TOTAL POPULATION

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

TABLE 1. TOTAL POPULATION - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [NUMBERS PERCENTAGE]

	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
2011	63,300	817,000	6,690,000	52,000,000	7.7%	0.95%	0.12%
2012	63,400	820,000	6,750,000	52,800,000	7.7%	0.94%	0.12%
2013	63,500	824,000	6,810,000	53,700,000	7.7%	0.93%	0.12%
2014	63,800	829,000	6,880,000	54,500,000	7.7%	0.93%	0.12%
2015	64,100	835,000	6,950,000	55,300,000	7.7%	0.92%	0.12%
2016	64,600	841,000	7,020,000	56,200,000	7.7%	0.92%	0.11%
2017	65,000	848,000	7,100,000	57,000,000	7.7%	0.92%	0.11%
2018	65,600	856,000	7,180,000	57,900,000	7.7%	0.91%	0.11%
2019	66,100	864,000	7,250,000	58,800,000	7.6%	0.91%	0.11%
2020	66,700	872,000	7,330,000	59,600,000	7.6%	0.91%	0.11%
2021	67,100	879,000	7,400,000	60,300,000	7.6%	0.91%	0.11%
			<b>Average Annual growth</b>				
2011-2021	<b>0.59%</b>	<b>0.73%</b>	<b>1.01%</b>	<b>1.50%</b>			

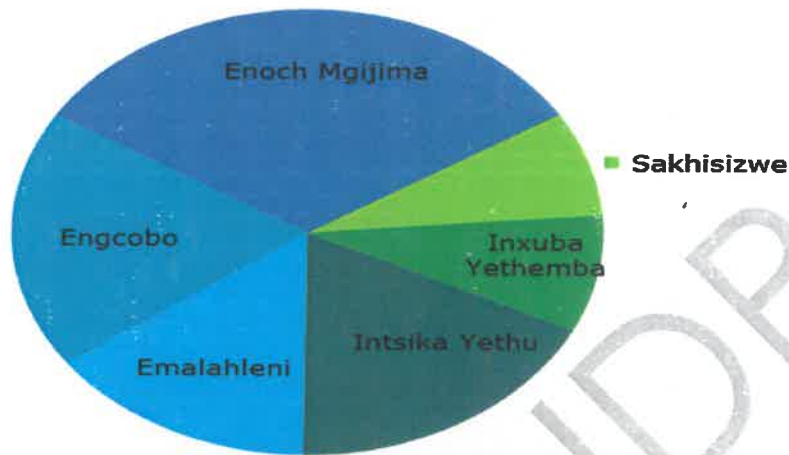
Source: IHS Markit Regional eXplorer version 2236

With 67 100 people, the Sakhisizwe Local Municipality housed 0.1% of South Africa's total population in 2021. Between 2011 and 2021 the population growth averaged 0.59% per annum which is more than half than the growth rate of South Africa as a whole (1.50%). Compared to Chris Hani's average annual growth rate (0.73%), the growth rate in Sakhisizwe's population at 0.59% was very similar than that of the district municipality.



**CHART 1. TOTAL POPULATION - SAKHISIZWE AND THE REST OF CHRIS HANI, 2021 [PERCENTAGE]**

**Total population  
Chris Hani District Municipality, 2021**



Source: IHS Markit Regional eXplorer version 2236

When compared to other regions, the Sakhisizwe Local Municipality accounts for a total population of 67,100, or 7.6% 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 2021. The ranking in terms of the size of Sakhisizwe compared to the other regions remained the same between 2011 and 2021. In terms of its share the Sakhisizwe Local Municipality was slightly smaller in 2021 (7.6%) compared to what it was in 2011 (7.7%). When looking at the average annual growth rate, it is noted that Sakhisizwe ranked fourth (relative to its peers in terms of growth) with an average annual growth rate of 0.6% between 2011 and 2021.

**POPULATION PROJECTIONS**

Based on the present age-gender structure and the present fertility, mortality and migration rates, Sakhisizwe's population is projected to grow at an average annual rate of 0.9% from 67 100 in 2021 to 70 300 in 2026. Population projections - Sakhisizwe, Chris Hani, Eastern Cape and National Total, 2021-2026 [Numbers percentage]

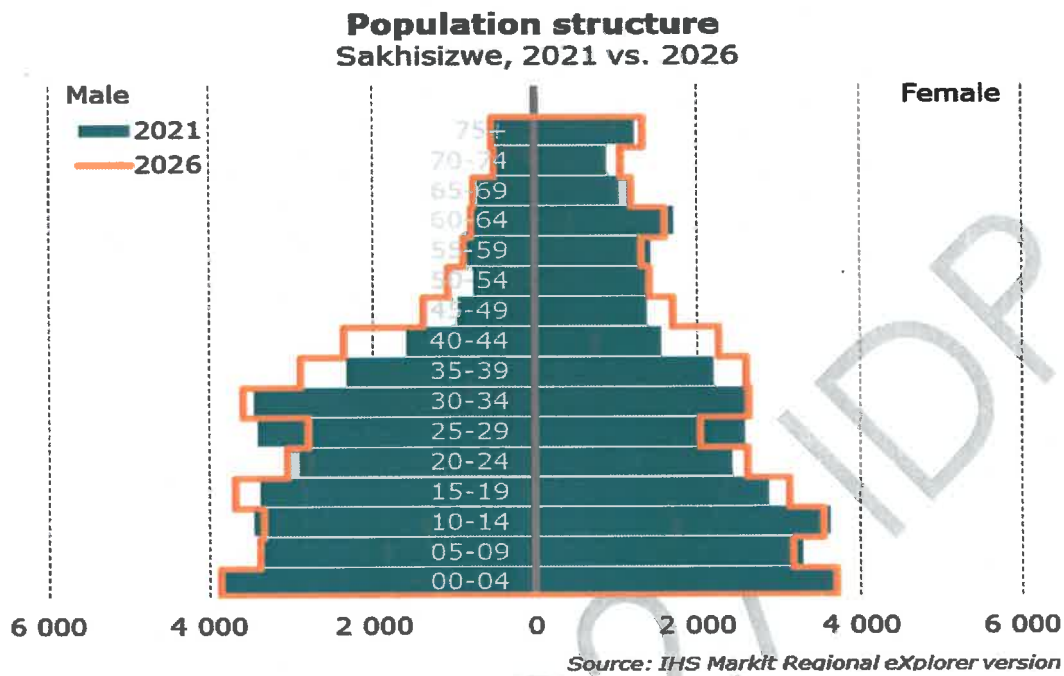
	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
2021	67,100	879,000	7,400,000	60,300,000	7.6%	0.91%	0.11%
2022	67,700	887,000	7,470,000	61,100,000	7.6%	0.91%	0.11%
2023	68,300	896,000	7,550,000	61,900,000	7.6%	0.91%	0.11%
2024	69,000	905,000	7,630,000	62,700,000	7.6%	0.90%	0.11%
2025	69,600	914,000	7,710,000	63,500,000	7.6%	0.90%	0.11%
2026	70,300	924,000	7,780,000	64,300,000	7.6%	0.90%	0.11%
	<b>Average Annual growth</b>						
2021-2026	<b>0.92%</b>	<b>1.00%</b>	<b>1.02%</b>	<b>1.29%</b>			

Source: IHS Markit Regional eXplorer version 2236

The population projection of Sakhisizwe Local Municipality shows an estimated average annual growth rate of 0.9% between 2021 and 2026. The average annual growth rate in the population over the projection period for Chris Hani District Municipality, Eastern Cape Province and South Africa is 1.0%, 1.0% and 1.3% respectively. The Eastern Cape Province is estimated to have an average growth rate of 1.0% which is very

similar than that of the Sakhisizwe Local Municipality. The South Africa as a whole is estimated to have an average annual growth rate of 1.3% which is very similar than that of Sakhisizwe's projected growth rate.

CHART 2. POPULATION PYRAMID - SAKHISIZWE LOCAL MUNICIPALITY, 2021 VS. 2026 [PERCENTAGE]



The population pyramid reflects a projected change in the structure of the population from 2021 and 2026. The differences can be explained as follows:

- In 2021, there is a significantly larger share of young working age people between 20 and 34 (25.9%), compared to what is estimated in 2026 (23.8%). This age category of young working age population will decrease over time.
- The fertility rate in 2026 is estimated to be slightly higher compared to that experienced in 2021.
- The share of children between the ages of 0 to 14 years is projected to be significant smaller (29.9%) in 2026 when compared to 2021 (31.9%).

In 2021, the female population for the 20 to 34 years age group amounts to 11.4% of the total female population while the male population group for the same age amounts to 14.5% of the total male population. In 2026, the male working age population at 13.4% still exceeds that of the female population working age population at 10.4%, although both are at a lower level compared to 2021.

### 2.2.2 POPULATION BY POPULATION GROUP, GENDER AND AGE

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



TABLE 3. POPULATION BY GENDER - SAKHISIZWE AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2021 [NUMBER].

TABLE 4.	Male	Female	Total
Sakhisizwe	33,054	34,078	67,131
Inxuba Yethemba	36,145	38,248	74,393
Intsika Yethu	76,973	80,901	157,873
Emalahleni	62,863	67,102	129,965
Engcobo	77,564	88,516	166,080
Enoch Mgijima	137,419	146,342	283,761
<b>Chris Hani</b>	<b>424,018</b>	<b>455,186</b>	<b>879,204</b>

Source: IHS Markit Regional Explorer version 2236

Sakhisizwe Local Municipality's male/female split in population was 97.0 males per 100 females in 2021. The Sakhisizwe Local Municipality appears to be a fairly stable population with the share of female population (50.76%) being very similar to the national average of (51.10%). In total there were 34 100 (50.76%) females and 33 000 (49.24%) males. This is different from the Chris Hani District Municipality as a whole where the female population counted 455 000 which constitutes 51.77% of the total population of 879 000.

TABLE 5. POPULATION BY POPULATION GROUP, GENDER AND AGE - SAKHISIZWE LOCAL MUNICIPALITY, 2021 [NUMBER].

TABLE 6.	African		White		Coloured	
	Female	Male	Female	Male	Female	Male
00-04	3,650	3,840	38	8	36	43
05-09	3,230	3,340	23	43	24	42
10-14	3,580	3,430	26	13	19	12
15-19	2,820	3,360	12	12	24	14
20-24	2,390	2,850	12	5	28	17
25-29	2,540	3,310	19	34	24	33
30-34	2,560	3,410	30	13	9	18
35-39	2,160	2,260	25	40	17	10
40-44	1,530	1,550	26	33	18	13
45-49	1,360	915	22	7	9	30
50-54	1,390	739	34	22	17	6
55-59	1,380	859	26	35	12	12
60-64	1,690	777	16	29	11	11
65-69	1,020	682	19	17	11	0
70-74	877	495	11	11	0	9
75+	1,230	512	10	5	4	5
<b>Total</b>	<b>33,400</b>	<b>32,300</b>	<b>349</b>	<b>325</b>	<b>263</b>	<b>273</b>

Source: IHS Markit Regional Explorer version 2236

In 2021, the Sakhisizwe Local Municipality's population consisted of 97.89% African (65 700), 1.00% White (673), 0.80% Coloured (537) and 0.30% Asian (204) people.

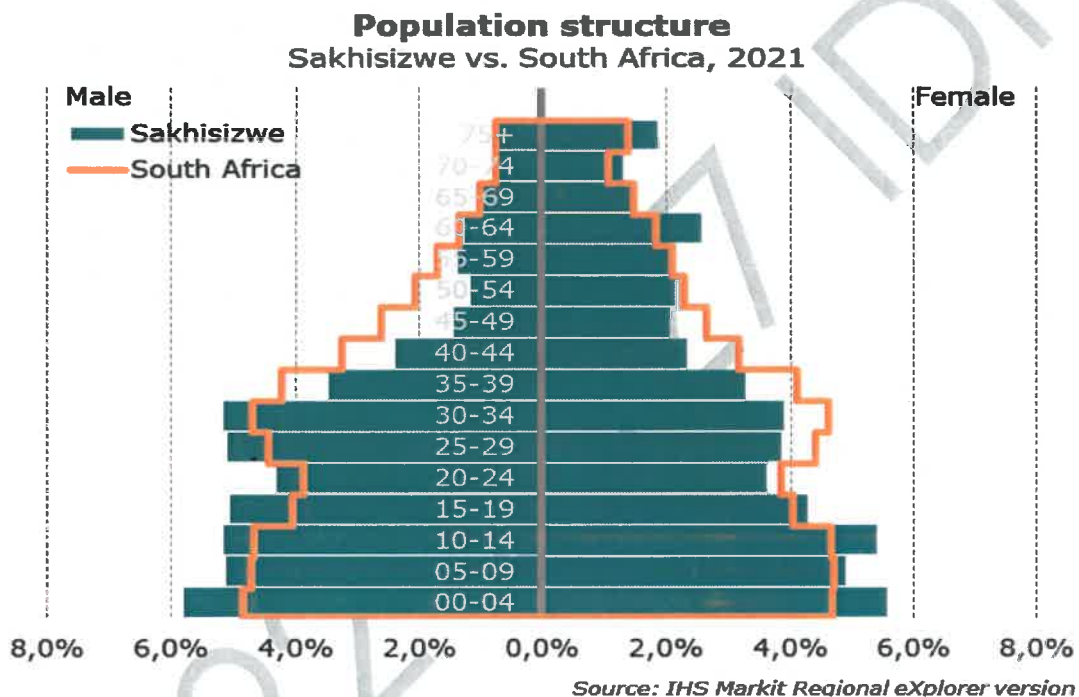
The largest share of population is within the babies and kids (0-14 years) age category with a total number of 21 400 or 31.9% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share of 29.5%, followed by the teenagers and youth (15-24 years) age category with 11 600 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 4 920 people, as reflected in the population pyramids below.

## POPULATION PYRAMIDS

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.

With the African population group representing 97.9% of the Sakhisizwe Local Municipality's total population, the overall population pyramid for the region will mostly reflect that of the African population group. The chart below compares Sakhisizwe's population structure of 2021 to that of South Africa.

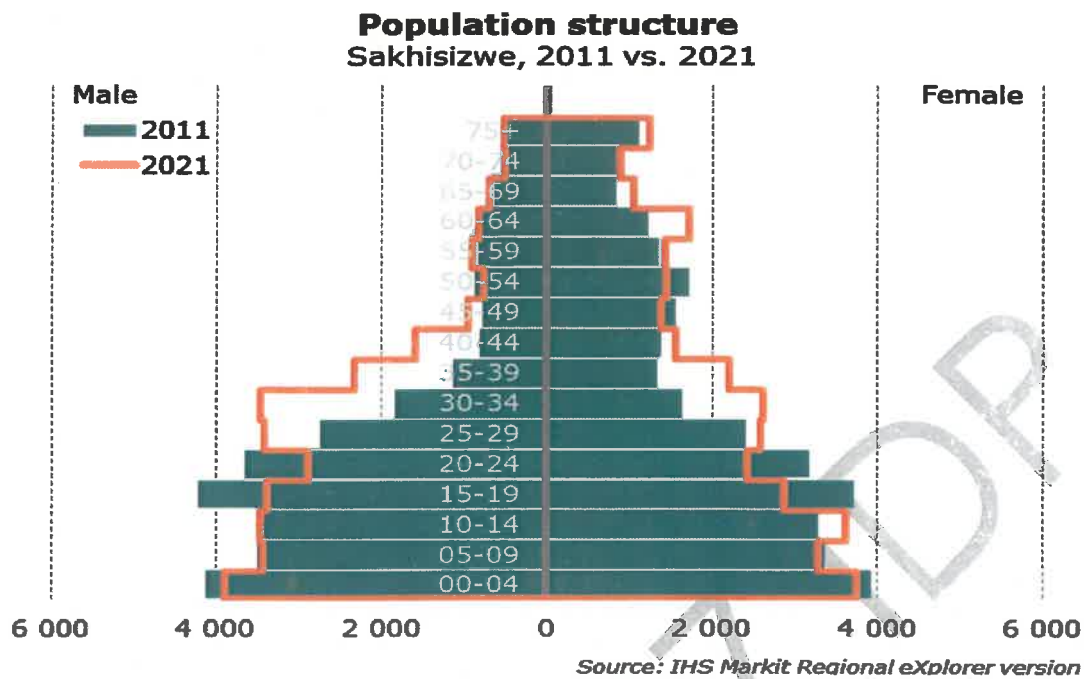
CHART 3. POPULATION PYRAMID - SAKHISIZWE LOCAL MUNICIPALITY VS. SOUTH AFRICA, 2021 [PERCENTAGE]



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

- There is a very similar share of young working age people - aged 20 to 34 (25.9%) - in Sakhisizwe, compared to the national picture (25.8%).
- Fertility in Sakhisizwe is significantly 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 significantly larger (31.9%) in Sakhisizwe compared to South Africa (28.2%). Demand for expenditure on schooling as percentage of total budget within Sakhisizwe Local Municipality will therefore be higher than that of South Africa.

CHART 4. POPULATION PYRAMID - SAKHISIZWE LOCAL MUNICIPALITY, 2011 VS. 2021 [PERCENTAGE]



When comparing the 2011 population pyramid with the 2021 pyramid for the Sakhisizwe Local Municipality, some interesting differences are visible:

- In 2011, there were a significant smaller share of young working age people - aged 20 to 34 (24.4%) - compared to 2021 (25.9%).
- Fertility in 2011 was slightly higher compared to that of 2021.
- The share of children between the ages of 0 to 14 years is significantly larger in 2011 (34.1%) compared to 2021 (31.9%).
- Life expectancy is increasing.

In 2021, the female population for the 20 to 34 years age group amounted to 11.4% of the total female population while the male population group for the same age amounted to 13.0% of the total male population. In 2011 the male working age population at 14.5% still exceeds that of the female population working age population at 11.4%.

### 2.2.3 NUMBER OF HOUSEHOLDS BY POPULATION GROUP

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. An individual is considered part of a household if he/she spends at least four nights a week within the household. To categorise a household according to population group, the population group to which the head of the household belongs, is used.

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa. In 2021, the Sakhisizwe Local Municipality comprised of 16 800 households. This equates to an average annual growth rate of 0.54% in the number of households from 2011 to 2021. With an average annual growth rate of 0.59% in the total population, the average household size in the Sakhisizwe Local Municipality is by implication increasing. This is confirmed by the data where the average household size in 2011 increased from approximately 4 individuals per household to 4 persons per household in 2021.

TABLE 7. NUMBER OF HOUSEHOLDS - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [NUMBER PERCENTAGE]

TABLE 8.	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
2011	15,900	215,000	1,710,000	14,300,000	7.4%	0.93%	0.11%
2012	16,100	217,000	1,730,000	14,600,000	7.4%	0.93%	0.11%
2013	16,200	218,000	1,750,000	14,900,000	7.4%	0.93%	0.11%
2014	16,300	219,000	1,760,000	15,200,000	7.4%	0.93%	0.11%
2015	16,500	222,000	1,790,000	15,600,000	7.4%	0.92%	0.11%
2016	16,900	227,000	1,830,000	16,000,000	7.5%	0.92%	0.11%
2017	17,300	232,000	1,880,000	16,300,000	7.5%	0.92%	0.11%
2018	17,500	235,000	1,900,000	16,400,000	7.5%	0.92%	0.11%
2019	17,100	230,000	1,870,000	16,500,000	7.4%	0.91%	0.10%
2020	16,700	224,000	1,830,000	16,500,000	7.4%	0.91%	0.10%
2021	16,800	227,000	1,850,000	16,700,000	7.4%	0.91%	0.10%
<b>Average Annual growth</b>							
2011-2021	<b>0.54%</b>	<b>0.54%</b>	<b>0.81%</b>	<b>1.56%</b>			

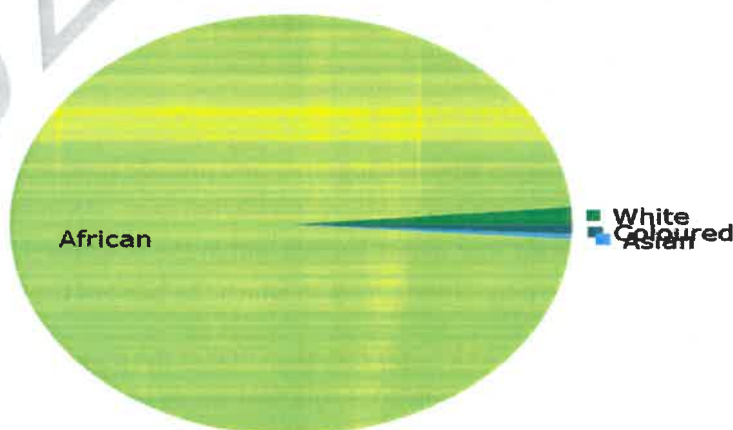
Source: IHS Markit Regional eXplorer version 2236

Relative to the district municipality, the Sakhisizwe Local Municipality had a lower average annual growth rate of 0.54% from 2011 to 2021. In contrast, the province had an average annual growth rate of 0.81% from 2011. The South Africa as a whole had a total of 16.7 million households, with a growth rate of 1.56%, thus growing at a higher rate than the Sakhisizwe.

The composition of the households by population group consists of 97.6% which is ascribed to the African population group with the largest amount of households by population group. The White population group had a total composition of 1.3% (ranking second). The Coloured population group had a total composition of 0.7% of the total households. The smallest population group by households is the Asian population group with only 0.4% in 2021.

CHART 5. NUMBER OF HOUSEHOLDS BY POPULATION GROUP - SAKHISIZWE LOCAL MUNICIPALITY, 2021 [PERCENTAGE]

**Number of Households by Population group  
Sakhisizwe, 2021**

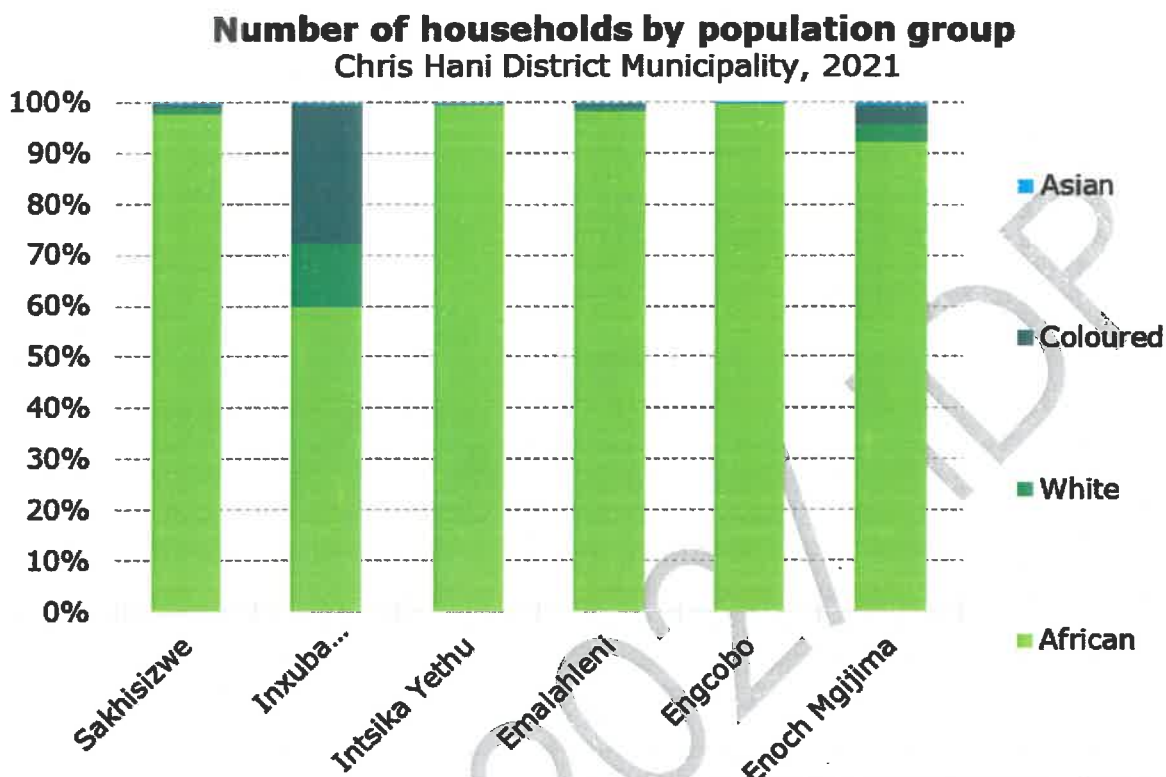


Source: IHS Markit Regional eXplorer version 2236

The growth in the number of African headed households was on average 0.57% per annum between 2011 and 2021, which translates in the number of households increasing by 908 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between

2011 and 2021 at 3.64%. The average annual growth rate in the number of households for all the other population groups has increased with 0.53%.

CHART 6. NUMBER OF HOUSEHOLDS BY POPULATION GROUP - SAKHISIZWE LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2021 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2236

#### 2.2.4 HIV+ AND AIDS ESTIMATES

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

**HIV+ and AIDS estimates are defined as follows:**

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



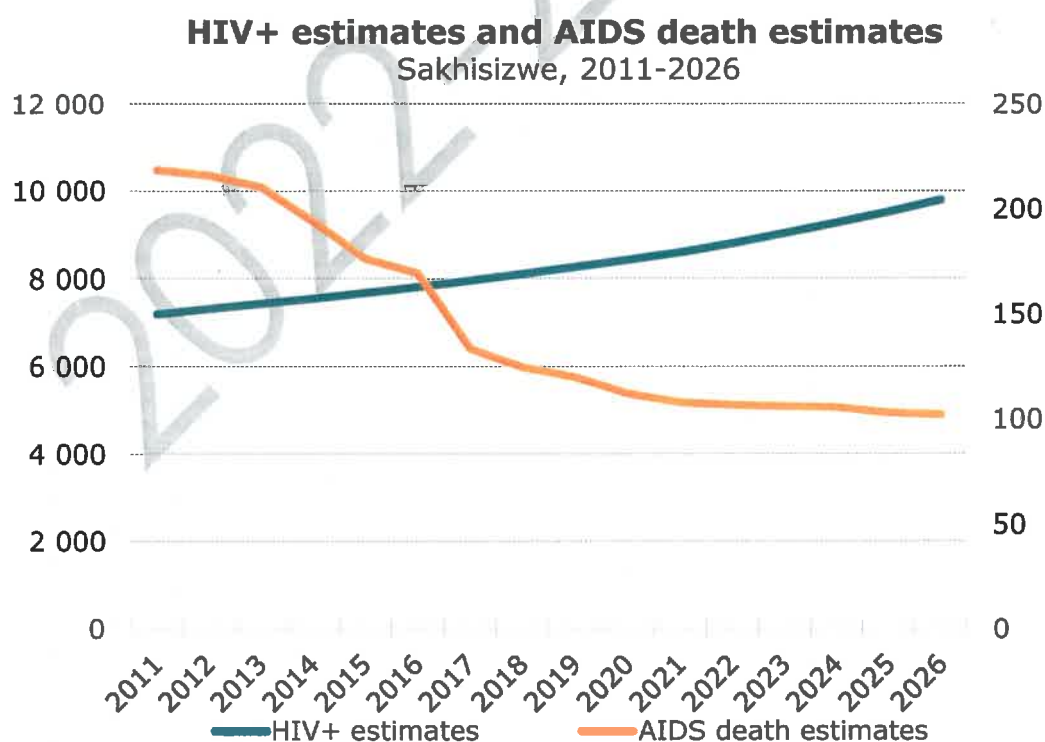
TABLE 9. NUMBER OF HIV+ PEOPLE - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [NUMBER AND PERCENTAGE]

TABLE 10.	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
2011	7,190	90,700	732,000	6,480,000	7.9%	0.98%	0.11%
2012	7,310	92,400	746,000	6,630,000	7.9%	0.98%	0.11%
2013	7,430	94,000	759,000	6,770,000	7.9%	0.98%	0.11%
2014	7,550	95,700	772,000	6,910,000	7.9%	0.98%	0.11%
2015	7,680	97,500	786,000	7,050,000	7.9%	0.98%	0.11%
2016	7,810	99,300	799,000	7,200,000	7.9%	0.98%	0.11%
2017	7,960	101,000	815,000	7,360,000	7.8%	0.98%	0.11%
2018	8,110	104,000	830,000	7,530,000	7.8%	0.98%	0.11%
2019	8,270	106,000	847,000	7,710,000	7.8%	0.98%	0.11%
2020	8,430	108,000	863,000	7,900,000	7.8%	0.98%	0.11%
2021	8,600	110,000	879,000	8,090,000	7.8%	0.98%	0.11%
	<b>Average Annual growth</b>						
2011-2021	<b>1.80%</b>	<b>2.00%</b>	<b>1.85%</b>	<b>2.24%</b>			

Source: IHS Markit Regional eXplorer version 2236

In 2021, 8 600 people in the Sakhisizwe Local Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.80% since 2011, and in 2021 represented 12.80% of the local municipality's total population. The Chris Hani District Municipality had an average annual growth rate of 2.00% from 2011 to 2021 in the number of people infected with HIV, which is higher than that of the Sakhisizwe Local Municipality. The number of infections in the Eastern Cape Province increased from 732,000 in 2011 to 879,000 in 2021. When looking at the South Africa as a whole it can be seen that the number of people that are infected increased from 2011 to 2021 with an average annual growth rate of 2.24%.

CHART 7. AIDS PROFILE AND FORECAST - SAKHISIZWE LOCAL MUNICIPALITY, 2011-2026 [NUMBERS]



Source: IHS Markit Regional eXplorer version 2236

Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 218 in 2011 and 108 for 2021. This number denotes a decrease from 2011 to 2021 with a high average annual rate of -6.81% (or -111 people). For the year 2021, they represented 0.16% of the total population of the entire local municipality.

## 2.3 ECONOMY

The economic state of Sakhisizwe 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 Sakhisizwe 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.

### 2.3.1 GROSS DOMESTIC PRODUCT BY REGION (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies.

GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.

TABLE 11. GROSS DOMESTIC PRODUCT (GDP) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [R BILLIONS, CURRENT PRICES]

TABLE 1	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
2011	1.2	20.1	255.4	3,327.0	5.8%	0.46%	0.04%
2012	1.3	22.5	283.4	3,566.4	5.8%	0.46%	0.04%
2013	1.4	24.3	305.7	3,868.6	5.8%	0.46%	0.04%
2014	1.5	26.1	326.3	4,133.9	5.8%	0.47%	0.04%
2015	1.7	28.3	352.9	4,420.8	5.8%	0.47%	0.04%
2016	1.8	30.1	373.2	4,759.6	5.9%	0.47%	0.04%
2017	1.9	32.3	400.4	5,078.2	5.9%	0.47%	0.04%
2018	2.0	34.0	421.2	5,357.6	5.9%	0.47%	0.04%
2019	2.1	35.2	435.6	5,605.0	5.9%	0.48%	0.04%
2020	2.0	34.4	423.5	5,521.1	5.9%	0.48%	0.04%
2021	2.2	37.7	467.8	6,206.3	5.9%	0.48%	0.04%

Source: IHS Markit Regional eExplorer version 2236

With a GDP of R 2.23 billion in 2021 (up from R 1.18 billion in 2011), the Sakhisizwe Local Municipality contributed 5.91% to the Chris Hani District Municipality GDP of R 37.7 billion in 2021 increasing in the share of the Chris Hani from 5.84% in 2011. The Sakhisizwe Local Municipality contributes 0.48% to the GDP of Eastern Cape Province and 0.04% the GDP of South Africa which had a total GDP of R 6.21 trillion in 2021 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2011 when it contributed 0.04% to South Africa, but it is lower than the peak of 0.04% in 2015.



TABLE 13. GROSS DOMESTIC PRODUCT (GDP) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2010 PRICES]

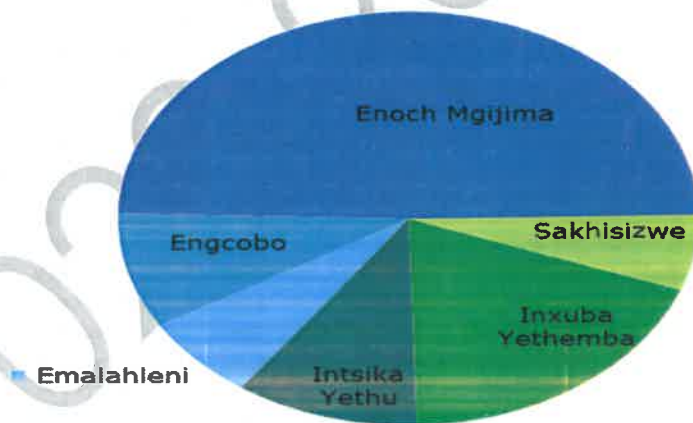
TABLE 14.	Sakhisizwe	Chris Hani	Eastern Cape	National Total
2011	2.5%	3.1%	3.3%	3.2%
2012	1.9%	2.0%	2.0%	2.4%
2013	1.0%	1.3%	1.4%	2.5%
2014	2.0%	1.6%	0.7%	1.4%
2015	2.2%	1.7%	1.0%	1.3%
2016	1.0%	1.0%	0.8%	0.7%
2017	1.4%	1.2%	0.5%	1.2%
2018	0.9%	1.1%	1.0%	1.5%
2019	0.5%	0.2%	-0.1%	0.1%
2020	-5.1%	-5.7%	-6.6%	-6.4%
2021	3.4%	3.6%	4.9%	4.9%
<b>Average Annual growth 2011-2021</b>	<b>0.89%</b>	<b>0.76%</b>	<b>0.55%</b>	<b>0.91%</b>

Source: IHS Markit Regional eXplorer version 2236

In 2021, the Sakhisizwe Local Municipality achieved an annual growth rate of 3.37% which is a significant lower GDP growth than the Eastern Cape Province's 4.93%, but is lower than that of South Africa, where the 2021 GDP growth rate was 4.91%. Contrary to the short-term growth rate of 2021, the longer-term average growth rate for Sakhisizwe (0.89%) is very similar than that of South Africa (0.91%).

CHART 8. GROSS DOMESTIC PRODUCT (GDP) - SAKHISIZWE LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2021 [PERCENTAGE]

**Gross Domestic Product (GDP)  
Chris Hani District Municipality, 2021**



Source: IHS Markit Regional eXplorer version 2236

The Sakhisizwe Local Municipality had a total GDP of R 2.23 billion and in terms of total contribution towards Chris Hani District Municipality the Sakhisizwe Local Municipality ranked lowest relative to all the regional economies to total Chris Hani District Municipality GDP. This ranking in terms of size compared to other regions of Sakhisizwe remained the same since 2011. In terms of its share, it was in 2021 (5.9%) very similar compared to what it was in 2011 (5.8%). For the period 2011 to 2021, the average annual growth rate of 0.9% of Sakhisizwe was the third relative to its peers in terms of growth in constant 2010 prices.

TABLE 15. GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN CHRIS HANI DISTRICT MUNICIPALITY, 2011 TO 2021, SHARE AND GROWTH

TABLE 16.	2021 (Current prices)	Share of district municipality	2011 (Constant prices)	2021 (Constant prices)	Average Annual growth
Sakhisizwe	2.23	5.91%	1.49	1.63	0.89%
Inxuba Yethemba	7.13	18.91%	4.71	5.37	1.32%
Intsika Yethu	3.88	10.28%	2.55	2.81	0.98%
Emalahleni	2.48	6.57%	1.73	1.82	0.48%
Engcobo	3.42	9.06%	2.39	2.47	0.34%
Enoch Mgijima	18.59	49.28%	12.80	13.61	0.61%

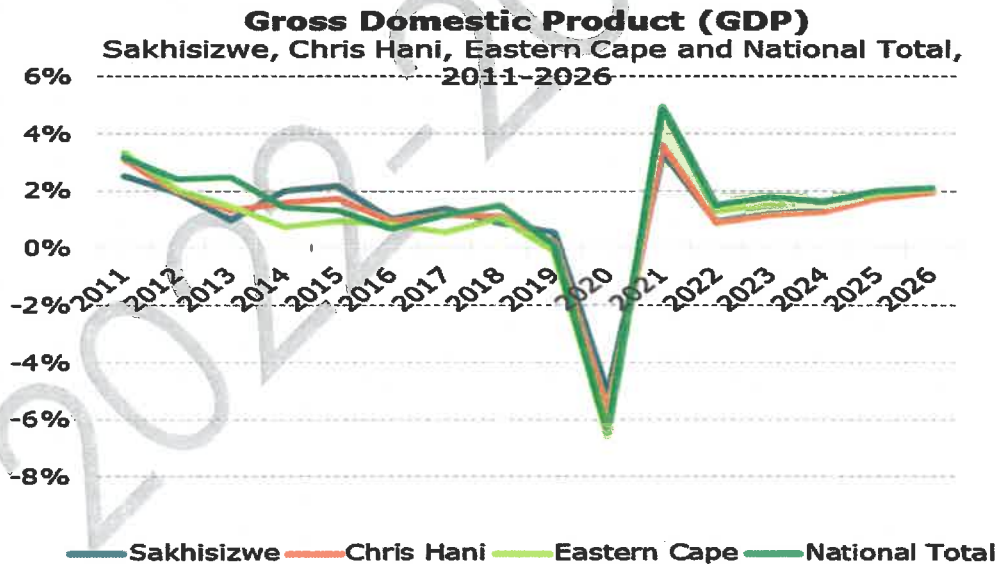
Source: IHS Markit Regional eXplorer version 2236

Inxuba Yethemba had the highest average annual economic growth, averaging 1.32% between 2011 and 2021, 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 0.98%. Engcobo Local Municipality had the lowest average annual growth rate of 0.34% between 2011 and 2021.

#### ECONOMIC GROWTH FORECAST

It is expected that Sakhisizwe Local Municipality will grow at an average annual rate of 1.47% from 2021 to 2026. The average annual growth rate in the GDP of Chris Hani District Municipality and Eastern Cape Province is expected to be 1.38% and 1.66% respectively. South Africa is forecasted to grow at an average annual growth rate of 1.81%, which is higher than that of the Sakhisizwe Local Municipality.

TABLE 17. GROSS DOMESTIC PRODUCT (GDP) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011-2026 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]



Source: IHS Markit Regional eXplorer version 2236

In 2026, Sakhisizwe's forecasted GDP will be an estimated R 1.76 billion (constant 2010 prices) or 5.9% of the total GDP of Chris Hani District Municipality. The ranking in terms of size of the Sakhisizwe Local Municipality will remain the same between 2021 and 2026, with a contribution to the Chris Hani District Municipality GDP of 5.9% in 2026 compared to the 5.9% in 2021. At a 1.47% average annual GDP growth rate between 2021 and 2026, Sakhisizwe ranked the second compared to the other regional economies.

TABLE 18. GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN CHRIS HANI DISTRICT MUNICIPALITY, 2011 TO 2026, SHARE AND GROWTH

TABLE 19.	2026 (Current prices)	Share of district municipality	2011 (Constant prices)	2026 (Constant prices)	Average Annual growth
Sakhisizwe	3.04	6.02%	1.49	1.76	1.09%
Inxuba Yethemba	9.52	18.88%	4.71	5.72	1.30%
Intsika Yethu	5.37	10.65%	2.55	3.11	1.35%
Emalahleni	3.29	6.52%	1.73	1.91	0.63%
Engcobo	4.57	9.07%	2.39	2.64	0.68%
Enoch Mgijima	24.63	48.85%	12.80	14.53	0.85%

Source: IHS Markit Regional eXplorer version 2236

### 2.3.2 GROSS VALUE ADDED BY REGION (GVA-R)

The Sakhisizwe Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy.

Gross Value Added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.

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

TABLE 20. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2021 [R BILLIONS, CURRENT PRICES]

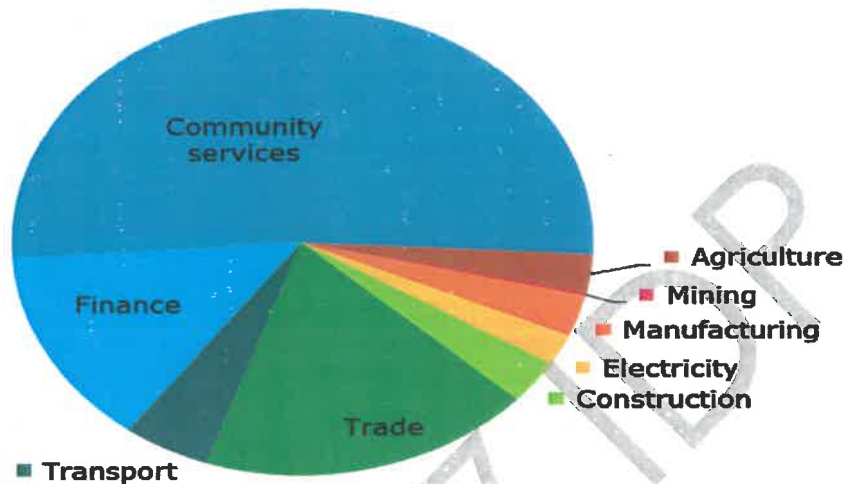
TABLE 21.	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
Agriculture	0.1	1.0	8.1	150.9	5.6%	0.69%	0.04%
Mining	0.0	0.0	0.7	481.0	9.3%	0.49%	0.00%
Manufacturing	0.1	1.9	54.4	726.4	3.1%	0.11%	0.01%
Electricity	0.0	0.7	9.2	171.9	5.9%	0.48%	0.03%
Construction	0.1	0.9	10.8	139.0	6.9%	0.58%	0.05%
Trade	0.4	6.5	76.0	759.8	5.8%	0.50%	0.05%
Transport	0.1	1.8	26.4	392.3	5.5%	0.38%	0.03%
Finance	0.3	6.2	92.3	1,319.9	4.5%	0.31%	0.02%
Community services	1.1	15.4	140.0	1,422.3	6.9%	0.76%	0.07%
<b>Total Industries</b>	<b>2.0</b>	<b>34.5</b>	<b>417.9</b>	<b>5,563.5</b>	<b>5.9%</b>	<b>0.49%</b>	<b>0.04%</b>

Source: IHS Markit Regional eXplorer version 2236

In 2021, the community services sector is the largest within Sakhisizwe Local Municipality accounting for R 1.06 billion or 51.8% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Sakhisizwe Local Municipality is the trade sector at 18.5%, followed by the finance sector with 13.8%. The sector that contributes the least to the economy of Sakhisizwe Local Municipality is the mining sector with a contribution of R 3.65 million or 0.18% of the total GVA.

CHART 9. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2021 [PERCENTAGE COMPOSITION]

**Gross Value Added (GVA) by broad economic sector  
Sakhisizwe Local Municipality, 2021**

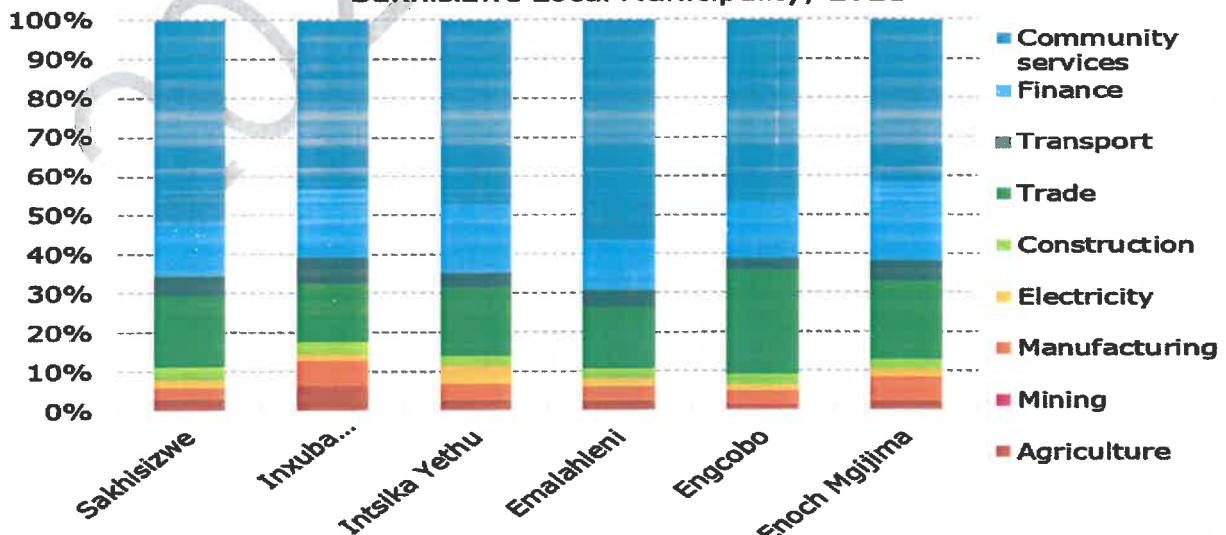


Source: IHS Markit Regional eXplorer version 2236

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 46.41%, relative to the other regions within Chris Hani District Municipality. The Enoch Mgijima contributed R 17.1 billion or 49.58% 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 - SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO AND ENOCH MGIJIMA, 2021 [PERCENTAGE COMPOSITION]

**Gross Value Added (GVA) by broad economic sector  
Sakhisizwe Local Municipality, 2021**



Source: IHS Markit Regional eXplorer version 2236



## HISTORICAL ECONOMIC GROWTH

For the period 2011 and 2021, the GVA in the finance sector had the highest average annual growth rate in Sakhisizwe at 2.34%. The industry with the second highest average annual growth rate is the agriculture sector averaging at 1.36% per year. The mining sector had an average annual growth rate of -2.15%, while the construction sector had the lowest average annual growth of -2.20%. Overall a positive growth existed for all the industries in 2021 with an annual growth rate of 3.03% since 2020.

TABLE 22. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2011, 2016 AND 2021 [R MILLIONS, 2010 CONSTANT PRICES]

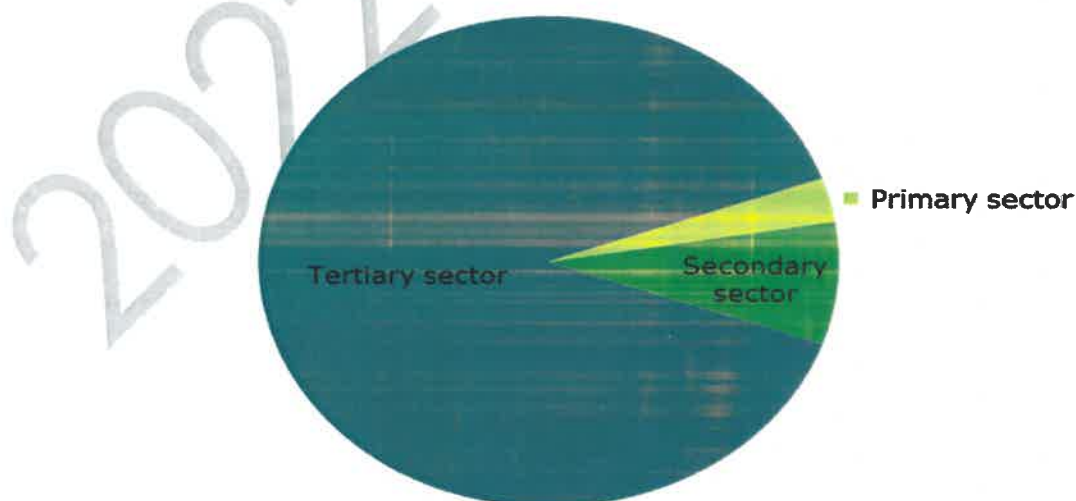
TABLE 23.	2011	2016	2021	Average Annual growth
Agriculture	30.8	30.1	35.3	1.36%
Mining	7.1	5.8	5.8	-2.15%
Manufacturing	41.0	42.1	43.4	0.56%
Electricity	22.9	20.3	18.7	-2.02%
Construction	62.1	68.9	49.7	-2.20%
Trade	248.8	278.1	259.5	0.42%
Transport	84.8	96.7	89.2	0.51%
Finance	169.5	195.5	213.7	2.34%
Community services	704.5	756.2	794.8	1.21%
<b>Total Industries</b>	<b>1,371.6</b>	<b>1,493.6</b>	<b>1,509.9</b>	<b>0.97%</b>

Source: IHS Markit Regional eXplorer version 2236

The tertiary sector contributes the most to the Gross Value Added within the Sakhisizwe Local Municipality at 89.0%. This is significantly higher than the national economy (70.0%). The secondary sector contributed a total of 8.1% (ranking second), while the primary sector contributed the least at 2.9%.

CHART 11. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2021 [PERCENTAGE]

### Gross Value Added (GVA) by aggregate sector Sakhisizwe Local Municipality, 2021



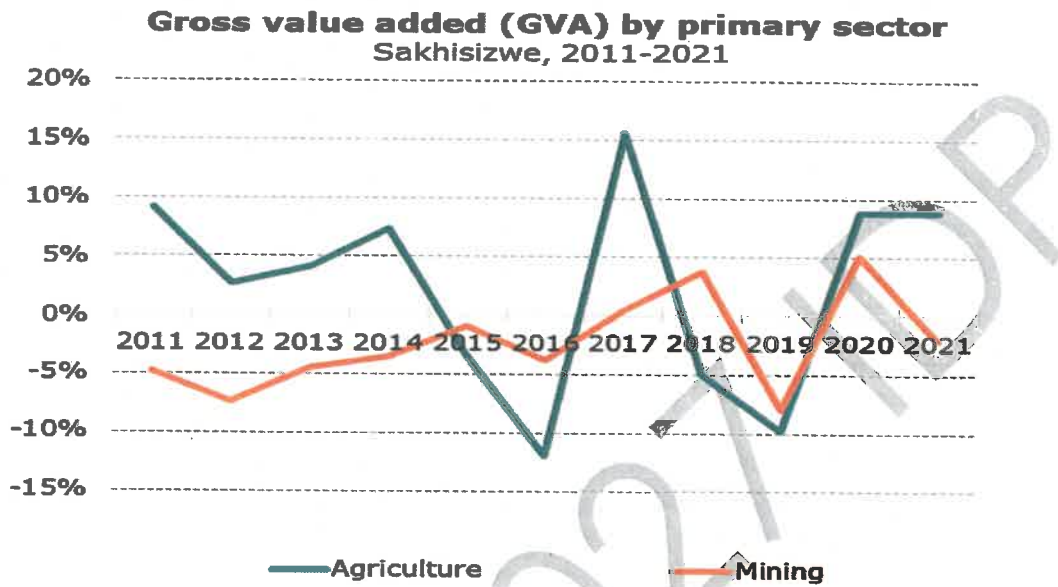
Source: IHS Markit Regional eXplorer version 2236

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

### A. 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 Sakhisizwe Local Municipality from 2011 to 2021.

CHART 12. GROSS VALUE ADDED (GVA) BY PRIMARY SECTOR - SAKHISIZWE, 2011-2021 [ANNUAL PERCENTAGE CHANGE]



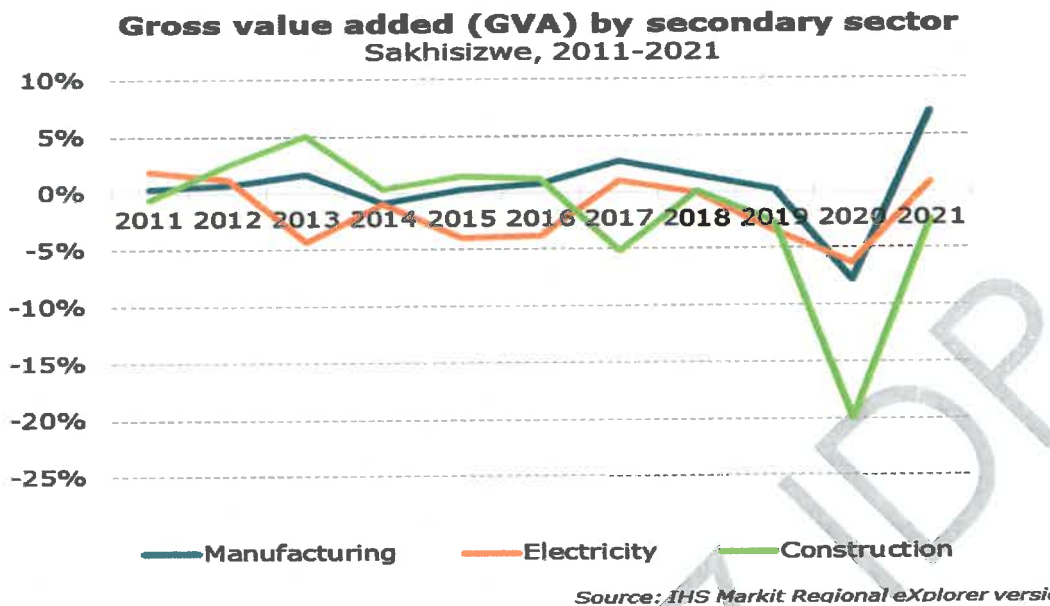
Source: IHS Markit Regional eXplorer version 2236

Between 2011 and 2021, the agriculture sector experienced the highest positive growth in 2017 with an average growth rate of 15.5%. The mining sector reached its highest point of growth of 5.1% in 2020. The agricultural sector experienced the lowest growth for the period during 2016 at -11.9%, while the mining sector reaching its lowest point of growth in 2019 at -7.9%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

### B. 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 Sakhisizwe Local Municipality from 2011 to 2021.

CHART 13. GROSS VALUE ADDED (GVA) BY SECONDARY SECTOR - SAKHISIZWE, 2011-2021 [ANNUAL PERCENTAGE CHANGE]

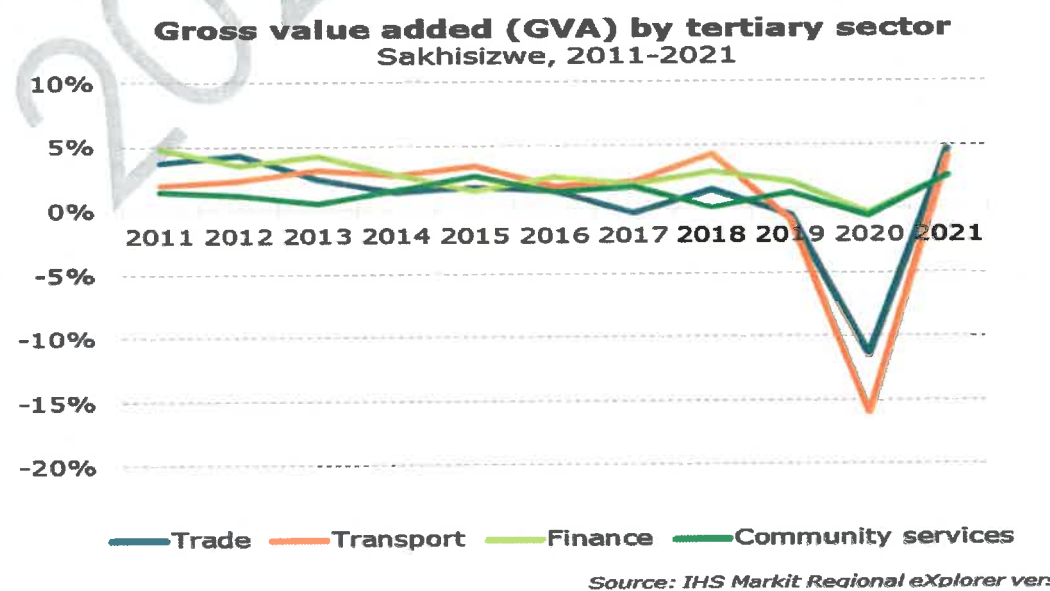


Between 2011 and 2021, the manufacturing sector experienced the highest positive growth in 2021 with a growth rate of 7.1%. The construction sector reached its highest growth in 2013 at 5.1%. The manufacturing sector experienced its lowest growth in 2020 of -7.8%, while construction sector also had the lowest growth rate in 2020 and it experiences a negative growth rate of -20.0% which is higher growth rate than that of the manufacturing sector. The electricity sector experienced the highest growth in 2011 at 1.9%, while it recorded the lowest growth of -6.3% in 2020.

**C. 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 Sakhisizwe Local Municipality from 2011 to 2021.

CHART 14. GROSS VALUE ADDED (GVA) BY TERTIARY SECTOR - SAKHISIZWE, 2011-2021 [ANNUAL PERCENTAGE CHANGE]





The trade sector experienced the highest positive growth in 2021 with a growth rate of 4.6%. The transport sector reached its highest point of growth in 2018 at 4.3%. 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 -0.4%. The Trade sector also had the lowest growth rate in 2020 at -11.4%. The community services sector, which largely consists of government, experienced its highest positive growth in 2015 with 2.6% and the lowest growth rate in 2020 with -0.6%.

#### SECTOR GROWTH FORECAST

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

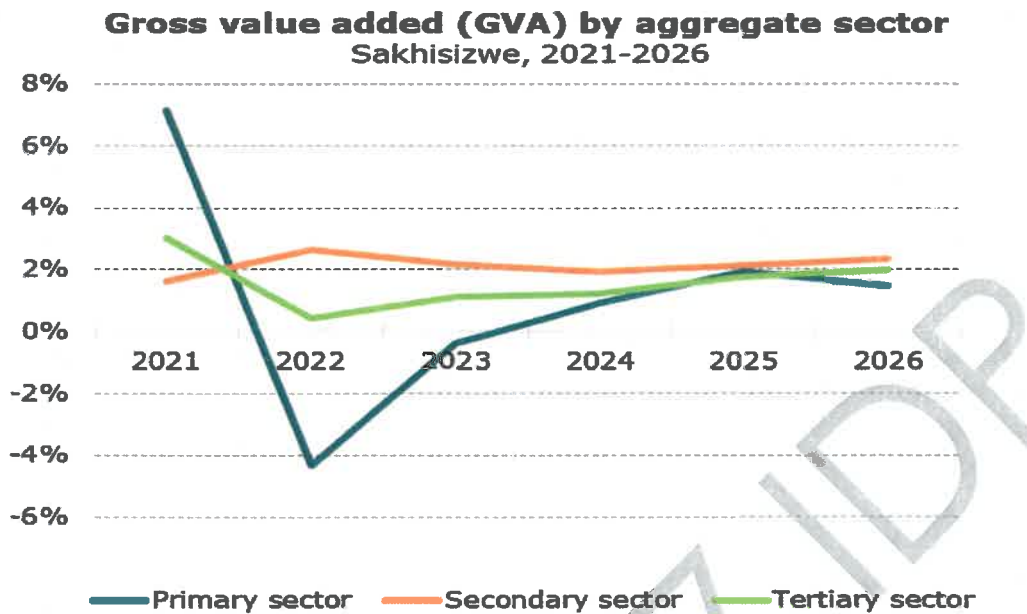
TABLE 24. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2021-2026 [R MILLIONS, CONSTANT 2010 PRICES]

TABLE 25.	2021	2022	2023	2024	2025	2026	Average Annual growth
Agriculture	35.3	33.8	33.7	34.2	35.0	35.7	0.27%
Mining	5.8	5.4	5.4	5.2	5.2	5.1	-2.50%
Manufacturing	43.4	44.1	44.8	45.3	45.9	46.5	1.41%
Electricity	18.7	19.2	19.7	20.1	20.7	21.3	2.66%
Construction	49.7	51.3	52.6	54.0	55.4	57.0	2.78%
Trade	259.5	264.5	269.4	273.3	277.7	282.9	1.74%
Transport	89.2	90.6	92.7	94.7	97.2	99.8	2.28%
Finance	213.7	220.1	225.8	231.2	237.4	244.0	2.68%
Community services	794.8	787.8	790.2	795.8	807.4	821.3	0.66%
<b>Total Industries</b>	<b>1,509.9</b>	<b>1,517.0</b>	<b>1,534.3</b>	<b>1,553.9</b>	<b>1,581.9</b>	<b>1,613.6</b>	<b>1.34%</b>

Source: IHS Markit Regional Explorer version 2236

The construction sector is expected to grow fastest at an average of 2.78% annually from R 49.7 million in Sakhisizwe Local Municipality to R 57 million in 2026. The community services sector is estimated to be the largest sector within the Sakhisizwe Local Municipality in 2026, with a total share of 50.9% of the total GVA (as measured in current prices), growing at an average annual rate of 0.7%. The sector that is estimated to grow the slowest is the mining sector with an average annual growth rate of -2.50%.

TABLE 26. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2021-2026 [ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]



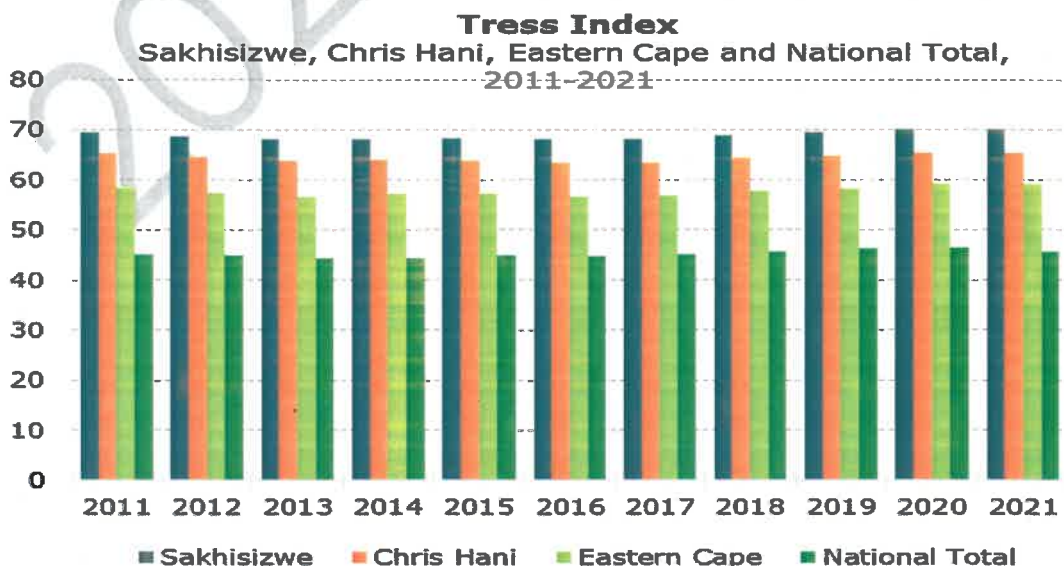
Source: IHS Markit Regional eXplorer version 2236

The Primary sector is expected to grow at an average annual rate of -0.10% between 2021 and 2026, with the Secondary sector growing at 2.23% on average annually. The Tertiary sector is expected to grow at an average annual rate of 1.30% for the same period.

### 2.3.3 TRESS INDEX

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 - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [NUMBER]



Source: IHS Markit Regional eXplorer version 2236

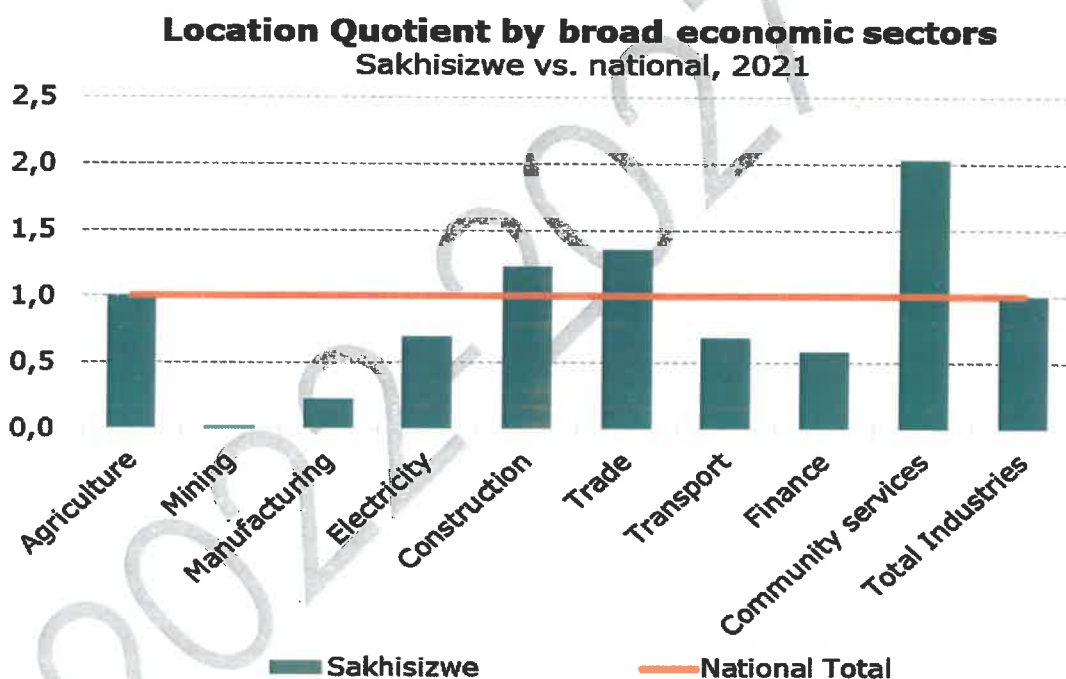
In 2021, Sakhisizwe's Tress Index was estimated at 70 which are higher than the 65.3 of the district municipality and higher than the 65.3 of the province. This implies that - on average - Sakhisizwe Local Municipality is less diversified in terms of its economic activity spread than the province's economy as a whole.

### 2.3.4 LOCATION QUOTIENT

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

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 - SAKHISIZWE LOCAL MUNICIPALITY AND SOUTH AFRICA, 2021 [NUMBER]



Source: IHS Markit Regional eXplorer version 2236

For 2021 Sakhisizwe Local Municipality has a very large comparative advantage in the community services sector. The trade sector has a comparative advantage. The construction also has a comparative advantage when comparing it to the South Africa economy as a whole, although less prominent. The Sakhisizwe 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 Sakhisizwe Local Municipality area currently does not have a lot of mining activity, with an LQ of only 0.0206.

## 2.4 LABOUR PROFILE

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 27. WORKING AGE POPULATION IN SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011 AND 2021 [NUMBER]

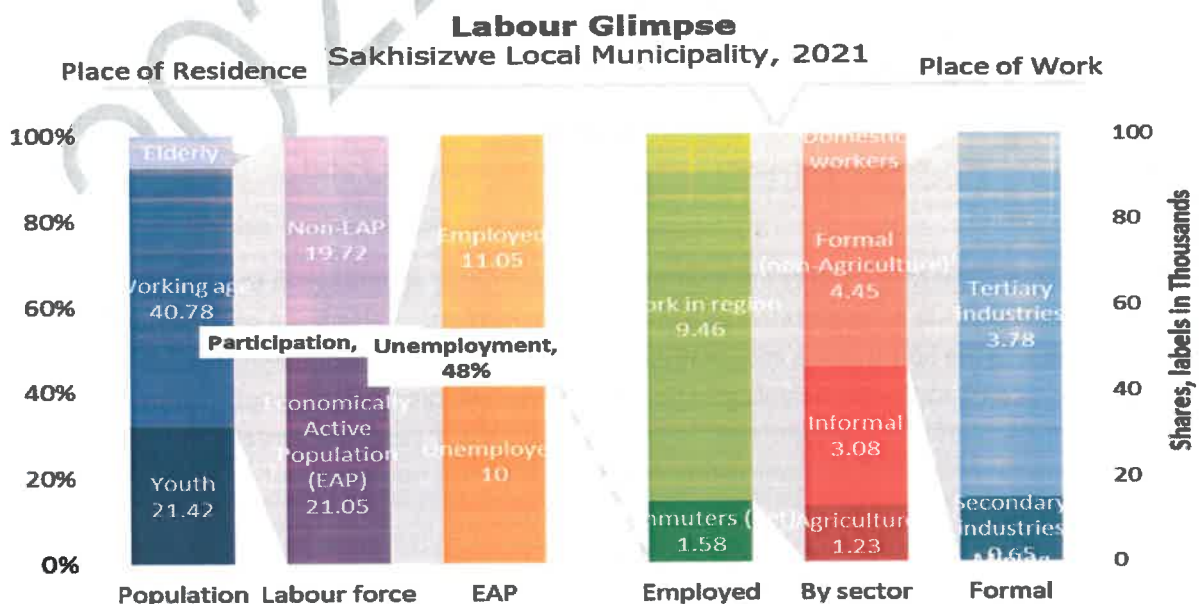
TABLE 29	Sakhisizwe		Chris Hani		Eastern Cape		National Total	
	2011	2021	2011	2021	2011	2021	2011	2021
15-19	7,930	6,250	98,000	77,100	782,000	673,000	5,120,000	4,880,000
20-24	6,830	5,310	83,100	65,400	750,000	602,000	5,410,000	4,650,000
25-29	5,140	6,000	65,300	76,600	607,000	704,000	5,020,000	5,330,000
30-34	3,480	6,080	43,100	70,600	414,000	673,000	4,050,000	5,610,000
35-39	2,470	4,530	33,700	61,900	312,000	546,000	3,420,000	5,010,000
40-44	2,190	3,170	30,000	42,500	269,000	375,000	2,870,000	3,870,000
45-49	2,350	2,340	32,100	33,300	271,000	283,000	2,550,000	3,170,000
50-54	2,590	2,220	34,500	30,500	269,000	245,000	2,200,000	2,630,000
55-59	2,180	2,340	30,400	32,300	228,000	244,000	1,800,000	2,290,000
60-64	2,000	2,540	26,800	32,700	192,000	237,000	1,450,000	1,930,000
<b>Total</b>	<b>37,200</b>	<b>40,800</b>	<b>477,000</b>	<b>523,000</b>	<b>4,090,000</b>	<b>4,580,000</b>	<b>33,900,000</b>	<b>39,400,000</b>

Source: IHS Markit Regional eXplorer version 2236

The working age population in Sakhisizwe in 2021 was 40 800, increasing at an average annual rate of 0.93% since 2011. For the same period the working age population for Chris Hani District Municipality increased at 0.92% annually, while that of Eastern Cape Province increased at 1.14% annually. South Africa's working age population has increased annually by 1.51% from 33.9 million in 2011 to 39.4 million in 2021.

The graph below combines all the facets of the labour force in the Sakhisizwe 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 - SAKHISIZWE LOCAL MUNICIPALITY, 2021



Source: IHS Markit Regional eXplorer version 2236

Reading the chart from the left-most bar, breaking down the total population of the Sakhisizwe Local Municipality (67 100) into working age and non-working age, the number of people that are of working age is about 40 800. 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, 51.6% are participating in the labour force, meaning 21 100 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 19 700 people. Out of the economically active population, there are 10 000 that are unemployed, or when expressed as a percentage, an unemployment rate of 47.5%. 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 Sakhisizwe, broken down by the primary (mining), secondary and tertiary industries. The majority of the formal employment lies in the Tertiary industry, with 3 790 jobs. When including the informal, agricultural and domestic workers, we have a total number of 9 470 jobs in the area. Formal jobs make up 47.1% of all jobs in the Sakhisizwe 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.

#### 2.4.1 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.

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.

TABLE 28. ECONOMICALLY ACTIVE POPULATION (EAP) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [NUMBER, PERCENTAGE ]

TABLE 29.	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
2011	14,200	167,000	1,730,000	18,300,000	8.5%	0.83%	0.08%
2012	14,500	170,000	1,760,000	18,700,000	8.6%	0.83%	0.08%
2013	15,300	178,000	1,830,000	19,300,000	8.6%	0.84%	0.08%
2014	16,400	191,000	1,920,000	20,100,000	8.6%	0.85%	0.08%
2015	17,300	200,000	2,000,000	20,800,000	8.6%	0.86%	0.08%
2016	18,200	211,000	2,090,000	21,500,000	8.6%	0.87%	0.08%
2017	19,100	223,000	2,180,000	22,000,000	8.6%	0.88%	0.09%
2018	19,600	230,000	2,240,000	22,300,000	8.5%	0.88%	0.09%
2019	20,600	242,000	2,330,000	22,700,000	8.5%	0.88%	0.09%
2020	20,400	241,000	2,330,000	22,100,000	8.5%	0.88%	0.09%
2021	21,100	250,000	2,400,000	22,200,000	8.4%	0.88%	0.10%
	<b>Average Annual growth</b>						
2011-2021	<b>3.99%</b>	<b>4.14%</b>	<b>3.35%</b>	<b>1.95%</b>			

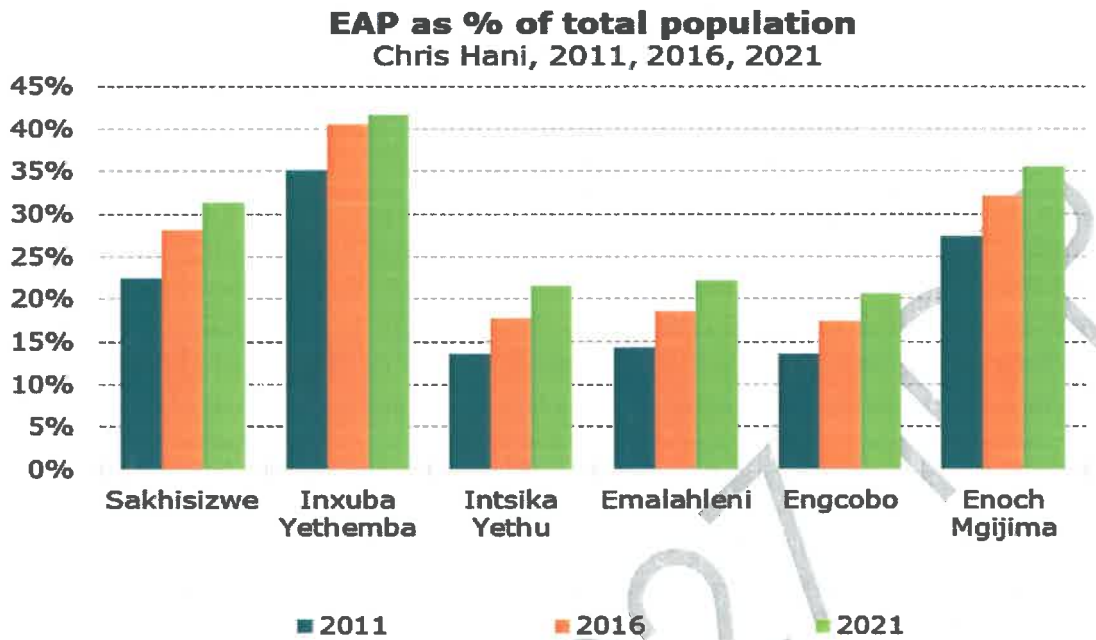
Source: IHS Markit Regional eXplorer version 2236

Sakhisizwe Local Municipality's EAP was 21 100 in 2021, which is 31.37% of its total population of 67 100, and roughly 8.42% of the total EAP of the Chris Hani District Municipality. From 2011 to 2021, the average



annual increase in the EAP in the Sakhisizwe Local Municipality was 3.99%, which is 0.154 percentage points lower than the growth in the EAP of Chris Hani's for the same period.

CHART 18. EAP AS % OF TOTAL POPULATION - SAKHISIZWE AND THE REST OF CHRIS HANI, 2011, 2016, 2021 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2236

In 2011, 22.5% of the total population in Sakhisizwe Local Municipality were classified as economically active which increased to 31.4% in 2021. 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 20.6% people classified as economically active population in 2021.

**LABOUR FORCE PARTICIPATION RATE**

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 Sakhisizwe, Chris Hani, Eastern Cape and National Total as a whole.

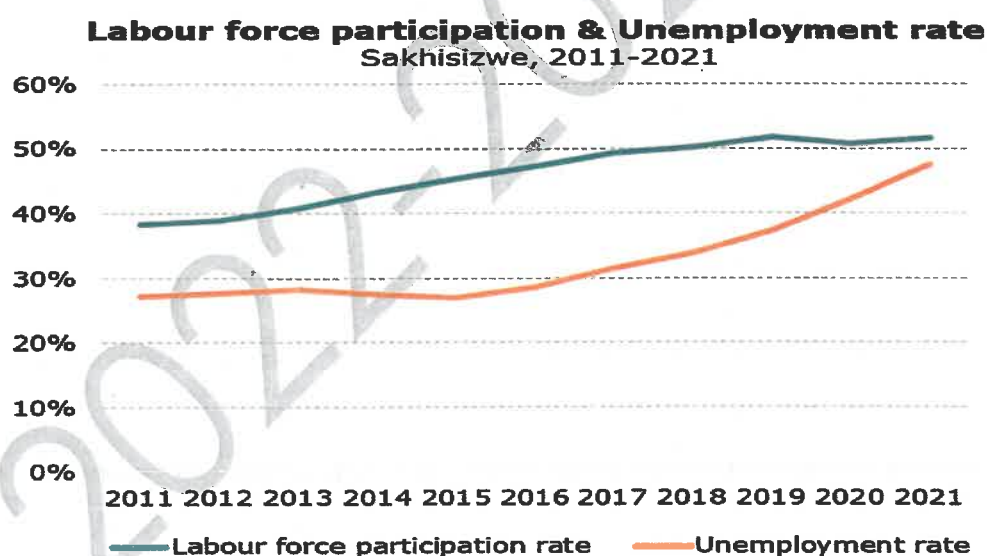
TABLE 30. THE LABOUR FORCE PARTICIPATION RATE - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [PERCENTAGE]

TABLE 31.	Sakhisizwe	Chris Hani	Eastern Cape	National Total
2011	38.3%	34.9%	42.2%	53.9%
2012	38.9%	35.5%	42.5%	54.3%
2013	40.8%	37.1%	43.8%	55.2%
2014	43.4%	39.3%	45.6%	56.6%
2015	45.3%	41.0%	47.0%	57.7%
2016	47.3%	42.9%	48.5%	58.8%
2017	49.3%	44.9%	50.2%	59.5%
2018	50.1%	45.8%	50.9%	59.4%
2019	51.8%	47.5%	52.3%	59.4%
2020	50.7%	46.7%	51.5%	57.0%
2021	51.6%	47.8%	52.4%	56.3%

Source: IHS Markit Regional explorer version 2236

The Sakhisizwe Local Municipality's labour force participation rate increased from 38.31% to 51.63% which is an increase of 13 percentage points. The Chris Hani District Municipality increased from 34.92% to 47.81%, Eastern Cape Province increased from 42.15% to 52.36% and South Africa increased from 53.90% to 56.27% from 2011 to 2021. The Sakhisizwe Local Municipality labour force participation rate exhibited a higher percentage point change compared to the Eastern Cape Province from 2011 to 2021. The Sakhisizwe Local Municipality had a lower labour force participation rate when compared to South Africa in 2021.

CHART 19. THE LABOUR FORCE PARTICIPATION AND UNEMPLOYMENT RATES - SAKHISIZWE LOCAL MUNICIPALITY, 2011-2021 [PERCENTAGE]

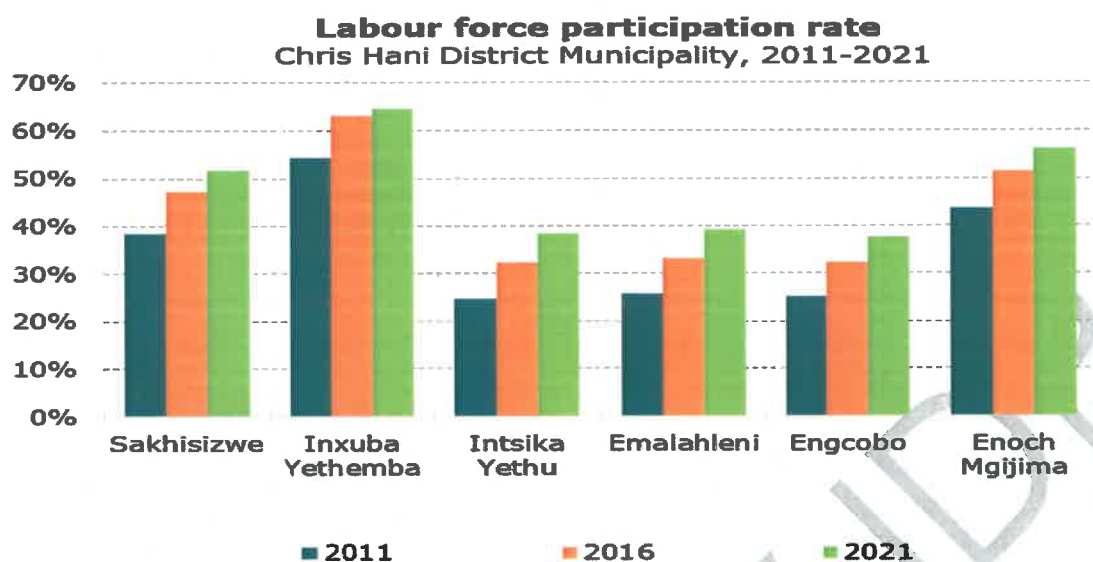


Source: IHS Markit Regional explorer version 2236

In 2021 the labour force participation rate for Sakhisizwe was at 51.6% which is significantly higher when compared to the 38.3% in 2011. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2011, the unemployment rate for Sakhisizwe was 27.2% and increased overtime to 47.5% in 2021. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Sakhisizwe Local Municipality.



CHART 20. THE LABOUR FORCE PARTICIPATION RATE - SAKHISIZWE AND THE REST OF CHRIS HANI, 2016 AND 2021 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2236

Inxuba Yethemba Local Municipality had the highest labour force participation rate with 64.6% in 2021 increasing from 54.3% in 2011. Engcobo Local Municipality had the lowest labour force participation rate of 37.5% in 2021, this increased from 25.0% in 2011.

#### 2.4.2 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.

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

TABLE 32. TOTAL EMPLOYMENT - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [NUMBERS]

TABLE 33.	Sakhisizwe	Chris Hani	Eastern Cape	National Total
2011	9,050	112,000	1,230,000	13,700,000
2012	9,130	113,000	1,240,000	14,000,000
2013	9,520	117,000	1,270,000	14,400,000
2014	10,300	126,000	1,340,000	15,000,000
2015	10,900	133,000	1,400,000	15,500,000
2016	11,200	137,000	1,430,000	15,800,000
2017	11,300	138,000	1,440,000	16,000,000
2018	11,200	136,000	1,440,000	16,200,000
2019	11,100	134,000	1,430,000	16,200,000
2020	10,100	123,000	1,340,000	15,400,000
2021	9,470	115,000	1,290,000	14,700,000
2011-2021	0.45%	Average Annual growth 0.23%	0.47%	0.74%

Source: IHS Markit Regional eXplorer version 2236

In 2021, Sakhisizwe employed 9 470 people which is 8.26% of the total employment in Chris Hani District Municipality (115 000), 0.74% of total employment in Eastern Cape Province (1.29 million), and 0.06% of the total employment of 14.7 million in South Africa. Employment within Sakhisizwe increased annually at an average rate of 0.45% from 2011 to 2021.

TABLE 34. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - SAKHISIZWE AND THE REST OF CHRIS HANI, 2021 [NUMBERS]

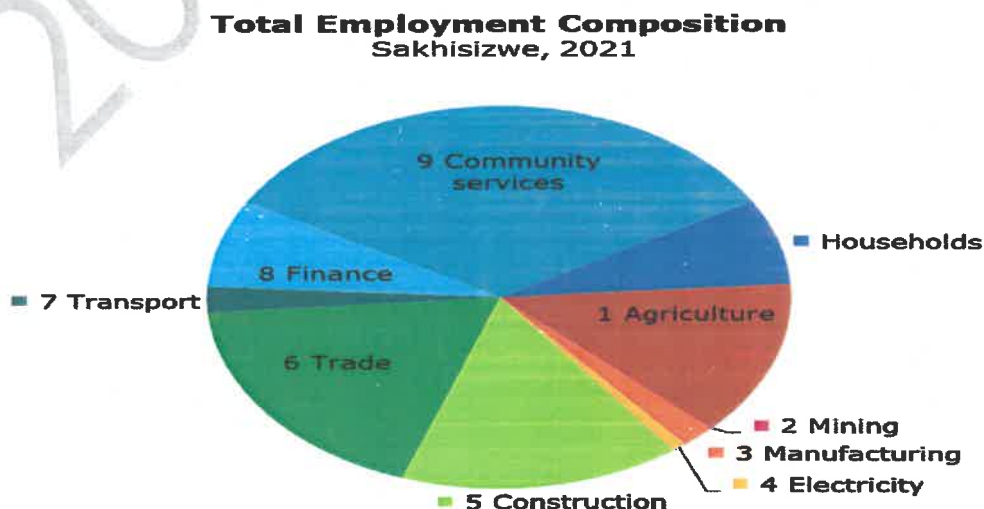
	Sakhisizwe	Inxuba Yethemba	Intsika Yethu	Emalahleni	Engcobo	Enoch Mgijima	Total Chris Hani
Agriculture	1,230	3,130	880	653	353	4,240	10,494
Mining	10	8	6	9	13	90	136
Manufacturing	183	949	534	305	449	2,350	4,766
Electricity	75	63	42	43	39	222	485
Construction	1,490	2,070	1,690	1,100	1,460	4,790	12,590
Trade	1,730	2,890	2,340	1,500	2,490	10,100	21,015
Transport	210	1,170	509	260	405	1,920	4,472
Finance	700	1,820	1,000	624	1,070	5,320	10,534
Community services	3,150	6,590	4,690	2,820	4,920	18,400	40,571
Households	687	1,620	894	643	609	5,080	9,543
<b>Total</b>	<b>9,470</b>	<b>20,300</b>	<b>12,600</b>	<b>7,950</b>	<b>11,800</b>	<b>52,500</b>	<b>114,604</b>

Source: IHS Markit Regional eXplorer version 2236

Sakhisizwe Local Municipality employs a total number of 9 470 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 52 500. 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 7 950 employed people.

In Sakhisizwe Local Municipality the economic sectors that recorded the largest number of employment in 2021 were the community services sector with a total of 3 150 employed people or 33.3% of total employment in the local municipality. The trade sector with a total of 1 730 (18.2%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 9.76 (0.1%) is the sector that employs the least number of people in Sakhisizwe Local Municipality, followed by the electricity sector with 75 (0.8%) people employed.

CHART 21. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2021 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2236

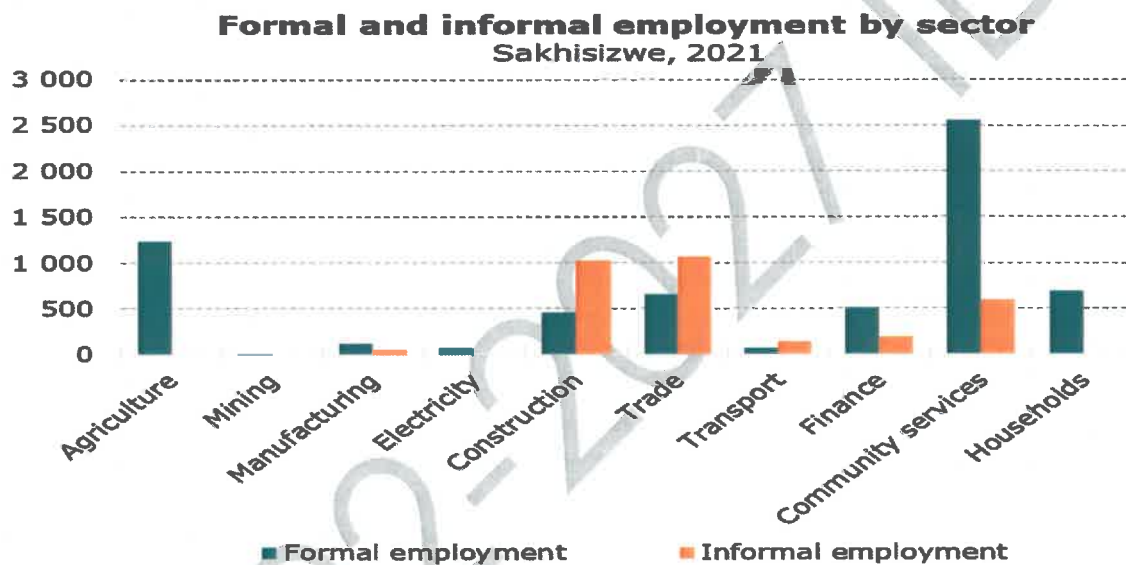
### 2.4.3 FORMAL AND INFORMAL EMPLOYMENT

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

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

The number of formally employed people in Sakhisizwe Local Municipality counted 6 380 in 2021, which is about 67.37% of total employment, while the number of people employed in the informal sector counted 3 090 or 32.63% of the total employment. Informal employment in Sakhisizwe increased from 2 810 in 2011 to an estimated 3 090 in 2021.

CHART 22. FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2021 [NUMBERS]



Source: IHS Markit Regional eXplorer version 2236

In 2021 the Trade sector recorded the highest number of informally employed, with a total of 1 070 employees or 34.72% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 60.9 and only contributes 1.97% to total informal employment.

TABLE 35. FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2021 [NUMBERS]

	Formal employment	Informal employment
Agriculture	1,230	N/A
Mining	10	N/A
Manufacturing	122	61
Electricity	75	N/A
Construction	462	1,020
Trade	655	1,070
Transport	65	145
Finance	510	190
Community services	2,560	596
Households	687	N/A

Source: IHS Markit Regional eXplorer version 2236

#### 2.4.4 UNEMPLOYMENT

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).

The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who during the reference period were:

- "Without work", i.e. not in paid employment or self-employment;
- "Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
- "Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

TABLE 36. UNEMPLOYMENT (OFFICIAL DEFINITION) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [NUMBER PERCENTAGE]

TABLE 37.	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
2011	3,870	48,700	487,000	4,580,000	8.0%	0.80%	0.08%
2012	4,040	51,000	509,000	4,700,000	7.9%	0.79%	0.09%
2013	4,320	54,700	540,000	4,850,000	7.9%	0.80%	0.09%
2014	4,520	57,600	565,000	5,060,000	7.9%	0.80%	0.09%
2015	4,660	59,600	583,000	5,300,000	7.8%	0.80%	0.09%
2016	5,180	66,300	636,000	5,670,000	7.8%	0.81%	0.09%
2017	6,020	77,200	718,000	5,990,000	7.8%	0.84%	0.10%
2018	6,640	85,700	782,000	6,100,000	7.8%	0.85%	0.11%
2019	7,680	99,700	885,000	6,450,000	7.7%	0.87%	0.12%
2020	8,600	111,000	968,000	6,710,000	7.7%	0.89%	0.13%
2021	10,000	129,000	1,100,000	7,420,000	7.8%	0.91%	0.13%
	<b>Average Annual growth</b>						
2011-2021	<b>9.95%</b>	<b>10.23%</b>	<b>8.48%</b>	<b>4.94%</b>			

Source: IHS Markit Regional eXplorer version 2236

In 2021, there were a total number of 10 000 people unemployed in Sakhisizwe, which is an increase of 6 130 from 3 870 in 2011. The total number of unemployed people within Sakhisizwe constitutes 7.76% of the total number of unemployed people in Chris Hani District Municipality. The Sakhisizwe Local Municipality experienced an average annual increase of 9.95% 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 10.23%.

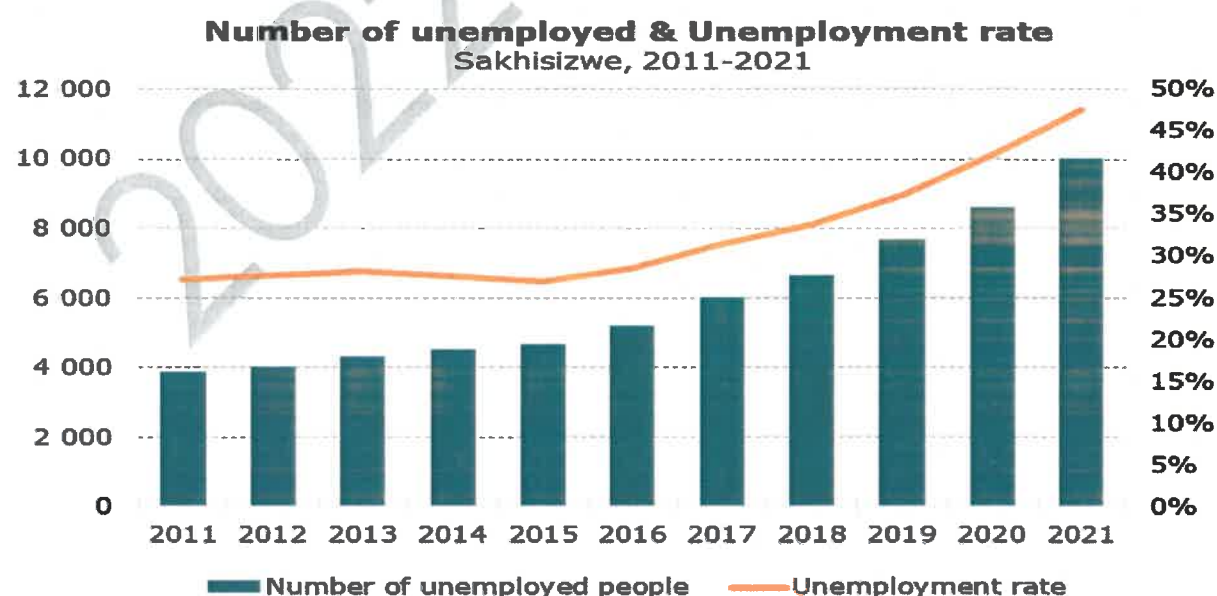
TABLE 38. UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [PERCENTAGE]

TABLE 39.	Sakhisizwe	Chris Hani	Eastern Cape	National Total
2011	27.2%	29.2%	28.2%	25.1%
2012	27.7%	30.0%	28.9%	25.1%
2013	28.2%	30.7%	29.6%	25.2%
2014	27.6%	30.2%	29.4%	25.2%
2015	27.0%	29.8%	29.2%	25.5%
2016	28.5%	31.4%	30.5%	26.4%
2017	31.5%	34.6%	32.9%	27.2%
2018	33.8%	37.3%	35.0%	27.4%
2019	37.3%	41.3%	38.0%	28.4%
2020	42.1%	46.1%	41.6%	30.3%
2021	47.5%	51.6%	45.8%	33.5%

Source: IHS Markit Regional eXplorer version 2236

In 2021, the unemployment rate in Sakhisizwe Local Municipality (based on the official definition of unemployment) was 47.51%, which is an increase of 20.3 percentage points. The unemployment rate in Sakhisizwe Local Municipality is lower than that of Chris Hani. Comparing to the Eastern Cape Province it can be seen that the unemployment rate for Sakhisizwe Local Municipality was higher than that of Eastern Cape which was 45.77%. The unemployment rate for South Africa was 33.48% in 2021, which is an increase of -8.4 percentage points from 25.08% in 2011.

CHART 23. UNEMPLOYMENT AND UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - SAKHISIZWE LOCAL MUNICIPALITY, 2011-2021 [NUMBER PERCENTAGE]

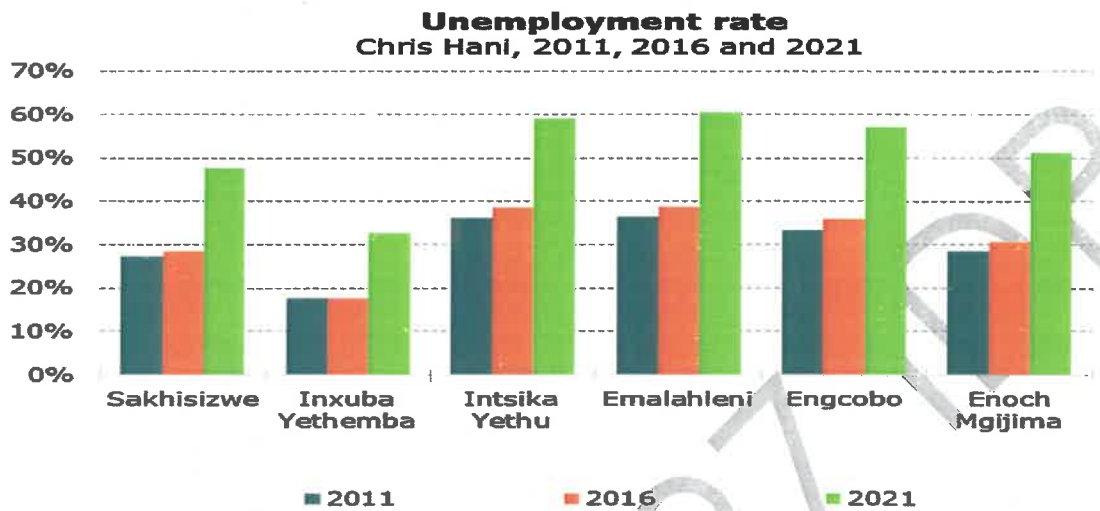


Source: IHS Markit Regional eXplorer version 2236



When comparing unemployment rates among regions within Chris Hani District Municipality, Emalahleni Local Municipality has indicated the highest unemployment rate of 60.4%, which has increased from 36.3% in 2011. It can be seen that the Inxuba Yethemba Local Municipality had the lowest unemployment rate of 32.8% in 2021, this increased from 17.6% in 2011.

CHART 24. UNEMPLOYMENT RATE - SAKHISIZWE AND THE REST OF CHRIS HANI, 2011, 2016 AND 2021 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2236

## 2.5 INCOME AND EXPENDITURE

In a growing economy among which production factors are increasing, most of the household incomes are spent on purchasing goods and services. Therefore, the measuring of the income and expenditure of households is a major indicator of a number of economic trends. It is also a good marker of growth as well as consumer tendencies.

### 2.5.1 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.



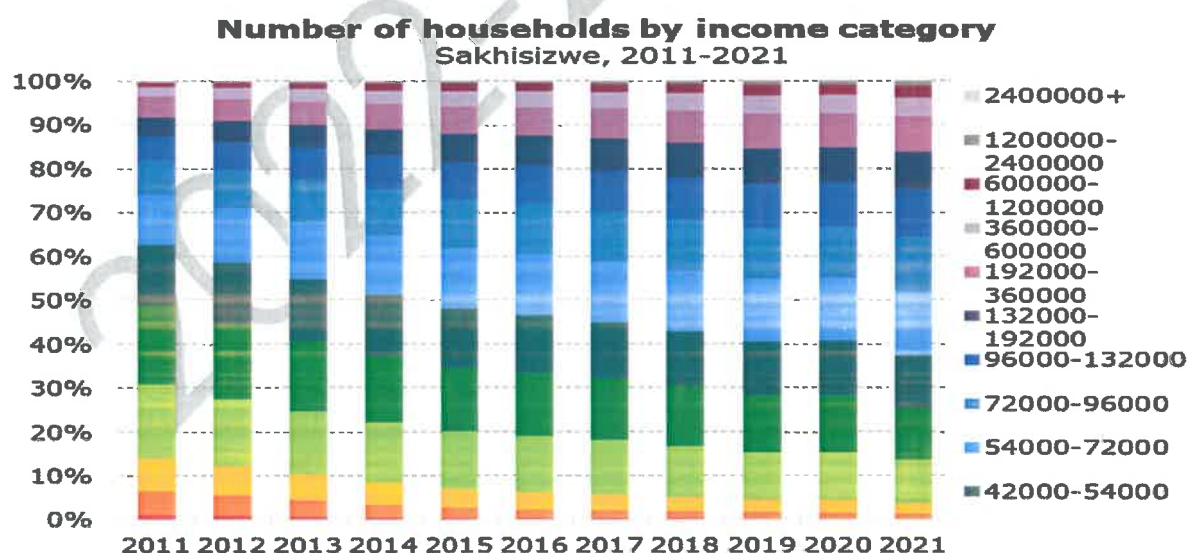
TABLE 40. HOUSEHOLDS BY INCOME CATEGORY - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2021 [NUMBER PERCENTAGE]

TABLE 41.	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
0-2400	1	15	127	1,260	7.3%	0.85%	0.09%
2400-6000	20	283	2,440	22,200	7.2%	0.84%	0.09%
6000-12000	206	2,740	23,100	197,000	7.5%	0.89%	0.11%
12000-18000	399	5,320	43,700	361,000	7.5%	0.91%	0.11%
18000-30000	1,660	21,400	172,000	1,350,000	7.8%	0.97%	0.12%
30000-42000	2,030	25,800	199,000	1,480,000	7.9%	1.02%	0.14%
42000-54000	2,030	26,000	194,000	1,440,000	7.8%	1.04%	0.14%
54000-72000	2,490	32,600	246,000	1,910,000	7.7%	1.02%	0.13%
72000-96000	2,090	27,300	209,000	1,730,000	7.7%	1.00%	0.12%
96000-132000	1,890	25,100	196,000	1,770,000	7.5%	0.97%	0.11%
132000-192000	1,420	19,300	159,000	1,520,000	7.4%	0.90%	0.09%
192000-360000	1,380	19,300	173,000	1,870,000	7.2%	0.80%	0.07%
360000-600000	748	11,000	108,000	1,310,000	6.8%	0.69%	0.06%
600000-1200000	443	7,010	81,000	1,100,000	6.3%	0.55%	0.04%
1200000-2400000	182	3,220	41,100	567,000	5.7%	0.44%	0.03%
2400000+	21	451	7,110	102,000	4.6%	0.29%	0.02%
<b>Total</b>	<b>17,000</b>	<b>227,000</b>	<b>1,850,000</b>	<b>16,700,000</b>	<b>7.5%</b>	<b>0.92%</b>	<b>0.10%</b>

Source: IHS Markit Regional eXplorer version 2236

It was estimated that in 2021 13.46% of all the households in the Sakhisizwe Local Municipality, were living on R30, 000 or less per annum. In comparison with 2011's 30.86%, the number is about half. The 54000-72000 income category has the highest number of households with a total number of 2 490, followed by the 72000-96000 income category with 2 090 households. Only 1.1 households fall within the 0-2400 income category.

CHART 25. HOUSEHOLDS BY INCOME BRACKET - SAKHISIZWE LOCAL MUNICIPALITY, 2011-2021 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2236

For the period 2011 to 2021 the number of households earning more than R30, 000 per annum has increased from 69.14% to 86.54%. 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.

## 2.5.2 ANNUAL TOTAL PERSONAL INCOME

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

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.

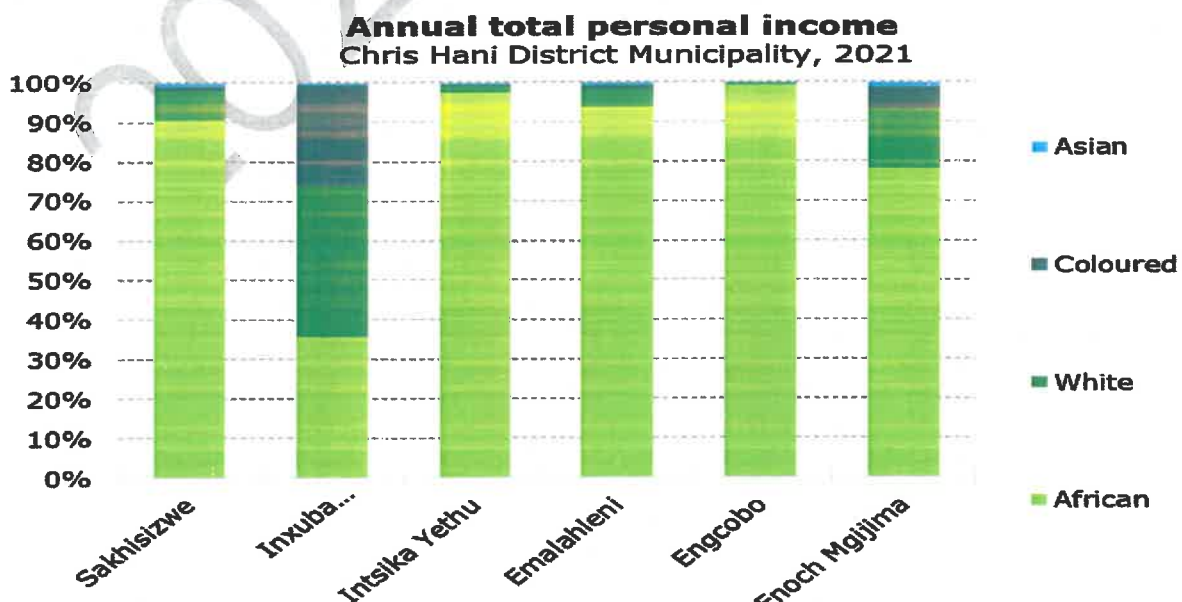
TABLE 42. ANNUAL TOTAL PERSONAL INCOME - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL [CURRENT PRICES, R BILLIONS]

TABLE 43.	Sakhisizwe	Chris Hani	Eastern Cape	National Total
2011	1.4	18.2	188.7	2,314.9
2012	1.5	20.3	210.7	2,525.0
2013	1.6	22.2	229.3	2,729.4
2014	1.7	24.1	247.1	2,938.2
2015	1.9	26.4	269.7	3,180.0
2016	2.0	28.3	288.4	3,413.6
2017	2.1	30.8	311.8	3,662.1
2018	2.3	33.2	333.0	3,899.6
2019	2.4	34.9	349.6	4,092.3
2020	2.3	33.8	338.7	3,970.5
2021	2.5	37.0	370.2	4,348.5
		<b>Average Annual growth</b>		
2011-2021	<b>6.21%</b>	<b>7.36%</b>	<b>6.97%</b>	<b>6.51%</b>

Source: IHS Markit Regional eXplorer version 2236

Sakhisizwe Local Municipality recorded an average annual growth rate of 6.21% (from R 1.38 billion to R 2.51 billion) from 2011 to 2021, which is less than both Chris Hani's (7.36%) as well as Eastern Cape Province's (6.97%) average annual growth rates. South Africa had an average annual growth rate of 6.51% (from R 2.31 trillion to R 4.35 trillion) which is more than the growth rate in Sakhisizwe Local Municipality.

CHART 26. ANNUAL TOTAL PERSONAL INCOME BY POPULATION GROUP - SAKHISIZWE AND THE REST OF CHRIS HANI [CURRENT PRICES, R BILLIONS]



Source: IHS Markit Regional eXplorer version 2236

The total personal income of Sakhisizwe Local Municipality amounted to approximately R 2.51 billion in 2021. The African population group earned R 2.27 billion, or 90.26% of total personal income, while the White population group earned R 189 million, or 7.51% of the total personal income. The Coloured and the Asian population groups only had a share of 1.22% and 1.00% of total personal income respectively.

TABLE 44. ANNUAL TOTAL PERSONAL INCOME - SAKHISIZWE AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY [CURRENT PRICES, R BILLIONS]

TABLE 45.	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Sakhisizwe	1.38	1.51	1.62	1.73	1.87	1.97	2.13	2.28	2.38	2.30	2.51
Inxuba											
Yethemba	2.65	3.01	3.33	3.66	4.03	4.34	4.75	5.14	5.44	5.31	5.81
Intsika Yethu	2.57	2.85	3.09	3.36	3.70	3.99	4.39	4.77	5.04	4.92	5.42
Emalahleni	1.99	2.21	2.42	2.64	2.91	3.15	3.47	3.77	4.00	3.92	4.34
Engcobo	2.53	2.78	3.00	3.24	3.54	3.78	4.12	4.44	4.66	4.52	4.96
Enoch Mgijima	7.10	7.96	8.71	9.45	10.36	11.10	11.98	12.76	13.35	12.84	13.99

Source: IHS Markit Regional eXplorer version 2236

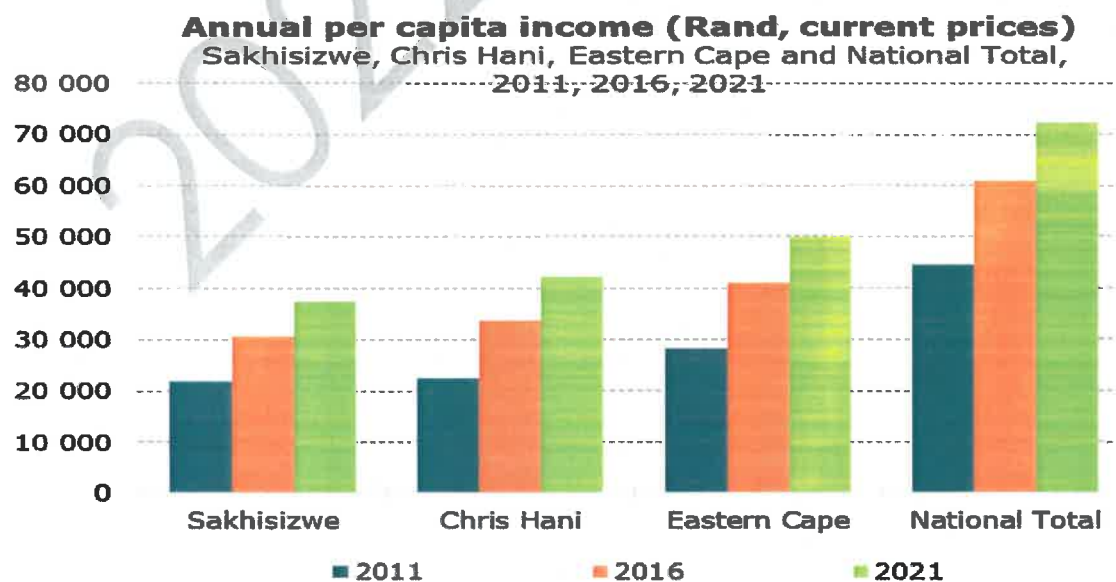
When looking at the annual total personal income for the regions within Chris Hani District Municipality it can be seen that the Enoch Mgijima Local Municipality had the highest total personal income with R 14 billion which increased from R 7.1 billion recorded in 2011. It can be seen that the Sakhisizwe Local Municipality had the lowest total personal income of R 2.51 billion in 2021, this increased from R 1.38 billion in 2011.

### 2.5.3 ANNUAL PER CAPITA INCOME

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 - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2021 [RAND, CURRENT PRICES]



Source: IHS Markit Regional eXplorer version 2236

The per capita income in Sakhisizwe Local Municipality is R 37,400 and is lower than both the Eastern Cape (R 50,000) and of the Chris Hani District Municipality (R 42,100) per capita income. The per capita income for Sakhisizwe Local Municipality (R 37,400) is lower than that of the South Africa as a whole which is R 72,100

CHART 28. PER CAPITA INCOME BY POPULATION GROUP - SAKHISIZWE AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2021 [RAND, CURRENT PRICES]

CHART 29.	
	African
Sakhisizwe	34,500
Inxuba Yethemba	46,700
Intsika Yethu	33,700
Emalahleni	31,700
Engcobo	29,800
Enoch Mgijima	41,400

Source: IHS Markit Regional eXplorer version 2236

Inxuba Yethemba Local Municipality has the highest per capita income with a total of R 78,100. Enoch Mgijima Local Municipality had the second highest per capita income at R 49,300, whereas Engcobo Local Municipality had the lowest per capita income at R 29,900. In Sakhisizwe Local Municipality, the African population group has the highest per capita income, with R 34,500, relative to the other population groups. . Some of the population groups - where there are less than 1,000 people living in the area were excluded from the analysis.

#### 2.5.4 INDEX OF BUYING POWER

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 46. INDEX OF BUYING POWER - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2021 [NUMBER]

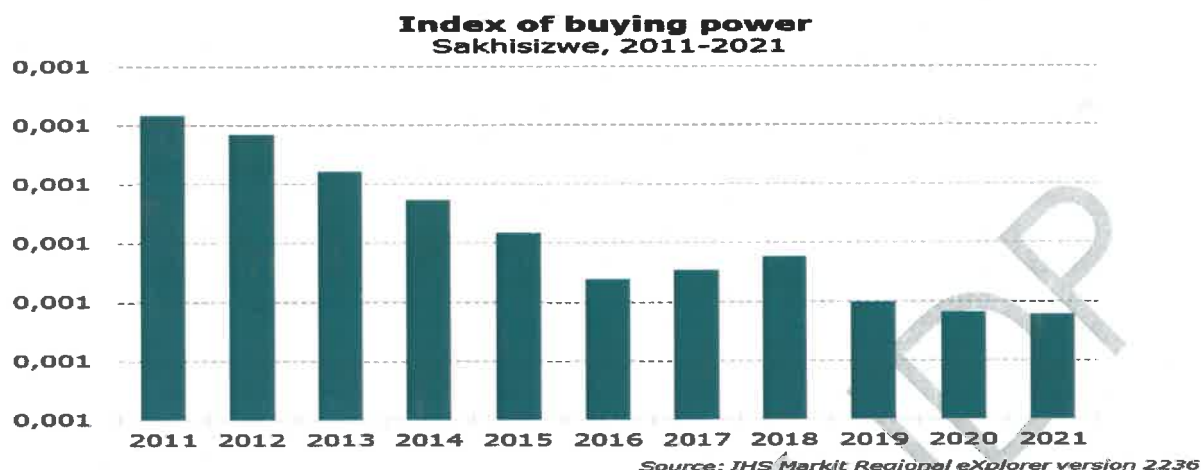
TABLE 47.	Sakhisizwe	Chris Hani	Eastern Cape	National Total
Population	67,131	879,204	7,398,907	60,324,819
Population - share of national total	0.1%	1.5%	12.3%	100.0%
Income	2,511	37,039	370,246	4,348,489
Income - share of national total	0.1%	0.9%	8.5%	100.0%
Retail	700,007	10,181,452	98,304,368	1,166,202,000
Retail - share of national total	0.1%	0.9%	8.4%	100.0%
Index	0.00	0.01	0.09	1.00

Source: IHS Markit Regional eXplorer version 2236

Sakhisizwe 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 0.00064 relative to South Africa as a whole. Chris Hani has an IBP of 0.0092, were Eastern Cape Province has and 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 Sakhisizwe Local Municipality suggests that the local municipality has access to only a small percentage of the goods and services available in all of the Chris Hani District Municipality. Its residents are most likely spending some of their income in neighbouring areas.

CHART 30. INDEX OF BUYING POWER SAKHISIZWE LOCAL MUNICIPALITY, 2011-2021 [INDEX VALUE]



Between 2011 and 2021, the index of buying power within Sakhisizwe Local Municipality increased to its highest level in 2011 (0.0006717) from its lowest in 2021 (0.0004550). The buying power within Sakhisizwe Local Municipality is relatively small compared to other regions and it decreased at an average annual growth rate of -0.52%.

## 2.6 HUMAN 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.

Another indicator that is widely used is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those things that determine the quality of life, including food, clothing, shelter and safe drinking water. More than that, other "intangibles" is also included such as the opportunity to learn, and the privilege to enjoy the respect of fellow citizens. Curbing poverty and alleviating the effects thereof should be a premise in the compilation of all policies that aspire towards a better life for all.

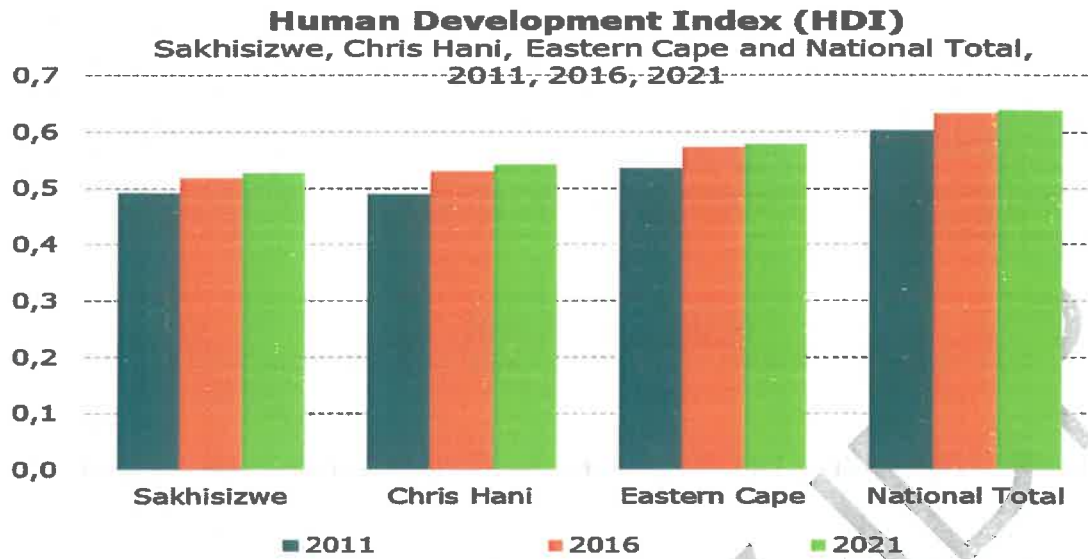
### 2.6.1 HUMAN DEVELOPMENT INDEX (HDI)

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. In order to gauge a decent standard of living, we make use of GDP per capita. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.



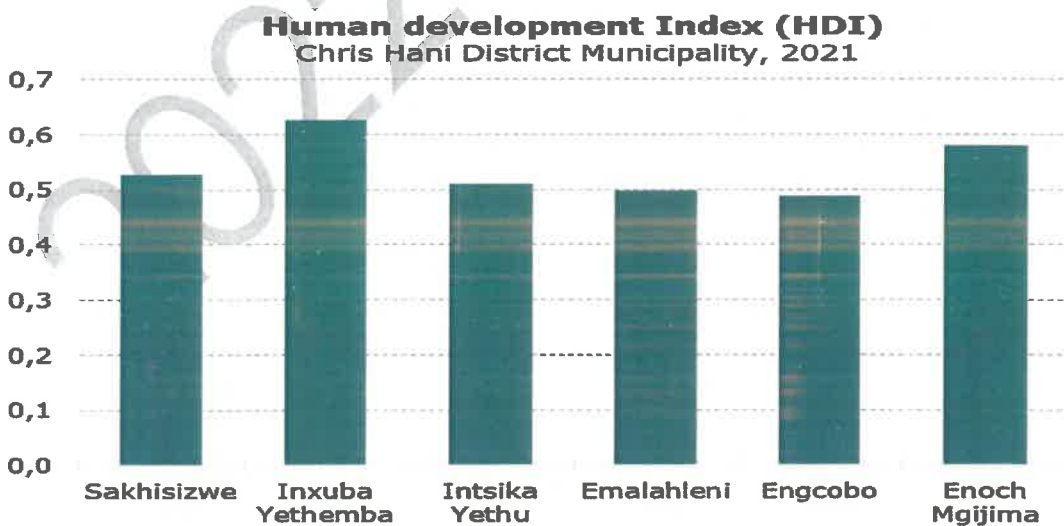
CHART 31. HUMAN DEVELOPMENT INDEX (HDI) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011, 2016, 2021 [NUMBER]



Source: IHS Markit Regional eXplorer version 2236

In 2021 Sakhisizwe Local Municipality had an HDI of 0.528 compared to the Chris Hani with a HDI of 0.543, 0.579 of Eastern Cape and 0.637 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2021 when compared to Sakhisizwe Local Municipality which translates to worse human development for Sakhisizwe Local Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 0.56% and this increase is lower than that of Sakhisizwe Local Municipality (0.71%).

CHART 32. HUMAN DEVELOPMENT INDEX (HDI) - SAKHISIZWE AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2021 [NUMBER]



Source: IHS Markit Regional eXplorer version 2236

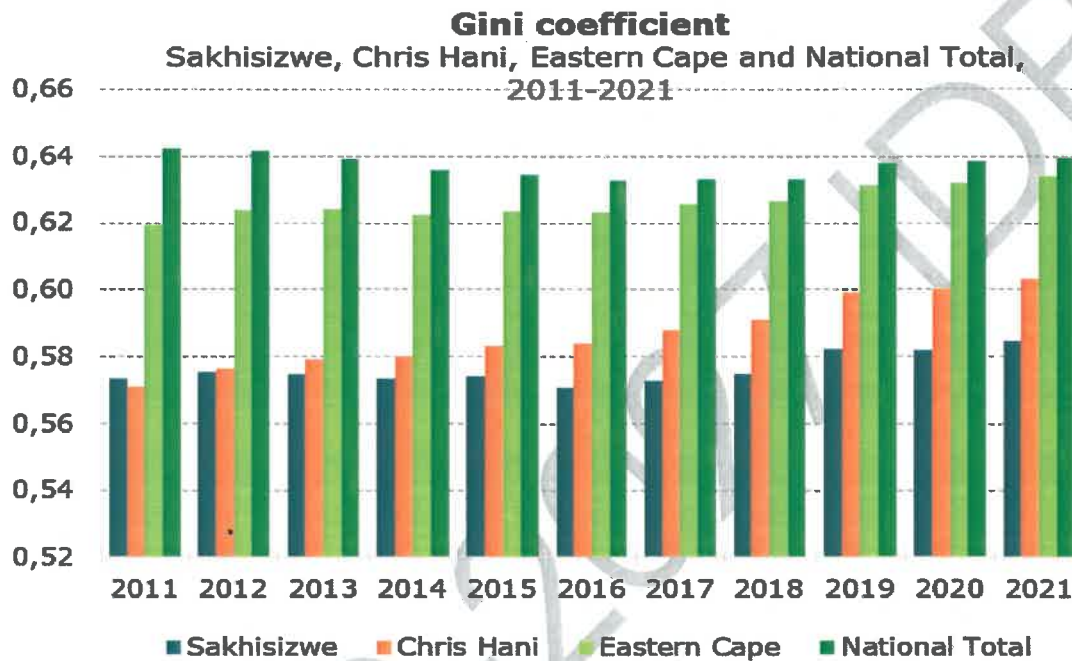
In terms of the HDI for each the regions within the Chris Hani District Municipality, Inxuba Yethemba Local Municipality has the highest HDI, with an index value of 0.625. The lowest can be observed in the Engcobo Local Municipality with an index value of 0.489.

## 2.6.2 GINI COEFFICIENT

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.

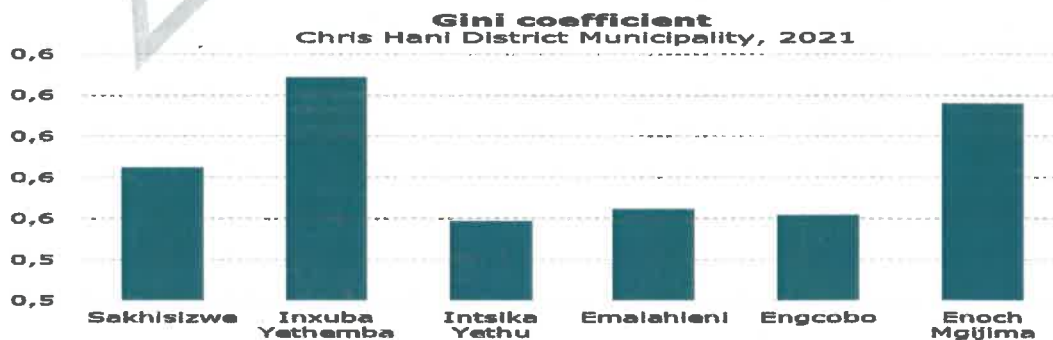
CHART 33. GINI COEFFICIENT - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [NUMBER]



Source: IHS Markit Regional eXplorer version 2236

In 2021, the Gini coefficient in Sakhisizwe Local Municipality was at 0.585, which reflects an increase in the number over the ten-year period from 2011 to 2021. The Chris Hani District Municipality and the Eastern Cape Province, both had a more unequal spread of income amongst their residents (at 0.603 and 0.634 respectively) when compared to Sakhisizwe Local Municipality.

CHART 34. GINI COEFFICIENT - SAKHISIZWE AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2021 [NUMBER]



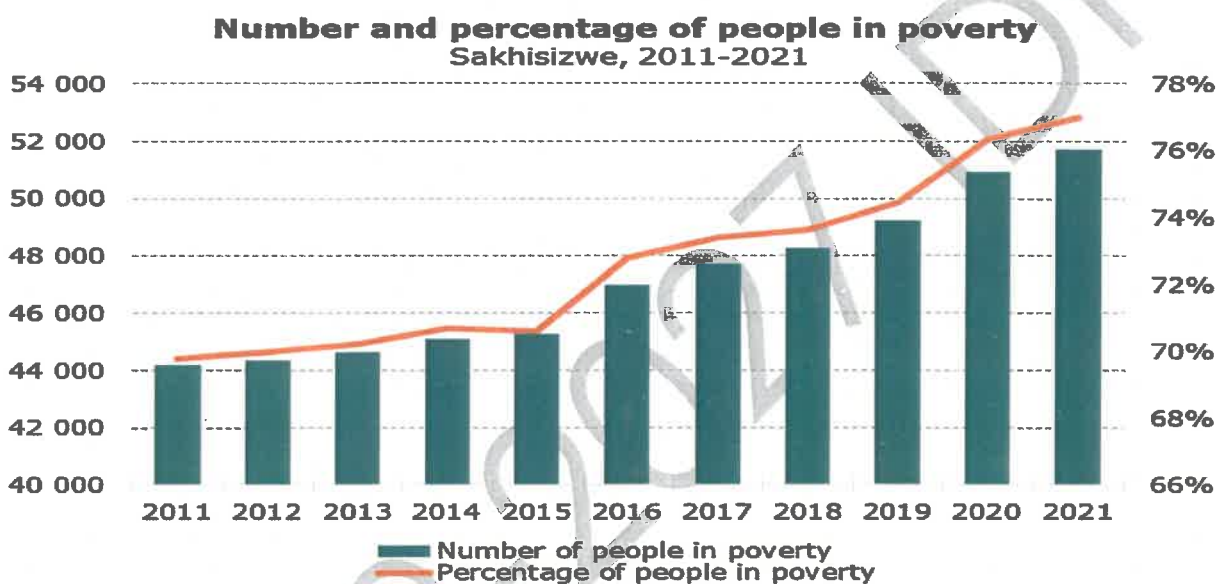
Source: IHS Markit Regional eXplorer version 2236

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 0.629. The lowest Gini coefficient can be observed in the Intsika Yethu Local Municipality with an index value of 0.559.

### 2.6.3 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. 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 35. NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - SAKHISIZWE LOCAL MUNICIPALITY, 2011-2021 [NUMBER PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2236

In 2021, there were 51 700 people living in poverty, using the upper poverty line definition, across Sakhisizwe Local Municipality - this is 17.03% higher than the 44 200 in 2011. The percentage of people living in poverty has increased from 69.78% in 2011 to 77.00% in 2021, which indicates a increase of -7.22 percentage points.

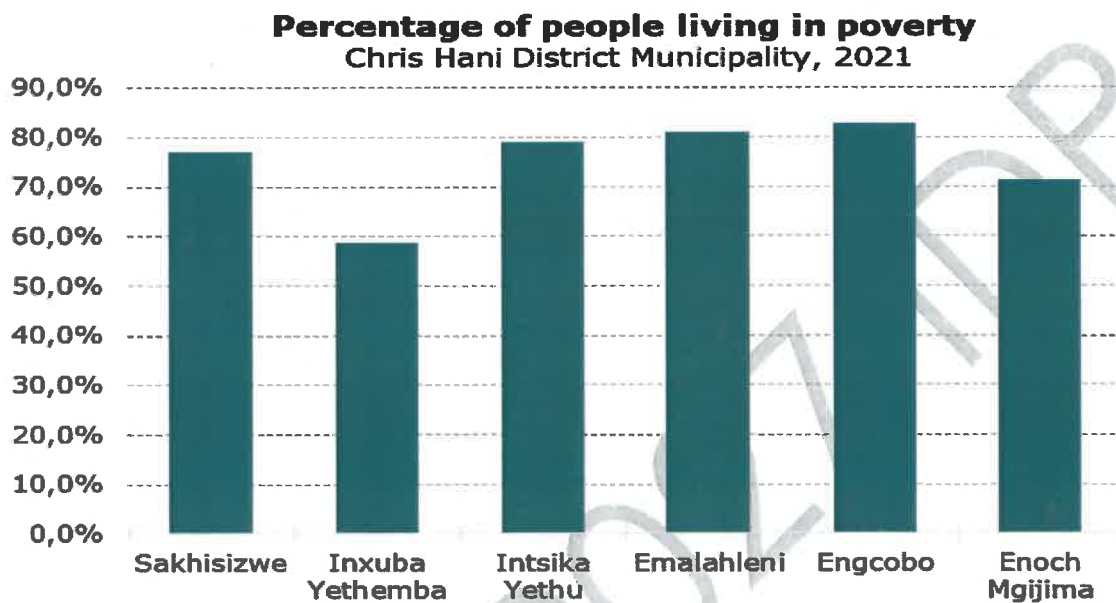
TABLE 48. PERCENTAGE OF PEOPLE LIVING IN POVERTY BY POPULATION GROUP - SAKHISIZWE, 2011-2021 [PERCENTAGE]

Year	African
2011	70.9%
2012	71.1%
2013	71.3%
2014	71.8%
2015	71.7%
2016	73.9%
2017	74.5%
2018	74.7%
2019	75.6%
2020	77.4%
2021	78.1%

Source: IHS Markit Regional eXplorer version 2236

In 2021, the population group with the highest percentage of people living in poverty was the African population group with a total of 78.1% people living in poverty, using the upper poverty line definition. The proportion of the African population group, living in poverty, decreased by -7.16 percentage points, as can be seen by the change from 70.91% in 2011 to 78.07% in 2021.

CHART 36. PERCENTAGE OF PEOPLE LIVING IN POVERTY - SAKHISIZWE AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2021 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2236

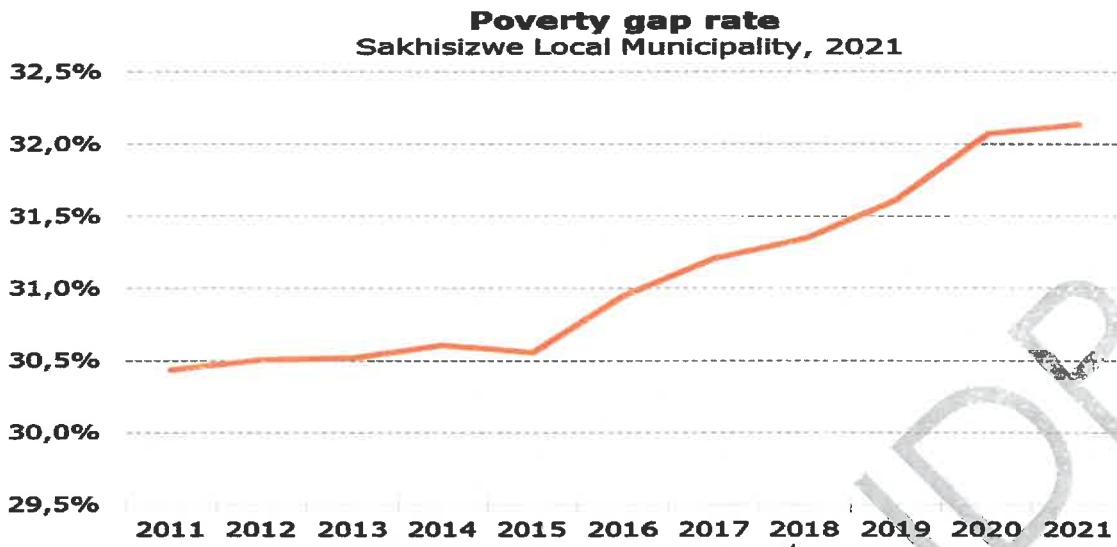
In terms of the percentage of people living in poverty for each of the regions within the Chris Hani District Municipality, Engcobo Local Municipality has the highest percentage of people living in poverty, with a total of 82.8%. The lowest percentage of people living in poverty can be observed in the Inxuba Yethemba Local Municipality with a total of 58.6% living in poverty, using the upper poverty line definition.

#### POVERTY GAP RATE

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

It is estimated that the poverty gap rate in Sakhisizwe Local Municipality amounted to 32.1% in 2021 - the rate needed to bring all poor households up to the poverty line and out of poverty.

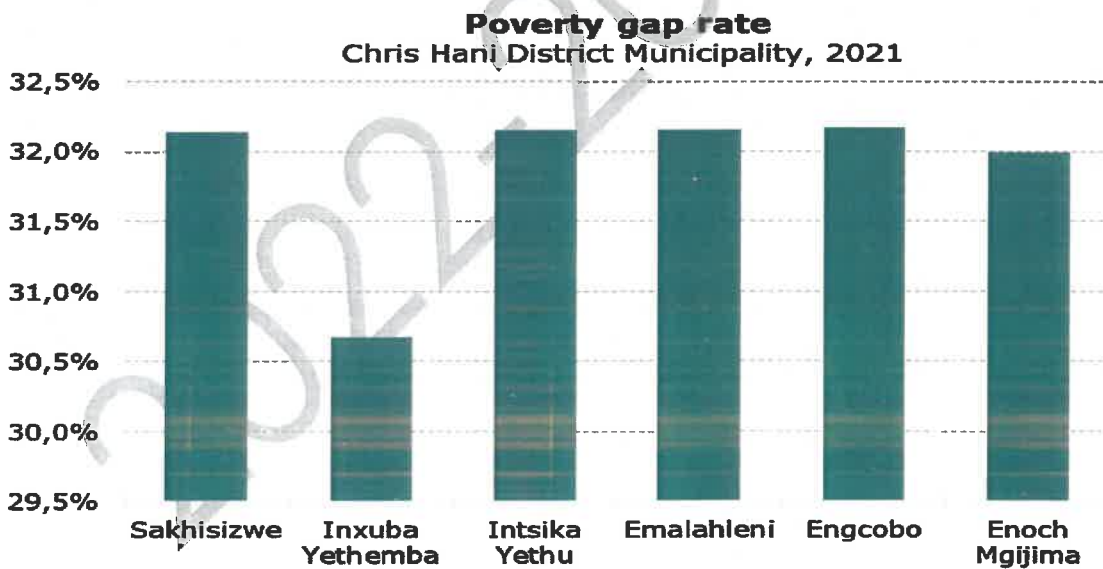
TABLE 50. POVERTY GAP RATE BY POPULATION GROUP - SAKHISIZWE LOCAL MUNICIPALITY, 2011-2021 [PERCENTAGE]



Source: IHS Markit Regional explorer version 2236

In 2021, the poverty gap rate was 32.1% and in 2011 the poverty gap rate was 30.4%, it can be seen that the poverty gap rate increased from 2011 to 2021, which means that there were no improvements in terms of the depth of the poverty within Sakhisizwe Local Municipality.

CHART 37. POVERTY GAP RATE - SAKHISIZWE LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2021 [PERCENTAGE]



Source: IHS Markit Regional explorer version 2236

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 30.7%.

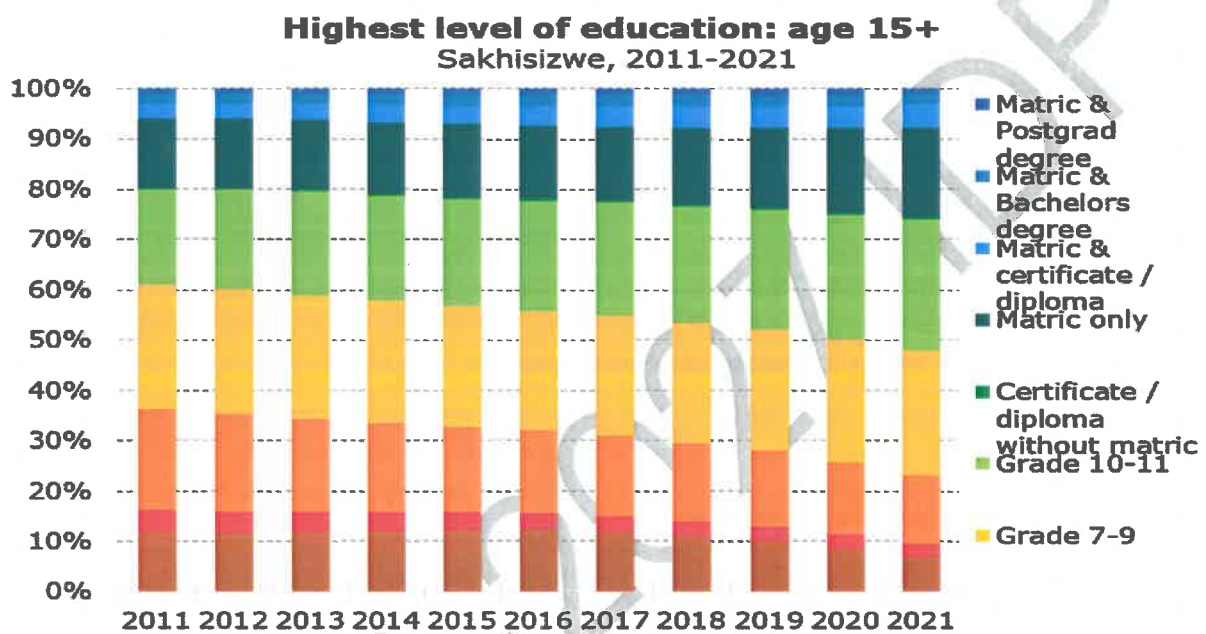


## 2.6.4 EDUCATION

Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required.

The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. IHS uses this cut-off point to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa).

CHART 38. HIGHEST LEVEL OF EDUCATION: AGE 15+ - SAKHISIZWE LOCAL MUNICIPALITY, 2011-2021 [PERCENTAGE]



Within Sakhisizwe Local Municipality, the number of people without any schooling decreased from 2011 to 2021 with an average annual rate of -3.89%, while the number of people within the 'matric only' category, increased from 4,700 to 6,910. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 6.11%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 1.96%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

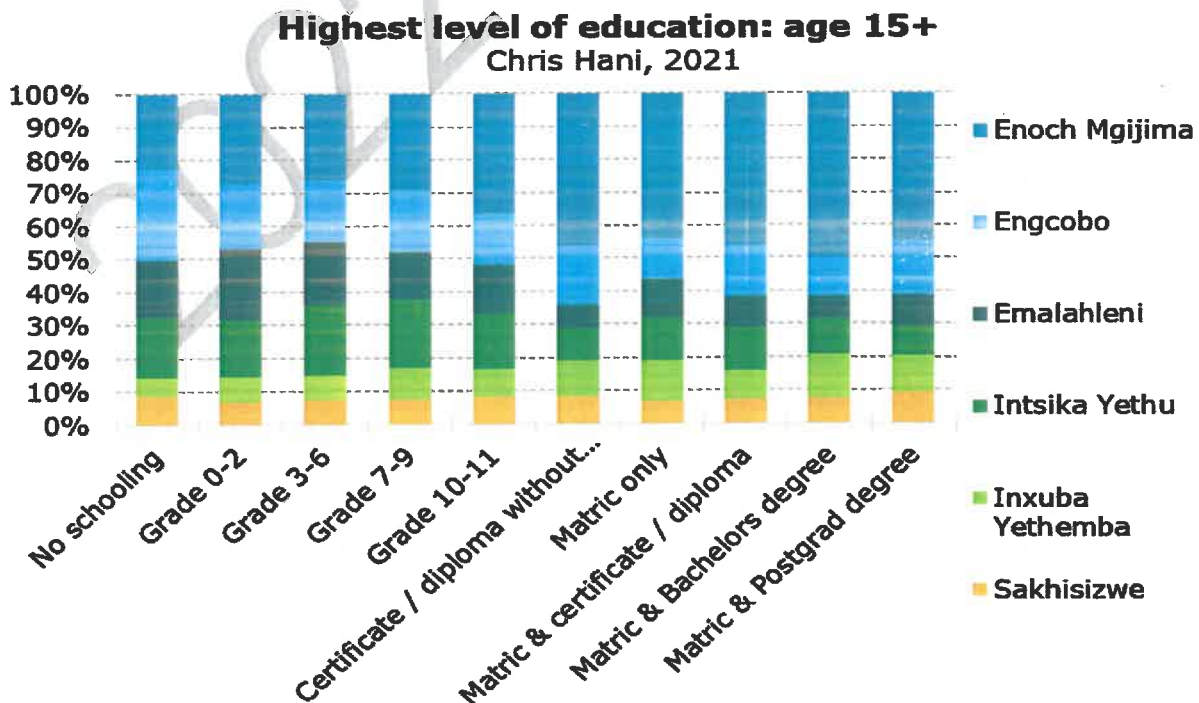
TABLE 51. HIGHEST LEVEL OF EDUCATION: AGE 15+ - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2021 [NUMBERS]

TABLE 52.	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
No schooling	2,670	31,700	186,000	1,470,000	8.4%	1.44%	0.18%
Grade 0-2	1,040	15,000	95,500	439,000	6.9%	1.09%	0.24%
Grade 3-6	5,390	73,500	483,000	2,630,000	7.3%	1.12%	0.21%
Grade 7-9	9,650	127,000	992,000	5,840,000	7.6%	0.97%	0.17%
Grade 10-11	10,300	127,000	1,180,000	9,880,000	8.1%	0.87%	0.10%
Certificate / diploma without matric	141	1,750	14,400	177,000	8.0%	0.98%	0.08%
Matric only	6,910	102,000	1,060,000	12,800,000	6.8%	0.65%	0.05%
Matric certificate / diploma	1,880	26,800	247,000	2,680,000	7.0%	0.76%	0.07%
Matric Bachelor's degree	824	11,200	126,000	1,650,000	7.3%	0.65%	0.05%
Matric Postgrad degree	382	4,200	48,500	853,000	9.1%	0.79%	0.04%

Source: IHS Markit Regional eXplorer version 2236

The number of people without any schooling in Sakhisizwe Local Municipality accounts for 8.42% of the number of people without schooling in the district municipality, 1.44% of the province and 0.18% of the national. In 2021, the number of people in Sakhisizwe Local Municipality with a matric only was 6,910 which is a share of 6.78% of the district municipality's total number of people that has obtained a matric. The number of people with a matric and a Postgrad degree constitutes 7.33% of the district municipality, 0.65% of the province and 0.05% of the national.

CHART 39. HIGHEST LEVEL OF EDUCATION: AGE 15+, SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO AND ENOCH MGIJIMA 2021 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2236

## 2.6.5 FUNCTIONAL LITERACY

For the purpose of this report, IHS defines functional literacy as the number of people in a region that are 20 years and older and have completed at least their primary education (i.e. grade 7).

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

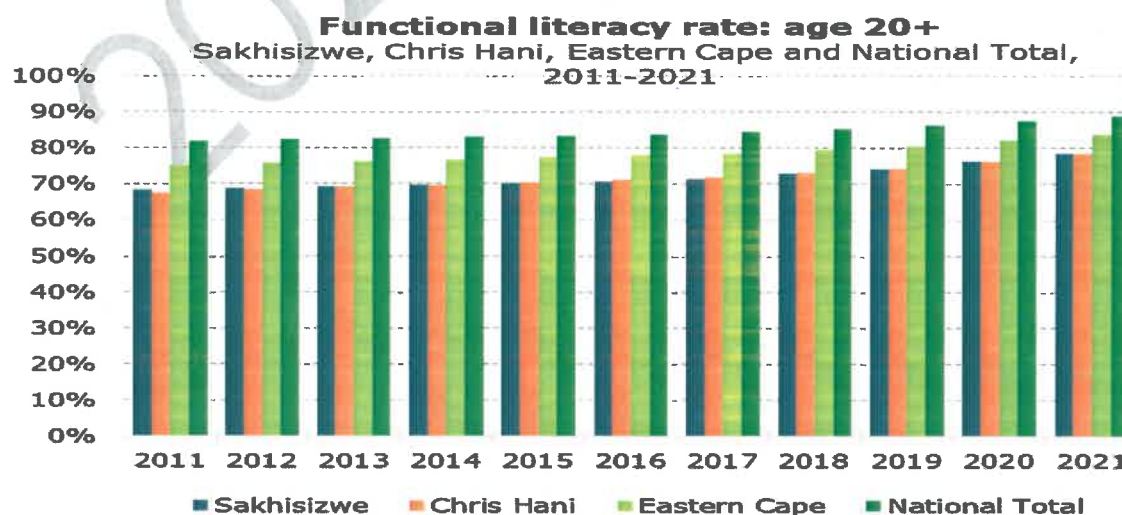
TABLE 53. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - SAKHISIZWE LOCAL MUNICIPALITY, 2011-2021 [NUMBER PERCENTAGE]

TABLE 54.	Illiterate	Literate	%
2011	13,308	28,612	68.3%
2012	13,097	28,948	68.9%
2013	12,918	29,214	69.3%
2014	12,788	29,555	69.8%
2015	12,663	29,956	70.3%
2016	12,506	30,393	70.8%
2017	12,292	30,929	71.6%
2018	11,851	31,789	72.8%
2019	11,395	32,754	74.2%
2020	10,614	34,116	76.3%
2021	9,712	35,546	78.5%
<b>Average Annual growth</b>			
2011-2021	<b>-3.10%</b>	<b>2.19%</b>	<b>1.41%</b>

Source: IHS Markit Regional eXplorer version 2236

A total of 35 600 individuals in Sakhisizwe Local Municipality were considered functionally literate in 2021, while 9 710 people were considered to be illiterate. Expressed as a rate, this amounts to 78.54% of the population, which is an increase of 0.1 percentage points since 2011 (68.25%). The number of illiterate individuals decreased on average by -3.10% annually from 2011 to 2021, with the number of functional literate people increasing at 2.19% annually.

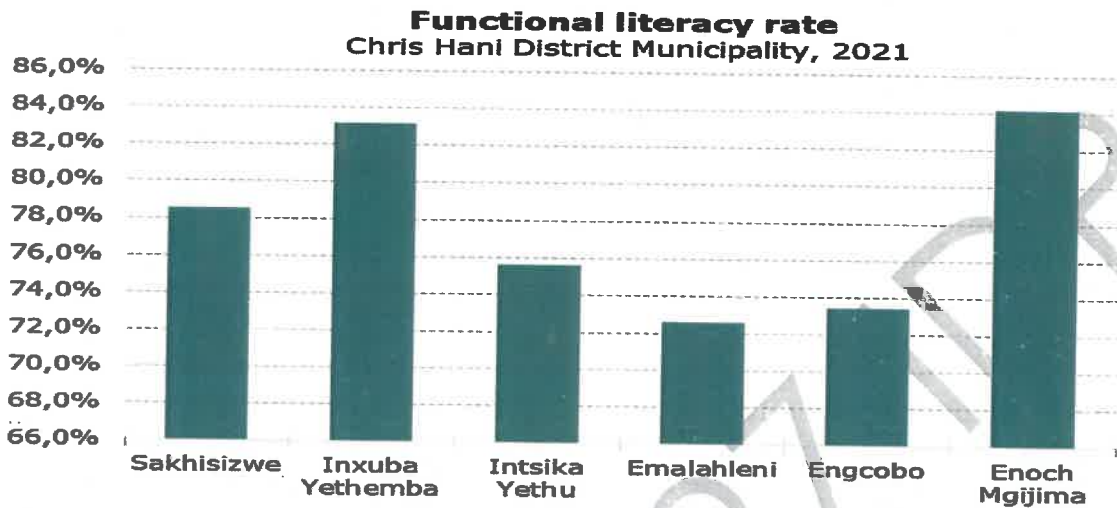
CHART 40. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2236

Sakhisizwe Local Municipality's functional literacy rate of 78.54% in 2021 is lower than that of Chris Hani at 78.57%, and is lower than the province rate of 83.83%. When comparing to National Total as whole, which has a functional literacy rate of 88.99%, it can be seen that the functional literacy rate is higher than that of the Sakhisizwe Local Municipality.

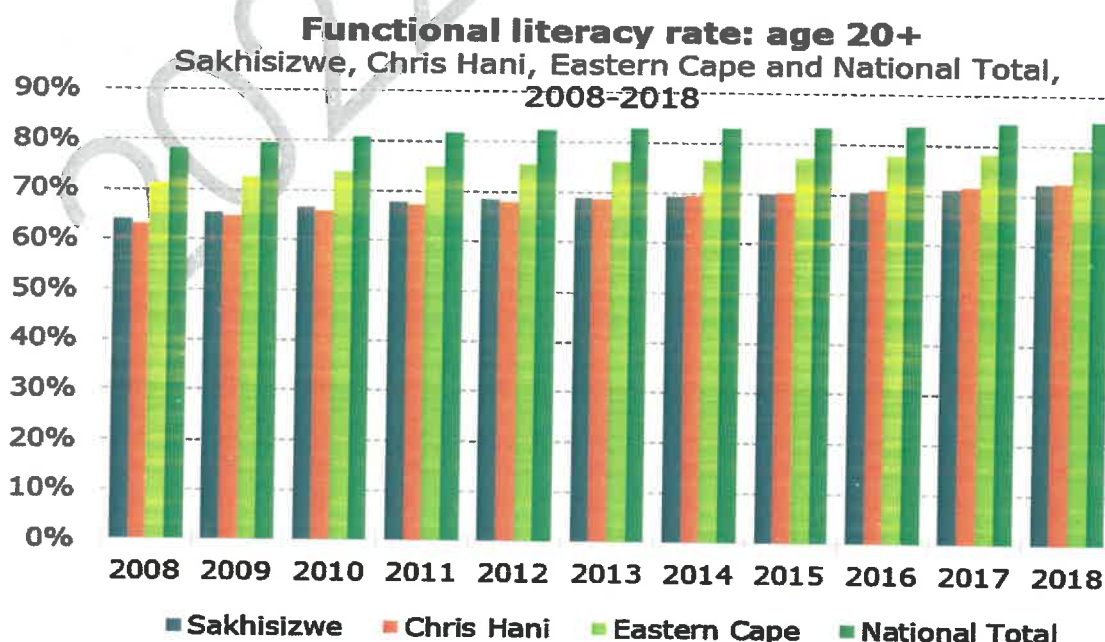
CHART 41. LITERACY RATE - SAKHISIZWE LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2021 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2236

In terms of the literacy rate for each of the regions within the Chris Hani District Municipality, Enoch Mgijima Local Municipality had the highest literacy rate, with a total of 84.2%. The lowest literacy rate can be observed in the Emalahleni Local Municipality with a total of 72.6%.

FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2008-2018 [PERCENTAGE]



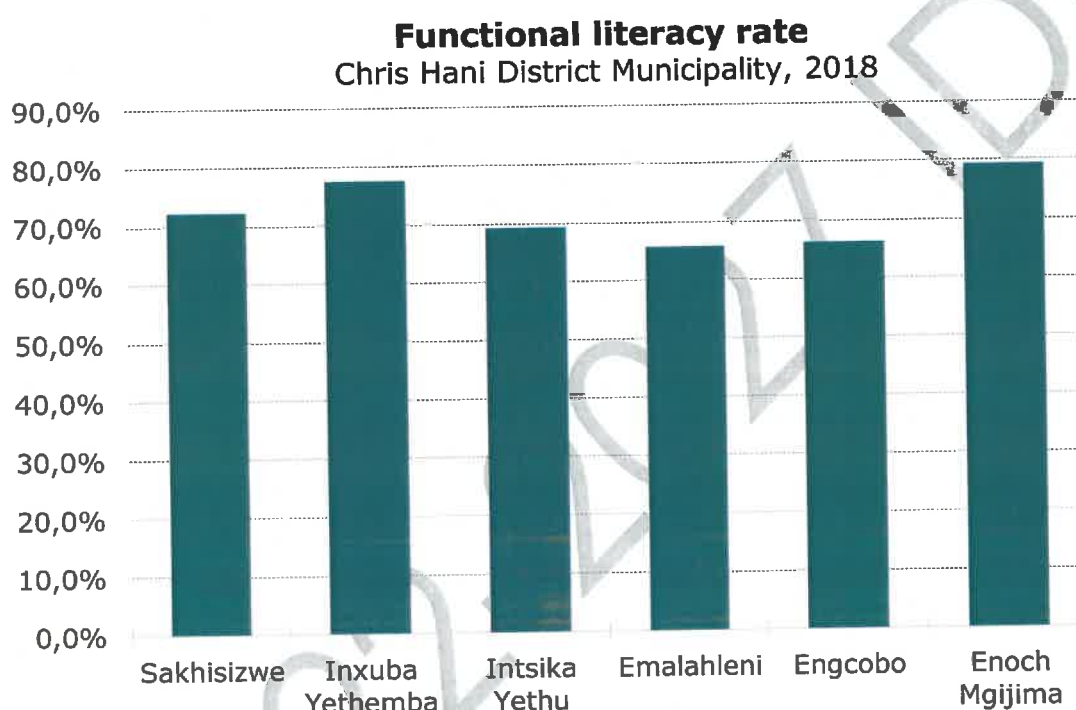
Source: IHS Markit Regional eXplorer version 1870



Sakhisizwe Local Municipality's functional literacy rate of 72.26% in 2018 is lower than that of Chris Hani at 72.52%, and is lower than the province rate of 79.05%. When comparing to National Total as whole, which has a functional literacy rate of 84.99%, it can be seen that the functional literacy rate is higher than that of the Sakhisizwe Local Municipality.

*A higher literacy rate is often associated with higher levels of urbanization, for instance where access to schools is less of a problem, and where there are economies of scale. From a spatial breakdown of the literacy rates in South Africa, it is perceived that the districts with larger cities normally have higher literacy rates.*

**LITERACY RATE - SAKHISIZWE LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2018 [PERCENTAGE]**



Source: IHS Markit Regional eXplorer version 1870

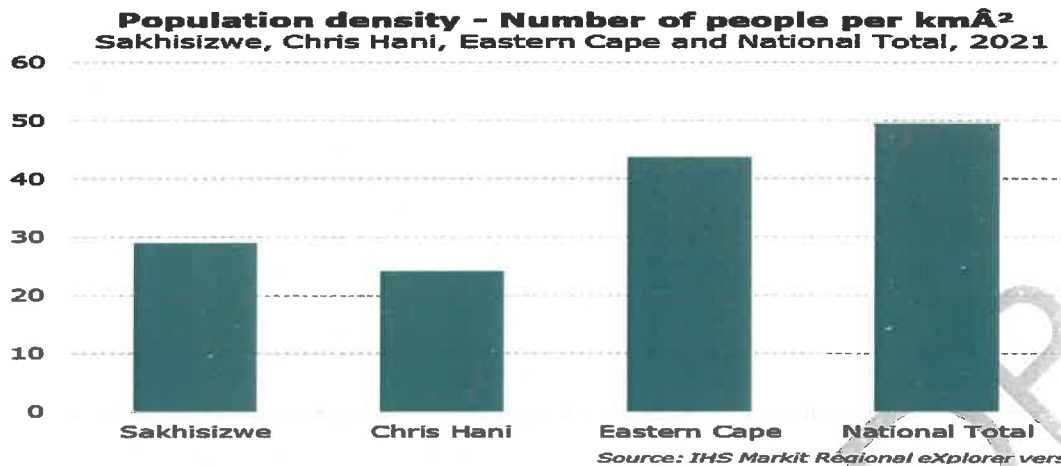
In terms of the literacy rate for each of the regions within the Chris Hani District Municipality, Enoch Mgijima Local Municipality had the highest literacy rate, with a total of 79.3%. The lowest literacy rate can be observed in the Emalahleni Local Municipality with a total of 65.7%.

**2.6.6 POPULATION DENSITY**

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



CHART 42. POPULATION DENSITY - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2021  
[NUMBER OF PEOPLE PER KM]



In 2021, with an average of 29 people per square kilometre, Sakhisizwe Local Municipality had a higher population density than Chris Hani (24.2 people per square kilometre). Compared to Eastern Cape Province (43.8 per square kilometre) it can be seen that there are less people living per square kilometre in Sakhisizwe Local Municipality than in Eastern Cape Province.

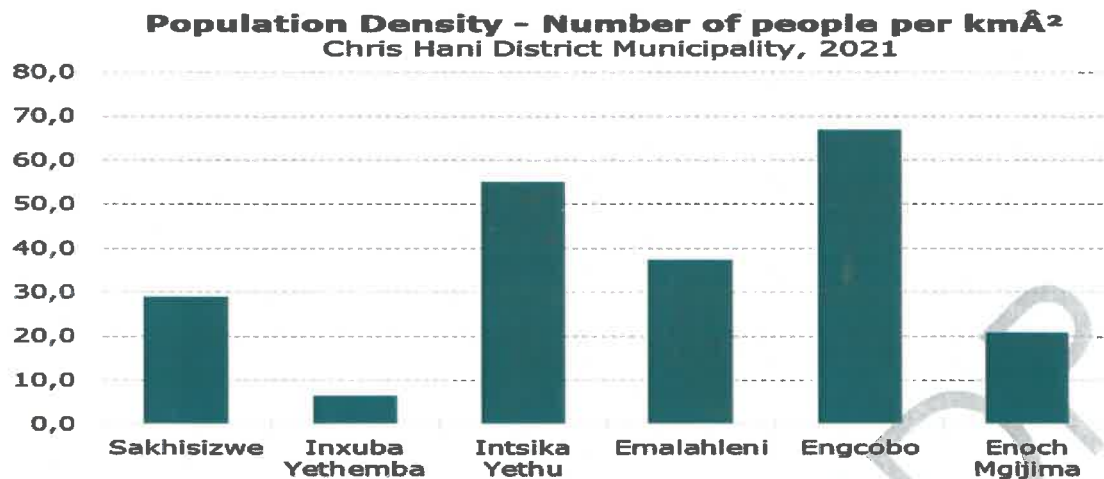
TABLE 55. POPULATION DENSITY - SAKHISIZWE AND THE REST OF CHRIS HANI, 2011-2021 [NUMBER OF PEOPLE PER KM]

TABLE 56.	Sakhisizwe	Inxuba Yethemba	Intsika Yethu	Emalahleni	Engcobo	Enoch Mgijima
2011	27.31	5.68	53.30	35.09	63.53	18.75
2012	27.34	5.74	53.11	35.15	63.46	18.92
2013	27.41	5.81	53.03	35.26	63.52	19.11
2014	27.53	5.88	53.06	35.42	63.69	19.32
2015	27.68	5.95	53.17	35.62	63.97	19.53
2016	27.85	6.02	53.34	35.84	64.32	19.75
2017	28.06	6.10	53.60	36.10	64.76	19.98
2018	28.29	6.17	53.92	36.40	65.29	20.22
2019	28.52	6.24	54.28	36.71	65.83	20.45
2020	28.77	6.32	54.66	37.03	66.40	20.69
2021	28.97	6.38	54.94	37.30	66.86	20.89
<b>Average Annual growth</b>						
2011-2021	<b>0.59%</b>	<b>1.17%</b>	<b>0.30%</b>	<b>0.61%</b>	<b>0.51%</b>	<b>1.09%</b>

Source: IHS Markit Regional eXplorer version 2236

In 2021, Sakhisizwe Local Municipality had a population density of 29 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 66.9 per square kilometre per annum. In terms of growth, Sakhisizwe Local Municipality had an average annual growth in its population density of 0.59% per square kilometre per annum. The region with the highest growth rate in the population density per square kilometre was Inxuba Yethemba with an average annual growth rate of 1.17% per square kilometre. In 2021, the region with the lowest population density within Chris Hani District Municipality was Inxuba Yethemba with 6.38 people per square kilometre. The region with the lowest average annual growth rate was the Intsika Yethu with an average annual growth rate of 0.30% people per square kilometre over the period under discussion.

CHART 43. POPULATION DENSITY - SAKHISIZWE AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2021 [NUMBER OF PEOPLE PER KM]



Source: IHS Markit Regional Explorer version 2236

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 66.9 people per square kilometre. The lowest population density can be observed in the Inxuba Yethemba Local Municipality with a total of 6.38 people per square kilometre.

## 2.7 CRIME

The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime. The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

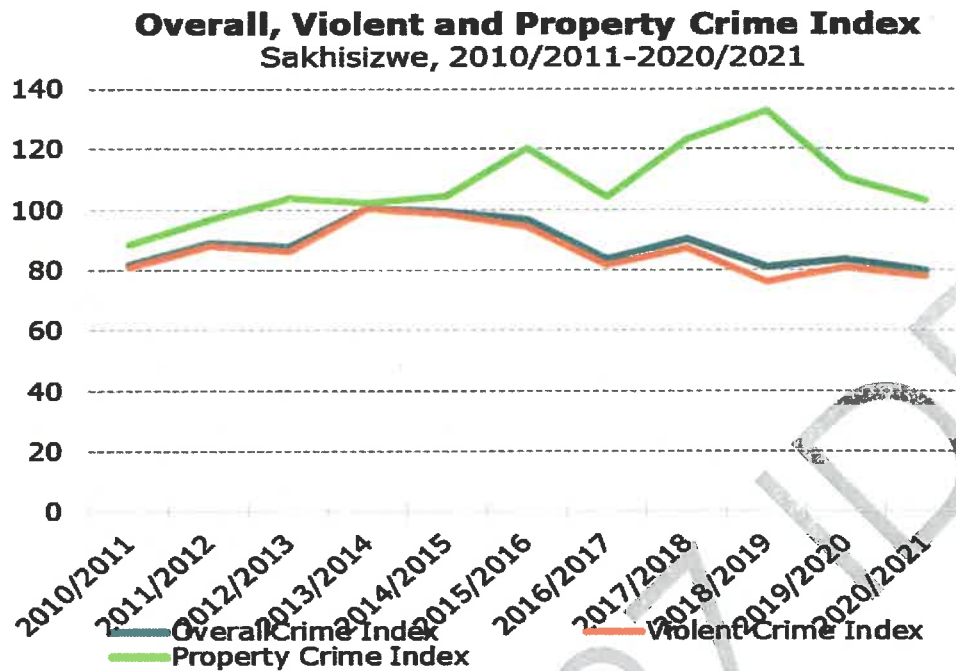
### 2.7.1 IHS COMPOSITE CRIME INDEX

The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e. violent crimes and property crimes. IHS uses the (a) Length-of-sentence and the (b) Cost-of-crime in order to apply a weight to each category.

### 2.7.2 OVERALL CRIME INDEX

The crime index is a composite, weighted index which measures crime. The higher the index number, the higher the level of crime for that specific year in a particular region. The index is best used by looking at the change over time, or comparing the crime levels across regions.

CHART 44. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - SAKHISIZWE LOCAL MUNICIPALITY, 2010/2011-2020/2021 [INDEX VALUE]



Source: IHS Markit Regional eXplorer version 2236

For the period 2010/2011 to 2020/2021 overall crime has decrease at an average annual rate of 0.19% within the Sakhisizwe Local Municipality. Violent crime decreased by 0.38% since 2010/2011, while property crimes increased by 1.56% between the 2010/2011 and 2020/2021 financial years.

TABLE 57. OVERALL CRIME INDEX - SAKHISIZWE LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2010/2011-2020/2021 [INDEX VALUE]

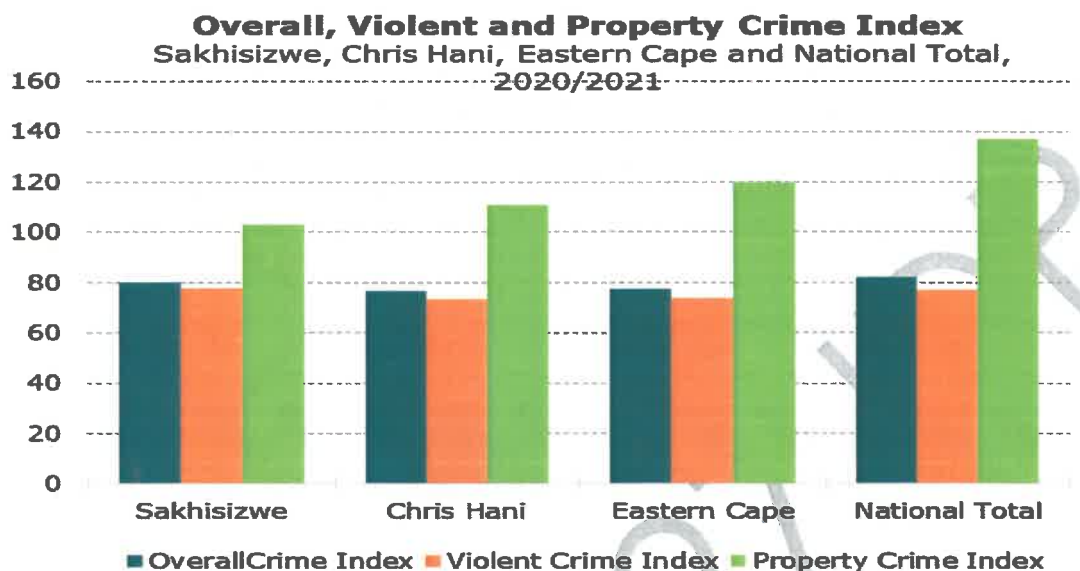
TABLE 58.	Sakhisizwe	Inxuba Yethemba	Intsika Yethu	Emalahleni	Engcobo	Enoch Mgijima
2010/2011	81.59	155.59	73.22	69.36	71.13	94.09
2011/2012	88.72	148.70	73.39	68.76	65.35	97.80
2012/2013	87.76	155.09	73.58	76.63	67.56	90.09
2013/2014	100.53	140.95	66.79	74.49	42.77	86.61
2014/2015	99.18	142.57	66.53	71.89	55.24	85.56
2015/2016	96.60	141.94	59.20	73.37	50.41	82.99
2016/2017	83.76	152.26	56.91	71.18	56.52	88.67
2017/2018	90.21	131.09	62.15	76.55	57.60	87.05
2018/2019	80.87	110.70	64.66	81.62	60.86	90.41
2019/2020	83.42	114.44	67.59	79.19	60.54	90.23
2020/2021	80.03	111.14	61.36	69.01	52.01	92.78
<b>Average Annual growth</b>						
2010/2011-2020/2021	-0.19%	-3.31%	-1.75%	-0.05%	-3.08%	-0.14%

Source: IHS Markit Regional eXplorer version 2236

In 2020/2021, the Inxuba Yethemba Local Municipality has the highest overall crime rate of the sub-regions within the overall Chris Hani District Municipality with an index value of 111. Enoch Mgijima Local Municipality has the second highest overall crime index at 92.8, with Sakhisizwe Local Municipality having the third highest overall crime index of 80. It is clear that all the crime is decreasing overtime for all the regions within Chris Hani District Municipality. Intsika Yethu Local Municipality has the second lowest overall crime index of 61.4 and the Engcobo Local Municipality has the lowest overall crime rate of 52. It is clear that crime is decreasing overtime for all the regions within Chris Hani District Municipality. The region

that decreased the most in overall crime since 2010/2011 was Inxuba Yethemba Local Municipality with an average annual decrease of 3.3% followed by Engcobo Local Municipality with an average annual decrease of 3.1%.

CHART 45. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2020/2021 [INDEX VALUE]



Source: IHS Markit Regional eXplorer version 2236

From the chart above it is evident that property crime is a major problem for all the regions relative to violent crime.

## 2.8 HOUSEHOLD INFRASTRUCTURE

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

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

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

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

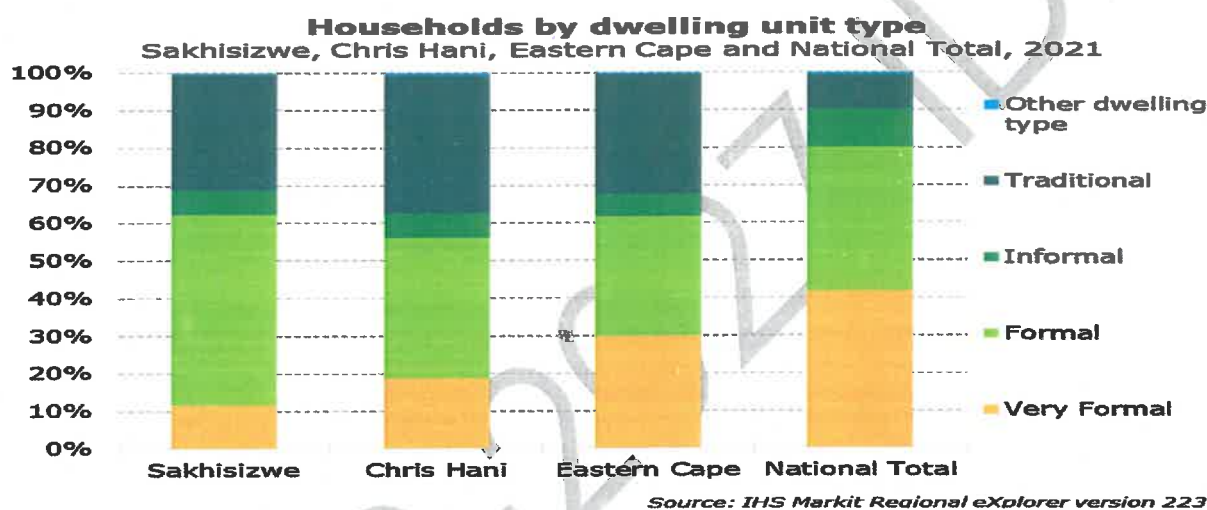
The next few sections offer an overview of the household infrastructure of the Sakhisizwe Local Municipality between 2021 and 2011.

### 2.8.1 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 - Sakhisizwe, Chris Hani, Eastern Cape and National Total, 2021 [Percentage]

CHART 46. HOUSEHOLDS BY DWELLING UNIT TYPE - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2021 [PERCENTAGE]



Sakhisizwe Local Municipality had a total number of 1 920 (11.43% of total households) very formal dwelling units, a total of 8 580 (50.96% of total households) formal dwelling units and a total number of 1 070 (6.35% of total households) informal dwelling units.

TABLE 59. HOUSEHOLDS BY DWELLING UNIT TYPE - SAKHISIZWE AND THE REST OF CHRIS HANI, 2021 [NUMBER]

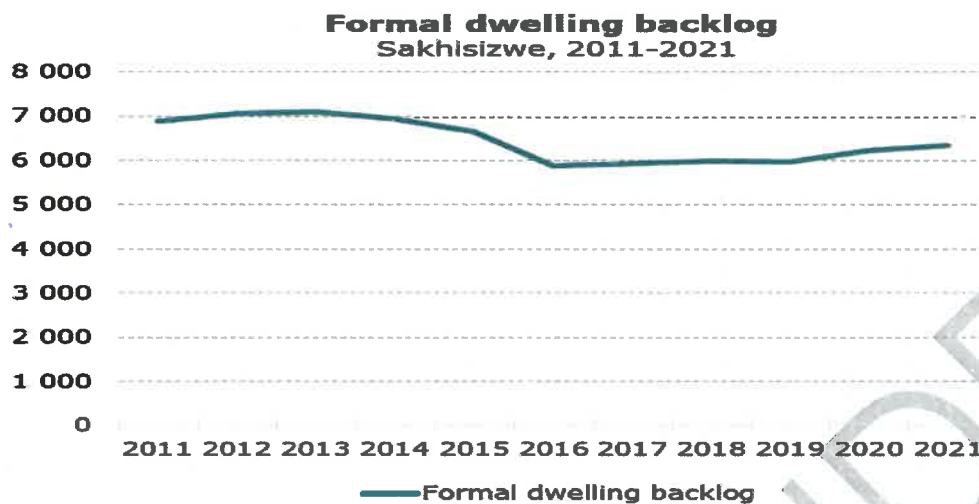
	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Sakhisizwe	1,924	8,577	1,069	5,179	82	16,831
Inxuba Yethemba	13,119	7,571	91	189	109	21,079
Intsika Yethu	399	10,000	4,299	27,195	246	42,138
Emaiahleni	1,274	12,642	2,955	16,149	402	33,422
Engcobo	255	8,667	4,749	24,990	426	39,085
Enoch Mgijima	25,475	37,078	1,392	9,894	222	74,061
<b>Total</b>	<b>42,446</b>	<b>84,534</b>	<b>14,554</b>	<b>83,596</b>	<b>1,487</b>	<b>226,616</b>
<b>Chris Hani</b>						

*Source: IHS Markit Regional eXplorer version 2236*

The region within the Chris Hani District Municipality with the highest number of very formal dwelling units is Enoch Mgijima Local Municipality with 25 500 or a share of 60.02% of the total very formal dwelling units within Chris Hani. The region with the lowest number of very formal dwelling units is Engcobo Local Municipality with a total of 255 or a share of 0.60% of the total very formal dwelling units within Chris Hani.



CHART 47. FORMAL DWELLING BACKLOG - NUMBER OF HOUSEHOLDS NOT LIVING IN A FORMAL DWELLING - SAKHISIZWE LOCAL MUNICIPALITY, 2011-2021 [NUMBER OF HOUSEHOLDS]



Source: IHS Markit Regional eXplorer version 2236

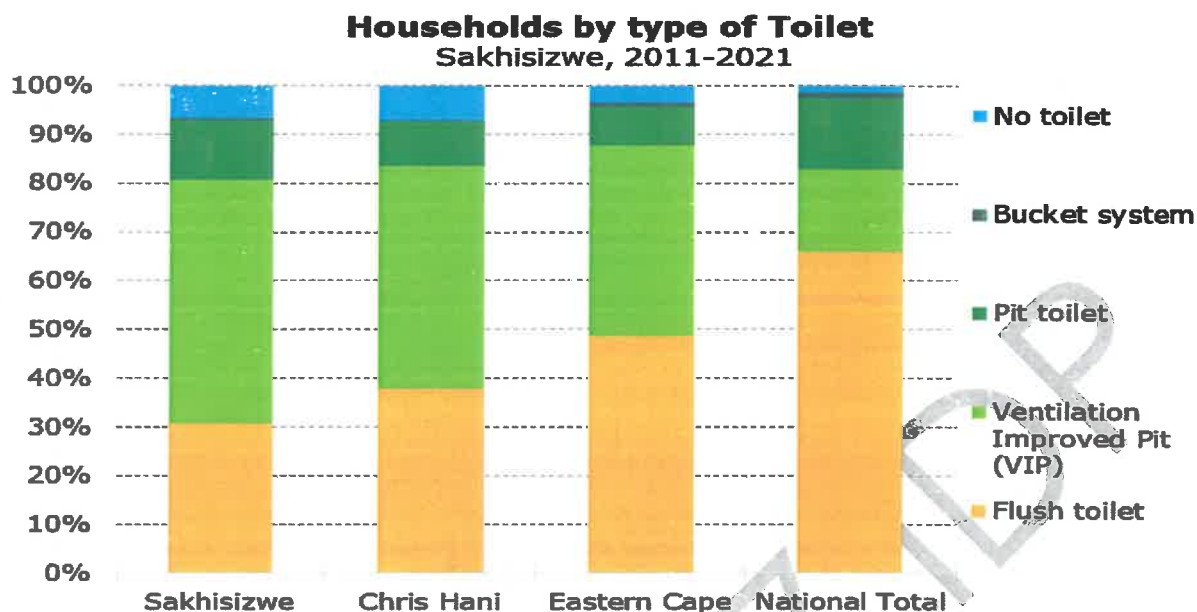
When looking at the formal dwelling unit backlog (number of households not living in a formal dwelling) over time, it can be seen that in 2011 the number of households not living in a formal dwelling were 6 890 within Sakhisizwe Local Municipality. From 2011 this number decreased annually at -0.84% to 6 330 in 2021.

### 2.8.2 HOUSEHOLD BY TYPE OF SANITATION

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

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

CHART 48. HOUSEHOLDS BY TYPE OF SANITATION - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2021 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2236

Sakhisizwe Local Municipality had a total number of 5 180 flush toilets (30.76% of total households), 8 390 Ventilation Improved Pit (VIP) (49.85% of total households) and 2 050 (12.18%) of total households pit toilets.

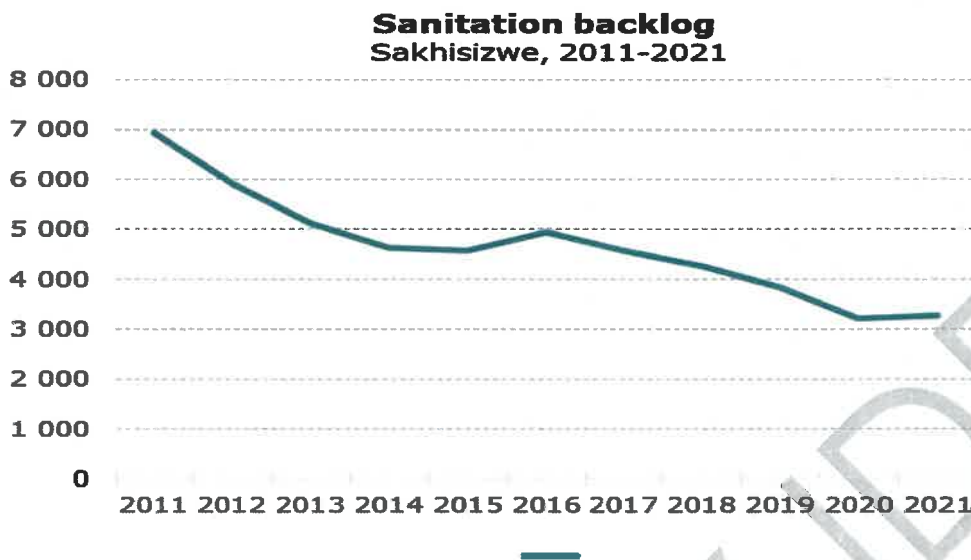
TABLE 61. HOUSEHOLDS BY TYPE OF SANITATION - SAKHISIZWE LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2021 [NUMBER]

TABLE 62.	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Sakhisizwe	5,178	8,391	2,050	76	1,137	16,831
Inxuba Yethemba	19,659	339	218	61	802	21,079
Intsika Yethu	3,449	26,090	7,227	34	5,338	42,138
Emalahleni	8,555	18,420	3,689	106	2,653	33,422
Engcobo	4,587	25,977	4,242	34	4,245	39,085
Enoch Mgijima	44,050	24,614	3,171	387	1,839	74,061
<b>Total</b>	<b>85,478</b>	<b>103,830</b>	<b>20,597</b>	<b>698</b>	<b>16,014</b>	<b>226,616</b>

Source: IHS Markit Regional eXplorer version 2236

The region within Chris Hani with the highest number of flush toilets is Enoch Mgijima Local Municipality with 44 000 or a share of 51.53% 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 3 450 or a share of 4.04% of the total flush toilets within Chris Hani District Municipality.

CHART 49. SANITATION BACKLOG - SAKHISIZWE LOCAL MUNICIPALITY, 2011-2021 [NUMBER OF HOUSEHOLDS WITHOUT HYGIENIC TOILETS]



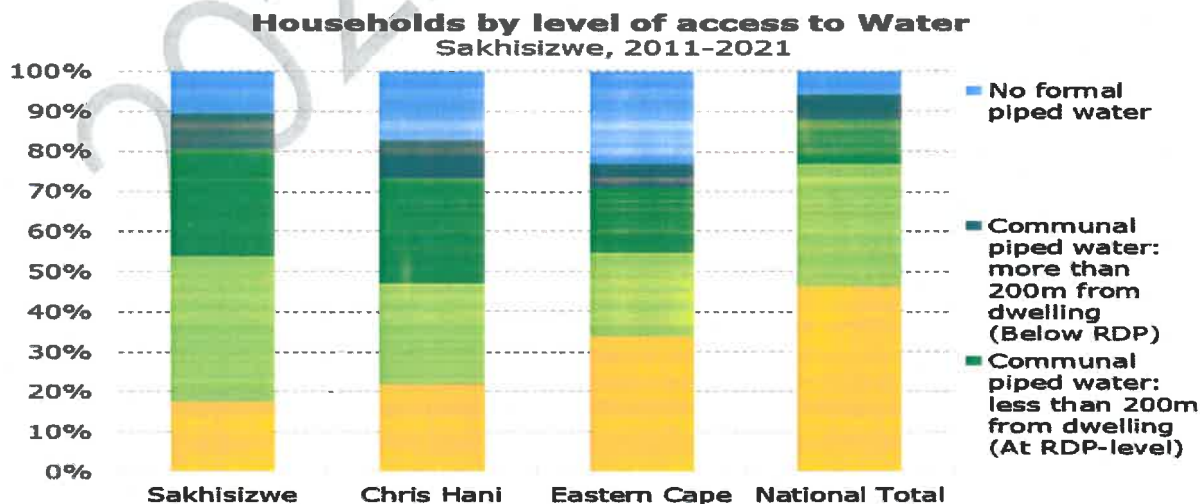
Source: IHS Markit Regional eXplorer version 2236

When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2011 the number of Households without any hygienic toilets in Sakhisizwe Local Municipality was 6 930, this decreased annually at a rate of -7.25% to 3 260 in 2021.

### 2.8.3 HOUSEHOLDS BY ACCESS TO WATER

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

CHART 50. HOUSEHOLDS BY TYPE OF WATER ACCESS - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2021 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2236

Sakhisizwe Local Municipality had a total number of 2 940 (or 17.44%) households with piped water inside the dwelling, a total of 6 130 (36.44%) households had piped water inside the yard and a total number of 1 760 (10.47%) households had no formal piped water.

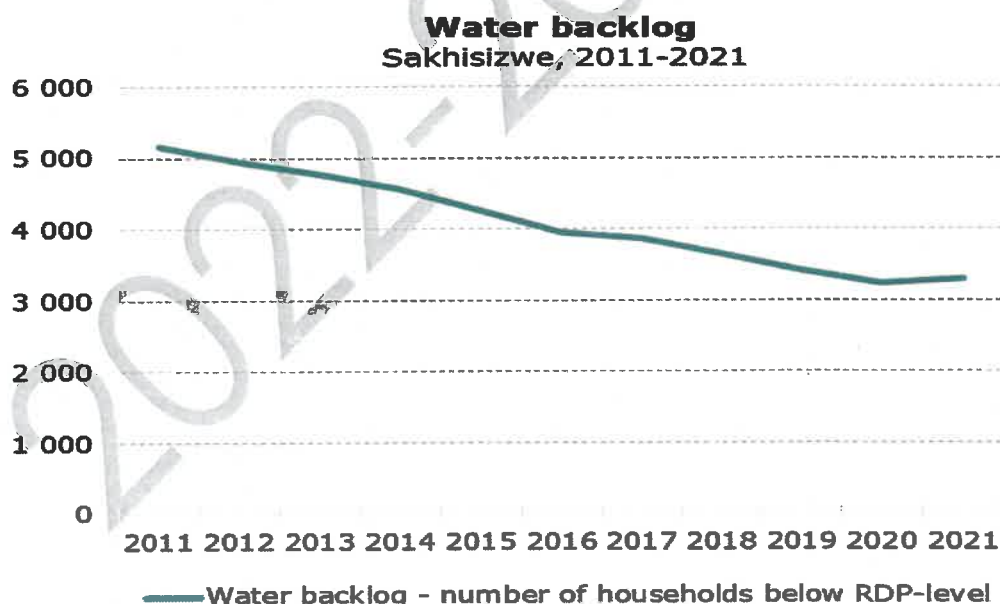
TABLE 63. HOUSEHOLDS BY TYPE OF WATER ACCESS - SAKHISIZWE AND THE REST OF CHRIS HANI, 2021 [NUMBER]

TABLE 64.	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
Sakhisizwe	2,936	6,134	4,464	1,535	1,762	16,831
Inxuba Yethemba	12,525	7,788	293	33	440	21,079
Intsika Yethu	2,709	4,134	16,613	6,781	11,901	42,138
Emalahleni	2,111	9,716	13,432	4,232	3,931	33,422
Engcobo	3,148	2,542	10,374	4,886	18,136	39,085
Enoch Mgijima	25,647	26,946	14,625	3,863	2,980	74,061
<b>Total Chris Hani</b>	<b>49,077</b>	<b>57,261</b>	<b>59,801</b>	<b>21,329</b>	<b>39,150</b>	<b>226,616</b>

Source: IHS Markit Regional eXplorer version 2236

The region within the Chris Hani District Municipality with the highest number of households that have piped water inside the dwelling is the Enoch Mgijima Local Municipality with 25 600 or 52.26% of the households. The region with the lowest number of households that have piped water inside the dwelling is the Emalahleni Local Municipality with a total of 2 110 or 4.30% of the households.

CHART 51. WATER BACKLOG - SAKHISIZWE LOCAL MUNICIPALITY, 2011-2021 [NUMBER OF HOUSEHOLDS BELOW RDP-LEVEL]



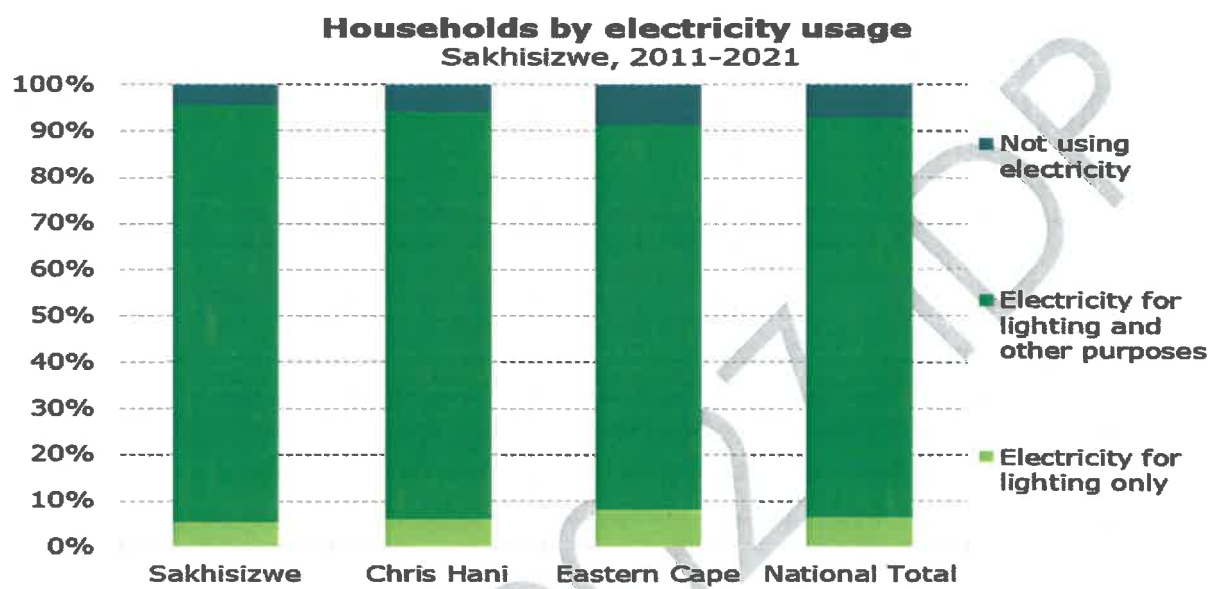
Source: IHS Markit Regional eXplorer version 2236

When looking at the water backlog (number of households below RDP-level) over time, it can be seen that in 2011 the number of households below the RDP-level were 5 160 within Sakhisizwe Local Municipality, this decreased annually at -4.38% per annum to 3 000 in 2021.

## 2.8.4 HOUSEHOLDS BY TYPE OF ELECTRICITY

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

CHART 52. HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2021 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2236

Sakhisizwe Local Municipality had a total number of 896 (5.32%) households with electricity for lighting only, a total of 15 200 (90.01%) households had electricity for lighting and other purposes and a total number of 786 (4.67%) households did not use electricity.

TABLE 65. HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - SAKHISIZWE AND THE REST OF CHRIS HANI, 2021 [NUMBER]

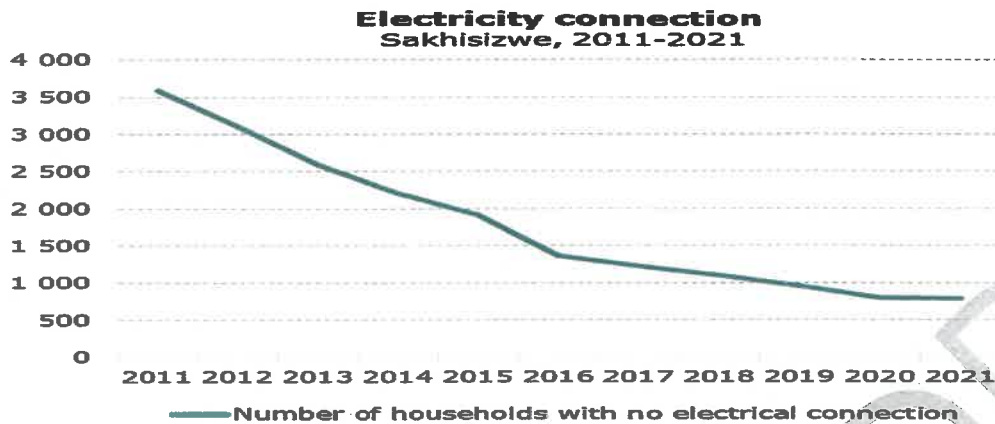
TABLE 66.	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Sakhisizwe	896	15,150	786	16,831
Inxuba Yethemba	288	20,453	339	21,079
Intsika Yethu	3,755	34,699	3,684	42,138
Emalahleni	1,564	30,246	1,613	33,422
Engcobo	5,278	29,643	4,164	39,085
Enoch Mgijima	1,902	69,496	2,662	74,061
<b>Total</b>	<b>13,683</b>	<b>199,686</b>	<b>13,247</b>	<b>226,616</b>
<b>Chris Hani</b>				

Source: IHS Markit Regional eXplorer version 2236

The region within Chris Hani with the highest number of households with electricity for lighting and other purposes is Enoch Mgijima Local Municipality with 69 500 or a share of 34.80% 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 15 200 or a share of 7.59% of the total households with electricity for lighting and other purposes within Chris Hani District Municipality.



CHART 53. ELECTRICITY CONNECTION - SAKHISIZWE LOCAL MUNICIPALITY, 2011-2021 [NUMBER OF HOUSEHOLDS WITH NO ELECTRICAL CONNECTION]



Source: IHS Markit Regional explorer version 2236

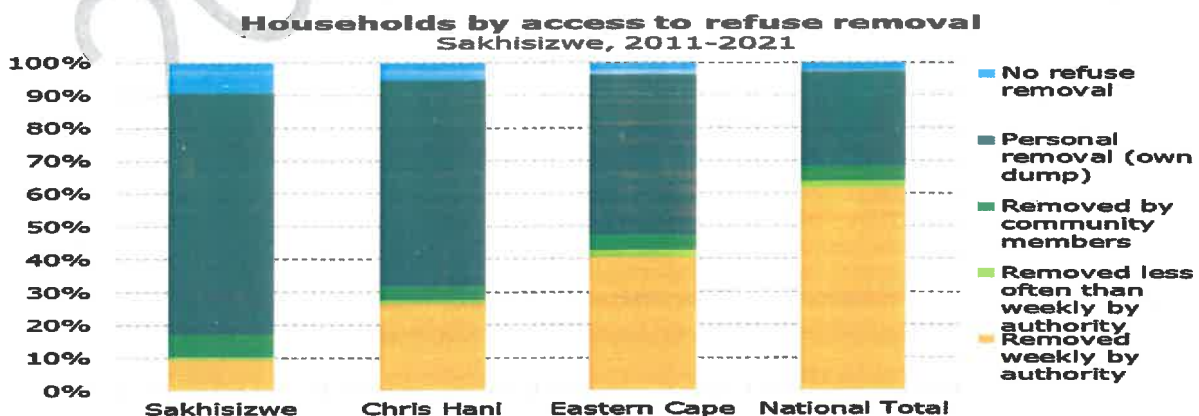
When looking at the number of households with no electrical connection over time, it can be seen that in 2011 the households without an electrical connection in Sakhisizwe Local Municipality was 3 590, this decreased annually at -14.09% per annum to 786 in 2021.

### 2.8.5 HOUSEHOLDS BY REFUSE DISPOSAL

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

- Removed weekly by authority
- Removed less often than weekly by authority
- Removed by community members
- Personal removal / (own dump)
- No refuse removal

CHART 54. HOUSEHOLDS BY REFUSE DISPOSAL - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2021 [PERCENTAGE]



Source: IHS Markit Regional explorer version 2236

Sakhisizwe Local Municipality had a total number of 1 570 (9.34%) households which had their refuse removed weekly by the authority, a total of 137 (0.82%) households had their refuse removed less often than weekly by the authority and a total number of 12 400 (73.71%) households which had to remove their refuse personally (own dump).

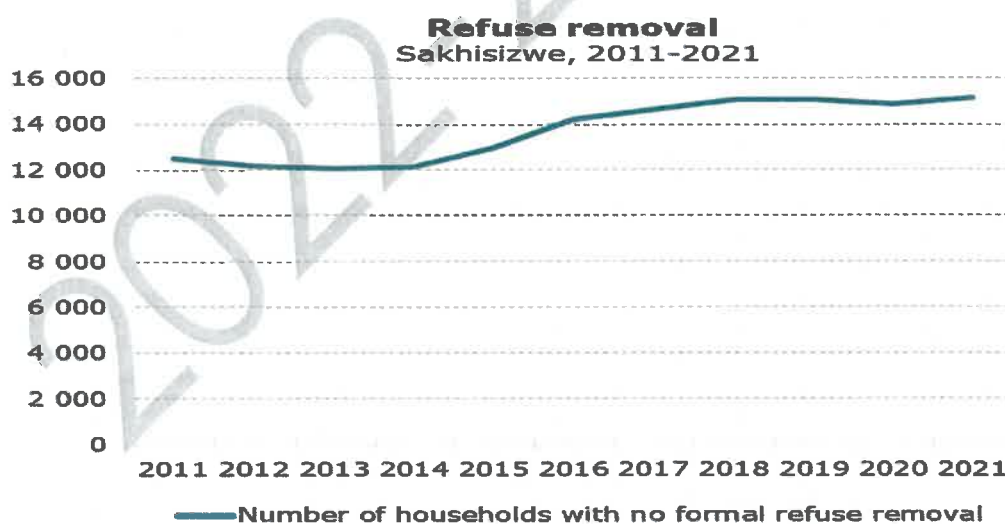
TABLE 67. HOUSEHOLDS BY REFUSE DISPOSAL - SAKHISIZWE AND THE REST OF CHRIS HANI, 2021 [NUMBER]

TABLE 68.	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Sakhisizwe	1,573	137	1,171	12,406	1,544	16,831
Inxuba Yethemba	16,545	925	719	2,736	154	21,079
Intsika Yethu	1,131	152	1,746	35,886	3,222	42,138
Emalahleni	3,765	109	1,394	26,230	1,924	33,422
Engcobo	796	339	1,210	33,031	3,710	39,085
Enoch Mgijima	36,025	734	3,378	32,309	1,614	74,061
<b>Total Chris Hani</b>	<b>59,835</b>	<b>2,397</b>	<b>9,618</b>	<b>142,597</b>	<b>12,170</b>	<b>226,616</b>

Source: IHS Markit Regional eXplorer version 2236

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 36 000 or a share of 60.21% 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 796 or a share of 1.33% of the total households where the refuse is removed weekly by the authority within the district municipality.

CHART 55. REFUSE REMOVAL - SAKHISIZWE LOCAL MUNICIPALITY, 2011-2021 [NUMBER OF HOUSEHOLDS WITH NO FORMAL REFUSE REMOVAL]



Source: IHS Markit Regional eXplorer version 2236

When looking at the number of households with no formal refuse removal, it can be seen that in 2011 the households with no formal refuse removal in Sakhisizwe Local Municipality was 12 500, this increased annually at 1.92% per annum to 15 100 in 2021.

The total number of households within Sakhisizwe Local Municipality increased at an average annual rate of 0.54% from 2011 to 2021, which is higher than the annual increase of 1.56% in the number of households in South Africa.

## 2.9 TOURISM

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

### 2.9.1 TRIPS BY PURPOSE OF TRIPS

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 69. NUMBER OF TRIPS BY PURPOSE OF TRIPS - SAKHISIZWE LOCAL MUNICIPALITY, 2011-2021  
[NUMBER PERCENTAGE]

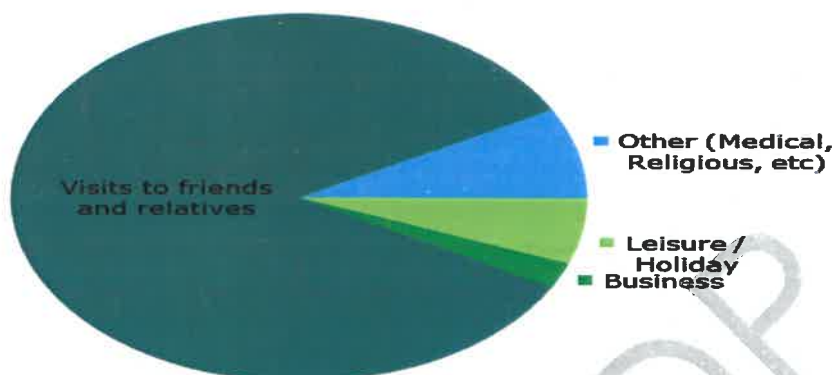
TABLE 70.	Leisure / Holiday	Business	Visits to friends and relatives	Other (Medical, Religious, etc)	Total
2011	4,080	908	38,900	2,280	46,100
2012	3,640	918	34,400	2,200	41,100
2013	2,930	834	31,000	1,970	36,800
2014	2,810	835	29,100	2,160	34,900
2015	2,600	822	28,000	2,090	33,500
2016	2,420	830	27,400	2,120	32,800
2017	2,320	800	26,600	2,170	31,900
2018	2,240	760	25,700	2,080	30,800
2019	2,220	655	24,800	1,930	29,600
2020	1,280	378	11,100	1,110	13,800
2021	770	298	11,200	1,060	13,300
<b>Average Annual growth 2011-2021</b>	<b>-15.36%</b>	<b>-10.55%</b>	<b>-11.73%</b>	<b>-7.39%</b>	<b>-11.70%</b>

Source: IHS Markit Regional Explorer version 2236

In Sakhisizwe Local Municipality, the Other (Medical, Religious, etc), relative to the other tourism, recorded the highest average annual growth rate from 2011 (2 280) to 2021 (1 060) at -7.39%. Visits to friends and relatives recorded the highest number of visits in 2021 at 11 200, with an average annual growth rate of -11.73%. The tourism type that recorded the lowest growth was Leisure / Holiday tourism with an average annual growth rate of -15.36% from 2011 (4 080) to 2021 (770).

CHART 56. TRIPS BY PURPOSE OF TRIP - SAKHISIZWE LOCAL MUNICIPALITY, 2021 [PERCENTAGE]

**Tourism - trips by Purpose of trip**  
Sakhisizwe Local Municipality, 2021



Source: IHS Markit Regional eXplorer version 2236

The Visits to friends and relatives at 83.99% has largest share the total tourism within Sakhisizwe Local Municipality. Other (Medical, Religious, etc) tourism had the second highest share at 7.97%, followed by Leisure / Holiday tourism at 5.80% and the Business tourism with the smallest share of 2.24% of the total tourism within Sakhisizwe Local Municipality.

**2.9.2 ORIGIN OF TOURISTS**

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

TABLE 71. TOTAL NUMBER OF TRIPS BY ORIGIN TOURISTS - SAKHISIZWE LOCAL MUNICIPALITY, 2011-2021 [NUMBER]

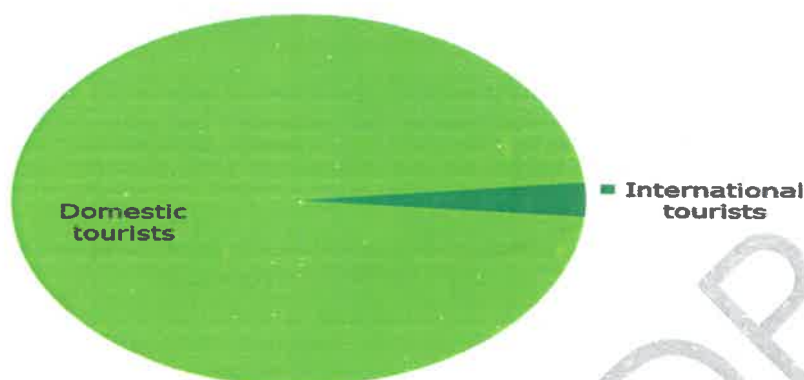
TABLE 72.	Domestic tourists	International tourists	Total tourists
2011	45,100	1,020	46,100
2012	40,000	1,120	41,100
2013	35,600	1,180	36,800
2014	33,600	1,300	34,900
2015	32,200	1,260	33,500
2016	31,300	1,490	32,800
2017	30,300	1,550	31,900
2018	29,200	1,600	30,800
2019	28,000	1,550	29,600
2020	13,300	525	13,800
2021	12,900	389	13,300
<b>Average Annual growth 2011-2021</b>	<b>-11.77%</b>	<b>-9.23%</b>	<b>-11.70%</b>

Source: IHS Markit Regional eXplorer version 2236

The number of trips by tourists visiting Sakhisizwe Local Municipality from other regions in South Africa has decreased at an average annual rate of -11.77% from 2011 (45 100) to 2021 (12 900). The tourists visiting from other countries decreased at an average annual growth rate of -9.23% (from 1 020 in 2011 to 389). International tourists constitute 2.93% of the total number of trips, with domestic tourism representing the balance of 97.07%.

CHART 57. TOURISTS BY ORIGIN - SAKHISIZWE LOCAL MUNICIPALITY, 2021 [PERCENTAGE]

**Tourism - tourists by origin**  
Sakhisizwe Local Municipality, 2021



Source: IHS Markit Regional eXplorer version 2236

**BED NIGHTS BY ORIGIN OF TOURIST**

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 Sakhisizwe Local Municipality between 2011 and 2021.

TABLE 73. BEDNIGHTS BY ORIGIN OF TOURIST - SAKHISIZWE LOCAL MUNICIPALITY, 2011-2021 [NUMBER]

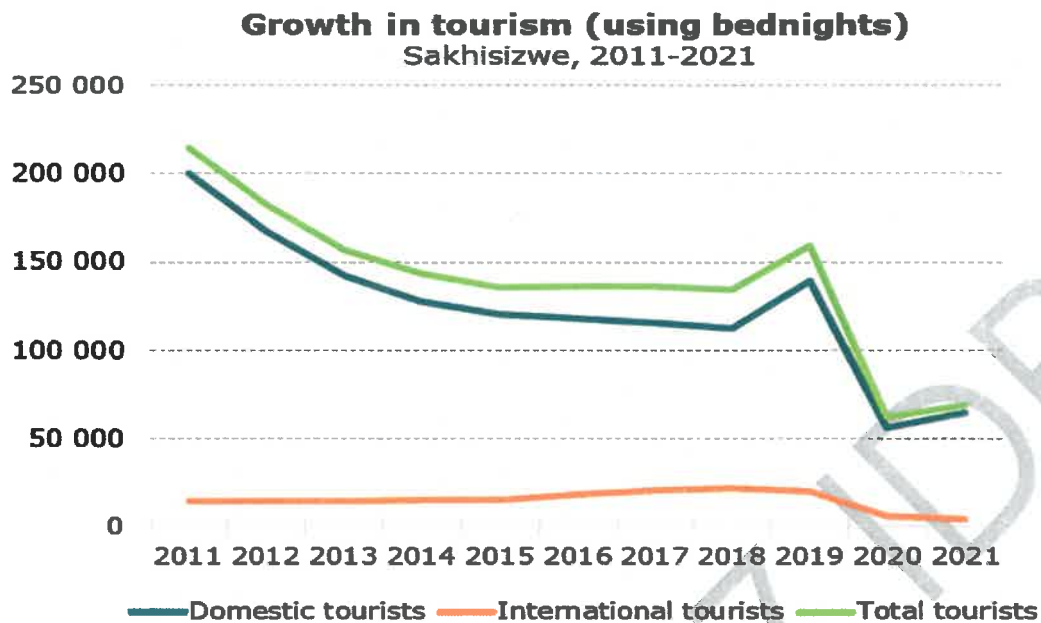
	Domestic tourists	International tourists	Total tourists
2011	200,000	14,700	215,000
2012	167,000	14,700	182,000
2013	142,000	14,800	157,000
2014	128,000	15,400	143,000
2015	120,000	15,000	135,000
2016	118,000	18,300	136,000
2017	115,000	20,800	136,000
2018	112,000	22,000	134,000
2019	139,000	20,100	159,000
2020	55,700	6,160	61,800
2021	64,100	4,260	68,300
<b>Average Annual growth 2011-2021</b>	<b>-10.76%</b>	<b>-11.64%</b>	<b>-10.82%</b>

Source: IHS Markit Regional eXplorer version 2236

From 2011 to 2021, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -10.76%, in the same period the international tourists had an average annual decrease of -11.64%. The total number of bed nights spent by tourists decreased at an average annual growth rate of -10.82% from 215 000 in 2011 to 68 300 in 2021.



CHART 58. GROWTH IN TOURISM (USING BEDNIGHTS) BY ORIGIN - SAKHISIZWE LOCAL MUNICIPALITY, 2011-2021 [NUMBER]



Source: IHS Markit Regional eXplorer version 2236

### 2.9.3 TOURISM SPENDING

In their Tourism Satellite Account, StatsSA defines tourism spending as all expenditure by visitors for their trip to the particular region. This excludes capital expenditure as well as the shopping expenditure of traders (called shuttle trade). The amounts are presented in current prices, meaning that inflation has not been taken into account.

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

TABLE 74. TOTAL TOURISM SPENDING - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [R BILLIONS, CURRENT PRICES]

TABLE 75.	Sakhisizwe	Chris Hani	Eastern Cape	National Total
2011	0.1	1.1	15.4	205.8
2012	0.1	1.3	17.9	229.8
2013	0.1	1.4	19.6	253.3
2014	0.1	1.5	21.2	275.4
2015	0.1	1.3	19.4	253.9
2016	0.1	1.4	21.0	277.6
2017	0.1	1.3	19.3	264.0
2018	0.1	1.4	20.9	291.3
2019	0.1	2.2	29.3	405.7
2020	0.0	0.6	9.2	130.2
2021	0.1	1.2	19.8	296.0
<b>Average Annual growth</b>				
2011-2021	<b>2.42%</b>	<b>0.93%</b>	<b>2.58%</b>	<b>3.70%</b>

Source: IHS Markit Regional eXplorer version 2236

Sakhisizwe Local Municipality had a total tourism spending of R 64.2 million in 2021 with an average annual growth rate of 2.4% since 2011 (R 50.5 million). Chris Hani District Municipality had a total tourism spending

of R 1.19 billion in 2021 and an average annual growth rate of 0.9% over the period. Total spending in Eastern Cape Province increased from R 15.4 billion in 2011 to R 19.8 billion in 2021 at an average annual rate of 2.6%. South Africa as whole had an average annual rate of 3.7% and increased from R 206 billion in 2011 to R 296 billion in 2021.

#### 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 76. TOURISM SPEND PER RESIDENT CAPITA - SAKHISIZWE LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2011,2016 AND 2021 [R THOUSANDS]

TABLE 77.	2011	2016	2021
Sakhisizwe	R 798	R 1,043	R 956
Inxuba Yethemba	R 4,601	R 6,169	R 3,968
Intsika Yethu	R 566	R 766	R 718
Emalahleni	R 491	R 498	R 454
Engcobo	R 872	R 1,075	R 725
Enoch Mgijima	R 1,751	R 2,187	R 1,898

Source: IHS Markit Regional eXplorer version 2236

In 2021, Sakhisizwe Local Municipality had a tourism spend per capita of R 956 and an average annual growth rate of 1.82%, Sakhisizwe Local Municipality ranked third amongst all the regions within Chris Hani in terms of tourism spend per capita. The region within Chris Hani District Municipality that ranked first in terms of tourism spend per capita is Inxuba Yethemba Local Municipality with a total per capita spending of R 3,970 which reflects an average annual decrease of -1.47% from 2011. The local municipality that ranked lowest in terms of tourism spend per capita is Emalahleni with a total of R 454 which reflects a decrease at an average annual rate of -0.77% from 2011.

#### TOURISM SPEND AS A SHARE OF GDP

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

TABLE 78. TOTAL SPENDING AS % SHARE OF GDP - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [PERCENTAGE]

TABLE 79.	Sakhisizwe	Chris Hani	Eastern Cape	National Total
2011	4.3%	5.4%	6.0%	6.2%
2012	4.5%	5.6%	6.3%	6.4%
2013	4.6%	5.8%	6.4%	6.5%
2014	4.6%	5.8%	6.5%	6.7%
2015	3.7%	4.6%	5.5%	5.7%
2016	3.8%	4.8%	5.6%	5.8%
2017	3.2%	4.0%	4.8%	5.2%
2018	3.4%	4.3%	5.0%	5.4%
2019	5.0%	6.4%	6.7%	7.2%
2020	1.6%	1.9%	2.2%	2.4%
2021	2.9%	3.2%	4.2%	4.8%

Source: IHS Markit Regional Explorer version 2236

In Sakhisizwe Local Municipality the tourism spending as a percentage of GDP in 2021 was 2.88%. Tourism spending as a percentage of GDP for 2021 was 3.16% in Chris Hani District Municipality, 4.24% 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 4.77%.

## CHAPTER 3: NATIONAL KEY PERFORMANCE AREA ANALYSIS

### 3.1 NKPA-SERVICE DELIVERY PROFILE

Service delivery is the top ranked priority for the current council. A need was identified in our previous IDP and 2022-2027 STRATEGIC PLAN to develop a comprehensive infrastructure master plan which will give framework for long term planning in terms of:

- Infrastructure Maintenance Plans
- Infrastructure Expansion plans
- Infrastructure Funding mechanisms
- Infrastructure Operational and Institutional Management plans

While the primary focus has mainly been on maintaining and expanding infrastructure in key areas linked to assigned powers and functions as an approach, the council and administration continue to engage strategic stakeholders like the District Municipality and other spheres of government with mandates on key infrastructure areas where there are challenges within the Sakhisizwe Municipality.

The aim of the engagement is to ensure signing of relevant service level agreements (SLAs) that will enable Sakhisizwe to deliver services in all our areas of need while not compromising our financial viability and management requirements.

As a developmental local government, we are expected to ensure sustainable delivery of services through our direct channels and in collaboration with and by facilitation of contributions from various other stakeholders and development agencies operating in our jurisdiction.

The section below gives an overview of the state of service delivery by looking at household access to basic and non-basic services that people often expect from government.

#### 3.1.1 Water and Sanitation

Provision and governance of water and sanitation services in all our areas is a competence of the district municipality. We only play a facilitating role as Sakhisizwe municipality.

The figure below gives a comparison of household access to different levels of service for water. It draws its analysis from the community survey of 2016.

*Table showing households by type of water access Sakhisizwe Local Municipality*

Local Municipality	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
Sakhisizwe	2680	5230	5640	1720	2170	<b>17440</b>

*Source Chris Hani District Municipality IDP 2021/2022*

Provision and governance of water services in all our areas is a competence of the district municipality. We only play a facilitating role as Sakhisizwe municipality. The backlog for basic water supply has been 22.3% which is an improvement as compared to previous years.

Table showing households by type of sanitation – Sakhisizwe Local Municipality

Local Municipality	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	No toilet	Total
Sakhisizwe	5890	5760	3070	2720	17440

Source Chris Hani District Municipality IDP 2021/2022

Provision and governance of sanitation services in all our areas is a competence of the district municipality. We only play a facilitating role as Sakhisizwe municipality.

Sanitation backlogs remain at 33.2% and our municipality has not been able to meet the goal of wiping backlog for household access to basic level of sanitation (VIP Toilet). There is a growing need for VIP toilets due to new developments and the fact that the old ones have reached their capacity especially in the rural wards.

The CHDM has planned to fund the following projects within Sakhisizwe LM from its grant allocations of 2022 to 2025

#### Water Service Infrastructure Grant Funding (WSIG)

Project	2022-23	2023-24	2022-25
Water	R 2 000 000	R 0	R 0
<b>TOTAL</b>	<b>R 2 000 000</b>	<b>R 0</b>	<b>R 0</b>

#### Municipal Infrastructure Grant Funding (MIG)

Project	2022-23	2023-24	2022-25
Water	R 12 700 000	R 3 200 000	R 0
Sanitation	R 11 300 000	R 21 300 000	R 6 500 000
<b>TOTAL</b>			

#### (RBIG)

Project	2022-23	2023-24	2022-25
Water	R 23 300 000	R 0	R 0
<b>TOTAL</b>	<b>R 23 300 000</b>	<b>R 0</b>	<b>R 0</b>

### 3.1.2 Telecommunication

Telkom is the main provider of the landline telephone services in the Sakhisizwe area. Cellular network coverage is patchy due to the mountainous terrain, as is television and radio reception. Business telecommunication services and facilities are unreliable due to inadequate infrastructure for broadband.

General communication is largely through the mobile and fixed telecoms. The last few years have seen a rise in privately operated mobile public phone services. The municipality has identified operational projects aimed at improving plans for network signal and broadband infrastructure improvement through partnership collaborations with established operators in the ICT sector.



### 3.1.3 Roads, Bridges and Storm water

Functional road infrastructure is critical to economic development of an area. Sakhisizwe municipality has a direct responsibility for construction and maintenance of its access road network while other roads are the responsibility of other spheres of government including the district municipality, province and national department of roads and transport.

The majority of our tarred road network in the Sakhisizwe municipality are provincial and district roads and few access roads. There is no classified national road passing our municipality even though some commitments were pledged by SANRAL to assist with the repair and rehabilitation work on provincial roads R56 linking Khowa to Barkly East and Aliwal North as well as the R56 linking Khowa to Indwe.

The rest of the municipality's road network is gravel. It is often characterised by poor storm water drainage designs which often put a lot of pressure on the visual road index and surface durability especially during rainy seasons. There is over 300km of this type of road network which needs regular maintenance and upgrading.

In order to inform proper operational management, maintenance and construction of new roads a **Roads Management & Maintenance Master Plan** is being considered. This plan will also cover aspects relating to the design, planning, implementation and maintenance of roads, transport, bridges and storm water infrastructure.

The main challenge to smooth delivery of roads and associated infrastructure is often lack of adequate funding and availability of engineering skills in the municipality. We depend exclusively on the limited MIG budget which is insufficient to cater for all our requirements.

Budgets for roads, transport and related activities shall be ring-fenced to our **operational and capital budgets** for infrastructure as may be approved for implementation through our PMU.

The municipality has reviewed an **EPWP policy** which is used to guide interventions for infrastructure maintenance and construction through labour intensive methods. These methods are also earmarked to contribute to short term job opportunities while delivering necessary infrastructure support.

Inputs from consultative representative forum discussions identified a number of strategic organizations which the municipality must establish links and partnerships for raising necessary capacity (funds, equipment and skill) to address our major challenges in the delivery of sustainable roads, storm water and bridge infrastructure. These include departments Public Works, Roads & Transport, Chris Hani District Municipality and Human Settlements as well as state owned enterprises like SANRAL and MISA.

It is noted with disappointment therefore that the EC department of roads and transport has not made any allocation to spend in the Sakhisizwe municipality for the remaining years in its MTREF budgeting.

The focus for the next year will be on strengthening the chosen primary and secondary nodal development (NB: Sakhisizwe is part of the recently demarcated Queenstown Provincial Development Node) as well as enforce spatial linkages identified in terms of our **spatial development framework (SDF)**. We hope that through this strategy we shall be able to integrate our space economy better. Thus able to achieve a functional road network capable of:

- Facilitating effective movement of people and goods
- Linking of places of living to social amenities, commerce and production areas
- Facilitating aesthetic improvement in our public space and CBDs
- Disposing of excess rain water to prevent unnecessary damage to existing infrastructure and properties

### Roads Management & Storm water Maintenance Plan

Sakhisizwe LM has a roads and storm water management and maintenance plan reviewed in 2015/16. The plan is appended in this IDP document. In terms of this plan, the municipality is intending to undertake the following maintenance and repair work.

#### Existing machinery in SLM

No.	Plant & Equipment	No.	Projected current costs
1.	Tipper Trucks	2	Available
2.	Grader	2	Available
3.	Excavator	1	Available
4.	TLB	2	Available
5.	Water Cart	1	Available
6.	Grid roller	1	Available
7.	Low-bed Truck	1	Available
8.	Dozer	1	Available

**Programme for Road Maintenance**

ACTIVITY	INSPECTION TYPE	URBAN/ RURAL ACCESS TOWNSHIP /INTERNAL ROADS ACCESS/ STREETS ROADS	BRIDGES/MINOR STORM-WATER STRUCTURES/VDRAINS/ CULVERTS (Urban roads)	BRIDGES /MINOR STORM-WATER STRUCTURE S/V-DRAINS/ CULVERTS (Rural roads)	TRACKS /OTHE
Inspections Regular inspections of the road asset to be undertaken by a suitably qualified and experienced staff to determine condition, compliance with maintenance standards and risk	Condition Assessments	As per the Asset Management Policy			
	Condition & Risk inspections	Once in twelve months/ After heavy rains	Once in twelve months & on receipt of complaint (Refer to detailed programme)	Once in twelve months & on receipt of complaint	Once in twelve months & on receipt of complaint
	Routine Inspections	As per the current Maintenance Program			
	Responsive inspections	Within 48 working hours on receipt of report or complaint			

**Planned schedule of maintenance for storm water**

SYSTEM CATEGORIES	DESCRIPTION	INSPECTION & MAINTENANCE TYPE	FREQUENCY
Manholes (Catch-pits)	A manhole is a structure that allows access into a closed conduit. Manholes can be located in the roadway and greenbelts areas of a development.	Inspect for damage or missing block and mortar	Annually/after heavy rains
		Inspect for debris within the structure (Weekly to respond for hawker management)	
Closed Conduit	A closed conveyance designed to carry storm water runoff, which includes culvert, closed drains and pipe	Typical cleaning	Annually & in response to blockage after heavy rains
		Problem areas as determined by the Municipality shall be cleaned	
		Typical cleaning closed drains and storm water pipes ranging from 300mm to 1200mm in diameter.	
	Culvert cleaning	Video inspections (Future capital plans)	

SYSTEM CATEGORIES	DESCRIPTION	INSPECTION & MAINTENANCE TYPE	FREQUENCY
Basin Outlet Structures	Outlet structures are used to regulate storm water discharge from detention Ponds & basins into receiving waterways or an offsite storm sewer system.	Problem areas as determined by the Municipality shall be cleaned	
		Check inlets and outlets for clogging	Annually & when necessary/after heavy rains
Catch Basins or concrete & stone-pitching channel (Inlets)	A below ground structure designed to collect and convey water into the storm water system. Catch basins can be located in roadways and greenbelt areas of a development.	Clean inlets and outlets as necessary.	
		Remove sediment if accumulation reaches 1m & above or if re-suspension is observed.	
		Inspect pipes to verify that the outlet is not damaged.	
		Surfaces of all catch basins shall be checked for debris.	Annually
Gutters & kerbing	Are located in paved/surfaced roadways to convey storm-water into manholes, catch basins & other associated inlets.	Typical cleaning:	3 to 5 years
		The municipality will monitor completed developments for one year to determine how often the catch basin will require cleaning.	Annually
		Inspect for damaged or missing block and mortar.	
		Inspections for debris, sand, leaves and any other sediment types.	In conjunction with Roads Maintenance Programme or other
		Street and kerbing sweeping	When required/Annually
		Replacement of damaged sections and kerbing.	

2024

### 3.1.4 Transport

Transport plays a critical role in economic development. Transport service in our context has two levels. It includes public and physical transportation systems. Our role in transport is largely focused on planning for movement of goods and people across our landscape. We are not a transport authority and currently do not have a transport plan.

However, it is our intention to develop and adopt such a sector plan in order to guide how we intervene and play our role in facilitating public transport, mobilization of transportation infrastructure support and coordination of movement patterns in support of our economic development objectives. This will prepare us to play a critical coordinating role in the planned developments by South African Railway Services (improvements of the rail line connecting Maclear–Khowa to South Drakensburg and Karoo areas) and other similar initiatives.

Our physical transportation systems are poorly linked and overly rely on road based network. The lack of established rail system linkages is a huge obstacle to realizing the existing potential in underperforming yet promising economic sectors like tourism, forestry, manufacturing and agriculture production. The lack of established rail transport network coupled with poorly maintained road infrastructure contributes negatively to our competitive advantage. It makes it difficult for our industries to have effective distribution networks necessary to link out local produce to markets.

In order to ensure **transport integration** Sakhisizwe LM will cooperate and work closely with the district and other relevant government organs to ensure implementation of an Integrated Transport Plan. However, the process will be led by the district and other authority agencies.

Therefore, Sakhisizwe shall not lead but participate in existing institutional arrangements such as Transport Forums and other associated structures aimed at facilitating integrated transport services.

**Public transport** is an integral part of our transportation services. The main challenge for Sakhisizwe is lack of provision for adequate and well-designed public transport facilities (Bus & Taxi ranks with proper toilets and refuse facilities, roadside passenger shelters etc).

Sakhisizwe Public transport system is currently uncoordinated and poorly planned. For example, there is no functional public transport interchange that offers well designed and planned public facilities. Our ranks do not have functional ablution facilities and lack integration in the way they function as a public space. We plan to invest and lobby other relevant department to assist with development and establishment of our public transport capacity in the form of passenger waiting (**bus shelters**) infrastructure and ranks in especially Cala, Khowa and Lower Lafuta nodal areas.

There is a need to consolidate and construct proper facilities in both our main urban centres to accommodate the fast growing number of taxis and public transport operations. This however, needs to be done as collaboration with private operator organizations so as to minimise tensions and confrontational outcomes.

Sakhisizwe LM also operates a **licensing and testing station** in Khowa. The testing station services the broader Sakhisizwe areas and also serves as a potential revenue raising facility.

There is a **landing strip in Khowa** which is currently under-utilised and not properly managed either. This facility is a potential source of revenue. Since the municipality does not have relevant aviation skills or capacity to operate this facility, it is suggested that Sakhisizwe council considers offering the facility to a private investor through a service level agreement for its operations and maintenance.

Sakhisizwe LM currently participates in **local transport forums** and will continue with these engagements to ensure improved public transport services in all our areas.



### 3.1.5 Public Amenities & Community Facilities

Sakhisizwe municipality is responsible for provision, management and maintenance of public amenities and community facilities that are in its custody and within its jurisdictional areas. These amenities are means by which the local government is advancing service delivery and social cohesion.

The biggest challenge facing the municipality with regards to sports and recreational facilities is lack of adequate funding for provision and maintenance. The planned infrastructure master plan mentioned earlier will also cater for a framework for the provision and future maintenance mechanisms for public amenities and recreational facilities as well.

#### Sports Fields:

The main challenge is that existing facilities are poorly planned and do not respond appropriately to the needs of target user communities. For example, facilities are few in number, cater for only few sporting codes and not multi-functional in their design. Due to this situation existing sports facilities in Sakhisizwe wards are multi-functional and this is compounded by the fact that limited fund availability makes it difficult for the municipality to maintain them regularly. The responsibility for provision and maintenance of sporting facilities is shared between SLM and DSRAC. However, the lack of a SLA makes it difficult to hold each partner accountable to their responsibilities.

Table 3.1.5.1-1 below summarizes the community needs as identified in the ward based planning process for sports and recreational facilities by ward.

Sports and Recreation:	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9
Soccer/Cricket Field combined and park for youth/kids	1	1	1	2	1	1	1	1	1
Multi-purpose central sporting facility consisting of 2 sports fields for soccer/rugby, cricket, x2 tennis courts, athletics and netball court and a clubhouse/change room	0	1	0	1	0	0	0	0	0

The plans for the following year will focus on lobbying for funds to improve maintenance while targeting strategically located sporting facilities in Cala and Khowa to be upgraded into multipurpose sporting facilities.

Table 3.1.5.1-2 provides a synopsis of issues relating to sporting facilities in the SLM areas.

Sporting code	Formal league / teams	Management body in place	Facilities	Issues
Soccer	Yes. Only armature levels /3 teams	Yes. Launched in Feb 2011	Cala & Khowa town	Lack of tournaments & proper facilities
Rugby	No.	No.	None	No formal structure
Cricket / Swimming Netball / Tennis	Some schools have active pupils in these codes	No	None	No organized structure
Swimming	No.	No.	Private swimming pools in Khowa	No organized structure

<b>Gym</b>	No	No	Informal operators in Cala and Khowa	Need for a formal gym in an accessible area
<b>Athletics (Running, Music, Dance, Acting, etc.)</b>	Done by schools only	None outside of those working with DoE	Informal grounds mostly linked to schools	Need to integrate schools sports and community leagues
<b>Sporting tournaments</b>	Soccer, netball, athletics, boxing	Mayoral cup	Ward 4 sporting complex	

#### **Parks & Recreational Facilities:**

Sakhisizwe LM owns and operates some few recreational facilities such as the Thomson's Dam in Khowa and others. There are at least 2 formal parks developed with public furniture in Cala and Khowa. The main challenge is that they lack provision and maintenance of proper toilet and refuse facilities. There are plans underway to install these facilities in the next budget year.

These facilities are earmarked for utilization in revenue collection through hiring to private users. There are also long term plans to develop new facilities in strategic areas such as the Old Plantation near Cala town in order to boost Tourism and revenue.

#### **Cemeteries:**

The municipality is responsible for providing professional cemetery services to all its communities including properly planned spaces for burial, support for paupers, maintenance and security of public assets linked to cemetery services.

There is no ward that has no cemetery at all at the moment; the only challenge is that existing facilities fall short of required expectations in terms of quality of service. This is because most cemeteries are in villages managed by traditional leadership. Cemeteries managed by us are in wards 1,2,4,5 Ward 4&5 cemeteries are properly maintained while 1 & 2 are not because communities do not pay for services. For example some cemeteries are not properly fenced and this causes stray animals to roam and destroy valuable assets. Others are located in areas that have geological challenges resulting in prevalent dampness and potential risk to underground water by contamination. There is also vandalism and theft of tombstones, as a result we have started to make provisions for security.

The focus in the coming year for cemetery services will be on mobilising stakeholder support for modernization (e.g. introduce automated register) and funding for infrastructure improvements (e.g. Installation of fences, toilets and securing of land for future cemeteries).

Again, SLM will develop and ensure proper implementation of a policy to guide pauper burial support. This will provide council with a systematic framework for consideration and responding to requests for burial support by destitute families.

#### **Pounds & Commonages:**

Sakhisizwe LM has two pounds in Khowa and Cala. These facilities serve as storages for animals that are impounded in our areas but currently do not meet required conditions by SPCA for the safe keeping of animal stock. There are also challenges of security due to compromised fencing which risks the municipality to potential law suit in case impounded stock got stolen while on municipal custody.

The focus for the coming year will be on:

- Resource mobilization towards installation of fencing
- Budgeting to procure relevant medical stock and training of staff to administer them
- Appointment of additional rangers, pound master at Khowa and improvement of security in both pounds.
- Community awareness to promote branding of animals for ease of identification ☑ Lobby for resources to build animal shelters

### **Community Halls:**

Sakhisizwe LM has a responsibility to ensure provision and maintenance of reliable and accessible places of gathering and meetings for communities. During the current term at least the municipality was able to construct no less than 8 community multi-purpose halls between 2011/12 to end 2013/14 using resources from MIG and other contributors.

The main challenges facing the municipality with regards to smooth provision of community halls is lack of funds to do proper planning, provide security and constantly maintain existing facilities. We depend on the ring-fenced maintenance budget for the entire municipality to undertake necessary maintenance of halls and this is often too little and overstretched by other demands.

The planned master plan for infrastructure provision and maintenance mentioned earlier will also cater for the framework to maintain and continually provide community halls. We are also considering different models for the sustainable management, maintenance and continuous provision of community halls to all our wards.

### **Libraries and Museums:**

There are three main libraries located in Khowa and Cala and a modular library in Askeaton to service greater Sakhisizwe areas. The new Khowa Library project is underway and we are in negotiation with DSRAC for its speedy delivery and operation.

We do not have established museums in our municipality but we are investigating mechanisms for possibilities linked to our historic and cultural heritage.

The main challenges for the library services can be summarised as follows:

- Lack of a comprehensive library management and maintenance plan; and
- Stock in Khowa and Cala libraries is outdated so we need to source new material.

There is functional and effective stakeholder partnerships for the betterment and funding of libraries in our areas.

#### **3.1.6 Waste Management & Refuse:**

Refuse collection is a primary competence of the SLM. Currently the municipality is providing this service to largely few urban based households and businesses. Similarly for cleansing and street cleaning, only the urban centres of Sakhisizwe receives this service.

The main challenge for rendering both these services is aging infrastructure that is prone to regular breakdowns and unplanned stoppages. Further, expansion to rural and outlying rural areas is difficult to achieve under such circumstances. In these areas households are either using own mechanism to dispose of their waste and refuse or dump illegally anywhere which leads to degradation and costly damages to our environment.

A landfill site is being prepared to accommodate waste and refuse collected in Cala and Khowa by SLM. This is located near Cala Town and is operational. In Khowa we have been funded by environmental affairs for establishment of Khowa transfer site and currently construction is underway.

The municipality is also engaged local economic development opportunities by promoting and supporting implementation of recycling projects linked to the landfill site, Backlog for provision of refuse removal remains high.

The unfortunate lack of provision in rural areas creates an unfair urban bias and spatial inequalities when comparing rural to urban household's access to refuse collection service. The figure below uses Global insight statistics of 2010 to give an indication of coverage for refuse collection by household access to a level of service within Sakhisizwe municipality.

**Chart 3.1.6.1 Showing Access to Refuse Collection**



**3.1.7 Traffic & Safety:**

SLM currently provides traffic safety services including the operation of a licensing and testing station in Khowa.

An analysis of access to police stations was undertaken as part of our SDF process and it shows that more than 90% of the population is within a 30 minute drive from a police station. The most inaccessible areas coincide with the most sparsely populated areas.

**Table 3.1.7.1** below gives a comparison of access to a police station by local population.

Time	Population	%
0-5 Minutes	25 252	37%
5 – 10 minutes	8 083	12%
10 - 30 Minutes	28 284	42%
30 - 60 Minutes	4 593	7%
1 Hour +	1 217	2%
<b>Total</b>	<b>67 433</b>	<b>100%</b>

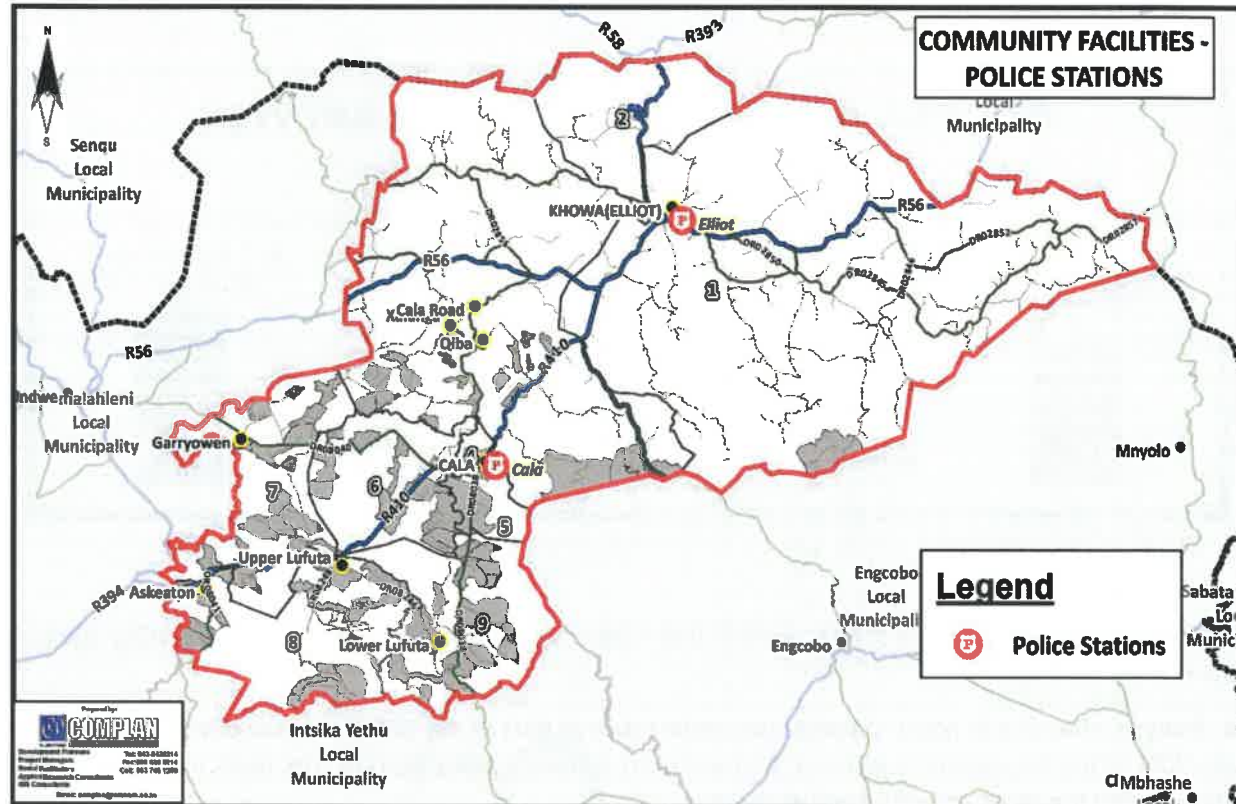
The municipality is interested in crime prevention and promotion of safety even though this function is led by the justice cluster (SAPS, Departments of Justice, Correctional Services and Community Safety in the Province). SLM participates in existing structures like policing forums and street committees with a view to curbing prevalent crimes. Crime is a problem for local government because if it is unmanaged it can get out of control and impact negatively on economic and social development.

According to information provided by local police stations in our municipality, the following crimes are common:

- Drug abuse (mainly alcohol & dagga)
- Gangsters in especially parts of Cala town and Khowa old location
- Assaults – linked to alcohol and drug abuse
- Rape - linked to alcohol and drug abuse
- Theft –of especially burglary types, animal and snatching of small potable items on unsuspecting victims

In terms of institutional responses to crime prevention, police forums exist in certain wards like 1, 2,3,4,5 and 9 but are often dysfunctional and ill-equipped with regards to support. Street committees only exist in concept but have not managed to affect a practical impact in their work or visibility. Therefore, more work is essential in this area of our crime combating strategies and programmes.

Plan 4-6: Police Stations



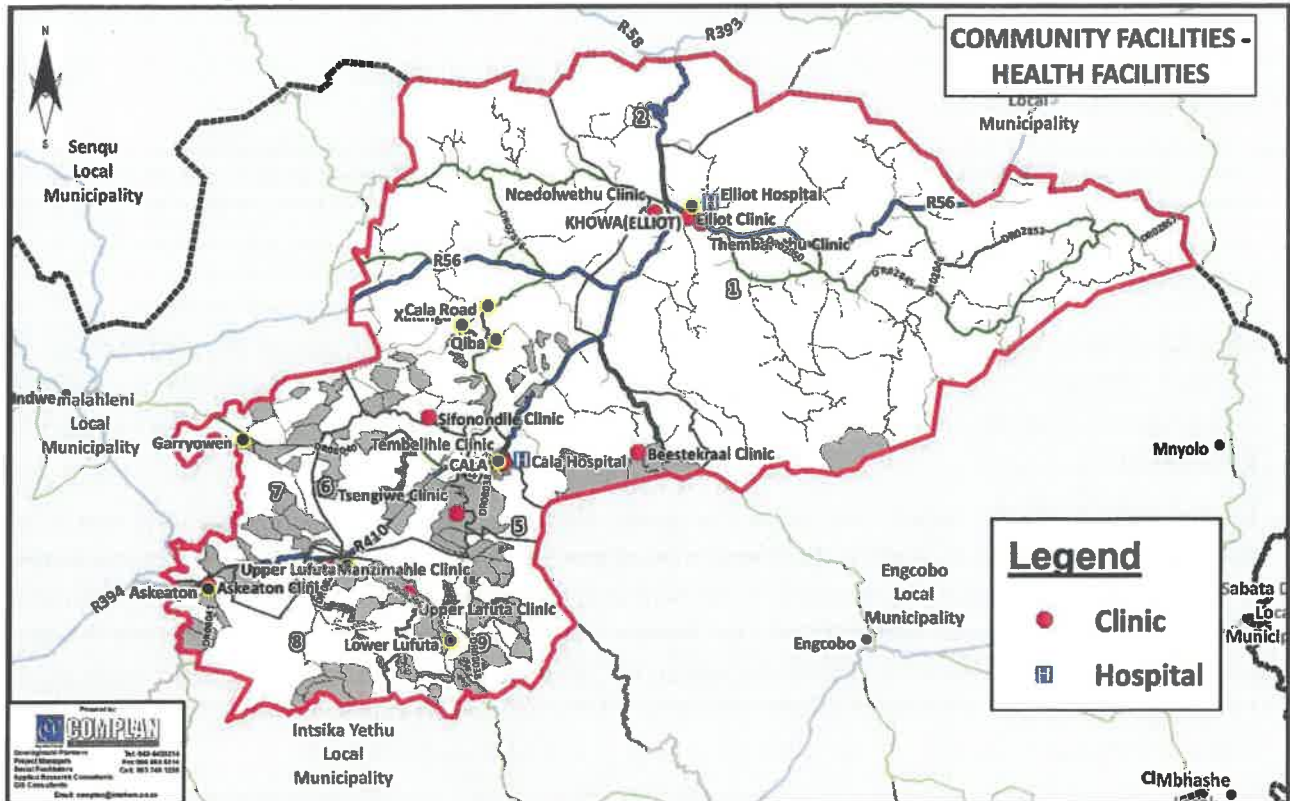
### 3.1.8 Health Promotion & Facilities

Sakhisizwe Sub-District consists of 14 clinics, 2 mobile clinics, and 2 District hospitals (Khowa (Elliot) and Cala). The table below shows some of the clinics, hospitals and mobile clinics.

Clinics	Mobiles	Hospitals
Khowa (Elliot) Clinic	1 District Mobile Clinic (CHDM)	Cala Hospital
Beestekraal	<ul style="list-style-type: none"> <li>• Khowa (Elliot) Mobile Clinic (Gubenxa &amp; Mhlwazi) 2</li> </ul>	Khowa (Elliot) – This is a Provincial Hospital with 52 bed public hospital, located in Maclear Road in Khowa (Elliot).
Tsengiwe	<ul style="list-style-type: none"> <li>• Cala Mobile has 2 mobile vehicles with 37 stopping station</li> </ul>	
Upper Lafuta	N/A	
Ncedolwethu	N/A	
Sifondile	N/A	
Askeaton	N/A	
Tembelihle	N/A	
Nyalasa	N/A	



## Existing Hospital and clinics



The district health office indicated the following areas as primary priorities for the next 3 years in the department.

### A. Primary Health Care (PHC) Re-Engineering

Strengthening of existing war rooms and establishing the new ones through the help of the political will.

- Continue with door to door campaigns.
- Improve transport for these outreach services.
- Consider integration of Community Health Workers for PHC Re-engineering. This is a readiness program for implementation of National Health Insurance (NHI).

### B. Non-Communicable Diseases (Ncd).

- NCD has been lifted up as a priority problem as it is a silent killer in most of the time.
- TB AND HIV/AIDS (HAST)
- Mother and child, Women's' Health (MCWH)
- Health Promotion

### C. National Core Standards- Six Key Priority Areas

Managers are expected ensure that they are compliant with the six key priority areas. These 6 key priority areas should be fast tracked as they are the subsets of the most critical HEALTH standards:

- Values and attitudes of staff
- Cleanliness
- Waiting times
- Patient safety and security
- Infection prevention and control
- Availability of basic medicines and supplies

In fact, the municipality is now in the process of handing over all facilities and operational responsibilities for health facilities to relevant spheres who are authorities. Budget allocation for Sakhisizwe LM Sub-District is **R6 million**. This budget includes medicines, transport, telephone, equipment and security services. These are all cost drivers. Sakhisizwe Sub District consists of 14 clinics, 2 mobiles, and 2 District hospitals (Khowa and Cala). It has a population of 54 029 it is rural in nature, mountainous and scattered at the Cala side. Khowa side is peri-urban with lot of farms.

Eleven clinics are permanently built and three are ordinary houses and such are not compliant with the National Core Standards. However, there is a need for at least one of them to be upgraded to a complete standard clinic structure. The three clinics are the recently moved to provincial government from Local Municipality

Sakhisizwe has a ratio of one clinic per 6 752 people. According to national norms of one clinic per 10 000 people 2, Sakhisizwe has more clinics than recommended. However, the rural distribution of the population and the spread of health facilities throughout the area to meet the needs of these communities could justify this situation.

It should, however, be noted that whilst the above health facilities might well exist throughout the Sakhisizwe Municipality, it needs to be borne in mind that the infrastructure serving the facilities (water, sanitation, electricity, security, equipment and human resources etc.) is very often well below optimum. According to the findings published in the Eastern Cape Department of Health's Strategic Position Statement<sup>3</sup> 27.5% of clinics in the Eastern Cape do not have water-borne toilets, 39% do not have access to safe water and 18% do not have electricity. The district officials in Cala and Khowa report that often clinics lack adequate supplies of essentials like medicine and working equipment.

According to the district health office in Cala the prevailing diseases in the Sakhisizwe areas are TB, HIV/AIDS, Diabetes, Hypertension and Asthma. The high levels of poverty in the Municipality place pressure on the current health facilities. There is a strong correlation between poverty and disease such as TB, malnutrition, pneumonia, diarrhoea, gastrointestinal etc.

It is also important to note that HIV/Aids will put more pressure and demand on health and social services. The National Antenatal HIV Survey<sup>4</sup> reported that; in 1999, 450 000 people in the Eastern Cape Province were infected with HIV. It when on to state that it projects that 160 000 people would have died of AIDS in the province by the year 2009. This will place even further pressure on the present medical facilities.

In an attempt to curb the spread of HIV/Aids and other communicable diseases like TB (tuberculosis) and cholera SLM has developed a strategy to guide its interventions. The representative forums held for IDP formulation in Cala and Khowa highlighted the following issues as important when considering solutions to the challenges facing the delivery of primary health services includes:

- **Accessibility:** while facilities exist they are located far from their threshold service areas and people in rural areas need to travel far. The suggested intermediary service through mobile clinics was received by the district health office as a welcome idea for consideration in mitigating accessibility of primary health care services. An assessment of accessibility of health facilities reveal that 68% of the population is within 60 minutes from health facilities. The table below gives a distribution of population by amount of time it takes to reach or access a health facility.

Time	Population	%
5 km (30 Minutes)	23 769	35%
10 km (1 Hour)	22 271	33%
15 km (1 Hr 30 Min)	8 082	12%
More than 90 min	13 311	20%
<b>Total</b>	<b>67 433</b>	<b>100%</b>

- **Deteriorating infrastructure:** existing hospitals and clinics are often poorly maintained and planned upgrades take long to be implemented leading to gradual decay of already existing facilities. This was attributed to lack of funds and limited budgets allocated to the district office for infrastructure upgrades.
- **HIV and Aids prevalence:** the fight against the spread of HIV and increase of infections and eventual Aids pandemic has been identified as a key priority outcome of the municipality. The municipality working closely with the local Aids Council and other partners will continue to conduct awareness campaigns and facilitate smooth implementation of agreed health promotion programmes.
- **Lack of doctors and specialist practitioners visiting clinics:** most participants in the community engagement processes mentioned that available consulting doctors were too few to cover the existing demand in all our local clinics and this tend to cause people to want to flock into hospitals only to be sent back to their clinics.
- **Attitudes and poor communication:** nursing staff in certain clinics were accused of holding unprofessional attitude when dealing with patients and often fail to communicate properly the department's policy (e.g. Transfer to a hospital) to their patients. Thus causing confusion and misunderstandings which could be prevented.
- **Public or municipal health:** is a core competence of the district municipality. In this area the DM has employed its own staff and allocated them by local municipal areas to deal with issues of water sample testing, inspections of food selling outlets, monitoring of outbreak of communicable diseases and general public health education campaigns.
- **Disaster Management:** Disaster management services include a range of tasks such as fire fighting, disaster relief, emergency services and related operations.

The disaster management is normally a district function and therefore Chris Hani DM is responsible for budgeting, developing policy and disaster management plan which must inform and be informed by contributions of its LMs including SLM. Our role in this function is largely to facilitate implementation of such a plan.

Our district has developed and adopted a disaster management plan. We are in the process of customising it for implementation in our SLM areas. Our focus for the next coming year will be on lobbying for better resources and decentralisation of services (e.g. Establishment of a local disaster centre with fire fighting equipment) and capacitation of our local ward level structures with training and basic operational equipment.

In order to guide our planning for prevention and mitigation of risks associated with potential disasters, our SDF provides a basic framework for identifying critical risk and vulnerability areas of community.

The funding for policing and monitoring of those risk factors is expected to come from the district and Province. We plan to cooperate with other spheres of government in implementing the adopted CHDM Disaster Management plan in all our areas. The implementation will relate to effective provision and execution of tasks such as:

- appointment of firefighters and deployment of dedicated disaster management staff to our areas
- funding of operations and continuous capacity building activities like training and awareness campaigns
- installation of local (SLM) disaster centre
- Collaboration on planning and coordination of disaster relief programmes
- Other emergency response activities

### **Education and Early Childhood development**

The role of providing and ensuring quality of education services remains the primary competence of the national department of education. Local government municipalities are however required to play a critical role in facilitating early childhood development (crèches) and adult education (Abet) support programmes.

Education is a central service to economic development and without the production of essential skills, there may be limitations in realizing the benefits of our economic opportunities. Plans are advanced to lobby relevant authorities for the establishment of a training and skills centre or FET in Cala. It is intended that this facility once in full functional status, will empower our local economy with relevant trades and entrepreneurial skills.

The trends for educational enrolments and numbers of teachers in our schools have been gradually reducing instead of growing. It is necessary to undertake detailed investigations into the reasons for this downward trend as it poses a danger to the stability of education services.

Number of Schools			
Total Number of Schools	Number of Secondary Schools	Number of Primary Schools	
68	12	56	
Number of Educators			
Additional Educators	Placed	Unplaced	Vacancies
20	10	10	50

An assessment of the recent national statistics report issued in 2012 reflects that the numbers of people without any schooling has been gradually decreasing in our municipality.

**Ward based participatory planning process identified the following issues and infrastructures for education in the Sakhisizwe LM:**

Education:	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Persons with no education	664	967	700	206	699	275	467	393	438	4,809
Facility to educate persons with no education	1	1	1	1	1	1	1	1	1	9
No of classrooms for new facility	22	32	23	7	23	9	16	13	15	160
Maintenance of existing schools	yes	yes	yes	yes	Yes	yes	yes	yes	yes	-
ECD (Grade R)	7	6	14	7	7	8	7	6	6	68
GET (Grade 1-7)	0	0	0	0	0	0	0	0	0	-
Secondary	0	1	1	1	1	1	0	1	0	6
Special Schools	1	0	0	1	0	0	0	0	0	2
FET Campus (to be based in Cala)	0	0	0	1	0	0	0	0	0	1
FET College	0	0	0	0	0	0	0	0	0	-
University	0	0	0	0	0	0	0	0	0	-
Nursing college (to be based in Cala)	0	0	0	1	0	0	0	0	0	1

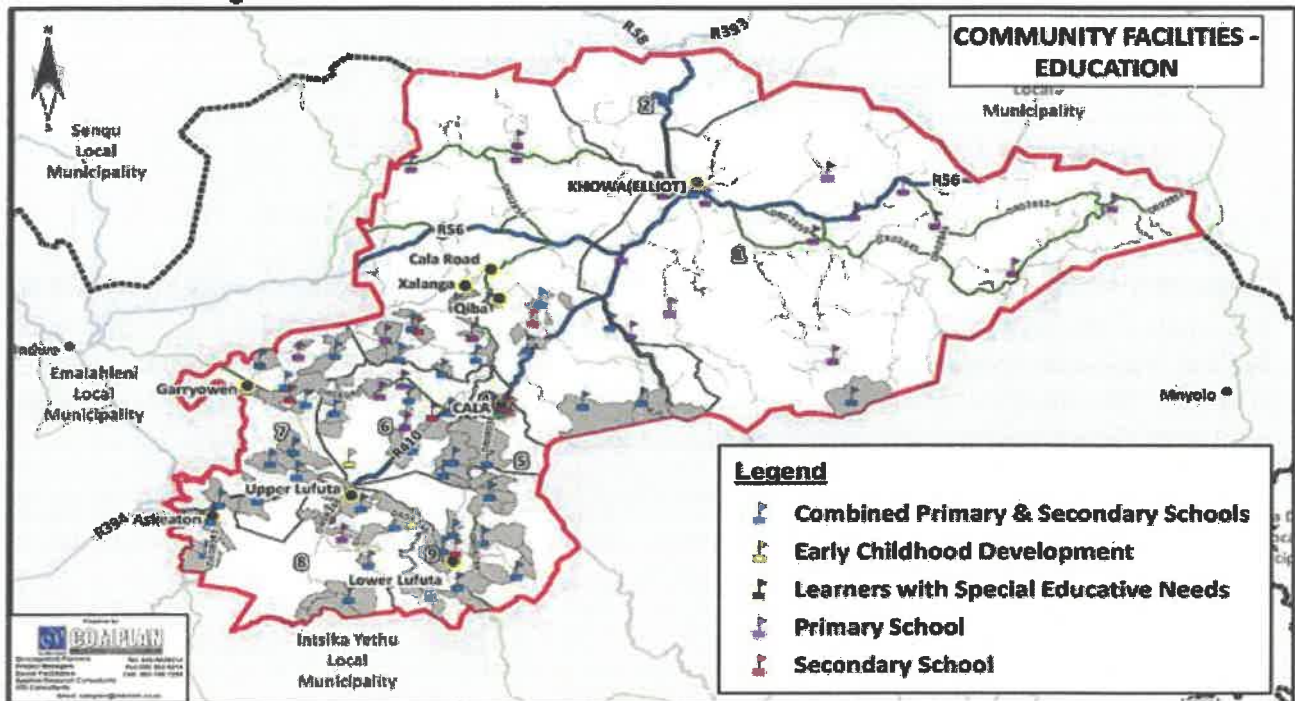
**Other challenges relating to education in Sakhisizwe LM:**

- Lack of vocational skills training institutions. The available one is not yet functional



- Inadequate equipment (laboratories) in local schools to enable effective learning for science and research
- Declining quality and standards of outputs in terms of grades and achievement for matric passes among our local high schools
- Poor planning integration by the departments of Education, Eskom, local and District municipality for provision of infrastructure support services like roads, water and refuse to schools

**Plan 4-4: Existing Education Facilities**



### 3.1.9 Energy & Electricity

#### Alternative Energy:

The supply and demand management of energy is critical to sustainable development. Sakhisizwe council subscribes to sustainable development principles and promotes exploration and utilisation of alternative sustainable energy solutions.

We are in the process of exploring various alternatives for energy including projects on solar power (for geysers, street lighting and other uses), Wind propelled energy and others. These explorations will overtime assist the municipal economy to reduce it's over reliance on energy sources that deplete our environment such as fossil fuels and coal.

#### Electricity Supply:

Electricity is the major source of energy utilised in our municipality. It currently accounts for over 97% of energy utilization. Eskom is the main provider of electricity in our areas. Sakhisizwe is licensed to supply only in the areas of Khowa town, Hill View Township and Takalani Township. At a recent Strategic Planning session of the municipality held in March 2014, it was recommended that council explore the possibility of negotiating the extension oif our license with Eskom to provide in other areas like Cala in near future. It is intended that such a move will stabilise and standardise service quality and reliability across the municipal jurisdictional areas. The move will also ensure future potential increase in our electricity sales revenue.

An analysis of supply and household access to electricity and energy sources was undertaken. StatsSA report of 2012 indicates that by 2011 the majority 79.1% of households in the Sakhisizwe municipality had



access to electricity for lighting purposes. The technical services department estimates that only 10% of households do not have access to electricity connection by February 2012.

In addition to the commitment by Eskom to ensure that all areas of Sakhisizwe are electrified by 2014, the following projects for electrification were recently completed.

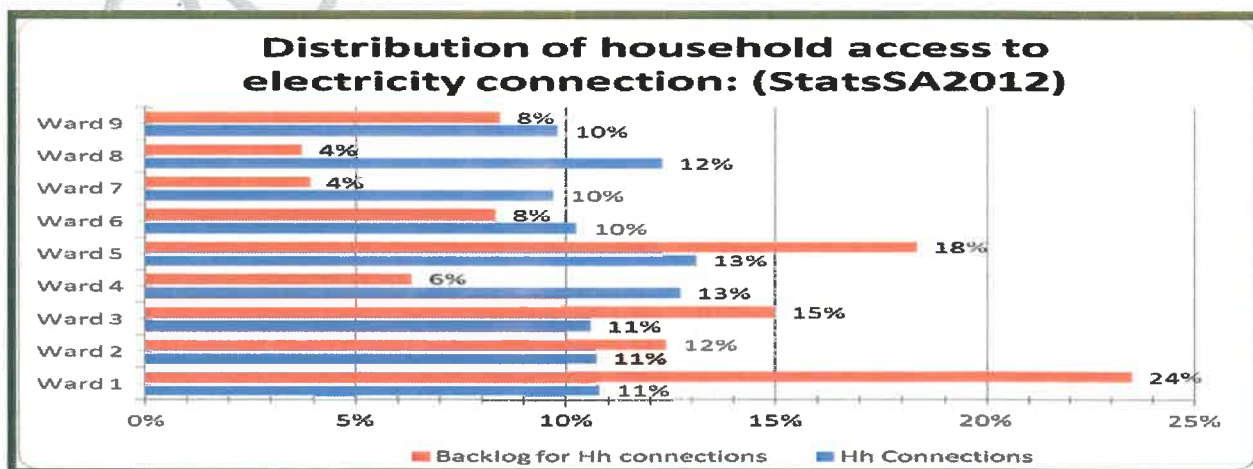
- ▶ Khowa bulk electricity network phase 1
- ▶ Khowa bulk electricity network phase 2
- ▶ Cala high mast street lighting
- ▶ Takalani township household connections (440) started in 2011-2012
- ▶ Extension 14 & 15 household connections
- ▶ Lower Langanzi M-v line networking. started in 2010-2011
- ▶ Lower Langanzi household connections (196) started in 2011-2012

**The Need for Electricity:**

The recent ward based planning assessment of services found that “the municipality is doing rather well on the supply of electricity to the homes. Of the 1536 homes / dwellings, 1292 have access to electricity for lighting. There is an immediate demand for electricity for 289 households and over the next 5 years and additional 239 raising the total planning demand over 5 years to 528 homes. There is also a need for High mast lights to be installed in each settlement to provide street lighting for the community”

The following figure gives the distribution of electricity supply and demand (household connections) by ward level. It shows that the majority of households awaiting household connections are concentrated in the wards 1 (24%), 5 (18%) and 3 (15%).

**Chart 3.1.9.1 Showing Housing Access to Electricity**



### **3.1.10 Access to land and Human Settlements**

Sakhisizwe LM is in a process of completing its land Audit Report that was initiated in the previous Council. The report is aiming at establishing land ownership patterns and guiding strategies to curb and control land invasion.

The land audit report will be used to inform the formulation of our spatial development framework. The report will also assist the municipality in responding to the parliamentary decision to reopen land claims for those individuals who could not submit by the last national deadline of 1998, it is unknown yet how many claim will emerge and how these will impact on local economy and land availability.

**Land degradation** is a common feature in the rural parts of the Eastern Cape and especially the former Transkei areas. This is caused partly by:

- Flooding due to heavy terrestrial rains which tend to erode the fertile top soils
- Poor land care practices among those who work the land
- Land invasion and negative sprawling into productive agricultural lands
- Climate change related factors

As part of current efforts to curb land degradation, the municipality is planning to work closely with the district and the department of Agriculture to lobby resources for implementation of a land care programme focused on targeted interventions to curb problems of soil erosion, sprawling of informal settlements into productive agricultural lands and capacity building of local producers (land users) to sustain or prevent loss of fertility in our arable lands.

#### **Settlement typologies:**

Apart from small pockets of privately owned land in the Cala and Khowa towns of the municipality, the largest parts of the municipal area consists of lesser forms of tenure on communal - state owned land. These forms of tenure include PTO's and Quitrent (often in overlapping allocations). The northern (former RSA) component of the Municipality consists of privately owned farms and erven. Prevalent settlement typologies are briefly discussed below.

#### **Scattered low-density rural residential settlements:**

These settlements are loosely scattered throughout the southern municipal area and are surrounded by communal grazing land, and in some instances - arable lands. The structure of most of these settlements clearly reflects a distinction between residential and arable 1 grazing uses. In a number of settlements where land use rights were in the past issued in terms of the quitrent system, these ownership and use-rights are still acknowledged and respected. The levels of service are generally low, with the majority of residential structures being self-built. Apart from a few trading stores and agricultural activities, there is little sign of any other economic activity in this area.

#### **Communal agricultural land:**

These areas make up the balance of the former Transkei part of the Municipality (outside the Cala Commonage boundary and rural settlement areas).

**Commercial farms** make up the rural component of the former RSA part of the Municipality

(Outside the Khowa Commonage boundary)

**Urban settlements** are comprised of the towns of Khowa and Cala. In comparison to their surrounding hinterland, these towns have a higher level of social and infrastructure services and hence fulfill the role of the main service centers to the surrounding hinterland.

### 3.1.11 Housing delivery

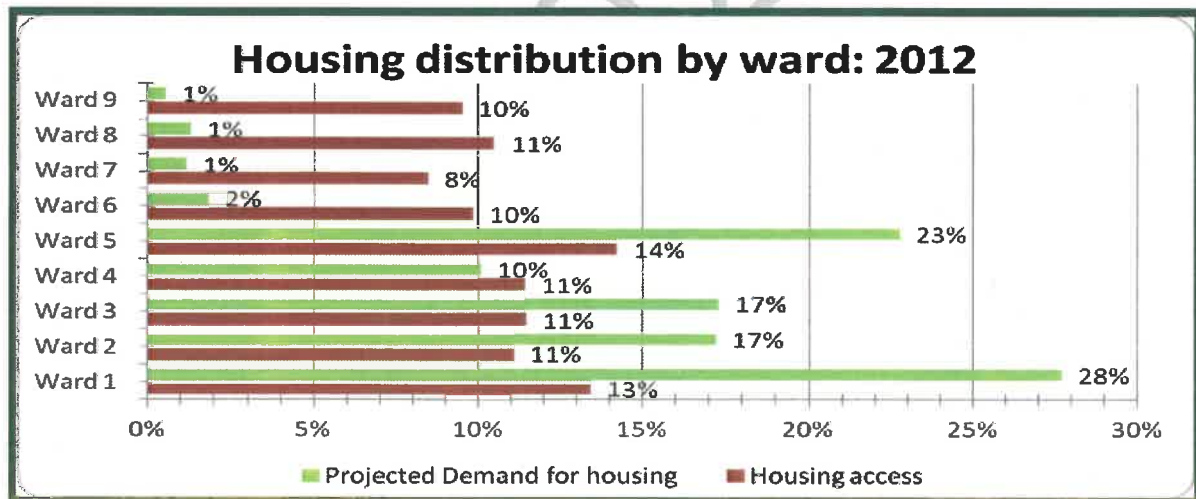
Our municipality is not a housing authority and therefore our role is often limited to administrative support like processing of beneficiary applications for subsidized housing linked to rural development and land reform initiatives. We also play a facilitating role in housing construction programme of the department of Human Settlements. Sakhisizwe has developed and adopted a Housing sector plan in 2012 (still valid) to guide its interventions and contributions to housing delivery in its areas of jurisdiction. This plan is aligned and implemented together with the provisions of our adopted spatial development framework (SDF).

The SDF proposed that the initially focus should be on densification programmes in Phola Park, Old Location in Khowa, Ndondo Square, Phakamisani, Manzindaka, and Cala Reserve. In 2013/2014 the department of Human Settlements has budgeted to rehabilitate and rectify about 65 houses as part of its disaster and emergency programme. These programmes were not completed by March 2014 and will continue.

Related bulk service infrastructure delivery linked to the delivery of housing is integrated through collaborative planning into the capital costs of the projects. The municipality has also incorporated aspects of bulk infrastructure linked to these developments in its capital infrastructure plans led by the PMU.

**Migration** is not a serious factor in housing demand within the Sakhisizwe municipality since very few numbers converge into our areas in search of greener pastures. The majority of people that constitute our housing demand are local inhabitants. There is therefore no need to develop a dedicated migration plan in Sakhisizwe.

**Chart 3.1.11.1** The estimated housing backlog in Sakhisizwe is 930 units distributed across the wards as shown below.



These units can be further categorised into the following types (internal assessment):

- 600 low income units (RDP level across SLM)
- 200 middle to upper income units (primary nodes only)
- 130 rental stock in nodal areas (Cala, Khowa towns and Lower Lafuta secondary node)

In order to satisfy the current demand the recent report on ward based planning in Sakhisizwe proposes that an estimated 464 hectares may be needed for new development demand.

**Table 3.1.11.2** below gives the distribution of housing demand by ward and hectares of land needed to satisfy the demand.

Housing:	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Land required for new housing (45%)	20.2	12.3	32.6	11.7	17.8	28.2	25.8	29.2	30.9	209
Land required for ancillary land uses (25%)	11.2	6.8	18.1	6.5	9.9	15.7	14.3	16.2	17.2	116
Land required for roads (30%)	13.5	8.2	21.7	7.8	11.9	18.8	17.2	19.5	20.6	139
Total land required in hectares (ha) ha = 10 000 m <sup>2</sup>	44.8	27.3	72.4	26.1	39.66	62.6	57.3	64.9	68.7	463.9

**Overview of housing projects in Sakhisizwe Municipality – Per Project/Ward**

WARD 1 & 3 VILLAGES	CLLR PHONOSHE & CLLR NOPHOTHE			
	NO OF APPROVED BENEFICIARIES	NO OF HOUSES COMPLETED	NO OF HOUSES AT VARIOUS STAGES	NO OF HOUSES NOT STARTED
Tsengiwe	410	220	80	110
Mnxé	138	0 (No NHBRC Enrolment)	0	138
Cala Reserve	157	0	99	58
Mhlwazi	100	0 (No NHBRC Enrolment)	0	100
<b>TOTAL UNITS</b>	<b>805</b>	<b>220</b>	<b>179</b>	<b>406</b>

WARD 3 & 6 VILLAGES	CLLR NOPHOTHE & CLLR STOFILE			
	NO OF APPROVED BENEFICIARIES	NO OF HOUSES COMPLETED	NO OF HOUSES AT VARIOUS STAGES	NO OF HOUSES NOT STARTED
Cala Pass	125	70	32	23
Echibini	150	55	64	31
Ekuphumleni	101	0	39	62
Eluxeni	40	1	17	22
Esikhobeni	31	0	3	28
Galili	2	0	0	2
Lahlangubo	3	0	0	3
Macangceni	75	42	10	23
Mgwalana	112	17	36	59
Qiba	131	2	58	71
Qithi	3	0	0	3
Thaleni	116	72	3	41

<b>Xonya</b>	<b>82</b>	<b>15</b>	<b>45</b>	<b>22</b>
<b>TBA (Unconfirmed)</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>
<b>TOTALS</b>	<b>975</b>	<b>274</b>	<b>307</b>	<b>394</b>

<b>WARD 7 VILLAGES</b>	<b>CLLR MAYONGO</b>			
	<b>NO OF APROVED BENEFICIARIES</b>	<b>NO OF HOUSES COMPLETED</b>	<b>NO OF HOUSES AT VARIOUS STAGES</b>	<b>NO OF HOUSES NOT STARTED</b>
White City	58	58	0	0
Sdikidini	54	54	0	0
Barracks	59	59	0	0
Sphafeni	28	28	0	0
<b>TOTALS</b>	<b>199</b>	<b>199</b>	<b>0</b>	<b>0</b>

<b>WARD VILLAGES</b>	<b>CLLR MAHLOMBE</b>			
	<b>NO OF APROVED BENEFICIARIES</b>	<b>NO OF HOUSES COMPLETED</b>	<b>NO OF HOUSES AT VARIOUS STAGES</b>	<b>NO OF HOUSES NOT STARTED</b>
Thembeni	11	11	0	0
Maqwathini	79	15	19	45
Mission	71	10	34	27
Manzimahle	319	0	0	319
Askeaton	106	18	71	17
Mthingwevu	137	0	0	137
Diphini	38	16	10	12
Bumbane	87	10	17	60
<b>TOTALS</b>	<b>848</b>	<b>80</b>	<b>151</b>	<b>617</b>

<b>WARD 8-9 VILLAGES</b>	<b>CLLR MAHLOMBE (WARD 8) - CLLR TASANA (WARD 9)</b>			
	<b>NO OF APROVED BENEFICIARIES</b>	<b>NO OF HOUSES STARTED &amp; COMPLETE</b>	<b>NO OF HOUSES AT VARIOUS STAGES</b>	<b>NO OF HOUSES NOT STARTED</b>
Mangweni	173	22	50	101
Madwaleni	74	42	0	32
Mbodlane	121	49	22	50
Rollwest	133	39	23	61
Hota / Mbewula	29	0	0	29
Ncalukeni	46	0	0	46
Sgangani	37	0	0	37
Sweet line	41	0	0	41
Lalini	20	10	0	10
Mazizini	41	30	0	11
Mahlungulu	32	0	0	32
Ngxingweni	47	0	0	47
Komkhulu	133	57	36	50



<b>Nomadande</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>27</b>
<b>Binca</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>34</b>
<b>TOTALS</b>	<b>988</b>	<b>249</b>	<b>131</b>	<b>608</b>

The tables above provides the status of housing development in Sakhisizwe. It should be noted that the Department of Human Settlements is still struggling with meeting the needs of the community. This is attributed by a number of issues including budget.

2022-2027 IDP

## EMERGENCY HOUSING PROGRAMME

As part of responding to recent disaster, the department has set aside a budget to reconstruct and provide housing emergency relief to victims in the Chris Hani areas including 65 in Sakhisizwe. The plan is to construct 430 units for the entire Chris Hani Region (8 Municipalities) funded by Human Settlements and COGTA Grant as follows:

NAME OF LM	NO OF UNITS	NO OF VERIFIED BENEFICIARIES	STATUS OF APPROVAL	PROGRESS
Sakhisizwe LM	65	65	65	<ul style="list-style-type: none"> <li>• 3 emerging contractors were appointed for Sakhisizwe LM, each allocated 20 units 5 will be allocated to best performing contractor.</li> <li>➤ <b>Contractor 1: Erino construction and Others services – ward (3&amp;4)</b></li> <li>➤ <b>Contractor 2: Dona Trading – ward (1,2&amp;5)</b></li> <li>➤ <b>Contractor 3: DMPHO Business enterprise – ward (6,7,8&amp;9)</b></li> <li>• 38 Steel fixing have been inspected.</li> <li>• 38 Concrete slabs have been certified.</li> <li>• 33 Wall-plates have been inspected and approved.</li> <li>• 10 Roof structures have been inspected and approved</li> <li>• 20 Roof structure not inspected</li> <li>• 10 Completions with electrical connection and water rain tanks not inspected</li> <li>• The 10 units at completion stage are being vandalized.</li> <li>• CHDM conducted verification assessment of the units to check their status of vandalism.</li> <li>• CHDM took a decision to hand over the 10 units to the beneficiaries as to curb the vandalism.</li> <li>• Contractor has cited financial challenges to attend to the defects list as some houses have been affected by Tornado with major damages. Human Settlement unit has advised the contractor to seek cessions with the material suppliers.</li> <li>• Contractor has been requested to submit the cession this week of the 19<sup>th</sup> of April 2021 for assistance on materials.</li> </ul>

CHALLENGES	MITIGATION
<ul style="list-style-type: none"> <li>The project is on hold due to dispute between CHDM and Element Consulting Engineer who does not want to take professional accountability for the design that CHDM inherited from ECDHS.</li> <li>Numerous engagement has been made with the engineer regarding professional accountability agreement without any success.</li> </ul>	<ul style="list-style-type: none"> <li>CHDM has issued notice of termination to Element Consulting Engineer on the 24 March 2021.</li> <li>CHDM is considering to surrender the programme back to the Department of Human Settlements due numerous unresolved challenges.</li> </ul>

### 3.1.12 Solid Waste Management services

#### Solid Waste Management & Refuse:

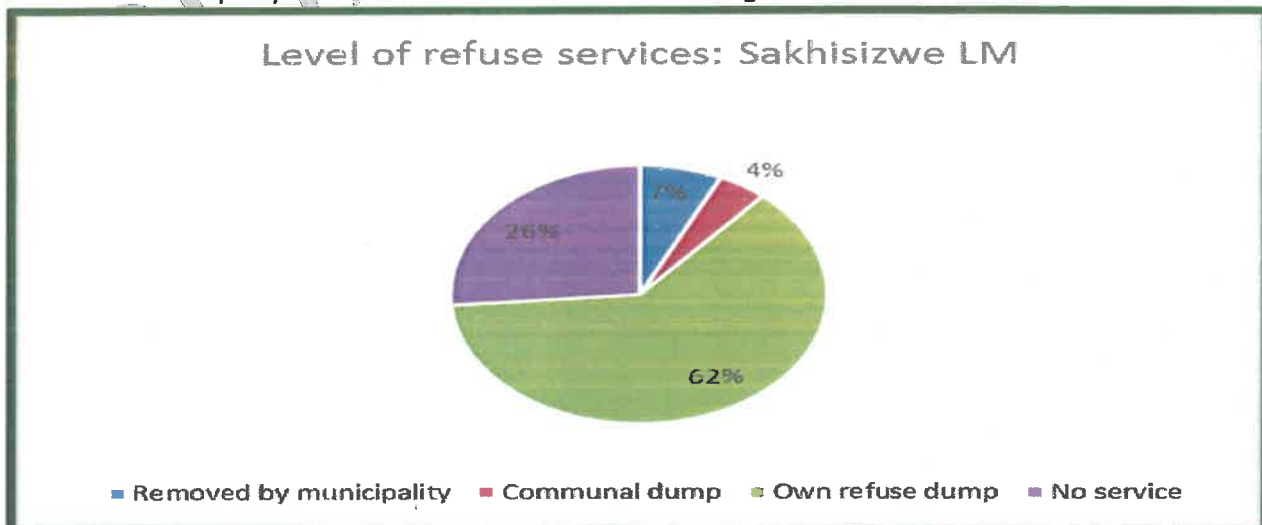
Refuse collection is a primary competence of the Sakhisizwe LM. Currently the municipality is providing this service to largely few urban based households and businesses. Similarly for cleansing and street cleaning, only the urban centres of Sakhisizwe receives this service.

The main challenge for rendering both these services is aging infrastructure that is prone to regular breakdowns and unplanned stoppages. Further, expansion to rural and outlying rural areas is difficult to achieve under such circumstances. In these areas households are either using own mechanism to dispose of their waste and refuse or dump illegally anywhere which leads to degradation and costly damages to our environment.

A landfill site is completed to accommodate waste and refuse collected in Cala by SLM. This is located near Cala Town and is operational. In Khowa, SLM has lobbied funds from environmental affairs for establishment of Khowa transfer site and currently, construction is underway.

The municipality is also engaged local economic development opportunities by promoting and supporting implementation of recycling projects linked to the landfill site. Backlog for provision of refuse removal remains high with 26% not served at all while another 62% of households use own means of disposing refuse and waste without any support from the municipality.

The unfortunate lack of provision in rural areas creates an unfair urban bias and spatial inequalities when comparing rural to urban household's access to refuse collection service. The figure below uses Community survey to give an indication of coverage for refuse collection by household access to a level of service within Sakhisizwe municipality as indicated earlier under waste management refuse collection:



Sakhisizwe LM is not an authority for waste management. The CHDM is responsible for developing policy and guiding plan (IWMP) in our areas. As Sakhisizwe we are contributing by collaborating the DM on the implementation of the adopted plan as well as participating in influencing priorities during planning. To this extend, we are committed to adapt the existing CHDM IWMP and customise it for our own context during 2014 in order to guide our interventions and waste management activities.

In terms of infrastructure for waste management, we currently operate 2 landfill sites (permitted in terms of NEMA) in Cala and Khowa. The site in Cala which is to be utilised as our primary dumping place is being upgraded to meet required standards and will be in full operation soon.

The municipality has identified as a priority, the need to conduct community awareness campaigns aimed at promoting the following objectives:

- Sensitivity to environmental impact arising from illegal and improperly disposed waste
- Sorting of waste at household source to enable smooth implementation of planned recycling interventions
- Community mobilization toward improved culture of effective waste management
- Empowerment of local operators and enterprises in the waste sector
- Dissemination of information to empower communities and entities involved in waste management
- Coordinating the implementation of the adopted CHDM IWMP programmes

### 3.1.13 Environmental & Climate Change Management

Sakhisizwe LM is assigned power and function for **air quality management** but is currently unable to fulfil this mandate due to lack of skills and staff with environmental management capacity. We hope to remedy this situation as soon as our operational budgets allow.

In the meantime, SLM will rely on support from other spheres of government (CHDM, DoEA and NGOs) to assist with planning, monitoring and production of **state of environment reports** as required by NEMA.

**Climate Change:** Sakhisizwe area experiences warm moist summers; cold dry winters and snow during the winter months. Some parts of the area also experience thunder for about 60 days a year.

**EIAs** – our PMU has identified all projects in our capital programme that will require EIAs and have set in place a process to ensure compliance during implementation. Support from the Department of Environmental Affairs on this regard will also be sourced as and when required.

The following are general environmental challenges facing Sakhisizwe LM:

**Funding and Policing:** Since this is largely a competence of other spheres of government it is difficult for our council to properly budget and provide resources for the required policing (by-laws and enforcement staff) of environmental transgressions. However, through a partnership arrangement with CHDM our municipality will be allocated dedicated public health inspectors who shall initially also be extended to undertake certain environmental management activities on our behalf. The staff will be located in our local offices.

**Capacity Challenges:** due to lack of internal capacity and human resource provision in our current structure, we are unable to undertake important functions of environmental planning and monitoring. Often, we react to disasters because we do not have appropriate plans to forecast and implement preventative interventions.

**Lack of provision for green spaces:** our towns are characterised by dire lack of public and recreational parks. The former land allocated to these activities has unfortunately been taken over by speculative development in Cala town and poor maintenance in Khowa town centre. Local inhabitants do not have descent areas where they can take their families for a picnic or kids to play.

**Flooding & Soil Erosion:** Due to prevalent terrestrial summer rains often accompanied by storms and thunder and coupled with weakened soil cover, flooding and erosion is common. The flooding problem is also compounded by our prevailing mountainous and high gradient sloping topography.

**Drought:** due to long periods of nil rain and poor protection of rain water gained during summer rains the areas of Sakhisizwe experience periodic droughts which in turn leads to degeneration of environmental assets as activities like overgrazing become unavoidable.

**Decaying urban aesthetics:** due to poorly organized refuse collection and waste management programmes coupled with lack of enforcement of local by-laws for town planning, our CBD is characterised by litter and remains from burst water mains. The town of Sakhisizwe is in a state of gradual urban decay and need urgent attention.

**Roaming animals:** due to broken and sometimes non-existent fences along grazing areas and abutting villages to main roads, roaming animals on our roads and even town streets are common phenomena. These animals are often responsible for accidents on our roads.

### **Natural Environment Analysis**

**Topography:** The Sakhisizwe municipal area comprises gently undulating "table land" forming the Drakensberg foothills. Elevations in the area range between 750m to 2600m above sea level. The soil types vary according to topography. The low-lying area is characterized by soils with high clay content (highly erodible) and the surrounding hills consist of strong litho-soils. Size of municipality is 2556 km<sup>2</sup>.

**Vegetation:** The vegetation of the area is composed of sweet and sour Grassveld. Trees and shrubs occur on sheltered sites, rocky hills and ridges. Dohne Sourveld is the most common transitional forest and shrub type and the sweet grass is dominated by Redgrass Themeda triandra. Unimproved Grassland make up (76%), with Cultivated Dry land (9%), Degraded Unimproved Grassland (6%), Forests Plantations (2.5%), Thicket Bush land (2.2%) and Built Up Areas (1 %) making up the balance.

**Environmental Development Constraints:** Overgrazing - poor farming practices, lack of stock rotation / control. This in-turn leads to degradation of vegetation, soil erosion and increase in invader plants.

**Invader plant species** - especially wattle along drainage features.

**Infrastructure services** (lack or poor positioning thereof) - including cemeteries, insufficient sanitation systems, waste disposal and the potential impact on ground and surface water sources.

#### **3.1.14 Safe and secure environment**

Crime prevention is a competence of other spheres of government and or role is to contribute and participate in established arrangements to combat escalation of crime and its negative impact on our society and economy.

Sakhisizwe is a signatory to the local SAPS integrated community safety plan. We also play a pivotal role in local crime prevention initiatives like community police forums and street committees.

We participate in strategic meetings aimed at ensuring a safe and secure Sakhisizwe for all who live and operate businesses in it. There are at least community forums in each of our nine wards. However, these institutions are not well functional and require more support and capacitation to make them more effective.

#### **3.1.15 Social cohesion & development programmes**

Social development is critical for community cohesion. Sakhisizwe municipality understands the importance of this aspect of our development and has developed close working relations with critical stakeholders like the department of Social Development, Department of Sports, Recreation and Culture.



### INTRODUCTION

National Treasury's MFMA Circulars were mainly used to guide the compilation of the 2022/23 MTREF. Some of the key challenges faced by the municipality when compiling the final budget were:

- The on-going difficulties in the national and local economy;
- the effective budgeting of repairs and maintenance of such assets
- The need to prioritise projects and expenditure within the financial means of the municipality.
- Wage increases for municipal staff, as well as the need to fill critical vacancies;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;

### OPERATING REVENUE BUDGET

The municipality's total budget amounts to R 164 128 000. Total operating revenue amounts to R120 023 000 and Capital transfers of R44 105 000. The budget takes into account all the commitments as well as outstanding creditors for 2021/2022 financial year.

Total operating expenditure amounts to R 109 109 000 and Capital expenditure of R44 105 000 (funded from MIG and INEP).

Section 18(1) of the MFMA states that an annual budget may only be funded from

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17.

Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

#### A credible budget

Amongst other things, a credible budget is a budget that:

- Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are consistent with current and on past performance and supported by documented evidence of future assumptions;
- Does not jeopardise the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore, the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic.

Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

#### Fiscal Overview of Sakhisizwe Municipality

Over the past financial years Sakhisizwe Municipality has been in dire financial distress. However through the implementation of sound and strong financial management, the municipality is moving towards relative

financial stability. There is also a high level of compliance with the Municipal Finance Management Act and other legislation directly affecting financial management.

Municipality fully adopted GRAP standard with its AFS of 2021/22

#### **Long term financial planning**

The municipality's financial position is gradually stabilizing and this budget further ensures that it stays sound. The municipality plans to continue exercising strict financial management and ensuring a cash flow which meets the requirements.

However, due to the size and tax base of the municipality, the municipality is starting to reach its ceiling in terms of its own funds and equitable grant to help fund its budget. Priorities need to be prioritised as demands will always outscore resources available.

#### **Sources of funding**

The main sources of funding can be found under SA table 1.

However, the main own funding sources of the municipality comes from property rates and service charges such as electricity and refuse. The municipality is very dependent on the Equitable Share allocation as a funding source of its operating budget. The municipality does not have any investments and all money is needed on a real "immediate" scenario. This is why money is rather put in short-term investments to obtain a better interest rate than to leave it in operating account.

#### **Sale of assets**

Municipality will also use quarterly stock and asset register to determine absolute and redundant assets and to make a recommendation to council on the disposal thereof.

#### **Auditor General Report**

AG opinions for the past five years:

<b>FINANCIAL YEAR</b>	<b>AUDIT OPINION</b>
<b>2016-2017</b>	<b>Unqualified</b>
<b>2017-2018</b>	<b>Unqualified</b>
<b>2018-2019</b>	<b>Qualified</b>
<b>2019/2020</b>	<b>Adverse</b>
<b>2020-2021</b>	<b>Qualified</b>

## Report on the audit of the financial statements for the year ended 30 June 2021

### Report on the audit of the financial statements

#### Qualified opinion

1. I have audited the financial statements of the Sakhisizwe Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2021, statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget with actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Sakhisizwe Local Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), and the Division of Revenue Act of South Africa 2019 (Act No. 4 of 2020 (Dora)

#### Basis for qualified opinion

##### Revenue from exchange

3. The municipality did not account for revenue from exchange in accordance with GRAP 9, *Revenue from exchange transactions* due to municipality not charging interest on all outstanding debt, refuse not billed for properties. As a result, revenue from exchange transactions disclosed in note 20 to the financial statements is understated by R2 million and receivable from exchange transactions disclosed in note 4 to the financial statements is understated by the same amount.

#### Restatement of corresponding figures

##### Material Losses

5. I was unable to obtain sufficient appropriate audit evidence for material losses, as the municipality did not have adequate financial information supporting the amounts disclosed in the financial statements. Consequently, I was unable to determine whether any adjustments were necessary material losses stated at R2,8 million disclosed in note 46 to the financial statements

##### Receivable from non-exchange

6. The municipality did not account for receivables from non-exchange transactions in accordance with GRAP 104, *receivables from non-exchange transactions*. The municipality did not charge interest on all outstanding debt, properties not on the valuation roll were charged rates and properties owned and occupied by the municipality were charged property rates, as a result receivable from non-exchange transactions disclosed in note 4 to the financial statements are overstated by R9 million. Consequently, the revenue from non-exchange transactions is overstated by the same amount.

##### Receivable from -exchange

7. I was unable to obtain sufficient appropriate audit evidence on the existence of debtors charged for service charges, due to inadequate accounting records. I was unable to confirm the amounts by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the receivables from exchange transactions stated at R36,3million in the financial statements

The municipality is aiming for Clean Audit Opinion towards **2022/2027**. Sakhisizwe Municipality does have an AFS Process Plan / year end preparation plan in place. The internal audit unit does a Risk Assessment on an annual basis. These assessments are managed by the Internal Audit unit during the financial year.

#### Debtors – Revenue Management

Consumers are billed on a monthly basis as per the norms and standards of revenue management. The debtor's turnover rate is 2.91. Debts are collecting according to the Revenue enhancement strategy.

#### Creditors

There are no long outstanding creditors of Sakhisizwe Municipality and creditors are paid within 30 days, as per the MFMA. The creditor's turnover rate is 3.59.

## Information and Communication Technology

The ICT Software used by Sakhisizwe Local Municipality is summarized in below:

COMPANY		PROGRAMME		APPLICATION
<b>1. Sebata</b>	1.	Sebata FMS	1	Billing
			2	Creditors
			3	Stores
			4	Ledger
			5	Assets
			6	Cash Book
			7	Payroll
	2.	Windows	1	Operating System
<b>2. Microsoft</b>	1.	MS Office	1	Word
			2	Excel
			3	Power Point
			4	Presentations and Publisher
			5	Adobe Acrobat 6.0, 8 & 5
	2.	Outlook	1	Email
<b>3. Windeed</b>	1.	Win Deed	1	Property transfers
			2	Title deed searches
			3	Report on property transfers
<b>4. First National Bank</b>	1.	Corporate Banking	1	Electronic Banking
<b>5. SITA</b>	1.	eNatis Pals	1	Motor Vehicle Registration
			1	Library Book issues

### 3.2.2 MTREF Budget 2022/23 – 2026/27

The IDP has been prepared for the Medium Term Revenue and Expenditure period which includes instances up to 2024/2025. A Budget and IDP Process Plan was developed and approved by Council during August 2021 Council meeting. The whole development of the Budget and IDP was based on the Budget and IDP Process Plan.

All the wards were visited and community needs and inputs were sought. All relevant stakeholders were consulted through the Intergovernmental Relations and Steering Committee meetings. The Draft Integrated Development Plan of 2022/23 was developed in partial response to:

- The requirements of compliance with the Local Government Municipal Systems Act (MSA) 32 of 2000 which prescribes for the review of municipal integrated development plan (IDP), in which it prescribes for the municipality to:
  - Identify the gaps that warrant review in its IDP and revise accordingly
  - Review its performance and incorporate the outcomes of the review in its IDP review
  - Comments raised by MEC on the previous IDP
  - Queries raised by the auditor general in the municipality's annual statements which bear relevance for IDP and PMS linkages
  - A gap analysis conducted on the current IDP document pointed to the following key areas for specific attention and improvement during the formulation of this IDP.

## **LEGISLATION COMPLIANCE STATUS**

### **Municipal Finance Management Act - No 56 of 2003**

The MFMA became effective on 1<sup>st</sup> July 2004. The Act modernises budget and financial management practices within the overall objective of maximising the capacity of municipalities to deliver services. The MFMA covers all aspects of municipal finance including budgeting, supply chain management and financial reporting. The various sections of the Act are phased in according to the designated financial management capacity of municipalities. Sakhisizwe municipality has been designated as a low capacity municipality. The MFMA is the foundation of the municipal financial management reforms which municipalities are implementing.

### **The MFMA and the budget**

The following explains the budgeting process in terms of the requirements in the MFMA. It is based on National Treasury's guide to the MFMA.

### **The budget preparation process**

The MFMA requires a Council to adopt three-year capital and operating budgets that take into account, and are linked to, the municipality's current and future development priorities and other finance-related policies (such as those relating to free basic service provision).

These budgets must clearly set out revenue by source and expenditure by vote over three years and must be accompanied by performance objectives for revenue and expenditure, a cash flow statement and any particulars on borrowings, investments, municipal entities, service delivery agreements, grant allocations and details of employment costs.

The budget may be funded only from reasonable estimates of revenue and cash-backed surplus funds from the previous year and borrowings (the latter for capital items only).

### **Budget preparation timetable**

The first step in the budget preparation process is to develop a timetable of all key deadlines relating to the budget and to review the municipality's IDP and budget-related policies.

The budget preparation timetable is prepared by senior management and tabled by the Mayor for Council adoption by 31 August (ten months before the commencement of the next budget year).

### **Budget preparation and review of IDP and policy**

The Mayor must co-ordinate the budget preparation process and the review of Council's IDP and budget-related policy, with the assistance of the municipal manager.

The Mayor must ensure that the IDP review forms an integral part of the budget process and that any changes to strategic priorities as contained in the IDP document have realistic projections of revenue and expenditure. In developing the budget, the management must take into account national and provincial budgets, the national fiscal and macro-economic policy and other relevant agreements or Acts of Parliament. The Mayor must consult with the relevant district Council and all other local municipalities in that district as well as the relevant provincial treasury and the National Treasury when preparing the budget, and must provide the National Treasury and other government departments with certain information on request.

This process of development should ideally occur between August and November, so that draft consolidated three-year budget proposals, IDP amendments and policies can be made available during December and January. This allows time during January, February and March for preliminary consultation and discussion on the draft budget

### **Tabling of the draft budget**

The initial draft budget must be tabled by the Mayor before Council for review by 31 March of the financial year.



**Publication of the draft budget**

Once tabled at Council, the Municipal Manager must make public the appropriate budget documentation and submit it to National Treasury and the relevant provincial treasury and any other government departments as required. At this time, the local community must be invited to submit representations on what is contained in the budget.

**Opportunity to comment on draft budget**

When the draft budget is tabled, Council must consider the views of the local community, the National Treasury and the relevant provincial treasury and other municipalities and government departments that may have made submissions on the budget

**Opportunity for revisions to draft budget**

After considering all views and submissions, Council must provide an opportunity for the Mayor to respond to the submissions received and if necessary to revise the budget and table amendments for Council's consideration.

Following the tabling of the draft budget at the end of March, the months of April and May should be used to accommodate public and government comment and to make any revisions that may be necessary. This may take the form of public hearings, Council debates, formal or informal delegations to the National Treasury, provincial treasury and other municipalities, or any other consultative forums designed to address stakeholder priorities

**Adoption of the annual budget**

The Council must then consider the approval of the budget by 31 May and must formally adopt the budget by 30 June. This provides a 30-day window for Council to revise the budget several times before its final approval.

If a Council fails to approve its budget at its first meeting, it must reconsider it, or an amended draft, again within seven days and it must continue to do so until it is finally approved – before 1 July.

Once approved, the Municipal Manager must place the budget on the municipality's website within five days.

Choose name from list - Table A1 Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	5 389	5 922	5 494	9 160	9 160	9 160	9 160	6 630	7 028	7 450
Service charges	9 896	13 079	13 032	17 744	17 744	17 744	19 444	16 832	18 959	20 004
Investment revenue	479	462	381	0	0	0	0	0	0	0
Transfers recognised - operational	64 680	72 206	88 806	79 102	79 102	79 102	79 102	85 157	89 261	95 104
Other own revenue	8 490	7 113	14 631	12 210	12 210	12 210	12 210	11 403	12 009	12 246
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>88 934</b>	<b>98 781</b>	<b>122 344</b>	<b>118 216</b>	<b>118 216</b>	<b>118 216</b>	<b>119 916</b>	<b>120 023</b>	<b>127 257</b>	<b>134 803</b>
Employee costs	35 456	34 186	39 401	35 196	31 571	31 571	31 571	40 156	41 788	43 968
Remuneration of councillors	5 678	6 984	7 099	4 427	3 677	3 677	3 677	6 947	7 270	7 523
Depreciation & asset impairment	13 482	45 475	8 811	10 832	10 832	10 832	10 832	9 971	9 971	9 971
Finance charges	238	551	119	562	652	652	652	280	280	280
Inventory consumed and bulk purchases	14 807	12 960	14 172	16 947	16 224	16 224	16 224	17 771	18 929	20 104
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	38 600	31 674	40 445	37 529	39 231	39 231	39 231	33 985	34 364	34 599
<b>Total Expenditure</b>	<b>108 261</b>	<b>131 831</b>	<b>110 046</b>	<b>105 482</b>	<b>102 186</b>	<b>102 186</b>	<b>102 186</b>	<b>109 109</b>	<b>112 602</b>	<b>116 445</b>
<b>Surplus/(Deficit)</b>	<b>(19 328)</b>	<b>(33 050)</b>	<b>12 298</b>	<b>12 734</b>	<b>16 029</b>	<b>16 029</b>	<b>17 729</b>	<b>10 914</b>	<b>14 656</b>	<b>18 359</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	4 199	23 511	24 023	49 435	49 435	49 435	49 435	33 191	33 564	32 329
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	0	0	0	0	0	0	0
Surplus/(Deficit) after capital transfers & contributions	(15 129)	(9 539)	-	62 158	65 464	65 464	67 164	44 105	48 220	50 688
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(15 129)</b>	<b>(9 539)</b>	<b>-</b>	<b>62 158</b>	<b>65 464</b>	<b>65 464</b>	<b>67 164</b>	<b>44 105</b>	<b>48 220</b>	<b>50 688</b>

## **Revenue Management**

The base assumption is that tariff and rating increases will increase at a rate of CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage of annual billings. The collections of the municipality on outstanding debtors are anticipated to increase during the coming financial period due to implementation of effective credit control and the revenue enhancement strategy to be developed. It should however be noted that the revenue budgeted for are 100% based on billing and therefore we need to explore and implement effective controls to increase our billing capacity to decrease our current grant dependency.

### **Growth or decline in tax base of the municipality**

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Effective credit control will be implemented to assist in the achievement of the 65% collection for the 2022/23 year.

### **Final Tariff increases**

It should be noted that the tariffs are attached as an annexure to the budget due to the complexity of the tariffs versus the budget schedule.

- Service charges – Electricity has increased by 9.60% for 2022/2023. This is based on the average increase approval from NERSA.
- Property rates tariffs – 6%percent increase
- Interest on investments – We aim to put more monies on our short term investment accounts resulting in an increase of interest received.
- Interest on outstanding debtors – Based on the more effective implementation of the credit control and debt management policy it is expected to decrease.
- Asset Disposal, we aim to dispose of the obsolete and aging fleet in attempt to raise some cash flow and decrease the maintenance expenditure.

### **Salary increase and Council Remuneration**

There is a collective agreement on salary increases in place for the budget year. Based on the circular and the notch increase we have budgeted for 4.9% plus 1% per cent increase for the 2022/2023 period and 4% for senior managers.

The budget for the council remuneration has been corrected from prior years and increased by 4% compared for 2022/2023 financial year based on the actual remuneration of present councillors

### **Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Poverty Alleviation

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

#### **Ability of the municipality to spend and deliver on the programmes**

It is estimated that a spending rate of almost 100% will be achieved over the MTREF period.

This is due to that current budget implementation measures are focused on prior period errors as well as forward looking.

Budgets are prepared in an environment of uncertainty. To prepare a meaningful budget, assumptions are made about internal and external factors that could influence the Annual Budget.

#### **Other assumptions:**

- Investments  
Sakhisizwe municipality does not have long-term investments, only call accounts which are included in the cash and cash equivalents as per our annual financial statements.
- Borrowing  
The municipality is not in a process of applying for any loans.

#### **Service delivery**

As part of the improvement of service delivery, more strategies will need to be developed and implemented to ensure that we meet the needs of the community and eliminates factors that have a negative effect on councillors' finances.

#### **Implementation of GRAP**

The municipality fully implemented GRAP in 2010/2011 financial year. FMG (grant received from National Treasury) and own revenue is used to maintain compliance with GRAP. In the 2022/2023 budget, a budget has been set aside to assist with continued implementation of mSCOA.

The project also involves the review of the current Asset Management Policy to be aligned to GRAP standards and other policies.

#### **Internal Charges**

The current method of cost recovery between service departments must be reviewed in terms of Activity Based Costing Principles and Standards. Activity based costing principles if correctly applied, will ensure that all costs applicable to a specific service are recorded. This means that tariff setting will be improved.

#### **Functions outsourced and functions performed on agency basis**

- No municipal services have been contracted out to section 21 or Proprietary Limited companies other than there one for external securities.
- Agent for Department of Roads and Transport on certain e-Natis transactions.

#### **Operating Budget**

The 2022/2023 operating expenditure budget amounts to R109 109,000 million (including non-cash items).

#### **Capital Budget**

The 2022/2023 capital budget amounts to R44 105,000 million. (Including MIG, INEP).

#### **Employee cost and other expenditure to total Operating expenditure**

The total employee cost for 2022/2023 including Councillor Allowance amounts to 38% of the total operating expenditure. It should be noted that the casual wages, standby allowances and overtime are included as part of employee related cost. Furthermore, the increase in employee related costs does not cater for the salaries that are being funded by grants.

Total operating expenditure amounts to R109 109,000 million in 2022/23. It should be noted that General Repairs and Maintenance reflects under other expenditure. It should further more be noted that the Transfers and grants are R 44 million of the total operating expenditure.

2022-2027 IDP



Choose name from list : Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Re	2018/19			2019/20			2020/21			Current Year 2021/22					2022/23 Medium Term		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	1 <sup>st</sup> Year audit outcome	2 <sup>nd</sup> Year audit outcome	3 <sup>rd</sup> Year audit outcome	2022/23 Budget Year	2023/24 Budget Year +1	2024/25 Budget Year +2					
<b>Revenue By Source</b>	1																	
Property rates	2	5 389	5 922	5 494	9 160	9 160	9 160	9 160	9 160	9 160	12 000	7 028	7 450					
Service charges - electricity revenue	2	5 722	8 602	8 826	12 871	12 871	12 871	14 571	0	0	0	13 837	14 575					
Service charges - water revenue	2	-	-	-	0	0	0	0	0	0	0	0	0					
Service charges - sanitation revenue	2	-	1	3	0	0	0	0	0	0	0	0	0					
Service charges - refuse revenue	2	4 174	4 475	4 202	4 873	4 873	4 873	4 873	4 873	4 832	5 122	5 429						
Rental of facilities and equipment		612	208	276	1 399	1 399	1 399	1 399	1 399	280	297	314						
Interest earned - external investments		479	462	381	0	0	0	0	0	0	0	0						
Interest earned - outstanding debtors		5 754	4 840	4 340	5 956	5 956	5 956	5 956	5 956	6 188	6 549	6 768						
Dividends received		-	-	-	-	-	-	-	-	-	-	-						
Fines, penalties and forfeits		102	825	57	1 513	1 513	1 513	1 513	-	-	-	1 516						
Licences and permits		28	43	680	263	263	263	263	263	273	290	290						
Agency services		1 567	634	1 131	2 409	2 409	2 409	2 409	2 409	2 503	2 601	2 601						
Transfers and subsidies		64 880	72 206	88 806	79 102	79 102	79 102	79 102	79 102	85 157	89 261	95 104						
Other revenue	2	427	492	183	670	670	670	670	670	728	757	757						
Gains		-	71	7 964	-	-	-	-	-	-	-	-						
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>88 934</b>	<b>98 781</b>	<b>122 344</b>	<b>118 216</b>	<b>118 216</b>	<b>118 216</b>	<b>119 916</b>	<b>120 023</b>	<b>127 257</b>	<b>134 803</b>							
<b>Expenditure By Type</b>																		
Employee related costs	2	35 456	34 186	39 401	35 196	31 571	31 571	31 571	40 156	41 788	43 968							
Remuneration of councillors	2	5 676	6 984	7 099	4 427	3 677	3 677	3 677	6 947	7 270	7 523							
Debt impairment	3	2 311	215	8 170	3 980	3 980	3 980	3 980	4 135	4 297	4 297							
Depreciation & asset impairment	2	13 482	45 475	8 811	10 832	10 832	10 832	10 832	9 971	9 971	9 971							
Finance charges	2	238	551	119	562	652	652	652	280	280	280							
Bulk purchases - electricity	2	12 637	11 967	13 430	15 553	15 453	15 453	15 453	15 930	17 029	18 204							
Inventory consumed	8	2 170	993	742	1 394	771	771	771	1 841	1 900	1 900							
Contracted services		16 437	17 843	17 178	16 811	17 458	17 458	17 458	13 878	14 098	14 333							
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-							
Other expenditure	4, 5	19 851	13 617	15 056	16 738	17 792	17 792	17 792	15 971	15 969	15 969							
Losses		-	-	40	-	-	-	-	-	-	-							
<b>Total Expenditure</b>		<b>108 261</b>	<b>131 831</b>	<b>110 046</b>	<b>105 492</b>	<b>102 186</b>	<b>102 186</b>	<b>102 186</b>	<b>109 109</b>	<b>112 602</b>	<b>116 445</b>							

	(19 328)	(33 050)	12 298	12 724	16 029	16 029	17 729	10 914	14 656	18 359
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / (monetary allocations) (National / Provincial/Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	4 199	23 511	24 023	49 435	49 435	49 435	49 435	33 191	33 564	32 329
6	-	-	-	0	0	0	0	0	0	0
Transfers and subsidies - capital (in-kind - e	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	(15 129)	(9 539)	36 320	62 158	65 464	65 464	67 164	44 105	48 220	50 688
Taxation	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	(15 129)	(9 539)	36 320	62 158	65 464	65 464	67 164	44 105	48 220	50 688
Attributable to minorities	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to</b>	(15 129)	(9 539)	36 320	62 158	65 464	65 464	67 164	44 105	48 220	50 688
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	(15 129)	(9 539)	36 320	62 158	65 464	65 464	67 164	44 105	48 220	50 688

### Expenditure Management

The grants programme its expenditure on transfers can be found under SA table 19.

Details of each grant are shown in the schedule that follows:

Name of Grant	Operating/capital	Allocation authority/department	Purpose of grant
Library Services	Operating	Province/ Cultural Affairs and Sport	To enable public libraries to render an improved service by addressing staffing shortages and operating needs.
Councillor remuneration	Operating	National Treasury	To assist municipalities with the cost of Cllr remuneration
Local Government Financial management grant (FMG)	Operating	National Treasury	To promote and support reforms in financial management by building capacity in municipalities to implement MFMA
Municipal Infrastructure Grant (MIG)	Operating/ Capital	COGTA	To supplement capital finance for basic municipal infrastructure. The operating portion is utilised for project management unit.
Equitable Share	Operating	National Treasury	The equitable share of national revenue in accordance with the requirements of the Constitution.
EPWP	Incentive	National Public works	To assist with job creation

Vote Description	Re	2018/19		2019/20		2020/21		Current Year 2021/22				Revenue & Expenditure					
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	audit	2022/23	Year +1	Year +2					
<b>R thousand</b>	1																
<b>Capital expenditure – Vote</b>	2																
<b>Multi-year expenditure. to be app</b>																	
Vote 1 – MM OFFICE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 – BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 – COMMUNITY SERVICES		-	5 113	1 901	-	7 250	6 550	6 550	6 550	3 190	3 190	-	-	-	-	-	-
Vote 4 – Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 – IPED		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 – TECHNICAL SERVICES		-	9 462	11 854	-	18 053	11 476	11 476	11 476	17 419	19 763	-	-	-	-	-	20 539
Vote 7 – COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 – COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 – [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 – [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 – [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 – [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 – [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 – [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 – [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub</b>	7	-	14 574	13 755	14 574	25 303	18 026	18 026	18 026	20 609	22 953	20 609	18 026	20 539			
<b>Single-year expenditure to be app</b>	2																
Vote 1 – MM OFFICE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 – BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 – COMMUNITY SERVICES		19 026	-	1 722	-	2 667	2 667	2 667	2 667	1 788	1 788	1 788	2 667	1 788	1 788	315	1 788
Vote 4 – Corporate Services		-	75	283	75	531	301	301	301	315	315	315	301	315	315	0	315
Vote 5 – IPED		-	-	-	-	-	0	0	0	0	0	0	0	0	0	0	0
Vote 6 – TECHNICAL SERVICES		39 131	16 94	11 622	16 94	19 426	25 656	25 656	25 656	12 132	6 199	12 132	25 656	6 424	6 424	-	6 424
Vote 7 – COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 – COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 – [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 – [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 – [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 – [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 – [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 – [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 – [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Vote Description	Re	2018/19	2019/20	2020/21	Current Year 2021/22				2021/23 Program Term Revenue & Expenditure			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Year audit outcome	2022/23	2023/24	2024/25	
<b>Capital expenditure - Vote</b>												
<b>Multi-year expenditure - to be appx</b>	<b>2</b>											
Vote 1 - MIM OFFICE		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - COMMUNITY SERVICES		-	5 113	1 901	7 250	6 550	6 550	6 550	3 190	3 190	-	-
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - IPED		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		-	9 462	11 854	18 059	11 476	11 476	11 476	17 419	19 763	20 539	-
Vote 7 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub</b>	<b>7</b>	-	<b>14 574</b>	<b>13 755</b>	<b>25 309</b>	<b>18 026</b>	<b>18 026</b>	<b>18 026</b>	<b>20 609</b>	<b>22 953</b>	<b>20 539</b>	-
<b>Single-year expenditure to be appx</b>	<b>2</b>											
Vote 1 - MIM OFFICE		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - COMMUNITY SERVICES		19 028	-	1 722	2 867	2 667	2 667	2 667	1 788	1 788	1 788	-
Vote 4 - Corporate Services		-	75	283	531	301	301	301	315	315	315	-
Vote 5 - IPED		-	-	-	0	0	0	0	0	0	0	-
Vote 6 - TECHNICAL SERVICES		39 131	1 694	11 622	19 426	25 656	25 656	25 656	12 132	6 199	6 424	-
Vote 7 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-



Vote Description	Re	2018/19		2019/20		2020/21		Current Year 2021/22				Revenue & Expenditure		
		Audited Outcome	2018/19	Audited Outcome	2019/20	Audited Outcome	2020/21	Original Budget	Adjusted Budget	Full Year Forecast	audit	Year	Year +1	Year +2
<b>R thousand</b>	1	58 159	58 159	1 769	16 344	13 627	22 823	28 623	28 623	28 623	14 236	8 303	8 526	
Capital single-year expenditure sub-t-		58 159	58 159	1 769	16 344	13 627	22 823	28 623	28 623	28 623	14 236	8 303	8 526	
<b>Total Capital Expenditure - Vote</b>		58 159	58 159	16 344	16 344	27 383	48 132	46 650	46 650	46 650	34 845	31 256	29 067	
<b>Capital Expenditure - Functional</b>		-	-	75	75	283	981	551	551	551	315	315	315	
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-	-	-	-	
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	
Finance and administration		-	-	75	75	283	981	551	551	551	315	315	315	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	
<b>Community and public safety</b>		19 028	19 028	5 113	4 923	3 131	7 867	7 167	7 167	7 167	3 478	3 478	288	
Community and social services		-	-	190	190	1 948	276	76	76	76	3 478	3 478	288	
Sport and recreation		19 028	19 028	4 923	4 923	1 183	791	791	791	791	-	-	-	
Public safety		-	-	-	-	-	6 800	6 300	6 300	6 300	-	-	-	
Housing		-	-	-	-	-	0	0	0	0	0	0	0	
Health		-	-	-	-	-	-	-	-	-	-	-	-	
<b>Economic and environmental services</b>		39 131	39 131	10 285	10 285	21 090	32 680	32 098	32 098	32 098	19 219	20 962	21 738	
Planning and development		-	-	-	-	-	0	0	0	0	0	0	0	
Road transport		39 131	39 131	10 285	10 285	21 090	32 680	32 098	32 098	32 098	19 219	20 962	21 738	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	
<b>Trading services</b>		-	-	870	870	2 386	6 604	6 834	6 834	6 834	11 632	6 500	6 725	
Energy sources		-	-	870	870	2 386	4 804	5 034	5 034	5 034	10 332	5 000	5 225	
Water management		-	-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	
Waste management		-	-	-	-	492	1 800	1 800	1 800	1 800	1 500	1 500	1 500	
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure - Functional</b>	3	58 159	58 159	16 344	16 344	27 383	48 132	46 650	46 650	46 650	34 845	31 256	29 067	

Vote Description	Re	2018/19		2019/20		2020/21		Current Year 2021/22				Revenue & Expenditure		
		Audited Outcome	2018/19	Audited Outcome	2019/20	Audited Outcome	2020/21	Original Budget	Adjusted Budget	Full Year Forecast	audit	Year	Year +1	Year +2
<b>R thousand</b>	1	58 159	58 159	15 445	16 344	16 602	24 009	23 427	23 427	23 427	29 551	25 962	26 963	
National Government		58 159	58 159	15 445	16 344	16 602	24 009	23 427	23 427	23 427	29 551	25 962	26 963	
Provincial Government		-	-	815	815	8 367	19 875	19 375	19 375	19 375	3 190	3 190	-	
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	
(monetary allocations) (National /		-	-	-	-	-	-	-	-	-	-	-	-	
Provincial Departmental Agencies,		-	-	-	-	-	-	-	-	-	-	-	-	
Households, Non-profit Institutions,		-	-	-	-	-	-	-	-	-	-	-	-	
Private Enterprises, Public		-	-	-	-	-	-	-	-	-	-	-	-	
Corporations, Higher Educational		-	-	-	-	-	-	-	-	-	-	-	-	
<b>Transfers recognised - capital</b>	4	58 159	58 159	16 260	16 344	24 969	43 884	42 802	42 802	42 802	32 741	29 152	26 963	
<b>Borrowing</b>	6	-	-	-	84	2 414	4 248	3 848	3 848	3 848	2 104	2 104	2 104	
<b>Internally generated funds</b>		-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Capital Funding</b>	7	58 159	58 159	16 344	16 344	27 383	48 132	46 650	46 650	46 650	34 845	31 256	29 067	

### 3.4 NKPA-LOCAL ECONOMIC AND SPATIAL DEVELOPMENT

#### 3.4.1 Introduction

The council adopted its current LED strategy in July 2011. It is noted that there is still a huge need to develop a new strategy as the current one is outdated and that will focus on the detailed assessment of area in the context of economic growth and development. In the strategy the municipality sees its role in economic development as primarily to create conducive environment for investment attraction and leveraging of efforts for sustained growth and poverty alleviation.

Sakhisizwe, the main Economic Sectors are Community services, agriculture, and trade. The municipality has vast land for agriculture and livestock that can be used to grow the economy and create employment.

Sakhisizwe municipality derives its mandate from a number of pieces of legislation and frameworks that have been developed from other spheres of government while responding to the developmental needs of the area. The figure below illustrates how the municipal LED links to the district developmental agenda.

**Developmental agenda/5 priority areas**



### **3.4.2 Sakhisizwe Municipality Competitive Advantage**

In order to identify the competitive advantage of each segment, the structure of the local economy must be understood.

This is best done by conducting a comparative analysis of local municipalities within the CHDM in order to determine whether the local municipality's economy is relatively specialized. The documents collected from the CHDM, (especially the Competitive Assessment and Training Support Project - Programme of Support to LED in Eastern Cape, 2005) and the LMs were analysed and reflected the following.

The Municipality lies at the foothills of the Drakensberg and the natural environment is the basis for the rural economy through tourism and agriculture. As such, any development strategies need to ensure that environmental integrity is not compromised. Challenges include high unemployment and reliance on public sector employment, poverty, slow economic growth, and the duplication of basic social services and infrastructure provision to two nodes resulting in the Municipality being financially stretched.

Agricultural limitations include shallow soils, low rainfall, temperature variation and lack of irrigation water, as well as lack of security on farms due to armed robbery, stock theft and murder. Agriculture is the second largest contributor to employment and GVA and there is growth in small businesses (mainly in the retail and service sector) in Cala, yet Khowa is noted as having a declining business sector. Mondi has established in the area, having bought out many farms and planted them to timber, although their regional offices and staff are housed in neighbouring Ugie (Elundini).

#### **KEY ELEMENTS OF MUNICIPAL COMPETITIVE ADVANTAGE**

##### ***Infrastructure and Services***

Sakhisizwe's Communications (transport and telecommunications) infrastructure is modest, with operational rail facilities and an air transport facility (Need to be revived), limited road surfacing (11.63%) and a low percentage (24.52%) of direct access to telephones. Sakhisizwe is fairly close to Umtata but is a considerable distance from the Provincial secondary economy of East London and Port Elizabeth.

On Quality of Life, Sakhisizwe reflects poor access to health (71.6%) and education facilities (95%) are relatively high. Access to sanitation (31.8%), particularly municipal flush toilet is low and concentrated in the urban centres. Access to adequate shelter is moderate, while access to water (77.1%) and electricity (74.4%) is substantially higher than Provincial and District average.

##### ***Institutional Environment***

Sakhisizwe is largely rural, with an urbanisation rate of only 27.83% and the majority of people living on tribal land, although the majority (65.04%) of all households own their properties.

The local economy is highly concentrated, dominated by the Community Services sector in terms of both GVA (5%) and employment (31%). The cost of doing business in the area is relatively high principally on the basis of transaction costs arising through distance, and travel time, to a major economic centre and considering the absence of a Telkom service branch in the area. Expenditure on transport, communication and finance is slightly more favourable than the Provincial average while access to institutional and financial support institutions is limited.

##### ***Economic Indicators***

Sakhisizwe has a youthful population, with over half (53%) of the population aged under 20 years, and claims higher than Provincial and District average rates of unemployment (60.4%), dependency (3.89), poverty (84.66%) and households receiving less than R1500 per month (75.9%) but only 51.3% of

households receive social grant. An indication of the depth of poverty in the area is revealed by the Municipality's share of the Provincial poverty gap (1.35%) compared to its share of the Provincial population (1.10%).

In terms of **Economic Performance**, Sakhisizwe Local Municipality is divided into seven wards with bulk of population residing in the extensively rural wards that encompasses the two urban centres of Cala and Khowa.

On the **Sector Performance** the greatest contributor to the GGP is the community and social services sector which employs 31% of the workforce. Private households and Agricultural sectors employ 21% and 17% respectively. Besides these two the following are the key drivers of the local municipality: cultural tourism, construction, transport and storage, and finance and insurance.

#### **COMPARATIVE ADVANTAGE**

The local economy claims a comparative advantage, for both GDP and employment, in Community Services (dominated by Education at 25.90% GVA and 31% employment) and Agriculture (dominated by the Agriculture and Hunting sub-sector at 4.63% GVA and 17% employment). A further GDP advantage is reflected for Trade, dominated by the Retail sub-sector (22.70%), while employment advantages are evidenced for Households (21%).

The Municipality claims a range of leading products, including sheep, goats, cattle, sunflowers and maize. Forestry and tourism are important sectors. Additional products identified as sustainable include a full range of grain, nuts, fruit and vegetables, as well as fodder and processed meat.

Land is identified as suitable for forestry and as under-utilised, presenting high potential for further agricultural development, particularly for dry land maize, potatoes and beans as well as irrigated maize. Potential exists for local production and marketing of vegetables, while high grazing potential favours livestock farming. Sakhisizwe falls within the "Friendly N6" tourism region and is closely tied to the Maloti (Lesotho) Route, geared at tourism opportunities around the theme of Xhosa culture, while the landscape of the area is identified as an opportunity for game and eco-tourism.

#### **3.4.3 Local Economic Development (LED) Sectors**

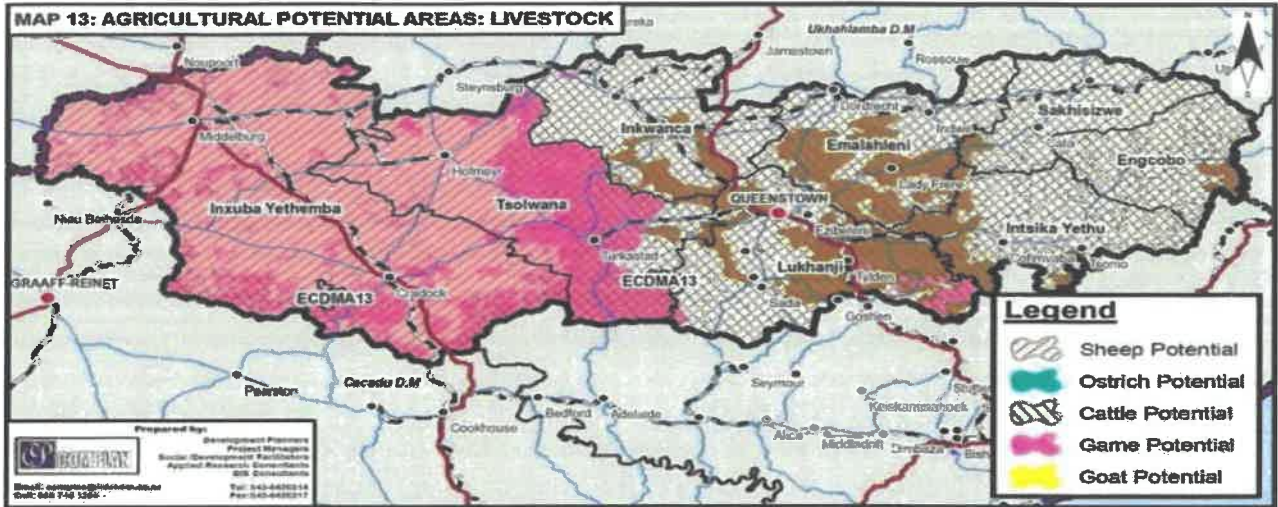
Agriculture remains one of the key potential growth sectors in the economy of the District.

##### **Livestock Production**

Livestock farming is an important source of income for both commercial and communal farming in Eastern Cape. Sakhisizwe Local Municipality is also characterised by livestock farming which again is communal. The main type of stock that is kept and bred is often cattle and sheep

The mixed veld types of the Eastern Cape present a competitive advantage for livestock activities. The Sakhisizwe Local Municipality has adequate good quality grazing land that makes the area being suitable for livestock farming such as cattle, sheep, pigs and goats. Sheep and cattle are found in large parts of the municipal area. This type of farming is regarded as subsistence livestock farming within the municipality.





In the CHDM, the following tables have been identified as livestock numbers and livestock potential areas within the district.

**CHDM Estimated Livestock Numbers (Head)**

Municipality	Cattle	%	Sheep	%	Goats	%	Total	%
Sakhisizwe	61 814	13.7	258 842	9.6	21 046	3.5	341 702	9.1

Source: CHDM Area Based Plan, 2009

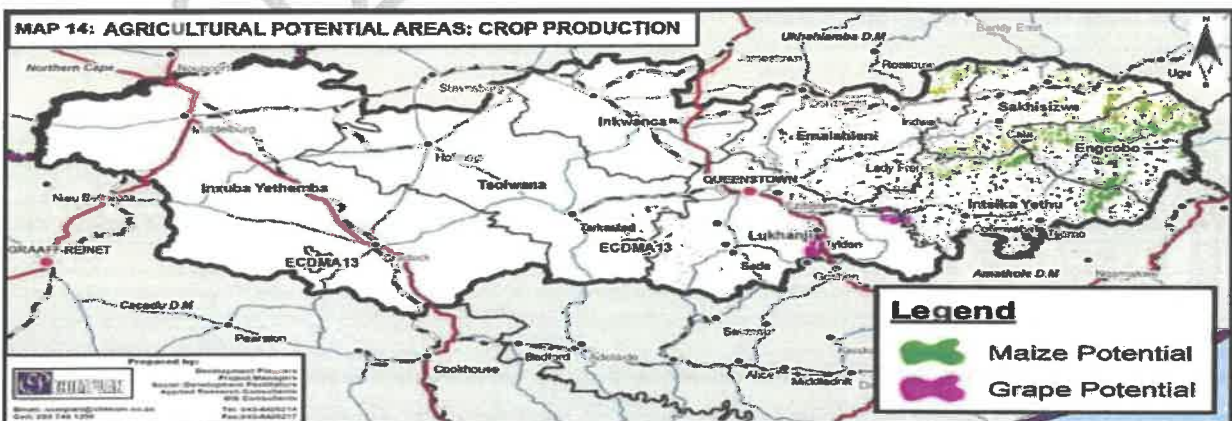
**Livestock Potential Areas**

Municipality	Livestock Potential
Sakhisizwe	Beef cattle

Source: CHDM Area Based Plan, 2009

Additionally, there are ASGISA livestock projects dealing with livestock/heifers and bulls in Sakhisizwe and Engcobo LMs. These projects valued at R28 million covers 86 farms and 890 beneficiaries. These farmers are organized through four co-operatives, namely, Tsomo Valley, Umthombo, Cicira Ntungela andlthemba Farmer Co-operatives

**Crop Farming**



Dryland cropping is only feasible in small parts of CHDM within the Intsika Yethu, Sakhisizwe and Engcobo municipalities. The Department of Rural Development and Agrarian Reform (DRDAR) has prioritised these areas under the Massive Food Programme and the Siyazondla homestead food production programme.



The Siyazondla homestead food production programme assists with improving household food security. There is presently 8000 ha under irrigation with CHDM containing two of the largest irrigation schemes in the Eastern Cape i.e. Ncora and Qamata. A further 7600 ha could be placed under irrigation if the large Gariep Transfer Project were to be implemented. In addition to these schemes there are several large scale commercial farming enterprise

Co-operative Support through Rural Agro-Industries Finance Initiative (RAFI) Program is a program that has been designed at maximising the commercial agricultural output and agro-industrialization in partnership with the government of Brazil. Out of the 200 hectors that are required by the project, 40 000 has been allocated to CHDM. This portion has been distributed amongst the 6 local municipality, depending on the quality of the required soil. Currently the project is still at conception stages and there are regular meetings on progress and status.

This future development must consider the recommendations from the District's WSDP (Water Services Development Plan) that CHDM should not consider developing any more irrigation schemes apart from the already established schemes and must look at other methods of irrigation schemes such as drip irrigation which ensure that water evaporation is minimised. In spite of this scenario there are vast areas of underutilised land within the existing schemes such as Shilo where only 40% of the scheme is currently utilised. CHDM and DRDAR have prioritised these irrigation schemes under their respective revitalisation and resuscitation programmes. Their collaborative efforts are focused towards attracting investors to run the schemes under private- public partnerships. It is for this reason that high value crop options and production methods such as hydroponics and bio-fuels are being investigated.

In addition funding has been provided for setting up the correct institutions to run the schemes, building of lay dams, centre pivots and irrigation systems, upgrading of office facilities, seed, planting and harvesting operations as well as equipment such as tractors, ploughs and trailers. However due to the complex community structures residing within the schemes, the effort of the District and its partners has not yet resulted in independent and financially sustainable irrigation schemes although considerable progress has occurred. Whilst crop production and agro-processing sector remain important areas of intervention within the District, the present cost of transport to high volume markets will most likely render local production uncompetitive until substantial economies of scale and consistent quality can be achieved.

There are ASGISA projects for the production of fruits in the District, namely, Intsika Yethu stone fruit project for peaches, plums and nectarines and Hota Mbewula fruit (peaches) project, Gubenxa Valley Fruit project at Sakhisizwe.

#### **Agricultural Potential Areas (Crop Farming)**

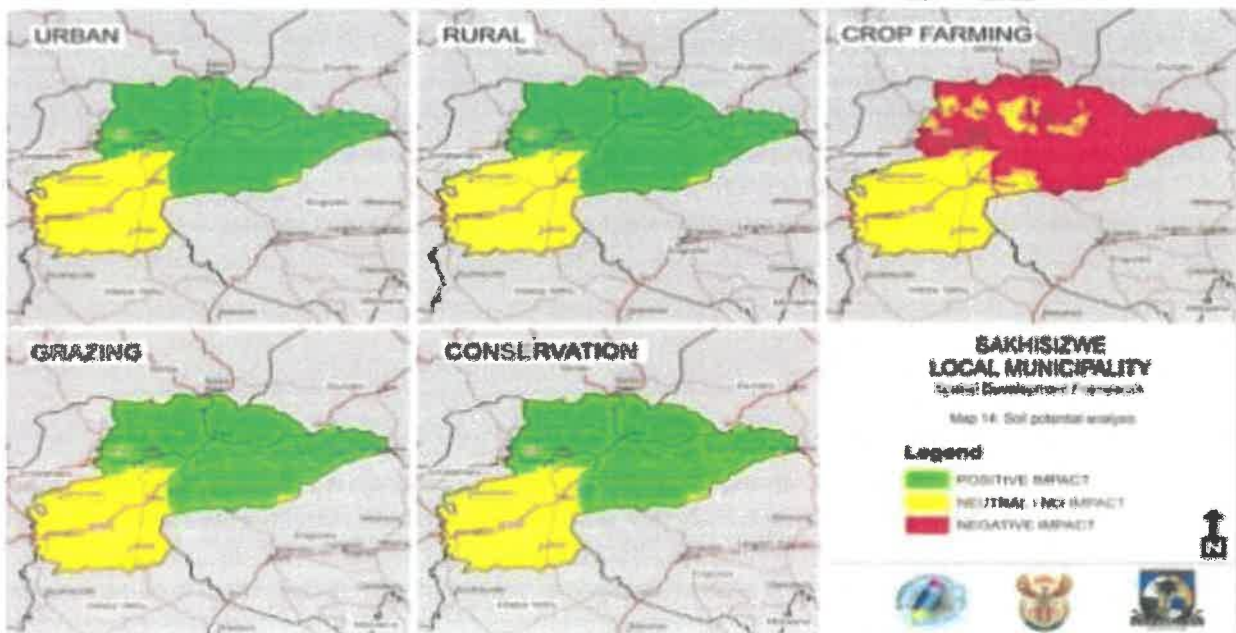
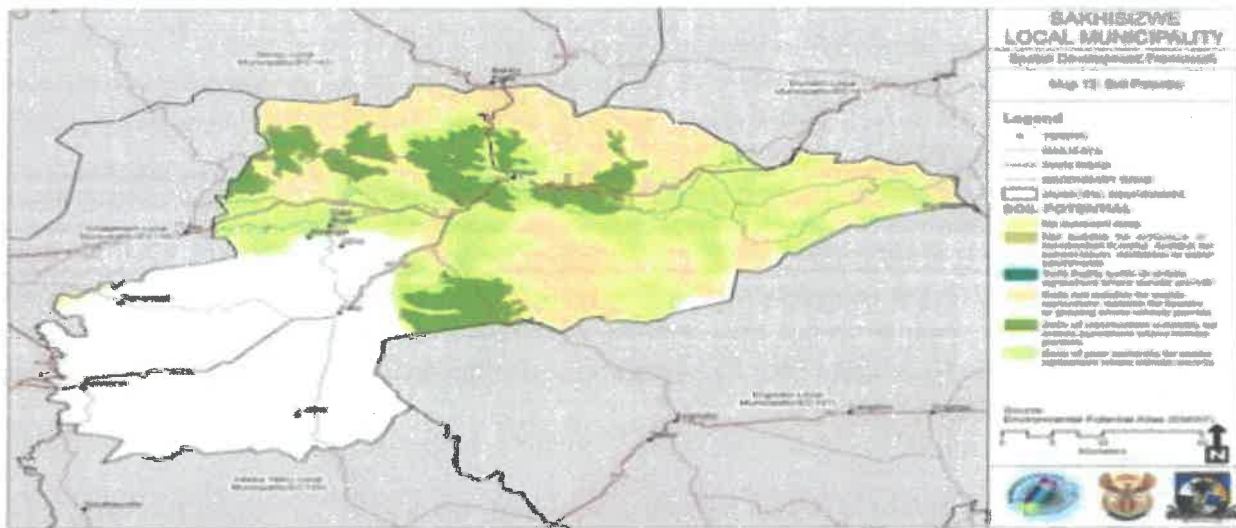
<b>Local Municipality</b>	<b>Present Activities</b>	<b>Potential Crop</b>	<b>Potential fruit</b>
<b>Sakhisizwe</b>	Maize, beans, pumpkins and Sorghum	Maize, sorghum, wheat, oats, barley, pumpkins, beans, sunflower and vegetables	Peach, Apple

Source: CHDM CD (2007)

#### **Agriculture**

Sakhisizwe has high potential for agricultural produce but this potential is not yet fully explored. The municipality is also endowed with high fertility lands for crop growing. However, this potential remains unutilised in most parts of the municipality. According to the LED Strategy the municipal agriculture production is characterised by largely small communal farming units that produce specific crops individually and farming outputs and some few commercial farms in especially Khowa areas.

During the development of our adopted SDF, a detailed analysis of soils potentials was undertaken and the figures below illustrate where these potentials exist.



Approximately 40% of land in the Sakhisizwe municipality is arable lands. This land is currently occupied by a range of land uses including:

- Communal grazing
- Communal subsistence agricultural production which is largely led by individualised small pockets of gardens and ploughing fields. This is more prevalent in the former Transkei areas which remain largely rural and underdeveloped
- Commercial farming in especially the northern parts of Khowa
- Dispersed forestry activities with minimal commercialization (of largely blue wattle, pine and gum tree species).

Sakhisizwe is also characterised by livestock farming which again is largely communal. The main types of stock that is kept and bred is often goats, sheep and cattle. We have a large stock of goat population estimated by local agricultural extension officers at over 24000 while cattle and sheep is estimated to be around 18000 and 21000 respectively.

The average annual rainfall for the municipality ranges between 600 – 1000. The combination of the local soil conditions and high rainfall makes the land susceptible to erosion if development and land use activities are not properly managed.

The main sources of water for agriculture and other purposes are:

- Rivers
- Dams
- Borehole (underground)
- Reticulated grid (mainly for drinking water) linked to reservoirs which are located in various areas of Cala and Khowa.

Agricultural infrastructure is predominantly lacking in many areas of the municipality and especially those under communal lands. There is a need to lobby the departments of Agriculture as well as Rural Development and Land reform to prioritise funding of catalyst infrastructure projects to revitalize agricultural production in Sakhisizwe. The priority support and infrastructure necessary should include but not limited to:

- Training and capacitation of farmers (skills to operate agricultural enterprises and linkages to market)
- Provision of functional mechanical implements and machinery for production (irrigation equipment, tractors, ploughing tools, workshops for repair of machinery, stock dams, sales pans, feeding lots, stock medicines and other)
- Fencing of lands to mitigate damages caused by stray animals
- Security of assets
- Land purchases to promote and empower previously disadvantaged to become fully fledged commercial farmers
- Breeding stock (bulls, rams and other)

We estimate that if agricultural sector can be fully supported and capacitated, it can easily contribute over 30% of jobs in our local economy and would significantly improve its contribution to gross domestic product (GDP).

### Forestry, Timber and Wood Products

Sakhisizwe Local Municipality also has woodlots and a few hectares of category A Plantations (Pine stands). The area has a potential of being rich in forestry, timber and wood production. The Sakhisizwe Local Municipality is richly endowed with a number of forest plantation resources and these forest plantations are owned by Department of Agriculture, Forestry and Fisheries (DAFF). Mondi enterprise has been established in Sakhisizwe Local Municipality area, having bought out many farms and planted them to timber, although their regional offices and staff are housed in the neighbouring Ugie town in Elundini Local Municipality

#### Distribution of Plantations within Sakhisizwe Local Municipalities

LM	Ownership			
	Private	State	Community	Total
Sakhisizwe	9224	455		9679

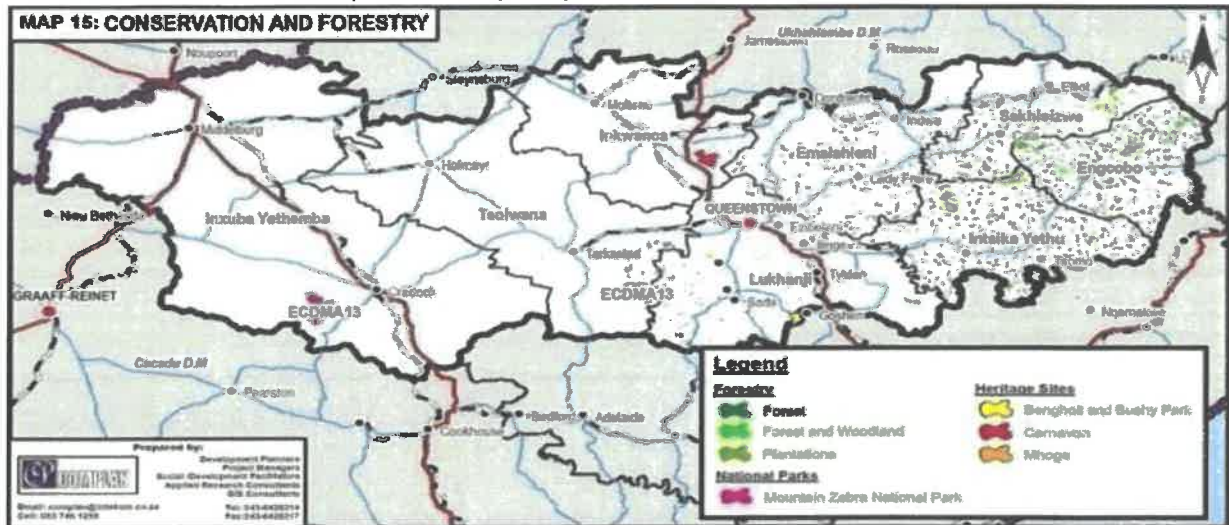
Source: CHDM Corridor Development Plan (2012)

The Sakhisizwe Local Municipality is among the areas with high potential for new afforestation. The table below shows the new forestry potential in the local municipal area

#### New Afforestation Potential within Sakhisizwe Local Municipalities

LM	Forestry Potential (hectares)			15% of land
	Good	Moderate	Total	
Sakhisizwe	987	56494	57481	8622

Source: CHDM Corridor Development Plan (2012)



In terms of timber processing within the various municipalities in the CHDM, Sakhisizwe Local Municipality has a Charcoal manufacturing plant, using gum and wattle as raw material. Though the plant has in over the years failed to live to its intended function and as a result the municipality is engaging the District municipality and private partners for the revival of the plant.

The forestry enterprises, activities and potentials within local municipalities for economic development planning purposes are provided for municipality with significant commercial forestry potential areas.

Table below present the Sakhisizwe summary of the extent of existing and potential forestry, and the numbers and scale of forestry activities. They also provide estimates of employment numbers and revenue generation within the plantations and existing wood processors in 2007.

**Summary of Sakhisizwe Municipality**

Sector Segment	Number	Scale/Extent (ha, m3/a or t/a)	Employees	Revenue (Rm/a)
Commercial Plantations	1	9 224		23.3
Woodlot Plantations	2	455	188	0.1
<b>Total Existing</b>	<b>3</b>	<b>9 679</b>	<b>188</b>	<b>23.4</b>
Afforestation Potential - Moderate		56 494		
Afforestation Potential - Good		987		
<b>Total Potential</b>		<b>57 481</b>		
<b>Total Plantation</b>		<b>67 160</b>		
Natural Forests (Group)	468	0		
Sawmills - Large	0	0		
Sawmills - Medium	0	0		
Sawmills - Small	0	0		
Sawmills - Indigenous	0	0		
Chipboard	0	0		
Veneer	0	0		
Pole Treatment	0	0		
Charcoal	1	600		
<b>Total Processing</b>	<b>1</b>	<b>600</b>	<b>15</b>	<b>0.1</b>
<b>Grand Total</b>			<b>203</b>	<b>23.5</b>

Source: CHDM Corridor Development Plan (2012)



The situational analysis of the forest plantations and woodlots in Sakhisizwe Local Municipality reveals that their management is poor. The operational costs of the forest plantations and woodlots far outweigh the income generated by these plantations. This, in other words means that these forests are operated at a loss. The quality that is produced is not good.

In order to address these issues, the strategy with the following components was proposed:

- Value adding processes
- Proper management of forest plantations
- Investment promotion
- Meaningful empowerment of communities
- Continued monitoring and evaluation of the process to address the problem areas.
- Capacitation of the existing small saw millers

Despite the existence of raw material, land for afforestation and market opportunities, the forestry sector in Chris Hani District Municipality remained uninspiring, with very little significance to and impact on the economy of the region. In order to address this and to take advantage of a number of opportunities that the sector presents, specifically in relation to SMME promotion and community empowerment, Chris Hani Municipality and the Local Municipalities have prioritized forestry as one of the sectors that they are key to economic development of the region.

The Wood Cluster programme was then developed out of this with the following anchor Projects:

- Furniture factory
- Pole treatment plant
- Charcoal production
- Tree nursery project
- Afforestation programme

### Tourism

The tourism industry also contributes significantly to the economy of Sakhisizwe Local Municipality. Wildlife, scenic beauty (rock art), warm hospitality and cultural heritage make the municipality area a promising tourist destination. Cala Mountain Pass is one of the lead tourist attraction features in Sakhisizwe Local Municipality. Sakhisizwe Local Municipality falls within the “Friendly N6” tourism region and is closely tied to the Maluti (Lesotho) Route, which is geared at tourism opportunities around the theme of Xhosa Culture, while the landscape of the area is identified as an opportunity for game and eco-tourism. The Sakhisizwe Local Municipality lies at the foothills of the Drakensberg Mountains and the natural environment is also the basis for the rural economy through tourism.

Listed below are some of the tourism and heritage attractions within Sakhisizwe Local Municipality:

Tourism & Heritage Attractions	Descriptions
<b>Bathandwa Ndondo Route</b>	<p>The balanced and accurate history, especially the Liberation History of Sakhisizwe Local Municipality areas has yet to be written. However, the following is a brief account of the Bathandwa Ndondo Route which is part of the bigger Chris Hani District Municipality Tourism Route:</p> <ul style="list-style-type: none"> <li>▪ The Khowa (Elliot) Five</li> <li>▪ Bathandwa Ndondo</li> <li>▪ Mnxo Location</li> <li>▪ Mnxo Location</li> <li>▪ Phumezo Nxiweni</li> <li>▪ Traditional Leaders: Stokwe Ndlela &amp; Gecelo</li> </ul>
<b>The Khowa (Elliot) Five</b>	<p>MK Cadres had performed an operation in the Butterworth and Security Forces put up roadblocks on all exits from the Transkei. The vehicle carrying MK Cadres at the roadblock in Navar Farm about 5 km from Khowa (Elliot)</p>



	Town. A gun battle took place at which MK Cadres, Zola Mqadi and Lungile Sifuba were killed (7 August 1981). Other Cadres including Mathabatho Sexwale escaped to Barkly Pass where they were also shot and killed a week later.
<b>Bathandwa Ndondo</b>	Bathandwa Ndondo (1963-1985) did his primary schooling in Cala Town where he stayed with his aunt, Mrs Ntsebeza. He became politically active while studying law at the University of Transkei where he was elected as a Member of the Student Representative Council (SRC). He was expelled during his 3 <sup>rd</sup> year and became a fieldworker for the Health Care Trust in Cala. On 24 September 1985, he was picked up by police, acting under the direction of Vlakplaas Commander, Eugene De Kock. Bathandwa jumped out of the police vehicle and made for the nearest house, belonging to Mr Vikilahle. The police followed, shouting 'Shoot the dog' and Bathandwa perished. The responsible police headed for Barkly East where they celebrated with a braai and drinks, as well as receiving a reward of R500 each.
<b>Mnxé Location</b>	During the period of Tshisatshisa (burn-burn) (1958-1963), people of Mnxé Location resisted the imposition of rehabilitation and of Chief ship, publicly insulting KD Matanzima by saying that he might be Chief at Qamata, not but he was not wanted in Xhalanga District. The opposition took the name amaDyakophu after the Jacobins of the French Revolution. Matanzima brought his 'soldiers' from Qamata, not real soldiers at all but thugs. M Manzana Vintwembi was killed by these people, and even decapitated. Others were assaulted and tortured with electric shocks. Teachers were dismissed and deported. The people's stock was looted their furniture was destroyed.
<b>Phumezo Nxiweni</b>	Phumezo (1965-1988) was a medical student at University of Natal when he was recruited into MK. Following the 1985 ANC decision to step up the armed struggle, he was involved in an MK cell which carried out bombing in Durban. He was arrested in 1985 and eventually released, only to be abducted and killed by the apartheid regime in 1988
<b>Traditional Leaders Stokwe Ndléla and Gecelo</b>	Traditional leaders first became aware of Colonial Rule when Mr Levey, the Magistrate at Souhteyville near Cofimvaba, started to collect taxes and to claim authority over them. The final straw came when they were told to surrender their guns. The same week that Dalasile attacked Ngcobo, Stokwe Ndléla of AmaQwathi Gecelo of AmaGcina, together with Siqungathi of amaHala, attacked Lady Frere (Cacadu). The colonial army, however, had been informed that Stokwe was riding a white horse. He was badly wounded at the Battle of Ndonga and hidden in a nearby cave. It would appear the cave collapsed, killing Stokwe, but his exact grave site is not known. Gecelo survived the war, but his Great Place was expropriated to make space for Cala Town. He was buried at Mbhenge Location

The small town of Khowa (Elliot) lies in the Valley of Slang River, covering an area of only 7 km. The town is situated at the foothills of the Southern Drakensburg Mountains in the Eastern Cape Midlands of South Africa. This town offers activities such as; rock art, dinosaur footprints and skeleton site, abseiling down the Tsitsa Falls, fly-fishing, horse trails, Ecowa and other scenic hiking trails, Gatberg, adventure sports, scenic Barkly Pass, Naude's Nek and Bastervodpad (4x4) and wild flower tours. Registered guides are also available. The Khowa region boasts numerous high-quality game reserves and safari opportunities such as white-water rafting, leisurely strolls in the great outdoors.

Rock paintings from the country's earliest inhabitants (The San people), provide a unique eye into the world of many generations ago. Most of the paintings are mapped out, but there are still many that lie undiscovered in the more remote areas of the region.

Accommodation in the municipality area includes B&B's, Guesthouses, Self-catering and camping.

### **Retail Industry**

The main concentration of retail and trade facilities and services is mainly at municipal urban areas. The retail industry is characterised by formal and informal trading. Retail is considered as a source of income generation to the Sakhisizwe Local Municipality community members, however, there is significant growth in small businesses, mainly in the retail and service sector. Also to be noted is the high rate of foreign nationals owned retail stores especially around Cala town.

### **Formal Sector**

Due to the low density and low disposable income in the rural areas, the critical threshold required to make shops feasible are hardly achieved so that most of the shops in the rural areas involve small outlets that only trade in the most basic foodstuff and consumer commodities. Currently in Sakhisizwe Local Municipality, there is a number of major shops such as Spar, Boxer Super Market and other mini-shops, taverns and hardware which are mostly owned by foreign nationals in the urban areas. There are also filling stations, bed and breakfast, and light industries such as bakeries.

### **Informal Sector**

Sakhisizwe Local Municipality is characterised by a thriving local economy whose business activities are mainly informal in nature. Informal trading is an integral part of the public transport operation and are mostly prominent in the Central Business Districts (CBD's) of the two main towns of the municipality. The main informal activities including the selling of:

- Fruit and vegetables
- Livestock, such as chicken
- Ready prepared meals
- Clothes and shoes

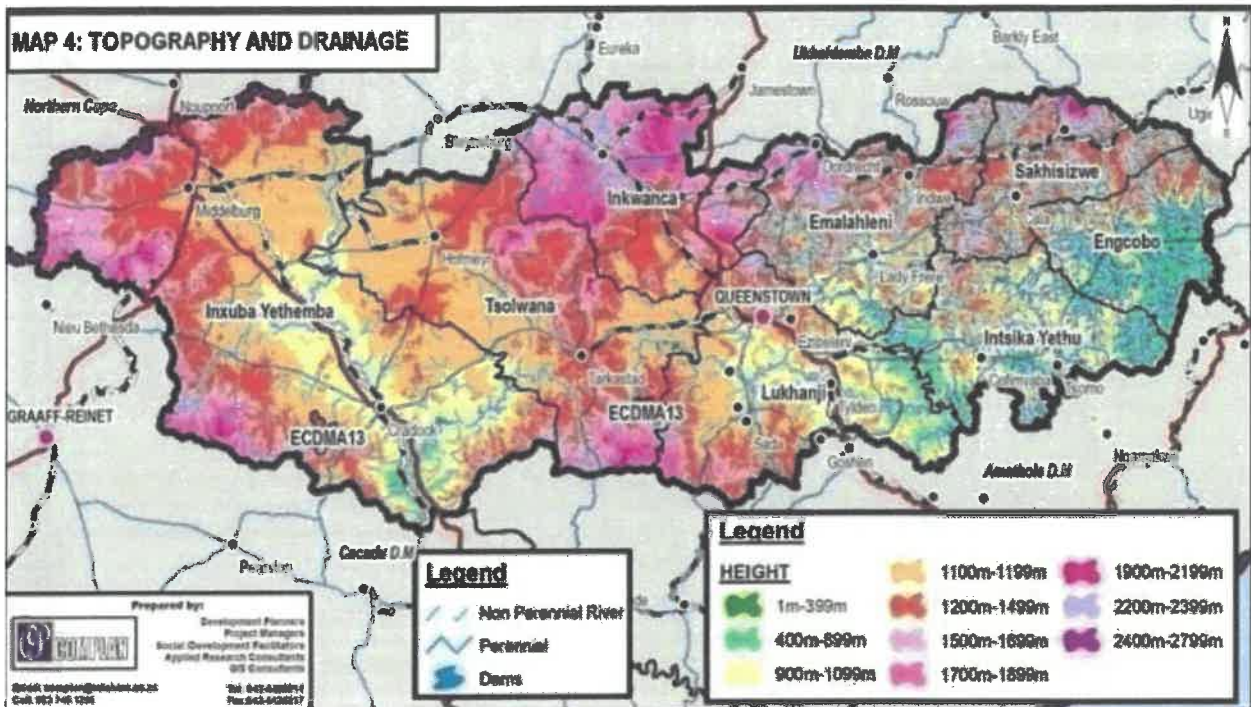
### **Manufacturing**

Manufacturing represents a small proportion of the CHDM economy at 8 % GGP and 5 % employment, though there is so much potential within the municipality.

### **Trade and Services**

Trade and services contributes in total between 16 % to the District GGP in 2000 and 22 % employment in 2004. The majority of SMME's are found in the retail and service sector (73%). It is the predominant form of economic activity in CHDM, especially the major centres.

**Climate Change and Natural Environment  
Relief and Drainage**



The District is part of what is described as gradual “step” topography. The “step” are formed by the Winterberg mountain range in the south and Stormberg range north of Sterkstroom.

**Temperature**

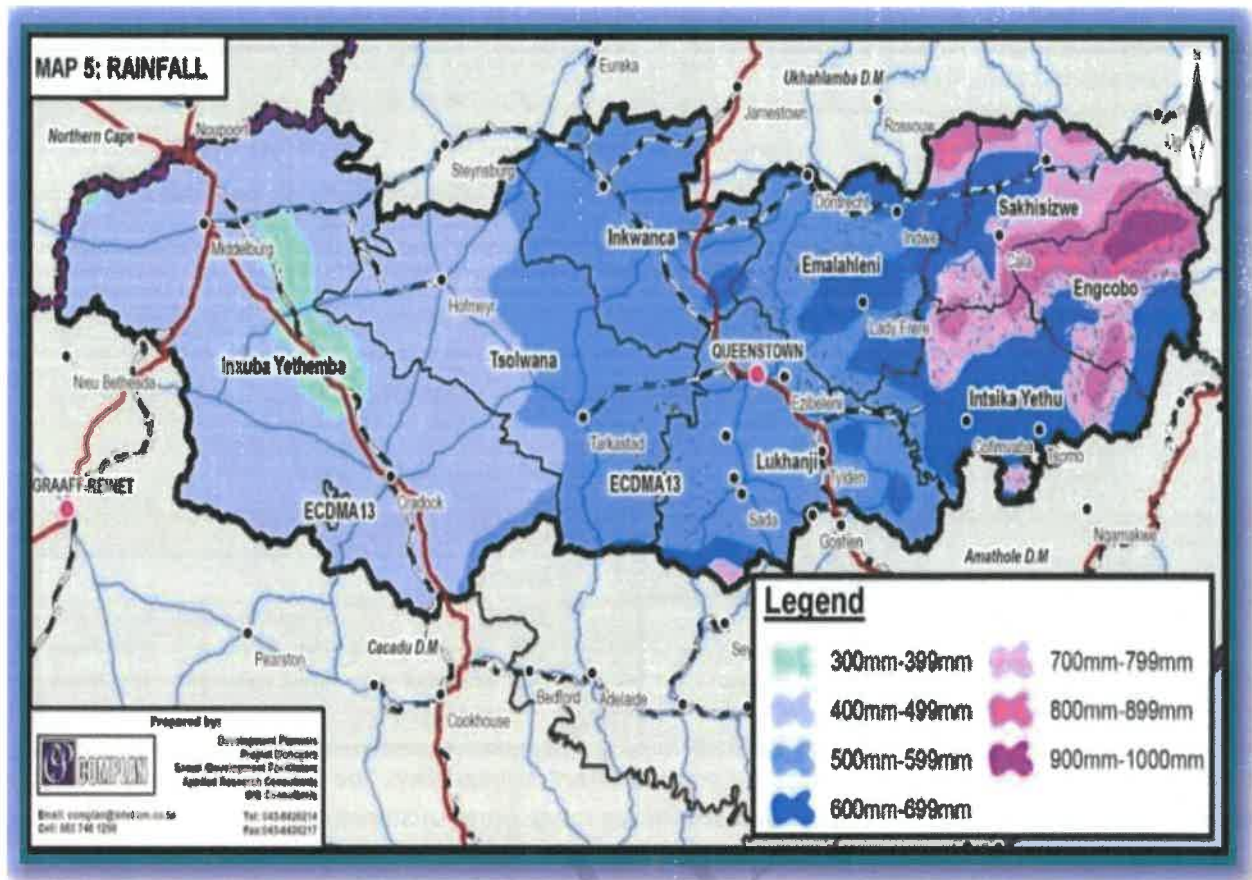
The temperature is characterized by extremes. During the summer months the maximum temperature often exceeds 40°C in the lower lying areas in the western section of the study area. Minimum temperatures in the winter months in the high lying areas are often well below zero and frost is a common occurrence throughout the area. The average commencing date for frost in most of the areas is the 20th April and the average last date for frost is the 10th October. Frost can, however, occur at any time of the year in the Molteno District. This area experiences the largest inter-diurnal variation in the temperature. The temperature in the eastern part of the District is a bit more moderate with most occurring from 21st May to 10th September.

**Prevailing Winds**

During the summer months, the prevalent wind direction in the study area is north-westerly (berg winds) whereas south-easterly to south-westerly winds prevail during the winter months. Wind, however, is not regarded as a limiting factor in the study area.



## Rain fall



The rainfall varies dramatically over the area depending mostly on altitude and distance from the coast. In the western arid areas, the average annual precipitation is between 200mm and 300mm whereas in the eastern high lying areas of Cofimvaba it is 700-800mm. The greater part of the area is, however, arid to semi-arid and receives less than 400mm per annum.

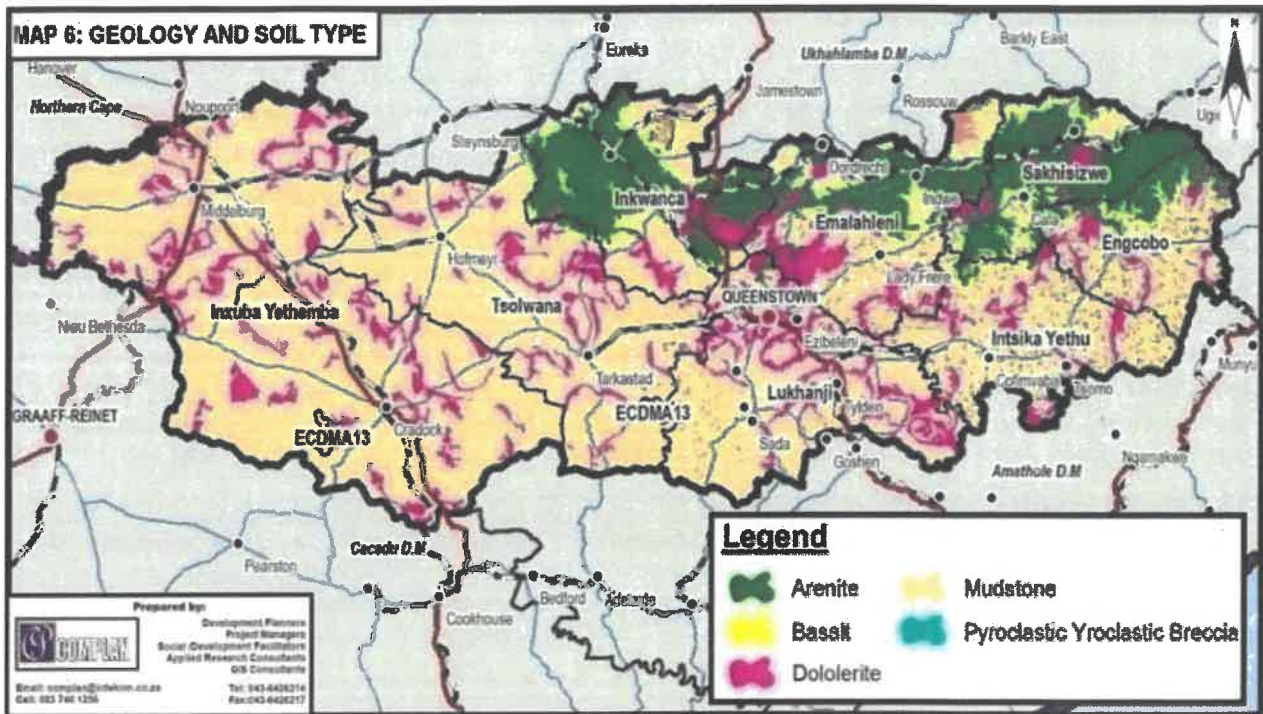
Rainfall distribution is poor and dry spells are a frequent occurrence. The rainfall of the former Transkei shows little variation and can therefore be classified as reliable. This variation of rainfall during the early summer months makes early planting of agronomic crops risky. It is a summer rainfall area with 70% -80% of the precipitation occurring during the summer months in the form of thunderstorms. These storms are often of high intensity and are sometimes accompanied by hail. Only 20-30% of the rainfall occurs during the winter month, which usually results in snowfalls on the Chris Hani District Municipality plateau and the high lying mountainous areas of Compassberg Winterberg.

Further west, there will be poorer rainfall distribution, with severe droughts occurring fairly frequently. The rainfall in the eastern area (Cofimvaba and Ngcobo) is more evenly spread, except for the early summer months when "dry" spells can be expected, which makes the early planting of agronomic crops risky..

### Evaporation

Evaporation in the District is much higher than the average annual rainfall. The area thus experiences negative water balance. The evaporation in the arid western area is 2 146 mm per annum, whereas it is approximately 1 700mm per annum in the Lady Frere and Cofimvaba Districts. This phenomenon complicates crop production as it requires moisture conservation for dry land cropping and sophisticated irrigation management.

**Geology and Soils**



The District consists mainly of Beaufort sediments intruded by dolerite. These comprise shale, mudstone and sandstone.

The soils in the District area are mainly from the Beaufort and Molteno series of the Karoo sequence. As a result, the soils are poorly developed, shallow or duplex, which are mostly not suitable for crop production. In the Fish River Valleys, however, deeper soils do occur. In the Fish River Valley, for example, there are 15 soil forms of which the Hutton, Clovelly and Oakleaf forms (Binomail Classification) are dominant.

**Vegetation**

About 50% of the entire area of CHDM is covered by South-eastern Mountain Grassland and Subarid Thorn Bushveld vegetation types. Eastern Mixed Nama Karoo, South-Eastern Mountain Grassland and Moist Upland Grassland also cover significant areas of the CHDM. A single layer of grasses dominates grasslands, however, the amount covers depends on rainfall and degree of grazing. The western section of Chris Hani District Municipality consists mostly of mixed Nama Karoo Veld whilst the eastern section consists mostly of moist upland grassland.

**Existing Pressure on the Vegetation Types**

<p><b>South-Eastern Mountain Grassland</b></p>	<p>This sweet grassland type is important land owing to suitable winter grazing. However, injudicious, selective grazing can convert it to sourveld or result in the invasion of Karriod of Fynbos elements. The economic use for this vegetation type is mainly for grazing for sheep and cattle.</p>
<p><b>Subarid Thorn Bushveld</b></p>	<p>Fire and grazing are ecological processes within this vegetation type. This summer rainfall grassland is invaded by Sweet Thorn Acacia Karoo. The economic uses for this vegetation are mainly grazing.</p>

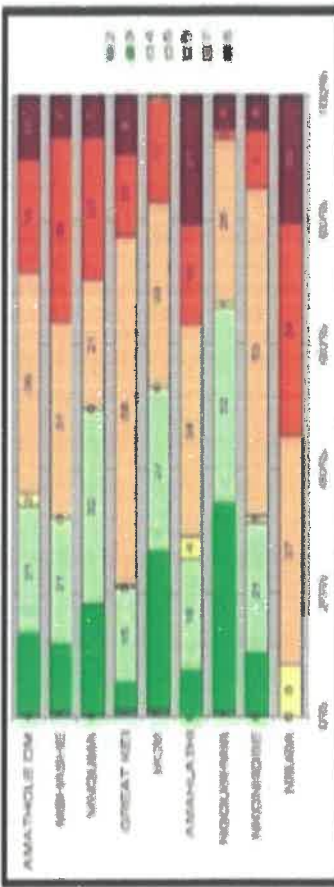
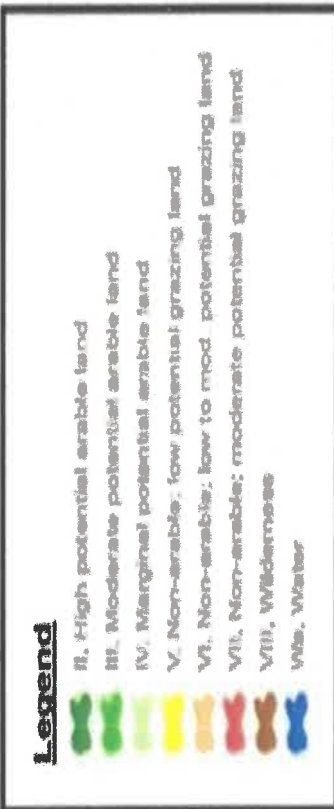
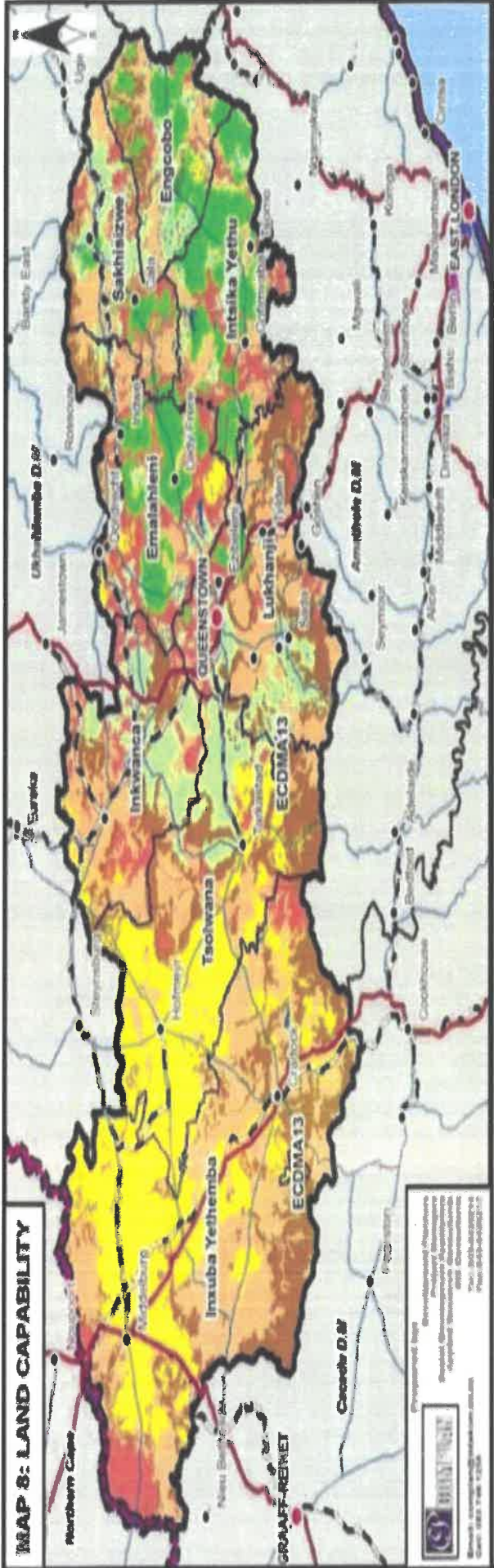


<b>Eastern Mixed Nama Karoo</b>	The north east region of Eastern Mixed Nama Karoo is the only Karoo type in which fire is important in shaping the communities. This type has the highest rainfall of all the Karoo types and thus ecotonal to grassland. As a result it is very sensitive to grazing pressure and depending on stocking density and rainfall conditions may resemble either grassland or Karoo. The Eastern Mixed Nama Karoo is too dry for crop production; however this is the prime sheep and goat grazing area producing much wool and meat. Irrigation along the Orange River is important; some of the dams on the Orange River occur in this vegetation type.
---------------------------------	---

### **Land Capability**

Land Capability is determined by the collective effects of soil, terrain and climate features. It indicates the most intensive long-term and sustainable use of land for rain-fed agriculture and at the same time highlights the permanent limitations associated with the different land use classes. It is therefore a more general term and conservation oriented than land suitability. The land capability in CHDM is indicated in Map 7 below.

2022-2027



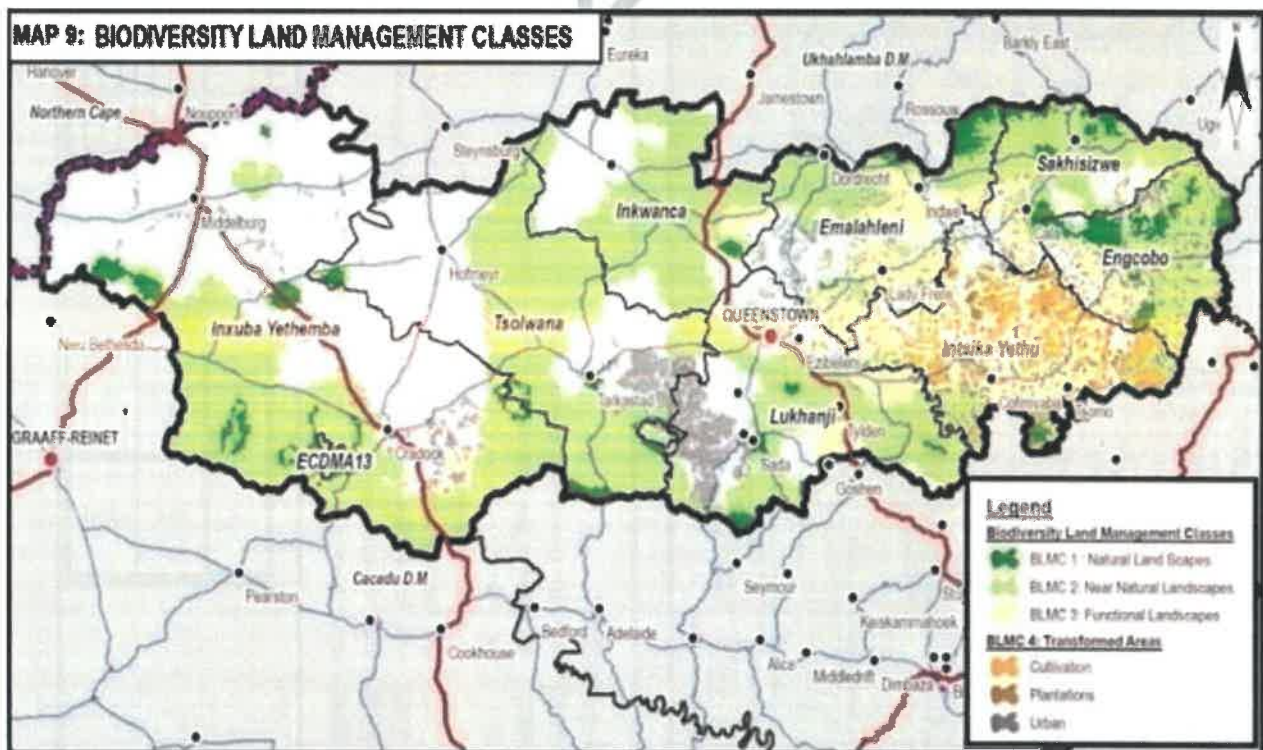
District	Municipality	Cattle		Sheep		Goats		Pigs		Poultry		Aquaculture		Other	
		Area	Value	Area	Value	Area	Value	Area	Value	Area	Value	Area	Value	Area	Value
AMATHOLE DM	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
HEB-BUSH-EE	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
NOKUNA	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
GREAT KEI	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
MCOB	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
AMAN-LA-TH	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
NOKUNEN	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
NOKUNENE	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
NOKUNEN	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...



CLASS	CLASSIFICATION
I	Land in Class I has few limitations that restrict use but not found in CHDM
II	Land in Class II has some limitations that reduce the choice of plants or require moderate conservation practices. This class is not found in the CHDM.
III	Land in Class III has severe limitations that reduce the choice of plants or require special conservation practices, or both.
IV	Land in Class IV has severe limitations that reduce the choice of plants, require very careful management, or both. It may be used for cultivated crops, but more careful management is required.
V	Land in Class V has little or no erosion hazard but has other limitations impractical to remove that limit the use largely to pasture, range, woodland or wildlife food and cover.
VI	Land in Class VI has severe limitations that make it generally unsuited to cultivation and limit its use largely to pasture and range, woodland or wildlife cover.
VII	Land in Class VII has a severe limitation that makes it unsuitable for cultivation and that restricts its use largely to grazing, woodland and wildlife.
VIII	Land in Class VIII has limitations that preclude its use for commercial plant production and restrict use to recreation, wildlife, water supply or aesthetic.

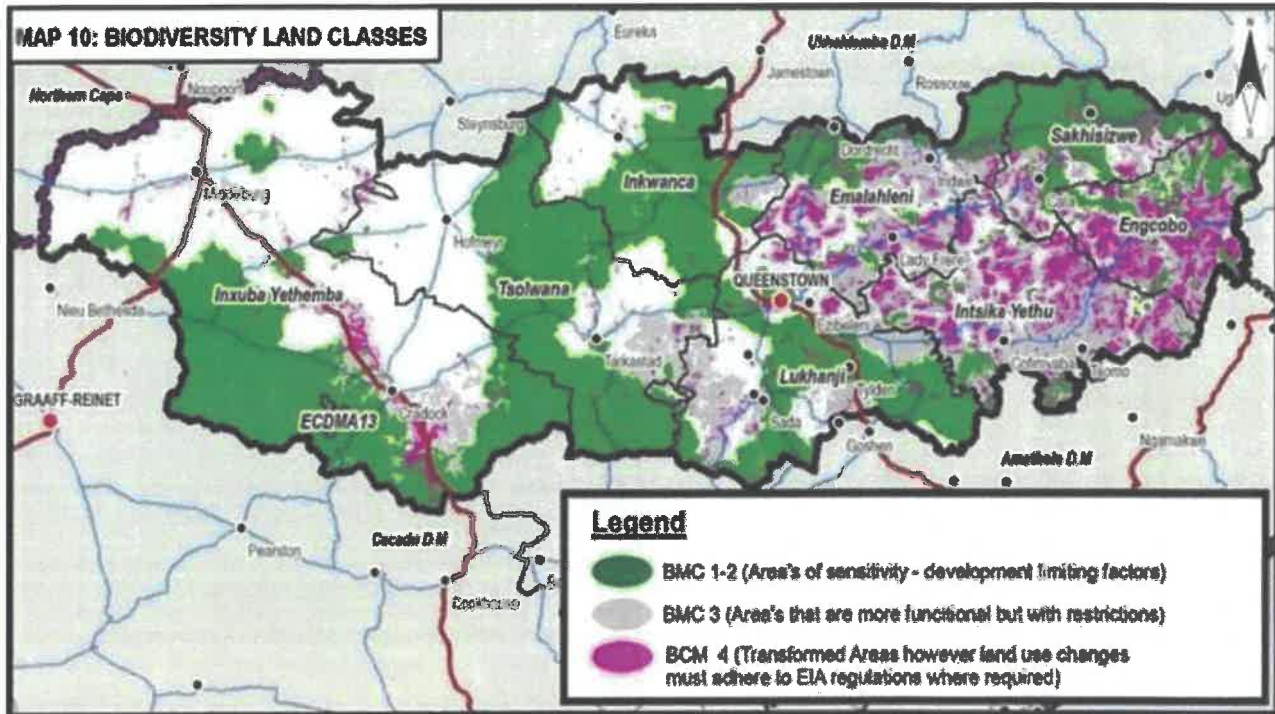
### Conservation Areas

Three conservation areas, under the direct control of the District Municipality, namely Koos Ras (Inkwana), Lawrence de Lange (Lukhanji) and Longhill (Lukhanji) occur in the district. In addition, a National Park (Mountain Zebra National Park), a number of private nature reserves (e.g. Black Eagle and Blanco) and three natural heritage areas (i.e. Benghoil & Bushy Park, Carnarvon and Mhoge) are located, at least in part, within the CHDM. Commandodrift (Tsolwana), a Provincial Nature Reserve, also occurs in the District. There is also a Provincial Game Reserve – Tsolwana Game Reserve, and a game reserve which is an LED project, namely Masikhane Game Farm.



### Critical Biodiversity Areas

Critical Biodiversity Areas (CBAs) are terrestrial and aquatic features in the landscape that are critical for conserving biodiversity and maintaining eco-system functioning. Areas of critical biodiversity areas are indicated in Maps 8 and 9 above.



Biodiversity provides us with clean water, air and soil, as well as medicinal plants, fuel wood, food products (from fishing, hunting and veldkos), building materials and grazing. Plant roots stabilise the soil and prevents erosion. All of these are vitally important for human wellbeing. Biodiversity also contributes significantly to rural livelihoods.

The scenic beauty of the Province provides valuable products for the tourism and wildlife industry, with potential to generate considerable economic revenue from nature reserves, game farms and hunting lodges.

At the global scale, we depend on nature particularly forests, to absorb the carbon dioxide that we generate, and to regulate the climate. All of these resources depend directly on biodiversity. Some land uses have a much greater negative impact on biodiversity than others. For instance, timber plantations and urban settlements are much more damaging to biodiversity than livestock and low impact tourism activities

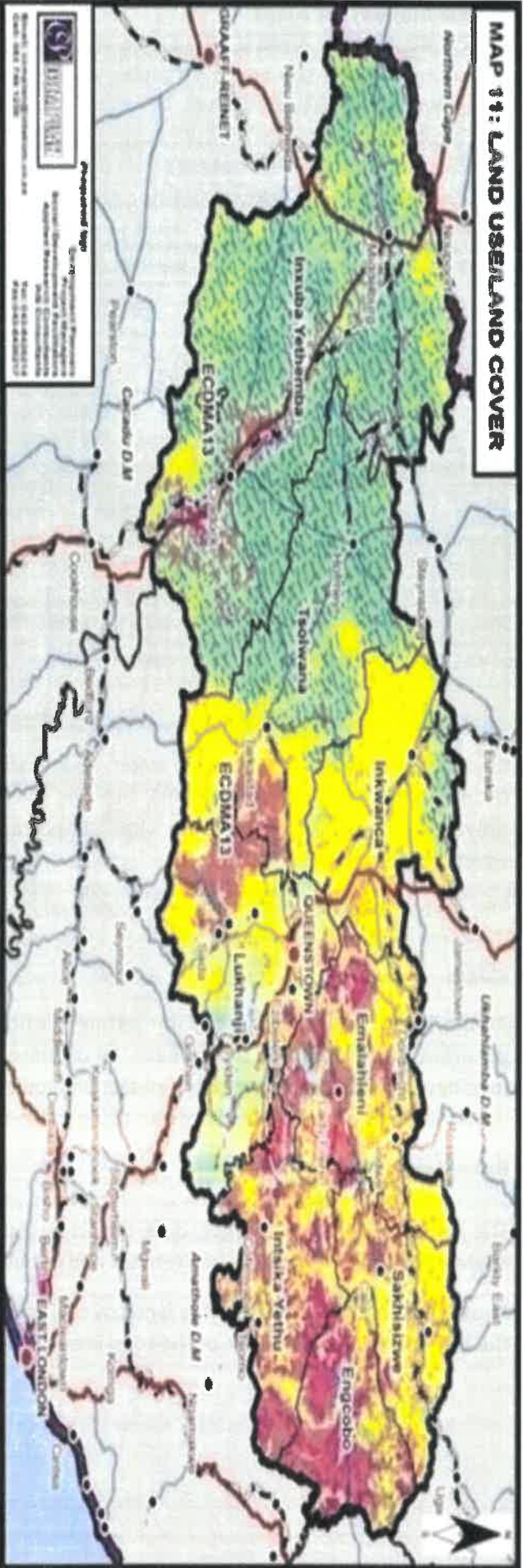
### Broad Land Usage
















The land cover pattern is largely determined by topographical and climatic factors. However past political engineering, current tenure arrangement and population densities have impacted on the type of land cover.

The map below illustrates that the land cover classifications that dominate the Chris Hani DM are shrub and the low fynbos, covering 38% of the total area of the DM, followed by unimproved grassland (30%).



**MAP 11: LAND USE/LAND COVER**



- Legend**
-  Barren rock
  -  Cultivation
  -  Degraded
  -  Dongas & sheet erosion scars
  -  Forest
  -  Forest and Woodland
  -  Improved grassland
  -  Mines & quarries
  -  Plantations
  -  Shrubland and low Fynbos
  -  Thicket & bushland (etc)
  -  Unimproved grassland
  -  Urban
  -  Waterbodies
  -  Wetlands



### 3.4.5 Settlement

The District Spatial Development Framework (2009/2010) has identified a hierarchy of development nodes in order to guide the DM and LMs in the allocation of appropriate level of investment in infrastructure and services as well as the implementation of land use management strategies. Within the parameters of the proposed hierarchy of nodes, the SDF endorses the REDS strategy of targeting the regeneration of towns (service centres) located along the major corridors in the District.

The SDF endorses the hierarchy of Nodes and REDS strategy of targeting the regeneration of towns (service centres) located along the major corridors in the district, but with the caveat that the Principle of Investment in realistic opportunity should prevail and investment should follow feasibility study outcome in all cases, rather than a blanket prescript, as reflected in the Table below:

#### Settlement Hierarchy

Urban Nodes		
Node Type	Location	Spatial Development Priorities
<b>Level 3</b> Major Development Node	Queenstown Retail, Industrial and Admin. Node Centre of Excellence for Education Experiencing population influx	Managed urban expansion and public-funded housing development Infrastructure development to cater for expansion CBD Management and focus on urban aesthetics Environmental Management (Game Reserve)
<b>Level 2</b> Major Centres	Cradock, Ngcobo, Cofimvaba, Lady Frere, Cala Retail and service nodes Administrative and social facilities serving surrounding rural areas	Land Management & Administration (CBD Revitalization and associated planning) Sustainable Human Settlement Programme ( <i>Public-funded housing development</i> ) ( <i>Infrastructure and social facilities upgrade</i> )
<b>Level 2</b> Minor Settlements	Middelburg, Hofmeyer, Molteno, Tarkastad, Khowa, Dordrecht, Sterkstroom, Sads/Whittlesea, Tsomo, Ilinge  Smaller retail and service nodes Administrative and social facilities serving surrounding rural areas	Limited urbanization (sustainability) Urban aesthetics and land use management (tourism) Maintenance and upgrade of infrastructure Environmental Management (tourism)
<b>Level 1</b> Minor Settlements	Minor Settlements	Basic level of service extension Local planning to maximize use of resources Local land use schemes to be negotiated

Rural Nodes		
Node Type	Location	Spatial Development Priorities
<b>Level 2</b> Rural Node	Thornhill, Lower Lufuta, Ncora, Clarkesbury	Areas where higher order facilities should be focused Local planning to maximize use of resources Local land use schemes to be negotiated
<b>Level 1</b> Rural Villages	Rural Villages	Basic level of service extension Local planning to maximize use of resources Local land use schemes to be negotiated

### 3.4.6 Corridor Economic Opportunity

#### North-East Corridor (Corridor 2)

Like Corridor 1, Agriculture, agro-processing and forestry are still the most dominant sectors along corridor 2, although there is need to clearly understand the value chain combinations. There are a number of primary agricultural products produced along the corridor which are converted into semi or finished products in other areas outside or along the corridors. There is also evidence of reduplication of activities that needs reversed or corrected. Although the application of value chain analysis is debatable in service sectors, there is need to explore on how best the corridor can take advantage of a numerous economic opportunities dotted along the corridor. There is also a potential of building value chain combinations in manufacturing and mining sector along the corridor with Queenstown and its infrastructure technology and road networks playing as the hub of transforming primary goods into secondary goods.

Town	Agricultural, agro processing and forestry	Manufacturing, construction and mining	Tourism and hospitality	Service, retail and logistics
Khowa	Crops and fruit production	Livestock production	Dam for picnics Caravan park Hiking trails Bird watching Caves (Water Kloof) Fishing Cultural village Golf course country club and sports fields	Airstrip Child care for street children
Cala	Canned fruit	Hota Mbewula fruit	Restaurant Conference facilities	Recycling project Taxi industry
(peaches) Asgisa Project. Meat processing Wool processing	Maize production Wheat production		Cultural tourism Rock paintings Hiking trails Training of tour guides, Fishing in Tsomo River	Hospice for HIV and AIDS Skills training institutions
Dordrecht	Dairy processing Game farming Wool factory	Brick making	Mountain hiking trails Hotel Golf course	Railway line revitalization
Indwe	Fodder production Fishing	Coal belt Construction of power station	Golf course resort Restaurants Development of tour guides	Transport (railway line)
Lady Frere	Wheat and sorghum production Irrigation scheme Guba farms for food production and livestock Sawmill	Manufacturing of aloe products	Clay arts and crafts Eco-tourisms, hiking and off road adventures Xonga dam for hiking and water sport tourism Hospitality and conference centre Cultural village Hotel and restaurant facilities	Garage

## Corridor 2-North West Corridor Opportunities

- The corridor's **communications** (transport and telecommunications) infrastructure is reasonably well developed, with operational rail and air transport facilities, and with favourable cellular network coverage in Emalahleni LM but in Sakhisizwe, communication infrastructure is modest, with operational rail facilities and an air transport facility. In terms of **quality of life**, the corridor has adequate access to water supply, electricity, shelter, education and health facilities.
- On **economic infrastructure**, it is fairly developed within the in Sakhisizwe but well developed in Emalahleni.
- An analysis of economy of Emalahleni LM indicates that the **local economy** has a comparative advantage in **agriculture** and according to study conducted by ARC for Ruliv the following agricultural potential has been identified – cattle (beef), sheep farming, maize production, sorghum, irrigation potential for a further 5500 hectares at Xonxa and Lubisi Dams as well as irrigation at the Guba Farms, fresh water fish production in the Doring River Dam, Aloe juice industry and other local projects (beekeeping and mushrooms). Besides agriculture, the municipality has a comparative advantage in retail, community services, tourism, mining and manufacturing. The area has high agriculture expansion potentials, especially in wool and irrigation schemes.
- The Emalahleni Municipality claims a range of **leading agricultural products**, including sheep, cattle, maize and dry land sunflower production, and the high number of sheep in the area presents opportunities for expansion of the wool industry, while the relatively large local market presents meat processing opportunities. The area is identified as suitable for forestry, with potential for irrigated horticultural and field crops and very high potential for further maize production.
- The Sakhisizwe Municipality claims a range of **leading products**, including sheep, goats, cattle, sunflower and maize. Additional products identified as sustainable include a full range of grain, nuts, fruit and vegetables, as well as fodder and processed meat. **Forestry and tourism** are other important sectors.
- In Sakhisizwe land identified as suitable for **forestry** is under-utilised, presenting high potential for further agricultural development, particularly for dry land maize, potatoes and beans as well as irrigated maize. Potential exists for local production and marketing of vegetables, while high grazing potential favours livestock farming.
- In terms of **tourism development**, Sakhisizwe falls within the “Friendly N6” tourism region and is closely tied to the Maloti (Lesotho) Route, geared at tourism opportunities around the theme of Xhosa culture, while the landscape of the area is identified as an opportunity for **game and eco-tourism**. The potential growth of Emalahleni's economy is to be orchestrated through programmes encouraging **community based tourism** initiatives
- In **mining**, there is an untapped mineral resource planned for exploitation near Indwe, namely low grade **coal deposits**. There is a need for the local municipality to develop a mining sector plan that will try to untap the potential of this sector. There is also an urgent need to improve the state of the roads around the local municipality in order to aid development of all the sectors, since good road network are prerequisites of development
- This corridor has **huge forestry resources** (existing and potential) in the District and forestry has a potential to become one of the most productive sectors in the local economy of the corridor with approximately 9 679 hectares of land under forestry in Sakhisizwe local municipality. Currently new afforestation potential within the two municipalities within the corridor amount to 88 406 hectares. There is a **charcoal manufacturing plant** in Sakhisizwe LM which uses gum and wattle as raw

material. **Mondi** has established in the area, having bought out many farms and planted them to timber in Sakhisizwe, although their regional offices and staff are housed in neighbouring Ugie (Elundini).

- On the **Sector Performance** the greatest contributor to the GGP within the corridor is the community and social services sector which employs about 33% of the workforce on average. In Sakhisizwe LM, private households and agricultural sectors employ 21% and 17% respectively. Besides these two the following are the key drivers of the local municipality: cultural tourism, construction, transport and storage, and finance and insurance.

### Constraints

- In terms of **communication** both Sakhisizwe and Emalahleni have limited road surfacing and low percentage of direct access to telephones. There is also an urgent need to improve the state of the roads around the local municipality in order to aid development of all the sectors, since good road network are prerequisites of development. On **quality of life**, the corridor reflects a low percentage of residents having direct access to some **basic services** such as sanitation, water, electricity, refuse removal.
- The **socio-economic challenges** in the corridor include high unemployment, reliance on public sector employment, poverty (Sakhisizwe - 85%, Emalahleni - 74%), high youthful population (about 52%), slow economic growth, and the duplication of basic social services and infrastructure provision to the main nodes within the municipalities in the corridor, thereby stretching the financial capacities of those municipalities. A large number of households (76%) in both Emalahleni and Sakhisizwe can be deemed as indigent with gross monthly incomes of less than R1500.
- **Agricultural limitations** include shallow soils, low rainfall, temperature variation and lack of irrigation water, as well as lack of security on farms due to armed robbery, stock theft and murder in Sakhisizwe. Agriculture is the second largest contributor to employment and GVA and there is growth in small businesses (mainly in the retail and service sector) in Cala, yet Khowa is noted as having a declining business sector.
- In terms of **socio-economic indicators**, Sakhisizwe has a youthful population, with over half (53%) of the population aged under 20 years, and claims higher than Provincial and District average rates of unemployment (60.4%), dependency (3.89), poverty (84.66%) and households receiving less than R1500 per month (75.9%) but only 51.3% of households receive social grant.
- The corridor is also a home to high levels of poverty (about 85%), unemployment (about 75%) and illiteracy, coupled with the highest dependency ratio and a very youthful population, with more than half (about 53%) of the population aged under 20 years. About 76% of households receive less than R 1500 per month but dependency of social grant is very high in Emalahleni (79%) but only 51.3% in Sakhisizwe LM. An indication of the depth of poverty in the corridor is revealed by the Municipality's share of the Provincial poverty gap of 1.35% and 3.08% for Sakhisizwe and Emalahleni respectively compared to its share of the Provincial population (1.10%).
- The high unemployment coupled with high poverty levels create negative impact on household's affordability levels in terms of service delivery and payments within the corridor. More employment opportunities also need to be created to provide jobs for the working population. Also rapid expansion is needed by the labour and housing markets to accommodate this category of population in future.
- The overwhelming majority (95.07%) of the population in the corridor is resident on **tribal or communal land**. There are **unsettled land claims** within the corridor (Intsika Yethu has the highest (70) of unsettled claims in the district but Engcobo has only 13 unsettled land claims. Large scale

investment by private sector is generally more difficult to achieve, in these tribal lands and procedures to be followed in securing land for housing development within these communal areas are very cumbersome as it takes very long time and series of processes for the acquisition.

- The local economy is highly *concentrated*, dominated by the Community Services sector in terms of both GVA and employment and there is the need for diversification to avoid any external shocks within the corridor.

#### SUMMARY OF KEY ECONOMIC OPPORTUNITIES VARIOUS CORRIDORS

<b>AGRICULTURE, FORESTRY AND ASGISA PROJECTS</b>
<b>NORTH-EAST CORRIDOR (2)</b>
<b>Howa and Cala area:</b> Asgisa fruit project in Cala (peaches) Maize production Livestock production and expansion Fruit production Fodder production
<b>MANUFACTURING AND MINING</b>
<b>NORTH-EAST CORRIDOR (2)</b>
Canned fruit factory in Cala Saw mill in Howa area
<b>TOURISM DEVELOPMENT</b>
<b>NORTH-EAST CORRIDOR (2)</b>
<b>Howa and Cala areas</b> Beautiful scenery in Howa area Rock Paintings, Conference facilities, Hiking trails in Cala Cultural tourism in Cala Ecotourism Hiking and adventure tourism Water sports (Thompson Dam) Cultural village Conference centre
<b>LAND REFORM AND SETTLEMENT DEVELOPMENT PROPOSALS</b>
<b>NORTH-EAST CORRIDOR (2)</b>
<b>Howa, Cala area</b> Development Support Zones Settlement formalization and densification Special land reform projects Small town regeneration strategy for Howa, Cala,
<b>SERVICES, RETAIL AND LOGISTICS</b>
<b>NORTH-EAST CORRIDOR (2)</b>
<b>Howa;</b> Airstrip <b>Cala;</b> Skills training, hospice for HIV/Aids

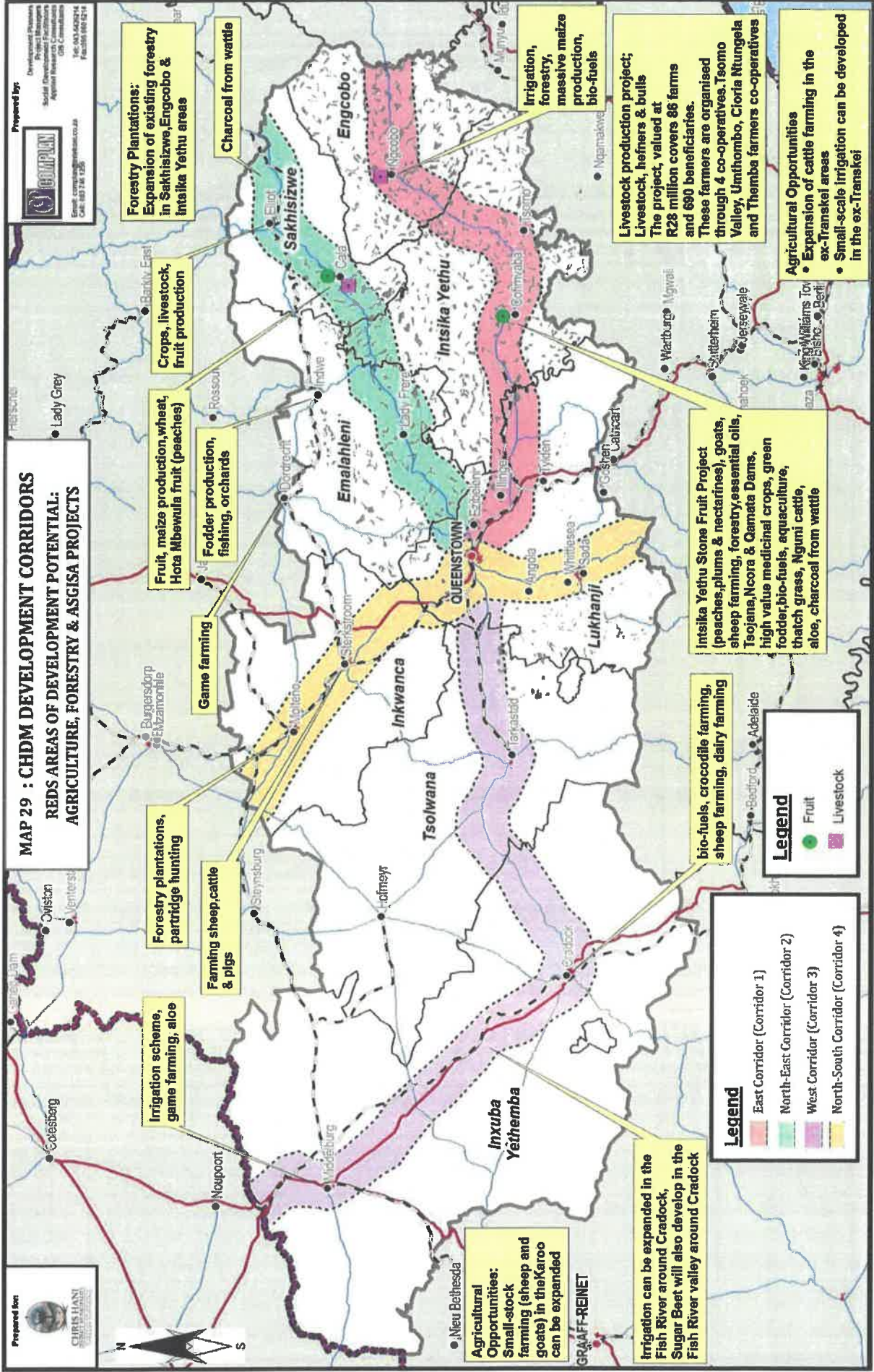


### **3.4.7 Small Town Regeneration (STR) Initiatives**

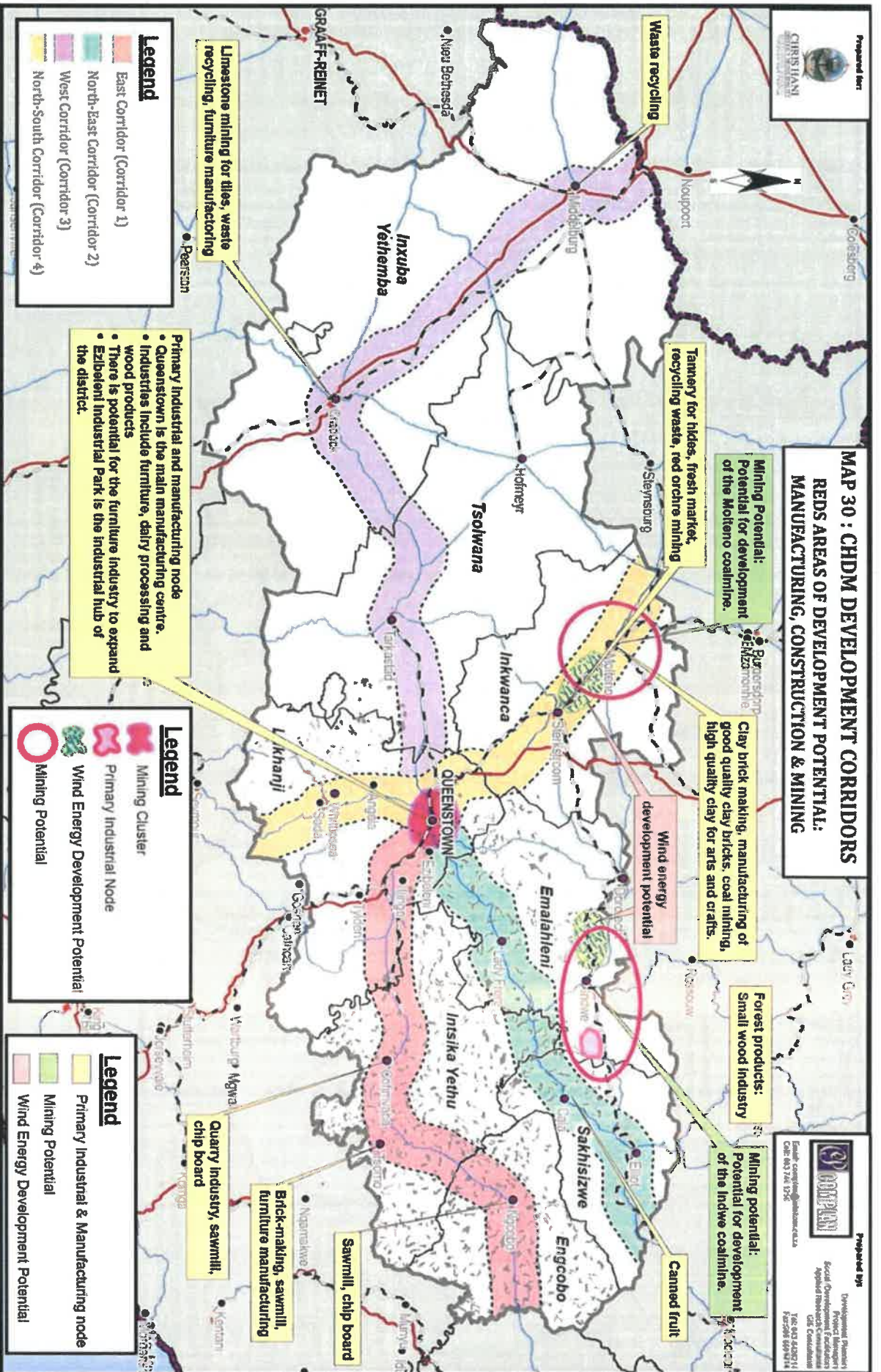
The Chris Hani Regional Economic Development Strategy highlighted the need to identify and prioritise small towns along the economic corridors that have the potential to participate actively in the value chain of the differentiated sector and implement small town development initiatives.

As part of the STR, the municipality is planning on developing a STR strategy that will identify key areas that are critical to improve and attract investment to the area. The District has started the process with budget that has been allocated for beautification of Cala Taxi Rank during the 2018/19 financial year as well as sign posts for all Sakhisizwe main entrances.

2022-2027 IDP







**MAP 30 : CHDM DEVELOPMENT CORRIDORS  
REDS AREAS OF DEVELOPMENT POTENTIAL:  
MANUFACTURING, CONSTRUCTION & MINING**

Prepared by: **CHDM**  
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 Project Manager  
 Fiscal Development & Analysis  
 Applied Research Commission  
 081 850 5500  
 106 850 5502/3/4  
 105 850 5505/6/7/8

**Primary industrial and manufacturing node**

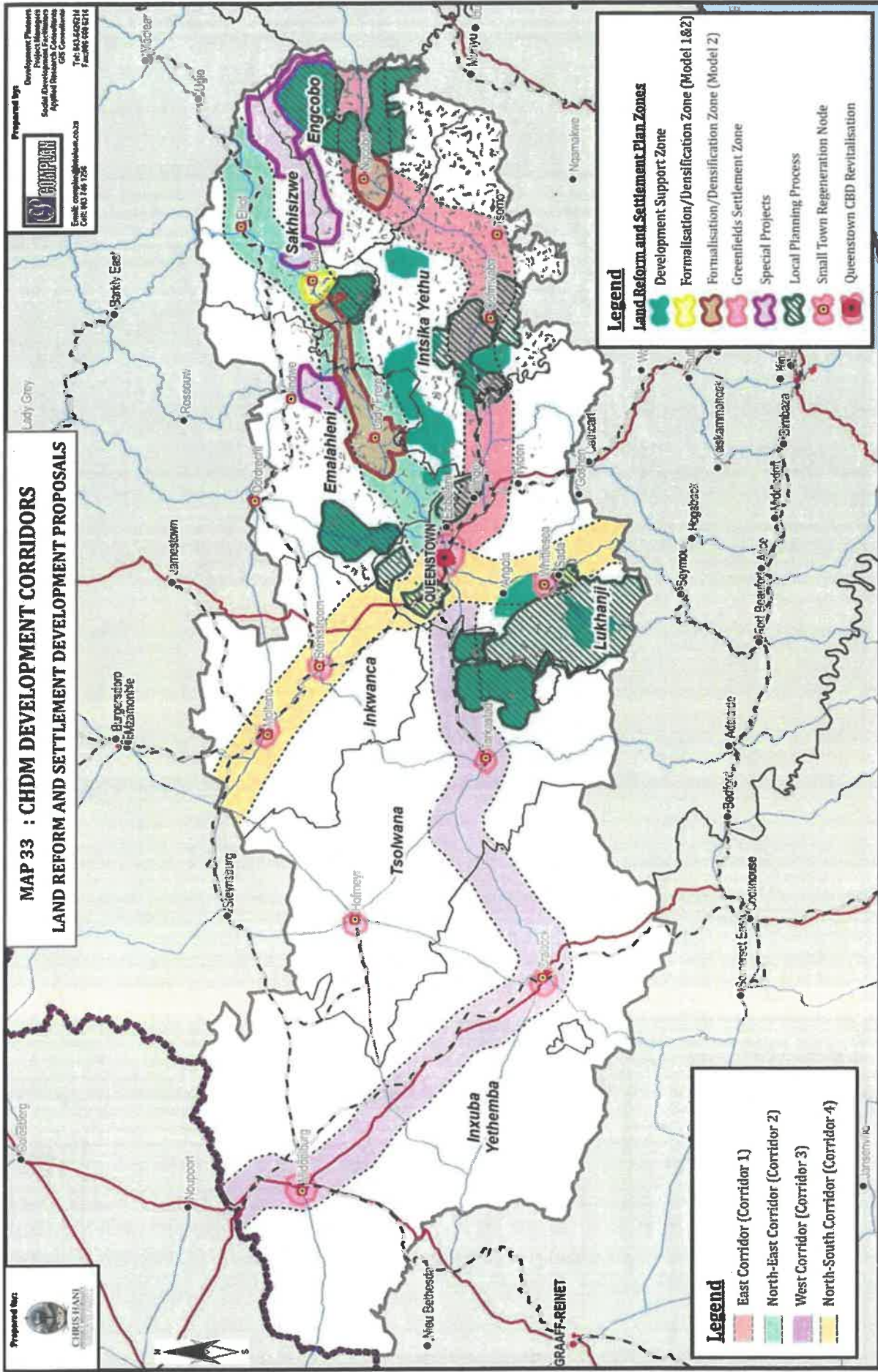
- Queenstown is the main manufacturing centre.
- Industries include furniture, dairy processing and wood products
- There is potential for the furniture industry to expand
- Ezibeleni Industrial Park is the industrial hub of the district.



Prepared by:  
  
**CHRIS FANI**  
 CONSULTANTS

**MAP 33 : CHDM DEVELOPMENT CORRIDORS  
 LAND REFORM AND SETTLEMENT DEVELOPMENT PROPOSALS**

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**Legend**

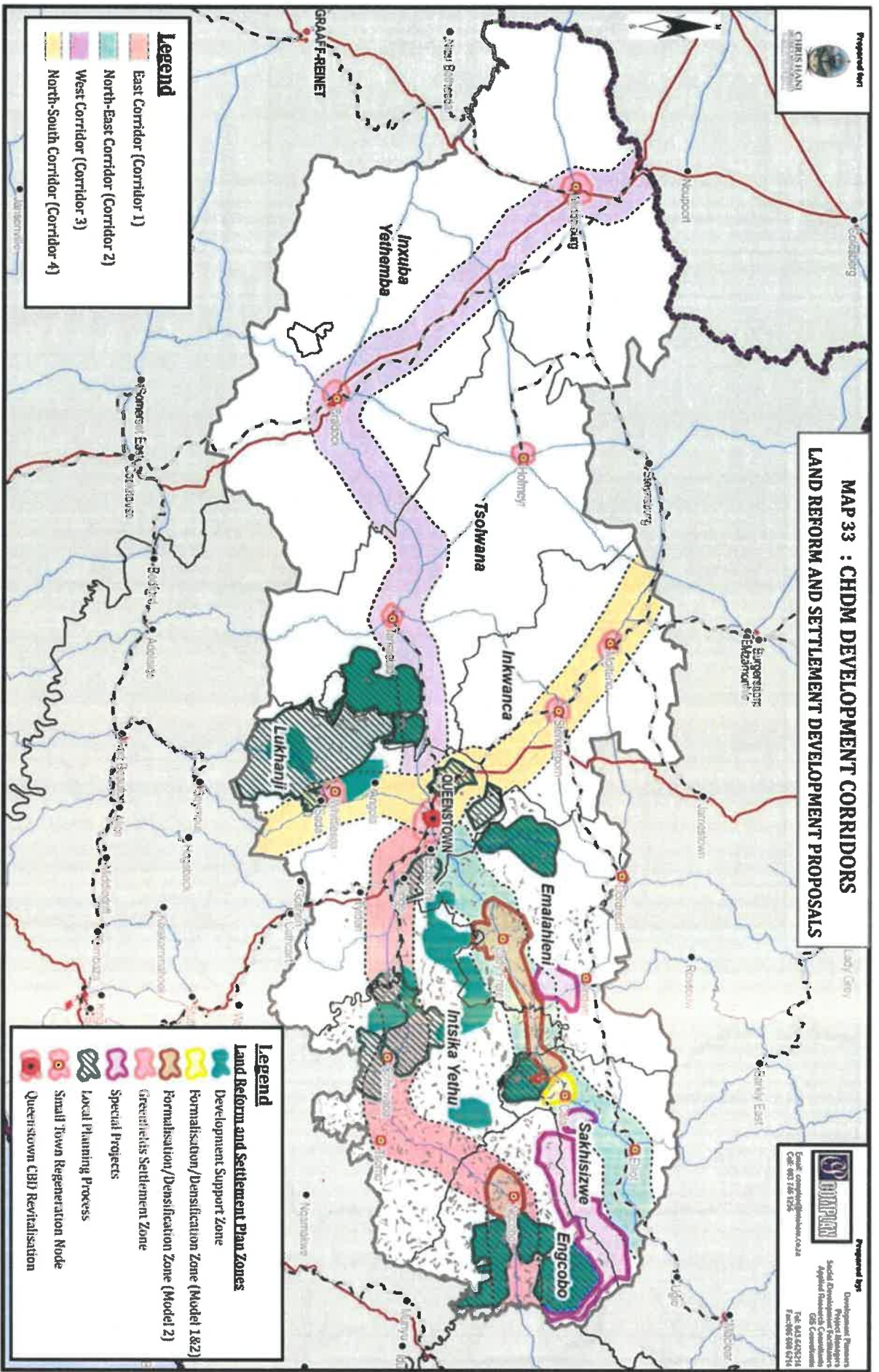
- East Corridor (Corridor 1)
- North-East Corridor (Corridor 2)
- West Corridor (Corridor 3)
- North-South Corridor (Corridor 4)

**Legend**

**Land Reform and Settlement Plan Zones**

- Development Support Zone
- Formalisation/Densification Zone (Model 1&2)
- Formalisation/Densification Zone (Model 2)
- Greenfields Settlement Zone
- Special Projects
- Local Planning Process
- Small Town Regeneration Node
- Queenstown CBD Revitalisation





Prepared by:  
CHRIS HANN

**MAP 33 : CHDM DEVELOPMENT CORRIDORS  
LAND REFORM AND SETTLEMENT DEVELOPMENT PROPOSALS**

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**Legend**

- East Corridor (Corridor 1)
- North-East Corridor (Corridor 2)
- West Corridor (Corridor 3)
- North-South Corridor (Corridor 4)


**Legend**

**Land Reform and Settlement Plan Zones**

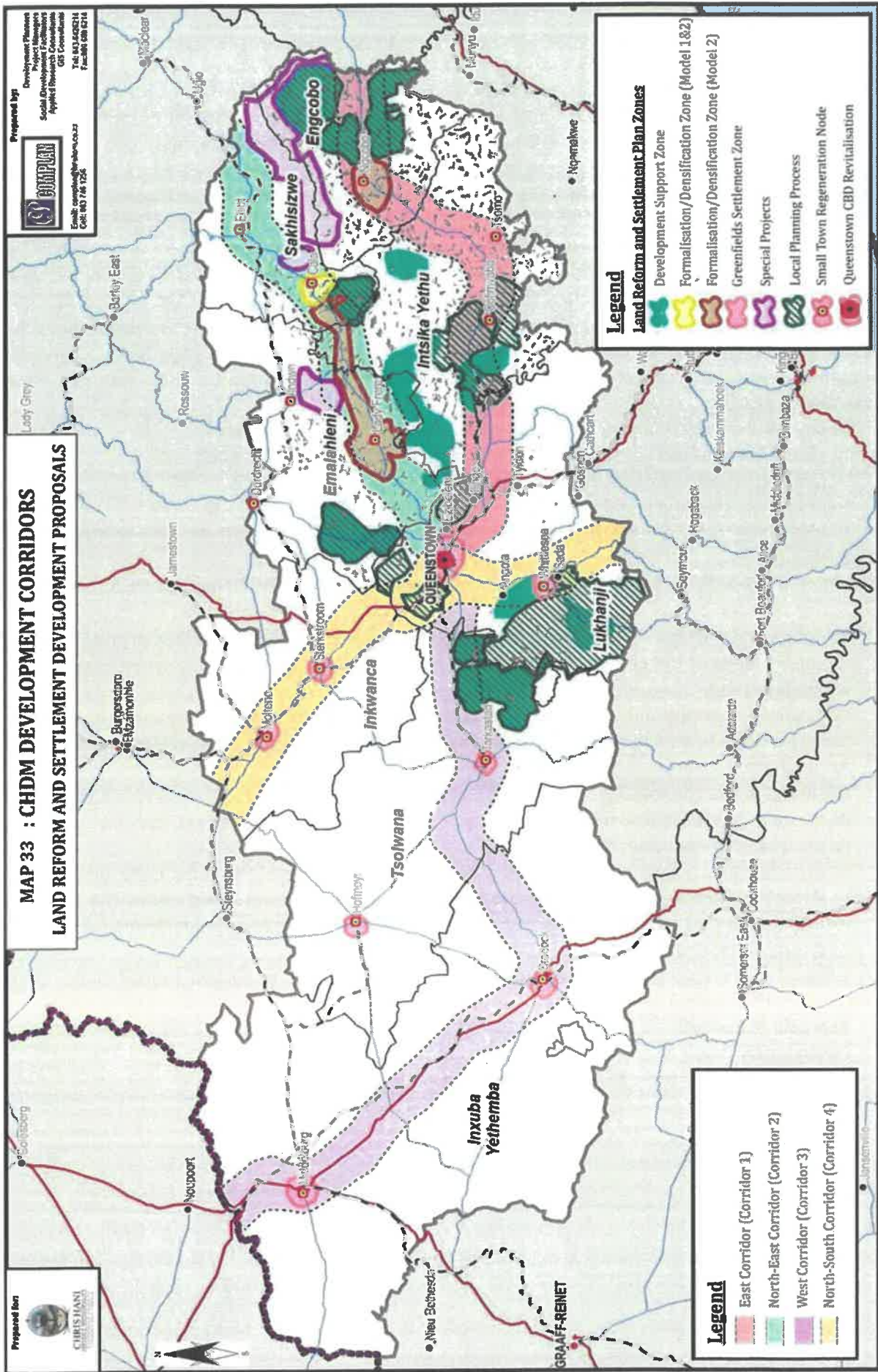
- Development Support Zone
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- Greenfield Settlement Zone
- Special Projects
- Local Planning Process
- Small Town Regeneration Node
- Queenstown CBD Revitalisation



**MAP 33 : CHDM DEVELOPMENT CORRIDORS  
LAND REFORM AND SETTLEMENT DEVELOPMENT PROPOSALS**

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**Legend**

**Land Reform and Settlement Plan Zones**

-  Development Support Zone
-  Formalisation/Densification Zone (Model 1&2)
-  Formalisation/Densification Zone (Model 2)
-  Greenfields Settlement Zone
-  Special Projects
-  Local Planning Process
-  Small Town Regeneration Node
-  Queenstown CBD Revitalisation

**Legend**

-  East Corridor (Corridor 1)
-  North-East Corridor (Corridor 2)
-  West Corridor (Corridor 3)
-  North-South Corridor (Corridor 4)

### 3.5.1 Legislative Background

This section deals with analysis of our state of readiness to deliver on our assigned constitutional as well as powers and functions mandate. It analyses the extent to which we have put in relevant systems, processes and tools to ensure smooth operations and development of the municipal organization.

The primary role of the municipal council is that of political oversight of the municipality's functions, programmes and the management of the administration. All of the powers of local government are vested in the municipal council. It has the power to make by-laws (legislative authority) and the powers to put those laws into effect (executive authority). The municipal council has executive and legislative authority over the matters set out in Part B of schedule 4 and Schedule 5 of the Constitution. The municipality may also administer any other matter assigned to it by national or provincial legislation. In administering the matters assigned to local government, the municipal council must strive within its capacity to achieve the Constitutional objects of local government. Roles and Responsibilities within Local Government These constitutional objects are:

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

The Constitution also assigns developmental duties to municipalities. Section 153 provides that municipality must:

- Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- Participate in national and provincial development programmes In terms of the Local Government: Municipal Structures Act, No. 117 of 1998, the municipal council must meet at least quarterly. The Act also requires the council to annually review:
  - the needs of the community
  - its priorities to meet those needs;
  - its processes for involving the community;
  - its organisational and delivery mechanisms for meeting the needs of the community; and
- Its overall performance in achieving the constitutional objectives outlined above the municipal council makes decisions concerning the exercise of all the powers and the performance of all the functions of the municipality.

The Constitution confines the performance of certain functions to the municipal council alone. These functions may not be delegated by the council under any circumstances.

- Approval of Budgets
- Passing of By-laws
- Imposition of rates, other taxes, levies, and duties
- Raising of loans

### 3.5.2 Powers and Functions

Our mandate stems from the section 152 and 156 of the constitutions (Act 108 of 1996) coupled with the assigned powers and functions drawing from the schedules 4b & 5b. In terms of the schedules part B 4 and 5 of the constitution, local government has the following functions:

Part B of Schedule 4			
FUNCTION		DEPARTMENT	CHALLENGES
Air pollution	No	Community Services	No capacity and financial resources to undertake the function
Building regulations	Yes	IPED	
Child care facilities	No	Community Services	No capacity and financial resources to undertake the function.
Electricity and gas reticulation	Yes	Technical Services	
Fire-fighting services	No	CHDM	District Function
Local tourism	Yes	IPED	Limited human and financial support to fully implement the function
Municipal airport	No	IPED	No capacity and financial resources to undertake the function
Municipal planning	Yes	IPED	Limited human and financial support to fully implement the function
Municipal health services	No	CHDM	District Function
Municipal public transport	No	Technical Services	No capacity and financial resources to undertake the function
Pontoons, fairies, settees piers and harbors excluding the regulations of international and national shipping	N/A		
Municipal public works only in respect of the needs of the municipalities	N/A		
Storm water management system	Yes	Technical Services	
Trading regulations	No		District Function
Part B of Schedule 5			
Beaches and amusement facilities	N/A		
Billboards and display advertisement in public places	Yes (Partial)	IPED	No dedicated officials to perform the function.
Cemeteries, funeral parlors and crematoria	Yes (Partial)	Community Services	No capacity and financial resources to undertake the function
Cleansing	Yes	Community Services	No capacity and financial resources to undertake the function
Control of public nuisance	Yes (Partial)	Community Services	No capacity and financial resources to undertake the function



<b>Part B of Schedule 4</b>			
<b>Control of undertakings that sell liquor to the public</b>	Yes	Community Services	<b>No capacity and financial resources to undertake the function</b>
<b>Facilities for the accommodation care and burial of animals</b>	No	Community Services	<b>No capacity and financial resources to undertake the function</b>
<b>Fencing and fences</b>	Yes	Community Services	
<b>Licensing and controlling of undertakings that sell food to the public</b>	No		<b>District Function</b>
<b>Local amenities</b>	No		
<b>Local sport facilities</b>	Yes (Partia	Community Services	
<b>Markets</b>	No	IPED	<b>No capacity and financial resources to undertake the function</b>
<b>Municipal abattoirs</b>	No	IPED	<b>No capacity and financial resources to undertake the function</b>
<b>Municipal parks and recreation</b>	Yes (Partia	Community Services	<b>No capacity and financial resources to undertake the function</b>
<b>Municipal access roads</b>	Yes	Technical Services	
<b>Noise pollution</b>	No	Community Services	<b>No capacity and financial resources to undertake the function</b>
<b>Pounds</b>	Yes	Community Services	
<b>Public places</b>	Yes (Partia	Community Services	<b>No capacity and financial resources to undertake the function</b>
<b>Refuse removals, refuse dumps and solid waste disposals</b>	Yes	Community Services	
<b>Street trading</b>	Yes (Partia	IPED	<b>No capacity and financial resources to undertake the function</b>
<b>Street lighting</b>	Yes	Technical Services	
<b>Traffic and parking</b>	Yes	Community Services	

Sakhisizwe municipality should be undertaking all the bolded items in the above list and where capacity does not exist, should be taking decisive steps to ensure such capacity. However, our main challenges are that we do not have sufficient capacity to undertake all the assigned powers and functions. This IDP review identifies a specific project to review the organogram and to fill the critical vacant and budgeted positions in the approved organogram so as to ensure improved operational and administrative capacity.

### 3.5.3 Political and Administrative Governance

The governance system of Sakhisizwe municipality and its operation is predominantly based on the legislative framework of local government, i.e. Municipal Structures Act, Municipal Systems Act, Municipal Finance Management Act, and other laws pertinent to the local government sector. Sakhisizwe municipality has always endeavoured that the governance system, comprising of the Political and Administrative arms of the municipality, is operated effectively and that compliance with laws, regulations and related policies are complied with by all stakeholders and at all levels.

This concerted attitude on governance has in fact resulted in improved service delivery, financial management and audit opinion over the years. Notwithstanding the above, the municipality is conscious of the there is still room to improve its governance system to ensure that that enduring returns are realized, in the form of, for example, clean administration or unqualified audit opinion without matters.

#### Political Governance

*The Mayor of the municipality* heads the executive arm of the municipality and is assisted by three (3) executive committee. The mayor is the nucleus of the governance system and its effectiveness in ensuring efficient, economical and effective administration including financial management, since the executive powers are vested in him to oversight the day-to-day affairs of the municipality assisted by the municipal manager, thereby entrusting him with an overarching strategic and political responsibility.

The Sakhisizwe Municipal Council is constituted of 20 councillors inclusive of Traditional Leaders. The tables below illustrates the Political Leadership of the municipality as well as the list of Councillors.

NAME	PORTFOLIO
Cllr B. Ponoshe	Municipal Mayor
Cllr K. Mkati	Council Speaker
Cllr M. Mxhonywa	Portfolio Head: Infrastructure and Planning
Cllr M. Ngqayimbana	Portfolio Head: Finance and Administration
Cllr M. Malungisa	Portfolio Head: Community and Social Needs

#### FULL LIST OF SAKHISIZWE MUNICIPALITY COUNCILLORS

NAMES			WARD	POLITICAL PARTY
1.	Cllr B. Ponoshe (Mayor)	PR	-	ANC
2.	Cllr Mkati (Speaker)	PR	-	ANC
3.	Cllr M. Mxhonywa	PR	-	ANC
4.	Cllr M. Ngqayimbana	PR	-	ANC
5.	Cllr M. Malungisa	PR	-	DA
6.	Cllr A. Mpakane	PR	-	DA
7.	Cllr A. Mbebe	PR	-	EFF
8.	Cllr W. Kumsha	PR	-	ATM
9.	Cllr Z. J. Phonoshe	Ward	1	ANC
10.	Cllr V. Filana	Ward	2	ANC
11.	Cllr N. Nopote	Ward	3	ANC



NAMES			WARD	POLITICAL PARTY
12.	Cllr N. Miso	Ward	4	ANC
13.	Cllr L. Thulelo	Ward	5	ANC
14.	Cllr N. Stofile	Ward	6	ANC
15.	Cllr T. Mayongo	Ward	7	ANC
16.	Cllr P. Mahlombe	Ward	8	ANC
17.	Cllr T. Tasana	Ward	9	ANC
18.				
19.				
20.				

### Administrative Governance

In order to give effect to the implementation and administration of the municipal vision and its objectives, it is both necessary and imperative to put in place a relevant institutional structure and administration that is able to respond to the objectives and full implementation of its powers and functions. The organisational structure was adopted by the Council in 2022 in line with the 5 year IDP. It provided for approximately 140 posts, 127 filled posts and 13 vacant posts. There are challenges with funding for the vacant positions, this poses a challenge for the municipality as it is unable to fully implement its legislated obligations. Sakhisizwe has 6 departments. The table below gives a summarized illustration of the current top organizational structure at Sakhisizwe LM

Department	Responsibilities	Senior Manager
Municipal Managers Office	Mayor and Speakers Office Municipal Manager's Office Public Participation Council Oversight Internal Audit Risk Management Special Programmes Communication Integrated Development Planning (IDP)	<b>Municipal Manager</b> Mrs N.C. Mazwayi
Integrated Planning and Economic Development (IPED)	Land Use Management Spatial Planning Building Control Town Planning Local Economic Development Agriculture Enterprise Development Job Creation Tourism and Heritage Environmental Management Housing Human Settlements	<b>Director: IPED</b> Mr M.M. Pamla
Technical Services Department	Roads and Storm water Electricity Infrastructure Planning	<b>Director: Technical Services</b> Mr S.S. Tunzi
Community Services Department	Environmental Health Waste Management Sports and Recreation Safety and traffic Services	<b>Director: Community Services</b> Mrs P. Mngciza

Department	Responsibilities	Senior Manager
	By-Law Enforcement Disaster Management Fire Services Pounds Cemeteries Libraries	
Corporate Services Department	Organisational Development and Administration Training and Development Labour Relations Employee Wellness Employee Performance Fleet Management Occupational Health and Safety Registry Information Technology	<b>Director: Corporate Services</b> Vacant
Budget and Treasury Office	Revenue Management Expenditure Management Supply Chain Management Budgeting Financial Reporting Asset Management	<b>Chief Financial Officer</b> Mrs B. Lubelwana

The Municipal Manager and all 4 of the 5 Section 56 positions in the organogram have been filled, except for the Community Services Director. A Detailed organogram is attached as to this document. It shows key positions identified to ensure full operational and institutional response to all our mandates.

#### 3.5.4 Municipal By-Laws, Policies and Sector Plans

In its endeavour to fully implement its legislated obligations, the municipality develop by-laws, polices and strategies to assist with the ease implementation of its responsibilities. Below is the list of by-laws, policies and strategies per department:

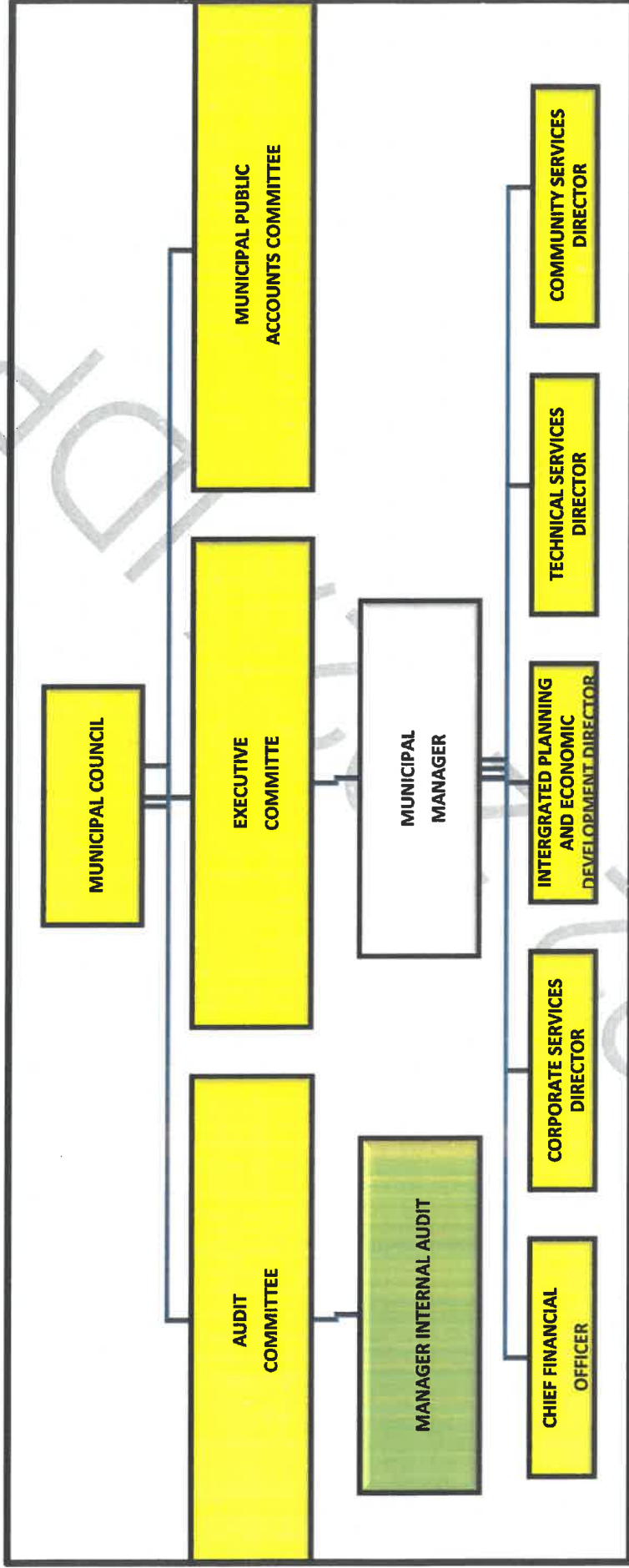
DEPARTMENT	SECTOR PLAN / POLICY,	STATUS: NEW/ REVIEWED/ DRAFT REVISED	ADOPTED DATE
<b>Finance</b>	Credit control & revenue collection strategy not in place.	Reviewed	2021-22
	Investment Plan	Reviewed	2021-22
	Revenue collection and enhancement strategy	Reviewed	2021-22
	SCM policy to be updated annually	Reviewed	2021-22
	Indigent policy needs to be updated and implemented	Reviewed	2021-22
	Risk& Asset Management plan	Reviewed	2021-22
<b>Corporate services</b>	HR Manual & Policies in place	Reviewed	2021-22
	Organogram	Reviewed	2021-22
	Draft Employment Equity Plan.	Reviewed	2021-22
	Workplace skills plan	Revised	2021-22
<b>Office of Municipal Manager</b>	Performance Management Policy	Reviewed	2021-22
	SPU strategy and programme to be implemented and monitored as adopted		

<b>Integrated Planning &amp; Economic Development</b>	<i>2019/2024 Spatial Development Framework</i>		<i>2024-25</i>
	<i>LED Strategy as adopted in 2011</i>	<i>Outdated</i>	<i>2022-23</i>
	<i>Tourism Sector Plan</i>	<i>Outdated</i>	<i>2022-23</i>
	<i>Housing Sector Plan</i>		
<b>Community service</b>	<i>Road Safety &amp; Traffic Management Plan</i>	<i>To be developed</i>	<i>N/A</i>
	<i>Disaster management plan</i>	<i>To be developed</i>	<i>N/A</i>
	<i>Environmental sector plan</i>	<i>Source Funding</i>	<i>N/A</i>
	<i>Integrated Waste Management Plan</i>	<i>Draft</i>	
	<i>Recreational Facilities Maintenance Plan</i>	<i>To be developed</i>	<i>N/A</i>
	<i>Community Halls Maintenance Plan</i>	<i>To be developed</i>	<i>N/A</i>
	<i>Animal Pounds Management Plan</i>	<i>To be developed</i>	<i>N/A</i>
<b>Technical services</b>	<i>Roads Maintenance Master Plan</i>	<i>None</i>	<i>2022-23</i>
	<i>Electricity Master Plan</i>	<i>None</i>	<i>2022-23</i>
	<i>Storm Water Management Plan</i>	<i>None</i>	<i>2022-23</i>

2022-2027 IDP

3.5.5 Organogram

Top Structure



SECTION
FILLED
NOT BUDGETED
BUDGETED

3.5.6 Directorate Core Function and Swot Analysis  
Office of the Municipal Manager

Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
<b>Council oversight</b>	<ul style="list-style-type: none"> <li>• Council and council oversight structures in place.</li> <li>• MPAC committee in place.</li> <li>• Council calendar in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Inconsistent sitting of the MPAC (as per council calendar and number of meetings)</li> <li>• Lack of capacity (Researcher not in place and there is need for MPAC member training).</li> <li>• Poor attendance of MPAC meetings.</li> <li>• Lack of funding for capacitation.</li> </ul>	<ul style="list-style-type: none"> <li>• AGSA's willingness to assist in training/capacitate MPAC committee.</li> <li>• Consistent sitting of MPAC will result into good governance.</li> </ul>	<ul style="list-style-type: none"> <li>• Congested schedule.</li> <li>• Adverse opinions due to non-attendance at sittings.</li> </ul>
<b>Internal Audit Function and Audit Committee</b>	<ul style="list-style-type: none"> <li>• Audit committee in place.</li> <li>• AC and Internal audit charters and plans in place.</li> <li>• Audit Committee sitting consistently.</li> </ul>	<ul style="list-style-type: none"> <li>• Audit Committee schedule not incorporated into the council calendar.</li> <li>• Non-implementation of audit committee recommendations.</li> <li>• Not abreast with the latest GRA standards and IIA standards and developments Limited Funding/Budget.</li> <li>• Lack of staff complement (Internal audit manager and requisite staff).</li> <li>• Late/Non submission of POE's for management</li> </ul>	<ul style="list-style-type: none"> <li>• To equip Internal Audit unit with technical related training as required by IS 610 and ISSAI 1610. (IAT, PIA and CIA and CPMD)</li> </ul>	<ul style="list-style-type: none"> <li>• Adverse audit opinion due to non-implementation of AC recommendations.</li> <li>• Insufficient working tools</li> </ul>
<b>Risk management unit</b>	<ul style="list-style-type: none"> <li>• Risk, ICT and mSCO committees established.</li> <li>• Risk Strategy in place</li> <li>• 2020-2021 Risk Implementation plan in place</li> </ul>	<ul style="list-style-type: none"> <li>• Inconsistent/ineffective reporting Management</li> <li>• Lack of risk management tools and techniques.</li> <li>• Late/Non submission of POE's by management</li> </ul>	<ul style="list-style-type: none"> <li>• COGTA willingness to form partnership with the municipality on risk management to improve risk maturity level of the municipality.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Compliance to MFMA and King IV could result in adverse audit opinions.</li> </ul>



Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
	<ul style="list-style-type: none"> <li>Risk register 2020-2021 in place.</li> <li>RMI Committee sitting consistently</li> <li>Youth council in place.</li> <li>Women's Forum in place</li> </ul>	<ul style="list-style-type: none"> <li>Fraud management programme not fully functional.</li> <li>Non - existence of sport, disability, and elderly forums.</li> <li>SPU Strategy and policies not in place.</li> <li>Lack of capacity (Staff complement)</li> <li>Absence of funding / budget.</li> </ul>	<ul style="list-style-type: none"> <li>Training of RMI Committee as well as risk champions.</li> <li>OTP to assist in the development of the youth policy and strategy.</li> <li>SALGA to assist development of the children policy.</li> </ul>	<ul style="list-style-type: none"> <li>Dysfunctional structures.</li> <li>Abuse of the vulnerable groups.</li> <li>Non-compliance to Laws.</li> </ul>
Special Programmes Unit	<ul style="list-style-type: none"> <li>Performance Management Policy in place.</li> <li>Approved SDBIP and budget in place.</li> </ul>	<ul style="list-style-type: none"> <li>Performance Management Framework not in place.</li> <li>Non-alignment of the IDP; Budget and SDBIP.</li> <li>Ineffective performance management function/processes.</li> </ul>	<ul style="list-style-type: none"> <li>CoGTA's willingness to assist with training.</li> </ul>	<ul style="list-style-type: none"> <li>Adverse audit opinion due to material non-compliance with the Municipal Systems Act.</li> </ul>
Performance Management Unit	<ul style="list-style-type: none"> <li>Positive participation in all communities to IDP programmes.</li> <li>Existence of the municipal website.</li> <li>Functional war rooms.</li> <li>Improved circumcised oversight.</li> <li>Ward committees are established and functional.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of a Communication Strategy and Policies.</li> <li>Under-utilisation of the municipal website (<b>publications</b>)</li> <li>Absence of municipal newsletter.</li> <li>Lack of capacity to implement communication and public participation programmes (Warm bodies).</li> <li>Lack of a call centre for customer complaints.</li> <li>Petitions committee not in place.</li> </ul>	<ul style="list-style-type: none"> <li>Rapid and factual communication with communities</li> </ul>	<ul style="list-style-type: none"> <li>Service delivery protests.</li> </ul>
Communication and Public Participation				

Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats

**Technical Services**

Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>• Available funding.</li> <li>• Effective implementation of key deliverables as per IDP.</li> <li>• Functional Plant and Machinery.</li> <li>• Implementation of the operations and maintenance plan for gravel roads.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of an infrastructure master plan.</li> <li>• Ineffective monitoring of projects implementation due to lack of capacity (Civil technicians).</li> <li>• Lack of a project management system</li> <li>• Lack of Operators for plant machinery.</li> <li>• Unavailability of a workshop repair centre for the yellow fleet.</li> <li>• Lack of proper planning within the department to ensure rapid implementation of projects.</li> </ul>	<p>Job creation - Utilization of paving machine through internship programmes.</p>	<ul style="list-style-type: none"> <li>• Bulk of the surfaced roads that need to be constructed are with SANRAL, DPRW etc.</li> <li>• Non-compliance to Dora, constitution and Regulations could lead to withholding of funds.</li> <li>• Dilapidated road network.</li> <li>• Lack of/insufficient bulk infrastructure to allow local economic development.</li> <li>• Protests due to dilapidated infrastructure.</li> </ul>
<b>Electricity</b>	<ul style="list-style-type: none"> <li>• Available funding from INEP.</li> <li>• Availability of the Municipal Vendor machinery services.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-electrification of existing high masts.</li> <li>• Lack of capacity</li> </ul>	<p>Expedite household connections in areas with backlog.</p>	<ul style="list-style-type: none"> <li>• Non-spending of allocated funds.</li> <li>• Possible protests due to non/insufficient electrification</li> <li>• Possible funding reduction.</li> </ul>

### Integrated Planning and Economic Development (IPED)

Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
Land Use Management Housing Tourism and Development of SMMEs Agriculture (Crop production and livestock improvement)	<ul style="list-style-type: none"> <li>Effective implementation of SPLUMA.</li> </ul>	<ul style="list-style-type: none"> <li>Non-registration of municipal land</li> <li>Non-surveying of municipal land for disposal.</li> <li>Lack of capacity (Building Inspector).</li> <li>Limited budget.</li> <li>Non-implementation of the municipal land use management by laws. ☑ Lack of Building inspectors</li> </ul>	<ul style="list-style-type: none"> <li>Functional relations with CHDM Tribunal.</li> <li>Implementation of SPLUMA.</li> <li>Good relationship with district municipality and other stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of adequate funding and resources.</li> <li>Uncontrolled land development/land use.</li> </ul>
	<ul style="list-style-type: none"> <li>Housing/beneficiary registered in place.</li> <li>Existing housing allocations.</li> </ul>	<ul style="list-style-type: none"> <li>Non-registration of previously owned old properties.</li> <li>Lack of capacity.</li> <li>Lack of a housing sector plan.</li> </ul>	Working in close partnership with the department of Human settlement.	<ul style="list-style-type: none"> <li>Vandalism of existing houses.</li> <li>Slow pace by Department of Human Settlements in appointing Service Providers and implementing housing projects.</li> <li>Service delivery protests.</li> </ul>
	<ul style="list-style-type: none"> <li>Economic growth within Tourism sector, though at a snail's pace.</li> <li>Tourism sector plan in place</li> <li>LED strategy in place.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of capacity for LED (LED Director not appointed even though the post is funded)</li> <li>LED unit does not have a budget.</li> <li>Lack of implementation of municipal By-laws.</li> <li>Non-implementation of sector plans</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of the Tourism sector plan.</li> <li>Dedicated percentage of the MIG funding for LED.</li> <li>Implementation of the LED strategy.</li> <li>Setting up Private Public Partnerships to develop the local economy and development of a funding models.</li> <li>Small town Regeneration/revitalisation strategy projects</li> <li>Enhancement of tourism opportunities through</li> </ul>	<ul style="list-style-type: none"> <li>High rate of unemployment, inequality and poverty.</li> </ul>

2022-2024

Core Function and Land Care)	Key Strengths	Key Weaknesses	Opportunities	Threats
	<ul style="list-style-type: none"> <li>•Vast tracts of land that are suitable for crop production and livestock</li> <li>•LED strategy in place.</li> </ul>	<ul style="list-style-type: none"> <li>•Lack of proper planning to implement and monitor activities.</li> <li>•Lack of budget to support the activities.</li> <li>•Lack of personnel to implement the plans.</li> </ul>	<p style="text-align: center;"><b>development of existing tourism infrastructure</b></p> <p>Implementation of business plan to drive agriculture and livestock</p>	<p>Lack of land care business plans. Lack of interest on agriculture and livestock.</p>
			<p>Awareness campaigns around crop production, livestock improvement and land care.</p>	



**Corporate Services**

Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
<p><b>Training and Development</b></p>	<ul style="list-style-type: none"> <li>• Training Committee is in place.</li> <li>• Adopted Workplace Skills Plan is in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Inconsistent sitting of the training committee due non- incorporated dates in the Council Calendar.</li> <li>• Clash of programmes and activities makes it difficult for meetings to sit with the adopted WSP.</li> <li>• Insufficient training budget.</li> </ul>	<p>Willingness of service providers to transfer skill.</p>	<p>Incompetent training service providers</p>
<p><b>Organizational Development &amp; Administration</b></p>	<ul style="list-style-type: none"> <li>• Adopted organogram in place.</li> <li>• Training of evaluation committee was done</li> </ul>	<ul style="list-style-type: none"> <li>• Critical posts in the organogram are not funded due to limited financial resources.</li> <li>• Not all posts are evaluated.</li> </ul>	<p>Finalisation of the job evaluation process.</p>	<p>Non-compliance with legislation Basic Conditions of Employment Act (BCEA) or Labour Relations ACT (LRA) could lead to litigations and adverse audit opinions.</p>
<p><b>Council support</b></p>	<ul style="list-style-type: none"> <li>• Adopted council schedule is in place.</li> <li>• Council sittings are as per legislation.</li> <li>• Recording device in place to support recording of council proceedings.</li> </ul>	<ul style="list-style-type: none"> <li>• Not sitting as per council schedule</li> <li>• Non-implementation of council resolutions.</li> </ul>	<p>Alignment of programmes to allow consistent sitting of planned council meetings.</p>	<p>Adverse opinion due to week council oversight.</p>
<p><b>Compliance with Employment Equity Act</b></p>	<ul style="list-style-type: none"> <li>• Employment equity committee is in place.</li> <li>• Adopted Employment equity plan with equity targets is in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Inconsistent sitting of the employment equity committee due to non-incorporation of dates in the Council Calendar</li> <li>• Employment equity committee is not fully representative due to multiple commitments of designated groups</li> <li>• Municipality work force not representative of the designated groups.</li> </ul>	<p>Implementation of the Employment equity plan.</p>	<p>Penalties due to non-compliance with the provisions of the employment equity act. (Department of labour has issued a directive to effect transformation on all male dominated positions and the top four management levels)</p>



Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
<b>Labour Relations Policy</b>	<ul style="list-style-type: none"> <li>Local Labour Forum is in place.</li> <li>Schedule of sitting incorporated in the council calendar.</li> </ul>	Non-sitting of Local labour forum.	Political intervention on sitting of local labour forum.	<ul style="list-style-type: none"> <li>Adverse opinion due to non-compliance to the labour relations act.</li> <li>Non-delivery of the municipal mandate due to unstable labour relations.</li> </ul>
<b>Employee Wellness</b>	Employee wellness committee is in place.	<ul style="list-style-type: none"> <li>Employee wellness policy not in place.</li> <li>Fragmented programs that are not incorporated into the wellness plan</li> <li>Insufficient budget for recreation activities.</li> <li>Lack of dedicated personnel to focus on wellness programmes.</li> </ul>	<ul style="list-style-type: none"> <li>Willingness of finance/medical institutions to participate</li> <li>Coordination of wellness/recreational activities at the level of a district</li> </ul>	Non-delivery of the municipal mandate due to a non-productive labour force.
<b>Employee Performance Management</b>	<ul style="list-style-type: none"> <li>Some job descriptions are in place.</li> <li>PMS policy is in place.</li> <li>PMS implemented in section 54 and 55 by managers</li> </ul>	<ul style="list-style-type: none"> <li>Performance management not cascaded to levels below section 54 &amp; 55 by managers.</li> <li>Not all employees have signed job descriptions.</li> </ul>	Employees below section 54 and 55 managers acceding to cascade of PMS.	Non-delivery of the municipal mandate due to poor productivity.
<b>Fleet Management</b>	Fleet management policy in place. Installation of tracker system in some municipal vehicles.	<ul style="list-style-type: none"> <li>Poor management of the municipal fleet (lack of promptness on fleet related matters due to lack of prompt reporting to fleet management unit irregular fuel expenditure/ Irregular incorporation of fleet to one fuel card.)</li> <li>Tracker system not fully rolled out on all municipal vehicles</li> </ul>	Consequence management	Non-delivery of the municipal mandate due to dysfunctional municipal fleet.

	<ul style="list-style-type: none"> <li>•High fuel consumption and maintenance costs of fleet.</li> </ul>			
<b>Occupational Health and safety</b>	<ul style="list-style-type: none"> <li>•Adopted Occupation health and safety policy in place.</li> <li>•Health and safety committee is in place.</li> </ul>	<ul style="list-style-type: none"> <li>•Inconsistent sitting of the Occupational health and safety committee due to meeting dates not incorporated to Council Calendar.</li> </ul>	<ul style="list-style-type: none"> <li>•Consistent sitting of the OHS committee for a conducive and safe work environment.</li> </ul>	<ul style="list-style-type: none"> <li>•Litigations against and adverse opinion due to non-compliance with Occupational health and safety act.</li> </ul>
<b>Registry</b>	<ul style="list-style-type: none"> <li>•Approved file plan place.</li> <li>•Approved Record management policy place.</li> </ul>	<ul style="list-style-type: none"> <li>•Lack of an electronic record management system.</li> <li>•Insufficient personnel.</li> <li>•Inefficient manual record management system.</li> </ul>	<ul style="list-style-type: none"> <li>•Improved safeguarding of the institutional memory (municipal hard and electronic information)</li> </ul>	<ul style="list-style-type: none"> <li>•Non-compliance with archives act</li> <li>•Loss/inability to access with ease critical and valuable information</li> </ul>

**Community Services & Social Needs**

Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
<b>Waste Management Pounds</b>	<ul style="list-style-type: none"> <li>• Integrated waste management plan in place</li> <li>• Licenced and operational landfill sites.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of equipment in both landfill sites.</li> <li>• Lack of capacity (skills and human capacity).</li> <li>• Non-compliance in terms of medical inspection for workers.</li> <li>• Ineffective implementation of bylaws.</li> </ul>	<ul style="list-style-type: none"> <li>• Recycling programme.</li> <li>• Generation of revenue through waste disposal.</li> </ul>	<ul style="list-style-type: none"> <li>• Land availability</li> <li>• Vandalism of site fence</li> <li>• Resistance to pay for waste disposal.</li> <li>• Adverse audit opinion due to noncompliance waste management laws and regulations.</li> </ul>
	<ul style="list-style-type: none"> <li>• Pounds with requisite infrastructure in place (Khowa and Cala).</li> <li>• Generation of revenue through pound services.</li> </ul>	<ul style="list-style-type: none"> <li>• Ineffective security/safe guarding of the pound.</li> <li>• Lack of reconciliation of the pound register to the financial revenue reports.</li> <li>• Lack of pound bylaws/policy.</li> <li>• Insufficient capacity (rangers and pound truck not in place).</li> </ul>	<p>Disposal of livestock impounded for more than 3 months.</p>	<ul style="list-style-type: none"> <li>• Vandalism of the pound infrastructure.</li> <li>• Theft of impounded livestock.</li> </ul>
<b>Libraries</b>	<ul style="list-style-type: none"> <li>• Functional libraries with requisite infrastructure in place (Khowa and Cala).</li> <li>• Modular library in place and functional in Askeaton</li> <li>• Policies and procedures in place.</li> <li>• Computerised library stock register (Khowa and Cala).</li> <li>• Library security systems and security officers in place.</li> <li>• Conducive work relationship with DSRAC.</li> </ul>	<p>Security officer and security system not in place at Askeaton.</p> <p>Utilisation of a Manual book register.</p>	<p>Maximise and leverage support from DSRAC.</p>	<p>Exposure to vandalism (Askeaton library).</p>

Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
Traffic Dept. Cemeteries Recreational Facilities	eNatis in place. Vehicle Testing Station in place	<ul style="list-style-type: none"> <li>•Insufficient human capacity.</li> <li>•Insufficient revenue generation (currently only collecting from law enforcement ticket and renewed driver licences.</li> <li>•Insufficient law enforcement equipment (speed trap camera, guns and handcuffs).</li> <li>•Inadequate law enforcement plan</li> <li>•Lack of reconciliation of tickets issued to revenue collected.</li> </ul>	Revenue generation through learners, drivers testing and Vehicle Testing Station.	<ul style="list-style-type: none"> <li>•Loss of revenue through fraud and corruption.</li> <li>•Adverse audit opinion due the noncompliance with the Road Traffic Act.</li> </ul>
	<ul style="list-style-type: none"> <li>•Land availability.</li> <li>•Demarcated cemeteries in place.</li> <li>•Some cemeteries are fenced.</li> </ul>	<ul style="list-style-type: none"> <li>•Lack of a cemetery managing policy and / or by-law.</li> <li>•Not all cemeteries are fenced.</li> <li>•Under collection of revenue (Khowa cemeteries).</li> <li>•Lack of a cemetery management system.</li> <li>•Cemeteries not safeguarded.</li> </ul>	Revenue generation through selling of graves instead of sites	<ul style="list-style-type: none"> <li>•Communities not willing to pay for graves.</li> <li>•Communities not adhering to bylaws.</li> </ul>
	<ul style="list-style-type: none"> <li>• Existing recreational facilities.</li> <li>• Approved Maintenance budget in place.</li> </ul>	Lack of maintenance plan for halls and sports facilities due to ineffective implementation of the maintenance plan.	Revenue generation through hiring out of rural community halls.	Vandalism of sports field and community halls.



**Budget and Treasury**

Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
Revenue Management	<ul style="list-style-type: none"> <li>• Revenue Management policy in place.</li> <li>• Finance system/Billing system in place.</li> <li>• Approved valuation roll place.</li> <li>• High collection rate billed rates income.</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue enhancement strategies not in place.</li> <li>• Deed of sales to be issued owners.</li> <li>• Reduce debtor's book.</li> <li>• Traffic department not generating revenue.</li> <li>• Low in Cash reserves, (nonpayment of municipal services )</li> <li>• Non-implementation of By-Law relating to municipal land and buildings.</li> </ul>	<ul style="list-style-type: none"> <li>• Belt-tightening from National Treasury.</li> <li>• Building up cash reserve through collection outstanding debtors.</li> <li>• Revenue enhancement negotiate with other parastatal to assist with cut off list.</li> <li>• Proper implementation credit control policies will enhance revenue collection.</li> </ul>	<ul style="list-style-type: none"> <li>☑ Community not willing to pay for services</li> <li>☑ Land invasion.</li> </ul>
Supply Chain Management	<ul style="list-style-type: none"> <li>• Approved SCM policy place.</li> <li>• Requisite SCM processes place and functional.</li> <li>• Compliance with the SC regulations and policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of and /ineffective implementation of the procurement plan.</li> <li>• Irregular expenditure.</li> <li>• Unauthorised expenditure are budget overspending.</li> </ul>	<p>Adherence to the procurement plan to advance service delivery.</p>	<p>Fraud and corruption.</p>
Budgeting	<ul style="list-style-type: none"> <li>• Approved Budget policy place.</li> <li>• Budget aligned to the IDP</li> <li>• Budget compliant MSCOA.</li> <li>• Compliance with the MFMA.</li> </ul>	<p>Organogram not populated.</p>	<p>SCOA implementation as an institutional transformation.</p>	<ul style="list-style-type: none"> <li>• Rapid change in financial reporting standard.</li> <li>• SCOA implementation (Financial Challenge).</li> <li>• Unstable economy.</li> </ul>
Expenditure management	<p>Expenditure policies in place.</p>	<p>Organogram not populated.</p> <p>Business continuity management</p>	<p>☑ Capacity Building.</p>	<p>Non-compliance with conditional grants could lead to withdrawal of the grant.</p>



Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
	<ul style="list-style-type: none"> <li>Compliant with MFM (suppliers paid within 30 days). Prudent safeguarding of payment documents.</li> </ul>		<ul style="list-style-type: none"> <li>Budget and expenditure reports not consistently disseminated to user departments for effective monitoring of budget spending.</li> </ul>	
<b>Financial Reporting</b>	<ul style="list-style-type: none"> <li>Improved Audit opinion (Unqualified).</li> <li>Credible Annual Financial Statements.</li> <li>Good relationship with the AG.</li> </ul>	<ul style="list-style-type: none"> <li>Organogram not populated.</li> <li>Consistent utilisation of consultants in the finance department.</li> <li>Business continuity management</li> </ul>	<ul style="list-style-type: none"> <li>Capacity Building.</li> <li>Leverage on the relationship with the AG for capacity building initiatives.</li> <li>Transfer of skills during preparation of municipal financial statements through direct inclusion of finance staff</li> </ul>	<ul style="list-style-type: none"> <li>Adverse opinion due to non-credible financial statements</li> <li>Rapid change in financial reporting standards.</li> </ul>
<b>Asset Management</b>	Approved Asset management policy in place.		<ul style="list-style-type: none"> <li>Donations of municipal assets e.g. Municipal Halls, chairs and recreational areas.</li> </ul>	

### 3.6.1 IDP Reviews & MEC Assessment Response Plan

This document represents an IDP review for implementation in 2022/2027. It is revised in accordance with among others the points that were raised in the previous report of MEC assessment. Following the receipt of the assessment report from Provincial department of local government and traditional affairs, the planning task team set out a process to attend to all concerns raised. This report is drawn in accordance with the flow of the assessment guideline and attempts to respond directly to all concerns raised.

### 3.6.2 Governance Systems

The municipal council is the highest decision making body in the organization. It is chaired by the Speaker. Under the new council arrangements, Sakhisizwe has both a Council Speaker and Municipal Mayor

At least council seats every quarter unless a need arise for a special council meeting which is often called at the request of the Speaker. Council takes decisions on all aspects of municipal governance and ensure that management implements their decisions.

An IDP is adopted together with a 3 year budget (+SDF, SDBIP & PMS) at the beginning of the council term to guide municipal decision for implementing development, regulating local affairs and guiding administration.

In order to manage the day-to-day routine tasks of governance, Sakhisizwe has put in place committees headed by portfolio councillors and linked to administrative line functions. These committees work with managers to implement IDP and monitor compliance with council policies and decisions. In the course of implementation, operations interface with external stakeholders through management representations in various forums.

### 3.6.3 Inter- Governmental Relations

In compliance with intergovernmental relations act, Sakhisizwe LM has established Intergovernmental Relations Forum (IGR) and is chaired by Mayor which serves as a platform for facilitating bottlenecks and critical decisions aimed at fast tracking joint development objectives by government and its stakeholders. Sakhisizwe LM has a functional IGR.

IGR meetings are held each and every quarter. Linked to this mandate to the office of the municipal manager is the requirement to ensure good working relationship with community development workers (CDW) in all wards.

### 3.6.4 Public Participation & Promotion of Local Democracy

In a bid to promoting effective involvement of communities and thereby implement the requirements of the systems act chapter 4, Sakhisizwe LM resolved to review all its future IDPs through a ward based planning approach. Sakhisizwe LM established 90 ward committee (10 per ward). They were inducted and are fully functional. They are kept abreast of information and are regularly capacitated in line with the Institutional WSP. There is a need to develop ward based plans.

A public participation strategy is in place and utilised to guide engagement between council, administration and community stakeholders. The strategy outlines key mechanisms recommended for enhancing community mobilization for effective participation in key municipal activities including planning, performance management and service delivery implementation processes.

A newsletter and regular mayoral report back Imbizos are also planned for the year ahead to enable constant flow of information between the council, its administration and local communities on the affairs of the municipality. Mayoral Imbizos, IDP Rep forums and Road shows sit according to the IDP Process Plan.

All wards have established **War Rooms**. The War Rooms constituted the Ward Councillor, Ward Councillors, Communities, Sector Departments and the Municipality. The purpose of the War Room is for the communities to engage on issues that affect the ward in the presence of all sector departments in order to provide assistance and responses to the challenges raised. The issues raised in the War Rooms are cascaded to the Municipal War Room and thereafter to District War Room.

### **3.6.5 Special Programmes**

The municipality supports the transformation of our society through facilitating a range of interventions aimed at mainstreaming participation of the vulnerable groups in society. The following are key areas of that SPU will be implementing projects in 2017/22 in order to promote the mainstreaming of the vulnerable groups in society.

- Capacity Building SPU Co-ordinator
- Stationery and running Costs
- Women's Forum
- Elderly Forum
- Disability Forum
- Youth Council
- Mayor's Cup
- Special Programmes Strategy
- Sport Council
- HIV/Aids Council
- Social Cohesion
- Sustainable Development Agenda and Climate change

### **3.6.6 Inter-municipal planning and joint delivery of strategic programmes**

Sakhisizwe LM collaborates with its neighbouring municipalities in implementing strategic programmes of mutual concern such as for example:

- Tourism Heritage Route with Engcobo, Emalahleni and Intsika Yethu LMs + CHDM
- Agri-Packs
- Charcoal and Sawmiller Development
- Disaster Management and emergency relief
- Discussions in preparation of the planned SDI (special development initiatives) within CHDM
- District plans and implementation coordination task teams

### **3.6.7 Anti-corruption Strategy**

Sakhisizwe LM has adopted an anti-corruption stance and promotes anonymous reporting of any perceived corrupt activities by its employees and councillors or even by service providers engaged by the Sakhisizwe LM.

Members of the public are also allowed to approach the office of the Mayor or Municipal manager with information if they feel that certain behaviours by our members are suspicious.

### **3.6.8 Audit Committee**

The municipality has its own audit committee for internal audit and Performance Management Systems. The committee is functional and sits in each and every quarter.

### **3.6.9 Customer care relations**

In order to promote a good culture of cooperation between the municipality and its paying customers including all those who receive a service from Sakhisizwe, a customer relations framework will be developed. Suggestions at the consultative processes recommended the consideration of current offices in places like Khowa to be utilised as customer interface centres after the consolidation of administration in the new premises at Cala. It was also proposed through the IDP/SDF consultation processes that to give rise to the planned secondary nodal points in Lower Lafuta, a one stop centre be planned and developed in the near future so as to minimise the costs of accessing services to our rural households.

Good governance is a key priority for the municipality. Our emphasis will be on:

- Implementing democracy through investment in public participation and ward capacity building programmes including ward based planning;
- Fighting tendencies of corruption in our system;
- Increasing trust and support from our communities and also ensuring the maintenance of a good image and profile for the municipality;
- Implementing community outreach initiatives such as those activities undertaken in the special programmes unit (focusing on youth, women and disabled);
- Attainment of a clean audit outcome within two prior to installation of the next council; and
- Putting in place effective systems and processes for improving council oversight and administrative accountability through implementation of functional PMS and SDBIP regular reporting.

#### **3.6.10 Municipal Public Accounts Committee**

Functions of MPAC

- Provision of an oversight role in respect of the administration and executive committee of the council.
- Reviewing the municipality quarterly, mid-year and annual reports and providing an oversight report on the Annual Report for consideration by Council.
- Assisting Council to maintain oversight over the implementation of the Supply Chain Management Policy.
- Examining the financial statements and audit reports of the municipality and municipal entities (considering improvements from previous statements and reports);
- Evaluating the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented.
- Promoting good governance, transparency, and accountability on the use of municipal resources.
- Examining the Mid-Year Review documents in line with the Integrated Development Plan (IDP); and
- Recommending or undertaking any investigation that falls within the scope of this committee's responsibilities/ area of competence.

#### **3.6.11 Risk and ICT Steering Committee**

The Risk and ICT Management Committee is responsible to Accounting Officer, who is responsible to Sakhisizwe Local Municipality Council, for designing, implementing and monitoring the process of risk and ICT management and integrating it into day-to-day activities of Sakhisizwe Local Municipality. The risk and ICT management committee is further responsible for the quality, integrity, and reliability of Sakhisizwe Local Municipality's risk and ICT management.

## CHAPTER 4: SPATIAL DEVELOPMENT FRAMEWORK

### SPATIAL DEVELOPMENT FRAMEWORK

Sakhisizwe Local Municipality developed a 5 year Spatial Development Framework in 2018/19 and submitted to Council for adoption on the 31<sup>st</sup> May 2019. The document is aimed at providing a spatial policy perspective to this IDP as well as guide future planning decisions about space development. This SDF is based on the following set of objectives and principles.

- restructure spatially inefficient settlements;
- promote the sustainable use of the land resources in the country;
- channel resources to areas of greatest need and development potential, thereby redressing the inequitable historical treatment of marginalized areas;
- take into account the fiscal, institutional and administrative capacities of role players, the needs of communities and the environment;
- stimulate economic development opportunities in rural and urban areas; and
- Support an equitable protection of rights to and in land.”

The various principles and directives can be translated into a set of collective development objectives in accordance with the national agenda that form the overarching objectives of the Spatial Development Framework, namely -.

- To promote sustainable development;
- To promote efficient development;
- To promote equitable development;
- To ensure integrated development, and
- To improve the quality and image of the physical environment.

#### 4.1 Legal framework

The Systems Act is the overarching piece of legislation that guides and informs this SDF. In terms of Section 26(e) of the Local Government Municipal Systems Act (Act No. 32 of 2000), every Municipality is required to formulate a Spatial Development Framework as part of the contents of its Integrated Development Plan (IDP). The Local Government Municipal Planning and Performance Management Regulations (R. 796 of 2001) made in terms of the Municipal Systems Act determine the content of such a Spatial Development Framework. It requires the municipality to:

- Identify the key spatial development features (trends and dynamics) currently applicable in the Sakhisizwe Municipality;
- Establish clearly the objectives of the Sakhisizwe Municipality in relation to spatial development in its area of jurisdiction, with particular emphasis on clarifying the principles to be followed in the management of such spatial development in the area; c) Identify the Municipality’s strategies and policies that are adopted to achieve its spatial development objectives. These should focus on establishing a clear hierarchy of settlement and delineating Special Development Areas, which are:
  - Areas where strategic development intervention is required (areas of particular development potential and/or areas where current development activities represent a development opportunity); and
  - Areas where priority spending is required (areas of special need)

d) Illustrate the above information on maps and plans; and

e) Set out basic guidelines for a land use management system in Sakhisizwe Municipality (i.e. how the Municipality anticipates that it will manage land use development and land use change over a five-year period).



### **Ensuring a uniform planning system**

The Land Use Management Bill (2001) and the Green Paper on Development and Planning (1999) are particularly important guiding pieces of legislation for the SDF in that they seek to provide for the establishment of a new unitary planning system in SA. This new set of legislation will enable municipalities to better understand the required content of spatial and land use management plans and thus level the ground for smooth implementation of the LG Systems Act: 2003 (as amended)

### **Providing a national spatial planning framework**

The National Spatial Development Perspective is a new initiative by government which sets a national framework to guide infrastructure investments and development decisions. In order to guide development agencies understand their potential and therefore choose appropriate spatial development strategies for their growth, the NSDP suggests six categories of (covering about 315 magisterial districts) areas (spatial development potential):

- Innovation and experimentation (27)
- High value differentiated goods (45)
- Labour intensive mass produced goods (62)
- Public service and Administration (73)
- Tourism (60).
- Service and Retail (48)

In terms of the analysis of Sakhisizwe potential index, the area has potential in Agricultural development, Tourism resources such as the Cultural Tourism industry and less potential in the Innovation and experimentation through its limited urban centre with no developed consumer base.

### **The provincial framework**

The Eastern Cape Spatial Development Plan and especially the EC Growth and Development Strategy provide a guiding framework for spatial economic development in the province as whole. In terms of the EC SDF there are three levels at which government is planning to intervene in the development of the province's spatial economy.

The EC PGDS identifies six key focus areas for priority spatial investments in the short term and these include the following:

- Agrarian development and food security
- Fighting poverty
- Public sector transformation
- Infrastructure development
- Manufacturing diversification and Tourism
- Human Resource Development

## **4.2 Introduction**

This document represents the review of the Spatial Development Framework (SDF) for the Sakhisizwe Local Municipality (SLM) and is prepared as an integral part of the Municipality's Integrated Development Plan (IDP 2016-2021). Furthermore, the Spatial Planning and Land Use Management Act (SPLUMA) (Act 16 of 2013), and specifically Section 20, provides that the Municipal Spatial Development Frameworks be prepared as part of the Municipality's Integrated Development Plan in accordance with Section 26(e) of the Local Government: Municipal Systems Act (MSA) (Act 32 of 2000).

The document provides an interpretation in spatial terms of the key needs and responding programmes as set out in the Sakhisizwe IDP and draws conclusions as to the main requirements of the SDF to guide responsible authorities and role players in development decisions that are wise and sustainable in meeting the development needs of the people who live in the area. Furthermore, the document reflects the changes to the municipal boundary of Sakhisizwe, as promulgated and includes updated data, where available.

## Overview of the Study Area

Sakhisizwe Local Municipality is classified as category B Municipality in terms of the Municipal Structures Act and it is an administrative area within the Chris Hani District Municipality (CHDM) of the Eastern Cape Province in South Africa. The Sakhisizwe Local Municipal Council is the ultimate political decision-making body of the LM and consists of 9 wards with 19 councillors.

It is approximately 113km east of Komani (Queenstown) which is the District's administrative centre. The two urban centres within the LM, Cala and Khowa (Elliot) are situated 33km apart. Cala consists of the suburb of Cala Town, Cala Reserve, California, Phakamisani, Bathandwa Ndongdo and Manzimdaka communities, whilst Khowa (Elliot) includes Khowa (Elliot) Town, Masibambane, Polar Park, Takalani and Old Location communities. The rural areas of both towns are mostly commercial farms.

## 4.3 Development Opportunities and Challenges

### Development Opportunities

- The bio-physical resources of the area, in respect of the topography, soils, climate, hydrology and vegetation have great potential for forestry development, arable crop farming, and livestock production.
- Large parcels of undeveloped land: The municipality has large parcels of undeveloped land for human settlements, agro processing industry development, etc.
- Tourism Potentials: The SLM has a strong potential for the development and promotion of winter tourism, cultural tourism, eco-tourism, agricultural tourism, adventure tourism, and water sports facilities.
- Biodiversity conservation initiatives: SLM has rugged terrain with its relatively undisturbed and water sources environment for biodiversity conservation initiatives.
- Blending and integration of tourism and heritage resources: There is availability of tourism and heritage resources in the municipal area as well as the neighbouring municipalities which can well be blended and integrated into the future tourism planning and development initiatives by the SLM.
- Availability of water resources: There is availability of water resources (rivers) for water supply for domestic, agriculture and other LED activities
- Migration: Migration (internal or cross border) is a feature of African livelihood and provides opportunities for development, for example, remittances to home areas contribute to household livelihoods.
- Close proximity to Queenstown (Komani): The SLM is in close proximity to other business, administrative, commercial, and employment areas, such as, Queenstown (Komani).
- Willingness of the private sector involvement in the local economic initiatives: There is willingness of the private sector involvement in the local economic initiatives, for example, forestry, agriculture and tourism development, within the area, if conducive environment is provided by the municipality.
- Availability of external funding sources: There is availability of external funding sources from various institutions to support infrastructure and other developmental programmes within the area, for example, MIG funding.

### Development Challenges

- Basic infrastructure and service delivery the municipality have huge backlogs in water, sanitation, electricity, refuse, and road network. There are also other challenges such as poor accessibility of facilities and quality outputs affecting education, health, public transport, social development and

safety and security. These challenges militate against the strength of the municipality to better the lives of our people.

- Economic development and environment SLM has an underperforming local economy since it is unable to adequately deal with strategic challenges such as poverty, unemployment and low revenue base due to limited scientific knowledge in the agriculture, forestry, and other economic sectors in SLM. An LED strategy has been developed to institutionalise responses of the municipality to LED.
- Lack or inadequate institutional capacity and development the municipality is still unable to perform all expected mandates in terms of assigned powers and functions due to administrative and other technical and professional capacity constraints.
- The dispersed nature of the settlement pattern as well as sprawl development in the area has led to spatial fragmentation and high cost in service provision.
- The communal land tenure and ownership problems in the rural areas do not promote large scale development initiatives in the area.
- High unemployment rate: There is high unemployment rate (45.5%), low income level (65.6% of households earn less than R3200 per month) and high grant dependency. imply that the area is characterized by poverty and low standard of living and this has negative implication on affordability levels of the households in terms of payment of service provision and other social challenges to the municipality.
- Threatening of the bio-physical resources: The bio-physical resources in the area are being threatened by improper human activities, (such as, uncontrolled growth and development of human settlements, inappropriate farming activities and uncontrolled mining activities). These have negative consequences on soils degradation, loss of valuable vegetation and agricultural land and water contamination. These losses of the bio-physical resources are partly due to lack of coherent land use management system and conservation planning of the natural resource measures.
- The mountainous and rugged nature of the topography is an obstacle to the development of an integrated communication network to effectively link all sectors of the SLM and the adjoining LMs? Also, there is a poor movement linkage between rural areas and urban centres due to poor road conditions and this has led to uneven development between rural and urban areas.
- Natural disasters e.g. tornadoes, floods, drought and veld fires negatively impact on the area and its potentials.
- There is competition from neighbouring municipalities in LED initiatives, e.g. tourism development and development funding from government and other private source for development.
- No effective legislation in place to address land ownership and tenure issues within the rural areas of SLM.

#### **4.4 Spatial Planning Principles**

The attainment of the vision and objectives alluded above requires the Municipality to facilitate the development of a spatial system that is underpinned by various normative principles. The Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA) is the foremost spatial planning legislation in the country. Hence, it is pivotal that all spatial plans in the republic adhere to the principles advocated by SPLUMA. The guiding principles can summarised as follows:

- **Spatial sustainability**: the principle of spatial sustainability requires sustainable management and use of the resources making up the natural and built environment.

- **Good administration:** this principle suggests the adoption of an integrated approach in spatial planning and land development, particularly by all spheres of government.
- **Spatial justice:** the principle of spatial justice aims to redress the spatial imbalances of the past through improved access to land and efficient use of land.
- **Spatial resilience:** the principle of spatial resilience advocates for the formulation of spatial plans that will help ensure the creation of sustainable livelihoods, particularly in communities highly vulnerable to climate change and concomitant natural calamities.
- **Efficiency:** the principle of efficiency advocates for frugality in the use of resources such as land and optimal use of existing infrastructure.

#### 4.5 Spatial Development Strategies

Guided by the spatial vision, and development principles and objectives which support sustainable development within the Sakhisizwe municipal area, the following development strategies were proposed for Sakhisizwe SDF:

- Consolidate and integrate spatial development by developing land in proximity to public transport and existing services.
- Identify “Special Development Areas”, that is, areas of particular development potential or areas where priority spending is required (special needs areas) – nodal centres, development corridors, special development areas.
- Develop a settlement pattern which conforms to the approved zonal policy of Chris Hani District Municipality Land Reform and Settlement Plan that meets the particular requirements of the municipality.
- Create sustainable human settlement with quality physical, economic and social environments.
- Planning for densification/infill and careful expansion of existing settlements on productive agricultural resources.
- Promote integration of spatial development by means of efficient transport network system. Support a land reform and settlement development programme by identifying zones of opportunity for land
- Develop a sustainable local Land Use Management System to promote coordinated, harmonious and environmentally sustainable development.

#### 4.6 Spatial Development Proposals

##### Settlement Nodes and Hierarchy

The Sakhisizwe LM’s SDF Review identifies certain settlement nodes and hierarchy in line with levels of investment. The various settlement nodes and hierarchy are as follows:

Node Type	Spatial Development Priorities
Primary Node  Cala Town	<ul style="list-style-type: none"> <li>• There is a great need for a small town regeneration strategy for the entire Cala Town to cater for the existing mixed land use nodes – administrative, social and economic nodes and concentration of different activities and services for effective functioning of the town. For example, <ul style="list-style-type: none"> <li>- Cala Town Central Business District (CBD) requires revitalization and associated precinct or local planning to cater for mixed use development activities.</li> <li>- There is a need for urban aesthetics.</li> <li>- There is a need for infrastructure and social facilities provision and upgrade to cater for existing and future expansion of the town.</li> </ul> </li> <li>• A need for light industrial development area focusing on the processing of raw materials from the region is required in the town.</li> </ul>

Node Type	Spatial Development Priorities
	<ul style="list-style-type: none"> <li>• Strengthening of the following activities in Cala Town:               <ul style="list-style-type: none"> <li>- Development of a strong commercial activity zones to service the town and the entire municipal area.</li> <li>- Location of regional and district offices of various government departments and service delivery departments.</li> <li>- Location of a higher institution (TVET College) to cater for the higher educational needs of the Municipal area.</li> </ul> </li> <li>• The need for Sustainable Human Settlement Programme in the form of public and private funded housing development (including social and rental housing on vacant land parcels within the CBD and adjoining areas).</li> <li>• Proper Land Use Management and Land Administration system in the town.</li> <li>• Delineation of Urban Edge and formulation of Commonage Management Plan.</li> </ul>
<b>Secondary Node</b>  <b>Khowa (Elliot)</b>	<ul style="list-style-type: none"> <li>• This is a “major sub-regional node” within SLM where higher to medium order community facilities such as a hospital, schools etc. should be “focused and/or improved” in order to ensure that a great number of both urban, peri-urban and rural residents are served in a more efficient and effective way.</li> <li>• Ideally, this “node” located in close proximity to public transport routes to ensure maximum accessibility to urban facilities.</li> <li>• Commercial activities serving the whole local municipal areas and the surrounding area.</li> <li>• Light industrial development focusing mainly on the processing of raw materials produced within the sub-region and the neighbouring areas – (agri-processing centre).</li> <li>• Need for local planning (small town regeneration) to maximize use of resources.</li> <li>• Provision and upgrade of existing infrastructure and social facilities.</li> <li>• Provision of public-funded and private-funded housing (including social housing, high density rental high rise housing) on vacant land parcels within the CBD.</li> <li>• Strengthening of the commercial centre to include a “mall” to service the town and the catchment area.</li> <li>• Development of local land use scheme to be negotiated.</li> <li>• Environmental Management (protection of natural and cultural resources).</li> </ul>
<b>Tertiary Nodes</b>  <b>(Rural Service Centre)</b>  <ul style="list-style-type: none"> <li>• Lower Lufuta</li> <li>• Upper Lufuta</li> </ul>	<ul style="list-style-type: none"> <li>• These are “rural service centres” where medium to lower order community facilities can be “focused” or “bundle” in order to ensure that a great number of rural residents are served in a more efficient and effective way.</li> <li>• Local planning to maximize use of resources.</li> <li>• Provision and upgrade of infrastructure and social services.</li> <li>• Public-funded rural housing provision.</li> <li>• Strengthening of the following activities in major rural service nodes:               <ul style="list-style-type: none"> <li>- Creation and development of low-key commercial centre with facilities to service the villages and their catchment areas.</li> <li>- Location of public facilities, such as, community halls, junior and senior primary schools, senior secondary schools, mobile clinic services, sports field, transportation facilities, (if not available) to serve the villages and their catchment areas.</li> </ul> </li> <li>• Local (rural) land use scheme to be negotiated.</li> <li>• Environmental Management (protection of natural, agricultural and cultural resources)</li> </ul>
<b>Rural Villages</b>	<p>All other existing villages in the SLM are areas of greatest need, requiring special investment to upgrade levels of service to the accepted minimum level so as to improve the level of well-being of the communities. It should involve investment in basic infrastructure, poverty alleviation and rural livelihood programmes and projects.</p>



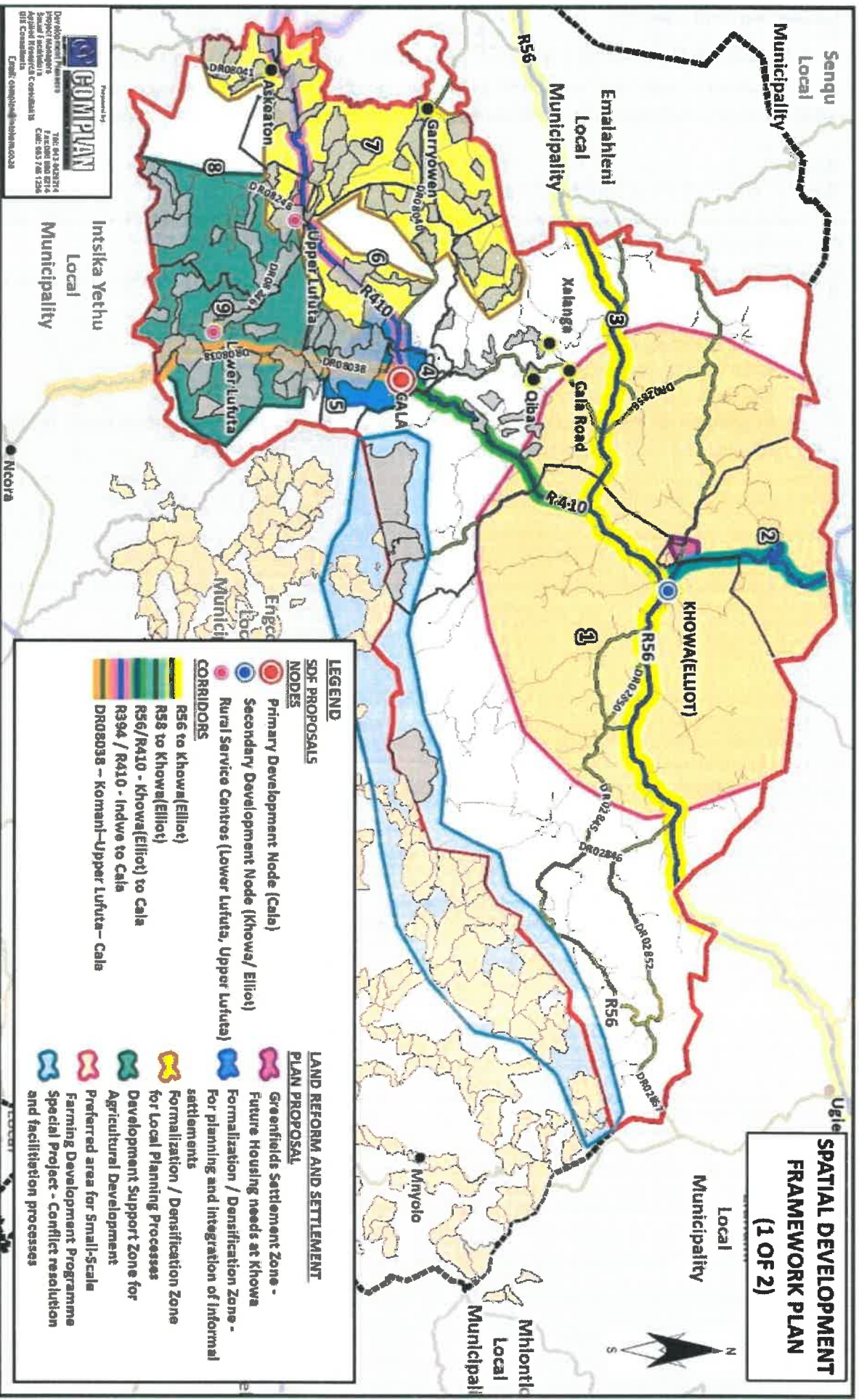
#### 4.7 Development Corridors

Development corridors include transport routes linking various parts of the municipality and the district, usually associated with the movement of people, goods and services between nodes. They have the potential to accommodate mixed land uses, agriculture, forestry, tourism and mining activities.

**Mobility routes**, for example, tend to focus on transporting people, goods and services between nodes. They can also perform as commercial activity routes where retail land use tends to be consolidated along the main transport routes. The major roads especially “district roads” normally with economic activities in the municipality are classified as primary, secondary and tertiary corridors.

Key transportation and accessibility corridors in the Sakhisizwe LM, which need improvement include:

- R393 from Cala – Khowa (Elliot)
- R56 from Khowa (Elliot) – Maclear in Elundini LM;
- R410 from Queenstown (Komani) – Upper Lufuta – Cala; and
- R58 linking R393 to Dordrecht.
- In addition to these main corridors, there is a network of smaller minor roads linking various farming and rural commercial activity areas within the municipality.



**SPATIAL DEVELOPMENT  
FRAMEWORK PLAN  
(1 OF 2)**

**LEGEND**

**SDF PROPOSALS**

**NODES**

- Primary Development Node (Cala)
- Secondary Development Node (Khowa/ Elliot)
- Rural Service Centres (Lower Lufuta, Upper Lufuta)

**CORRIDORS**

- ▬ R56 to Khowa(Elliot)
- ▬ R56/R410 - Khowa(Elliot) to Cala
- ▬ R394 / R410 - Indwe to Cala
- ▬ DR08038 – Koman–Upper Lufuta– Cala

**LAND REFORM AND SETTLEMENT  
PLAN PROPOSAL**

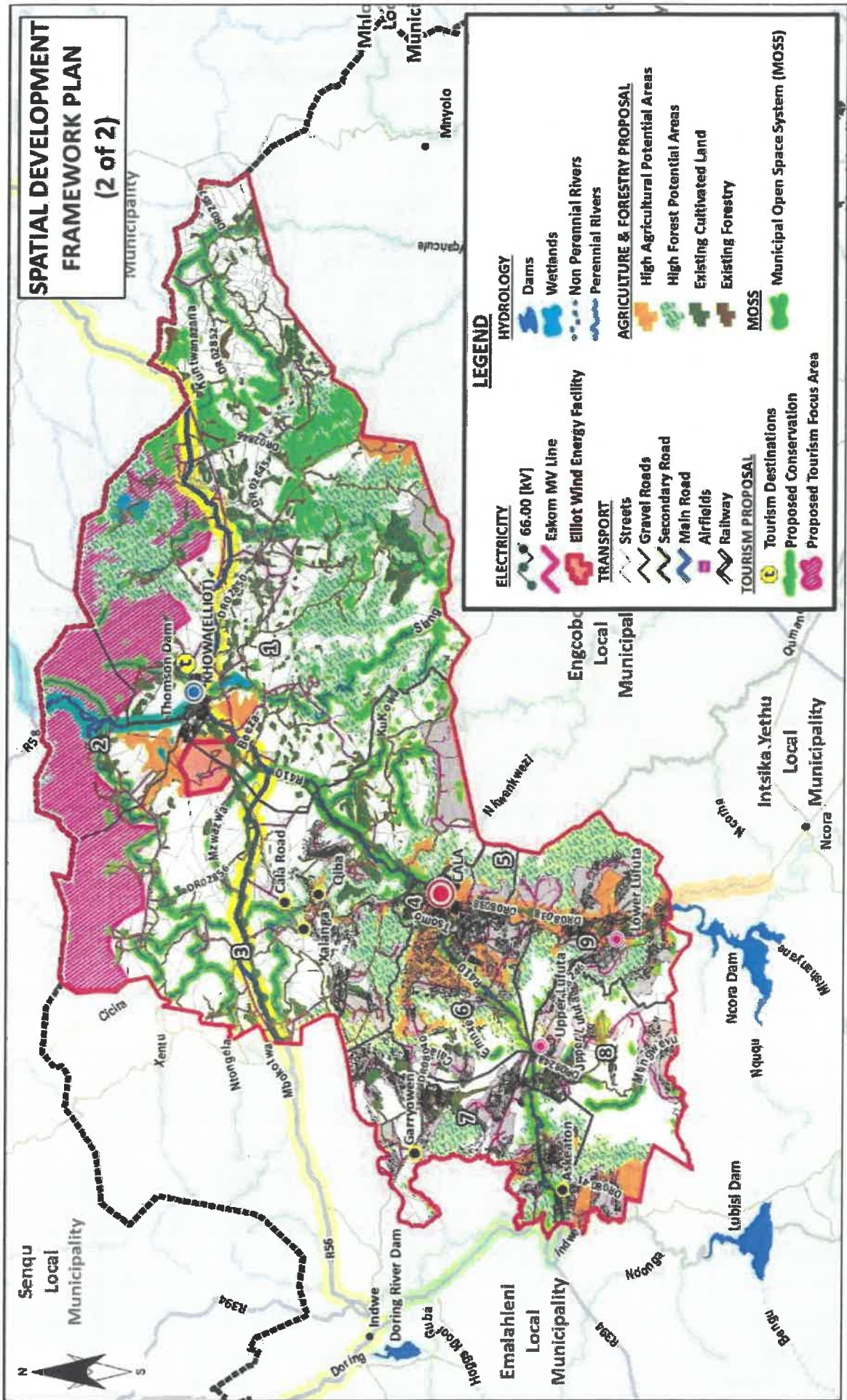
- ⬭ Greenfields Settlement Zone - Future Housing needs at Khowa
- ⬭ Formalization / Denitification Zone - For planning and integration of informal settlements
- ⬭ Formalization / Denitification Zone for Local Planning Processes
- ⬭ Development Support Zone for Agricultural Development
- ⬭ Preferred area for Small-scale Farming Development Programme
- ⬭ Special Project - Conflict resolution and facilitation processes

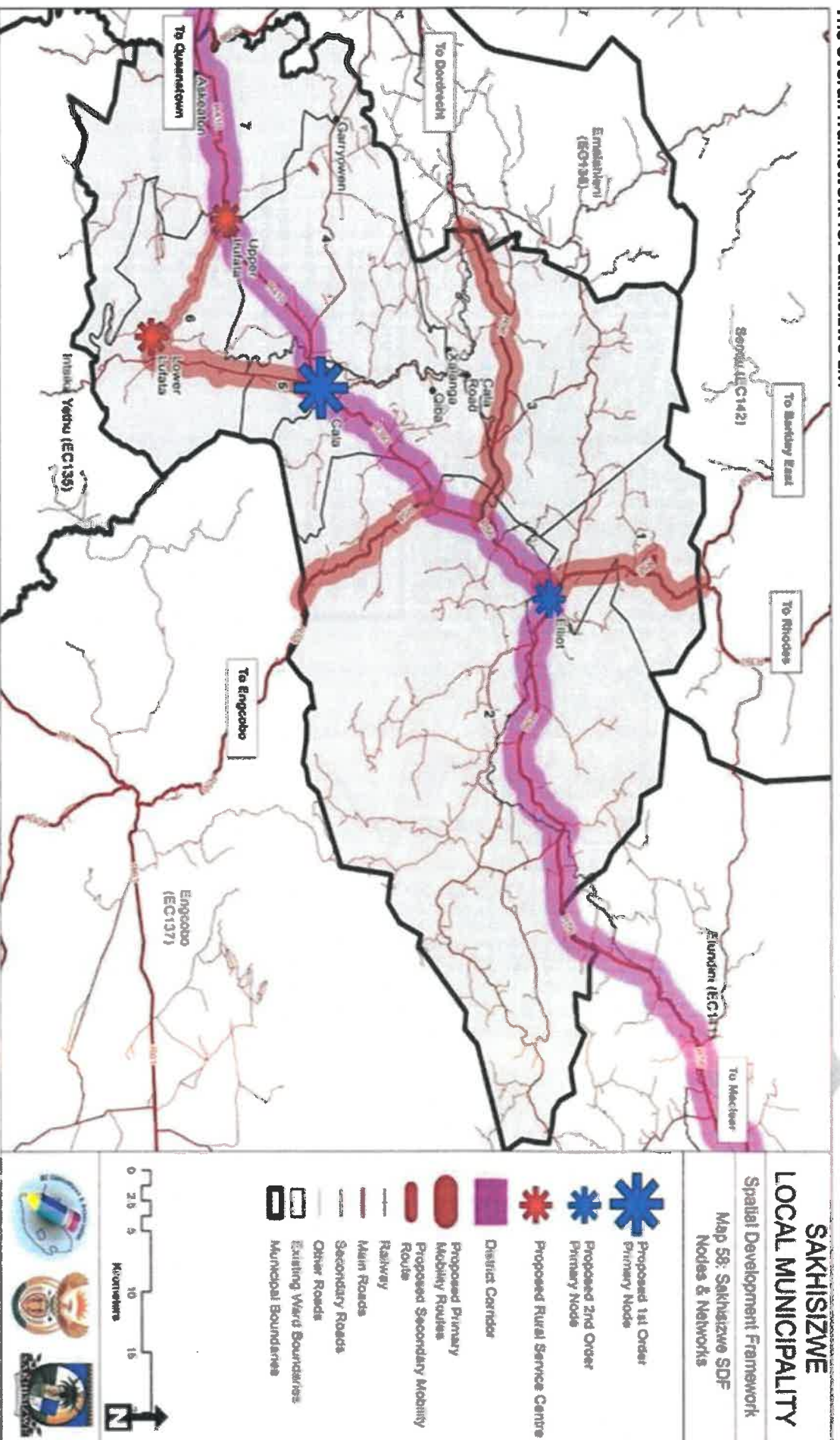
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**GOMPLAN**

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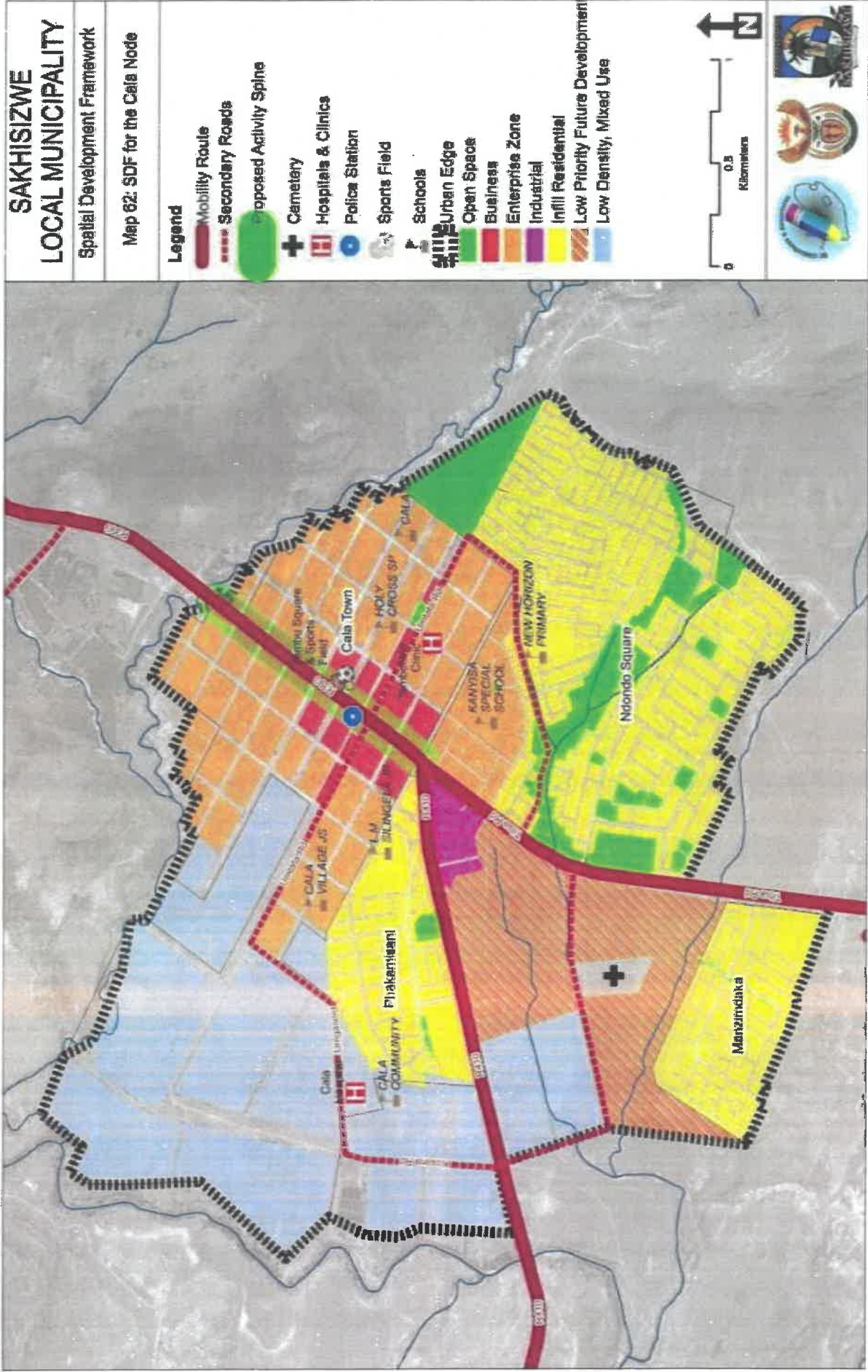
**SPATIAL DEVELOPMENT  
FRAMEWORK PLAN  
(2 of 2)**







Cala Land Use Management framework



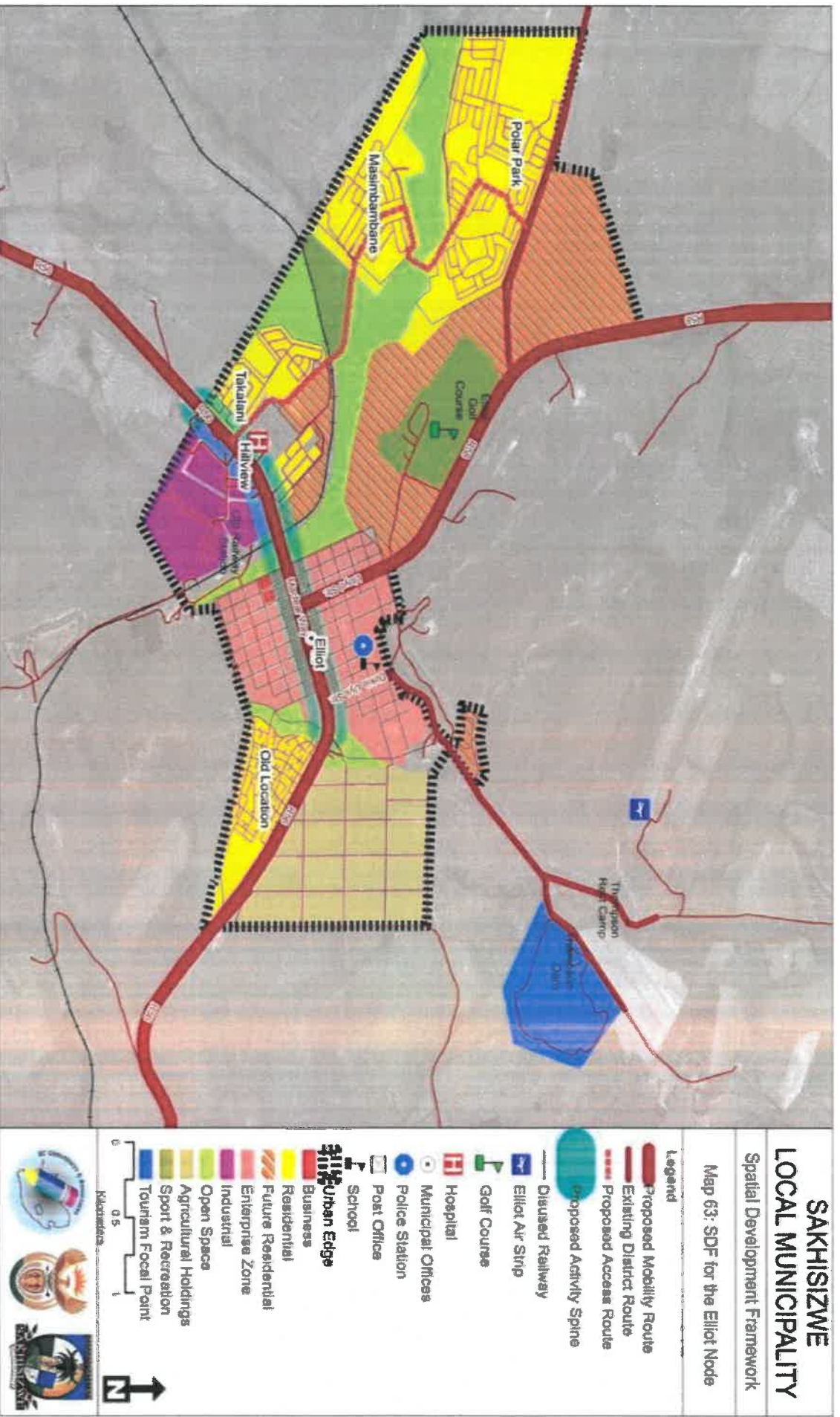
**SAKHISIZWE**  
**LOCAL MUNICIPALITY**  
Spatial Development Framework

Map 62: SDF for the Cala Node

- Legend**
- Mobility Route
  - Secondary Roads
  - Proposed Activity Spine
  - Cemetery
  - Hospitals & Clinics
  - Police Station
  - Sports Field
  - Schools
  - Urban Edge
  - Open Space
  - Business
  - Enterprise Zone
  - Industrial
  - Infill Residential
  - Low Priority Future Development
  - Low Density, Mixed Use

0 0.5 Kilometers





## CHAPTER 5: POLICY FRAMEWORK AND STRATEGIC MAPPING

### 5.1 LEGISLATIVE AND OTHER MANDATES

#### **Constitutional mandate**

The Constitution of the Republic of South Africa (Act 108 of 1996) provides the national central framework for the work of all municipalities in South Africa. Chapter 3 outlines the principles of cooperative government and intergovernmental relations, which all spheres of government and organs of states should observe and adhere to.

#### **Legislative mandate**

The White Paper on Local Government (1998) and the subsequent package of related legislation (outlined below) provide the national context for local governance across the country.

#### **Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998)**

This Act aims to provide criteria and procedures for the determination of municipal boundaries by an independent authority.

#### **Local Government: Municipal Structures Act, 1998 & Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)**

Together these Acts describe the political decision-making systems which apply to different categories of Municipalities. They define the powers and duties of various role players, regulate the delegation of powers and provide a code of conduct to govern both councillors and officials. In so doing, they provide the benchmark against which Provincial Government needs to regulate, monitor, support and coordinate Municipalities under its jurisdiction.

#### **Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)**

This Act aims to secure sound and sustainable management of the financial affairs of Municipalities as well as to establish norms and standards against which the financial affairs can be monitored and measured.

#### **Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)**

This Act aims to establish a framework for national government, provincial governments and Municipalities to promote and facilitate intergovernmental relationships, and to provide mechanisms and procedures to facilitate the settlement of intergovernmental disputes.

#### **Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)**

This Act provides a framework for spatial planning and land use management in the Republic, specifies the relationship between the spatial planning and the land use management systems and other kinds of planning, provides for the inclusive, developmental, equitable and efficient spatial planning at the different spheres of government, provides a framework for the monitoring, coordination and review of the spatial planning and land use management system, provides a framework for policies, principles, norms and standards for spatial development planning and land use management, addresses past spatial and regulatory imbalance, promotes greater consistency and uniformity in the application procedures and decision-making by authorities responsible for land use decisions and development applications, provides for the establishment, functions and operations of Municipal Planning Tribunals, provides for the facilitation and enforcement of land use and development measures, and provides for matters connected therewith.

### **Other Local Government Legislation**

In addition to its constitutional mandate, local government is guided by other pieces of legislation, namely:

- Local Government Laws Amendment Act, 2008 (Act 19 of 2008);
- Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998); and
- Consumer Protection Act, 2008 (Act 68 of 2008);

### **Local Government Policy Mandates**

The following also provide the policy framework for local government:

- White Paper on Local Government, 1998;
- National Local Government Turn Around Strategy 2009;
- Local Government Anti-Corruption Strategy, 2006;
- National Back to Basics Strategy, 2014; and
- Batho Pele principles;

### **Policy Framework for the Government-Wide Monitoring and Evaluation System (2005):**

Government institutions are to adopt a monitoring and evaluation (M&E) strategy that outlines how the M&E findings inform planning, budget formulation, execution and annual reporting.

### **Framework for Managing Programme Performance Information (2007):**

Focuses the attention of the public and oversight bodies on whether public institutions are delivering value for money by comparing actual performance plans against budgets and service delivery plans.

### **National evaluation policy Framework (2011):**

The framework provides the basis for a minimum system of evaluation across government.

## **5.2 OUTLINE OF THE STRATEGIC PLANNING SESSION**

### **Description of the Strategic Planning Process**

Priorities of the Strategic Plan were developed through a process of Council input, stakeholder and public engagements and a consolidation of previous studies conducted by the municipality. The strategic plan balances the priorities against opportunities and challenges, while supporting the principles of community sustainability. The goal of the Strategic Plan is to guide the responsible use of resources, effectiveness and efficiency in municipal service delivery and accountability to citizens, Council and stakeholders.

Sakhisizwe Local Municipality (SLM) held a Council 5- year Strategic Planning session from the 11-13 of April 2022 Cala. The session was attended by members of Council, the Executive Committee, traditional leadership and Heads of Departments. Stakeholders from organised labour were also invited to give take part in the session, so as to solicit their input into the formulation of the municipality's strategy, and to also strengthen working relations, amongst other things.

## **5.3 STRATEGIC OVERVIEW**

### **Institutional Operational Strategic Analysis**

A Strategic Planning was held Cala in 11-13 April 2022 to provide a platform for the institution to introspect and assess progress with regards to their operational performance while also identifying strategic gaps that need to be rectified in order to improve overall organizational performance. The session was attended by the municipal officials and management as well as various strategic stakeholder partners of SLM.

Each line functional department was requested to conduct a self-diagnosis (SWOT analysis & state key achievements and shortfalls relating to its mandate) as a basis for discussion at the strategic planning session.

## 5.4 Strategy Planning and Mapping Model of SLM

### Roles and Responsibilities



## 5.5 BROAD STRATEGIC DEVELOPMENT OUTCOMES

In order to realise the chosen vision, the municipality commit to achieving the following broad strategic development outcomes.

- Sustainable service delivery & economic growth
- Poverty eradication and job creation
- Clean corruption-free governance, characterised by high performance culture
- Functional developmental LG – good governance systems and public participation
- Incremental capacity building and political maturity
- 

## 5.6 Vision and Mission



### Vision

“To be a financially sustainable and socio-economically transformed municipality by 2030”.



## Mission

"We will provide quality sustainable service delivery, through prudent financial management and collaboration with our communities."

## Values

The Municipality's core values are:

Value	Value Statement
Diligence	Self-driven public representative and management team, communities to serving the people, assertive in representing the interests of Sakhisizwe inhabitants
Promptness	Responding to matters of public and citizens' interests within reasonable time including acknowledging and keeping people informed process
Integrity	Transparency, honesty, good democracy ethics, impartial of matters of public good and interest and building a public service that transcends political and social boundaries
Accountability	Responsible, taking ownership, discipline efficient and implanting a culture of a demand driven development paradigm
Participative	Building a reciprocal relationship between management and all internal stakeholders, between council and administration, between labour and organizational leadership and between the municipality and its citizens
Responsive	Building a customer friendly municipal environment, ensuring a proactive, flexible, creative and quality conscious service delivery environment.
Considerate	Implanting a culture of compassionate, caring and emotional intelligent municipal environment that prioritizes its inhabitants, employees and councillors.

## Strategic Outcome Oriented Goals

Guided by its constitutional mandate, the national as well as provincial priorities for the next five years, the Municipality has developed the following legislatively justifiable and attainable strategic goals which will drive its work over the period.

### Strategic Goal 1:

<b>Strategic Outcome Oriented Goal 1</b>	<b>Municipal Transformation and Institutional Development</b>
<b>Goal statement</b>	Improve organisation capacity to effectively enhance service delivery
<b>Justification</b>	Simunye we are one- free happy workers; dedicated; well-resourced to effectively deliver quality services to our communities
<b>Links</b>	Strategic priorities and measurable outputs in the five-year plan



**Strategic Goal 2:**

<b>Strategic Outcome Oriented Goal 2</b>	<b>Basic Service Delivery</b>
<b>Goal statement</b>	Eradicate infrastructure backlogs in order to improve access to services and maintenance. Be innovative towards applying new technology designs that cater for climate change to improve the quality of our road networks and electricity.
<b>Justification</b>	Improved road & storm water networks and sustainable electricity supply
<b>Links</b>	Strategic priorities and measurable outputs in the five-year plan

**Strategic Goal 3**

<b>Strategic Outcome Oriented Goal 3</b>	<b>Local Economic Development</b>
<b>Goal statement</b>	Promoting Local Economic Development and Tourism within the Municipality Promote economic growth through promotion of agricultural initiatives
<b>Justification</b>	
<b>Links</b>	Strategic priorities and measurable outputs in the five-year plan

**Strategic Goal 4**

<b>Strategic Outcome Oriented Goal 4</b>	<b>Municipal Financial Viability</b>
<b>Goal statement</b>	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems
<b>Justification</b>	To create a surplus of funds for the Municipality so as have a healthy cash flow
<b>Links</b>	Strategic priorities and measurable outputs in the five-year plan

**Strategic Goal 5**

<b>Strategic Outcome Oriented Goal 5</b>	<b>Good Governance &amp; Public Participation</b>
<b>Goal statement</b>	Promote a culture of participatory and good governance To achieve a clean audit
<b>Justification</b>	
<b>Links</b>	Strategic priorities and measurable outputs in the five-year plan

## Strategic Goal 5

<b>Strategic Outcome Oriented Goal 5</b>	<b>Spatial Planning</b>
<b>Goal statement</b>	Development of schemes & unlocking of land Unlocking access to land & dealing with land invasion
<b>Justification</b>	
<b>Links</b>	Strategic priorities and measurable outputs in the five-year plan

## PART B: STRATEGIC PRIORITIES AND OBJECTIVES

### 5.7 Strategic Objectives and Priority Issues

The strategic priorities and objectives represent political and management decisions on aspects of service delivery that must be before others. These priorities are informed by aspirations of the community as a means to address inequality, poverty and unemployment.

In making such decisions on 2022/2027 strategic priorities and objectives, the following were taken into consideration:

- National and Provincial Plans
- State of Nation Address
- State of Province Address
- District Development Model
- Outstanding issues from previous Strategic Plan emanating from departments
- Mayor and Municipal Manager's Input
- Revenue Enhancement
- Auditor-General and Internal Audit findings
- Strategic and Operational Risks

**2022-2027 LONG TERM DEVELOPMENT GOALS, OBJECTIONS AND STRATEGIES**

GOAL	OBJECTIVES	STRATEGIES	DESIRED OUTCOMES
<b>KPA 1: Municipal Transformation and Institutional Development</b>			
1. Improve organisation capacity to effectively enhance service delivery	Improve the municipal efficiency by 2027 and beyond	<ol style="list-style-type: none"> <li>1) Develop training programs for community &amp; staff</li> <li>2) Recruit to filled vacant positions</li> <li>3) Decline in staff turnover</li> <li>4) To improve functionality and mobility of our employees through subsidiary allowances</li> <li>5) Develop health &amp; safety committee and programs</li> <li>6) Initiate wellness program for municipal employees</li> <li>7) Develop ICT Strategy and Customer care</li> </ol>	<p><b>Simunye we are one- free happy workers; dedicated; well-resourced to effectively deliver quality services to our communities</b></p>

<b>KPA 2: BASIC SERVICE DELIVERY</b>			
2. Eradicate infrastructure backlogs in order to improve access to services and maintenance	Decrease roads & storm water infrastructure and electricity backlog by 10% by 2027 & beyond	<ol style="list-style-type: none"> <li>1) Initiate infrastructure projects</li> <li>2) Develop roads and storm water master plan</li> <li>3) Efficient Implementation of Electricity Master Plan</li> <li>4) Improved project management and monitoring of all infrastructure projects</li> </ol>	Improved road & storm water networks and sustainable electricity supply
3. Create healthy and safety environment	Promote healthy and safety environment through the	<ol style="list-style-type: none"> <li>1) Effective implementation of IWMP</li> <li>2) Resuscitation of Animal Pounds</li> </ol>	Improved waste management programs and activities

	<p>protection of natural resources.</p> <p>Provision of reliable waste management through effective waste collection</p> <p>Improved stray animal control in our communities</p> <p>Promote safety and effective traffic services within Sakhisizwe</p>		
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<b>KPA 3: Local Economic Development</b>			
<p>4. Create an environment that promotes the development of the local economy and facilitate job creation</p>	<p>Facilitate conducive environment that will attract investments</p>	<p>1) Implement LED Projects</p> <p>2) Review Informal Traders Bylaws</p> <p>3) Unlock land for development</p>	<p>Improved business and work opportunities for our businesses and our communities</p>
<p>5. Effective local economic development</p>	<p>Promote economic growth through promotion of SMME's, agriculture and tourism initiatives</p>	<p>1) Review and implement LED Strategy</p> <p>2) Resource and promote small scale farmers and linking them to market</p> <p>3) Capacitation of SMME's (local contractors) through sub-contracting</p> <p>4) Develop Tourism Sector Plan</p>	<p>Enhanced and vibrant local economic activities</p>



<b>KPA 4: MUNICIPAL FINANCIAL VIABILITY &amp; MANAGEMENT</b>		
<p>6. To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems</p>	<p>Improve financial management of the municipality</p>	<p>1) Review Revenue Strategy 2) Debtors Age Analysis report 3) Review Indigent Register 4) Effective implementation of mSCOA 5) Development of maintenance plan</p> <p>To create a surplus of funds for the Municipality so as have a healthy cash flow and obtain clean audit</p>

<b>KPA 5: GOOD GOVERNANCE &amp; PUBLIC PARTICIPATION</b>		
<p>7. Promote a culture of participatory and good governance</p>	<p>1) Promote a culture of participatory and good governance in the municipality</p>	<p>1) Improve response to audit queries 2) Develop and adopted compliance register 3) Improve Municipal Leadership and MPAC in Audit Committee Meetings 4) Establish whistle blowing hotline 5) Develop and Implement Risk Management Plan 6) Report on alignment between Internal audit and M&amp;E process plans 7) Updating and implementation of Audit Action</p> <p>People centred municipality through community involvement</p>

<b>KPA 6: SPATIAL PLANNING</b>		
8. Development of schemes & unlocking of land	1) Develop systems that will ensure orderly developments 2) Negotiate with relevant stakeholders to unlock land for development	1) Develop urban and rural scheme; 2) Develop Land Invasion Register; 3) Develop Billing systems linked to GIS 4) Develop a land invasion policy 5) Updated Land Audit Report 6) Updated HSS online beneficiary register
9. Unlocking access to land & dealing with land invasion	Development of formal residential spaces and promoting mixed land uses and investing on tools to manage spatial planning; Facilitate the development of quality and sustainable Human Settlement through the entire Municipality	
Land availability for business and residency		

**List of Sakhisizwe LM 2022/23 Grants and Projects**

<b>SOURCE</b>	<b>AMOUNT</b>
Equitable Share (ES)	R80 323 000
Municipal Infrastructure Grant (MIG)	R 20 231 000
Integrated National Electrification Programme (INEP)	R 10 332 000
Finance Management Grant (FMG)	R1 700 000
Expanded Public Works Programme (EPWP)	R 1 552 000

**PROJECT LIST FOR 2022/2023 FINANCIAL YEAR**

ID NO	PROJECT NAME	PROJECT COST	RESPONSIBLE PERSON	SOURCE OF FUND
MM001				
MM002				
MM003				
MM004				
MM005				
IPED001	Township Establishment in Cala- Planning	R350000.00	IPED	SLM
IPED002	Township Establishment in Khowa - Planning	R350 000.00	IPED	SLM
IPED006	Renovation of SASSA building in Khowa	R200 000.00	IPED	SLM
IPED007	Development of IDP and printing	R100 000.00	IPED	SLM
COM001	Procurement of skip bin truck and 10 skip bins	R1 300 000.00	IPED	SLM
COM002	Landfill site Licensing	R150 000.00	Community Services	SLM
COM003	Procurement of grass cutting machines	R50 000.00	Community Services	SLM
COM004	Procurement of Waste management equipment (brooms, spades, rakes etc.)	R150 000.00	Community Service	SLM
COM005	Renovation of traffic department building & installation of cameras	R500 000.00	Community Services	SLM
COM006	Renovation of Khowa Library	R100 000.00	Community Services	SLM
COM007	Procurement of Protective clothing	R200 000.00	Community Services	SLM
COM008	Community Halls and recreational facilities maintenance	R200 000.00	Community Services	SLM (ES)
COM009	Maintenance of public ablution facilities	R100 000.00	Community Services	SLM (ES)
TECH001	Qokolo to Koppitjie Access Road Phase 3	R 1 000 000. 00	Technical Services	MIG
TECH003	Kuthula Access Road Phase 2	R 4 350 000. 00	Technical Services	MIG
TECH004	Construction of Gary Owen to Mtyatya Access Road	R 3 519 450. 00	Technical Services	MIG
TECH005	Construction of Sphafeni Access Road	R 4 350 000. 00	Technical Services	MIG
TECH006	Construction of Surfaced Elliot Internal Streets	R 3 800 000. 00	Technical Services	MIG
TECH007	Paving of Phakamisani Access Road	R 1 600 000. 00	Technical Services	MIG
TECH008	Construction of Manzana A Ward 6 Access Road - Planning	R 200 000. 00	Technical Services	MIG
TECH009	Construction of Rebel's Kloof Access Road - Planning	R 200 000. 00	Technical Services	MIG
TECH010	Askeaton to Panatjiep Access Road Phase 2 – Planning	R 200 000. 00	Technical Services	MIG
TECH011	Electrification of 738 Households	R 10 332 000. 00	Technical Services	INEP
TECH012	Expanded Public Works Programme	R 1 522 000. 00	Technical Services	EPWP

**2022/2027 MULTI-YEAR PROJECT LIST**

ID NO	PROJECT NAME	Multi-Year Financial Plan					POSSIBLE SOURCE OF FUNDING
		2022/2023	2023/2024	2324/2025	2025/2026	2026/2027	
MM001	Legal Service						
MM002	Special Programs						
MM003	IDP Development						
MM004	Annual Report Development						
MM005	Municipal Branding						
MM006	Website Upgrade						
MM008	Internal Audit						
MM009	Risk Management						
MM010	Communications and Public Participation						
MM011	Auditor General						
CORP001	Training and development						
CORP002	Review of By-Laws and Policies						
CORP003	Protective Clothing						
CORP004	Installation of Biometric System						
CORP005	Purchase of Council Vehicle						
CORP006	Employee Wellness						
CORP007	Records Management						
CORP008	IT Development						
CORP009	Cleaning Materials						
CORP010	Institutional Stationery						
CORP011	Municipal Advertisement						
IPED001	Township Establishment in Cala- Planning	R350000.00	-	R350 000.00	-	R400 000.00	SLM
IPED002	Township Establishment in Khowa – Planning	R350 000.00	-	R350 000.00	-	R400 000.00	SLM
IPED003	Township Establishment in Cala – Surveying	-	R400 000.00	-	R400 000.00	-	SLM
IPED004	Township Establishment in Cala – Surveying	-	R400 000.00	-	R400 000.00	-	SLM
IPED005	Review of LED Strategy	-	-	-	-	-	SLM/CoGTA
IPED006	Renovation of SASSA building in Khowa	R200 000.00	-	-	-	-	SLM
IPED007	Development of IDP and printing	R100 000.00	R150 000.00	R200 000.00	R200 000.00	R200 000.00	SLM
IPED008	Deregistration & Registration of Title Deeds for misallocated RDP Houses	-	R300 000.00	R300 000.00	R250 000.00	R200 000.00	SLM

IPE009	Renovation of Municipal Barracks Offices in Khowa (Verenoeg)	-	R500 000.00	-	-	-	-	-	SLM
IPE010	Supply, delivery & Installation of Hawker Stalls in Cala	-	R200 000.00	R200 000.00	-	-	-	-	SLM/DEDEAT/DoT
IPE011	Supply, delivery & Installation of Hawker Stalls in Khowa	-	R200 000.00	R200 000.00	-	-	-	-	SLM/ DEDEAT/DoT
IPE012	Review of Tourism & Agriculture Strategy/Sector Plan	-	R400 000.00	-	-	-	-	-	SLM/ DRDAR/DEDEAT
IPE013	Subdivision, Fencing & renovation of Transido SMME Hub		R2000 000.00	R2000 000.0	-	-	-	-	SLM/DEDEAT
IPE014	Sourcing of tittle deeds for Municipal owned properties		R100 000.00	R150 000.00	-	-	-	-	SLM
IPE015	Planning & surveying of Municipal properties		R100 000.00	R150 000.00	R150 000.00	-	-	-	SLM/CHDM/CoGTA
IPE016	Sakhizwe Community Works Programme	-	-	-	-	-	-	-	CoGTA
IPE017	Construction of Cala rural market		R2 000 000.00	-	-	-	-	-	DEDEAT
IPE018	Construction of Khowa rural market		R2 000 000.00	-	-	-	-	-	DEDEAT
IPE019	Langanci Agrarian Reform Programme	-	-	-	-	-	-	-	Private funding
COM001	Procurement of skip bin truck and 10 skip bins	R1 300 000.00	-	-	-	-	-	-	DEDEAT
COM002	Landfill site Licensing	R150 000.00	-	-	-	-	-	-	SLM
COM003	Procurement of grass cutting machines	R 50 000.00	-	-	-	-	-	-	SLM
COM004	Waste Management Clean-up & Awareness campaigns	-	R200 000.00	-	-	-	-	-	SLM
COM005	Procurement of Waste management equipment (brooms, spades, rakes etc.)	R150 000.00	-	-	-	-	-	-	SLM
COM006	Renovation of traffic department building & installation of cameras	R500 000.00	-	-	-	-	-	-	SLM
COM007	Procurement of speed cameras	-	R150 000.00	-	-	-	-	-	SLM
COM008	Renovation of Khowa Library	R100 000.00	-	-	-	-	-	-	SLM
COM009	Fencing of Khowa Public Park	-	R100 000.00	-	-	-	-	-	SLM
COM010	Procurement of Fuel	-	R100 000.00	-	-	-	-	-	SLM
COM011	Procurement of Protective clothing	R200 000.00	-	-	-	-	-	-	SLM
COM012	Community Halls and recreational facilities maintenance	R200 000.00	-	-	-	-	-	-	SLM
COM013	Maintenance of public ablution facilities	R100 000.00	-	-	-	-	-	-	SLM
COM014	Road Safety Awareness Campaigns	-	R10 000.00	-	-	-	-	-	SLM
COM015	Construction of ablution facilities Cala public park	-	R200 000.00	-	-	-	-	-	SLM



## Ward Needs and Priorities for the Period 2022-2027

Ward No	Ward Councilor	Township/ Village	Ward Needs
1	Cllr. Ponoshe	Khowa Town	Animal Pound; Road to Thompson Dam; Development of Thomson dam; Cleaning of Khowa town; Storm water drainage; Quality paving for Khowa internal streets; Provision of clean water for drinking; removal of old water pipes; street maps for development
		Maxongo	Water extensions; Quality sanitation (Toilets); RDP Houses;
		Jonini	Water provision; Sanitation (Toilets); Electricity extensions; Land acquisition by the Municipality from Mr Dlova; Roads in dire state; Electricity extensions; Mayor and Council to visit Jonini
		Gubenxe	Access road in dire state, monitoring of Municipal projects (Gubenxe community Hall)
		Takalani	Community visits by the Council led by the Mayor; Maintenance of public parks; Address Land invasion
		Mhlwazi	Roads in dire state; Completion of the Electricity project; Electricity extensions (7 Houses)
		Old Location	Road signs for the road from Ugie;
		Arlington	High Mast Light; Provision of households waste bins
		Farmers Association	Rates for farm owners; services

Ward No	Ward Councilor	Township/ Village	Ward Needs
2	Cllr. Filana	Ekuthuleni	Numbering of houses; Clinic; Access Road to Polar park; toilets (Sanitation); Street Lights; RDP Houses; Renovation of Municipal buildings; Sewer system; Refuse (Waste) Collection; Issuing of Title Deeds; Township establishment; Residential sites; Handing over of the Sport & Recreational Facility; Water; Monitoring of projects; Quarterly visits by Mayor

		<b>Polar Park</b>	Feedlot Visit (Portion of land is being leased); High Mast Lights, Unfinished Sport Field; Access Road; Services Seta Certificates(Skills Centre)Sewer System project unfinished; Fencing of Graveyards; RDP Houses; Grass Cutting; Residential Sites; Title Deeds; Bridge; Paving of streets; sewer lines unblocking; Electricity extensions (Nkanini)
		<b>Takalani</b>	High Mast lights; proper gravelling of roads; Refuse (waste) Collection; Maintenance of all internal streets; Water provision
		<b>Veregenoeg</b>	FET College
		<b>Emasimini</b>	RDP Houses of Quality;

Ward No	Ward Councilor	Township/ Village	Ward Needs
3	Cllr. Nophothe	<b>Sifonondile (Sphafeni)</b>	Roads; bridge to school; entrance roads maintenance; RDP houses; Shearing Shed; Bridge to Roma;
		<b>Phindela</b>	Water; Network Pole; Bridge (Thafeni to Roma) Electricity extensions; Sanitation (Toilets)
		<b>Cala Pass</b>	Roads; Fencing of arable land; Water Extensions;
		<b>Zikhonkwane</b>	Maintenance of Access roads (Dike; Sifonondile); Water extensions; RDP Houses; Shearing Sheds; Site visits by the Municipal Council
		<b>Roma</b>	.RDP Houses; Bridge; Road maintenance; Toilets extensions
		<b>Thaleni</b>	Access road; Shearing Shed; Dams for Livestock; Water extensions; Electricity extensions; Fencing of arable land
		<b>Polār Park 3 (Ward 3 Portion)</b>	Access Road; Street Lights; High rate of unemployment; Toilets extensions; Electricity extensions; Sewer system is poor
		<b>Phindela</b>	Network Pole;
		<b>Mgwalana</b>	Police Forums; Access road not finished;
		<b>Sikhobeni</b>	Roads unusable; No network; No Dipping tanks; Unemployment (Graduates); Youth involvement in EPWP and CWP projects
		<b>Qhiba</b>	No roads; Removal of Ilapesi; CWP project; Water Extensions; Electricity extensions

		<b>Ekuphumleni</b>	Road maintenance; School and Clinic need roof maintenance; No network ( Network Pole); Ekuphumleni Petition not responded to; Learners Migrating to other school; Bridges; Sanitation (Toilets); Visit by the Municipal Council
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Ward No	Ward Councilor	Township/ Village	Ward Needs
4	Cllr Miso	Priska	Support for the Old Age (Kit provision; Renovation of the Old age center;
		Phakamisani	Road maintenance; Maintenance of Bashee Street, Unblocking of drainages; Community Hall; Waste collection; Site/ Land provision for Woodwork Project; Land provision and Funding for organic farming and needlework
		Cala Reserve	Street lighting; Road maintenance for accessibility; Storm water management; Clearing of illegal dumping; Pre-school structure, Fixing of bridge to Lower Cala; Rural Development programs
		Cala Town	Paving of Umthatha Road (between U-Save and Boxer Build); paving of all internal streets; Provision of quality paving; maintenance of the road to the cemetery (Cala to Ncora Road); Unblocking of sewer tanks (Next to Church); Cleaning of town; waste water management and leaks; Street lights; provision of households waste bins; Signage prohibiting illegal Dumping; Provision of sidewalks in all streets; Grass cutting; maintenance of unpaved streets; Local Economic development programs
		Farms	Street maintenance; Fixing of water leaks; Donga rehabilitation

Ward No	Ward Councilor	Township/ Village	Ward Needs
5	Cllr Thulelo	Ext. 10; 11; 12 (Carlifornia)	Sport field; Additional Ward Committees; Completion of the paving project; Storm water management/ system; Maintenance of unpaved streets; Issuing of Tittle deeds; rates reduction; Roads maintenance; Blading of gravel roads; Street naming; Maintenance of High mast lights, Sanitation (sewer system); Police visibility; Business sites and residential sites; Shopping complex

		<b>Manzimdaka</b>	Roads maintenance; Bridge to Emsengeni; Fencing of cemeteries; Tarring of the road from Cala to Ncora; Donga rehabilitation, Wattle and Ilapesi Removal; Fencing of arable land and grazing land; Electricity outages; Stock Theft (Police Assistance); RDP Houses; Community Hall
		<b>Ext. 1; 3 (Ezitandini)</b>	Paving of internal streets; provision of household waste bins; Clearing of illegal dumping sites; Street Lights; Mobile social workers; Sewer systems(Sanitation); Inspection of Foreign owned Shops
		<b>Ndondo Square</b>	Skip Bins on all illegal dumping sites; RDP Houses; Paving of internal streets, Job creation programs; Dipping tank; Animal Pound; Residential sites; Waste collection; Youth development programs; Filling of vacant RDP Houses, Storm water management; Sanitation (sewer system); Police visibility; Age restriction on job opportunities; Issuing out of title deeds
		<b>Extension 13</b>	Street lights; Unattended slabs for RDP Houses; Community Hall; Funding and assistance for Kamvalethu Youth Development Project;
		<b>Extension 15</b>	Paving of internal Streets; Sanitation (Sewer System)

Ward No	Ward Councilor	Township/ Village	Ward Needs
6	Cllr Stofile	<b>Upper Mnxe</b>	Network Pole; Water extensions; Fencing of arable fields;
		<b>Mnxe (Manzana)</b>	Electricity outages; Community development programs; maintenance of playing grounds; Career Exhibitions; Arts and culture exhibitions;
		<b>Tsengiwe; Ekuphumleni</b>	Access road Manzana); RDP Houses not properly monitored; Fencing of grazing land; Soil erosion; Donga Rehabilitation; Power outages; Employment rotation
		<b>Sifonondile: Qithi</b>	Maintenance of Road to IDA; Water extensions; Electricity Extensions; People employed to operate water are old and need to be replaced; Shearing Shed; Community use of the unused classrooms at the school; taps extension; drainage system;
		<b>Mnxe: Mission</b>	Animal rails on motor gates (Road from Cala to Cacadu); Road ranger between Cala Reserve and Mission; Clinic; Community Hall; Scholar Patrol

		<b>Rareni</b>	Demarcation; Maintenance of road to Upper Mnxe; RDP Houses; Water and Electricity extensions
		<b>Lower Cala</b>	Water extensions; Electricity extensions; Electricity outages; Maintenance of sport grounds; Maintenance of roads from Cala Reserve and the bridge;
		<b>Manzana</b>	Power outages; Job creation programs; funding for community based projects; Skills development programs for the Youth; Maintenance of sport grounds; Speed humps on the road to Cacadu; Water extensions; Road ranger
		<b>Mnxe: Polar Park</b>	New approach on needs collection;

Ward No	Ward Councilor	Township/ Village	Ward Needs
7	Cllr Mayongo	<b>Suitline/ Sweetline</b>	Toilets, wattle removal; water extensions; Fencing of arable land; Dipping Tank; Access road; Fencing for Noxolo Preschool; Shearing Shed
		<b>Upper Indwana</b>	No water in taps; Wattle Removal; Electricity Extensions; Toilets @ Nkanini; Tambo Access road; Wattle removal (Forest); RDP Houses for Sidakeni; Toilets; Electricity extensions
		<b>Mafusini</b>	Dipping Tank; Fencing of fields
		<b>Thembeni</b>	Water extensions; Access Road maintenance; Donga rehabilitation; Dipping tank; Shearing Shed; Maintenance of the tarred road to Indwe; RDP houses
		<b>Ndwana</b>	Water and Electricity extensions for RDP Houses @ Barracks and Siphafeni; bridges; Job creation
		<b>Gojini</b>	Road to clinic; No water in taps; Fencing of arable land; Fencing and infrastructure for Preschool
		<b>Polar Park</b>	Water conservation from the farm; Maintenance of Access road
		<b>Rebels Kloof</b>	Funding for agricultural projects; Water provision materials and equipment; Chemical for Pit toilets; Funding for youth and elderly projects; Community Hall
		<b>Gxojeni</b>	Water; Toilets; Access Road; RDP Houses
		<b>Mboniselweni</b>	Taps not working; Boreholes not working; Access Roads; Bridges; Fencing of arable land; Dams for livestock; Mobile Police Station; Mobile Clinic; Shearing shed; Youth Development programs;



			Wattle removal; Sport ground; Toilets; Electricity extensions; loss of livestock at Gopheni
		<b>Mndeni</b>	Access road and bridge; Dams for livestock; Market for local produce; Water and Electricity extensions
		<b>Ngxumza</b>	Toilets, water, electricity extensions; Dipping tank; Access road; Manipulation EPWP replacement process; Wattle removal; Scholar Patrol (Walking bus)
		<b>Mceula</b>	Donga rehabilitation; Taps not working; Toilets; Pay point venue for pensioners; Funding for youth development programs; Electricity for the Community Hall
		<b>Chamama</b>	Donga rehabilitation; Access roads; No water; Electricity extensions; Toilets for RDP Houses; Fencing of grazing land
		<b>Mtyatya</b>	Access roads; Water extensions

Ward No	Ward Councilor	Village	Ward Needs
8	Cllr. Mahlombe	<b>Ngxingweni</b>	Bridge
		<b>Upper Lufutha</b>	Electricity extension @ Voyizana; Removal of iLapesi (Alien Plants); Donga rehabilitation; Bridge @ Mjikelweni; Demarcation for Lower Seplan; Shearing Shed for Ndyavu & Lower Lufutha; Food security programs for Lower Lufutha; Ndum-Ndum access road; sanitation for for Upper Lufutha, Voyizana & Mjikelo; Wattle removal; Access roads; taps
		<b>Strong yard</b>	Toilets
		<b>Manzimahle</b>	Disaster; RDP Houses; Road to Mthingwevu
		<b>Seplan: Emaqwathini</b>	Two Destitute Houses; RDP Houses; Bridge to school; Fencing of arable land; Infrastructure for Preschool
		<b>Bumbana</b>	Power outages; Storm water drainage; Access Road; Pre School; Shearing Shed & fencing; Electricity extensions; RDP Houses
		<b>Upper Langanci: Zwelidala</b>	Access Road; Toilets, Water, electricity extensions; Forest rehabilitation & fencing; Mobile clinic, Care givers;
		<b>Ndyavu</b>	Roads; Fencing for grazing land; Dipping tank; Shearing Shed; Job creation programs; RDP Houses

		<b>Ndum-Ndum</b>	Road from school; RDP Houses; Maintenance of sport grounds; Provision of water tanks; Stock theft (Police assistance); Electricity illegal connections
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Ward No	Ward Councilor	Village	Ward Needs
<b>Ward 9</b>	<b>Cllr. Tasana</b>	<b>Nyalasa</b>	Road to school & clinic; Wattle removal; Network Pole; Power outages; Delayed response from Eskom; Bridge to Tsengiwe; Funding for agricultural development; Fencing for arable land; Water for Nyalasa SPS; Tarring of road from Cala town to Nyalasa; Road from Nyalasa to Mbewuleni; Youth development programs; Sport development programs (Mayoral Cup)
		<b>Mbhenge</b>	Maintenance of Access road; maintenance of bridges; Electricity not working; Electricity extensions; Power outages; Funding for agricultural projects; Water cuts; Maintenance of sport grounds; Tarring of the road from Cala town to Ncora; Wattle removal project not effective; Shearing Shed, RDP Housing Project slow; Toilets overflow (Sanitation); Clinic; Community Development Projects; Mobile clinic with nurses; ABET School
		<b>Hota/Mbewula</b>	Access road; Road to cemetery; Bridge at Sgangani to Sweetline; Fencing of arable land; Electricity extensions (Sweetline; Electricity for RDP Houses; Maintenance of sport grounds; CWP for Donga rehabilitation, Toilets overflow (sanitation); Network Pole; Shearing Shed; Clean water provision, Concrete Pipes unblocking; Livestock vaccination
		<b>Lufutha; Langanci</b>	Bridge; St. Phillip road maintenance; Assistance with transportation of concrete drainage pipes by the Municipality; Water extensions; Completion of RDP Houses; Electricity extensions; Wattle removal to enhance farming; Fencing of arable land;
		<b>Mbodlane</b>	Electricity extensions; Water in taps; Sanitation; Wattle removal on farms; Mobile clinic; Container for Pre-School
		<b>Lower Langanci</b>	Access Roads; Clinic; School; Bridges; RDP Houses; Mobile Clinic; Community Works Program; Electricity Extension; Water; Dipping tank, Road maintenance; SASSA Pay-point; Network Pole; Job creation programs; Scholar Transport

## Civil Society Needs and Priorities for the Period 2022-2027

Key Area	
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>▪ <b>Roads:</b> this entails provincial, district roads, and access roads to villages, within villages, and streets in the two towns</li> <li>▪ <b>Bridges:</b> on the access roads; e.g. Lufuta, Mahlungulu, Lower Cala, Roma, Mgwalana etc.</li> <li>▪ <b>Drainage System:</b> the biggest contributor to the deterioration of roads is lack of drainage; resulting in water creating its own channels, including on the road. Few examples are worth citing- the road from Cala town to Manzimdaka which has been damaged by the lack of drainage system and the road from U-Save down to Gobodo farm. Lack of drainage poses a serious threat to properties as they get flooded, e.g. properties in the lower parts of the Khowa town, properties next to the mountain in Ndondo Square etc.</li> <li>▪ <b>Communication:</b> especially a reliable network coverage and fibre to ensure a stable Wi-Fi system. The experience of lockdown following COVID-19 demonstrated how crucial online communication is. The Sakhisizwe Local Municipality must be seen to be actively promoting efficient and reliable communication systems in its area.</li> </ul>
<b>Water</b>	<ul style="list-style-type: none"> <li>▪ Water is not only a human right, but a basic need recognised by the Constitution. Some residents have access to water, but often the quality of the water leaves much to be desired. At the same time, the bulk of the residents, particularly those in the hinterland, barely have access to reliable sources of water. The Sakhisizwe Local Municipality should pay attention to providing consistent and reliable water to its citizens, wherever they reside and whatever their backgrounds.</li> </ul>
<b>Land</b>	<ul style="list-style-type: none"> <li>▪ In a country such as ours, where unemployment reigns supreme with very little chances of the economy absorbing its labour force, land becomes a viable option. Indeed, a significant number of people in the Sakhisizwe Local Municipality area is making part of its living on land in the form of crop and livestock production. The Sakhisizwe Local Municipality should promote land-based livelihoods by facilitating availability of land and crucially fencing of camps and commonages.</li> <li>▪ Livestock pounds should be revived to discourage stray animals which are health hazard. However, impounding animals would be justifiable if there is proper fencing of camps and commonages</li> </ul>
<b>Environment and Cleanliness</b>	<ul style="list-style-type: none"> <li>▪ Inappropriate structures: Silos in a residential area in Khowa</li> <li>▪ Water treatment plant closer to residential areas. e.g. in Takalani</li> <li>▪ Poorly managed landfill sites in Cala and Khowa</li> <li>▪ Stop and address random dumping</li> <li>▪ Promote cleanliness of the environment</li> <li>▪ Ensure adherence of taverns and liquor outlets to municipal by-laws e.g. proper provisioning of ablution facilities in order to stop urinating on the streets and walls, selling liquor to under-age children and public drinking</li> <li>▪ Proper management of livestock and keeping it in designated areas- commonage land</li> <li>▪ Provision of public toilets for both towns</li> </ul>
<b>Land Audit</b>	<ul style="list-style-type: none"> <li>▪ It is important that the residents have a good sense of the composition of the land in the Sakhisizwe Local Municipality area. A land audit is critical for effective development</li> </ul>

## Chris Hani District Municipality Projects

### MIG Projects: Water

PROJECT NAME	2022/23	STATUS/PROGRESS	WARD NUMBER	VILLAGES TO BE SERVED
CALA BULK WATER & SAN SERVICES -WWTW	R 12,700,000	Construction	Ward 4,5	Cala town and suburbs
<b>TOTAL</b>	<b>R 12,700,000</b>			

### MIG: Sanitation

PROJECT NAME	2022/23	STATUS/PROGRESS	WARD NUMBER	VILLAGES TO BE SERVED
Rural Sanitation Backlog - Sakhisizwe	R 11,300,000	Planning	1, 3, 4, 5, 6, and 7	To be determined after consultation
<b>TOTAL</b>	<b>R 11,300,000</b>			

### WSIG Projects

Project Name	2022/23	STATUS/PROGRESS	WARD NUMBER	VILLAGES TO BE SERVED
GUBENXE & MAXONGOESHOEK&POLAR PARK	R 2,000,000	Construction	Ward 1	Maxongoshoek, Gubenxa
<b>TOTAL</b>	<b>R 2,000,000</b>			

### RBIG Projects

Project name	2022/23	Status/Progress	Ward	Village
WTR SUPPLY NORTHERN SCHEME NDUMNDUM TO CALA	R 22,900,000	Construction	4,5	Ndum ndum, Cala

<b>WTR SUPPLY NORTHERN SCHEME NGXUMZA TO EAS</b>	R 400,000	Construction	7,20	Ngxumza, Cala
<b>TOTAL</b>	R 23 300 000			

2022-2027 IDP



## CHAPTER 6: IMPLEMENTATION PLAN INTEGRATION & ALIGNMENT

This section outlines how the municipality will ensure alignment and integration of sector plans, PMS, SDBIP, BUDGET and IDP implementation plan. It highlights existing plans and gaps for attention by relevant line functions.

### 6.1 SECTOR PLANS

This IDP recognizes all existing sector plans and ensures that their implementation budgets, timelines and projects are in support of the reviewed development objectives.

#### 6.1.1 Integration and Alignment with Other Spheres of Government

SPHERE	PROGRAMMES & GUIDELINES	SAKHISIZWE RESPONSES
National	Legislation & Policies	Process Plan recognizes the list that informs our IDP approach
	National Spatial Development Perspective	Resolved to revise its SDF to incorporate objectives of NSDP
	Millennium Development Goals	Have set target for water & sanitation backlogs - which must be facilitated with Chris Hani DM
	National Development Plan 2030	To integrate the priorities identified for our areas within the plan
	National LED Framework	Will utilize the framework as guide in its current process of formulating LED Strategy
	National framework for municipal turn around strategies 2009	Our approach in this IDP is informed by the suggested key points in the National Municipal Turn-around strategy. We shall develop our own in Sakhisizwe
	National KPAs	Incorporated and mainstreamed into adopted KPAs + form part of PMS
Province	Provincial Growth & Development Strategy	Have identified key strategic localized projects in response to the EC Provincial 24 PRIORITIES
		Have also taken into account the new priorities like Rural development which came after the August 2022 elections
	Provincial Spatial Development Framework	Have adopted the hierarchy principle in determination of nodal areas
	Revised 2020 IDP Guidelines	The municipality makes reference from the Guidelines
	MEC Comments	MEC comments for the past three years have been taken into consideration when compiling the document
Sector Departments	5 Year plans	Have acknowledged all key projects that are budgeted and confirmed for implementation in 2022-2023 within Sakhisizwe areas.

		Formal letters of confirmation of commitments to be issued by Mayor as part of lobbying departments to act on their commitments – 2022-2023 onwards
District	IDP Framework	Informs our Process Plan activity schedule
	CHDM plans	Integrate our priorities within the designed strategies for the district in its strategic plans (DDM, IDP, WSDP, LED, SDF etc.)
	Water services Development Plan	Informed by our target priorities for meeting millennium goals - lobby DM to implement
	Disaster Management Plan	Informs our localized fire fighting responses - work closely at operational level
	Occupational Health and Safety plan	Decided to use the DM plan to modify and customize for our application

SPHERE	PROGRAMMES & GUIDELINES	SAKHISIZWE RESPONSES
	Integrated Waste Management Plan	Informs our localized refuse collection strategies - work closely at operational level
	LED Strategy	Key district commitments relating to the DM Economic summit to be reinforced by our revised LED strategy
	Spatial Development Framework	The SDF has a pivotal role in directing municipal spending and private sector investment, the SDF is a critical and integral component of the IDP.

#### Alignment of Sakhisizwe IDP with EC PDGS development targets

EC Provincial Growth and Development Strategy	Alignment of Sakhisizwe IDP with EC PDGS
To maintain an economic growth rate of between 5% and 8% per annum	Increase GDP by 10% by 2027
- To halve the unemployment rate by 2027	Reduce unemployment by 20% by 2027
- To reduce, by 60% and 80%, the number of households living below poverty line by 2027	Create at least 250 additional jobs by 2022
- To reduce, by between 60% and 80%, the proportion of people from hunger by 2027	Support at least 2 cooperatives to support 20 beneficiaries by 2027
- To establish food self-sufficiency in the province by 2022 - 2023	Support at least 5 families per annum with ploughing support (tractor time) by 2027
- To ensure universal primary education by 2027, with all children proceeding to the first exit point in a secondary school	Promote and support early childhood development
- To improve the literacy rate in the province by 50% by 2022 - 2023	Promote improvements in school enrolments

- To provide clean water to all in the province by 2022 - 2023	To reduce the percentage of households without access to basic levels of water supply to within 10%
- To eliminate sanitation problems by 2022 - 2023	To reduce the percentage of households without access to basic levels of sanitation service to within 5% by June 2027

#### **Cala town bulk water and sewer master plan**

Master Plan for the upgrading of the water and sewer infrastructure in Cala Town has been commissioned by Sakhisizwe Municipality, Water Services Provider for the town.

The Water and Sewer Master plan for Cala was last updated in 2005. Since the 2005 update there have been a number of water and sewer infrastructure developments in town and in addition, Sakhisizwe has now formally taken over the water services provision function from Chris Hani DM, the Water Services Authority.

#### **Maintenance plan**

Sakhisizwe Local Municipality has implemented numerous projects in recent years to improve the local electricity supply to its municipal area and the users within the area. The municipality wishes not to have the newly built infrastructure go to waste and be left unmaintained (Master Plan as adopted by the Council March 2012).

The electrical department needs to be well equipped to perform the maintenance and hence needs the proper equipped staff to implement the plan.

- Outlay of infrastructure
- MV Overhead/Underground Network
- LV Overhead/Underground Network
- LV Street Lighting
- LV High Mast Lighting
- Service Connections/ Meters

#### **Special Programmes**

The municipality has adopted a comprehensive special programme action plan which will be largely comprised of the following programmes.

<b>ITEM</b>	<b>AMOUNT</b>
Capacity Building SPU Co-ordinator	
Stationery and running Costs	
Women's Forum	
Elderly Forum	
Disability Forum	
Youth Council	
Mayor's Cup	
Special Programmes Strategy	
Children Advisory Forum	
<b>TOTAL</b>	

#### **Community based Plans**

There is a need to develop new ward plans but in the meantime the municipality had made use of the IDP Imbizos to collect the needs of the communities in each and every ward in the municipality.

**MPAC and Leadership Development**

APC MPAC membership training was done in April 2022, Induction workshop for traditional leaders participating in municipal council was has not yet been conducted. A follow up session is necessary to revive skills and competencies of members.

**Audit Action Plan**

Based on the recommendations of Auditor General the municipality developed Audit action plan and is currently implemented and reports on it regularly in its management meetings.

2022-2027 IDP

## HOUSING SECTOR PLAN

### 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
<p>The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)</p>	<p>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 right 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.</p>
<p>The Housing Act, 1997 (Act No. 107 of 1997)</p>	<p>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.</p>
<p>Prevention of Illegal Eviction from Unlawful Occupation of Land Act 1998</p>	<p>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.</p>
<p>The Housing Consumer Protection Measures Act, 1998</p>	<p>The Act provides for the establishment of a statutory regulating body for homebuilders. The National Home Builders Registration Council (NHBR) registers builders engaged in certain categories of housing construction, and regulates the home building industry by formulating and enforcing a code of conduct.</p>



<p><b>The Rental Housing Act, 1999 as amended</b></p>	<p>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.</p>
<p><b>Social Housing Act, No.16 of (2008)</b></p>	<p>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.</p>
<p><b>Home Loan and Mortgage Disclosure Act, 2000</b></p>	<p>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.</p>
<p><b>Sectional Titles Act, 1986 (Act No 95 of 1986) as Amended</b></p>	<p>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.</p>
<p><b>The Deeds Registries Act, 1937 (Act No. 47 of 1937)</b></p>	<p>This Act governs the entire set of procedures and requirements for registering ownership and transfer of land.</p>
<p><b>National Building Regulations and Building Standard Act, No. 103 of 1997 (Act No. 103 of 1997)</b></p>	<p>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.</p>
<p><b>Interim Protection of Informal Land Rights Act, IPILRA, 1996 (Act No. 31 of 1996)</b></p>	<p>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 Development Trust (SADT) areas.</p>
<p><b>State Land Disposal Act, 1961 (Act No. 48 of 1961)</b></p>	<p>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.</p>
<p><b>Land Administration Act, 1995 (Act No. 2 of 1995)</b></p>	<p>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.</p>

<b>Public Finance Management Act, 1999 (Act No. 1 of 1999)</b>	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.
<b>Promotion of Access to Information Act, 2000, Act No. 2 of 2000), as amended</b>	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.
<b>Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)</b>	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.
<b>Division of Revenue Act (DoRA)</b>	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.
<b>Inter-governmental Relations Framework Act of 2005</b>	Establish a framework for National, Provincial and Local spheres of government to promote and facilitate the settlement of intergovernmental disputes and matters connected therewith.
<b>Skills Development Act &amp; Skills Development Levies Act</b>	This Act regulates the training and Development of the employees and the funding thereof.
<b>Preferential Procurement Policy Framework Act, No 5 of 2000</b>	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.
<b>Disaster Management Act, 2002</b>	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.
<b>Occupational Health and Safety Act</b>	It regulates the Health and safety issues in the workplace

## Policy Framework

Policy	Brief Description of the Policy
<p><b>White Paper: A new Housing Policy and Strategy for South Africa, 1994</b></p>	<p>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.</p>
<p><b>National Housing Code, 2000 (Revised in 2009)</b></p>	<p>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 programmes.</p>
<p><b>The Comprehensive Plan for the Development of Sustainable Human</b></p>	<p>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:</p>
<p><b>Settlements (Breaking New Ground) (BNG), 2004)</b></p>	<ul style="list-style-type: none"> <li>• Stimulating the Residential Property Market;</li> <li>• Spatial Restructuring and Sustainable Human Settlements;</li> <li>• Social (Medium-Density) Housing Programme;</li> <li>• Informal Settlement Upgrading Programme;</li> <li>• Institutional Reform and Capacity Building;</li> <li>• Housing Subsidy Funding and System Reforms; and Housing and Job Creation.</li> </ul>
<p><b>Policy on Emergency Housing Assistance within urban and rural contexts</b></p>	<p>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.)</p>

<p><b>Policy on Housing People Infected with and affected by HIV and AIDS / people with disability</b></p>	<p>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.</p>
<p><b>Supply Chain Management Policies and Procedures</b></p>	<p>Procurement Policy for Urgent Interventions for Housing Delivery in the Eastern Cape- deals with elimination of backlog in housing delivery and accelerated housing delivery.</p>
<p><b>Acquisition Management Manual</b></p>	<p>It provides guidelines that regulate procurement of goods and services by organs of state in a fair, competitive, cost-effective, transparent and equitable manner.</p>
<p><b>Compliance and Risk Management Policies</b></p>	<p>Compliance to policies and eliminate risks in the procurement of goods and services to fulfil the provisions of the Public Finance Management Act.</p>
<p><b>Human Resource Development Policies</b></p>	<p>HRD policy clearly guides the employees and the employer on the training and development of staff</p>
<p><b>Information and Communication Technology Policy</b></p>	<p>It ensures efficient and effective use of information and communication technology resources and applications.</p>

## **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
<p><b>To establish and facilitate a sustainable national housing development process (Sect. 3(1))</b> National housing policy <b>Goals</b> - 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) <b>Funding</b> - negotiate for the national apportionment of the state budget for housing and based on DORA formula, determines conditional grant allocations - Sect 3(4) <b>Performance Monitoring</b> - monitors performance of all three spheres of government against housing delivery goals and budget- Sect3 (2)(c) <b>Capacity Building</b> – assists provinces to develop administrative capacity – Sect 3(2)(d) and, supports and strengthens municipalities - Sect 3(2)(e) <b>Consultation</b> – promotes consultation between National and housing sector, including other spheres of government - Sect 3(2)(f) <b>Communication</b> – promotes effective communication i.r.o. housing development- Sect 3(2)(g)</p>	<p><b>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))</b> <i>Provincial policy</i> determined - Sect. 7(2)(a) <b>Provincial legislation</b> to ensure effective housing delivery - Sect. 7(2)(b) <b>Capacity Building</b> – support and strengthen municipalities - Sect 7(2)(c) and (e) <b>Housing development</b> – to coordinate housing development in the Province - Sect 7(2)(d) <b>Intervention</b> – when municipality fails to perform functions i.t.o. Housing Act - Sect 7(2)(f) <b>Planning</b>- Multi-year plan to be prepared - Sect 7(2)(g) <b>Municipal Accreditation</b> -Sect 10</p>	<p><b>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))</b> <b>Housing delivery goals</b> – to be set for municipal area in annual housing Plan Sect 9(1)(b) <b>Housing development</b> - initiate plan, co-ordinate, facilitate, promote and enable appropriate housing development in municipal area - Sect 9(1)(f) <b>Land for housing</b> – identify and designate land for housing development- Sect 9(1)(c); plan and manage land use and development- Sect 9(1)(h) <b>Health and safety</b> – Sect 9(1)(a)(ii) <b>Efficient Services</b> - water, sanitation, electricity, roads, storm water drainage and transport to be provided in economically efficient manner - Sect 9(1)(a)(iii) <b>Public environment</b> - to be created and maintained to be conducive to housing development- Sect 9(1)(d) <b>Conflict resolution</b> - in respect of conflict arising in housing development - process - sect 9(1)(e) <b>Bulk and revenue generating services</b>- to be provided by municipality where not provided by specialist utility suppliers – Sect 9(1)(g)</p>

## 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
<b>Individual subsidy</b>	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.
<b>Project-linked subsidy</b>	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
<b>Project-linked Consolidation subsidy</b>	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.
<b>Discount Benefit Scheme</b>	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.
<b>Institutional Subsidy</b>	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
<b>People's Housing Process (PHP)</b>	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.
<b>Housing for the Disabled</b>	To enable disabled persons to access housing
<b>Consolidation Subsidy Programme</b>	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.
<b>Rural Housing subsidy: Informal Land Rights</b>	Facilitate project-based housing development for beneficiaries on communal land. Can be addressed through appropriate funding, institutional, decisionmaking and management framework for the programme.
<b>Emergency Housing Programme</b>	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.
<b>Informal Settlement Upgrading</b>	To facilitate the structures in-situ upgrading of informal settlements as opposed to relocation to achieve tenure security, health and security and empowerment.
<b>Social Housing</b>	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.
<b>Community Residential Units (CRUs)</b>	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.

## HUMAN SETTLEMENT ASSESSMENT

### Housing type and quality

Progress in the provision of adequate housing has been made in the Sakhisizwe LM. In 2016, formal houses which made of bricks on separate stand account for 69.9% and inadequate housing which made up of traditional dwelling, house / room in backyard, Informal dwelling (shack; in backyard) and Informal dwelling (shack; not in backyard; e.g. in an informal / squatter settlement or on a farm) accounts for 30.4%.

The comparison among census 2001 & 2011 and community survey 2016 indicates that formal houses in the municipality have increased from 45.9% in 2001 to 61.5% in 2011 and then increased again from 61.5% to 69.6% in 2016 although the number of households decreased to 14 848 in 2016. The housing backlog in Sakhisizwe LM amounts to 30.4%.

Dwelling	2001		2011		2016	
	No	%	No	%	No	%
Formal House	7 177	45.9	10 233	61.5	11 120	65.6
Traditional dwelling	7 585	48.5	4858	29.2	5,120	30.2
House/Room in backyard	57	0.4	613	3.7	-	-
Informal dwelling (shack; in backyard)	201	1.3	299	1.8	-	-
Informal dwelling (shack; not in backyard; e.g. in an informal / squatter settlement)	605	3.9	489	2.9	621	3.7
Other	0	0	145	0.9	99	0.6
<b>Total</b>	<b>15 625</b>	<b>100.0</b>	<b>16 637</b>	<b>100.0</b>	<b>16,960</b>	<b>100.0</b>

Source: Census, 2011 and Community Survey, 2016

### Adequate and inadequate dwellings

In 2016, adequate housing (this includes formal housing) amount to 65.6 % while inadequate (this include traditional dwelling, House/Room in backyard, informal dwelling (shack; in backyard), and informal dwelling (shack; not in backyard; e.g. in an informal / squatter settlement etc) housing account for 4 518 units within the municipality. Inadequate dwellings form the housing backlog within the municipality.

### Informal housing

As indicated in the table above, there are 780 households residing in the informal settlements and this is an indication that there is a demand for informal settlement upgrade or provision of rental housing (in cases where occupants of shacks are using the shacks as temporary accommodation) and social housing.

### National Upgrading Support Programme (NUSP)

The National Department of Human Settlements (NDoHS) Upgrading Support Programme (NUSP) provided Informal Settlements Participatory Based Planning Support to the SLM and compiles viable and practical upgrading plans for selected informal settlements in the area. 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 empowerment and appropriate basic levels of service. This includes ensuring community participation, achieving higher settlement densification, prioritisation of well-located land and improved spatial efficiency. The following informal settlement areas in Elliot town were identified.

## Informal settlements in Elliot

No.	Main Town	Name of the Informal Settlement	Estimated Households
1	Khowa (Elliot)	Phola Park	300
2	Elliot (Khowa)	Ekukhuleni	250
<b>Total</b>			<b>550</b>

Source: NUSP Report, 2017

## Informal Settlement Locality and Sites Descriptions

PHOLA PARK	EKUTHULENI JONINI
<p>Phola Park Informal Settlement is a category A settlement. Category A settlement is a settlement that requires an in-situ upgrading and the developmental response is full upgrading including delivery of full infrastructural services, top structures and tenure including formal township establishment. Phola Park informal settlement is located approximately 4km south east of Elliot town. The total number of 300 households is residing within the established township. It consists of households erected informal structures on surveyed plots, and each plot has the following services connected to:</p> <ul style="list-style-type: none"> <li>• stand taps within the Informal settlement</li> <li>• Self-dug pits</li> <li>• VIP toilet</li> </ul>	<p>Ekukhuleni Informal Settlement is one of the two (2) informal settlements located in SLM. The informal settlement of Ekukhuleni has approximately 250 households. The settlement is located approximately one km South East of Elliot town. Ekukhuleni has access to services such schools, churches, cemetery and health care centres via the established township.</p>

## Infrastructure Assessment

	Description of Existing services	
	PHALO PARK	EKUKHULENI JONINI
Water	Residents have access to stand taps within the Informal settlement. These are adequate for the whole settlement.	Residents have access to Communal Taps found within the Informal Settlement
Sanitation	The majority of residents make use of VIP without ventilation sanitation systems.	The majority of residents make use of <b>VIP without ventilation sanitation systems</b> . The settlement does not have water borne sanitation/sewerage infrastructure (manholes, pump stations etc.) available in the area
Electrical	Most of the households within the settlement are electrified	Most of the households within the settlement are electrified. However, there are no high mast lighting available
Roads and Storm Water	<ul style="list-style-type: none"> <li>• The main access roads include the gravel roads (unnamed road) that link the township with the regional main road R58.</li> <li>• The main and internal roads have no storm water infrastructure</li> </ul>	The main and internal roads have no storm water infrastructure

Solid waste	<ul style="list-style-type: none"> <li>• There are no/little services in this area and no infrastructure and/or services regarding refuse removal exist.</li> <li>• There is no form of refuse removal services available.</li> </ul>	Currently, the municipality do not collect waste in the settlement
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Source: SLM NUSP 2017

### Legal Land Assessment

SETTLEMENT NAME	PHOLA PARK	EKUKHULENI JONINI
Property description	Portion of Allotment Township of Elliot (C0240001)	Portion of Allotment Township of Elliot (C0240001)
Extent: Hectares	26 ha	26 ha
Property Owner	Municipality	Municipality
Zoning	Residential	Residential

Source: SLM NUSP Report, 2017

### KEY HUMAN SETTLEMENTS ISSUES

The following summarizes the key issues as identified through the Status Quo Analysis

IHSSP THEME	KEY ISSUE
<b>Demographic Indicators</b>	<p>The annual population growth rate of SLM is approximately 0.5%. 38.7% of the population is under the age of 15 years, and the municipality has more female 51.5% (32 898) than male 48.5% (30 948).</p>
<b>Socio-Economic Indicators</b>	<ul style="list-style-type: none"> <li>• About 1 856 (12.5%) of the total households have no income and would therefore not be able to afford housing or other services.</li> <li>• Approximately 65.6% of the households earn less than R38 201 per annum and would also qualify for community residential units.</li> <li>• Approximately 16.5% of the total population have not received any form of education. A further 14.2% received some primary and 5.0% of the population completed primary school. About 40.2% received some secondary education in the grades of 8, 9, 10, and 11. These figures indicate that there is lack of skills within the municipality which limits their employment</li> <li>• Out of 18 129 economically active population in the municipality, about 9 871 (54.4%) people are living in poverty and rely on social grants from the government and also in terms housing, they rely on low cost housing subsidies which are offered by the government through Provincial Department of Human Settlements</li> </ul>
<b>Spatial Planning</b>	<ul style="list-style-type: none"> <li>• Dispersed Settlement Pattern: Pockets of developed urban centres surrounded by scattered undeveloped rural villages, which implies great costs to provide basic infrastructure and services.</li> <li>• Limited economic activity outside of urban centres.</li> </ul>



<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>• About 8.9% of households have no formal piped water and rely on other sources, such as, rain water, boreholes, dams, pools, rivers and springs.</li> <li>• Sanitation backlog in the municipal area stands at 21.4%.</li> <li>• About 6.0% of households have no access to electricity and relying on other sources of energy such as gas, paraffin and candles for lighting purposes.</li> <li>• In terms of refuse removal services, the backlog in the municipality stands at 92.9% since the SLM concentrates only on Cala and Elliot towns.</li> <li>• SLM public transport system is currently uncoordinated and poorly planned.</li> <li>• The bulk of the municipality's road network is gravel. It is often characterised by poor storm water drainage system which often put a lot of pressure on the visual road index and surface durability especially during rainy seasons. There are over 300km of this type of road network which need regular maintenance and upgrading</li> </ul>
<b>Community Facilities</b>	<ul style="list-style-type: none"> <li>• The main challenge is that the existing sports facilities are poorly planned and do not respond appropriately to the needs of target user communities</li> <li>• Community halls - The IDP indicates that there is shortage of community halls in the municipal area</li> <li>• Cemeteries - Some cemeteries are not properly fenced and, in this cases, stray animals roam and destroy valuable assets. Others are located in areas that have geological challenges resulting in prevalent dampness and potential risk to underground water contamination.</li> <li>• Parks and recreational facilities require maintenance of toilets and refuse facilities.</li> </ul>
<b>Housing Assessment</b>	<ul style="list-style-type: none"> <li>• There is a need for a minimum specification on building material. This will ensure that houses of good quality are built and do not collapse due to poor quality material. It is important that all building material are SABS approved.</li> <li>• Housing inspection conducted on regular basis are critical to avoid poor workmanship.</li> <li>• Proper project management should be enforced in order to ensure that the final products are of acceptable quality.</li> </ul>
<b>Land Assessment</b>	<ul style="list-style-type: none"> <li>• Funding for planning and survey of land should be more accessible for municipalities to create more sites in order to remove informal settlements.</li> <li>• More subsidies are needed in order to build houses on planned sites.</li> <li>• Issuing of title deeds to house owners needs to be speeded-up.</li> <li>• There is a need to accelerate the process of de-registration when a beneficiary has passed away and re-registering of a new beneficiary has to occur.</li> </ul>
<b>Human Resource Capacity</b>	<p>There is inadequate capacity in the directorate of human settlement at the municipality</p>

## STRATEGY

The vision of the municipality (including human settlements delivery) as stated in the IDP reads as follows:

*“To be a self-sustainable, environmentally conscious and socio economically transformed municipality by 2030”*

### 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.

#### Consolidated strategic Goal and Objectives

<b>GOAL 1</b>	<b>To determine expressed demand and to declare such demand.</b>
<b>OBJECTIVE</b>	
(i) To undertake housing consumer education / awareness and the housing voice	
(ii) To implement the human settlements needs register and to ensure on-going management thereof	
(iii) To engage the social welfare department and Special Programs Unit (SPU) in order to cater for the child headed households and orphans.	

<b>GOAL 2</b>	<b>Scale up of the delivery of subsidised human settlement delivery to meet the demand.</b>
<b>OBJECTIVE</b>	
<b>(i) Strategic planning for human settlements delivery</b>	
(a) Conduct an annual environment analysis in order to review and revise annual human settlements sector plan.	
(b) To develop localised policies to create a more enabling environment and to manage the mushrooming of inadequate human settlements.	
<b>(ii) Project pipeline</b>	
(a) To integrate the existing information on delivered, planned, in implementation and blocked projects into a single project pipeline database with system for regular updating.	
(b) To plan projects that are aligned with the provincial human settlements’ sustainability criteria	
(c) To submit new projects to the Province for funding approval and technical support	
<b>(iii) Land and land packaging</b>	
(a) To undertake a land identification and land packaging programme.	
(b) To understand the land reform programme and to create a linkage with such a programme.	
(c) 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.	
<b>(iv) Infrastructure</b>	
(a) To engage with the infrastructure officials and plans to seek prioritisation and alignment with human settlements programme.	

<p><b>(v) Integrated Sustainable Rural Human Settlements Delivery Programme (inclusive of Farm Worker accommodation)</b></p> <p>(a) 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.</p>
<p><b>(vi) Project development and management</b></p> <p>(a) To package projects in terms of top structure, undertake procurement of contractors and to initiate project construction.</p> <p>(b) To undertake project management of all current running projects in order to ensure good quality and timely completion.</p> <p>(c) 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.</p> <p>(d) To have a dedicated programme to close out blocked projects.</p> <p>(e) To programme the rectification needs of the current projects.</p>

<b>GOAL 3:</b>	<b>To build a suitably structured human settlements unit in order to meet the human settlements delivery mandate</b>
<b>OBJECTIVE</b>	
(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.	
(i) To develop operational systems, i.e. policies, procedures and documents and forms.	
(ii) 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.	

<b>GOAL 4</b>	<b>To formalise the required institutional structures to support the Municipality in meeting its human settlements delivery targets</b>
<b>OBJECTIVE</b>	
(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.	

## STRATEGIES AND PROPOSED PROGRAMMES

The SLM Human Settlements Sector Plan should include the following strategic programmes for human settlements implementation.

PROGRAMME	STRATEGIC PRIORITIES	ACTIVITIES
<b>Programme 1</b>	Defining and understanding Demand	<ul style="list-style-type: none"> <li>▪ Detailed Human Settlements / Housing waiting list.</li> <li>▪ Investigate feasibility of human settlements projects in the municipal area (urban and rural).</li> </ul>
<b>Programme 2</b>	Scaled up supply of state funded human settlements delivery to meet demand.	<ul style="list-style-type: none"> <li>▪ Land acquisition</li> <li>▪ Appointment of competent contractors.</li> <li>▪ Prioritization of human settlements development applications.</li> <li>▪ Investigate and determine the human settlements need in the entire Municipal area.</li> <li>▪ Refurbish old houses.</li> <li>▪ Land identification and Town Planning Establishment processes</li> <li>▪ Developed Strategy for Households in Traditional Structures in Rural Areas</li> <li>▪ Develop Strategy for Rural Housing and Human Settlements</li> <li>▪ Develop Strategy for informal/in-situ upgrading.</li> <li>▪ Develop Strategy for CRUs and affordable rental housing</li> </ul>
	Eradicate all squatters and Informal Settlements with provision of Housing for middle income earners	<ul style="list-style-type: none"> <li>▪</li> </ul>
<b>Programme 3</b>	Closure of all Blocked projects and rectification of all defective houses	<ul style="list-style-type: none"> <li>▪ Closure of all Blocked Projects and Rectification of all Defective Houses</li> </ul>
<b>Programme 4</b>	To formalise the required institutional structures to support the Municipality in meeting its human settlements delivery targets	<ul style="list-style-type: none"> <li>▪ Procurement and tenders are problematic.</li> <li>▪ Professional team is needed.</li> <li>▪ Local Municipality is performing Provincial roles.</li> <li>▪ Strengthening and reinforcement of IDRs</li> <li>▪ Continued involvement of all relevant stakeholders</li> <li>▪ Establishment of a dedicated Human Settlements Unit and/ or capacitating the existing department</li> </ul>
<b>Programme 5</b>	Enhance quality and standard of RDP Houses	<ul style="list-style-type: none"> <li>▪ Encourage local contractors to register with CIDB.</li> <li>▪ Monitor all projects for compliance with National and Provincial Standards.</li> <li>▪ Repair old housing projects.</li> <li>▪ Rectification needed for some of the pre and post 1994 housing projects.</li> </ul>

## PROJECTS

### HUMAN SETTLEMENTS DELIVERY IN SLM FROM 1994 TO DATE

HSS Project Description	Subsidy Instrument	Project Type	Project Approval Date	Total Contractual Target	Delivery to Date (Sites)	Delivery to Date (Units)
Cala - 420 Rectification	Project Linked Subsidy	Progress Payment Housing Project	2010/07/20	420	0	0
<b>FINANCIAL -1.5a RECTIFICATION OF RDP STOCK POST 1994 - 2002</b>						
Cala - 420 subs	Project Linked Subsidy	Progress Payment Housing Project	1997/09/27	420	405	420
Cala - 420 subs	Project Linked Subsidy	Progress Payment Housing Project	2010/07/20	0	0	0
Cala - Bulk Infrastructure	Project Linked Subsidy	Progress Payment Housing Project	2014/05/06	1	0	0
Cala - R/land Ph 2 - 1070 subs	Project Linked Subsidy	People's Housing Process (Project Linked)	2001/11/30	1070	1070	403
Cala - Rectification 301	Project Linked Subsidy	Progress Payment Housing Project	2009/09/16	301	0	123
<b>RURAL - 4.2 RURAL SUBSIDY COMMUNAL LAND RIGHTS</b>						
Cala - Ward 2 - 1409 subs	Rural Subsidy - Informal Land Rights	People's Housing Process (Rural)	2010/07/20	1409	38	68
Cala - Ward 4 2662 Units	Rural Subsidy - Informal Land Rights	Rural Housing Project	2010/07/20	2662	0	0
Cala - Ward 4 (Wards 1,3 & 6) 1269 subs	Rural Subsidy - Informal Land Rights	People's Housing Process (Rural)	2014/06/20	1269	30	51
Cala - Ward 4 (Wards 1,3 & 6) - 1393 subs	Rural Subsidy - Informal Land Rights	People's Housing Process (Rural)	2010/07/20	1393	2	40
Cala - Ward 8 & 9 - 1284 subs	Rural Subsidy - Informal Land Rights	People's Housing Process (Rural)	2014/06/20	1284	41	41
Chris Hani Disaster - 879 Subs	Project Linked Subsidy	Progress Payment Housing Project		0	0	0
Elliot - 498 subs	Project Linked Subsidy	Progress Payment Housing Project	1997/03/26	498	498	498
<b>PROVINCIAL SPECIFIC PROGRAMMES</b>						
Cala Ext 13 & 14 - 717	Project Linked Subsidy	Progress Payment Housing Project	2010/09/07	717	0	50
Cala Ext 15 - 249	Project Linked Subsidy	Progress Payment Housing Project	2010/09/07	249	0	25
Cala Ext. 13 & 14 - R/land Ph2 1545 subs	Project Linked Subsidy	People's Housing Process (Project Linked)	2002/05/23	1545	1545	1007
Elliot - Old Location 1000	Project Linked Subsidy	Progress Payment Housing Project	2010/09/30	1000	0	0
Elliot - R/land Ph 2 Phola Park) - 324 Subs	Project Linked Subsidy	Progress Payment Housing Project	2010/09/07	324	0	2



Elliot - R/land Ph 2 (Phola Park) - 800 subs	Project Linked Subsidy	People's Housing Process (Project Linked)	2001/11/30	800	800	530
Elliot Rectification 302 Units	Project Linked Subsidy	Progress Payment Housing Project	2009/09/16	302	0	0
<b>TOTAL</b>				<b>15 664</b>	<b>4 429</b>	<b>3 258</b>

Source: EC Human Settlements Business Plan for 2018/19 Financial Year

#### SAKHISIZWE LM HUMAN SETTLEMENTS DELIVERED FROM 1994 TO DATE

Municipality	Total Contractual Target	Delivery To Date (Sites)	Delivery To Date (Units)	Approved Project Budget (R)
Sakhisizwe	15 664	4 429	3 258	1 213 920 914

Source: EC Human Settlements Business Plan for 2018/19 Financial Year

#### HUMAN SETTLEMENTS PROJECTS - (DISTRICT OFFICE, DoHS – KOMANI)

NO	Units and Budget				Status/Progress
	Units Planned	Units Achieved	Planned Budget	Expenditure to date	
1	100	113	R 16 431 984,00	R 47 496 192,96	2 Turnkey contractors and two Community Resource Organisations (CRO) are on site

Source: Department of Human Settlements (District Office) March, 2018

#### Business Plan Targets per municipality (Current Projects)

No	Municipality	Targets and Budget			Status / Progress
		Units Planned	Services Planned	Budget Planned	
1	Sakhisizwe	186	166	R 34 254 154,00	2 Turnkey contractors and two Community Resource Organisations (CRO) are on site

Source: Department of Human Settlements (District Office) March, 2018

#### Regional Target

Houses/Location	No.	Services	Rectification	Destitute	Emergency//Disaster
Cala Ward 2 (106)	106		Cala 17	30	15
Cala Ward 4 (80)	80				
Total	186		17		

Source: Department of Human Settlements (District Office) March, 2018

## Project Performance Status Quo

Project Name	Units	Status
Cala Ward 2 (Wards 8&9)-1409 units	1409	Contractors on site- Units completed 102 and at 160 various stages of completion
Cala Ward 2 (Wards 8&9) 1284 units	1284	Contractors on site- Units completed 102 and at 99 various stages of completion
Cala Ward 4 (Wards 1,3 &6)-1393 units	1393	Contractor on site-Units completed 154 and at 266 various stages of completion.
Cala Ward 4 (Wards 1,3& 6)-1269 units	1269	Contractor on site- Units completed 123 and at 26 various stages of completion.

Source: Department of Human Settlements (District Office) March, 2018

## Emergency / Disaster Human Settlements Past Projects

Year	LM	Units	Comments/Status
2010/11	Sakhisizwe	80	
2014/15	Sakhisizwe	47	25 totally destroyed

Source: Department of Human Settlements (District Office) March, 2018

### Emergency / Disaster Human Settlements Projects

This entails the construction of 430 units for the entire Chris Hani Region (06 Municipalities) and it is funded by Departments of Human Settlements and COGTA grants and Chris Hani District Municipality is the developer

LM	Units	Status
Sakhisizwe	65	45 approved

Source: Department of Human Settlements (District Office) March, 2018

### Priority Projects - Chris Hani Destitute 120 (35 Units)

Municipality	Units	Number approved	Comments/Status
Sakhisizwe	120	35	Individual Destitute 83 (reserved for individual requests where need is identified)

Source: Department of Human Settlements (District Office) March, 2020

### Human Settlements Projects from Sakhisizwe LM IDP (2021-2022)

Wards	Project Name	No of Units	Budget	Contractor	Status
1, 3 & 6	Cala Ward 4 (1,3&6) – 2662 (1393 units) rural	1 393	R 192,456,880	Mahiri	Turnkey contractor is on site
8 & 9	Cala Ward 2 (8&9) - 2693 (1409) rural	1 409	R 151,118,29	Quantum Leap	Turnkey contractor is on site
1, 3 & 6	Cala Ward 4 (1,3&6) – 2662 (1269 units) rural phase 2-CRO's	1 269	R 194,756,75	Mosegedi & Associates	CRO is recently contracted and to establish site
8 & 9	Cala Ward 2 (8&9) - 2693 (1284) rural phase 2-CRO's	1 284	R 216,764,44	Vukani Construction	CRO is busy with beneficiary Admin & site establishment

Source: Sakhisizwe LM IDP (2021 – 2022).

## Emergency/ Disaster Projects

Project	Approved scope	Houses completed	Houses outstanding	Approved Budget	Expenditure to date	Comment
Emergency	65		65	Nil	CCHDM Developer	

Source: Sakhisizwe LM IDP (2021 – 2022).

## Transfers

Project	Approved scope	Houses completed	Houses outstanding	Approved Budget	Expenditure to date	Comment
Cala Ext 13&14 - 1545	1545	1523	22	R 695,25	R 675,90	Outstanding transfers
Cala Ext 15 - 1070	1062	1055	7	R 481,50	R 472,50	Outstanding transfers
Khowa (Elliot) 800 - 800	800	556	244	R 360,00	R 247,95	Outstanding transfers

Source: Sakhisizwe LM IDP (2021 – 2022).

## Rectification

Project	Approved scope	Houses completed	Houses outstanding	Approved Budget	Expenditure to date	Comment
Cala 20	20	0	20	R1 074 000	0	construction
Cala 420 (Rectification)	420	0	420	R32 354 070	R528 700	Contractor appointed, work on progress
Cala (Rectification)	301	301	0	R26 379 426	R21 075 789	Project completed. Infrastructure & beneficiary issues to be attended
Khowa (Elliot) 302 (Rectification)	302	302	0	R22 945 205	R4 669 185	Reassessment defective units

Source: Sakhisizwe LM IDP (2021 – 2022).

## Destitute

Project	Approved scope	Houses completed	Houses outstanding	Approved Budget	Expenditure to date	Comment
Cala / Khowa (Khowa (Elliot))	120		120		Nil	Contractor appointed

Source: Sakhisizwe LM IDP (2021 – 2022).

Project	Approved scope	Houses completed	Houses outstanding	Approved Budget	Expenditure to date	Comment
<b>HOUSES FOR CONSTRUCTION</b>						
Cala Ext 13&14 - 200	191	0	200	R20,822,489	Nil	Close out stage

Cala Ext 15 - 161	161	0	161	R19,161,683	Nil	Close out
Howa 800 - 20	20	0	11	R1,502,940	Nil	Close out
<b>NEW DEVELOPMENTS &amp; PLANNING</b>						
Howa Old Location 1000	1000	0	1000	R 80,00	R 80,00	Pre planning – Layo plan outstanding. Presentation by Gib
Cala Ward 2 - 2693	2693	0	2693	R1,211,777	R 730,33	Two contractors appointed – Turnke bases
Cala Ward 4 - 2662	2662	0	2662	R1,197,826	R 721,92	
<b>E MERGENCY/ DISASTER PROJETS</b>						
Emergency	65	0	65		Nil	Chris Hani DM Developer
<b>TRA NSFERS</b>						
Cala Ext 13&14 - 1545	1545	1523	22	R 695,25	R 675,90	Outstanding transfers
Cala Ext 15 - 1070	1062	1055	7	R 481,50	R 472,50	Outstanding transfers
Howa 800 - 800	800	556	244	R 360,00	R 247,95	Outstanding transfers
<b>RECTI FICATION</b>						
Cala 420	20	0	20	R1 074 000		Construction
Cala 420 (Rectification)	420	0	420	R32,354,070	R 528,70	Contractor appointed, works on progress.
Cala 301 (rectification)	301	301	0	R26,379,426	R21,075,789	Project completed. Infrastructure and Beneficiary issue to be attended to.
Howa 302 (Rectification)	302	302	0	R22,945,205	R4,669,185	Re- assessment defective Units.

PROJECT ON CONSTRUCTION						
Cala Ext 13&14 – 1545- ( 716)	1545	1485	60	R60,656,424	R50,426,121	Project near completion
Cala Ext 15 – 1070- (249)	1062	970	92	R20,299,983	R14,531,747	Project near completion
Howa 800 – 800 – (324)	800	719	81	R27,193,404	R22,297,249	Project near completion

Source: Sakhisizwe LM IDP (2021 – 2022).

#### Bulk Infrastructure

Project	Approved scope	Houses completed	Houses outstanding	Approved Budget	Expenditure to date	Comment
Cala Ext 13,14-15 &Cala 420	3035		3035	R58 Million	Nil	Finalization of Service Level Agreement

Source: Sakhisizwe LM IDP (2021– 2022).



## CHAPTER 7: PERFORMANCE MANAGEMENT

In line with the requirements of the Local Government Municipal Systems Act – 2000 (hereinafter referred to as the Systems Act) read in conjunction with its Local Government Municipal Planning and Performance Management Regulations passed in August 2001 (hereinafter referred to as the Regulations), Sakhisizwe Local Municipality embarked on a process of establishing its comprehensive PMS.

In order to ensure smooth implementation of a municipal PMS, it is necessary to first develop and agree on a policy (framework).

The main goal of this document is to provide the Sakhisizwe Local Municipality with a written policy that will serve as a guide in terms of the key processes, procedures and mechanisms to be followed when implementing performance planning, measurement, review, reporting and auditing. This framework document will also outline timeframes as to when (in the cycle of municipal planning) should the processes of *performance planning, measurement, monitoring, review, reporting and auditing as well as review of the PMS itself* unfold. Further, the framework outlines the PMS model to be followed in implementing performance management at Sakhisizwe LM.

### 7.1 STATUS OF THE POLICY DOCUMENT

This document represents a policy which was commented upon and finalised. It was submitted to EXCO and Council for review in 2015/2016. After it was adopted by council it served as a binding policy that guides how performance management should be implemented at Sakhisizwe. It also serves as a document reference that is aimed at enhancing the awareness and understanding (among all role players) of how the performance management system should operate.

### 7.2 WORKING DEFINITION

Performance management is viewed as a continuous and cyclic process of evaluating our actions and operations to determine whether we are delivering the desired level of development committed in our IDP. It is envisaged as a process that will roll-out incrementally following the steps illustrated in the figure below: Sakhisizwe municipality subscribes to the view that PMS is a strategic management tool which equips (with a set of tools and techniques) leaders, managers, workers and stakeholders at different levels of an organization to regularly plan, continuously monitor, periodically measure, review and report performance of the organization in terms of a set of chosen indicators and targets for achieving development efficiency, effectiveness and impact.

In practical terms, performance management refers to the use of indicators to show how the organisation is performing on its development objectives as set out in the ruling integrated development plan. In Sakhisizwe, this will involve among other things:

- developing performance scorecards (two levels - Strategic and Departmental)
- setting of clear objectives, indicators and targets for performance (Based on IDP)
- determining baseline levels for indicators before finalizing targets
- gathering of measurement information to determine progress against set indicators and targets
- regular reviewing of performance (monthly, quarterly & annually)
- periodic reporting on performance (monthly, quarterly & annually)
- regular auditing of performance reports
- periodic assessing, evaluating and reviewing of the effectiveness of PMS itself

### 7.3 POLICY CONTEXT FOR MUNICIPAL PMS

In 1997 the white paper on local government introduced the concept of performance management systems as a mechanism to improve accountability and enhance public trust on local government. The white paper further suggests that 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 is also enhanced. In 1998, the White Paper on Transforming Public Service Delivery (Batho Pele) was adopted as a policy to enhance and enforce quality service among civil servants. All employees of public

entities (government institutions including local government municipalities) are obliged to adhere to the provisions of the Batho Pele policy. These provisions are captured in the form of the following eight key principles:

- **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 which are provided.
- **Service standards:** - Citizens should know what standard of service to expect and should be consulted if promised service standards are to change including development targets set in terms of the IDP.
- **Access:** - All citizens should have equal access to the services to which they are entitled. State of exposure to income or poverty should not be reason enough to lack access to a basic level of service.
- **Courtesy:** - Citizens should be treated with courtesy and consideration.
- **Information:** - Citizens should be given full and accurate information regarding public services they are entitled to receive.
- **Openness and transparency:** - Citizens should know how departments are run, how resources are spent, and who is in charge of particular services.
- **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.
- **Value-for-money:** - Public services should be provided economically and efficiently in order to give citizens the best possible value-for-money.

The two policies mentioned above provide the framework for implementing performance management system in a municipality.

In order to ensure compliance with the objects of the constitution and national policy, Sakhisizwe municipality accepted the local government and Batho Pele white papers as its policy framework for performance management system and for advancing the cause of local government transformation.

#### 7.4 LEGAL CONTEXT FOR MUNICIPAL PMS

The municipal systems act 32 of 2000 calls for all municipalities to establish and implement performance management systems. In its chapter six, the act prescribes for all municipalities to:

- develop a performance management system
- set targets, monitor and review performance based on indicators linked to their integrated development plan (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

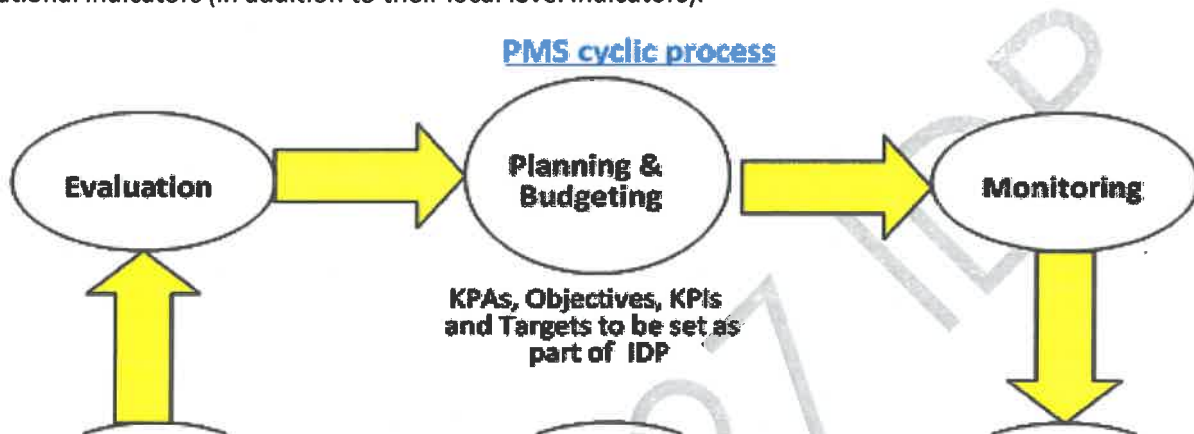
In August 2001 regulations on municipal planning and performance management were published by Department of Provincial and Local Government (**DPLG**) to further explain the requirements of the act.

The regulations provide minimum requirements for a municipal performance management system and prescribe a set of seven national key performance indicators that must be measured and reported to national government by all municipalities annually. According to the regulations a municipal PMS must ensure that it:

- complies with all the requirements set out in the Municipal Systems Act;
- demonstrates how it is to operate and be managed from the planning stage up to the stages of performance and reporting;

- clarifies the roles and responsibilities of each role-player, including the local community, in the functioning of the system;
- clarifies the processes of implementing the system within the framework of the integrated development planning process;
- determines the frequency of reporting and the lines of accountability for performance;
- relates to the municipality's employee performance management processes;
- provides for the procedure by which the system is linked to the municipality's integrated development planning processes;

The regulations also prescribe that municipalities must monitor their performance and report on these national indicators (in addition to their local level indicators):



- 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 in ratios

In terms of section 53 of the Municipal Finance Management Act (MFMA) 2003, the mayor of a municipality must take reasonable steps to ensure that the annual performance agreements of the municipal manager and all senior managers are linked to the measurable performance objectives approved with the budget and to the service delivery and budget implementation plan; and are concluded in accordance with section 57(2j) of the Municipal Systems Act.

Coupled with the MSA: 2000, the MFMA: 2003 provide for the development of a mid-term budget and performance assessment of the municipality. The development of the mid-year budget and performance assessment report should give an indication on the progress made by the municipality for the past six months. The MFMA requires that the accounting officer of the municipality take into account the

performance of the municipality against the performance expectations set by senior managers and their departments.

The legislative framework referred to above provides a solid case for the implementation of Sakhisizwe performance management systems in local municipalities.

## **7.5 OTHER BENEFITS FOR ESTABLISHING PMS**

For Sakhisizwe LM, the rationale for establishing PMS goes much deeper than the mere partial fulfilment of the legislative requirements. The following are other benefits for implementing a PMS.

### **Increased accountability**

The performance management system should aim to provide a mechanism for ensuring increased accountability between:

- The residents of the Sakhisizwe Local and the municipal council,
- The political and administrative components of the municipality,
- Each department and the executive office.

### **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, evaluating and improving the Integrated Development Plan.

### **Early warning signals**

The performance management system should provide Managers, the Municipal Manager, Standing Committees and the Executive Committee with early warning of non-performance of the full implementation of the Integrated Development Plan. It is important that the system ensures decision-makers are timeously informed of possible non-performance, so that they can facilitate pro-active intervention, if necessary.

### **Effective decision-making**

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

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.

### **Principles guiding PMS implementation**

This policy provides for implementation of a comprehensive Sakhisizwe PMS based on the following set of guiding principles:

- **UNIFORMITY** - System must apply uniformly to all affected
- **DEVELOPMENTAL** - Must be developmental in nature, not punitive. Therefore, must focus on outcomes or development impact achievements rather than short term individual benefits like earning bonuses
- **EQUITY OF RIGHT** -Must balance organisational needs and employee rights
- **PERFORMANCE CONTRACTS** -Must provide for signing of performance contracts by section 57 managers
- **PMS MODEL** -Must identify suitable model commensurate with existing organisational capacity, constraints & LG legal context.
- **EARLY WARNING** -Must promote use as an early warning system
- **TRANSPARENCY** – Must provide for effective participation of affected parties in arriving at final targeted performance commitments (setting of targets to be discussed and agreed with those the people / units whose performance will be managed)

- DEMOCRATIC - Must provide for involvement of key stakeholders in the processes of PM planning, monitoring, review, reporting and auditing

## 7.6 INSTITUTIONAL ARRANGEMENTS

### **PMS Co-ordination**

For purposes of coordinating PMS activities inside the municipality the policy provides for the delegation of authority to the corporate services manager to be the PMS coordinator. In terms of the envisaged role the PMS coordinator shall:

- Facilitate PMS communication
- Coordinate daily liaison
- Issue memos inviting inputs and reports from managers
- Facilitate implementation (monitoring & measurements of KPIs, reviews, report consolidation & submission, liaison with PMS audit committee etc.)

### **PMS Audit function**

For purposes of meeting legal requirements for the appointment of an independent audit committee to audit PM reports, the policy provides for:

- Maintaining current status quo whereby the district PM Audit committee also audits reports of the local municipality via an agreement with the district
- Creation of internal audit function to look at municipal PM reports prior to them being forwarded to the audit committee
- The extension of the terms of reference of the current audit structure which currently audits financial statements only to also incorporate the task of auditing performance reports of the municipality
- Preparation and submission of PM reports to be audited at least twice a year. This will happen during the months of January and June of each year. In this instance the policy suggests that the second report be an annual report to prevent duplication.

### **Public participation**

For purposes of ensuring effective participation by all relevant stakeholders in the PM processes, the policy provides for the recognition and use of the same structures set for the IDP. In terms of this policy, public participation for the planning of PMS takes place during IDP formulation which must cater for the formulation of:

- Key development priorities agreed for each year
- Development objectives
- Key development targets agreed

Therefore, IDP steering committee and Representative forums will serve as main key platforms for public and broader stakeholder participation.

### **Stakeholder Roles and Responsibilities**

The following figure outlines the key roles and responsibilities to be discharged by the various role players in the process.



## Stakeholder Roles and Responsibilities

Council / Exco	<ul style="list-style-type: none"> <li>Adopt the framework &amp; PMS</li> <li>Adopt Strategic Scorecard</li> <li>Conduct Annual Review</li> <li>Commission performance audits</li> <li>Report to Public &amp; Province</li> </ul>
Management Team	<ul style="list-style-type: none"> <li>Plan for PMS</li> <li>Adopt the framework</li> <li>Draft scorecards</li> <li>Approve Department Scorecards</li> <li>Conduct Performance Measurements</li> <li>Commission performance reviews</li> <li>Produce PM reports</li> <li>Commission performance audits</li> </ul>
Audit Committee	Audit PM Reports
IDP Steering Comm.	<ul style="list-style-type: none"> <li>Participate in performance</li> <li>Management planning, monitoring and review</li> </ul>
IDP Rep Forum	
Ward Committees	

### 7.7 PMS MODEL FOR SAKHISIZWE LM

#### What is a model?

A model for performance management provides simplified mechanisms for understanding how better to organise and roll-out the various aspects of performance that should be measured, reported on and managed. It also provides a useful tool to predict and project future scenarios so that current decision-making could influence the desired future.

#### Why is a model important for PM?

Models have proved useful in performance management for the following reasons. They provide:

**Balance:** A good model will ensure balance in how the organisation measures and manages its performance. It should not bias performance measurement by relying on one facet of performance, but represent a multi-perspective holistic assessment of municipal performance.

**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.

**Mapping of Inter-relationships:** A good model will map out the inter-relationships between different areas of performance. These inter-relationships relate to the extent to which poor performance in one category would lead to poor performance in other related areas and the converse. These inter-relationships help in both the planning stage and the review stage, particularly in the diagnosis of causes of poor performance.

**Alignment of resources to strategy:** A good model will align the processes of performance management to the Integrated Development Plan & budgeting processes of the organisation. It will ensure that the Integrated Development Plan 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 Integrated Development Plan.

International experience in both the private and public sectors has shown that traditional approaches to measuring performance that tends to be heavily reliant on financial measures are severely lacking. These approaches tended to over-emphasise financial efficiency over other equally important variables of

performance measurement and thereby providing a skewed perspective of the organisation's performance, particularly for a municipal organisation.

However, with recent developments in performance measurement literature in both the public and private sector, 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.

### The Municipal Scorecard model

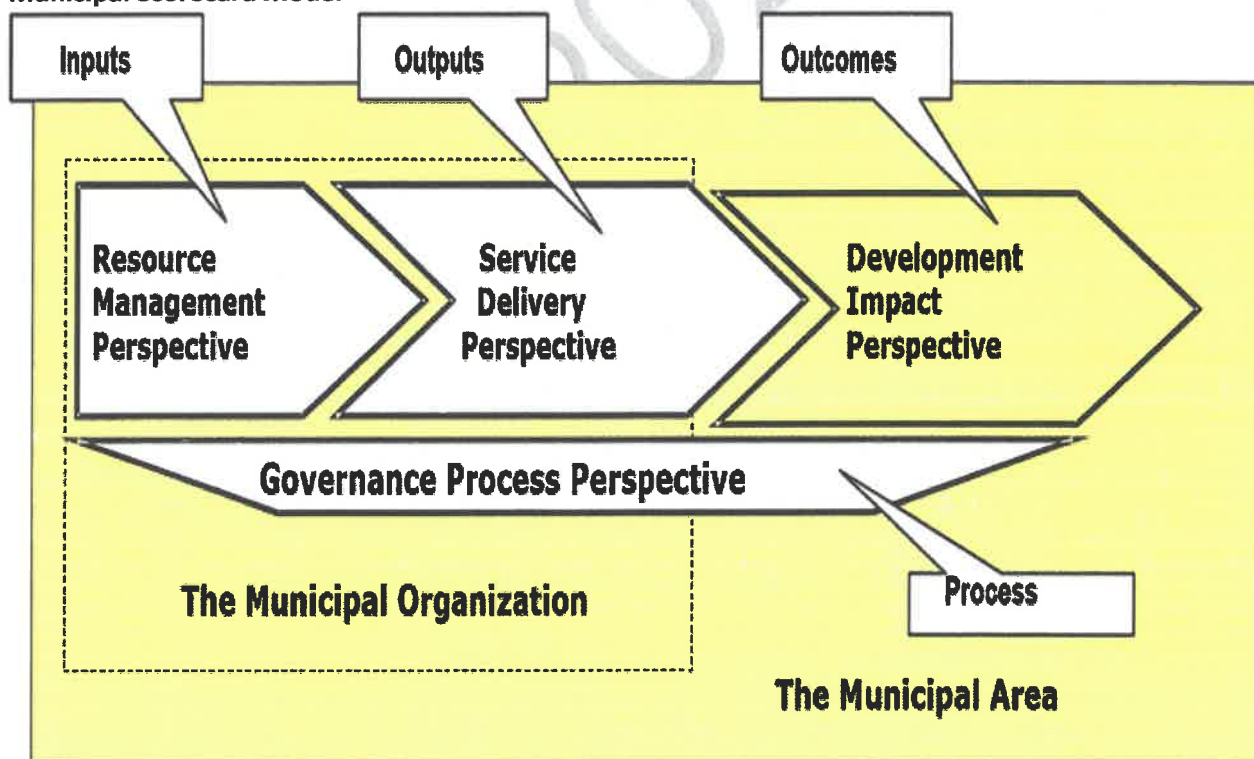
In terms of this policy the municipal scorecard model is to be used as a preferred model for the municipality. This model provides a modified version of the balanced scorecard model which has been adapted to SA local government legislation environment. It is also based on four key perspectives outlined later in this section.

The choice of this model is based on the strengths that it is:

- Tightly aligned to the strategic planning (IDP) and Budget processes
- Directly relevant to the notions of developmental local government and co-operative governance
- Fits neatly with the envisaged legal process of managing performance in a municipal organisation in SA
- A balanced view of performance based on inputs, outputs, outcomes and processes
- A simple portrayal of municipal performance, where inter-relationships can be mapped
- Has been adopted as the recommended model for municipalities by the South African Local Government Association (SALGA) because of its simplicity and relevance to local government environment.

The Municipal Scorecard is based on four key perspectives, outlined in the figure below.

**Municipal Scorecard Model**



**The Development Impact Perspective:** In this perspective the municipality will need to assess whether the desired development impact in the municipal area is being achieved. 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.

**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.

**The Resource Management Perspective:** This perspective should tell us how a municipality is performing with respect to the management of its resources:

- Budget & other financial Resources
- Human Resources
- Systems & Information
- Organisational Infrastructure (enabling equipment)

This relates to the inputs of the municipality as a whole.

**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
- Intergovernmental relations
- Customer care relations
- Citizen satisfaction
- Access to Information
- Communication strategies

This relates to the governance processes of the municipality as a whole.

#### DEFINITION OF CONCEPTS USED IN THE SCORECARDS

**Objectives:** are statements about what a service wants to achieve.

**Indicators:** are measures that tell us whether we are making progress towards achieving our objectives.

**A baseline measure:** is the value of the indicator before the start of the programme or prior to the period over which performance is to be reviewed.

**A target:** is the value of the indicator that we want to achieve by a specified time.

**The measurement source and frequency:** should indicate where the data emanates from, and how frequently it can be measured and reported. This information will assist the auditing process.

These have been used as the basis of the plans for the strategic and service scorecards.

#### CRITERIA ADOPTED TO GUIDE SELECTION OF SUITABLE INDICATORS

**Focused and Specific:** Is the indicator selected clear, focused and not stated in an ambiguous way?

**Measurable:** Does the indicator have defined unit of measurement? Note that this unit must also be used in determining the target.

**Valid and Relevant:** Validity is the degree to which an indicator measures what it is intended to be measured. Is the indicator relevant to the objective of the performance being measured?

**Reliable:** Reliability is the degree to which repeated measures, under exactly the same conditions will produce the same result. How reliable is your indicator?

**Simple:** Good indicators will be simple, easy to communicate. A composite indicator would try to measure a series of performance dimensions at the same time, this may confuse. Where possible avoid using complex or composite indicators.

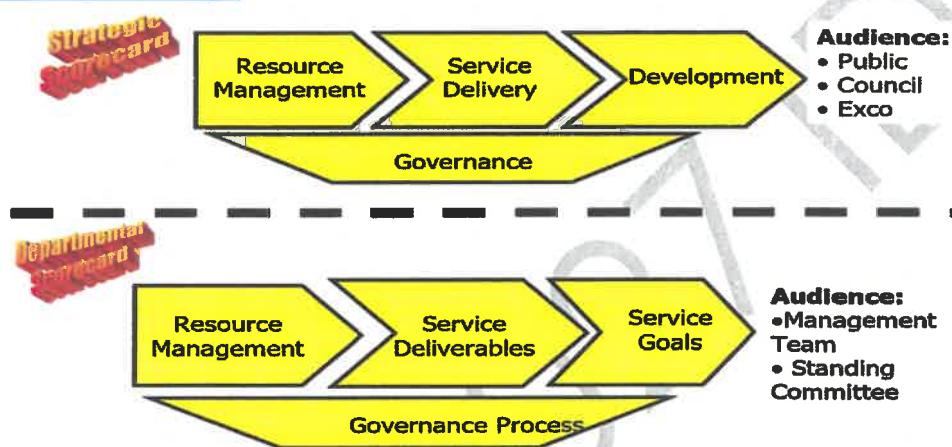
**Minimize perverse consequences:** Poorly chosen indicators, while they may have noble intentions, can have perverse consequences in the behaviours it incentives. Choose indicators that will incentives behaviour that is desired and not unintended results.

**Data Availability:** Good indicators will also rely on data that is, or intended to be, available on a regular basis. Be careful of choosing indicators that will not have data to be measured against.

### Levels of scorecards in a municipal scorecard model

There are two levels of scorecards recommended in the municipal scorecard model. These include the strategic and the services outcome scorecards as depicted in the figure below.

#### Levels of scorecard example



**The Strategic Scorecard:** The strategic scorecard will provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. The Municipal Manager and Managers of Departments will use it after review as a basis for reporting to the Executive Committee, Council and the public. In terms of this policy this scorecard is to be reported to Executive Committee quarterly, to Council six-monthly and the public annually for review.

**Service Scorecards:** The service scorecards will capture the performance of each defined service (can be a directorate or department line-function). Unlike the strategic scorecard, which reflects on the strategic priorities of the municipality, a service scorecard will provide a comprehensive picture of the performance of that service. It will consist of objectives, indicators and targets derived from the service plan and service strategies. It will be crucial that service scorecards should not duplicate current reporting, but be integrated to form a core component and simplify all regular reporting from departments to the Municipal Manager and Standing Committees. Service Scorecards will be comprised of the following components:

- Service Outcomes, which set out the developmental outcomes that the service is to impact on,
- Service Deliverables, which set out the products and services that the service will deliver,
- Resource Management, which sets out how the service will manage its Human and Financial resources, Information and Organisational Infrastructure
- Stakeholder Relations, which sets out how the service will improve its relationship with its key stakeholders

Performance in the form of a service scorecard will be reported to the Municipal Manager and relevant Standing Committee for review. The policy provides for the reporting in terms of this level of scorecard to



be undertaken at least monthly. The policy assumes that the reporting on this level scorecard will be preceded by internal departmental reporting (reports from unit managers and supervisors to be consolidated by the head of departments) which is expected to happen more regularly than monthly intervals and would ideally inform the monthly management reports.

The policy suggests that municipal scorecard formats be designed to reinforce aggregation of information and alignment with service delivery budget and implementation plans (SDBIPs).

**7.8 MONITORING AND MEASUREMENT OF INDICATORS**

For each indicator the scorecard require a responsible official, usually the respective line manager, to be designated by name. While this official is not necessarily fully accountable for performance on this indicator, he/she has the responsibility for conducting measurements of that indicator, analysing information and reporting results for reviews.

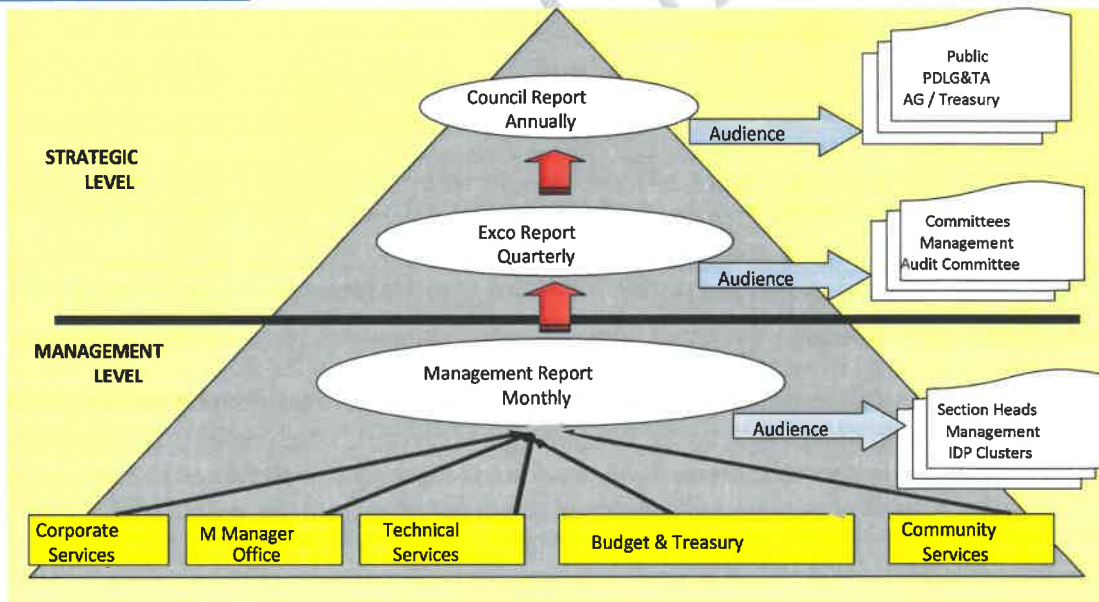
Analysis requires that line managers compare current performance with targets, past performance and possibly the performance of other municipalities, where data is available, to determine whether or not performance is poor. They should also analyse the reasons for performance levels and suggest corrective action where necessary.

Municipal-wide outcome indicators and satisfaction surveys may need to be co-ordinated centrally. It is recommendable that the PMS coordinator be tasked with this responsibility. An effort should also be made to undertake regular (annually) surveys in order to provide data for indicators organizationally and for the different service scorecards:

**Performance reporting and auditing**

The following figure outlines the envisaged PM reporting processes and lines of authority.

Reporting process flow



**Performance reporting:** As indicated in the above diagram reporting will commence from the internal department (weekly and chaired by HoD) then cascade to management (receive monthly management reports and chaired by municipal manager), thereafter, a bi-monthly report will be tabled to EXCO by management. This report will move be consolidated with comments of EXCO into a quarterly report to be tabled to council. At least two six-monthly reports will be forwarded for auditing by the audit committee during January and June of each year.



At the end of the year, an annual performance report will be produced and summarized for public reporting by the mayor via Imbizos and by the manager to auditor general and PDLGH&TA.

**Quality Control:** All auditing should comply with Section 14 of the Municipal Planning and Performance Management Regulations (2001). Managers responsible for line functions should undertake quality control of the information gathered and presented in the scorecard.

**Co-ordination:** The performance management coordinator is required by the framework to co-ordinate and ensures good quality of reporting and reviews. It is his or her role to ensure conformity to reporting formats and check the reliability of reported information, where possible or when asked to do so by EXCO / council.

**Performance Investigations:** This policy provides for the Executive Committee or Audit Committee when deemed necessary to can commission 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 could cover assessment of:

- The reliability of reported information
- The extent of performance gaps from targets
- The reasons for performance gaps
- Corrective action and improvement strategies
- Validity of evidence material submitted in support of claims

While the internal audit function may be used to conduct these investigations, it is preferable that external service providers, preferably academic institutions/practitioners, who are experts in the area to be audited, should be used. Clear terms of reference will need to be adopted by the Executive Committee, should such a need for investigation arise.

**Audit Committee:** As indicated earlier the municipality will make use of the district committee via a service level agreement. This facility will be complemented by the internal audit function which shall have been made by extending the current terms of reference for the existing audit committee currently responsible for financial statements to also cater for auditing of PM reports at least twice per annum.

#### **Performance reviews**

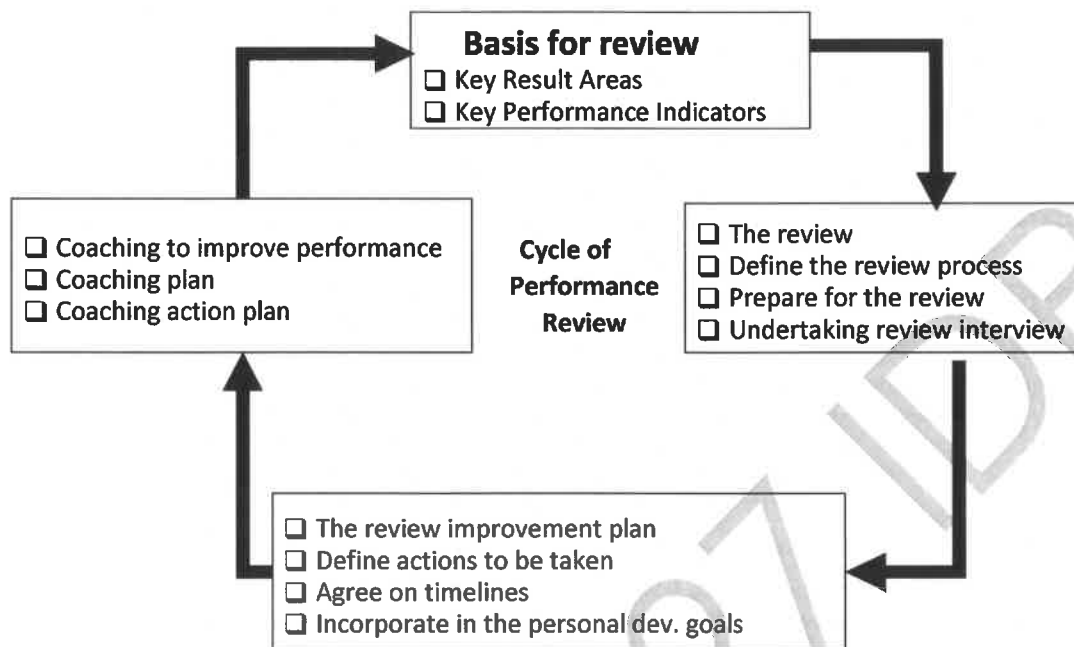
Performance reviews must be conducted at various intervals and levels of authority in order to determine as to the progress made against committed performance targets. Every review session must be documented and evidence material filed in case it is called by senior level reviews or the audit committee. Prior to reviews taking place by the Management Team, Executive Committee and Council, performance reporting will need to be tracked and coordinated. The Performance Management coordinator is responsible for this process.

It will also be useful to provide an overall analysis of municipal performance with respect to the strategic scorecards and department scorecards, at least for quarterly and annual reviews. Such an analysis could pick up trends in performance over time and over all departments. It is proposed that the Performance Management Coordinator be responsible for this.

## How should reviews be conducted?

The following figure provides a guideline for setting-up a review process.

### PROPOSED REVIEW PROCESS



The review process should involve the following guideline steps:

1. Prepare for the review
  - Set appointments and schedule interview sessions
  - Produce and circulate scorecard templates (FORMS)
  - Commission self-appraisals
2. Conduct review interviews
3. Discuss and agree on improvement plan
4. Feedback review outcomes to those concerned

During the review, the reviewing person / committee or structure must ensure the following things happen:

- Confirm what is expected of employee / department being reviewed
- Encourage those reviewed to feel comfortable and create conducive atmosphere for discussing issues frankly and fairly
- Fairly and equitably measure performance of individual / department.
- Agree on the final determination of performance achieved
- Identify strengths and areas of improvement
- Give feedback in terms of the reward/ recognition of good performance / excellence or the steps to be taken to address poor performance
- Align individual performance behaviour with organizational performance goals (IDP vision)
- Incorporate lessons of the previous year's performance into the following year's performance (Learning curve) by jointly developing a Performance Improvement Plan with the manager concerned
- Agree on a performance improvement plan

If the review session is to lead to the determination of salary progressions and bonuses in the case of individual management reviews, then the following rules should apply:

- 1) Determination of final scores will be based on the scoring model which uses a rating scale of 1 – 5 combined with point system
- 2) The employee will be allowed during the review to provide evidence to his /her claims should this be necessary
- 3) An aggregate score should be determined after adding all KPA scores achieved in the review
- 4) The decision of the audit committee ON SCORES is final
- 5) A manager can only qualify for a bonus portion when he/ she has achieved a minimum of level 3 overall score
  - a. A score of 251 – 300 will qualify for 50% of bonus possible
  - b. A score of 301 – 350 will qualify for 60% of bonus possible
  - c. A score of 351 – 400 will qualify for 75% of bonus possible
  - d. A score of 401 – 450 will qualify for 90% of bonus possible
  - e. A score of 451 – 500 will qualify for 100% of bonus possible

#### Combining points & rating on a scale with 5 levels

Points	Rating	Meaning
451-500	5	outstanding performance
351-450	4	commendable performance
251-350	3	satisfactory performance
151-250	2	marginal performance
0-150	1	unsatisfactory performance

#### EXPLANATION OF LEVELS

**Level 5:** Outstanding performance: Performance far exceeds the standard expected of a member at this level. The incumbent has achieved exceptional results against all performance criteria agreed and has maintained this all year round.

**Level 4:** Performance significantly above expectations: Significantly higher than expected. Incumbent has achieved exceptional results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.

**Level 3:** Fully effective. Performance fully meets the standard expected in all areas of the job. Incumbent has achieved results against all significant performance criteria and indicators and incumbent has achieved results significantly above expectation in one or two less significant areas.

**Level 2:** Performance is below standard required for the job in key areas (judge per weight etc). Incumbent has achieved adequate results against many key but not all others during the course of the year.

**Level 1:** Performance does not meet the standard expected for the job. The incumbent has not met one or more fundamental requirements and / or is achieved results that are below expectation in most result areas.

## **Suggested levels of reviews**

**Section 56 Management Reviews:** It is intended that a review committee comprising of the municipal manager, a standing committee councillor of that department and an independent auditor who must be a member of the audit committee review their performance of a section 56 manager at least every second month, using his/her personal contract scorecard. Managers will be reviewed on their overall annual performance during the period 01 July and 30 July of every year to conclude the year ended 30 June and to determine salary progression moves and bonuses.

**Departmental Reviews:** It is intended that departments review their performance at least monthly, using their department scorecards and SDBIPs. Decision-makers should be immediately warned of any emerging failures to service delivery to ensure that they can intervene if necessary. It is important that departments use these reviews as a platform to reflect on their goals and programmes and whether these are being achieved. Minutes of these reviews should be forwarded to the performance management coordinator. Changes in indicators and targets may be proposed at this meeting but can only be approved by the relevant standing committee, in consultation with the Performance Management Coordinator.

**Management Team Reviews:** Departments have to report on their performance in the department scorecard format to the Municipal Manager and the Managers of departments every month. These reviews must also provide for section 56 managers to report on their individual scorecards to the municipal manager. In order to avoid duplication of reporting efforts the SDBIPs must also be reported at these platforms. Additional indicators that occur in the departmental scorecard & SDBIP should also be reviewed. The formulation of the process of review will be coordinated by the proposed performance management coordinator.

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 relevant standing Committee. The Management Team can delegate tasks to the performance management coordinator in developing an analysis of performance prior to Management Team reviews.

**Standing Committee Reviews:** Each Standing Committee is required to review the performance of their respective departments against their department scorecard every second month. The Standing Committee should appraise the performance targets. Where targets are not being met, the Standing Committee 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 strategic scorecard may be proposed to and can only be approved by the relevant Standing Committee, in consultation with the IDP manager and Performance Management Coordinator (Strategic Planning Manager). Changes in indicators and targets that fall within the strategic scorecard will need to be approved by the EXCO / Council.

**Executive Committee Reviews:** On a quarterly basis, the Executive Committee is tasked to engage in an intensive review of municipal performance against both the department scorecards and the strategic scorecard, as reported by the Municipal Manager. This must also incorporate reviews based on SDBIPs in order to avoid duplication of reporting processes.

Many of the indicators in the strategic 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 strategic scorecard. The Executive Committee will need to ensure that targets committed to in the strategic 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 departments, Standing Committees and the Municipal Manager.

**Incentives for Excellent Performance:** It is the intention of the PMS framework that the Executive Committee not only pay attention to poor performance but also to good performance. It is expected of the Executive Committee to acknowledge good performance, where departments have successfully met targets in their department scorecards.

**Council Reviews:** At least annually, the Executive Committee is required to report to Council on municipal performance. This reporting takes place using the strategic scorecard in an annual report. The Municipal Systems Act requires that the annual report should at least constitute a performance report (the strategic scorecard), financial statements and an audit report.

**Public Reviews:** The Municipal Systems Act requires the public to be given the opportunity to review municipal performance. Therefore in addition to the annual report mentioned above, user-friendly citizens' report is intended to be produced as part of our PMS for public consumption. The citizens' report has not yet been produced at our municipality but it is envisaged to be a simple, easily readable and attractive document that translates the strategic scorecard for public consumption.

It is envisaged also that a public campaign shall be annually embarked on to involve citizens in the review of municipal performance. Such a campaign could involve the following methodologies:

- Ward committees would be reported to (once systems are developed fully) and submit their review of the municipality to council. The performance management team should be used to summarize this input.
- Various forms of media including radio, newspapers and billboards would be used to convey the citizens' report. The public should be invited to submit comment via telephone, fax, email and public hearings to be held in a variety of locations.

The public reviews are planned to be concluded by a review by the Integrated Development Plan Representative Forum or Mayoral Imbizos.

#### **Evaluation and improvement of the municipal PMS**

The Municipal Systems Act requires the Sakhisizwe Local Municipality to annually evaluate its performance management system. At the end of the planning year cycle as part of the annual review of the municipality's IDP, the council must always evaluate:

The adherence of the performance management system to the Municipal Systems Act.

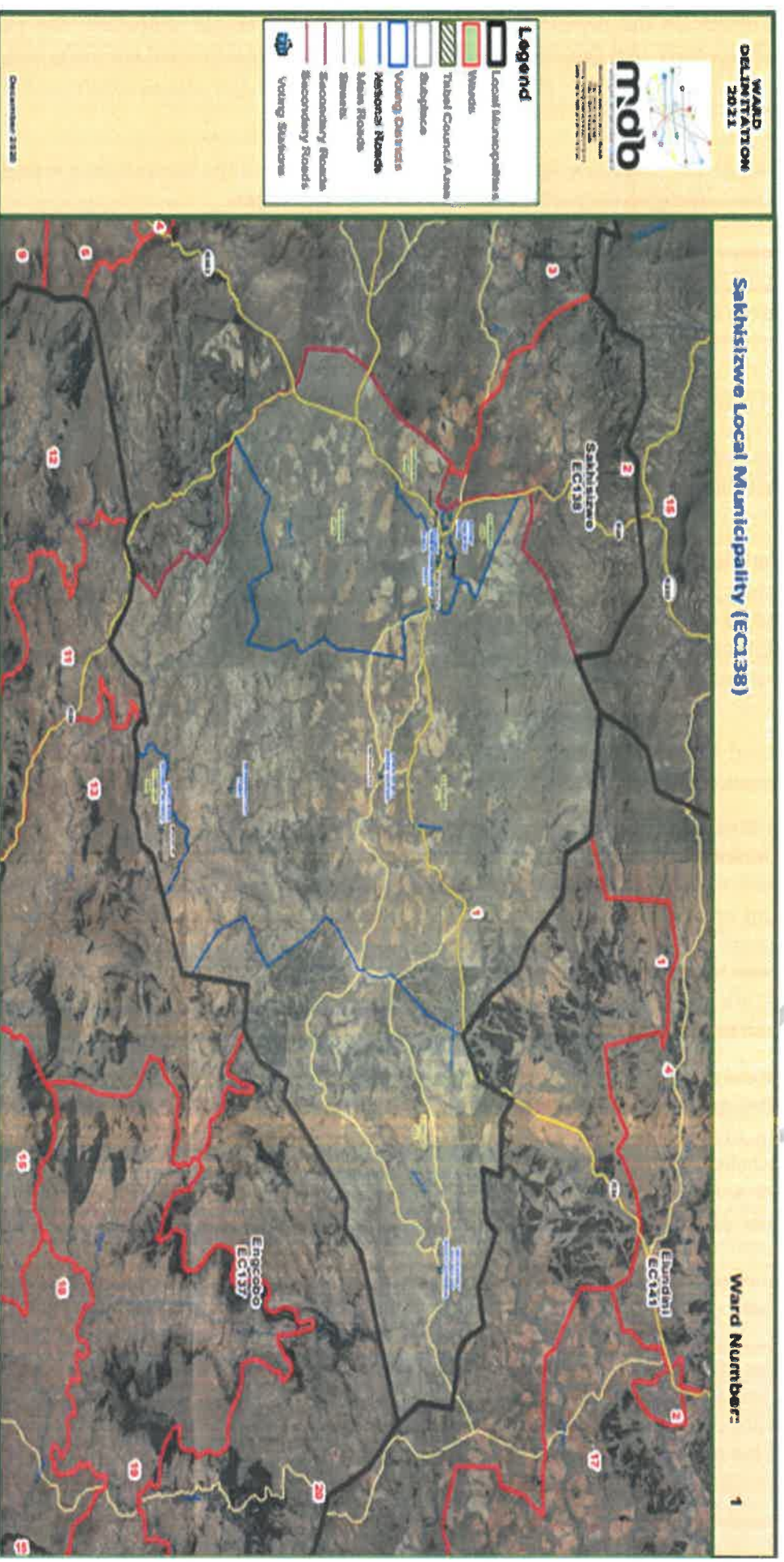
- The fulfilment of the objectives for a performance management system captured earlier in this document.
- The adherence of the performance management system to the principles captured earlier in this and those subscribed to in terms of the Batho Pele white paper discussed under section 3 of this document.
- Opportunities for improvement and a proposed action plan for areas to be revised.

The process of implementing a performance management system in Sakhisizwe LM is viewed as a learning process, where we are continuously improving the way the system works to fulfil the objectives of the system and address the emerging challenges from a constantly changing environment.



## Annexure A: Ward Based Locality

The Sakhisizwe Local Municipal Area consists of 9 Wards as reflected in the *Map 2.1.4* above. The main administrative centre is located in Cala (Ward 5). Khowa (Ward 1) serves as a secondary administrative centre with some offices like Budget and Treasury located there. Maps below will reflect locality of the Sakhisizwe Local Municipality in terms of each Ward:







Sakhisizwe Local Municipality (EC138)

Ward Number: 2



Legend

- Local Municipalities
- Wards
- Tribal Council Area
- Subplace
- Voting Districts
- National Roads
- Main Roads
- Streets
- Secondary Roads
- Secondary Roads
- Voting Stations



Sakhisizwe Local Municipality (ECl38)

Ward Number: 3

**Legend**

- Local Municipalities
- Wards
- Tripartite Council Areas
- Subspace
- Voting Districts
- National Roads
- Main Roads
- Streets
- Secondary Roads
- Secondary Roads
- Voting Stations









**Legend**

- Local Municipalities
- Wards
- Inter-Council Areas
- Subplace
- Voting Districts
- Atypical Roads
- Major Roads
- Streets
- Secondary Roads
- Secondary Roads
- Voting Stations



**Sakhisizwe Local Municipality (EC138)**

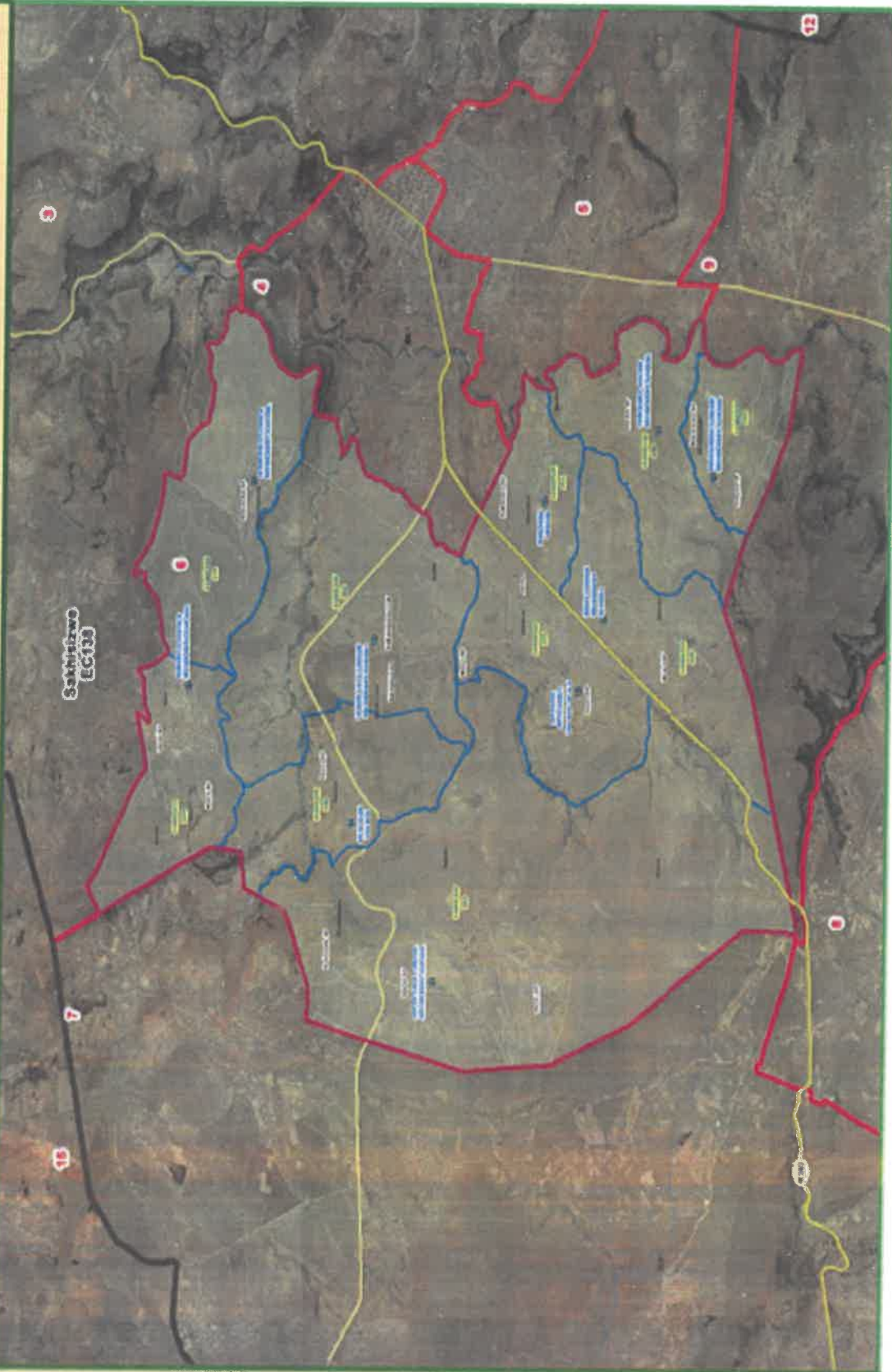
Ward Number: **5**





Sakhisizwe Local Municipality (EC138)

Ward Number: 6



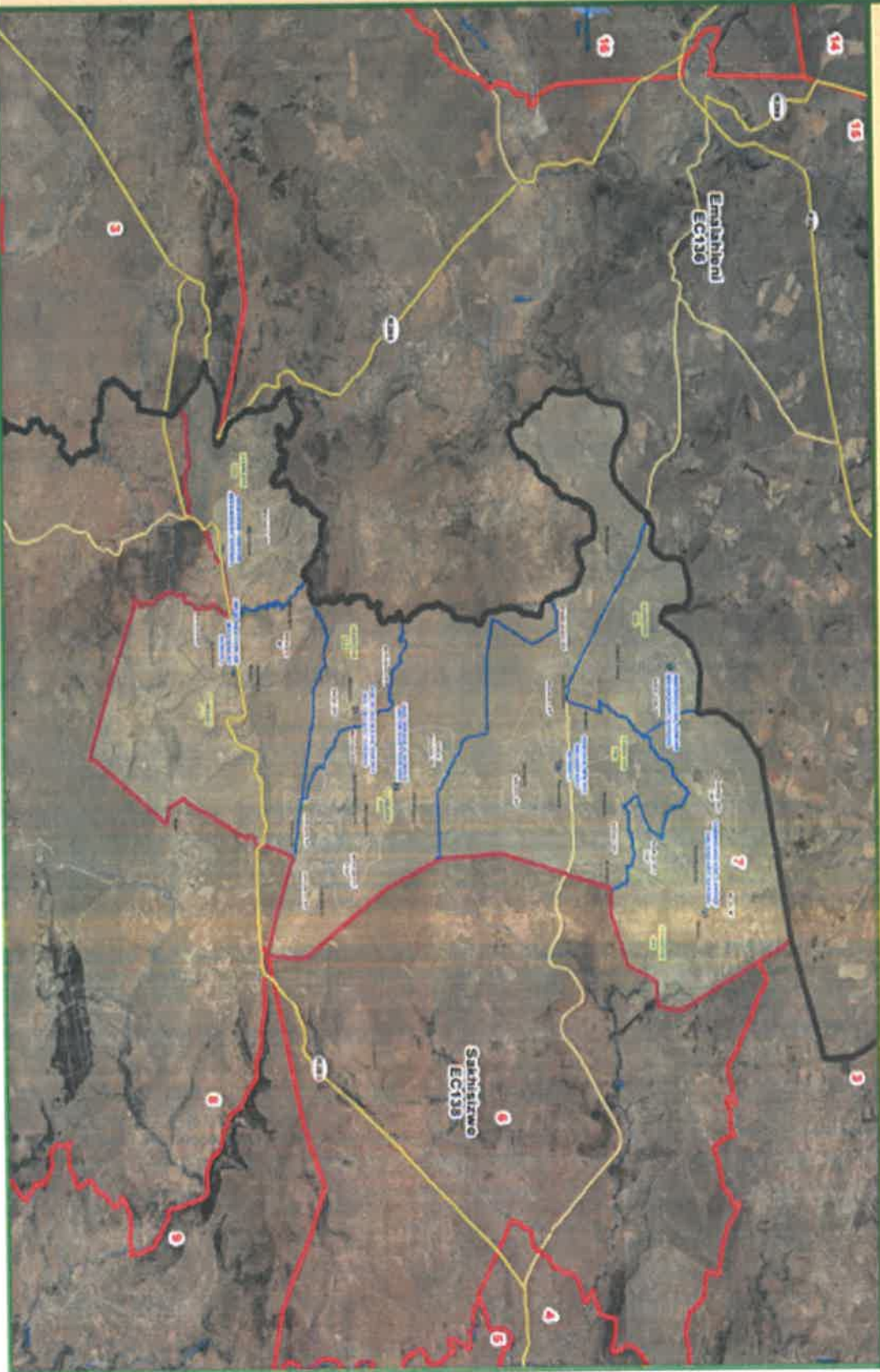
**Legend**

- Local Municipalities
- Wards
- Tribal Council Area
- Subplace
- Voting Districts
- National Roads
- Main Roads
- Streets
- Secondary Roads
- Secondary Roads
- Voting Stations



**Legend**

- Local Municipalities
- Wards
- Tribal Council Area
- Subplace
- Voting Districts
- National Roads
- Main Roads
- Streets
- Secondary Roads
- Secondary Roads
- Voting Stations



Sakhišizwe Local Municipality (EC138)

Ward Numbers: 7





Municipal Office  
Municipality of Sakhisizwe  
P.O. Box 275, Sakhisizwe  
KwaZulu-Natal 3950  
www.sakhisizwe.gov.za

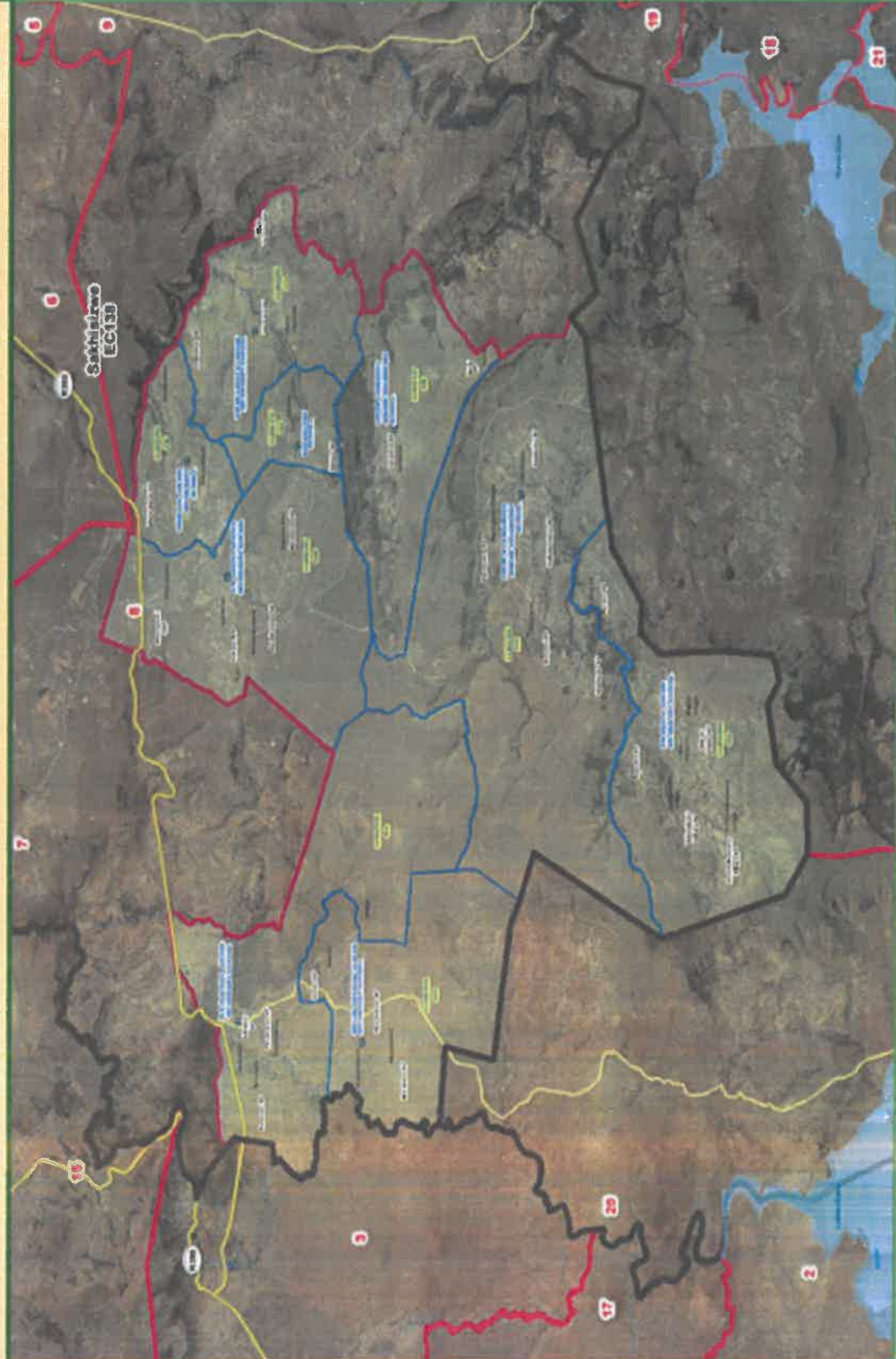
**Legend**

- Local Municipalities
- Wards
- Tribal Councils Areas
- Subplaces
- Voting Districts
- National Roads
- Main Roads
- Streets
- Secondary Roads
- Secondary Roads
- Voting Stations

December 2020

**Sakhisizwe Local Municipality (EC138)**

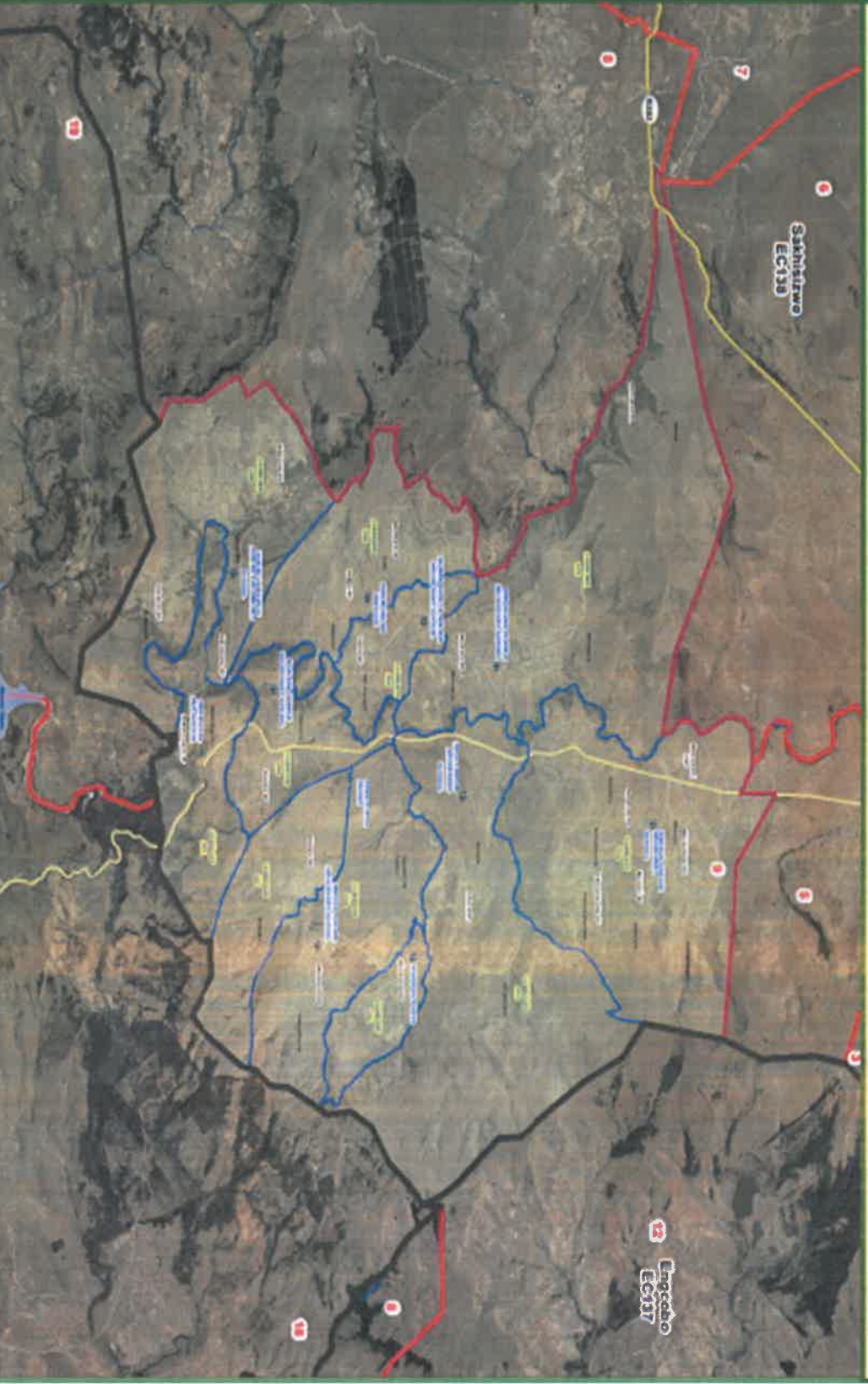
**Ward Number: 8**





**Legend**

- Local Municipalities
- Wards
- Tribal Council Area
- Subplace
- Voting Districts
- National Roads
- Main Roads
- Streets
- Secondary Roads
- Secondary Roads
- Voting Stations



Sakhisizwe Local Municipality (EC138)

Ward Number: 9

December 2020



## **ANNEXURE B: MEC COMMENTS**

### **COMMENTS BY THE MEMBER OF THE EXECUTIVE COUNCIL (MEC) ON THE INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW: 2020-2021**

#### **1. Introduction**

The role of the MEC in terms of provincial monitoring and support in the planning, drafting, adoption and review of IDP is articulated in Section 31 of the Municipal Systems Act (MSA), 32 of 2000. This includes monitoring, facilitation and coordination of the processes followed by the municipality in drafting and adopting IDPs to ensure:

- i. Adherence to the predetermined timeframes;
- ii. Participation by local communities, organs of the state, traditional authorities and relevant stakeholders;
- iii. Provision for the identification of all plans and planning requirements binding municipalities in terms of the national and provincial legislation; and
- iv. Alignment to the framework adopted in terms of Section 27 which binds both the district and local municipalities.

In order to give effect to the quoted legislation Sakhisizwe Local Municipality submitted its final IDP to the MEC within 10 days of adoption in compliance with Section 32 of the MSA.

#### **2. Implementation of IDP Assessment**

In order to align with the Disaster Management Act Regulations and the Consolidated Covid-19 Direction on Health and Safety in the Workplace, Gazette No. 43400 of 04 June 2020, the Department conducted the IDP Assessment internally. The leaders of Key Performance Areas (KPA) were appointed to manage the assessment teams comprised of CoGTA officials, sector departments and State Owned Enterprises. The KPA Leaders, supported by Cogta District IDP Coordinators, consolidated assessment findings and developed reports with action plans. The institutions/departments which took part in this year's assessment are as outlined below:

- KPA1: Spatial Considerations with these departments; 1) Eastern Cape Department of Cooperative Governance & Traditional Affairs; 2) Economic Development, Environmental Affairs and Tourism (DEDEAT); and 3) South African Police Services (SAPS).
- KPA 2: Service Delivery and Infrastructure Planning with these sector departments and one State Owned Enterprise (SOE) respectively; 1) Roads; 2) Transport; 3) Economic Development, Environmental Affairs and Tourism (DEDEAT); 4) Safety and Liaison; 5) Energy; 6) Water & Sanitation; 7) Rural Development and Agrarian Reform; 8) Eskom; 9) and; 10) Municipal Infrastructure Support Agency (MISA).
- KPA 3: Financial Planning and Budgets with these sector departments; 1) Eastern Cape Department of Cooperative Governance & Traditional Affairs; 2) Eastern Cape Provincial Treasury; 3) Energy; 4) Water & Sanitation.
- KPA 4: Local Economic Development (LED) with these sector departments; 1) Eastern Cape Department of Cooperative Governance & Traditional Affairs 2) DEDEAT); 3) Eastern Cape Rural Development Agency (ECRDA); 4) Eastern Cape Development Agency (ECDC) and;5) Statistics South Africa (Stats SA).
- KPA 5: Good Governance and Public Participation verified by Eastern Cape Department of Cooperative Governance & Traditional Affairs.
- KPA 6: Institutional Arrangement verified by Eastern Cape Department of Cooperative Governance & Traditional Affairs.



### 3. Overall KPA ratings

Each Key Performance Area was allocated an overall rating within the following context:

Levels of performance	Scores	Performance description	Action required
Low	0 - 33%	Poor	Immediate and intensive intervention
Medium	34 - 66%	Satisfactory	Minimum support required
High	67 - 100%	Good	Benchmarking

The table below analyzes comparative ratings of your municipality over a three-year period:

KPAs	Ratings 2018/2019 IDP review	Ratings 2019/2020 IDP review	Ratings 2020/2021 IDP review
KPA 1: Spatial Planning, Land, Human Settlement and Environmental Management	HIGH	HIGH	HIGH
KPA 2: Service Delivery & Infrastructure Planning	HIGH	MEDIUM	MEDIUM
KPA 3: Financial Planning & Budgets	MEDIUM	MEDIUM	MEDIUM
KPA 4: Local Economic Development	HIGH	HIGH	HIGH
KPA 5: Good Governance and Public Participation	HIGH	MEDIUM	HIGH
KPA 6: Institutional Arrangements	MEDIUM	MEDIUM	MEDIUM

### 4. Specific Assessment Findings on the 2020/2021 Final IDP

This section presents findings on the areas of major concern per KPA deduced from the KPA reports. The rest of the details are presented in the IDP individual reports. The overall findings on the 2020/21 Final IDP assessment of Sakhisizwe Local Municipality can be summarized as follows:

#### KPA 1: Spatial Planning, Land, Human Settlement and Environmental Management- Overall Rating High

- It is recommended that the municipality should develop a credible land audit report and to better understand the situation in their municipality.

## **MEC COMMENTS ON THE INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW-2020/21**

- The municipality needs to fast-track the appointment of a service provider for the provision of a Geographic Information System.
- The municipality does not have the capacity to perform the environmental functions in terms of personnel and an environmental unit.
- The municipality should review environmental by-laws and reflect as such in the IDP.

### **KPA 2: Service Delivery and Infrastructure Planning- Overall Rating Medium**

- The municipality should reflect on the budget and plan for non-motorised facilities.
- The municipality must reflect on a coordinated transport forum.
- The municipality must reflect on the Integrated Waste Management Plan as contemplated in section 11 of the NEMA: Waste Act 59 of 2008.
- The municipality must investigate on alternative sources of renewable energy and reflect that on the IDP.
- The municipality must engage the district municipality regarding assistance on the development of Trade Effluent Policy.
- The municipality must reflect on the budget for operations and maintenance of trade effluent policy.
- The municipality must reflect on the formally appointed and designated waste management officer.

### **KPA 3: Financial Planning and Budgets- Overall Rating Medium**

- The municipality should develop a Repairs and Maintenance Plan budgeted for as per MFMA Circular 51.
- The municipality must report its conditional grants according to DoRA requirements.
- The municipality must budget for salaries (Councillor's Remuneration and Employee costs) as per norms and standards.
- The municipality should collect its revenue at least more than 50% from the consumers in terms of financial norms and standards.
- The municipality must attach the top layer of the SDBIP in the IDP which clearly indicate IDP Priorities, SDBIP objectives, Strategies, projects, budget allocations, targets, indicators in respect of each project and timeframes.
- The municipality must reflect on Provincial and National budget allocations in the IDP.

## **MEC COMMENTS ON THE INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW-2020/21**

- The municipality must reflect on the District Municipality's budget allocations in the IDP.
- The municipality must reflect on the functionality of mSCOA.
- An update of municipal Indigent Registers must be done annually to maintain their credibility and close monitoring of government resources.
- The municipality must reflect on an updated project plan in terms of section 81.
- The municipality must reflect on the IDP the budget allocation to appoint service provider to conduct a General Valuation.
- The municipality must promulgate its Property Rates By-laws and Tariffs as required in terms of Section 6 and 14 of Municipal Property Rates Act (MPRA) and reflect in the IDP as such.
- If the municipality has missed the timeframes, it must request condonation on non-compliance with timeframes in terms of Section 80 of the MPRA.
- The municipality must indicate whether they have an updated Valuation Roll in place as a source of revenue generation.
- The municipality must publish Property Valuation Roll in the website and reflect in the IDP as such.
- The municipality must reflect on whether their Valuation Roll has been promulgated in terms of Section 49 of the MPRA to avoid litigations.

### **KPA 4: Local Economic Development (LED) - Overall Rating High**

- LED IGR structures and other stakeholder participatory mechanisms that are involved in LED initiatives should be reflected in the IDP document if they do exist. If there are none then efforts should be made to involve communities in LED and these must be reflected in the IDP.

### **KPA 5: Good Governance and Public Participation - Overall Rating High**

- The municipality must facilitate the implementation or functionality of the Integrated Service Delivery Model (ISDM) (War room functionality).
- The municipality must reflect on its Public Participation Strategy in the IDP.
- The municipality must reflect on the Stakeholder Communication Strategy.
- The municipality must develop an institutionalised complaint management system.
- The municipality must reflect on the legal services office or unit in the IDP document.

## **MEC COMMENTS ON THE INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW-2020/21**

- The municipality must reflect on the gazette by-laws in the IDP.
- The municipality must establish a strategy for HIV and AIDS mainstreaming.
- The municipality must reflect on a functional Monitoring and Evaluation system.

### **KPA 6: Institutional Arrangements - Overall Rating Medium**

- The municipality must reflect on the filled and vacant posts per department.
- The municipality must reflect on the critical and scarce skills that are a challenge to the municipality.
- The municipality must cascade Performance Management Systems (PMS) to other levels.
- The municipality must reflect on frequency of performance assessment.
- The municipality must develop ICT Policy Framework and reflect that in the IDP.
- The municipality must reflect on the action plan to address ICT challenges.
- The municipality must reflect on the Disaster Recovery Plan and its implementation.
- The municipality must reflect on the records keeping mechanism in the IDP.

### **5. Conclusion**

Let me now take this opportunity to congratulate you for developing a legally compliant IDP and maintaining a trend of obtaining Medium to High ratings over the period of IDP assessment cycle of 2017/2022.

I trust that the above submission will be of great value to your institution, all stakeholders and your communities during the development planning process to ensure production of a responsive IDP that will facilitate service delivery.

## **COMMENTS BY THE MEMBER OF THE EXECUTIVE COUNCIL (MEC) ON THE INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW: 2021 - 2022**

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### **1. Introduction**

Annual assessment of Integrated Development Plans (IDPs) is the outcome of Provincial monitoring and support prescribed by Section 31 of the Municipal Systems Act (MSA), 32 of 2000. This particular Section requires the Member of the Executive Council (MEC) for Local Government in the province to monitor processes followed by the municipality to draft/develop/ review IDPs in accordance with predetermined timeframes and appropriate mechanisms of community consultation. The outcome of provincial monitoring is measured by IDPs submitted by municipalities to the MEC for Local Government in accordance with Section 32(2) of the MSA. In compliance with the above legislative imperative, the department together with relevant stakeholders on an annual basis conduct assessment of IDPs. This process entails assessment if processes towards the development of the IDPs have been complied with. In fulfilling this requirement, municipalities of the Eastern Cape Province were assessed in accordance with the District Cluster Approach where all municipalities were assessed per district municipal area.

2022-2024



## 2. Implementation of IDP Assessment

The assessment of IDPs adhered to COVID 19 protocols specifically Section 36 (3) of the Amended Regulations of the Disaster Management Act, 2002 issued in terms of the Government Gazette No. 44895 dated 25 July 2021 that subjected the gatherings to a maximum of 50 persons. Against this legislative background (MSA), pursuant to District Cluster approach and in compliance with the COVID 19 Regulations, IDP assessment was limited to one day per District Municipality and its Local Municipalities. Resultant to the compliance with COVID 19 protocols the participants invited were:

- One IDP Manager per municipality
- Municipal Director responsible for Technical Services
- Officials from the sector departments
- One official from State Owned Enterprise (SOE)
- One official from ECSECC.

As a prerequisite to the assessment, all municipalities were requested to respond to the IDP Analysis and Assessment Framework prior the session. There was a poor turnout by sector departments and relevant stakeholders that were invited. Owing to sector departments that have not played an active role in interfacing their respective plans, strategies and programmes within municipalities during the IDP assessment, COGTA has initiated an IDP Phase-In Approach. The main purpose of IDP Phase-In Approach is to strengthen the process of facilitating the implementation of an **IDP Phased-In Assessment Approach** aligned to the IDP development phases (**Phase 1: Preparation, Situational Analysis Phases** combined with **Phase 2: Strategies; Phase 3: Project Phase** combined with **Phase 4: Integration and Approval**).

The Key Performance Areas (KPAs) assessed are outlined below:

- **KPA 1: Spatial Planning, Land Use Human Settlement and Environmental Management:** Compliance; Spatial rationale; SPLUMA implementation; Access to Land and Human Settlements; Air Quality Management; Climate Change and Natural Environmental analysis.
- **KPA 2: Service Delivery & Infrastructure Planning:** Public Transport; Waste Management Services; Safe and Secured Environment; Disaster Management; Energy; Emergencies & Fire Services; Water and Sanitation.
- **KPA 3: Financial Planning and Budgets:** Compliance; Expenditure; Revenue Management; Alignment; Valuation; Supply Chain Management; Financial Reporting and Free Basic Services.
- **KPA 4: Local Economic Development.**

**COMMENTS BY THE MEMBER OF THE EXECUTIVE COUNCIL (MEC) ON THE INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW: 2021 - 2022**

- **KPA 5: Good Governance and Public Participation:** Public Participation; Social Cohesion; Complaints and Fraud Management; Council and other Governance Structures; Special Groups and Populations Issues.
- **KPA 6: Institutional Arrangements:** Organisational Development; Information Communication and Technology.

**3. Overall KPA ratings**

Each Key Performance Area was allocated an overall rating within the following context:

Levels of performance	Scores	Performance description	Action required
Low	1 - 33%	Poor	Immediate and intensive intervention
Medium	34 - 66%	Satisfactory	Minimum support required
High	67 - 100%	Good	Benchmarking

KPAs	Ratings 2019/2020 IDP review	Ratings 2020/2021 IDP review	Ratings 2021/2022 IDP review
KPA1: Spatial Planning, Land Use, Human Settlements and Environmental Management	High	High	Medium
KPA2: Service Delivery & Infrastructure Planning	Medium	Medium	Low
KPA 3: Financial Planning & Budgets	Medium	Medium	High
KPA 4: Local Economic Development	High	High	Medium
KPA 5: Good Governance and Public Participation	Medium	High	Medium
KPA 6: Institutional Arrangements	Medium	Medium	Medium
<b>Overall Rating</b>	<b>Medium</b>	<b>High</b>	<b>Medium</b>

**COMMENTS BY THE MEMBER OF THE EXECUTIVE COUNCIL (MEC) ON THE INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW: 2021 - 2022**

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**4. Specific Assessment Findings on the 2021/2022 Final IDP**

This report provides a summary of findings in all six KPAs. The municipality should refer to the IDP Analysis and Assessment Report in relation to the details of findings on gaps. The overall findings and areas of concern on the 2021/2022 Final IDP can be summarized as follows:

**KPA1: Spatial Planning, Land Use, Human Settlements and Environmental Management – Overall Rating MEDIUM**

- The municipality must develop a credible land audit report and reflect it in the IDP.
- The municipality must reflect on mechanisms to control land invasions.
- The municipality must establish an operational integrated Geo-Spatial Land Information System and reflect it in the IDP.
- The municipality should reflect on air quality management plan (AQMP) as contemplated in Section 15(2) of the NEMA: Air Quality Act 39 of 2004.
- The municipality must reflect on a climate change response activities and strategies that respond to climate change.
- The municipality must reflect in the IDP the it intends to use and protect its natural resources or protected areas and heritage as its comparative and competitive advantage.
- The municipality must reflect on mechanisms to capacitate local communities on environmental issues.
- The municipality must establish a functional environmental unit or appoint environmental official to implement environmental plans and programmes.
- The municipality must reflect on any projects that address environmental challenges.
- The municipality must put a plan in place to address land degradation and revitalization.
- The municipality must develop environmental by-laws and reflect on how they are enforced in the IDP.
- The municipality should give an indication of the capital projects that will require environmental authorization to comply with an Environmental Impact Assessment (EIA) process.

**COMMENTS BY THE MEMBER OF THE EXECUTIVE COUNCIL (MEC) ON THE INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW: 2021 - 2022**

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**KPA 2: Service Delivery and Infrastructure Planning – Overall Rating LOW**

- The municipality must develop Rural Roads Asset Management (RRAMS).
- The municipality must budget for roads maintenance and reflect in the IDP.
- The municipality must develop and approve storm water management plan.
- The municipality must have a coordinated forum towards roads planning.
- The municipality should prioritise the funding of non-motorised facilities.
- The municipality must have a coordinated forum towards transport planning.
- The municipality must develop an Integrated Waste Management Plan as contemplated in section 11 of the NEMA: Waste Act 59 of 2008 and implement it through waste management operational plans.
- The municipality must formally appoint a designated waste management officer.
- The municipality must ensure that landfill sites are fully compliant in terms of their licensing and management and should reflect that in the IDP.
- The municipality must establish a coordinated forum on waste management and reflect it in the IDP.
- The municipality must establish an integrated community safety forum and an integrated community safety plan.
- The municipality should develop and adopt a disaster management plan.
- The municipality should develop emergency procurement measures to assist the procurement process during disasters.
- The municipality should adopt disaster management by-laws that will become integral part for functioning of the local municipality during disasters.
- The municipality should reflect on electricity backlogs in the IDP.
- The three-year capital plan must be inclusive of electricity planning in the IDP.
- The municipality should make provision for infrastructure reticulation or bulk infrastructure for electricity.
- The municipality should come up with alternative sources of renewable energy and reflect them in the IDP.

**KPA 3: Financial Planning and Budgets – Overall Rating HIGH**

- The municipality must reflect on promulgation of by-laws and gazetting of relevant policies.
- The municipality must develop revenue enhancement strategy and implement it.

## **COMMENTS BY THE MEMBER OF THE EXECUTIVE COUNCIL (MEC) ON THE INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW: 2021 - 2022**

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- The municipality must open separate bank accounts for conditional grants and reflect as such in the IDP.
- The municipality must spend 100% of their capital budget and grants like Municipal Infrastructure Grant (MIG).
- The municipality must service its loans as per service level agreement as prescribed by Section 46 of MFMA, 2003 and reflect this information in the IDP.
- The municipality must reflect on effective and efficient billing system to bill consumers on a monthly basis as per norms and standards of revenue management.
- The municipality must collect its revenue more than 50% from the consumers in terms of financial norms and standards and reflect it on the IDP.
- The municipality must have mechanisms to curb water losses and illegal electricity connections.
- The municipality must update its valuation roll and reflect it in the IDP.
- The municipality must publish Property Valuation Roll in the website.
- The municipality must promulgate the notice in terms of Section 49 for public inspection of the valuation roll and provide a gazette number in the IDP document.
- The IDP should reflect on a functional contract management in place.

### **KPA 4: Local Economic Development (LED) - Overall Rating MEDIUM**

- The municipality must provide evidence of stakeholder and community involvement in LED activities like LED forum, business chambers and others.
- The municipality must clearly identify objectives and strategic priorities with a clear set of indicators, targets and deliverables/milestones.
- The municipality must indicate mechanisms for business expansion and retention for existing businesses and attraction of further investment.
- The municipality must set targets for enterprise development support and reflect it on IDP.
- The municipality must review its LED strategy in order to establish policies e.g informal trading to promote economic development.
- The municipality must reflect on mechanisms for attracting investments into township economies.



**COMMENTS BY THE MEMBER OF THE EXECUTIVE COUNCIL (MEC) ON THE INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW: 2021 - 2022**

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**KPA 5: Good Governance and Public Participation – Overall Rating MEDIUM**

- The municipality must reflect on the IDP assessment results for past 3 Financial Years.
- The municipality must develop and reflect on an approved Public Participation Strategy.
- The municipality must reflect on public participation strategy that demonstrates community involvement in the IDP development.
- The municipality must reflect on its commitment to public participation in the IDP, budget design and development.
- The municipality must develop and adopt a stakeholder communication strategy and reflect it on the IDP.
- The municipality must provide information on the ward committees' participation to the development of municipal affairs.
- The municipality must reflect on the district's contribution towards the functionality of Ward Committees (capacity building initiatives to be indicated).
- The municipality must reflect on the district's contribution towards the development of ward based plans.
- The municipality must reflect on the integration of Community Development Workers (CDW) in municipal programmes, plans and structures.
- The municipality must engage in inter-municipal planning programmes and reflect in the IDP.
- The municipality must reflect on the institutionalised complaints management system.
- The municipality must reflect on a clear petition channelling system.
- The municipality must develop and reflect on a fraud prevention plan or policy.
- The municipality must prioritise the appointment of legal services practitioner and reflect in the IDP.
- The municipality must reflect on the Legal Management System in place (litigation register).
- The municipality must reflect on the findings on predetermined objectives and compliance issues.
- The municipality must develop and adopt Audit Action Plan to deal with issues raised by the Auditor General (AG).
- The municipality must adopt and gazette applicable by-laws and reflect them in the IDP.

**COMMENTS BY THE MEMBER OF THE EXECUTIVE COUNCIL (MEC) ON THE INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW: 2021 - 2022**

- The municipality must reflect on HIV/AIDS Strategy in the IDP document.
- The municipality should indicate in the IDP the functionality and effectiveness of Monitoring and Evaluation system or Unit.

**KPA 6: Institutional Arrangements – Overall Rating MEDIUM**

- The municipality must reflect on administrative and political seat.
- The IDP must also reflect on the management of satellite offices.
- The IDP must reflect on filled and vacant posts per department.
- The municipality should also reflect on critical and scarce skills.
- The municipality must do quarterly performance assessments.
- The municipality must develop and reflect an Information Communication & Technology (ICT) policy framework in the IDP.
- An action plan to address the ICT challenges must be developed and reflected.
- The municipality must develop and reflect on Disaster Recovery Plan with its implementation.

**5. Conclusion**

I trust that the above submission will be of great value to your institution. You are therefore advised to develop an action plan with remedial measures for all the areas of concern to avoid repeat findings during the subsequent Financial Year.

2022

