



MAKANA

MUNICIPALITY | EASTERN CAPE

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FINAL

**MAKANA MUNICIPALITY
INTEGRATED DEVELOPMENT PLAN
2019-2020**

(I) TABLE OF CONTENTS	2
(II) ACRONYMS AND ABBREVIATION	3-4
(III) TABLES, MAPS AND FIGURES	4-5
(IV) EXECUTIVE SUMMARY	6-7
(V) MUNICIPAL OVERVIEW	8-11
CHAPTER ONE: PREPARATORY AND PLANNING PROCESS	12-40
1.1 Background	12-12
1.2 Legal Framework	12-13
1.3 Makana Five Year Integrated Development Plan	13-13
1.4 Mandate and Guide Parameters	13-28
1.5 Process Plan (2018/19)	28-40
CHAPTER TWO: SITUATIONAL ANALYSIS	40-192
2.1 Spatial Planning	40-54
2.2 Socio Economic Profile	54-76
2.3 Economic Profile	76-82
2.4 Institutional Transformation & Organisational Development	82-95
2.5 Good Governance and Public Participation	95-121
2.6 Local Economic Development	122-143
2.7 Public Safety and Community Service	143-151
2.8 Basic Services and Infrastructure Development	152-173
2.9 Consolidated High level critical service delivery challenges	173-177
2.10 Human Settlement & Management	178-189
2.11 Financial Viability & Management	189-195
CHAPTER THREE: STRATEGIC INTERVENTION	195-234
3.1 Municipal Development Priorities	195-196
3.2 Strategic Review outcomes	197-200
3.3 Municipal Strategy Agenda	200-202
3.4 Intergovernmental alignment	202-207
3.5 IDP Register	208-234
CHAPTER FOUR: FINANCIAL PLAN	235-252
CHAPTER FIVE INTEGRATION	252-285
5.1 Introduction	252-252
5.2 Summary of Sector Plans	252-268
5.3 Performance Management- Institutional Level	268-278
5.4 Performance Management- Individual Level	278-285

(II) ACRONYMS AND ABBREVIATIONS:

IDP	Integrated Development Plan
Agric	Agriculture
ASGISA	Accelerated and Shares Growth Initiative for South Africa
<u>CBP</u>	Community Based Planning
<u>SBDM</u>	Sarah Baartman District Municipality
<u>CDW</u>	Community Development Worker
CFO	Chief Financial Officer
Cllr	Councillor
EM	Executive Mayor
MM	Municipal Manager
CSS	Community and Social Services
DBSA	Development Bank South Africa
DEAET	Department of Economic Affairs, Environmental and Tourism
COGTA	Cooperative Governance and Traditional Affairs
DoSD	Department Of Social Development
DTIS	Department of Technical and Infrastructure Services
DWIS	Department of Water and Infrastructure Services
ECDC	Eastern Cape Development Corporation
EHS	Environmental Health Services
FM	Financial Management
MKH	Makhanda
HASTI	HIV and AIDS and Sexually Transmitted Infections
LSA	Local Service Area
Makana LM	Makana Local Municipality
MEC	Member of the Executive Council
MMC	Member of Mayoral Committee
MIG	Municipal Infrastructure Grant
MPCC	Multi-Purpose Community Centre
Munic	Municipality
NSDP	National Spatial Development Plan
PDP	Provincial Development Plan
PHP	People Housing Process
PMS	Performance Management System
Rep	Representative
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
WSDP	Water Service Development Plan
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works
AFF	Asset Financing Fund

Opex	Operation expenditure
Capex	Capital Expenditure
MPAC	Municipal Public Account Committee
CIP	Comprehensive Infrastructure Plan

III) Tables, Maps and Figures

Table Number	Description	Table Number	Description
1	National Outcomes	35	Environmental Resources
2	Long-term Strategy	36	Educational Resources
3	SBDM Development Priorities	37	Health Facilities
4	Makana Development Priorities	38	Police Station in Makana Area
5	Development Planning Strategic Framework	39	Access to Basic Services
6	Roles and Responsibilities	40	Blue Drop Status
7	Community and Stakeholder Communication	41	Green Drop Status
8	Mechanism for Alignment	42	Drought Interventions
9	Key Deadline Schedule	43	Municipal Short Term Projects
10	Mayoral Imbizo	44	Urban and Rural Settlement Areas
11	IDP/Budget Roadshow	45	Settlement and Nodes
12	Population Distribution	46	Informal Dwellings
13	Land Use Options Per Land Capability Class	47	Backyard Shacks
14	Land Capacity in Makana	48	Dwelling Types and Tenure Status
15	Land Reform Targets	49	Housing Backlogs
16	Land Distribution	50	Housing Projects
17	Population Density	51	Financial Policies
18	Gender Profile	52	IDP Project Register
19	School Attendance	53	MTERF – Multi-year Budget
20	Level of Education	54	Revenue Classified By Revenue Source
21	Poverty Indicators for SBDM	55	Operating Expenditure By Standard Classification Item
22	Employment	56	Infrastructure Capital Plans
23	HIV Testing	57	Sector Plans
24	TB Screening	58	Water and Sanitation Backlogs

25	Labour Force	59	Status of Supply to Higher Levels
26	Labour Status	60	Cost of Backlogs
27	Sectors with Comparative Advantage	61	Vision Key Principles
28	Investment in Makana	62	Monitoring Reports
29	Directorates	63	Performance Report Requirements
30	Powers and Functions	64	Performance Management Plan
31	Vacancy Rate Schedule	65	Stakeholder Roles and Responsibilities
32	Institutional Policies and Procedures	66	Performance Management Review Schedule
33	Summary of Strategic Institutional Risks	67	Performance Assessments
34	Register for CBO/NGO's		

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

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

IV) EXECUTIVE SUMMARY

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

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

Inadequate revenue collection

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

Under developed institutional arrangements

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

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

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

With regards to the institutional capacity, the municipality is in the final stages of reviewing its organisational structure. Once adopted by council, the positions in the organogram will be graded and evaluated. A transparent process to fill the posts will then be embarked upon by the Executives. The idea is to fill the posts with competent, skilled and professional work force that will serve with honesty and commitment.

With the support of local organisations, councillors and administration it is possible to turn around this municipality to become the best. The full potential of this municipality is yet to be realised. It is against this background that I table this Integrated Development Plan and Budget for the 2019/2020 financial year.

MZUKISI MPAHLWA

EXECUTIVE MAYOR

(V) OVERVIEW OF THE MUNICIPALITY

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

Towns and villages of Makana Municipality:

Makhanda:

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

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

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

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

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

Alicedale:

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

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

Salem:

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

Riebeek east:

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

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

Seven fountains:

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

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

Fort brown:

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

Sidbury 1820:

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

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

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

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

Map 1:



CHAPTER ONE: PREPARATION AND PLANNING PROCESS

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

1.1 BACKGROUND

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

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

1.2 LEGAL FRAMEWORK

This document represents the third review of Makana Municipality's Integrated Development Plan (IDP) 2017 –2022). IDP's are compiled in terms of the requirements of Chapter 5 of the Municipal Systems Act (MSA) (Act 32 of 2000), Section 25 of the MSA states inter-alia the following: Each municipal council must, within a prescribed period after the start of its elected term, adopt a Single Inclusive and Strategic Plan for the development of the municipality which:

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

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

A municipal council:

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

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

- a) is the ***principal strategic planning instrument*** which guides and informs all planning and development issues in the municipality;
- b) binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's integrated development plan and National or Provincial legislation, in which case such legislation prevails; and
- c) binds all other person to the extent that those parts of the integrated development plan impose duties or affect the rights of those people have been passed as a bylaw.

Section 36 of the MSA states that a municipality must

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

1.3 MAKANA FIVE YEAR INTEGRATED DEVELOPMENT PLAN

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

1.4 MANDATE AND GUIDING PARAMETERS

The Local Government Municipal Systems Act, 2000, introduced the process of municipal planning for municipalities and regulates the development of Integrated Development Plans (IDPs). The plan is for 5years and must be reviewed annually.

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

1.4.1 SUSTAINABLE DEVELOPMENT

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

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

1.4.2 NATIONAL OUTCOMES

Table 1: National

Nat. Outcome	National outcomes	Nat. Outcome	National outcomes
NO1	Quality basic education	NO7	Vibrant, equitable, sustainable rural communities contributing towards food security for all
NO2	A long and healthy life for all SA	NO8	Sustainable human settlements and improvement quality of household life
NO3	All people in SA are and feel safe	NO9	Responsive, accountable, effective and efficient Local Government Systems
NO4	Decent employment through inclusive economic growth	NO10	Protect and enhance our environmental assets and a better world
NO5	Skilled and capable workforce to support an inclusive growth path	NO11	Create a better SA, a better Africa and a better world
NO6	An efficient, competitive and responsive economic infrastructure network	NO12	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

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

1.4.3 NATIONAL DEVELOPMENT PLAN

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

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

Those that affect the municipality:

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

- Social Protection

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

1.4.4 PROVINCIAL DEVELOPMENT PLAN

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

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

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

1.4.5 DISTRICT DEVELOPMENT PRIORITY

Table 2: SBDM LONG TERM VISION STRATEGY

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

Table 3: SBDM DEVELOPMENT PRIORITIES

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

1.4.6 MAKANA DEVELOPMENT PRIORITIES

The Makana Municipality has adopted the Local Government Strategic Agenda Priorities as the priorities that will achieve their respective visions. This is in line with aligning IDP and Budget for MSCOA (Municipal Standard Charter of Account) reporting and in response to the call to President and Premier to be visible and active champions of the National Development Plan with their offices being the catalytic agencies to drive implementation at Provincial and Municipal levels.

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

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

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

Table 4: MAKANA DEVELOPMENT PRIORITIES

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

1.4.7 DEVELOPMENT PLANNING STRATEGIC FRAMEWORK ALIGNMENT

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

Table 5: DEVELOPMENT PLANNING STRAYEGIC FRAMEWORK

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

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

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

<p>3. Improve health profile of the nation.</p> <p>4. Comprehensive rural development strategy linked to land and agrarian reform & food security. 6. Massive programme to build economic & social infrastructure;</p> <p>9. Sustainable resource management and use.</p>	<p>Job driver 1 infrastructure</p> <p>Jobs driver 5: spatial development</p>	<p>Strategic Priority 5: Improve the health profile of the province. Strategic Priority 3: Rural development, land and agrarian transformation, and food security.</p> <p>Strategic Priority 2: Massive programme to build social and economic and infrastructure.</p>	<p>Basic Service and Infrastructure Development</p>	<p>Basic Service Delivery and Infrastructure Development.</p>	<p>Outcome 6: An efficient, competitive and responsive economic infrastructure network.</p> <p>A long and healthy life for all South Africans. Outcome 8: Sustainable human settlements and improve quality of household life.</p> <p>Outcome 10: Protect and enhance our environmental assets and natural resources.</p>
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1.4.8 STATE OF THE NATION ADDRESS

During the President Ramaphosa's second SONA he emphasised that whilst government is undertaking a broad range of critical work, it has five urgent tasks for the year ahead. Over the next 12 months, government will focus on accelerating inclusive economic growth and creating jobs, improving living conditions, fighting corruption and strengthening capacity. The task will underpin everything the country do this year.

1. Accelerating inclusive growth
2. ECD compulsory
3. Improving living condition
4. Conditions
5. Progress in SOEs
6. Strengthen capacity

Grapple, Strengthen, Plan. These works best define the essence of President Cyril Ramaphosa's State of the Nation Address, which laid out strategies for tackling current challenges, for deepening the gains already made on many fronts and for plotting the nation's course forward. President spoke about the state of the nation, a number of interesting figures emerges

- Investment and Job creation
 - R 12 Trillion –Government five year investment
 - R 3000 billion –the sum of investment pledge made at the inaugural South Africa Investment Conference
 - R 70 billion The flow of foreign direct investment
- Small business Incubation programme
 - 51- The number of technology business incubators
 - 10- The number of enterprise supplier development
 - 14 –The number of rapid you incubators
- Operation Phakisa
 - R 30 billion, the sum of investments secured since 2014
 - 7000- Direct jobs creation
 - R 3.8 billion- the expected investment in the sector over the next five years by government. The principle sector is expected to invest another R 65 billion
 - 100 000- The number of direct jobs to be created through Oceans Economy investments. Another 250 000 indirect jobs will be created

- Infrastructure development
 - More than R 1.3 trillion- The amount spent building schools, two new universities, thousands of new housing and electrifying more than a million homes.
 - 100 billion- The amount government intendeds investing in the new infrastructure fund over 10 year period.
- Housing Development
 - 500 000- The number of additional housing units the Housing Development Agency will construct in the next five years
 - 30 billion- The amount that will be provided to municipalities and provinces to enable them to fulfil their respective mandates
- Social grants
 - 17.5 million – The number of monthly social grants paid
- Local municipalities
 - 57 The number of municipalities that have been supported and stabilised
 - 10 000- The number of municipalities infrastructure projects being implemented
- Tourism
 - 10 million Tourists visited South African in the past year.21 million – target for international tourists by 2030, 2 million The number of jobs that the sector can create in food and agriculture, construction, transport, retails, and the creative and cultural industries by 2030

1.4.9 PROVINCIAL BUDGET FRAMEWORK FOR THE 2019-20 FINANCIAL YEAR AT A GLANCE

1.4.9.1 Provincial Budget overview

During the 2019 MTEF, the provincial government will keep to its promise of protecting expenditure on core essential social services such as access to education and better health for all, whilst enhancing own revenue, curbing expenditure on non-core and other forms of wasteful expenditure. Fiscal support for economic growth and jobs creation will receive added impetus in order to catalyse fixed investment and job creation in the province.

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

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

In short, the 2019 provincial budget strategy seeks to carve out an expenditure path that balances expenditure growth on core government services including education, health and social development whilst also availing additional resources through budget and programmes repriorisation for economic recovery and job creation.

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

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

The 2019/20 financial year Provincial receipts consists of:

- Equitable Share of R68 824 billion which accounts for 83.6 % of the provincial receipts;
- Conditional Grants of R12 078 billion which accounts for 14.7%; and
- The Provincial Own Receipts of R1 453 billion which accounts for 1.8%

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

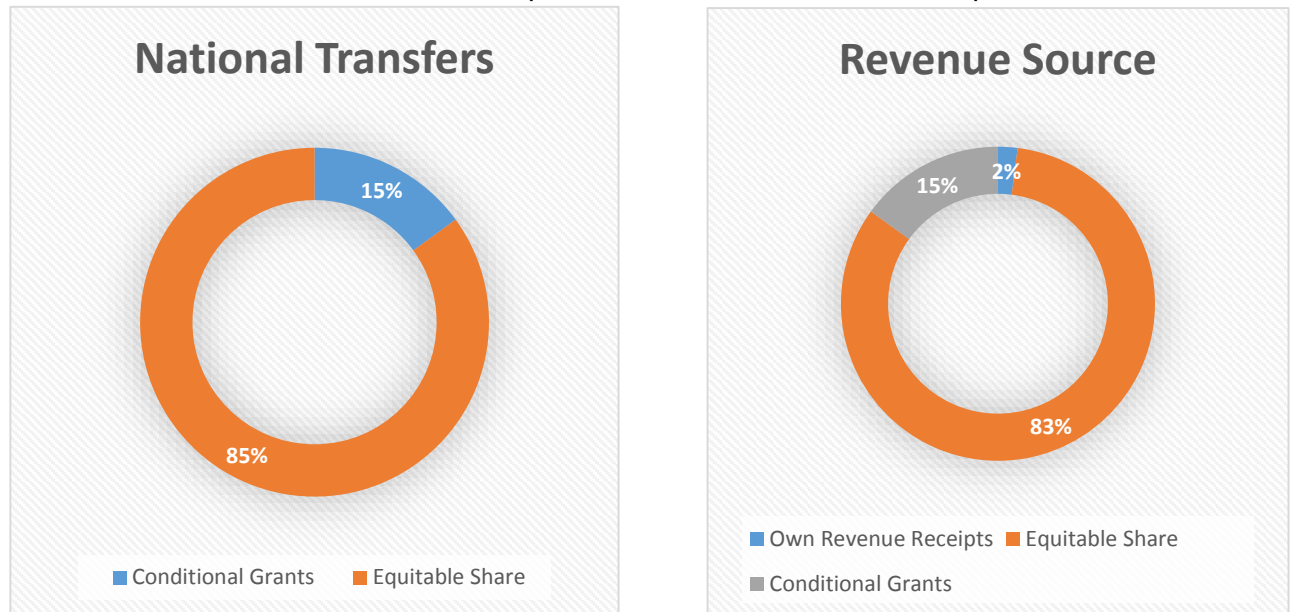
Over the 2019 MTEF, the province has lost a total of R5 958 billion of national transfers. This resulted from the revised population data updates caused by outward migration and other variables, which mainly affected the Education and Health sector.

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

1.4.9.2 Own Revenue:

Own revenue amounts to R1 453 billion in 2019/20 and R4 509 billion over the 2019 MTEF. Given the continued reduction of the PES, Own Revenue generation has become the great opportunity that the province has to ensure that the provincial priorities are funded, especially infrastructure investment that will have multiplier effects in respect of regional economic growth. In this regard the province continues to implement its Revenue Generation Strategy which commenced in 2017/18.

The strategy focuses on major revenue generating departments such as the Department of Transport, Health, Public Works, Economic Development, Environmental Affairs and Tourism as well as Rural Development and Agrarian Reform. This strategy was augmented with the research study to determine new sources of revenue at the above mentioned departments. These departments are working on implementation plans for 2019/20. Refer to Chapter 3 in the 2019/20 Estimates of Provincial Revenue and Expenditure for further details on the potential new sources of



revenues.

1.4.9.3 Infrastructure allocation

SECTOR ALLOCATION	2019/20	2020/21	2021/22	Percentage
Road and Transport	R 2 220 228	R 2 079 142	R 2 167 893	27%
Human Settlement	R 2 023 680	R 2 034 402	R 2 111 778	25%
Health	R1 656 655	R 1 506 016	R 1 477 289	20%
Education	R 1 589 722	R 1 564 208	R 1 685 128	19%
Public works	257 302	272 606	287 435	3%
Rural Development & Agrarian Reform	190 314	150 853	159 209	2%
Office of the Premier	173 726	94 469	-	0%
Social Development	66 423	67 377	65 265	1%
Sport, Recreation, Arts & Culture	60 447	57 347	59 698	1%
Economic Development, Environment Affairs and Tourism	31 624	-	-	0%
Provincial Treasury	14 000	-	-	0%
Cooperative Governance & Traditional Affairs	7 681	10 962	11 370	0%
Total Infrastructure Budget	8 291 801	7 837 381	8 025 065	98%

1.4.9.4 MTEF Beneficiaries

EDUCATION : the largest beneficiary of the 2019 MTEF budget with R114 413 billion or 44.5% of the total provincial budget of which R36 328 billion is allocated for 2019/20 financial year. The allocation is to fund over the 2019 MTEF and 2019/20 the following amongst others	
School funding Norms and Standards. Public Ordinary Schools – R6 866 billion over the MTEF to 5 265 qualifying schools in the province	
National Nutrition Programme (NSNP) –	<ul style="list-style-type: none"> • R1 244 billion to benefit 5 051 schools in the province and 1 645 442 learners.
Universalisation of Early Childhood Development (ECD)	<ul style="list-style-type: none"> • R602.070 million for 2019/20 MTEF • 21 368million for transfers to qualifying Public Ordinary Schools to resource Grade R teaching and learning.
The Post Provisioning Norms	<ul style="list-style-type: none"> • 82.273 billion is set aside over the MTEF • 26 012 billion provision in 2019/20
Learner Attainment Improvement Strategy (LAIS)	<ul style="list-style-type: none"> • 267.212million over MTEF period • 84. 320 million for 2019/20
Rationalisation of schools and provisioning of school furniture	<ul style="list-style-type: none"> • 741.294 million • revamping of broken material at schools, R204.212 million is for 2019/20
Infrastructure Development	<ul style="list-style-type: none"> • Increased by 262.954 million over the 2019 MTEF period to R4.834 billion • 1.585 billion for 2019/20 to assist the department in addressing infrastructural needs at schools.
Teacher Development (Training and Bursaries)	<ul style="list-style-type: none"> • 260.221 million in 2019/20
Learner Teacher Support Material (LTSM)590.998	<ul style="list-style-type: none"> • 590.998 million
Maths, Science and Technology (MST) Grant	<ul style="list-style-type: none"> • 49.434 million
HIV and Aids (Life Skills Education)	<ul style="list-style-type: none"> • 45.455million
External Examination	<ul style="list-style-type: none"> • 354.561 million
HEALTH: the department is mandated to provide and ensure accessible comprehensive integrated services in the Eastern Cape, emphasising the primary health care approach, optimally utilising all resources to enable all its present and future generations to enjoy health and quality of life.	
Comprehensive HIV/ AIDS and TB	R2.397 million
Training and development	R253.131 million
Tertiary and specialised Hospital Services	3.626 billion
National Health laboratory Services	1.006 billion
Medical Supplies	724.844 million
Medicine	1.899 billion for medication
Human Resource Capacitation	58.253 million
Human Settlement: the aim of this department is to facilitate and co-ordinate provision of quality, integrated and sustainable human settlements that offer Eastern Cape communities a better living environment.	
Rural interventions	R889.724 million
Informal Settlement Development and Upgrading	R353.726 million
Titles Deeds Restorations	R60.904 million

Social and Rental Interventions	R88.222 million
Safety & Liaison: the department is mandated to promote safer communities through civilian oversight of the police and community participation. R105.499 million 2019/20	
Monitoring and Evaluation	R 4.103 million
Safety Promotion	R 36.498 million
Social Development: the department aims to transform our society by building conscious and capable citizens through the provision of integrated developmental social services with families at the core of social change. R 3.020 billion for 2019/20	
Services to Older Persons	R 87.990million.
Services to persons with Disabilities	R 33.638 million.
Early childhood Development (ECD) and Partial Care	R 298.953 million
Youth Development	R 3.366 million.
Women Empowerment	R 3.639 million.
Poverty Alleviation and Sustainable Livelihoods	R 15.023 million
Sanitary Dignity Project	R 22.815 million
Sport, Recreation, Art & Culture: the aim of the department is to develop and promote Sport, Recreation, Art and Culture for spiritual, intellectual, physical and material upliftment of the people of the Eastern Cape. R 3.095 Billion 2019/20 MTEF	
Cultural Affairs	222.934 million.
Library and Archives Services	R 257.268 million.
Sport and Recreation	R 176.845 million.
Transport: the aim of this department is to provide, facilitate, develop, regulate and enhance safe, affordable and reliable multi-modal transport system which is integrated with land uses to ensure improving levels of accessibility and optimal mobility of people and goods in support of socio-economic growth and development in the province of the Eastern Cape. R 4.974 Billion in 2019/20 financial year.	
Provincial Roads and Maintenance Grant	R 1.483 billion
Subsidies Bus Services	R 532.865 Billion
Scholar Transport Project	R 570449 million to transport 81000 qualifying learners to the nearest public schools.
Traffic Law Enforcement	R 352.686 million.
Community Development	R 584.109 million.
Rural Development & Agrarian Reform: R 2.340 billion 2019/20	
Food Security (Crop & livestock production)	175.473 million
Veterinary Services	290.138 million
Agricultural Infrastructure (livestock & crop production)	190.314 million
Cooperative Governance & Traditional Affairs R1.009 billion	
Municipal Support	R 243.280 million
Support on Traditional Leaders	R 342.309 million
Traditional Council	R 5.6 million
Provincial Treasury R 440.930 million	
Sustainable Resources Management	R 79. 391 million
Asset and Liabilities Management	R 89. 281 million
Municipal Accounting and Reporting	R 76. 844 million
Public Works R 2.365 billion	
Development of skilled and capable workforce to support the strategic goals of the department	R887.102 million
Public Works Infrastructure	R 1.665 billion
Expanded Public Works Programme	R 120.758

Economic Development, Environment Affairs and Tourism R 4 581 billion	
Support and strengthening of the environment and conservation function	R 336. 060 million
Effective Business Regulations	R 58. 710 million
LRED Fund	R 20 million
EPWP	R 2. 670 million
Provincial Economic Stimulus Package	R 339. 402 million
Office of the Premier R 973.083 million	
Planning, Monitoring and Evaluation	R 38. 252 million
Human Resource Development Support	R 70.157 million
Provincial ICT	R 84.509 million
Intervention Projects	R 213 million

1.5 PROCESS PLAN (2018/19 CYCLE)

Council formulated and adopted an IDP Process Plan in August 2018 to serve as guide in preparation for the review of the Integrated Development Plan. In brief the IDP Process Plan outlines the time frames of scheduled events / activities, and co-ordinate structures involved in the processes.

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

1.5.1 OBJECTIVE OF THE IDP REVIEW PROCESS PLAN

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

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

1.5.2 APPROACH TO THE 2019/20 IDP REVIEW

- Strategic review of the refining of strategies of 2018/2019
- Review ward base plans
- Sector Alignment
- IDP –Budget Alignment
- Community Engagement (Public Participation)
- Review of status of the sector plans
- Compliance with MSCOA

- MEC Comments

1.5.3 INTEGRATED DEVELOPMENT PLAN (IDP) MEC ASSESSMENT REPORT 2018/19

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

1.5.3.1 Key role players

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

1.5.3.2 Assessment methodology

The Department embarked on a provincial assessment Approach where municipalities were assessed per municipal district area. Makana Local Municipality was assessed on the 22 February 2019 together with other municipalities in the province. Six Commissions were established to deal with the Six Key Performance Areas (KPA's) indicated below:

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

1.5.3.3 Specific outcomes

The municipality has tabled, adopted and submitted it's 2018/19 Reviewed Integrated. The municipality has conformed to the Council approved process plan. The municipality has to ensure compliance with the core components of an IDP as prescribed by section 26 of Municipal Systems Act (MSA).

1.5.3.3.1 Specific KPA findings are highlighted below:

a) Basic service delivery

KEY FOCUS AREA	FINDINGS
Roads and Infrastructure	The municipality did not include the 3 year plan capital plan which include infrastructure projects based on sector plans.
Public Transport	The municipality also needs to plan for non-motorised facilities.
Energy	The municipality did not include the 3 year capital plan which include capital infrastructure projects based on sector plans, and there is no reflection on bulk or reticulation.
SDF, Land and Human Settlements	The municipality need to review its SDF to ensure compliance with national and provincial policies.
Environmental Management	The Makana Municipality did not reflect on climate and Air-quality management plan in the IDP, furthermore there are no projects included in the IDP which addresses environmental challenges. There is also no reflection of projects in the IDP which require environmental authorisation to comply with EIA.
Water and Sanitation	The Makana municipality did not address the water sector demand, there is no infrastructure operation and maintenance plan and the Status quo of sanitation should be addressed.

b) Financial Planning and Budgets

KEY FOCUS AREA	FINDINGS
Compliance	The Makana Municipality IDP did not reflect on promulgation of by-laws, Annual financial statements/year end preparation plans and the availability of separate banks for conditional grants and projects.
Expenditure	The municipality did not service its creditors according to financial norms and standards
Valuations	The municipality must reflect on budget allocated for appointment of a service provider to conduct a general valuations
Supply chain	The municipality does not have functional contract management and it should be indicated in the IDP.
Free Basic services	The municipality must review its indigent register to ensure credibility, the municipality must also reflect on the costs of free basic services (FBS) in the past two years. The municipality must establish an indigent steering committee and ensure that it is functional and reflected in the IDP.

c) **Local Economic Development**

KEY FOCUS AREA	FINDINGS
Outdated socio economic data information and LED policies	The municipality should use the most current analyse socio economic profiles e.g. 2017 socio economic data is available from Global Insight and Quantec. Caption of graphs and tables to be reflected on socio – economic information. Existing LED specific policies should be reflected in the IDP document.

d) **Good Governance**

KEY FOCUS AREA	FINDINGS
Social cohesion	There is no indication of whether the municipality is involved in inter municipal planning.
Complaints and fraud management	There is no clear indication for availability of a system of channelling petitions
Council and other governance structures	There is no reflection of availability of a legal management system

e) **Institutional Arrangements**

KEY FOCUS AREA	FINDINGS
Corporate administration	There is no indication for proper management of satellite offices in the IDP
Organizational development	There is no indication of critical and scarce skills in the IDP. There is no indication of the availability of an EEP. PMS not yet cascaded to lower levels and quarterly assessments are not done due to critical top management posts been vacant
ICT	The municipality does not have proper records management.

1.5.3.3.2 Overall rating

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

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

1.5.3.3.3 MEC 2018/19 Assessment overall result

Key Performance Areas	Rating 2016-17	Rating 2017-18	Rating 2018-19
Basic Service Delivery	Medium	Medium	Medium
Financial Planning and Budget	Medium	Medium	High
Local Economic Development	Medium	High	High
Good Governance and Public Participation	High	High	High
Institutional Arrangement	High	Hugh	High
SDF, Land and Human Settlements:	High	High	Low
Overall Rating	High	High	High

1.5.4 ROLES AND RESPONSIBILITIES - INTERNAL AND EXTERNAL

Table 6: ROLES AND RESPONSIBILITIES

ROLE PLAYERS	ROLES AND RESPONSIBILITIES
Council	<ul style="list-style-type: none"> - Final decision making - Approval of the reviewed IDP document
Ward Councillor	<ul style="list-style-type: none"> - Linking the IDP process with their constituencies. - Organizing public participation at Ward level.
Mayor	<ul style="list-style-type: none"> - Assign responsibilities to the MM. - Submit the IDP Process Plan to Council for approval. - Chair the IDP Representative Forum. - Chair the IDP Steering Committee
Municipal Manager	<ul style="list-style-type: none"> - Prepare IDP (Integrated Development Plan) process plan. - Ensures that timeframes are adhered to. - Decide on and monitor IDP process. - Overall management and co-ordination.
Chief financial Officer	<ul style="list-style-type: none"> - Prepare Budget - Advise on availability of financial resources
	<ul style="list-style-type: none"> - Alignment of IDP and Budget - Input on the Development of SDBIP (<i>Service Delivery & Budget Implementation Plant</i>)

ROLE PLAYERS	ROLES AND RESPONSIBILITIES
Mayoral Committee	<ul style="list-style-type: none"> - Helps to harness common understanding between political and administrative components before the IDP reports are considered at Council meeting. - Makes recommendations to the IDP Representative Forum.
IDP Manager	<ul style="list-style-type: none"> - Day to day management of the IDP process. - Co-ordinate technical or sector expertise. - Co-ordinate Sector plan inputs - Prepare draft progress reports.
IDP Steering Committee	<ul style="list-style-type: none"> - Assist and support the Municipal Manager/IDP Manager and IDP Representative Forum. - Information “GAP” identification. - Oversee the alignment of the planning process internally with those of the Local Municipality areas. - Portfolio head to lead related Portfolio matters
IDP Co-ordinator	<ul style="list-style-type: none"> - Monitor the Process plan progress - Plan Public Participation Engagement - Alignment of IDP and Budget - Plan stakeholder Engagement - Integration with Sector departments
The District Council	<ul style="list-style-type: none"> - Co-ordination role with all Local Municipalities within the District. - Ensuring horizontal and vertical alignment of the IDPs of the Municipalities in the District Council area. - Facilitation of vertical alignment of IDPs with other spheres of Government and Sector Departments. - Provide events for joint strategy workshops with Local municipalities, Provincial and National Role Players and other subject matter specialist.
Ward Committees	<ul style="list-style-type: none"> - To be consulted on an individual or collective basis to establish community needs and reach consensus on IDP Projects/ Initiatives and Priorities.
IDP Representative Forum	<ul style="list-style-type: none"> - Representing public interest and contributing knowledge and ideas.
Government Departments, Parastatals and NGO's	<ul style="list-style-type: none"> • Provide data and information. • Budget information • Alignment of budget with the IDP • Provide professional and technical support. • To assist in facilitating the Community Based Planning (CBP)

ROLE PLAYERS	ROLES AND RESPONSIBILITIES
Planning Expert and Sarah Baartman District Municipality	<p>Methodology guidance and professional support in:</p> <ul style="list-style-type: none"> ▪ Strategic and Town Planning ▪ Sector Plan Inputs ▪ IDP Document preparation. ▪ Alignment with National, Provincial and SBDM

1.5.4 MECHANISM FOR COMMUNITY AND STAKEHOLDERS PARTICIPATION

Table 7: COMMUNITY AND STAKEHOLDER PARTICIPATION

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

1.5.6 MECHANISM FOR ALIGNMENT

Table 8: MECHANISM FOR ALIGNMENT

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

1.5.7 TIME SCHEDULE OF KEY DEADLINES FOR 2019-2020

Table 9: KEY DEADLINE SCHEDULE

CATEGORY	ACTIVITY	TIME FRAMES
IDP and Budget	□ Preparation of an IDP / Budget Timetable	August 2018
	□ Co-ordination role of the budget process through preparation and completion of the process plan	September 2018
	<ul style="list-style-type: none"> • Tabling of the Timelines to Council • Submission of the Timelines to Provincial Treasury • Beginning of Annual Report Preparation Process. • Submission of the Budget Checklist • Preparation of the budget related Policies • Review of IDP and Budget processes and develop improvements. 	October 2018
IDP/Budget	<ul style="list-style-type: none"> • Determine the funding/ revenue projections for the next three years. • CFO to liaise with Council regarding the strategic objectives for service delivery and development for the next three years • The Executive Mayor to determine the strategic objectives for service delivery and development for the next three years (IDP reviews) • A budget workshop will be held to clarify budgetary requirements and discussing the budget tool. 	November 2018
Budget	<ul style="list-style-type: none"> • Preparation of the draft budget by the various departments. • Directors to meet with their HOD's and any relevant staff members to discuss draft capital / operational budget to ensure that anticipated expenditure meets parameters set out by National / Provincial Government. 	November 2018
Budget	<ul style="list-style-type: none"> • Budget plans, capital / operational budget and all related items to have been consolidated (based on the budget inputs submitted by Departments). 	December 2019/ January 2020
Budget and PMS	<ul style="list-style-type: none"> • Mid-Year Budget and Performance Assessment 	January 2019
IDP	<ul style="list-style-type: none"> • Review IDP Document Key Performance Areas 	February 2019
IDP	<ul style="list-style-type: none"> • Review Directorate Strategies(Strategic Planning sessions) 	February 2019

CATEGORY	ACTIVITY	TIME FRAMES
IDP	<ul style="list-style-type: none"> Review Institutional Strategies(Institutional Strategic Planning) 	February 2019
IDP/Budget	<ul style="list-style-type: none"> Tabling of Draft IDP and Budget 2019/20 by Mayor to Council 	March 2019
IDP/Budget	<ul style="list-style-type: none"> Invite inputs and comment on IDP and budget. 	March/ April 2019
IDP/Budget	<ul style="list-style-type: none"> Presentation of Draft IDP/ Budget document to extend Senior Management team 	April 2019
IDP/Budget	<ul style="list-style-type: none"> IDP/Budget Road Show 	April /May 2019
IDP/Budget	<ul style="list-style-type: none"> Presentation of Draft IDP/Budget Document to IDP Steering Committee 	May 2019
IDP/Budget	<ul style="list-style-type: none"> Presentation of Draft IDP/Budget Document to IDP Representative Forum 	May 2019
IDP/Budget	<ul style="list-style-type: none"> Presentation of Final IDP/Budget Document to Council for approval 	May 2019

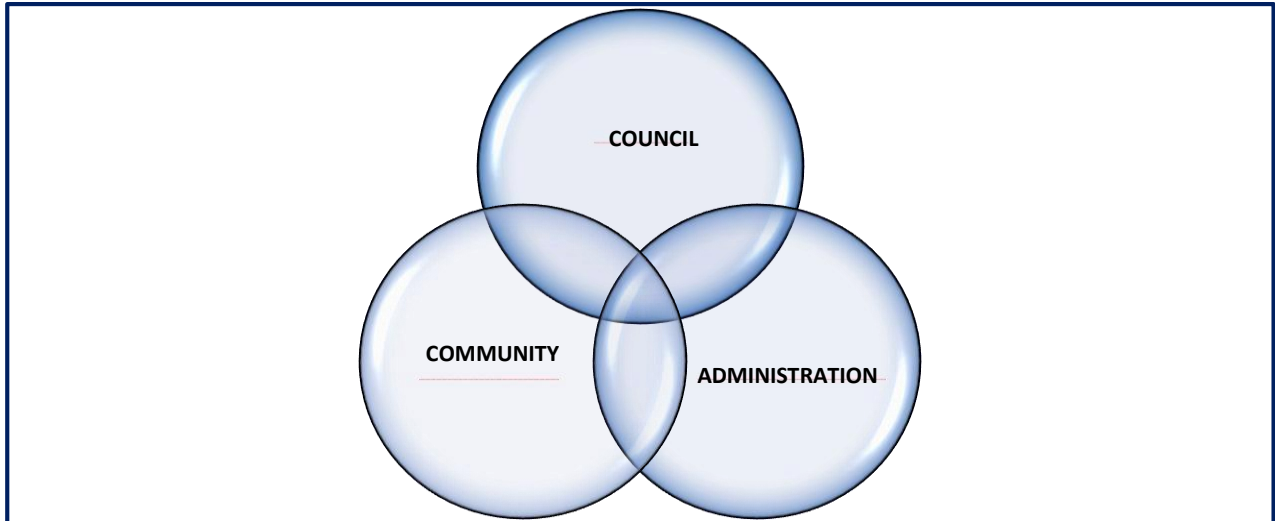
1.5.8 PUBLIC PARTICIPATION STRATEGY

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

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

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

Figure 1: Composition of A Municipality



Our public participation mechanisms comprise;

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

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

1.5.8.1 STAKEHOLDER INPUT AND COMMUNITY BASED PLANNING

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

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

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

Ward Development Plans include needs identification, and plans to address priorities, support needed from the Municipality and other stakeholders involved in the IDP process. The Municipality has also

partnered and conducted different engagements that have been introduced in the province such as Provincial District assessment, SBDM IDP Representative Forums and District IDP Managers Forum. The IDP Representative contributes in finding solutions by reaching agreements with sector departments on enhancing service by addressing community issues that are specific- sector related. IDP priorities have been derived from the priorities from the wards, as have many elements of the plans, as well as IDP projects.

1.5.8.2 COMMUNITY AND STAKEHOLDERS ENGAGEMENTS

An integrated stakeholder consultation was held for Intergovernmental Relation and IDP representative forum stakeholder was held on the 05 October 2018 to discussed IDP process plan and proposed amendment to Integrated Development Plan based on the IDP steering committee proposal.

1.5.8.3 SECTOR ENGAGEMENTS

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

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

1.5.8.4 WARD PUBLIC MEETINGS

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

1.5.8.4.1 IDP MAYORAL IMBIZO

Table 10: IDP MAYORAL IMBIZO

AREAS	DATE	VENUE	TIME
WARD 13 Hope Fountain Farm	16/10/2018	Broughton Farm School	17H30
WARD 3 & 5 EXT 9 & 10	19/10/2018	Extension 9 Hall	17H30
WARD 10 Fingo & Tentyi	18/10/2018	B.B. Zondani Hall	17H30
WARD 7 Hlalani & Eluxolweni	22/10/2018	Foley's Ground (Multi-purpose Hall)	17H30
WARD 1 Fort Brown	24/11/2017	Fort Brown Community Hall	17H30

In terms of the approved Time Schedule of Key Deadlines, the IDP Mayoral Imbizo where held as detailed in the above table, second series of meetings would be held in May 2019 aimed at presenting to communities the IDP/Budget Development priorities for 2019/2020. These meetings generally follow the tabling of draft IDP and Budget to Council. These session provide an opportunity for municipality to interact with the communities to get comments before making their final recommendation to Council.

Table 11: IDP/ BUDGET ROAD SHOWS

WARD	VENUE	DATE	Time
1	Alfred Dike Kota Hall – Riebeeck East	13.05.2019	10h00
3	Recreation Hall – Makhandia	13.05.2019	17h30
10	B.B. Zondani Hall - Makhandia	13.05.2019	17h30
1	Fort Brown Community Hall	14.05.2019	10h00
7 & 10	Tantyi Hall – Makhandia	14.05.2019	17h30
7	Foley's Grounds – Makhandia	14.05.2019	17h30
14	Seven Fountains Farm	15.05.2019	10h00
5	Extension 9 Community Hall - Makhandia	15.05.2019	17h30
2	Noluthando Hall	15.05.2019	17h30
14	Town Hall – Alicedale	16.05.2019	10h00
5 & 6	Indoor Centre	16.05.2019	17h30
6	Dlukulu Clinic – Makhandia	16.05.2019	17h30
13	Vukani Location: Rev. Lolwana Open Space	20.05.2019	17h30
13	Salem Farm	21.05.2019	10h00
11	N.G. Dlukulu Clinic	21.05.2019	17h30

1.5.8.4.2 IDP REPRESENTATIVE FORUM

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

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

Two series of IDP Representative Forums were convened, first ones in August 2017 presented to stakeholders with process plan to review IDP and Budget. Second IDP forum was held in 29th May

2018 to present Draft IDP to allow stakeholder an opportunity to comment on the Draft IDP Revision, Budget.

CHAPTER TWO: SITUATIONAL ANALYSIS

2.1 SPATIAL PLANNING, LAND USE MANAGEMENT

PLANNING, LAND AND HUMAN SETTLEMENT

2.1.1 Spatial Overview and Geographic Description:

The Makana Municipal area is a Category B Local Municipality and falls within the Sarah Baartman District Municipality in the Eastern Cape Province.

The Municipality's area is bordered on the North-east by Amathole District Municipality, North-west by Blue Crane Route, the South by Ndlambe Municipalities and the South-west by Sunday's River Valley.

Based on the Stats SA Census 2016 customer survey, the population figure was 82 060 and based on Quantec Standardised Regional (2018) population has grown to 91 471 which is 1.17% growth per annum. In 2011 Makana was delimited into fourteen wards, as depicted in Map. 3 and the municipal area cover an area of 4375.62km² the largest concentration of people is found in Makhanda (formely known as Grahamstown). Makana Local Municipality constitutes 7.5% of the Sarah Baartman District Municipality. It consists of the following Key indicator and characteristics:

- Electoral Wards : 14
- Makhanda Population: 67 263 (83.7 %)
- Rural Nodes Population: 4 626 (5.7 %)
- Rural Population: 8 501 (10.6 %)
- Population Growth: 1.17 % per annum
- Highest Sector GDP Contributors : General Government, Trade, Finance and Business Services
- Makhanda Average Monthly Household Income: R 11 572
- SBDM Average Monthly Household Income : R 9 508

Table 12: Population Distribution

Location	Population	Households	Average household size	Area (km ²)	Population density	Households density
Eastern Cape	6 499 179	1 653 775	3.93	168 965	38.46	9.79
SBDM	471 366	131 454	3.59	58 243	8.09	2.26
Makana	91 471	23 918	3.82	4 375.62	20.90	5.47

Source: Quantec Standardised Regional (2018)

Map 2: Ward Delimitation



Source: Demarcation Board 2016

2.1.2 LOCATION OF MAKANA WITHIN THE CONTEXT OF SARAH BAARTMAN DISTRICT MUNICIPALITY

The Sarah Baartman District Municipality (SBDM), is the largest (58 243 km²) of the six (6) District Municipalities in the Eastern Cape Province, as shown on **Map 3** below.

Map 3: Geographic Distribution: SBDM



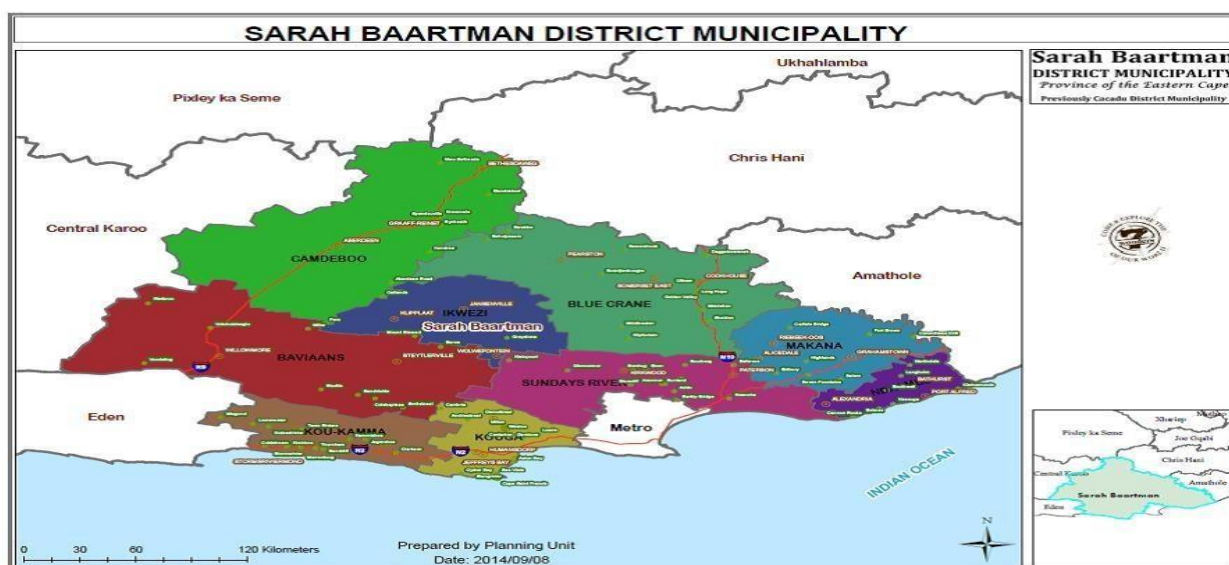
Map3: Eastern Cape Source: Municipal Demarcation Board, 2011

The District is situated in the western portion of the province, bordering the Western Cape, Northern Cape, Chris Hani and Amathole District Municipalities in the Eastern Cape. Nine local municipalities have been established within the jurisdiction of Sarah Baartman DM, as reflected on Map above.

2.1.3 SPATIAL LOCATION OF SARA BAAARTMAN DISTRICT MUNICIPAL AREA

Makana Municipality falls within the Sarah Baartman District Municipal area. The Municipality's area is bordered on the North-east by Amathole District Municipality, North-west by Blue Crane Route, the South by Ndlambe Municipalities and the South-west by Sunday River Valley. ².

Map 4: Spatial Location



2.1.4 EASTERN CAPE PROVINCIAL SPATIAL DEVELOPMENT PLAN (ECPSDP)

The Department of Corporative Governance and Traditional Affairs reviewed the Eastern Cape Provincial Spatial Development Plan (ECPSDP) in 2010. The Review underscores the clustering of opportunities in nodes and development corridors to achieve areas of shared impact. It also takes into account the environmental potential, and characteristics, economic attributes, migration trends and the impact of climate change on development. The impact of these factors will influence the development trends in Makana taking into account the current Spatial Development Framework (SDF) review.

2.1.5 LEGAL FRAMEWORK FOR THE SDF

There is a need for Makana Municipality to develop a new Spatial Development Framework (SDF) for its area of jurisdiction in line with the Spatial Planning and Land Use Management Act of 2013. The

Municipality is presently faced with a variety of outdated legislation and policies dealing with Spatial Planning and Land Use Management to redress fragmented, scattered, past spatial imbalances, imbalances due to the nature of the municipality.

The MSA (Municipal System Act) requires that each municipality must prepare and IDP including a Spatial Development Framework. In terms of Chapter 5 Section 26 (e), this Framework must include basic guidelines for a Land Use Management System that will apply to the whole municipality.

2.1.6 REVIEW SPATIAL DEVELOPMENT FRAMEWORK

SDFs are frameworks that seek to influence the overall spatial distribution of current and future land use within a municipality in order to give effect to the vision, goals and objectives of the municipal Integrated Development Plan (IDP). Makana Spatial Development Framework Plan (SDF) was last revised in 2013 but not approved. Due lack of capacity Council will require a suitably qualified Town Planning Consultancy Firm to undertake a review of the municipality's Spatial Development Framework Plan (SDF). Municipality has secured funding from MISA to review its Spatial Development Framework in the 2018/19 and the processes will be complete in 2019/20 financial year

Table: Spatial Development Framework project implementation schedule and milestone achieved to dated March 2019

Project Phase	Objectives	Actions	Deliverables	Stakeholder Participation	Target date
Phase 1: Inception Phase & Pre-Planning	To finalise the project process, public participation structures, public participation strategies and finalise service level agreement, identify interested and affected parties and agree on the SDF and IDP review alignment	1. Project Inception Meeting	Project Implementation Plan (PIP)	<ul style="list-style-type: none"> • Project Inception Meeting • Press Notice • Confirm WG, Project Committee (PC) & Stakeholders • Inform MEC 	Sept 2019
		2. Documentation , Data availability, Planning & legal context determination			
		3. Establish participation structures and stakeholder engagement programme			

Phase 2: Integrated Analysis/ Development Perspective	To conduct a Spatial Analysis with maps, together with inter-alia the actions listed.	1. Legislation, Strategies, Policies & Plans	Analysis & Development Perspective Report	<ul style="list-style-type: none"> • 1x working group(WG) Meeting • Submit Draft to Council and PC 	14 Oct 2018 Dec 2018
		2. Assess Biophysical Environment			
		3. Assess Socio Economic Environment			
		4. Assess Built Environment			
		5. Synthesis			
Phase 3: Vision & Objectives	To focus on an aligned development vision. Development vision and objectives to be aligned with Municipal IDP and LED objectives and strategies.	1. Stakeholder engagement	Vision & Objectives Report	<ul style="list-style-type: none"> • 1x WG Meeting • 1x PC Meeting • Community meetings (Makhanda, Alicedale, Riebeeck East) (Combined) 	Feb 2019
		2. Identify vision and issues			
Phase 4: Conceptual Development Plan	To describe the desired conceptual spatial framework and developmental pattern and how the spatial form of the municipality should be shaped. To take into account the outcomes of the two phases mentioned	1. Conceptual Framework	Conceptual Development Plan	<ul style="list-style-type: none"> • 1x WG Meeting • 1x PC Meeting (Combined) 	Mar 2019
		2. Land Use Management Guidelines			

	above and create a link.				
Phase 5: Formulation of Development Strategies	To formulate development strategies aligned with land use management guidelines and development vision.	1. A Framework of Policies, Strategies & Linkages	Draft Development Strategies	<ul style="list-style-type: none">• 1x WG Meeting• IDP Alignment• Submit to Council	Apr 2019
		2. Spatial Development Framework & Nodal Strategy			
		3. Makhanda LSDF Development Strategies			
Phase 6: Draft SDF (Inclusive of Draft Makhanda SDF)	To prepare a consolidated 1st draft SDF and LSDF report, including Capital Expenditure Framework, Traffic and Transport Management Plan (Makhanda CBD). To solicit buy-in from stakeholders. This will be the second round of public participation.	1. 1 st Draft SDF & LSDF	Final Draft SDF document (inclusive of Draft Makhanda LSDF)	<ul style="list-style-type: none">• 1x WG Meeting• 1x PC Meeting• Public Notice• Public Presentations (Makhanda, Alicedale, Riebeek East)	June 2019
		2. Implementation Programme & Capital Expenditure Framework			
		3. Monitoring Framework	Implementation Program (inclusive of Capital Expenditure Framework)		
		4. Traffic & Traffic Management Plan (Makhanda CBD)			
		5. Levy Policy & Calculator	Traffic & Transport Management Plan for Makhanda CBD		
		6. Draft SDF Circulation			
		7. Draft SDF Public Open Day	Development Levy Policy & Calculator		
Phase 7: Public Participation, Final SDF &	To present the SDF to Council for	1. Collate comment & Final SDF	Approved SDF	<ul style="list-style-type: none">• Council Resolution	Aug 2019

Executive Summary	endorsement and adoption	2. Notification, Endorsement & Approval		<ul style="list-style-type: none"> • Adoption notice • 1x WG Meeting • Submit to MEC 	
		3. Project Hand Over & Implementation Strategy & Capacity Building Workshop			

2.1.7 CURRENT SPATIAL CHARACTERISTICS

2.1.7.1 ENVIRONMENTAL OVERVIEW

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

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

2.1.7.2 CLIMATE

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

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

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

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

2.1.7.3

CLIMATE CHANGE

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

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

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

No spatial demarcation has been made of the high risk areas:

- Lower rainfall in the South and South-West and higher rainfall to the east.
- Water shortages
- Lower food production
- Reduced tourism
- Increased fire risk

(SDF 2013-Map 2 Rainfall pg9)

2.1.7.4

GEOLOGY AND SOIL

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

2.1.7.5

TOPOGRAPHY

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

The highest point on the plateau is 770m above sea level and the lowest point in the valley is 490m above sea level. Alicedale is located about 360m above sea level in a flood plain created by the confluence of the Bushman's river and the New Year's river. Riebeek East is located 630m above sea level. (SDF 2013-Map 4 Rainfall pg10)

2.1.7.6 TOPOGRAPHY AND SLOPE

Most of the land in Makana has a slope of either between 3-8° or between 8-20° (*State of the Sarah Baartman Environment, 2005*) (SDF 2013-Map 5 Rainfall pg11)

2.1.7.7 HYDROLOGY

The major water related driver in the municipal area is the Orange-Fish-Sundays Water Supply system which ensures continuous sustainable water supply for economic activity and is essential for community's well-being and socio-economic prosperity in the area. The whole municipality is classified as a primary catchment area, with a mean quaternary runoff of between 12m³ and 40m³. (*State of the Sarah Baartman Environment (2005)*)

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

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

- There is adequate supply to cater for the 8.6M/m³ but there is also a need for more groundwater development.
- Riebeek East's water is sourced from local boreholes. It also has adequate supplies of water to cater for the 0.0285 M/m³ that it uses.
- A planned water scheme for Riebeek East is an increase in storage capacity in the form of tanks and a reservoir.
- Alicedale's water is sourced from a local New Year dam. (State of the Sarah Baartman Environment, 2005)

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

2.1.7.8 LAND CAPACITY AND SOIL TYPES

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

Table 13: Land use option per land capability class

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

Source: Directorate Agriculture Land Resource Management, 2002

Table 14: Land capacity in Makana

Land capability class	Area (ha)	Percentage
1	0.00	0.00%
2	0.00	0.00%
3	0.00	0.00%
4	31789.20	7.27%
5	20456.20	4.68%
6	300661.00	68.71%
7	46331.70	10.59%
8	38072.30	8.70%

Source: Sarah Baartman ABP & LAA, 2008

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

Large areas of irrigation, should water be available

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

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

There are some rich alluvial and colluvial soils close to rivers, which support intensive agricultural cultivation. Topsoil textures vary from loamy sand to sandy clay loam (Makana ABP & LAA, 2008).

2.1.7.9 VEGETATION TYPES AND BIODIVERSITY

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

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

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

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

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

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

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

Strategies:

- Map the ECPSDF (*Eastern Cape Provincial Spatial Development Framework*) biodiversity framework (Critical biodiversity areas, protected nature reserves and parks etc.)
- Make the information available to all stakeholders.
- Specific attention needs to be given to the critical biodiversity areas that fall outside of the protected area network.
- Determine guidelines and actions to ensure that the environmental footprint is achieved.
- Ensure that the provisions of NEMA (*National Environmental Management Act*) are applied.
- Establish partnerships with the relevant stakeholders to ensure cross border alignment.
- The accurate identification of the various components of the environmental network needs to be undertaken, either on a project by project basis through the EIA process or by means of a specific verification process.

2.1.7.10 SPATIALLY RELEVANT FOCUS AREAS AND OUTCOMES:

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

Environmental Key Issues

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

2.1.7.11 LAND USE MANAGEMENT SYSTEM

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

2.1.7.12 PLANNING SCHEMES/ MECHANISMS

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

2.1.7.13 LAND USE MANAGEMENT NEEDS

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

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

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

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

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

2.1.7.14 MUNICIPAL PLANNING TRIBUNAL

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

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

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

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

2.1.7.15 LAND REFORM PROGRAMME

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

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

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

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

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

Table 15: Land Reform Targets

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

Table 16: Land Demand

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

2.2 SOCIO ECONOMIC PROFILE

2.2.1 DEMOGRAPHIC AND DENSITY:

DEMOGRAPHIC	2011	2016	2018
Population Profile	80 390	82 060	91 471

Location	Population	Households	Average household size	Area (km ²)	Population density	Households density
Eastern Cape	6 499 179	1 653 775	3.93	168 965	38.46	9.79
Sarah Baartman	471 366	131 454	3.59	58 243	8.09	2.26
Makana	91 471	23 918	3.82	4 375.62	20.90	5.47

Source: Quantec Standardised Regional (2018)

	Makhanda West (CBD, Military Base, Kingswood, Belmont Valley)	Makhanda East (Rini, Fingo, King Flats, Phaphamani, Mayfield)
Population	14 718	52 545
Households	3 675	14 380
Household Size	4.0	3.7
Area (km²)	10.29	11.12
Population Density (people / km²)	1 430	4 725

- Majority of the population within the Makana Municipality resides in the greater Makhanda, including Rini.
- Population density in the Makhanda West area is significantly lower than the population density in the Makhanda East area at 1 430 persons per km² and 4 725 persons per km², respectively.

2.2.2 POPULATION GROWTH

Source	Description	Makana LM	SBDM	Eastern Cape	Estimated Population 2028	Additional Population 2028	Additional Households 2028
Census 2001	Population Households Households Size	74 538	388 207	6 436 771	102 258	10 787	2 838
		18 155	102 736	1 535 948			
		4.1	3.8	4.2			
Census 2011	Population Households Households Size	80 390	450 584	6 562 053			
		21 388	1 25 633	1 687 383			
		3.8	3.6	3.9			
Quantec 2018 (UE)	Population Households Households Size	91 471	471 366	6 499 179			
		23 918	1 31 454	1 653 775			
		3.8	3.6	3.9			
Population increase 2001-2018		16 933	83 159	62 408			
Additional Households 2001- 2018		5 763	28 718	1 17 827			
Growth Rate/ Annum 2001 -2018		1.12	1.00	0.06			

- The Municipality has an urban population of 71 889 (89.4 %) and a rural population of 8 501 (10.6 %), indicating a high level of urbanisation (2011 Census).
- The Municipality comprises of ± 18 % of the SBDM population and 1.2 % of the Provincial population.
- The majority of the population reside in the greater Makhanda, including Rini, i.e. 83.7 %.
- Based on Census and Urban Econ recalculated 2018 data, the population growth between 2001 and 2018 is ± 1.12 % per annum.
- The estimated population growth rate at a continued 1.12 % per annum from 2018 to 2028 is 10 787 persons or 2 838 households.
- Makana Municipality population growth rate is significantly higher than the District and the Eastern Cape Province and this migration trend is expected to continue.
- The majority of the population growth is estimated in Makhanda.

2.2.2 POPULATION DENSITY

Table 17: Population Density

POPULATION DENSITY	2011	%	2016	%
POPULATION BY HOME LANGUAGE:				
Afrikaans	11 111	14.8	8 868	11.0
English	7 831	10.5	7 051	8.7
IsiXhosa	53 494	71.5	63 887	79.0
IsiZulu	321	0.4	279	0.3
Sesotho	272	0.4	76	0.1
Other	1 791	2.4	686	0.9

2.2.3 POPULATION DISTRIBUTION

2.2.3.1 Age profile

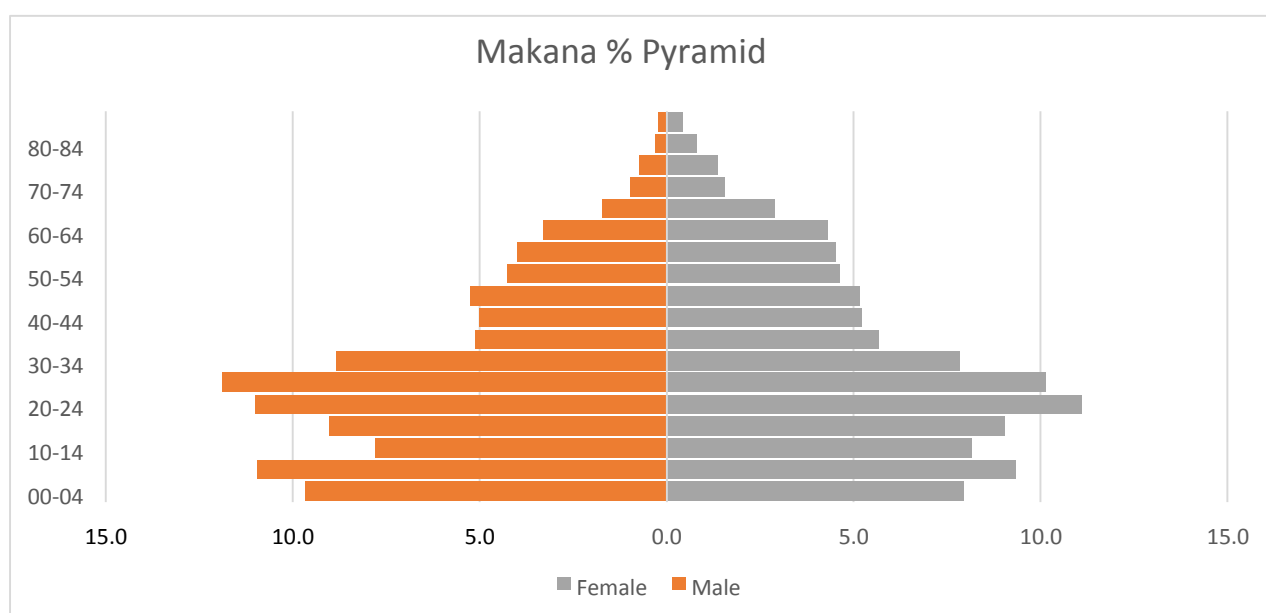
YEAR	0-14	15-34	35-64	65+
2011	24.4	38.2	31.2	6.2
2016	26.8	39.4	24.4	9.4
2018	27.5%	37.3%	30.3%	4.9%

2.2.3.2 Gender profile

Table 18: Gender Profile

GENDER	2011	%	2016	%
Male	38 175	47.5	39 218	47.8
Female	42 215	52.5	42 842	52.2

Figure 2: Gender Profile



2.2.3.3 Population Groups

Population profile:	2011	%	2016	%
Black African	62 702	78.0	66 257	80.7
Coloured	9 725	12.1	8 788	10.7
Indian or Asian	525	0.7	470	0.6
White	6 974	8.7	6 546	8.0

2.2.3.4 EDUCATION:

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

CATEGORY	AGE	PERCENTAGE
Youth	15-34	39%
Adult	35-64	24%
Elder	65+	9%
Children	0-14	27%

a) Attainment Levels

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

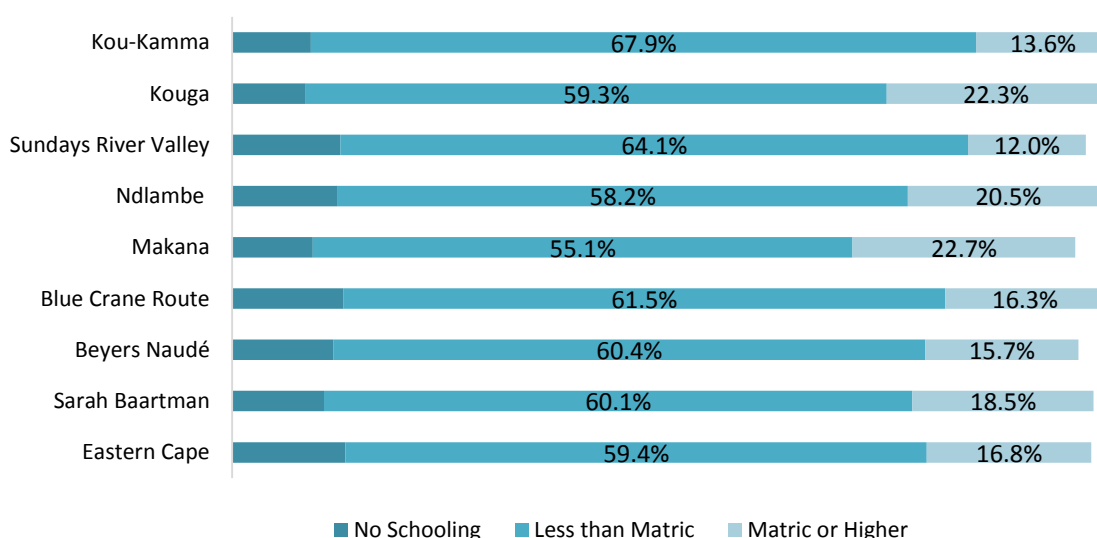
In Sarah Baartman 18.5% of the population has completed a secondary education and a higher education while 9.4% of people over the age of 20 have no schooling at all.

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

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

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

Figure 3-1: Education Attainment Levels per Local Municipality



Quantec Standardised Regional (2018)

b) Institutional Attendance

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

c) School Attendance

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

Table: 19: School Attendance

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

d) Level of education

Table 20: Level of Education

EDUCATION	2011 NUMBER	2016 NUMBER
No schooling	3 100	1 921
Some primary	7 819	5 464
Completed primary	3 107	2 629
Some secondary	17 871	20 699
Grade 12/Matric	11 305	14 228
Higher	5 555	6 245
Other	424	887

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

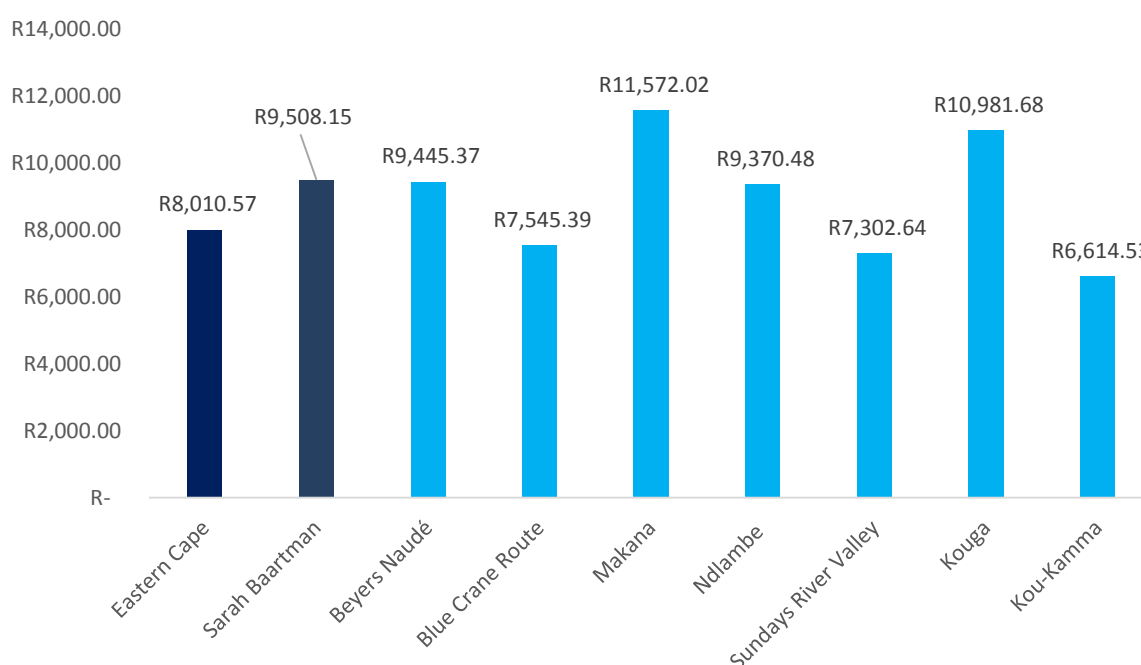
2.2.3.5 HOUSEHOLD INCOME AND POVERTY

Income and poverty levels in a municipality indicate directly how much each household is earning and how many people live below the poverty line. This impacts on socio-economic and economic policy and planning and has a large impact on what infrastructure may be needed to develop the area. Poorer areas may need very different infrastructure than infrastructure needs of a more affluent area. Relative income will also impact on how much people can consume and thus how people use different infrastructure. Poverty and income levels serves as indicators of a success and deprivation of a certain area.

a) Average Household Income

Relative wealth of households can be determined by examining the weighted average household income in a certain area which were calculated using bands of income from the 2011 National Census data. Sarah Baartman has an average household income of R 9 508. This is higher than that of the Eastern Cape (R 8011) and the highest amongst other district municipalities. The municipalities in Sarah Baartman with the highest income include Makana (R 11 572) and Kouga (R 10 982) as a result of the educational institutions located in Makhanda and business services and tourism located in Jeffreys Bay. The areas with the lowest household income levels are Kou-Kamma (R 6 614) and Sundays River Valley (R 7 303) as seen in Figure 3-2.

Figure 3-2 Weighted Average Monthly Household Income for Each Municipality in Sarah Baartman District



Source: Statistics South Africa Census (2011) updated to 2017 values

b) Poverty Levels

Understanding poverty in the District can lead to an understanding of how the District is performing. Table 3-6 indicates the poverty headcount and poverty intensity in the District and is an indication of “multi-dimensional” poverty.

Multidimensional poverty is made up of several factors that amount to a poor person’s experience of deprivation – these can include poor health, lack of education, inadequate living standards, lack of income, disempowerment, lack of decent work and threat from violence. The poverty headcount indicates that the proportion of multidimensional poor are lower in Sarah Baartman (4.5% of households) than the rest of the Eastern Cape (12.7% of households).

The table indicates that Makana (2.2%), Kou-Kamma (2.3%) and Dr Beyers Naudè (2.8%) have the lowest proportion of multi-dimensional poor in the district while Sundays River Valley (6.3%), Ndlambe (6.1%) and Blue Crane Route (5.7%) have the highest proportion. These values are all significantly lower than the rest of the Eastern Cape.

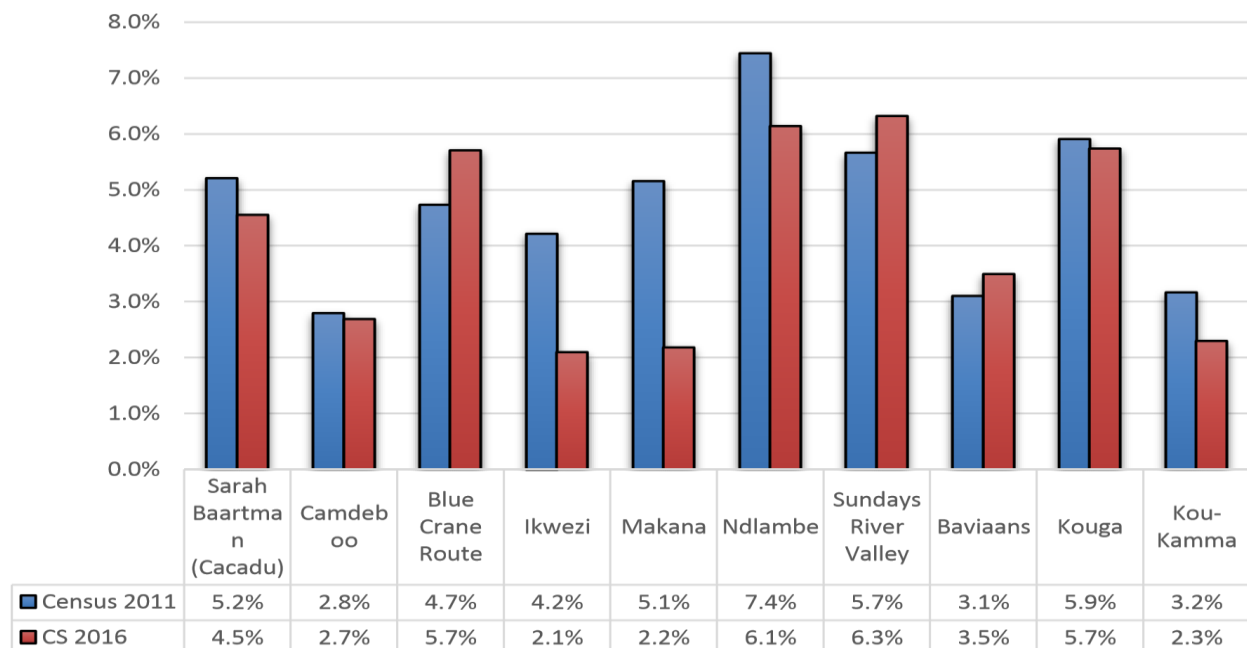
The intensity of poverty in the District (42.2%) is at similar levels to those in the Eastern Cape (43.3%). The largest intensity experienced is in Sundays River Valley (44.4%) and Ndlambe (42.6%) while the lowest experienced is in Kou-Kamma (38.1%) and Dr Beyers Naudè (39%)

Table 21: Poverty Indicators for Sarah Baartman District

Location	Poverty headcount ¹	Intensity of poverty ²
Eastern Cape	12.7%	43.3%
Sarah Baartman	4.5%	42.2%
Dr Beyers Naudè	2.8%	39.0%
Blue Crane Route	5.7%	41.9%
Makana	2.2%	41.6%
Ndlambe	6.1%	42.6%
Sundays River Valley	6.3%	44.4%
Kouga	5.7%	42.4%
Kou-Kamma	2.3%	38.1%

Source: Statistics South Africa Community Survey (2016)

Figure 4: Level of poverty in the District

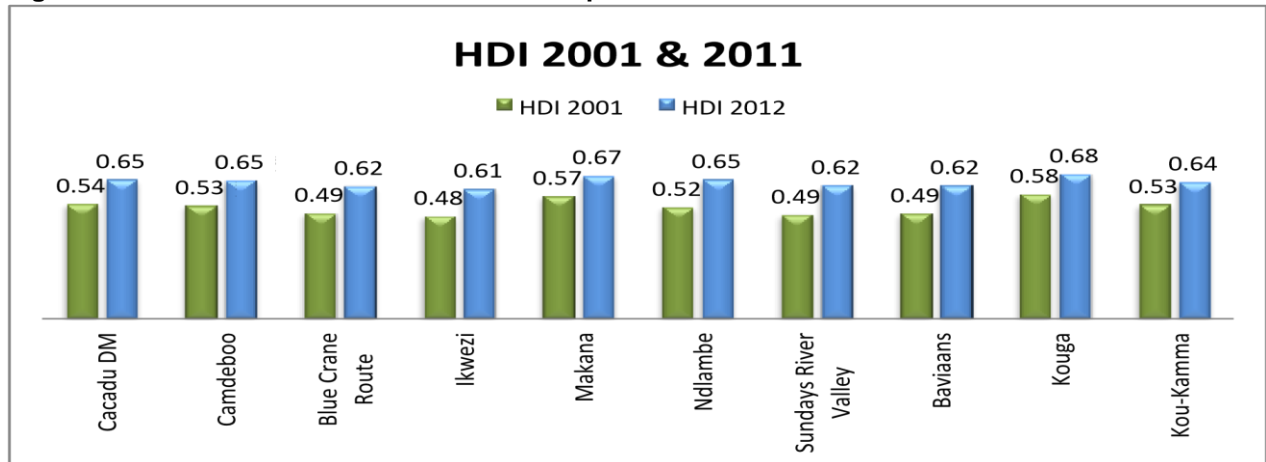


¹ The poverty headcount shows the proportion of households that are "multidimensional poor" in the defined area.

² The intensity of poverty is the average proportion of indicators in which multidimensional poor households are deprived.

2.2.3.6 HUMAN DEVELOPMENT INDEX

Figure 5: The Sarah Baartman Human Development Index 2001 and 2011



Source: Global Insight (2014)

The **Human Development Index (HDI)** is a composite statistic of life expectancy, education, and per capital income indicators, which are used to rank countries into four tiers of **human development**.

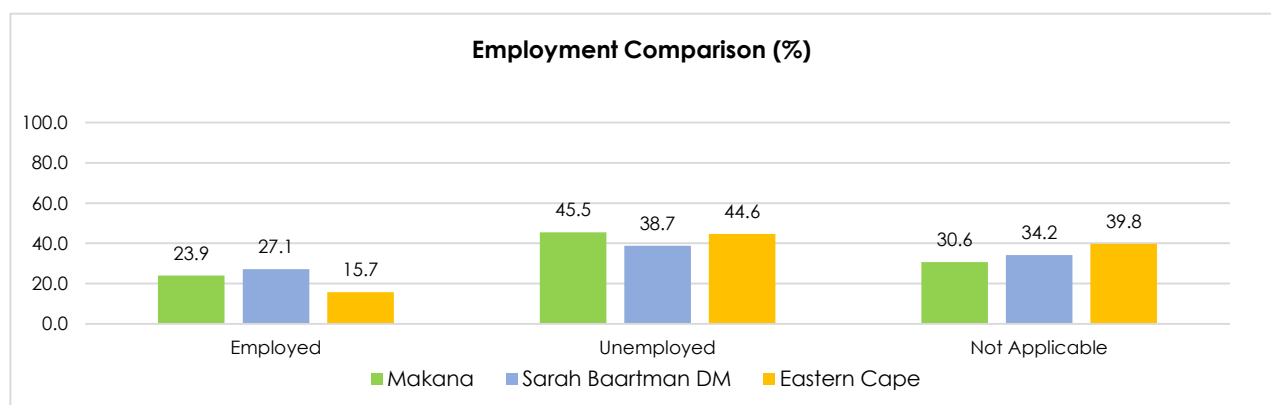
2.2.3.7 EMPLOYMENT PROFILE

Table 22: Employment

	Makana LM	Sarah Baartman DM	Eastern Cape
	%	%	%
Employed	23.9	27.1	15.7
Unemployed	45.5	38.7	44.6
Not Applicable	30.6	34.2	39.8

Employment (Source : Census 2011)

Figure 6: Employment Comparison



Employment Comparison (Source : Census 2011)

- Average monthly household income of Makana (R 11 572) is significantly higher than the average for the Eastern Cape (R 8 010) and the District (R 9 508).
- Income levels for the Municipality are the highest in the District.

- The poverty levels within the District are an indication of economic well-being and economic performance.
- The poverty headcount in the Makana district is significantly lower than the SBDM and the Eastern Cape.
- Poverty intensity is also slightly lower than the District and the Province.
- Based on the 2011 Census, unemployment rate in Makana is 45.5 %, which is significantly higher than the District and slightly higher than the Eastern Cape.

2.2.3.8 SOCIAL DEPENDENCE:

Grant Type	AGE	Number Of Beneficiaries	Estimated Amount	Number Of Grants
Old Age Grant		5,418	R9,210,600	5,418
	> 75 Years	1,707	R2,936,040	1,707
Disability Grant	Not Recommended	1	R1,700	1
	Permanent Disability	2,968	R5,045,600	2,968
	Temporary Disability	178	R302,600	178
Foster Care Grant		1,004	R963,840	1,004
Grant-In-Aid		740	R303,400	740
Care Dependency Grant		329	R559,300	329
Child Support Grant	(< 1 Year)	792	R324,720	792
	(1 Year)	901	R369,410	901
	(2 Years)	864	R354,240	864
	(3 Years)	928	R380,480	928
	(4 Years)	1,019	R417,790	1,019
	(5 Years)	1,028	R421,480	1,028
	(6 Years)	1,077	R441,570	1,077
	(7 Years)	1,072	R439,520	1,072
	(8 Years)	1,027	R421,070	1,027
	(9 Years)	1,057	R433,370	1,057

Grant Type	AGE	Number Of Beneficiaries	Estimated Amount	Number Of Grants
	(10 Years)	1,171	R480,110	1,171
	(11 Years)	1,111	R455,510	1,111
	(12 Years)	1,160	R475,600	1,160
	(13 Years)	1,110	R455,100	1,110
	(14 Years)	1,009	R413,690	1,009
	(15 Years)	792	R324,720	792
	(16 Years)	758	R310,780	758
	(17 Years)	620	R254,200	620
Total		29,841	R26,496,440	29,841

Assuming that no individual qualifies for more than one grant then 45.5% of the total population is receiving a social grant. The dependency on grant funding further reinforces the need to stimulate the local economy by creating labour intensive growth opportunities and optimizing the job creation elements of the EPWP and CWP.

2.2.3.9 MAKANA CRIME STATISTICS REPORT 2018

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

2.2.3.9.1: COMMUNITY PRIORITIES AND OTHER SUBCATEGORIES OF CRIME

Precinct	Murder	Sexual Offences	Attempted murder	Assault with the intent to inflict grievous bodily harm	Common assault	Common robbery	Robbery with aggravating circumstances	Arson	Malicious damage to property	Burglary at non-residential premises
2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018
Alicedale	1	1	0	15	17	0	0	0	4	4
Makhanda	12	64	5	203	331	76	136	4	124	87
Riebeeck East	0	3	1	4	4	0	0	0	0	1
Committees	0	0	0	0	0	0	1	0	1	1
Fort Brown	0	3	0	2	1	0	1	0	2	1
Joza	21	75	5	230	175	43	87	2	97	21
Rhodes	1	0	1	8	1	1	0	0	3	0
Seven Fountains	0	2	0	8	6	0	1	0	5	3
Total	35	148	12	470	535	120	226	6	236	118

Precinct	Burglary at residential premises	Theft of motor vehicle and motorcycle	Theft out of or from motor vehicle	Stock-theft	Illegal possession of firearms and ammunition	Drug-related crime	Driving under the influence of alcohol or drugs	Sexual offences detected as a result of police action	All theft not mentioned elsewhere
	2018	2018	2018	2018	2018	2018	2018	2018	2018
Alicedale	16	0	2	3	0	17	1	0	11
Makhanda	429	16	354	29	11	111	47	1	544
Riebeeck East	3	0	1	3	0	5	0	0	2
Committees	2	0	0	10	0	2	0	0	3
Fort Brown	1	0	0	3	0	1	1	0	5
Joza	326	4	49	16	8	199	44	0	134
Rhodes	13	0	3	6	0	6	0	0	6
Seven Fountains	3	0	0	3	0	2	0	0	7
Total	793	20	409	73	19	343	93	1	712

Precinct	Commercial crime	Shoplifting	Community-reported serious crimes	Carjacking	Truck hijacking	Robbery at residential premises	Robbery at non-residential premises	Bank robbery	Robbery of cash in transit	TRIO Crimes
2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018
Alicedale	0	0	74	0	0	0	0	0	0	0
Makhanda	118	107	2639	2	0	17	12	0	0	31
Riebeeck East	3	0	25	0	0	0	0	0	0	0

Committees	0	0	18	0	0	0	1	0	0	1
Fort Brown	0	0	19	0	0	0	0	0	0	0
Joza	1	0	1286	0	0	11	4	0	0	15
Rhodes	0	0	43	0	0	0	0	0	0	0
Seven Fountains	0	0	38	0	0	1	0	0	0	1
Total	122	107	4142	2	0	29	17	0	0	48

Precinct	Culpable homicide	Public violence	Crime-injuria	Neglect and ill-treatment of children	Abduction	Rape	Sexual assault	Attempted sexual offences	Contact sexual offences
2018	2018	2018	2018	2018	2018	2018	2018	2018	2018
Alicedale						1	0	0	0
Makhanda						51	10	2	1
Riebeeck East						2	0	1	0
Committees						0	0	0	0
Fort Brown						3	0	0	0
Joza						69	5	1	0
Rhodes						0	0	0	0
Seven Fountains						1	1	0	0
Total	0	0	0	0	0	127	16	4	1

2.2.3.10 SOCIAL COHESION IN THE MUNICIPAL PLANNING

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

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

2.2.3.11. DIMENSION AND CROSS- CUTTING ISSUES: SPU

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

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

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

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

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

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

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

2.2.3.12 HIV/AIDS AND TB TEST IN MAKANA AREA

FINANCIAL YEAR 2017-2018 TESTED:

HIV test 15 years and older (excl ANC), Antenatal client HIV 1st test, Antenatal client HIV re-test

Table 23: HIV Testing

ORGANISATION UNIT	JAN TO MAR 2019	STATUS	TARGET
Makana Local Municipality	4912	Achieved	3984
Anglo African Street Clinic	315	Achieved	43
Joza Clinic	2092	Achieved	479
Kwa-Nonzwakazi Clinic	156	Achieved	148
Middle Terrace Clinic	170	Not Achieved	198
NG Dlukulu Clinic	516	Achieved	322
Raglan Road Clinic	285	Achieved	288
Raymond Mhlaba Clinic	22	Not Achieved	30
Settlers Day Hospital	329	Not Achieved	605
Virginia Shumane Clinic	663	Achieved	233

TB symptom 5 years and older screened in facility rate

Table 24: TB Screening

Health Centre	Jan to Mar 2019	Status	Target
ec Kwa-Nonzwakazi Clinic	95.8	Achieved	90%
ec Joza Clinic	98	Achieved	90%
ec Anglo African Street Clinic	74.6	Not Achieved	90%
ec Middle Terrace Clinic	58.9	Not Achieved	90%
ec NG Dlukulu Clinic	56.5	Not Achieved	90%
ec Raglan Road Clinic	74.9	Not Achieved	90%
ec Raymond Mhlaba Clinic	61.6	Not Achieved	90%
ec Settlers Day Hospital	87.8	Not Achieved	90%
ec Virginia Shumane Clinic	90.1	Achieved	90%
ec Makana Local Municipality	77.5	Not Achieved	90%

2.3. ECONOMIC PROFILE

2.3.1 INCOME LEVELS

Table 40: Income Levels

SOCIO ECONOMIC ANALYSIS	MAKANA AREA (STATSSA 2001)	MAKANA AREA (STATSSA 2016)	%	GROWTH % p.a.
Total Population				
Income 15 to 65	14 919	51 057		
No Income	320	22 964	45.0	707.6
R1 – R400	3 078	2 789	5.5	-0.9
R401 – R800	3 265	2 565	5.0	-2.1
R801 - R1600	2 812	8 573	16.8	20.5

SOCIO ECONOMIC ANALYSIS	MAKANA AREA (STATSSA 2001)	MAKANA AREA (STATSSA 2016)	%	GROWTH % p.a.
R1601 – R3200	2 376	4 610	9.0	9.4
R 3 201 - R 6 400	1 783	2 720	5.3	5.3
R 6 401 - R 12 800	852	2 515	4.9	19.5
R 12 801 - R 25 600	227	1 627	3.2	61.7
R 25 601 - R 51 200	81	535	1.0	56.2
R 51 201 - R 102 400	64	127	0.2	9.8
R 102 401 - R 204 800	46	79	0.2	7.2
R 204 801 or more	15	50	0.1	23.3
Unspecified	0	1 902	3.7	

Source: Stats SA 2011

2.3.2 LABOUR FORCE: GEOGRAPHY BY SUMMATION

Labour Force per Ward Geography b official employment status

Table 25: Labour force

	Ward	Employed	Not Applicable	Unemployed	Grand Total
21004001	Ward 1	1125	1695	132	2952
21004002	Ward 2	1368	4476	1254	7098
21004003	Ward 3	1686	3846	930	6462
21004004	Ward 4	2811	5091	570	8472
21004005	Ward 5	1617	4767	1935	8319
21004006	Ward 6	930	3093	687	4710
21004007	Ward 7	696	1554	690	2940
21004008	Ward 8	1245	3081	261	4587
21004009	Ward 9	1017	2766	1230	5013
21004010	Ward 10	1407	3846	1494	6747
21004011	Ward 11	1326	4356	1236	6918
21004012	Ward 12	117	2808	-	2925
21004013	Ward 13	1953	3402	1140	6495
21004014	Ward 14	1947	3915	888	6750

StatsSA2016

2.3.3 LABOUR STATUS AND TRENDS

Table 26: Labour Status

SOCIO ECONOMIC ANALYSIS	MAKANA AREA (STATSSA 2001)	MAKANA AREA (STATSSA 2011)	%	GROWTH % p.a
Total Population				
Labour status 15 to 65	50 915	52 582		
Employed	14 922	19 234	36.6	2.9
Unemployed	14 489	9 260	17.6	-3.6
Non economically active	21 504	24 088	45.8	1.2

Source: Stats SA 2011

2.3.4 SECTORS WITH COMPARATIVE ADVANTAGE

Table 27: Sectors with Comparative Advantage

SECTORS	PERCENTAGE
Leather and leather products	3.71
Motor vehicles + parts	2.6
Transport equipment	2.24
Education	2.03
Rubber products	1.94
Non-metallic mineral products	1.73
Catering and accommodation services	1.66
Other community services	1.55
Community and personal services	1.51
National and Provincial government	1.5
General government	1.49
Local government	1.42
Basic chemicals	1.36
Health and social work (Private)	1.28
Trade	1.27
Food	1.27
Wholesale and retail trade	1.24
Textiles	1.17
Tertiary sector	1.17
Construction	1.16
Business activities n.e.c.	1.15
Agriculture	1.13

SECTORS	PERCENTAGE
Textiles, clothing and leather goods	1.12
Food, beverages and tobacco	1.06
Business services	1.03
Other manufacturing groups	1.01
Professional business services	1

2.3.5 INVESTMENT IN MAKANA

Building and construction works investment in Makana is 48%, machinery 38% and total investment in 2015 was R961 million.

Table 28: Investment in Makana

SECTORS	PERCENTAGE
Transfer costs	2%
Building and construction works	48%
Machinery and other equipment	38%
Transport equipment	12%

2.3.10 GDP Growth

	GDP (R, Million)	Percent (%)	Share	GDP (%)
	2017	2017		2007-2017
<i>Eastern Cape</i>	213 473	7.5		1.5
<i>Sarah Baartman</i>	19 072	8.9		2.1
<i>Kouga</i>	5 117	26.8		2.2
<i>Makana</i>	3 689	19.3		1.7
<i>Dr Beyers Naude</i>	3 028	15.9		2.1
<i>Ndlambe</i>	2 548	13.4		1.2
<i>Kou-Kamma</i>	1 744	9.1		1.7
<i>Sundays River Valley</i>	1 631	8.6		3.6
<i>Blue Crane Route</i>	1 315	6.9		2.5

GDP Growth (Source : Quantec 2018)

- GDP is defined as the aggregate measure of production within a specific area or region.
- The Makana Municipality and Dr Beyers Naude Municipality has the highest GDP levels in the District at 19.3% and 15.9 %, respectively.
- Despite difficult economic climate, the GDP for the Makana Municipality grew at 1.7 % between 2007 and 2017. It is noted that the District had a growth rate of 2.1 % in the same period.

2.3.11 Sector Contribution to GDP

	Makana LM	Sarah Baartman DM	Eastern Cape
	%	%	%
General Government	25.2	18.2	23.4
Trade	19.6	21.6	20.3
Finance & Business Services	18.6	18.6	19.7
Manufacturing	10.9	11.9	12.1
Community Services	8.3	6.6	7.2
Transport, Storage & Communication	8.2	7.8	8.9
Construction	4.5	5.0	4.1
Agriculture, Forestry & Fishing	2.7	7.5	1.9
Electricity, Gas & Water	1.9	2.7	2.2
Mining & Quarrying	0.0	0.1	0.2

Table 1 : Sector Contribution to GDP (Source: Quantec 2018)

- General government, finance & business, trade and manufacturing are the biggest sector contributors to the Municipality's GDP.
- Agriculture and mining are very low GDP contributors.
- It is noted that tourism does not fall under a specific sector as it does not produce a tangible product and falls into many different sub-sectors.

2.3.12 Sector Contribution to Employment

	Makana LM	Sarah Baartman DM	Eastern Cape
	%	%	%
Trade	23.2	21.3	23.5
Community Services	20.9	16.9	20.9
General Government	16.5	10.6	17.0
Finance & Business Services	11.6	9.2	12.2
Agriculture, Forestry & Fishing	11.0	26.5	8.3
Manufacturing	7.4	6.6	8.3
Construction	5.5	5.7	5.7
Transport, Storage & Communication	3.6	2.9	3.6
Electricity, Gas & Water	0.3	0.3	0.3
Mining & Quarrying	0.0	0.0	0.2

Sector Contribution to Employment (Source : Quantec 2018)

- Highest employment sectors in the Municipality are trade, community services and general government.
- Lowest contributors to employment is transport & communication, construction and manufacturing.

2.3.13 Key Economic Sectors

a) Industrial Sector

The industrial sector is made up of manufacturing, construction and electricity sectors. While both of the latter sectors are important in the Sarah Baartman DM and the Makana Municipality, these sectors contribute a very small percentage of the Municipality's GDP. The total industrial sector in Makana contributes ± 17.3 % of the GDP or R 638 million.

It is noted that manufacturing is an industry of growing importance in the District and contributes significantly to the GDP of many Municipalities. Although manufacturing is a relatively small portion of the Makana GDP, it is still an important industry that supports the agriculture and ecotourism industries. This further contributes value to the other sectors in the economy.

b) Trade & Business Services Sector

The business sector comprise of 3 sub-sectors, including wholesale and retail trade, transport, storage and communication and finance, insurance, real estate and business services. The business sector generally operates in urban centres and relies on centralised services and infrastructure such as roads and transport, communication networks, electricity, water and sanitation and availability of skilled and non-skilled labour. This sector contributes approximately 45 % of the Makana's GDP at R 1 660 million.

Makhanda provides a regional trade and business services function, which is strongly supported by the population growth, secondary education facilities, the Rhodes University, Municipal and District administrative functions, the law courts and game farming.

The LED Strategy notes that despite the wide range of options, there is still a significant amount of expenditure leakage to other towns, such as Port Elizabeth, for speciality goods and products.

c) Mining

The Eastern Cape and Sarah Baartman District has very few mineral deposits that can significantly contribute to the GDP. Predominant mining operations include aggregate, sandstone, Kaolin and clay mining. Mineral resources in Makana, with significant economic contribution value, is in the form of Kaolin. There are currently 4 mining operations in the Makhanda area and all produce Kaolin in raw format, with no value adding. Ongoing growth

of informal settlements and the need for settlement expansion has an impact and encroach on land underlain by Kaolin. This is seen as a threat for future district mining operations.

d) Tourism & Ecotourism

The Sarah Baartman's Tourism Development Strategy is aimed at achieving the tourism vision (*Sarah Baartman, a world of wonders waiting to be discovered*) of the tourism sector and driving development through the elements of the Tourism Mission Statement. Tourism relies heavily on the establishment of infrastructure and lack of such infrastructure can often lead to the decline of tourism within a region. Support infrastructure specifically relates to district road access and water and communication infrastructure. Based on calculations from the SBDM, Makana has ± 121 tourism related accommodation facilities. This is largely in support of the business and trade functions and ecotourism, game farming and conservation industries. Tourism in the Makana Municipality is further enhances through the Annual National Arts Festival, educational and cultural tourism.

2.4 INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

2.4.1 INSTITUTIONAL PLAN

2.4.1.1 COMPOSITION OF THE MUNICIPALITY

Makana Municipality is established in terms of Section 12 of the Municipal Structures Act, 1998 (Act 118 of 1998) as a Municipality with a Mayoral Executive System combined with a Ward Participatory System. Section 2(b) of the Municipal Systems Act states that a Municipality is constituted by its Political Structures, Administration and Community.

Political structures include:

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

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

The Administration is divided in 6 Directorates Namely:

Table 29: Directorates

DIRECTORATE		OFFICE
01.	The Municipal Manager's Office	City Hall, Church Square, Makhanda
02.	Corporate and Shared Services	City Hall, Church Square, Makhanda
03.	Public Safety and Community Services	City Hall, Church Square, Makhanda
04.	Budget and Treasury Office	86 High Street, Makhanda
05.	Engineering, Infrastructure and Technical Services	86 High Street, Makhanda
06.	Local Economic Development and Planning	Church Square, Makhanda
SATELLITE OFFICES		
01.	Riebeeck East	63 Morgan Street Riebeeck East 580
02.	Alicedale	1003 Main Alicedale 6135

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

2.4.1.2 POWERS AND FUNCTIONS

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

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

Table 30: Powers and Functions

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

No.	POWERS AND FUNCTION	No.	POWERS AND FUNCTION
9.	Local tourism	26.	Fencing and fences
10.	Municipal planning	27.	Street trading
11.	Municipal public transport	28.	Street lighting
12.	Stormwater	29.	Traffic and parking
13.	Water (potable)	30.	Control of public nuisance
14.	Cemeteries, funeral parlours and crematoria	31.	Licensing of dogs
15.	Billboards and the display of advertisements in public places	32.	Licensing and control of undertakings that sell food to the public
16.	Facilities for the accommodation, care and burial of animals	33.	Cleansing
17.	Local sport facilities	34.	Air Pollution

2.4.1.3 ORGANIZATIONAL STRUCTURE

Figure 7: Organizational Structure



DIRECTORATE	DEPARTMENT
Municipal Office Manager's	<ul style="list-style-type: none"> • Risk Management • Internal Audit • Executive support • Strategic Planning and Monitoring • Information Technology and Communication • Legal Services • Land & Estate
Corporate and Share Services	<ul style="list-style-type: none"> • Human Resources • Administration • Council support • Records Management • Alicedale Unit • Riebeeck East Unit • Corporate Operations

DIRECTORATE	DEPARTMENT
Budget and Treasury Services	<ul style="list-style-type: none"> • Budget • Revenue Management • Expenditure Management • Supply Chain Management • Compliance and Reporting • Fleet and Asset Management
Public Safety and Community Services	<ul style="list-style-type: none"> • Library services • Environmental management • Waste Management • Traffic control and road worthy • Fire and rescue services • Disaster management
Engineering and Technical Services	<ul style="list-style-type: none"> • Water and sanitation • Roads and storm water • Electricity • Housing • PMU
Local Economic Development and Planning	<ul style="list-style-type: none"> • SMME development • Tourism • Trade and investment • Heritage development • Agriculture • Spatial Development Framework • Rural Development

2.4.1.4 ORGANISATIONAL STRUCTURE CHALLENGES

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

2.4.1.5 STAFFING AND ESTABLISHMENT, CRITICAL POSITION AND VACANCY RATE

Table 31: Vacancy Rate Schedule

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

POSITION	TASK GRADE	STATUS		
MUNICIPAL MANAGER'S OFFICE				
1x Manager Support	15	Moratorium/ submitted	No	motivation
1x Manager ICT	15	Moratorium/ submitted	No	motivation
1 X Secretary to the MM	7	Moratorium/ submitted	No	motivation
1 X Clerk: Housing	6	Moratorium/ submitted	No	motivation
1x Senior Internal Auditor	13	Interview date: 31 May 2019. Interviews postponed due to absence of the Internal Audit Manager		
TOTAL VACANT POSITIONS	5			
OFFICE OF THE EXECUTIVE MAYOR				
1x Career Guidance Coordinator	10	Moratorium/ submitted	No	motivation
1x Youth Outreach Coordinator	10	Moratorium/ submitted	No	motivation
TOTAL VANCANT POSITIONS	2			
ENGINEERING & INFRASTRUCTURAL SERVICES				
1 X Manager: PMU	16	Interview date 25 October 2018		
1 X Sewer Worker / Operator Grade 2	3	Moratorium/ submitted	No	motivation
1 X TLB Operator: Water Reticulation / Maintenance	6	Moratorium/ submitted	No	motivation
2 X Truck Drivers: Water Reticulation / Maintenance	6	Moratorium/ submitted	No	motivation
1 X Manager: Roads & Storm water	15	Moratorium/ submitted	No	motivation
1x Manager: Water & Sanitation	15	Interview date 03 June 2019		
1 X Senior Technician	14	Moratorium/ submitted	No	motivation
14 X General Worker	3	Moratorium submitted	/No	motivation
6x Process Controller		Moratorium/ submitted	No	motivation
1 X Shift man	6	Moratorium/ submitted	No	motivation
1 X Senior Mechanic	10	Moratorium/ submitted	No	motivation

1x Superintendent	10	Moratorium/ submitted	No	motivation
2x Plumber	9	Moratorium/ submitted	No	motivation
1 X Pump Attendant	6	Moratorium/ submitted	No	motivation
1 X Light Fitter High mast	5	Moratorium/ submitted	No	motivation
1 X Driver	6	Moratorium/ submitted	No	motivation
1 X Supervisor Driver	6	Moratorium/ submitted	No	motivation
1 X Grader Operator	6	Moratorium/ submitted	No	motivation
1x Electrician	10	Moratorium/ submitted	No	motivation
1x Deputy Director	16	Moratorium/ submitted	no	motivation
1x Senior Works Foreman	11	Moratorium/ submitted	No	motivation
TOTAL VACANT POSITIONS	41			
COMMUNITY & PUBLIC SAFETY				
Parks Department				
POSITION	TASK GRADE	STATUS		
1 X Sports and Recreation Officer	11	Moratorium/ submitted	No	motivation
4 X Machine Operator	3	Moratorium/ submitted	No	motivation
1 X Tractor Driver	5	Moratorium/ submitted	No	motivation
2 X Truck Driver	6	Moratorium/ submitted	No	motivation
2 X Machine Operator (Vegetation Control Unit)	4	Moratorium/ submitted	No	motivation
1 X Machine Operator (Sports Ground)	4	Moratorium submitted	/ No	motivation
2 X Leading Hand (Nursery)	5	Moratorium submitted	/ No	motivation
1x General Worker (Str Island)	1	Moratorium/ submitted	No	motivation
1 X Commonage Artisan	3	Moratorium/ submitted	No	motivation
1 X General Worker (Collection)	3	Moratorium/ submitted	No	motivation

TOTAL VACANT POSITIONS	16	
Cleansing Department		
1 X Superintendent	9	Moratorium
1 X Driver Supervisor	7	moratorium
3 X General Worker (Cleansing)	3	Moratorium
2 X Toiler Cleaner (Cleansing)	3	Moratorium
1 X Street Sweeper (Cleansing)	3	Moratorium
1 X Tractor Driver (Cleansing)	5	Moratorium
1 X Loader Trailer (Cleansing)	3	Moratorium
TOTAL VACANCIES	10	
Library Services		
1 X Librarian	11	Moratorium
1X Senior Librarian	12	Moratorium
1 X Mobile Library Assistant	5	Moratorium
1 X Library Assistant	5	Moratorium
TOTAL VACANT POSITIONS	4	
Traffic Department		
1x Foreman Examiner Technical Service	10	Motivation submitted, awaiting response from SBDM RE: Task Grade
1 X Senior Traffic Officer	10	Motivation submitted, awaiting response from SBDM RE: Task Grade
1x Traffic Warden	5	Moratorium/ No motivation submitted
1 X Typist / Clerk	6	Motivation submitted, awaiting response from SBDM RE: Task Grade
1 X Road Painter	3	Moratorium / No motivation submitted
TOTAL VACANT POSITIONS	5	
Fire Department		
3 X Fire Fighter	7	Motivation submitted , SMT approved; to be advertised
1 X Disaster Management Officer	10	Motivation submitted , SMT approved; to be advertised
1x Senior Fire Fighter	8	Motivation submitted , SMT approved; to be advertised
1x Platoon Commander	9	Motivation submitted , SMT approved; to be advertised

TOTAL VANCANT POSITIONS	6	
LOCAL ECONOMIC DEVELOPMENT		
1 x Manager: SMME & Trade Investment	15	Moratorium/ No motivation submitted
1 X Building Inspector	10	Interview date: 30 May 2019(to assume duties 01 July 2019)
2x Town Planner	14	Interview date: 29 May 2019(to assume duties 01 July 2019)
TOTAL VACANT POSITIONS	4	
CORPORATE & SHARED SERVICES		
1 X Secretary to Director	7	Moratorium
POSITION	TASK GRADE	STATUS
2 X Records Clerk (Registry)	5	Moratorium/ No motivation submitted
1 X Committee Clerk	7	Moratorium/ No motivation submitted
1 X Employee Wellness Practitioner	10	Moratorium/ No motivation submitted
1x Secretary to Director	7	Moratorium/ No motivation submitted
1x Cleaner/ Messenger	3	Moratorium/ No motivation submitted
1X General Worker (Alicedale)	3	Moratorium / No motivation submitted
TOTAL VACANT POSITIONS	7	
BUDGET & TREASURY		
1X Manager: Revenue & Receivables	15	Interview date: 21 May 2019
1x Senior Clerk: Budget & Reporting	11	Moratorium/ No motivation submitted
1x Admin Officer	11	Moratorium/ No motivation submitted
1x Accountant: Assets	12	Moratorium/ No motivation submitted
1x Clerk: Indigent	6	Moratorium/ No motivation submitted
1x Secretary to the CFO	7	Moratorium/ No motivation submitted
1x Senior Clerk: Stores	7	Moratorium/ No motivation submitted
1x Cashier	5	Advertised twice internally, to be advertised externally Friday 14 June 2019

TOTAL VACANT POSITIONS	8	
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2.4.1.6 FILLED SENIOR MANAGERS POSITION AND VACANT

OFFICE	POSITION	NAME
EXECUTIVE MAYOR	Strategic Manager	Vacant
	SPU Manager	Mr. V. Wali
SPEAKERS OFFICE	Manager in the Office of the Speaker	Ms. N. Santi
MM'S OFFICE	MUNICIPAL MANAGER	Mr M. Mene
	Risk Officer	Mrs. N, Kosi
	Strategic Planning & Monitoring	Mr. M. Pasiya
	Manager Internal Audit	Ms A. Njomeni
	Manager ICT	Mr. L. Mhlekwa
	PMU Manager	In progress
	Manager: Support Services	vacant
	Legal Manager	Mrs. N Mbanjwa
CORPORATE AND SHARED SERVICES	DIRECTOR	Mrs. N. Mazwayi
	Manager Administration	Mr. W. Mager
	Human Resources Manager	Mr. X. Kalashe / Mrs P. Qezu
	Operations Manager	Mr. Ngandi
	Records Manager	Ms. N Xintolo
	Unit Manager Alicedale	Mr. G. Goliath
	Unit Manger Riebeek East	Ms N. Kulati
FINANCE DIRECTORATE	CHIEF FINANCIAL OFFICER	Mr G. Goliath
	Manager Expenditure	Mr. M. Crouse
	Manager Revenue & Data Control	Vacant
	Manager Supply Chain	Ms. Z. Gxowa
	Manager Compliance & Reporting	Vacant
LOCAL ECONOMIC DEVELOPMENT	DIRECTOR	MS R. Meiring
	Manager Agriculture	Ms P. Gqweta
	Manager SMME	Vacant

	Manager Tourism & Heritage	Mr. T. Sindane
	Deputy Director Planning & Dev.	Ms S. Jonas
	Manager Planning & Estate	Vacant
	Town Planner	Vacant
ENGINEERING AND TECHNICAL SERVICES ELECTRICAL DEPARTMENT	DIRECTOR	MR D. Mlenzana
	Deputy Director	Vacant
	Operations Manager	Vacant
	Town Electrical Engineer	Mr. M. Radu
WATER & SEWERAGE	Manager	Ms Soyizwapi
ELECTRICAL DEPARTMENT	Deputy Director	Mr. M.J. Siteto
ROADS & STORMWATER	Manager	Mr Mhlaba
PUBLIC SAFETY & COMMUNITY SERVICES	DIRECTOR	Mr. K. Makgoka
FIRE & RESCUE SERVICES	Manager	Mr. Welkom
LIBRARY SERVICES	Manager	Ms. P. Vubela
TRAFFIC SERVICES	Manager	Mr. Hanekom
PARKS DEPARTMENT	Manager	Mr. J. Budaza
ENVIRONMENTAL MANAGEMENT	Manager	Mr. N. Nongwe
ENVIRONMENTAL HEALTH	Manager	Mr. J. Esterhuizen
OPERATIONS MANAGER	Manager	Mr. Smaile

2.4.2 LABOUR RELATIONSHIP

Makana Local Municipality acknowledges that the primary goals of employer-employee relations are to create a productive, engaged workforce and to eliminate the perception that organized labour and management have a perpetually adversarial relationship. A number of industrial relations objectives can help both labour unions and employers attain those goals. Fundamental to labour-management goals is a clear understanding of the Labour Relations Act. Makana LM has a formal recognised agreement with the South African Municipal Workers Union (SAMWU) and Independent Municipal Allied Trade Union (IMATU) and South African Local Government Association (SALGA).

In 2017 Salaries and wage adjustments affecting the organised labour have been satisfactorily concluded for three years. Makana LM has a disciplinary and grievance procedure in place to settle and resolve any internal matters.

An Industrial Relations Officer position has been filled with the aim of improving employer employee relations. The following committees are functional in order to enhance constructive consultation: Local Labour Forum (LLF), Employment Equity, Training and Development and Health and Safety.

As part of improving labour relationship, the municipality established wellness section to pursue employee wellness initiatives and, within this effort, has implemented an HIV/AIDS prevention programme that serves to create awareness and share information on available assistance for HIV/AIDS treatment. The initiative has also offered elected community members as peers educators so that participants are able to interact meaningfully with affected persons, both within the workplace and in the broader community.

2.4.3 WORK SKILLS PLAN AND TRAINING DEVELOPMENT

Workplace Skills Plan is developed annually by the Skills Development Facilitator. This is a product of numerous processes that ranged from identifying the employee current, gaps or future skills. The Workplace Skills Plan is approved by Council with a specific budget and implementation report is submitted to the Local Government SETA on the 30 March 2018 to recover a portion of monies spent on implementing the plan. The Makana LM offers various annual in-service training, internship opportunities to promote the development of skills in specific areas in order to encourage growth and exposure for the youth.

Targeted training and employment are also used to affirm previously disadvantaged categories, with a special training initiative to address the gender imbalances in the workforce. There has been a particular focus on developing women as water treatment works operators over the past five years, this trend will continue in the future.

Municipality has developed critical and scarcity policy to ensure municipality is attracting and retain skilled personnel more special for service delivery functions.

2.4.4 PERFORMANCE MANAGEMENT

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

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

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

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

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

2.4.5 INSTITUTIONAL POLICIES AND PROCEDURES

Table 32: Institutional Policies and Procedures

NO	POLICY TITLE	DIRECTORATE	LAST REVIEW
1	Telephone Use	Corporate and Shared Services	25-July-2018
2	Use of Municipal halls	Corporate and Shared Services	25-July-2018
3	Report Writing	Corporate and Shared Services	11-Jun-15
4	Records Management	Corporate and Shared Services	27-Jun-2017

NO	POLICY TITLE	DIRECTORATE	LAST REVIEW
5	Communication	Corporate and Shared Services	24-Jun-16
6	Termination of Employment	Corporate and Shared Services	25-July-2018
7	Employee Wellness programme	Corporate and Shared Services	25-July-2018
8	Internship	Corporate and Shared Services	25-July-2018
9	Leave of absence and procedure	Corporate and Shared Services	25-July-2018
10	Overtime and procedure	Corporate and Shared Services	25-July-2018
11	Recruitment and Selection	Corporate and Shared Services	25-July-2018
12	Retention	Corporate and Shared Services	25-July-2018
13	Study Assistance	Corporate and Shared Services	25-July-2018
14	Training and Development	Corporate and Shared Services	25-July-2018
15	Transport allowance	Corporate and Shared Services	25-July-2018
16	Fleet Management	Corporate and Shared Services	24-Jun-16
17	Subsistence & Travel	Corporate and Shared Services	25-July-2018
18	Placement, Promotion, Demotion and Transfer Policy	Corporate and Shared Services	25-July-2018
19	Dress Code Policy	Corporate and Shared Services	25-July-2018
20	Municipal Residents Policy	LED and Planning	30-May-2018
21	Land Disposal Policy	LED and Planning	24-Jun-16
22	ICT Policy Framework	Municipal Manager's Office	11-Jun-15
23	Information & Technology Change Management Policy	Municipal Manager's Office	11-Jun-15
24	IT Use Policy	Municipal Manager's Office	11-Jun-15
25	Change Control Policy and Procedure	Municipal Manager's Office	24-Jun-16
26	Fraud Prevention	Municipal Manager's Office	02-Nov-16
27	Risk Management Policy	Municipal Manager's Office	02-Nov-16
28	International Relations	Municipal Manager's Office	New
29	IGR Framework	Municipal Manager's Office	New
30	Catering	Municipal Manager's Office	Last review 2014
31	Performance Management Policy	Municipal Manager's Office	25 – July - 2018
32	Property Rates	Budget and Treasury	30-May-18
33	Property Rates by-law	Budget and Treasury	26-May-16
34	Assistance to the poor & Indigent	Budget and Treasury	30-May-18
35	Cash Management and Investment	Budget and Treasury	30-May-18
36	Funding Reserves	Budget and Treasury	11-Jun-15

NO	POLICY TITLE	DIRECTORATE	LAST REVIEW
37	Tariff	Budget and Treasury	30-May-18
38	Expenditure	Budget and Treasury	24-Jun-16
39	Budget	Budget and Treasury	30-May-18
40	Asset Management	Budget and Treasury	30-May-18
41	Supply Chain Management	Budget and Treasury	30-May-18
42	Petty cash	Budget and Treasury	24-Jun-16
43	Grant in Aid in Lieu of Rates	Budget and Treasury	26-May-16
44	Credit Control and Debt Collection	Budget and Treasury	30-May-18
45	Credit Control and Revenue Management by-law	Budget and Treasury	26-May-16
46	Provision of Debt Write off – Doubtful debt	Budget and Treasury	30-May-18
47	Inventory Management	Budget and Treasury	24-Jun-16
48	Virement	Budget and Treasury	30-May-18
49	HIV/AIDS	Mayor's Office	
50	Grants and Donations	Mayor's Office	30-May-18

2.5. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

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

2.5.1 STRUCTURES

Section 53 of the Municipal Systems Act (Act 32 of 2000), stipulates inter alia that the respective roles and areas of responsibilities of each political structures and each Political Office Bearer of the Municipality and the Municipal Manager must be defined. Makana Municipality has Fourteen (14) wards and 27 Councillors.

2.5.2 MAKANA POLITICAL STRUCTURE OVERVIEW

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

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

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

The Municipal Public Accounts Committee is comprised of non-executive councillors, with the specific purpose of providing the Council with comments and recommendations on the Annual Report. The Oversight Committee report will be published separately in accordance with MFMA guidance.

2.5.2.1 OUTLINE OF THE POLITICAL STRUCTURE

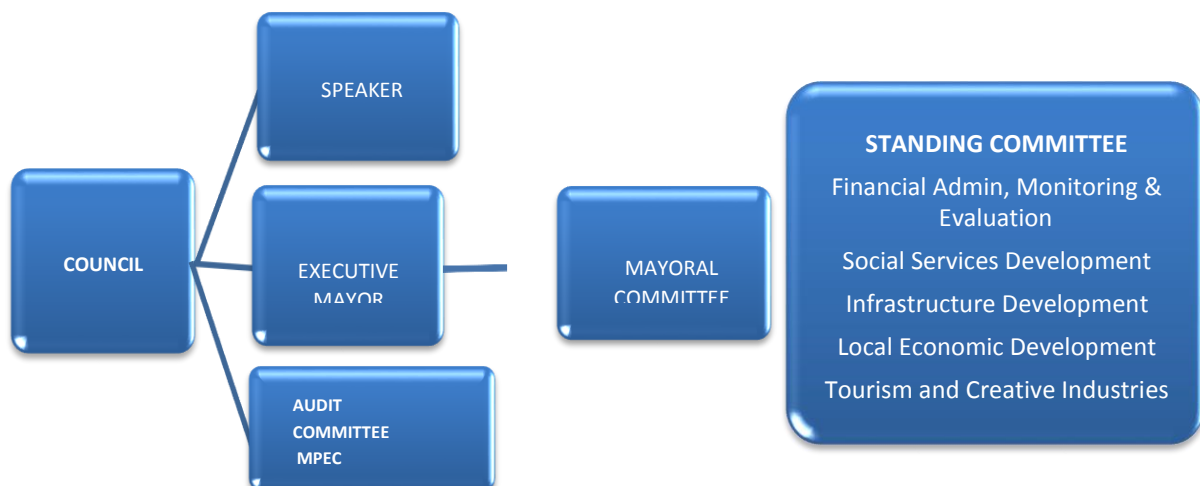


Figure 8: Political Structure

Political Structure

EXECUTIVE MAYOR:	CLR M. Mpahlwa
MAYORAL COMMITTEE MEMBERS	
Chairperson of Social Development Committee	Cllr P. Matyumza
Chairperson of Corporate Services	Cllr N. Masoma
Chairperson of Finance,	Cllr. L. Nase
Chairperson of Infrastructure Development Committee	Cllr R. Xonxa
Chairperson of Local Economic Development Committee	Cllr M. Matyumza

SPEAKER AND COUNCIL

SPEAKER:		CLR YANDISWA VARA	
COUNCILLORS			
NO	SURNAME AND INITIALS	WARD	ORGANISATION
01	BRUINTJIES T. F (M)	PR	DA
02	CLARK C. (F)	PR	DA
03	FARGHER B. W. (M)	04	DA
04	FATYI M. (M)	13	ANC
06	GAUSHE T. (F)	06	ANC
07	GOJELA M. (M)	11	ANC
08	HOLM D. B. (12	DA`
09	JACKSON B. (M)	08	DA
10	KHUBALO M. (M)	07	ANC
11	LOUW E. (M)	14	ANC
12	MADYO X.G. (M)	PR	DA
13	MASOMA N. (Chairperson FAME) (F)	PR	ANC
14	MATYHUMZA M. (Chairperson LED) (M)	PR	ANC
15	MATYHUMZA P (Chairperson Social Services Development) (F)	PR	ANC
16	MEYER A. J.	PR	DA
17	MOYA M. (M)	09	ANC
	MPAHLWA M. (Executive Mayor) (M)	EM	ANC
18	MTWA N. (F)	PR	EFF
19	NASE L. (Chairperson TCI)(M)	05	ANC
20	NHANHA M. A. (M)	PR	DA
21	PIETERS N.M. (F)	01	ANC
22	QOTOYI M. (M)	PR	EFF
23	SAKATA L. (M)	10	ANC
24	SEYISI T. (F)	13	ANC
25	SODLADLA S (M)	PR	ANC
26	VARA Y. (Speaker) (F)	PR	ANC
27	XONXA N. R. (Chairperson Engineering & Infrastructure) (M)	02	ANC

2.5.3 COUNCIL COMMITTEES

Governance and oversight within the municipality must be strengthened for improved decision making and service delivery. A meeting schedule for all Council and Committee meetings is compiled and approved by Council for a financial year. With a few exceptions, meeting dates are adhered to and well attended by Councillors and Officials.

A Control and Monitoring Sheet was developed which sets clear time-lines for among others the compilation and distribution of agendas, the finalization of minutes and the date the minutes and action sheets should be distributed to Directors and Managers for implementation. This has contributed to the timeous implementation of council resolutions and committee decisions within the municipality. Adherence to the scheduled dates of Council and Committee meetings is critical. There is a need for an improvement on the monitoring of the implementation of council resolutions.

The implementation and enforcement of a code of conduct for councillors is critical. The system of delegations has been reviewed. The political component of the municipality should however also be addressed.

Adequate personnel is available to provide administrative services for Council and Committee meetings. The personnel however lack experience but are receiving regular in-service training. The late submission of agenda items and/ or relevant reports for the meetings is being addressed with Directors and Managers.

The culture of poor or non-performance and the perception that transgressions were an accepted norm within the municipality should be addressed. This would assist in improving service delivery, financial management and the audit outcomes.

The municipality has developed a communication strategy, and a public participation and communication (internally and externally) programme on continued basis and is enhanced.

2.5.3.1 Section 80 Committees

- Financial Admin, Monitoring & Evaluation
- Social Services Development
- Infrastructure Development
- Local Economic Development
- Tourism and Culture Industries

2.5.4 WARD COMMITTEES AND COMMUNITY DEVELOPMENT WORKERS

Section 79 & 80 Committees

Makana Municipality has 13 Ward committees in place the 14th ward is the Rhodes University area and Grahamstown Foundation (Monument) and the matter is the subject of an IEC probe. Issues

pertinent to IDP are referred from these structures and other fora like IDP Representative Forum which they are part of and through the Ward Councillor to the IDP unit for attention.

A Community Development Worker (CDW) is based in each Ward and acts as an ex-officio member in the Ward Committee. Ward Committees meet on a monthly basis and regular constituency meetings are held, to keep the communities informed about Municipal affairs, progress with project implementation and also to receive public input on matters of general concern.

2.5.5 COMMUNITY BASED PLANNING

The Ward-based public participation for developing the 2016 – 2017 IDP and its annual review was even more rigorous than previous year. Community-Based Planning Workshops were held for 13 Wards and a comprehensive CBP Report containing extensive data for each Ward which was a final outcome was compiled. This in turn informed Municipality and Sector Department as to the Development Needs & Priorities of the Communities and assisted them in their project planning & design for the forthcoming fiscal and outer years. Community Consultation & Participation is taken further by regular Ward Meetings held by Ward Councillor and their Ward Committees, as well as the Mayoral Imbizo and other events.

2.5.6 INTER-GOVERNMENTAL RELATIONS

The Honourable Mayor established an Inter-Governmental Relations Forum and the forum reviewed the local IGR Strategy, to ensure its efficient and effective functioning and also clarifying the aims & objectives, as well as the roles and responsibilities of the IGR and its various stakeholders. This structure also serves to co-ordinate the planning of projects and implementation of programmes stemming from the IDP process, Ward-based Plans, etc.

The meetings of the IGR Forum are chaired by the Mayor and convened on a quarterly basis with all local Government Departments being represented by Senior-Decision makers.

2.5.6.1 National Intergovernmental Structures

As an active member of the South African Local Government Association, the Makana Municipality plays an active role when National Planning Proposals are discussed.

2.5.6.2 Provincial Intergovernmental Structures

The Municipal Manager attends all meetings of the Provincial Muni-MEC and similar structures with all resolutions taken at that level being worked into the Makana Council agenda. The value

in this interaction is in ensuring that the needs of the local community are considered when the implementation of Government Projects is discussed.

2.5.6.3 District Intergovernmental Structures

The Makana Municipality regularly interacts with the other Municipalities in the District as the Government has created platforms for such deliberations, such as the Sarah Baartman District Municipal Managers Forum. This ensures that information related to new initiatives in the District is effectively relayed to the Makana Municipality's senior management.

2.5.7 AUDIT AND RISK COMMITTEE

During the year, the three year term of the previous committee ended on the 31 December 2017. As a result a new four member Audit and Risk Committee was appointed by Council in April 2018 effective from the 01 May 2018 – 30 April 2021. The committee holds its quarterly meetings and performs its function in terms of the Makana Municipality Audit and Risk Committee Charter approved by Council and PMS Framework which are reviewed annually before the start of each financial year.

Other parties in attendance are:

Makana Municipality : The Municipal Manager, Director of Budget & Treasury, Chief Financial officer , Director of LED, Director Technical & Engineering Services, Director of Corporate Services and Director Public Safety and Community Services. Internal Auditor and Auditor-General representative, IDP/PMS Manager and the MPAC Chairperson as an ex-officio.

2.5.8 INTERNAL AUDIT UNIT

The Municipality has an in-house Internal Audit Unit in place that is in the office of the Municipal Manager, headed by an Internal Audit Manager. The staff component consists of Internal Audit Manager, Senior Internal Auditor and a National Treasury Intern appointed on the 05 February 2018. Risk based and statutory audits as required by section 165 of the Municipal Finance Management Act are performed each year including Ad – Hoc requests from time to time.

2.5.9 RISK MANAGEMENT

Risk management: A risk management framework is in existence and there is a risk based audit plan but the implementation remains a challenge. In addition, the risk based audit plan needs to

be reviewed and updated in light of the current challenges at the municipality. Risk management is not fully embedded in the culture and internal control processes of the municipality.

Strategic risk register has been developed and reports produced on the implementation of corrective action quarterly.

Table 33: SUMMARY OF STRATEGIC INSTITUTIONAL RISKS

RISK CATEGORY	DESCRIPTION
No financial sustainability (not a going concern)	1. Low collection rate. 2. Incorrect billing. 3. Non-payment and poor debt account management. 4. Unfunded budget. 5. Not cash backed. 6. Poor relations with service provider. 7. Poor relations with residents. 8. Poor governance leading to non-payment. 9. High payroll costs. 10. Poor implementation of revenue management strategy. 11. Inaccuracy of the indigent register.
Inadequate and ageing water infrastructure including plants	1. Ageing infrastructure. 2. Lack of preventative and scheduled maintenance of existing water reticulation system. 3. Poor implementation of maintenance plans. 4. Inadequate funding for maintenance. 5. No regular maintenance of bulk water treatment plants. 6. Non implementation of WSDP. 7. Poor spending on conditional grants. 8. Vandalism of the infrastructure. 8. Inadequate funding to replace ageing infrastructure. 9. Delays in procurement process.
Ageing road and Stormwater Infrastructure	1. Lack of maintenance, no maintenance plans. 2. Insufficient funds. 3. Lack of resources such as plant and equipment. 4. Low staff morale. 5. Inadequate maintenance of storm water infrastructure. 6. No capital budget allocation. Lack of skills. Increased traffic volumes.
Unstable and poor reliability of supply of electricity	1. No maintenance plans. 2. Ageing infrastructure. 3. Lack of funding for maintenance. 4. Vandalism/Theft. 5. Non-compliance on calibrations of testing equipment. 6. Non-existence on mandatory trainings. 7. Delays in SCM processes for emergency situations.
Solid waste management	1. Lack of protective wear. 2. Inadequate vehicles for refuse collection. 3. Management and maintenance of the municipal tip. 4. Illegal dumping by the communities. 5. Refuse bags not availed. Staff shortages.
Performance targets not fully achieved	1. Setting of unrealistic targets. 2. Poor planning. 3. Poor management of leave 4. Low staff morale. 6. Shortage of skills/expertise in some areas of responsibility. 7. PMS not cascaded down to other levels of management. 8. Non alignment of budget to the IDP and SDBIP. Lack of urgency. Unfunded budget. Management responsibility to motivate their staff. Lack of consequence management. The IDP and SDBIP not prioritised. Too many crises occurring. Quarterly reviews not performed.
None-compliance with laws and statutory regulations	1. Lack of understanding of relevant legislations. 2. Poor compliance management and oversight. 3. Lack of implementation of MFMA calendar.

	4. Lack of consequence management. Lack of institutionalised process of managing compliance.
Business continuity compromised	1. Delays in the Procurement processes of the electronic systems. 2. Lack of Prioritisation of e-governance. 3. Lack of ICT Governance. (Capacity (Financial/Human) constraints. 4. Lack of business security. 5. Logs are not reviewed regularly. 6. Segregation of duties. Poor ICT infrastructure). 7. Inadequate records management (Poor archiving, lack of disaster recovery plan for records, limited fire proof storage space for personal records, no building plans storage in place, poor financial record keeping. 8. There is not enough storage space). 9. No backups connected.
Poor contract management	1. Poor planning. 2. Poor management of SMME expectations. 3. Fraudulent activities. 4. Lack of urgency. 5. Projects not properly quantified. 6. Milestones not achieved. 7. Noncompliance with Basic Conditions of Employment Act (employment contracts)
Poor planning of infrastructure development	1. Population growth. 2. Lack of Master Plans. 3. Lack of funding. 4. No updated SDF.
Sewer spillages and inadequate waste water treatment plants	1. Inadequate capacity of the sewer system. 2. Ageing infrastructure. 3. Insufficient qualified staff. 4. Low staff morale. Inadequate maintenance. 5. No maintenance plans (for the reticulation system and plants) 6. Vandalism of plants. 7. No maintenance budget. 8. Staff shortages in critical positions. 9. Illegal settlements. 10. Use of bucket system in informal areas.
Ineffective disaster management (natural disasters)	1. No Fire Disaster Plans. 2. Not enough vehicles. Capacity constraints. Lack of experience. Limited fire proof storage space. No capital budget. Poor financial budget. Disaster management is a district function.

2.5.10 AUDIT OUTCOME

2.5.10.1 Five 5 Year Qualification

The following are the Audit opinion of Makana Local municipality for the past year years from 2013/2014 financial year to date

2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Disclaimer	Qualified	Qualified	Qualified	Qualified

2.5.10.2 BASIS FOR QUALIFICATION OPINION

2.5.10.2.1 Irregular Expenditure

- I was unable to obtain sufficient appropriate audit evidence regarding the irregular expenditure as disclosed in note 41 to the financial statements, as the disclosure presented in the financial

statements for auditing purposes was without accurate and complete underlying accounting records.

2.5.10.2.2 Revenue from Exchange Transactions

- I was unable to obtain sufficient audit evidence that revenue from exchange transactions had been properly charged and accounted for, for the current and previous years, due to the status of the accounting records.

2.5.10.2.3 Receivables from Exchange Transactions

- Sufficient appropriate evidence was not available to support receivables from exchange transactions, due to lack of systems and processes in place at the municipality.

2.5.10.2.4 Receivables from Non-Exchange Transactions

- Sufficient appropriate evidence was not available to support receivables from non-exchange transactions due to lack of systems and processes in place at the municipality.

2.5.2.2.5 Payables from exchange transactions

A journal to the value of R15.8 million was processed during the year under review to the payables from non-exchange transactions in the general ledger. This journal was not supported by adequate documentation.

2.5.10.2.6 Payables from Non-exchange transactions

- The municipality did not have adequate systems to maintain records of accounts payables from non-exchange for leave provision. This resulted in the leave provision being understated.

2.5.10.2.7 Value Added Tax Payable

- I was unable to obtain sufficient appropriate audit evidence that value added tax(VAT) payable for current and previous year had been properly accounted for due to the status of the accounting records.

2.5.10.2.8 Unauthorised Expenditure

- I was unable to obtain sufficient audit evidence regarding the unauthorised expenditure as disclosed in note 39 to the financial statements, as the disclosure was presented in the financial statements for auditing purposes without accurate and complete underlying accounting records.

2.5.10.2.9 Material uncertainty relating to going concern

- I draw attention to the matter below. My opinion is not modified in respect of this matter
- I draw attention to note 52 to the financial statements, which indicates that the municipality is facing a number of financial risks that negatively impact its ability to sustain its current level of operations in the near future, before taking into account government grants. As stated in note 52, these events or conditions, along with the other matters as set forth in note 52, indicate that a material uncertainty exists that my cast significant doubt on the municipality's ability to continue as a going concern.

2.5.10. 3 EMPHASIS OF MATTERS

These following matters were identifies as area for emphasis I draw attention to the matters

Fruitless and Wasteful Expenditure

- As disclosed in note 40 to the financial statements, the municipality incurred fruitless and wasteful expenditure due to interest charged for late payments.

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Restatement of Corresponding Figures

- As disclosed in note 47 to the financial statements, the corresponding figures for 30 June 2017 were restated as a result of an error in the financial statements of the municipality at, and for the year ended 30 June 2018.

Material Losses

- As disclosed in note 49 to the financial statements, material electricity and water losses respectively, were incurred, which represent 13% (2016-17:13%) and 76% of total electricity and water purchased, respectively. Material losses were due to tempering of metres, faulty metres and illegal connections.

Significant Uncertainties and Financial Sustainability

2.5.10.4 AUDIT of the PERFORMANCE REPORT

Development Priorities	Opinion
Basic Service Delivery & Infrastructure	Disclaimer
Community and Social Cohesion	Disclaimer
Local Economic Development	Disclaimer

2.5.11 AUDIT ACTION PLAN:

The Audit Action Plan has been developed; many of these issues need to be addressed as a matter of urgency to ensure the sustainability of the municipality and improvement in the audit outcome. In addition, the lack of dealing with and rectifying issues raised by the Auditor-General will result in additional audit findings and repeat findings in 2018/19.

The audit action plan is then used by the responsible individuals in order to ensure that corrective actions are being implemented immediately. The manager of the responsible department then monitors the implementation of the audit action plan monthly.

The internal audit unit also requests quarterly progress reports on the implementation of the corrective actions from the managers responsible, conduct their reviews in order to validate the credibility of the progress which is being reported to the Accounting Officer and issue an audit report to the management and presents the report to the audit committee in line with the approved annual internal audit plan for oversight.

2.5.12 INFORMATION COMMUNICATION AND TECHNOLOGY

Information Communication Technology (ICT) section, is responsible for the following functions: Planning, Network, Data, Security and Support. Makana Municipality's ICT Environment supports about 150 users. The municipality has the following offices namely:

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

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

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

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

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

Disaster Recovery Plan:

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

2.5.13 RECORD MANAGEMENT:

The municipality does not have proper record keeping and no record management system is in place to ensure that documents are filed and stored correctly. The municipality currently has a manual system of record keeping and document management and the system is characterised by poor record keeping and ineffective document management as well as the loss of documents amongst others. An electronic document management system was installed in the municipality but has not been functional. Staff should be trained on the electronic document system. The record keeping function within the municipality needs to be reviewed and improved including document security for the protection and management of information.

2.5.14 PUBLIC AND STAKEHOLDER PARTICIPATION

The municipality has a stakeholder register which is used as data base for contacting stakeholder when there is consultative forms to be organised. This data base includes government departments, NGO/CBO.

The challenge at the moment is lack of cooperation amongst important stakeholders. Other challenges include mobilisation of communities due to geographic's where they reside (Lack of access to rural areas and private farms), language barriers.

2.5.15 REVISED COMMUNITY ENGAGEMENT WARD DEVELOPMENT PRIORITIES

Ward Plans

WARD 1: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19			
	DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED	RESPONSIBLE AGENT	KPA
1	RDP Housing rectification	Municipality/ Human Settlement	6
2	New houses needed kwa Nomzamo	Municipality/ Human Settlement	6
3	22 Outstanding houses affected by disaster	Municipality/ Human Settlement	6
4	Land required for human settlement development	Municipality/ Human Settlement	6
5	Eradication of bucket system	Municipality	1
6	Repair and maintenance of community Hall, playgrounds/ parks in Hooggenoeg and Riebeeck East	Municipality	2
7	Job creation initiatives and opportunities	Municipality	3
8	Livestock farming facilities needed, dip tank and loading ramp, cattle grid at commonage, fencing around commonage to be fixed	Municipality/ Dept. of Agriculture	3
9	Illegal dumping & general cleaning of area	Municipality	2
10	Repair and maintenance of school facilities (Riebeeck East)	Municipality/ Education Dept.	2
11	Satellite fire Station in Riebeeck East	Municipality / SBDM	2
12	Electrification of all farm cottages and street lights	Municipality/ Eskom	1
13	<ul style="list-style-type: none"> Provision of clean water Fix current earth dam Supply water harvesting tanks (KwaNomzamo location and farm cottages) 	Municipality	1
14	<ul style="list-style-type: none"> Resuscitation of existing boreholes(Carlisle Bridge, Fort Brown, Table Farm) Refurbishment of WTW holding ponds 	Municipality	1
15	Upgrading of gravel road from Riebeeck East to Makhanda	Dept. Roads and Transport	1
16	Maintenance, repair ,paving and upgrading of access roads in Hooggenoeg	Municipality	1

17	Lack of Health facilities –Ambulance service	Municipality/ Health Department	1 &2
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WARD 2: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Water outages	Municipality	1
2.	Water Harvesting	Municipality	1
3.	Upgrade of sewer bulk line(KwaThaTha)	Municipality	1
4.	Eradicate the bucket system	Municipality	1
5.	Illegal Dumping	Municipality	2
6.	Accessible waste disposal facilities	Municipality	2
7.	Need RDP houses and Rectification of existing houses	Municipality/ Human Settlement	6
8.	Town establishment to address infill areas(Upper Mnandi)	Municipality/ Human Settlement	3 & 6
9.	High unemployment rate	Municipality and Government Department agency	3
10	Food Security	Municipality and Department of Agriculture	3
11.	Improved road safety	Municipality	2
12.	Install the lights for Nompondo area	Municipality	1
13.	Installation of Geysers	Municipality/ Eskom	1
14.	Satellite Fire Station	Municipality / SBDM	2

WARD 3: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Water outages and quality	Municipality	1
2.	Eradicate the bucket & Pit-system	Municipality	1
3.	Illegal dumping and lack of waste management disposal facilities	Municipality	2
4.	RDP houses required in Phumlani: Extension 2	Municipality	6
5.	Rectification of houses	Municipality / Human Settlement	6
6.	Formalisation of Infill areas	Municipality / Human Settlement	3 & 6
7.	Assist unemployed youth artists	Municipality	3
8.	Speed humps needed in Ghost town and pedestrian bridge	Municipality	2
9.	Maintain roads and storm water system	Municipality	1
10.	Overheard bridge needed	Municipality	1
11.	Installation of high mast lights in Papamani, Zolani & Polar Park. Paving of extension 10	Municipality	1
12.	Cemetery needs maintenance – fencing	Municipality	2
13.	The Recreation park and sport field not maintained	Municipality	2
14.	Primary health facilities	Municipality/ Health Department	1 & 2

WARD 4: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Speed hump needed in Scott's farm, Fitchat street	Municipality	2
2.	Painting of traffic lines	Municipality	2
3.	High level of crime	SAPS	2
4.	Deterioration of the electrical distribution network	Municipality	1
5.	Lack of Street lights maintenance	Municipality	1
6.	Repair and maintenance of community halls: Crown and Recreation Halls	Municipality	2
7.	High unemployment levels particularly in Scott's Farm	Municipality / Government Agencies	3
8.	New RDP Houses required	Municipality/ department of Human Settlement	6
9.	Housing Rectification	Municipality/ Human Settlement	6
10.	Drastic deterioration of Emergency Houses from the 2008 tornado	Municipality/ Human Settlement	6
11.	Drug and Alcohol Abuse	Municipality/ Government Agencies and NGO's	2
12.	Regular cleaning/ eradication of the illegal dumping sites	Municipality	2
13.	Deterioration of roads, pavements and stormwater drains throughout ward 4	Municipality	1

WARD 5: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	New RDP Houses	Municipality/ Human Settlement	6
2.	Paving of streets in July street, taxi routes	Municipality	1
3.	Lack of maintenance of cemeteries	Municipality	2
4.	Satellite police station is needed	Municipality / SAPS	2
5.	Lack of Recreational facilities	Municipality	2
6.	Illegal dumping	Municipality	2
7.	2010 Sanitation project never completed, transit camp toilets not connected	Municipality / Human Settlement	6
8.	Support to SMME's and food security initiatives	Municipality / Government Agencies	3
9.	The community hall is sinking and ramps for disabled posing a risk	Municipality	2
10.	Need primary school in the areas	Municipality/ Education Department	2
11.	Primary health facility	Municipality / Health Department	2

WARD 6: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Water Outages	Municipality	1
2.	VIP Toilets not lined	Municipality / Human Settlement	1
3.	Bucket system eradication	Municipality / Human Settlement	1
4.	Eradication of the 8 illegal dumping sites	Municipality	2
5.	High masts are needed	Municipality	1
6.	Construction of speed humps needed near Church Street	Municipality	2
7.	Paving of main and access roads	Municipality	1

WARD 6: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
8.	Skills development	Municipality / State Agencies	3
9.	Repair and maintenance of Roads	Municipality	1
10.	Maintenance of Storm water drainage	Municipality	1
11.	RDP houses	Municipality / Human Settlement	6

WARD 7: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Water outages	Municipality	1
2.	Flooding due to lack of stormwater drainage	Municipality	1
3.	Bucket eradication	Municipality	1
4.	RDP Housing Project, Tanti Phase II, Xolani RDP and rectification project	Municipality/ Human Settlement	6
5.	Provide houses for people in infill area	Municipality / Human Settlement	6
6.	Disaster project stalled	Municipality/Department Human Settlement	6
7.	Storm water drainage need maintenance	Municipality	1
8.	Need jobs	Municipality/ State agencies	3
9.	High crime rate due to unemployment	Municipality/ SAPS	2 & 3
10.	Mobile clinic	Municipality/ Department Health	2
11.	Upgrading of lights in Foleys grounds	Municipality	1
12.	Paving of all Gravel Roads. Resurfacing of tare Road at Hlalani. Sidewalks needed in Hlalani Main Street/Rd.	Municipality	1
13.	Lack of community recreational facilities	Municipality	2

14.	Illegal Dumping	Municipality	2
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WARD 8: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Water outages	Municipality	1
2.	Major sewer blockages and leakage of sewer in De Villiers Close	Municipality	1
3.	Need Jobs	Municipality/ Government Agencies	3
4.	High rate of violence murder, burglary, rapes and crime	SAPS/CPF	2
5.	Need speed humps in Powell Street, George street, Mathews,	Municipality	2
6.	Upgrading of roads and fixing of potholes	Municipality	1
7.	Storm water drainage need maintenance	Municipality	1
8.	Illegal dumping	Municipality	2
9.	Need RDP Houses	Municipality/ Human Settlement	6

WARD 9: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Renovations on Eluxolweni houses	Human Settle/Municipality	6
2.	No water coming from stand pipes at Eluxolweni	Municipality	1
3.	Eradication of 50 bucket system toilets	Human Settle/Municipality	2
4.	Burst sewer pipes	Municipality	2
5.	The area needs proper toilets	Municipality	2
6.	Installation of geysers on all RDP houses	Municipality/ Human Settlement	6

WARD 9: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19

DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
7.	Outside toilets have no doors	Municipality	1
8.	Toilets required at Eluthuthwini	Municipality	1
9.	A clinic is needed	Municipality/ Department Health	3
10.	Cemeteries fencing	Municipality	2
11.	Fencing of the two Sport field	Municipality	1
12.	1000 RDP homes needed	Human Settle/ Municipality	6
13.	Housing rectification in Hlalani	Human Settle/ Municipality	6
14.	Reconstruction of disaster houses in Vukani-10 units	Human Settle/Municipality	2
15.	Paving of extension 5 at the circle.	Municipality	1
16.	Maintenance of street lights on the main road	Municipality/ State	1
17.	Maintenance of existing road in extension 5	Municipality	1
18.	Disaster houses	Human Settle/ Municipality	6
19.	Electrification of Eluthuthwini	Municipality/ Eskom	1
20.	RDP Housing Project for Newtown and Ndancama	Human Settle/Municipality	6
21.	A & B streets needs a housing renovation project	Human Settle/ Municipality	6
22.	Illegal dumping	Municipality	2
23.	High number of unemployed youth	Municipality/ state agencies	3
24.	Satellite library needed	Municipality and Department of Arts and Culture	2
25.	Open space at the back of extension 5 to be used for educational and business purposes	Municipality	3
26.	Community hall needed	Municipality	2
27.	Curb the speeding of vehicles in A and B Streets	Municipality	2
28.	Sport fields needed	Municipality	2

WARD 9: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
29.	Maintenance of storm water drainage systems	Municipality	1
30.	Access roads for Eluxolweni	Municipality	1
31.	Patching of Potholes	Municipality	1
32.	Need sidewalks in Joza	Municipality	1
33.	Paving required at Eluxolweni	Municipality	1

WARD 10: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Water outages	Municipality	1
2.	Eradication of bucket system for 106 units	Human Settlement /Municipality	1
3.	250 Phase 2 Housing programme	Human Settlement /Municipality	1
4.	New Development – 377 houses	Human Settlement /Municipality	1
5.	Reconstruction of Disaster Houses	Human Settlement /Municipality	1
6.	Fingo Village Project has stalled	Human Settlement /Municipality	1
7.	High rate of violence, murder, burglary, rapes and crime	SAPS	2
8.	Paving needed in: J, N, Q, R, S Streets; Xolani Extension	Municipality	1
9.	Upgrading of roads and fixing potholes	Municipality	1
10.	Unfinished RDP Project	Human Settlement /Municipality	6
11.	Speeding vehicles a threat to children, speed humps required Albert Road, Powel Str, upper main road from A street to Powel	Municipality/ State	1

WARD 10: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
	Traffic lights at Raglan Road are dangerous, opening for cars and people at the same time.		
12.	Powel street, road a disaster		

WARD 11: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Water outages	Municipality	1
2.	Maintenance of high masts	Municipality	1
3.	Electrification of 100 households in Ethembeni	Municipality/ ESKOM	1
4.	Dumping sites need addressing	Municipality	2
5.	High number of unemployed youth	Municipality	3
6.	Satellite library needed	Municipality	2
7.	Community hall needed	Municipality	2
8.	Sport fields needed	Municipality	2
9.	Maintenance of the grave site	Municipality	2
10.	2000 RDP houses needed	Municipality and Human Settlement	6
11.	Poor workmanship on RDP Housing standard/ Rectification of RDP Houses	Municipality and Human Settlement	6
12.	Poor condition of roads. Need maintenance plan	Municipality	1
13.	Bucket system to be eradicated	Municipality	1

WARD 12: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Water outages	Municipality	1
2.	Summit and Old sub-stations need upgrade, transformers leaking oil.	Municipality	1
3.	Roads in African and South Street (Somerset to South) are in poor condition.	Municipality	1
4.	Sewerage blockages	Municipality	1
5.	High rate of violence targeted at students	Municipality/SAPS	2

WARD 13: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Housing rectification and the provision of 30 RDP homes	Municipality and Human Settlement	6
2.	Water outages	Municipality	1
3.	Need recreational facilities	Municipality	2
4.	Tarring of Ring Street	Municipality	1
5.	A clinic is required	Dept. of Health	1
6.	Toilets are leaking	Municipality	1
7.	Lack of recreational hall	Municipality	2
8.	No electricity in some farm areas	Municipality	1

WARD 14: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
1.	Shortage Water supply Seven fountains	Municipality	1

WARD 14: DEVELOPMENT PRIORITIES & CRITICAL ISSUES IDENTIFIED DURING SITUATION ANALYSIS UPDATE 2018-19			
DESCRIPTION OF ISSUE / TYPE OF DEVELOPMENT : REPRIORITIZED		RESPONSIBLE AGENT	KPA
2.	High unemployment and shortage of skills to sustainable livelihoods	Municipality	2
3.	Rectification of 221 houses	Municipality and Human Settlement	6
4.	Reconstruction of the 20 disaster houses	Municipality and Human Settlement	6
5.	New development of 33 houses	Municipality and Human Settlement	6
6.	Seven Fountain in need of Housing Development	Municipality and Human Settlement	6
7.	Grave sites reaching capacity in kwa Nonzwakazi	Municipality	2
8.	Kwa Nonzwakazi and Transriviere community hall maintenance	Municipality	2
9.	No access to primary health the community has grown tremendously since 2012	Municipality	2
10.	Seven Fountains in need of sporting equipment	Municipality	2
11.	Tarring of gravel road	Municipality	1
12.	Skills development centre	Municipality/ State	6
13.	SMME Development	Municipality/ State	3
14.	Illegal Dumping	Municipality	2
15.	Bushmen sand development	Municipality/ State	3
16.	Support Tourism initiatives	Municipality/ State	3

2.5.16 REGISTER CBO/NGO'S

Table 34: Register CBO/NGOs

NAME & SURNAME	DESIGNATION	ORGANISATION	CONTACT	FAX/ EMAIL
Ms A. Runowics	Rehab manager	Ass. Phy/ disabled	073 6531 618	N/A
Ms F.T. Mukendi	Social worker		046 622 5359	N/A
Mr M. Mzongwana	News researcher	Radio Grahamstown	046 622 2382	N/A
Mr A. Adam	Chairperson	Nafcoc	046 636 2852/ 082 8910 432	046 636 2852 adam@insightnet.co.za
Mr J. Walton	Manager	Black Sash	046 622 9230	046 622 3933 jonathan@blacksash.org.za
Mr V. Teyise	Manager	Egazini Outreach Project	076 6807 161	vumileteyise@yahoo.com
Mr D. Claassen	Manager	C.Y.C.C.- Eluxolweni	046 622 2537 072 2013 797	david.claasen@imagnet.co.za
Ms Monica Canca	Director of Operations	Umthathi project	(046) 637 0012	086 665 6013 directorofoperations@umthathi.co.za
Michelle Griffith	Manager			046 622 4450 Info@umthathi.co.za
Ms A. Van Niekerk		Raphael centre	(0)46 622 8831 072 238	(0)46 622 8831 avanniekerk@albanynet.co.za
Mrs Mary Humphrey	Director		NPO (676)	mary@raphaelcentre.co.za
Mr D Barker	Manager	HOSPICE	046 622 9661	046 622 9676 d.barker@grahamstownhospice.org.za
Mrs A. Harris	Manager	FAMSA	046 622 2580	No Information
Mr M.J. Bradshaw	School Principal	Amasango	083 5429 555	No Information
Mrs W. Bischoff	Manager	Child Welfare	046 636 1355	046 636 1366 Childwelfare.gh@telkomsa.net
Mrs L. Naidoo	Manager	ECARP	046 622 5429	046 622 2617
Ms Adne				adne@ecarpe.org.za

NAME & SURNAME	DESIGNATION	ORGANISATION	CONTACT	FAX/ EMAIL
Mr Mafongosi		Masifunde	046 622 6527	046 622 5587 fundile_m@masifunde.co.za
Ms Babalwa Mthana	Nurse Mentor	Africare	046 622 5847	046 622 4918 bmtana@aficare.org.za

2.5.17 SECTORAL PUBLIC PARTICIPATION FORUM

SECTOR	FORUM
LED and Rural Development	LED Mayoral Forum
Public Safety and Community Services	<ul style="list-style-type: none"> • Road and Transport • Road and Transport Forum • Environmental Management Forum • Community Safety Forum
Special Program Offices	<ul style="list-style-type: none"> • Youth Forum • Women Forum • Women's Forum • People with disability • HIV/AIDS Local Council

2.5.18 COMMUNICATION AND CUSTOMER CARE

COMMUNICATION: Municipality has an established communication unit under the office of the municipal manager with staff component consist of

- manager media and communication (vacant)
- media and communication officer (filled)
- assistant media and communication (filled).

The municipality has a communication strategy that was last reviewed on 04 April 2018 that is used to guide all communication activities. Key functions of the unit is to ensure sound internal and external communication by providing communication support to all directorates through available communication mediums.

CUSTOMER CARE AND PETITIONS: the municipality has established a customer unit under Corporate and shared Services Directorate with one delegated staff personnel and switchboard operator. The unit deal with receiving, distribution and maintenance of the records. The municipality has developed and adopted a customer care policy and is mobisam customer care system in conjunction with Rhodes University to manage its complaints. Municipality has also developed and adopt Petition Public Participation Policy in 2016, this policy require the Municipality to establish petitions committee to consider and dispose of petition, and matters incidental thereto, create

mechanisms for communicating with petitioners and providing feedback to petitioners and provide for the resolution of disputes that may arise from petitions.

Establishment of petitions committee:

- a) The Speaker as a Chair of the Petitions Committee
- b) A representative from the Office of the Executive Mayor
- c) The Portfolio Councillor, Technical/Community Services
- d) A senior official from DTIS and DCSS
- e) 5 Councillors not serving in MPAC
- f) Office of the Speaker to provide Secretarial services
- g) Representative from the Office of the Municipal Manager

2.5.19 ANTI-CORRUPTION AND FRAUD

2.5.19.1. Fraud and Anti-Corruption Strategy

Makana Municipality had developed and adopted a Fraud Prevention Policy Framework and Fraud Prevention Plan in draft form. All members of the Bid Committees are required to disclose their interests before every meeting and the membership of all Bid Committees, is revised annually. No Councillors are allowed to be part of the Bid Committees. The municipality is in the process establishing fraud line.

2.5.20 BY-LAWS

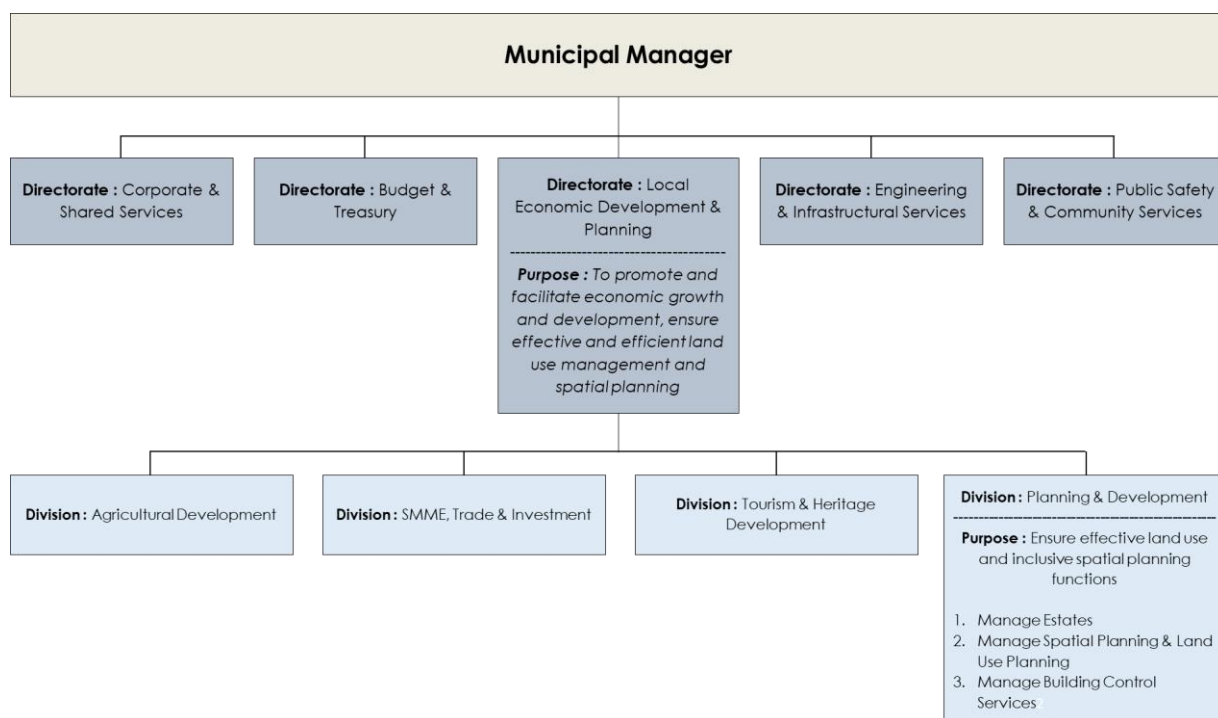
No new by-laws were enacted during the period of review but several of Makana Local Municipality's policies were reviewed. Traffic assists currently with by-law enforcement. Number of by-laws need to be revised and developed.

2.5.21. WEBSITE

During the year under review, the Makana Website was regularly updated as the appointment of a skilled IT Manager ensured the availability of sufficiently skilled human resources.

2.6 LOCAL ECONOMIC DEVELOPMENT

2.6.1 LED AND PLANNING INSTITUTIONAL CAPACITY



POSITION	STATUS	SUPPORTING STAFF
1x Director	Filled	Personal Assistance
1 x Manager Agriculture	Filled	1 x administrative assistant, 2 x Agricultural officers (vacant non- Funded-proposed-post), 1 x Coordinator (1 x vacant-No funded- Proposed-post), 2 x rural Development officer
		1 x administration officer (1 x Vacant-funded)
1x Manager SMME	Vacant	1 x smme trade & investment Researcher (proposed vacancy non-funded) 1x trade and investment facilitator (tg 11/12) (proposed vacancy
1x Manager Tourism & Heritage	Filled	1 x tourism and heritage officer (tg 14) (vacant-no funded-Proposed-post) 1x tourism facilitator (vacant non-funded-proposed post) (1x tourism researcher (vacant-Non-funded-proposed post

1 x Manager Planning & Estate	Filled	3x town planner(Ms 1 x vacant (land use management officer) Administrative officer, 1 x Building control officer, 3 x Clerks grade tg 3 (1 x vacant non-funded-proposed-post), 3 x Building inspectors; 1 x vacant,
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2.6.2 MAKANA LOCAL ECONOMIC STRATEGY AND SECTOR PLANS

2.6.2.1 LED STRATEGY:

The LED Strategy was approved on the 3rd of February 2010 and it is due for review. According to the LED Strategy Makana has a strong competitive advantage in agriculture and government services. This is in line with its role as one of the larger small towns in the province. The town was historically strong in terms of agriculture but losing its advantage within the province. The municipality's strength in government and community services is improving, as a result of the expansion of education facilities found in Makhanda between 2001 and 2007.

The Makana R-GDP in 2007 (at year 2000 constant prices) was approximately R1, 3 billion, which accounted for 19.7% of the Sarah Baartman District R-GDP and 1.51% of the provincial R-GDP. Makhanda makes the largest contribution to the Makana economy, mainly in the form of educational services and tourism related activities.

Compared to the provincial average Makana performs poorly in terms of manufacturing, transport and communication, utilities and business services. Because Makhanda is a small town, there is a smaller emphasis on the provision of business services, utilities and transport and communication infrastructure. Makana does not have a comparative advantage in manufacturing, as most major industry in the province is located in East London and Port Elizabeth. This means that per capita, less manufacturing activity takes place in Makana than in the rest of the Eastern Cape.

2.6.2.2 Sectorial Plans:

The following sectorial plans are in place

- Tourism Sector Plan – approved in 2009, due for a review
- Tourism SMME Development and Support Plan – approved in 2010, due for a review
- SMME strategy – approved in 2012, due for a review
- Agriculture, Some of the Development Strategy – approved in 2011, due for a review
- Investment Incentives Policy – approved in 2011, due a review
- SMME Development Policy – Formulated in 2019 and due for Council approval.

2.6.2.3 Creative City Project

- a. Makhanda to be recognised as a creative city of South African by 2020
- b. To create 500 jobs in the arts and creative sector.
- c. Create 500 jobs in the supporting industries.
- d. To foster a strong cohesion in the Municipality through creativity and arts.
- e. To create an environment conducive to creative
- f. To identify public art spaces, places of learning and performances.
- g. To increase access to existing creative/ tourism outlets
- h. To ensure that capacity building takes place to facilitate the establishment and growth of sustainable enterprises
- i. To foster strong partnerships with the government, government agencies, Businesses and NGO's.

2.6.3 PROVINCIAL SPATIAL ECONOMIC DEVELOPMENT STRATEGY (PSEDS)

In terms of the PSEDS, the following Sectors of the provincial economy will drive the growth of the Province and address unemployment and poverty:

- Agriculture, including Agri-industry (with opportunities to impact considerably on the economic needs of the poor through Land Reform)
- Industry, including heavy and light industry and manufacturing
- Tourism, including domestic and foreign TOURISM
- Service sector including financial, social, transport, retail and government.

The following critical threats are identified in the PSEDS:

2.6.3.1 Agriculture and Land Reform

- Loss of land with agricultural potential in poor rural areas
- Loss of productive commercial agriculture land to residential development
- Land reform resulting in a loss of productive commercial agriculture
- Municipal rates on agricultural land
- Poor infrastructure in the farms
- Provision of adequate water supplies

2.6.3.2 Tourism

- Safety and Security
- Land invasion and illegal activities affecting tourism assets

2.6.3.3 Industry

- Reliability of services
- Social support services
- Destructive Inter-Municipal competition
- Municipal rates on Industrial and commercial development

2.6.4 SECTORAL PROFILES

This section provides an overview of all the economic sectors in Makana, profiling the nature and extent of activity to be found as well as their defining traits. In Makana there are three distinct types of activity to be found in this sector are:

2.6.4.1 AGRICULTURE

2.6.4.1.1 Commercial Agriculture

Commercial agriculture is found in the north of Makhanda known as Upper Albany, and accounts for approximately two thirds of the municipality.

Livestock and game farming thus dominate in Upper Albany. Lower Albany land is well suited to rain-fed cropping (*Agriculture in Makana, 2008*).

The main source of income for commercial farmers (78%) is from livestock farming and animal products. This is largely made up of dairy farming (41%). With regards to field crops, the majority of income comes from maize and chicory (a combined contribution of 74%).

Most value addition of commercial agricultural produce (packaging, canning, manufacturing, processing, etc.) occurs outside the Makana Municipality. There is however, some value addition that takes place, which will be discussed in the manufacturing sector profile.

□ Challenges Faced by Commercial Farmers in Makana include:

- Water shortages and inadequate infrastructure (irrigation, boreholes etc.) to mitigate resultant effects.
- Problem animals that are introduced through Private Game Reserves. These kill livestock and introduce diseases to the area
- Crime in the form of stock theft (*Agriculture in Makana, 2008*).

2.6.4.1.2 Emerging and subsistence Agriculture

Emerging and subsistence agriculture in Makana follows patterns found throughout most of the Eastern Cape.

□ Emerging farmers:

Makana has PDIs that are engaging in agriculture of a commercial orientation, often on farms that were previously farmed by commercial farmers.

Emerging farmers typically operate on plots of land that are less than 20ha in size which are often in the form of commonages leased out from the Makana Municipality or the Department of Agriculture. Group and cooperative activity dominates as the most common form of organisation due to limited resources (such as land and equipment) and skills. Emerging farmers are principally involved in the rearing of livestock, piggeries and poultry.

□ Subsistence Agriculture

Makana is made up of people residing in villages and townships that use agriculture as a means to supplement their food and income requirements. This form of agriculture is impeded by the availability of arable and grazing land, which reduces the potential for increased maize and livestock production going into the future. Because Makana is a largely urbanised area (with most settlements being in townships rather than rural villages) subsistence agriculture is not spatially spread out, which further diminishes the availability of land.

a) Bee-keeping project

5 Farmers were trained in bee- keeping. There were hives over the N2 road that the group had identified, which had to be transferred into boxes. All the hives were transferred successfully and there were 2 boxes with bees.

Food gardens

All implements to develop food garden were delivered. In total 5 gardens (Tantyi Clinic, Extension 6, Mavikela Poultry N-street, St Augustine, Umthathi Projects) were developed in urban setting and 2 from rural areas have benefited.

The farmers were provided with inputs such as compost, seedlings, and garden tools and few were provided with bicycles with trailers (means of sustainable transport to reduce carbon emission. In rural areas (Castle Farm and Yarrow Farm) the tendering process for small tunnels is still in the pipeline. This is a strategy to extend the SUS programme

to rural areas, 2 farms (Castle and Yarrow Farms) were identified through consultation with various stakeholders including the relevant councillors.

Small tunnels (5mx 12m) will be built and the purpose is to pilot the project in rural areas develop more productive ways of producing vegetables. Terms of Reference are available electronically.

b) Competition

A farmer's completion held in Alicedale and a total of 5 co-ops won seed funding. In total 5 co-ops have benefited from Municipal agricultural-related programmes. One co-op benefited (Inqaba Yegolide) supplied inputs for SUS programme and also won the competition in Alicedale.

Some of the challenges they face include:

- Lack of skills, training and education
- Inadequate land, which leads to problems such as stray animals, theft, land degradation, etc.
- Insufficient support from the Department of Agriculture in the form of mentorship, extension officers, dipping facilities etc.
- Low profit margins because of low market prices and small scope of operations
- Inadequate working capital for day-today operations (chemicals, seed, fuel, etc.)
- Access to markets (*Makana Farmers Association, 2009*)

2.6.4.2 HUNTING AND PRIVATE GAME RESERVES

The third distinct type of activity found in Makana's agricultural sector is hunting and private game reserves. This is a form of activity that has grown immensely in Makana from 1995 in terms of market players, hectares covered and revenue. Though now somewhat saturated, the market for Private game reserves and Hunting is now a notable contributor to agricultural sector output in Makana.

The transformation of land from pastoral farming to use as hunting and game reserves has yielded mixed fortunes throughout the Makana area.

Average employee wages on game reserves and hunting operations are typically higher than those on traditional farms.

However, these operations are often less labour intensive than traditional agriculture and thus employ fewer people than farms. This means that total community welfare and income (as expressed through wages earned and other benefits such as rations, housing subsidies, etc.) may not necessarily rise in every instance in which farmland has been converted into a hunting and game reserve (Whisson, 2009).

2.6.4.3 MINING SECTOR

This sector includes the extraction and beneficiation of minerals occurring naturally through underground and surface mines, quarries and all supplemental activities for dressing and beneficiating for ores and other crude materials.

Based on the above definition, mining in Makana takes the form of surface mining of Kaolin and sand quarrying. Mining in Makana makes the smallest contribution of all the sectors in Makana. With regards to employment, between 1995 and 2007 the number of people employed in the Makana mining sector has gone up from 66 to 78. Although increasing, this represents only 0.6% of all the people employed in Makana.

Challenges: As much as Makana possesses large reserves of Kaolin, this does not directly translate into significant potential for economic growth and development. Due to extrinsic matters (locality of Makana in relation to major industrial hubs, market factors, waning global demand, etc.) the scope for an expansion of mining activity or even that of improved sectorial linkage is very limited.

R500, 000.00 was secured from the IDC to commission a business plan for Kaolin Mining and a feasibility study. The final reports will be presented to a Kaolin PSC during this month. These studies are outlining the way forward for Kaolin mining in Makana. On the basis of the draft reports that were presented to the PSC last month the CDM and other funders such as ECDC have already showed interest in funding some aspects of the project.

2.6.4.4 TOURISM OVERVIEW

Makhandha's tourism potential is varied from heritage sites to its close proximity to the Addo Elephant Park and location midway between Port Elizabeth and East London.

Makana Local Tourism Organisation is registered as a Section 21 Company and is functional and meetings are held monthly. Makana Tourism and Heritage Manager attend as members of the Executive Committee

The main forms of Tourism in Makana are Environmental, Educational and Cultural tourism. This section will not repeat previously stated facts, but profile these forms of tourism in further detail. Tables below will list some of the activities, attractions and products that constitute Makana's tourism offering as listed in the Responsible Tourism Sector Plan 2009 Review Report.

2.6.4.4.1 Environmental Tourism:

Table 35: Environmental Resources

Environmental Resources	
Amakhala Private Game Reserve	Beggars Bush State Forest
Hunts Hoek Safaris, Fish River	Lalibela Private Game Reserve
Idwala / Kichaka Lodge, Assegaai	Lanka Safaris Aylesby
Assegaai Hiking Trails, Kenton Rd	Blaauwkrantz Reserve, Bathurst Rd
Assegaai Sport Horse Stud, Riding School	Lezulu Game Reserve - Salisbury Plains
Kwandwe Private Game Reserve	Burchell Game Farm, Alicedale
Aylesby Nature Reserve, Riebeeck East	New Year's Dam, Alicedale
Kwantu Game Reserve, Sidbury	Bushman Sands Game Reserve, Alicedale
Oldenburgia Hiking Trail, Makhanda	Coleridge Game Reserve, Makhanda South
Coombs View Reserve, Governor's Kop	Pumba Game Reserve, Makhanda
Rochdale Game Ranches, Alicedale Rd	Rabbit Bush Reserve, Governor's Kop
Diepkloof Private Reserve	East Cape Game Farm
Shamwari Private Game Reserve	Settlers Dam, Thomas Baines
Ecca Nature Reserve, Ecca Pass	Fish River Nature Reserve Complex
Springvale Olive Farm, SE of Alicedale	Signal Hill, Makhanda
Grahamstown Botanical Gardens	Fourie Safaris Game Farm, Ndlambe border
Thomas Baines Nature Reserve	Tenuto Spring Grove Nature Reserve
Great Fish River Reserve	Hellspoort Valley Game Farm
Woodlands Game Reserve	Trumpeter's Drift Game Farm, Gt Fish River
Belton Hiking Trails, Kenton Rd	Highland road

2.6.4.4.2 Educational Tourism

Table 36: Education Resources

Education Resources	
International Library of African Municipality Makhandha	44 Air School & Grahamstown Military Base, Makhandha
Albany Museum, Makhandha	National English Library Museum, Makhandha
National English Library Museum, Makhandha	Natural Science Museum, Makhandha
Cory Library for historical research, Makhandha	History Museum, Makhandha

2.6.4.4.3 Cultural tourism

Clock Tower, Makhandha	Rhodes University Theatre
Commemoration Church, Makhandha	Salem Historic Church, Makhandha
East Star Gallery, Makhandha	Historic Church on Hilton House Table Farm, on the banks of the New Year's River
Fort Selwyn	St Peter's Chapel, Makhandha
The Oldest Official Letterbox in South African, Makhandha	The Provost Prison, Makhandha
High Street Façade, Makhandha	
National Arts Festival	National School Festival
SciFest Africa	Makana Freedom Festival
1820 Settlers National Monument, Makhandha	
Methodist Church, Salem	Baptist Church, Makhandha
Artificers' Square, the old artisans quarter, Makhandha	Bannerman House, Makhandha
Bible Monument, Makhandha	Settlers' Express Steam Train, Makhandha
Cathedral of St. Michael & St. George	Old Drostdy
City Hall	Settlers' Memorial Tower

In addition to the above, there are a total of 121 providers of accommodation that can be classified under Hotels, guest and country houses, lodges, caravan parks and camping sites, self-catering, backpackers, hostels, and B&BS.

From Table above it becomes clear that unlike most other activity in Makana (with the exception of agriculture), tourism occurs throughout the entire municipality and is not just concentrated in

Makhanda. Tourism thus has the capacity and capability to improve the spatial spread of activity in Makana. Tourism is currently marketed by Makana tourism. It has approximately 120-130 members that engage in the different forms of tourism profiled.

In addition to Makana tourism, the following associations and organisations are involved with tourism activity:

- The Grahamstown Foundation, which is involved with the various Festivals that take place in Makana region
- Indalo, which is an association for Private Game and Nature Reserves
- The Grahamstown Hospitality Guild, which is involved with grading of accommodation facilities
- Makana EduTourism Project, which is a partnership between Grahamstown Foundation, Makana Municipality and Makana Tourism.

Challenge: There is a need for marketing of Makana's tourism offerings to be coordinated and intensified for cooperative synergies to be experienced

2.6.4.5 TRADE AND BUSINESS SERVICES

The trade sector is defined as the resale (sale without transformation) of new and used goods to the general public for personal or household consumption or use by shops, department stores, stalls, hawkers etc.

The trade sector entails wholesale, commission trade, retail trade and repair of personal household goods; sale, maintenance and repair of motor vehicles and motor cycles; hotels, restaurants, bars, canteens, camping sites and other provision of short-stay accommodation. It can thus be seen that this sector involves a broad spectrum of activity which is diverse and varied in nature.

The sale of goods and services by shops and stores represents general commerce related to the day-to-day existence of local residents. The sale of goods and services by restaurants, camping sites, hotels and other short stay accommodation providers represents some elements of tourism related activity. This sector is thus important as it reflects activity that originates from within Makana (shops, and stores) and activity that originates from outside Makana (tourism through hotels and restaurants)

The nature and challenges of trade in Makana:

There are several national chains and franchises located in Makhanda, including Pick n Pay, Shoprite, Edgars and Pep Stores. There are two main shopping centres – the 6 876m² Pepper grove Mall which targets the middle to high income band and the 6 130 m² Market Square Mall which targets the lower to middle income band. In addition to these, there is a variety of shops in the Makhanda town Centre (mainly in High street, Beaufort Street and Hill Street), and several informal spaza traders located in the townships. (Mall guide, 2009)

Despite the wide array of options (in comparison to other similarly sized towns), there is a significant amount of expenditure leakage to other towns such as Port Elizabeth for goods such as specialty products, luxury items, electronic equipment and clothing. This is a result of Makana's demographic profile, which is made up of young, upwardly mobile consumers that seek variety. High income earners thus often travel outside the Makana locality to buy goods and services.

As a result of the relatively small population in Makana, there is little wholesale activity, as demand levels are insufficient to reach the necessary critical mass.

In the tourism trade there are several restaurants (including take-away, convenience food and fast food outlets) short term accommodation facilities (including hotels, guest houses and camp sites) in Makhanda. These will be expanded upon in the tourism sector profile. It must be noted that these serve both tourism demand, and demand from local residents as well. Facilities situated in the township (such as homestays and taverns) are underprovided, when consideration of the actual size and population of the townships in Makana is made. In the other areas in Makana (Riebeeck East and Alicedale), owner managed enterprise dominates the trade sector. This applies to both the retail and tourism sides of the trade sector.

This is because it is not profitable for large businesses to establish themselves in these areas due to their small populations and low income levels. The smaller settlements in Makana are thus dominated by general dealers, liquor stores and mini-markets that serve the needs of local resident.

2.6.4.6 MANUFACTURING

This sector is broadly defined as the physical or chemical transformation of materials or compounds into new products.

The Manufacturing sector is thus the sector where natural resources and other intermediate goods are converted through value adding processes into final products for the Trade sector.

Manufacturing in Makana is described under the Industry classification has 'limited prospects overall' and under the Carvalho classification as making a 'marginal' contribution to the

municipality's economy. Despite this forecast, there is scope for specialist/niche manufacturing activity such as deboning of ostrich meat. As a result of Makana's industrial profile, such operations will not typically employ large amounts of labour. They can however, generate much needed income into the area and will often have linkages with other economic sectors

2.6.4.7 CONSTRUCTION

The construction sector includes activities related to site preparation, construction of buildings, building installations, building completion and the renting of construction equipment. The range of activity contained within the construction sector thus includes shop fitting, plumbing, electrical contracting, painting and decoration. There are few large and accredited building contractors in Makana that are able to undertake large, high value projects.

Such contractors are typically associated with the Master Builders Association. Large construction sector organisations in the Makana area include **CM Heunis Building contractors and Strydom and Kroqwana Construction**. In order to remain accredited, they often have to bring in skilled and certified labourers from outside the Makana area, which represents an income and employment leakage out of the Makana area. A leakage in this context refers to a flow of resources out of the local economy. Building contractors are thus often brought in from outside the Makana area in order to oversee building projects.

The contractors who are from outside the LM do however provide jobs for the locals but often bring in their own labour, and for this reason local job creation is not as high as it could be in the construction sector. In addition to this, limited institutional support for apprenticeship, mentorships and other forms of training propagate continued leakage of incomes from the area. There are several emerging building contractors located within the Makana region. However, they are often plagued with a lack of experienced and skilled staff, which limits their growth. Other problems faced by emerging contractors include project management capacity constraints that ultimately affect project completion and quality. As a result of no accreditation, emerging contractors are often bypassed when it comes to opportunities to tender for high value construction projects such as government funded infrastructure provision. This then reinforces a cycle in which emerging contractors remain too small, inexperienced and undercapitalised to grow their businesses. (*Lisa Trading, 2009*)

Physical inputs are widely available throughout the Makana area, as there are a wide range of suppliers of equipment, tools, machinery, etc. though falling under the Trade sector; these include large (MBA associated) organisations such as **Penny pinchers, PG Glass and BUCO**. Small emerging businesses such as *Khaya Blocks and Quarry* also contribute.

In terms of transport services in Makana, there is no water transport, regularly scheduled air transport or transport by pipeline. Rail transport used to be important in the region, but has been significantly reduced in recent years. This then means that the bulk of transport services in the municipality may be classified under road transport. There are several operators of road transport within Makana that provide transport within the municipality and to other regions as well.

The following forms of transport activity are found within the Makana area:

- Bus and Coach Passenger lines (such as Greyhound and Intercape) operate in the area, even though they do not have base offices in Makana.
- Mass Commuter transport (in the form of minibuses/ taxis, associated with Uncedo, the taxi organisation)
- Shuttle services (such as JCs shuttle service and Rhode Trip)
- Flights from the Makhandha airstrip for entertainment purposes (such as E.P. skydiving and guests to game reserves such as Kwandwe)
- Occasional sightseeing rail tours (such as the Alicedale adventure)
- These activities are supported by enabling infrastructure and service including:
- Makhandha's proximity to the N2 highway and linkages with other major roads as shown in the infrastructure profile
- A taxi rank facility that serves as a hub for transport within and outside Makana
- Several petrol stations (garages) that trade on local and transient demand
- Travel agents (such as Go travel)

In terms of communications, Makana is relatively well linked. Postal services are provided by Postnet (Private) and The Post Office (Public). In addition to these, several courier companies such as speed services and UTI operates within the Makana area, as do several internet cafes.

Rhodes University also has comprehensive information and communication technology (ICT) infrastructure. In fact, South Africa's first internet link was based at Rhodes University in 1988. This led to the establishment of UNINET, which was a gateway that provided internet access for South African universities. In recognition of this, a Centre of Excellence in Distributed Media was established at Rhodes University in 1997, in association with Telkom SA and other partners.

□ Challenges in Transport and Communication:

The transport sector in Makana has limited opportunities for growth, partly as a result of its small and stable population. The communications sector grew while the transport sector declined between 1995 and 2007. With linkages to the trade and service sectors, a growing communication sector can allow business growth and the establishment of a knowledge economy

2.6.4.9 FINANCE AND BUSINESS SERVICES IN MAKANA

In terms of finance and insurance, all the major banks are found in Makhanda (ABSA, FNB, Standard Bank, Nedbank, Capitec Bank, Old Mutual Bank and GBS Mutual Bank. These largely service the banking requirements of local businesses and farmers in the area.

A range of mortgage providers, micro-lenders and investment facilitators such as Wesbank and Louhen financial Services are also present. Insurance brokers such as Sanlam life assurance and McCallum Brokers also operate in the Makana area. These target personal financial services.

A full range of business services are also available in Makhanda. These include accounting (Neill Pike, the Tax House), real estate agents (Pam Golding, Remax, Lew Geffen Sotheby's etc.), attorneys (Nettletons, Whitesides, and Wheeldon Rushmere & Cole etc.), IT services (Albany Computers, Oracle Consulting, and IT Solutions), engineers (MBB consulting) and other forms of activity.

It is apparent that a broad spectrum of activity in the business services sector is covered in Makana. It is prudent to point out that some of the business services located in Makana are directly linked to the existence of Rhodes University, and may not have been established in Makana if it were not for the presence of the university.

These include:

- Birch's (Robe making for university gowns)
- CES (linked to Environmental Science department)
- Grocott's Mail (Department of Journalism)
- Geodetic (Geography and Information Systems Departments)
- NISC (Department of linguistics, Rhodes library, research office)
- Private consultancies run by Rhodes university faculty members and alumni

The number of real estate agents is high compared to other towns of a similar size. This is a result of the demand for accommodation that results from the student population studying at Rhodes University.

In a pattern that resembles the other sectors, provision of business and financial services is mainly centred in the Makhanda area, with few businesses in other towns such as Salem, Riebeeck East and Alicedale. This means that residents of these towns often have to commute to Makhanda in order to have access to these services.

□ **Challenge:**

This sector will have a role in economic development through its ability to attract and its ability to absorb local semi-skilled and skilled labour. One of this sector's roles in economic development is that of improving the quality of financial and business services rendered to economic development stakeholders and beneficiaries. The performance of this sector also has an impact on the true 'cost of doing business' in Makana as it represents the bulk of the tertiary sector of the economy.

2.6.4.10 GOVERNMENT SERVICES IN MAKANA

Based on their annual reports and financial statements publicly available online, it emerges that the two main entities in Makana's government sector are Rhodes University and the Makana Municipality (Rhodes University Annual Report, 2007; Makana Municipality IDP, 2007).

Rhodes University which provides educational services is responsible for approximately 71% of the government sector's output in Makana, and approximately 21% of the sector's permanent employment. Of its entire workforce 26% are employed in academic instruction and research, 43% are employed in administrative support and 31% are employed in support service positions.

The Makana Municipality which provides local governance and public administration is responsible for approximately 19.4% of the government sector's output, and 8% of its employment creation. That means that Rhodes University and the Makana Municipality make a combined contribution of 90% of the government sector's output.

Other organisations and forms of activity in the Makana government sector include

- Government departments (such as Home Affairs, Roads and Transport, Agriculture, Education, Labour, Water Affairs and Forestry, amongst others)
- Defence activities (such as the SANDF Grahamstown military base, Midlands Command and the SAPS)
- Government agencies (such as SEDA, ECARP)
- Justice services including the department of Public Prosecutions, High court, Magistrates court and Small Claims Court

- Education (The East Cape Midlands College and Schools such as Nombulelo High School, Mary Waters School, St Andrews, DSG, Victoria Girls, amongst others)
- Health facilities (such as Settler's hospital)

It can thus be seen that the majority of activity classified under the government sector within Makana is undertaken in Makhanda.

COMMUNITY WORK PROGRAM (CWP)

The creation of decent work will take time and the Community Work Programme (CWP) has been operationalized in the interim. The programme is intended to supplement unemployed individual's existing livelihood and offers a basic income through work. It is designed to create work for 8 days a month, for 8 hours a day and be paid a stipend of R60 per day. Makana is a CWP Site and more than 1200 participants are benefitting from this programme.

The following are the mechanisms aimed at supporting CWP:

- Establishment of Local Reference Committee
- Assistance with the recruitment of participants
- Reporting and document management
- Project monitoring and evaluation.

SMALL MEDIUM AND MICRO-ENTERPRISE DEVELOPMENT

SMME's base line information and targets going forward

- A majority of SMME's fall within the survivalist, micro and small enterprise category with few SMME's in the medium category;
- Increased potential and performance of tourism enterprises as a result of the strong tourism sector in the economy;
- Organised farming sector with a potential for growth;
- Increase in start-up mining enterprises as a result of good prospects in the kaolin value chain;
- Existence of an SMME Development strategy which is based on the following pillars:
 - Training,
 - Access to land;
 - Access to finance;
 - Information;
 - Communication and

➤ SMME Database.

Targets for SMME development are underpinned and articulated in the SMME Strategy

Development and are the following:

- Facilitate the training of 100 SMMEs in technical and business skills by 2019-20;
- Develop a communication policy and strategy, which is inclusive of social networking, for SMME by 2019-20;
- Facilitate the release of 300 hectares of land for industrious SMMEs and Cooperatives for 2019-20;
- Identify premises for SMME information and incubation centre by 2019-20;
- Sign 4 MoUs with at least four national and provincial SMME support structures ensuring a physical presence in Makana;
- Develop a database of SMMEs and Cooperatives in Makana; and
- Review SCM to ensure maximum participation of SMMEs in Makana.

The application of the revised Preferential Procurement Regulations by Makana Municipality serves as commitment to transform the economy of the region through sustainable SMME activity. In this regard the municipality and its project partners commits to ensuring that, where feasible, 30% of the value of tenders will be allocated to local SMMEs.

❑ **Co-operatives in Makana Municipality**

- Makana has ±80 co-operatives (includes registered and those who are in the registration process), the list is inclusive of co-operatives registered by Department of Social Development, Department of Sport Arts and Culture, Department of Rural Development and Agricultural Reform who are other stakeholders who are involved in co-operative development;
- Facilitated the registration of 9 co-operatives in this current financial year;
- Conducted 7 co-operative information sessions;
- Facilitated the establishment of Makana local co-operative forum, which is a local representative structure for all co-operatives in Makana

2.6.4.13 OTHER CRITICAL LOCAL ECONOMIC DEVELOPMENT CHALLENGES AND DEVELOPMENT PRIORITIES

The challenges at Makana relating to Local Economic Development (LED) and Planning can be summarised as follows:

- Investment into the township by profiling investment opportunities .e.g. retail centre in Joza Extension 6, packaging as well and promotion of the opportunities.
- Legal action against the municipality due to failure to process land use applications within the stipulated period;
- There is a need for prioritisation of funds to implement LED projects, land audit and town establishment;
- Lengthy process for the approval of building plans due to a lack of inter-departmental cooperation;
- The MIG component of LED to be examined and prioritised for LED projects;
- Lack of investor confidence in the municipality due to infrastructure related challenges i.e. constant electricity and water outages;
- There is a need to improve Makana tourism and review the service level agreement with Eastern Cape Tourism;
- There is a need to conclude a land audit of all municipal land with a view to prioritise development which will assist to increase its revenue base and assist the municipality's cash flow;
- LED strategy should be reviewed, engaged with relevant stakeholders for example Eastern Cape Tourism and Rhodes University, refined as well as an investment policy and both policies should be implemented;
- There is a need to improve the alignment of the IDP and budget as well as communication with the community;
- Annual IDP process plan to be fully implemented and be fully compliant with legislation;
- IDP directorate is currently under Corporate Services and this might need to be reviewed and addressed through the organisational restructuring;
- The municipality does not have a communication strategy, and public participation and the communication programme/ plan needs improvement. All the wrong things get communicated which can be resolved with the implementation of a media strategy;
- Media briefing sessions to be held after Council meetings, mayoral Imbizo, amongst others. In addition, Ward councillors should communicate the relevant details regarding projects and any other initiatives they need to update the community with;

- Human resource structure to be reviewed and capacity addressed;
- Undertake governance training and entrepreneurial development training amongst others,
- Currently the customer care unit resides in different units, e.g. corporate services, Speakers office and there is a need for integration of customer care to ensure consistency in implementation; and
- The website needs to be revamped and updated to ensure relevant information is placed in compliance with legislation.

The municipality should prioritise a funding strategy to implement LED projects which are critical for increasing the revenue base of the municipality. Council and Committee meetings should be prioritised and take place as scheduled. The adequacy of resolutions and timely circulation should be addressed. The town planning section and all other relevant units should have weekly meetings to consider any new building plans. The introduction of a public participation and communication programme to ensure a proper communication channel internally and externally.

To contribute to the sustainability of the municipality the following activities should take place; implement anchor projects for which funding is required which include Creative City Project, Egazini Memorial Site, Development of Hawkers Stalls, Inner city Regeneration (business plan), Extension 6 Mall and Land Audit. Makana should sign a service level agreement with Eastern Cape Tourism to ensure all tourism matters Eastern Cape Tourism need to carry out on behalf of the Municipality are carried out. Foster relationships with Eastern Cape Tourism, Rhodes University and other key investors within the municipality's jurisdiction.

The municipality should also review its lease agreements to identify non-paying tenants and those that pay less than a market related rental.

The municipality, through the LED Directorate, had an engagement with the local business sector, the purpose of the meeting was to gain an understanding of the challenges that are faced by the sector and to agree on remedial actions.

The following challenges were identified and remedial actions were proposed:

- Lack of understanding of compliance issues with regards to supply chain management. It was agreed that a workshop on procurement processes and a presentation of the SCM policy will be arranged;
- Local service providers are not prioritised when the municipality pays its creditors. It was agreed that the Finance Department arrange a meeting/ communicate with all service providers that have not been paid; and

- Tenders are not unbundled with references made to the human settlements tenders. The municipality to have quarterly engagements with the construction sector to discuss this and many other issues. It was agreed that a meeting with the Department of Human Settlements be arranged.

In terms of the Provincial Spatial Economic Development Strategy (PSEDS), the following sectors of the provincial economy will drive the growth of the Province and address unemployment and poverty:

- Agriculture, including agri-industry (with opportunities to impact considerably on the economic needs of the poor through land reform);
- Industry, including heavy and light industry and manufacturing;
- Tourism, including domestic and foreign tourism; and
- Service sector including financial, social, transport, retail and government.

The results of the economic analysis show that the Makana area of jurisdiction has considerable investment potential evidenced by the consideration to invest and the desire to recommend the area as an investment location. Most sectors indicate that business prospects have not been negative which emphasises that there is scope for business growth and, more importantly, gives an indication of the sectors that appear to provide the most potential.

However, the information is static while business prospects and business sentiment is fluid, which means that they are subject to change and Makana has not kept up to the growth potential of the region. This final note suggests that the assessment of Makana's needs must not be simply taken as a part of a larger project, as is the case here, but as a continuing concern that is regularly considered by Makana policy makers.

Rhodes University Centre for Entrepreneurship in May 2011 undertook a Makana Investment Incentives Policy and Investor Friendly Environment Initiative.

The list of specific concerns raised in interviews was as follows:

- Inadequate road development in areas around small farmers that require improved accessibility;
- Lack of assistance for small farmers seeking capital for inputs (fertilisers, tilling, seed, etc.);
- Lack of recognition for outstanding business performers;
- No municipal backed skills training for residents;
- Weak water service delivery and quality;

- No forum for the regular review of stakeholder considerations;
- No programme to facilitate technological awareness and access;
- There is not enough support for stakeholders seeking institutional financial support;
- The need for an improved social environment through the encouragement/ support of social engagement activities;
- The need to attract labour creating businesses; and
- A greater focus on improving the number of value added products that are made in the area.

The development strategies in respect of local economic development, taking the above into account, are as follows:

- Facilitate support agricultural development and capacity building:
 - capacity building programmes for small scale farmers;
 - funding for agricultural projects;
 - establishment of an agricultural forum;
 - establishment of a strategic partnership to promote sustainable agricultural development;
 - infrastructural development at Thorn Park;
- Facilitate and support co-operatives through seed funding;
- roll out of the sustainable urban agricultural programme to promote a green economy;
- co-fund projects funded by other departments; and –
- women and youth agricultural support programme.
- Facilitate and support tourism development and capacity development
 - heritage promotion;
 - inner city regeneration;
 - national arts festival marketing programme;
 - participation in tourism trade shows;
 - promotion of forts and towers;
 - roll out of creative city project;
 - support for Kwam eMakana homestay project;

- tourism internship programme;
- tourism promotion; and
- develop a business plan and a feasibility study for aloe production.

Facilitate enterprise development:

- roll out a community works programme;
- SMME start-up package;
- co-operative seed funding;
- support to business chamber;
- informal sector support;
- training for Kaolin Co-operatives;
- secretariat for the Kaolin project steering committee; and - support for the formation of new businesses.

2.7 PUBLIC SAFETY AND COMMUNITY SERVICES PROFILE

2.7.1 COMMUNITY HALLS

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

2.7.2 LIBRARIES:

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

2.7.3 SPORT AND RECREATION FACILITIES:

□ MAKHANDA- RHINI:

- Indoor Sports Centre (New Facility functional)
- Mickey Yili Rugby Fields (2 x Playing fields) - In need of upgrading especially lighting and stands
- Millennium Cricket Stadium (1 x field with turf wicket and Practice nets)

- Dlepu Stadium (2 x soccer fields) In need of upgrading especially lighting, ablutions and Pavilion
- Foley's Ground (soccer field with tennis court and basketball court under construction)
- The Oval - Lavender Valley Sports grounds (2 x rugby fields and Basketball court) In need of upgrading, levelling of fields, ablutions and lighting
- Egazini Rugby field (1 x field under reconstruction)
- Extension 5 Satellite Soccer ground (3 x Soccer fields - out on tender)

□ ALICEDALE:

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

□ Riebeeck East:

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

2.7.4 CEMETERIES

□ Makhanda:

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

□ Alicedale:

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

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

□ **Riebeeck East:**

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

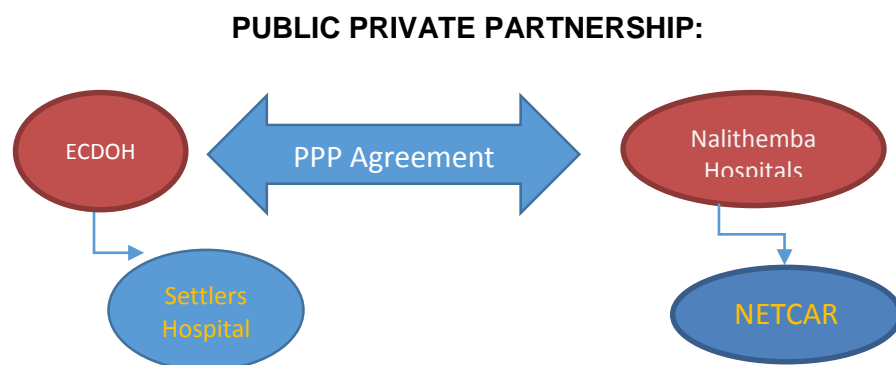
Outlying

□ **Districts:**

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

2.7.5 HEALTH CARE FACILITIES

Settlers Hospital is the main health care facility in Makana Area established in 1858. Settlers Hospital is located in Makana Sub-District, Makhanda within the Sarah Baartman Municipal District. It serves a population of 157998 (Makana /Ndlambe municipality). Settler's hospital is a Public Private Partnership facility with Nalithemba Hospital Group in 2007



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

2.7.5.1 OTHER HEALTH FACILITIES

Table 37: Health Facilities

FACILITATE	CENTER
Clinic	Anglo African Street Clinic
Clinic	Joza Clinic
Clinic	Kwa-Nonzwakazi Clinic
Clinic	Middle Terrace Clinic
Clinic	NG Dlukulu Clinic
Clinic	Raglan Road Clinic
Clinic	Raymond Mhlaba Clinic
Clinic	Virginia Shumane Clinic
Community Health Centre	Settlers Day Hospital
Condom Distr Site	Makana Condom Distribution Site
Condom Distr Site	Makana Primary Condom Distribution Site
District Hospital	Hospital
EHS LG Service	Makana Local Municipality - LG EHS
EHS Prov Service	Makana Health sub-District - Prov EHS
EMS Station	Alicedale EMS Station
EMS Station	Grahamstown EMS Station
Mobile Service	Grahamstown Mobile 1
Mobile Service	Grahamstown Mobile 2
Mobile Service	Grahamstown Mobile 3
Non-Medical Site	Rhodes University Non-Medical Site
Specialised Psychiatric Hospital	Fort England Hospital
Specialised TB Hospital	Temba TB Hospital

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

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

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

2.7.6 COMMUNITY FACILITIES AND PUBLIC AMENITIES

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

2.7.7 TRAFFIC SERVICES

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

2.7.8 COMMUNITY SAFETY

The South African Police Service Act as amended made provision for the establishment of municipal police services and community police forums. In Makana a cluster ward approach was

undertaken to establish Community Police Forums, in total five have been established. During the Community based planning, concern was raised around the effectiveness of these forums and the lack of visibility of the SAPS. SAPS Crime Research Statistics show that crime levels are high in Makhandanda. Contact crimes against a persons and burglary at residential premises are most prevalent.

Table 38: Police Stations in Makana Area

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

2.7.9 FIRE SERVICES AND DISASTER MANAGEMENT

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

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

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

- Tornado

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

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

2.7.9.1 Disaster Incidents:

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

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

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

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

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

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

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

2.7.10 PRIORITY RISK IDENTIFIED

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

2.7.11 COMMUNITY POLICES AND BYLAWS

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

2.7.12 CHALLENGES AND DEVELOPMENT PRIORITIES

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

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

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

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

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

2.8 BASIC SERVICE DELIVERY & INFRASTRUCTURE PLANNING

2.8.1 ACCESS TO BASIC SERVICES

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

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

Table 39: Access to Basic Services

SERVICES	2011		2016		
	Number	Percent	Number	Percent	Backlogs
Access to housing:					
Formal	18 269	85.4	20 589	90.7	9.3
Traditional	780	3.6	1 046	4.6	
Informal	2 153	10.1	934	4.1	
Other	186	0.9	132	0.6	
Access to water:					
Access to piped water	20 854	95.8	21 431	94.4	5.6
No Access to piped water	924	4.2	1 269	5.6	
Access to sanitation:					
Flush toilet	16 283	76.2	19 382	85.4	14.6
Chemical	28	0.1	50	0.2	
Pit toilet	3 439	16.1	2 110	9.3	
Bucket	774	3.6	264	1.2	
None	854	4.0	480	2.1	
Energy for lighting:					
Electricity	19 505	89.7	21 934	97.0	3
Other	2 238	10.3	688	3.0	
Energy for cooking:					
Electricity	17 589	80.9	20 594	90.9	
Other	4 154	19.1	2 059	9.1	
Access to refuse removal:					
Removed by local authority at least once a week	19 371	89.0	20 444	90.1	9.9
Removed by local authority less often	157	0.7	223	1.0	

Communal refuse dump	184	0.8	888	3.9	
Own refuse dump	1 453	6.7	528	2.3	
No rubbish disposal	331	1.5	347	1.5	

2.8.2 FREE BASIC SERVICES

Table 39 Free basic services

SERVICE	FREE SERVICE	NUMBER INDIGENTS 16/17
Free basic service: Electricity(FBE) Makana area	50units/Kwh per H/H	1107H/H per month,
Free basic service: Electricity (FBEESKOM area)	50units/Kwh per H/H	5484H/H per month, 50units/Kwh
Free basic service: Water usage	First 6 Kl per H/H	4869H/H per month,
Free basic service: Water connection	75%-100% base on income per	5301H/H per month,
Free basic service: Sewer connection	75%-100% base on income per	5093H/H per month,
Free basic service: Refuse removal	75%-100% base on income per	6085 H/H per month,
Free basic service: Rate and taxes	75%-100% base on income per	5584H/H per month, 75%-100% base income

2.8.3 WATER AND SANITATION PROVISION

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

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

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

2.8.3.1 Water Provision

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

a) Household with access to water:

Ward	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/pool /stagnant water	River/stream	Water vendor	Water tanker	Other	Grand Total
Ward 1	303	120	-	213	36	57	6	30	15	780
Ward 2	1827	3	-	3	3	-	12	87	6	1941
Ward 3	1605	3	3	6	-	3	9	9	60	1698
Ward 4	2178	21	3	12	3	9	6	6	6	2244
Ward 5	2007	-	-	-	-	-	3	231	-	2241
Ward 6	1221	-	-	3	-	-	-	6	3	1233
Ward 7	849	9	-	-	-	-	6	6	15	885
Ward 8	1335	30	-	-	-	-	3	-	12	1380
Ward 9	1377	-	-	-	-	-	18	6	6	1407
Ward 10	2073	-	-	-	-	-	6	6	30	2115
Ward 11	1854	3	3	-	-	-	6	-	15	1881
Ward 12	102	-	-	-	-	-	-	-	-	102
Ward 13	1041	171	15	201	60	27	18	159	18	1710
Ward 14	1101	276	18	189	45	12	6	51	45	1743

b) Household Access to Piped water:

Ward	Piped (tap) water inside dwelling/institution	Piped (tap) water inside yard	Piped water (tap) on community stand	No access to piped (tap) water	Grand Total
Ward 1	315	291	33	135	774
Ward 2	774	1095	66	9	1944
Ward 3	930	270	480	24	1704
Ward 4	2112	102	18	9	2241
Ward 5	1314	513	411	6	2244
Ward 6	819	405	6	6	1236
Ward 7	189	591	105	6	891
Ward 8	1197	171	9	9	1386
Ward 9	462	657	276	9	1404
Ward 10	471	1392	192	63	2118
Ward 11	408	1158	267	45	1878
Ward 12	102	-	-	3	105
Ward 13	858	336	123	390	1707

Ward 14	699	591	249	204	1743
Grand Total	10650	7572	2235	918	21375

c) Water and Sanitation Backlogs

Local Municipality	No. of HH	No. of People	Water			Sanitation		
			HH Backlog	Population Backlog	Water Backlog	HH Backlog	Population Backlog	Sanitation Backlog
Makana	21000	82526	0	0	0%	1499	5996	6.9%

2.8.3.2 Sanitation Provision

The Municipality has the responsibility of implementing sanitation services projects and maintenance thereof.

Household with accesses sanitation:

Ward	None	Flush toilet (connected to sewerage system)	Flush toilet (with septic tank)	Chemical toilet	Pit toilet with ventilation (VIP)	Pit toilet without ventilation	Bucket toilet	Other	Grand Total
Ward 1	117	246	93	-	201	84	3	24	768
Ward 2	27	1869	12	-	9	-	21	6	1944
Ward 3	39	1164	3	3	6	255	114	123	1707
Ward 4	21	2184	15	-	3	9	-	6	2238
Ward 5	21	1740	24	-	189	180	15	72	2241
Ward 6	-	879	3	3	69	42	234	3	1233
Ward 7	12	360	3	6	126	348	24	6	885
Ward 8	15	1317	27	-	-	3	12	6	1380
Ward 9	60	960	15	3	12	237	111	15	1413
Ward 10	18	1794	27	-	33	51	192	6	2121
Ward 11	93	681	36	3	615	429	18	15	1890
Ward 12	-	102	-	-	-	-	-	-	102
Ward 13	216	1038	138	-	15	222	9	66	1704
Ward 14	198	1035	147	9	63	225	21	48	1746
Grand Total	837	15369	543	27	1341	2085	774	396	21372

Toilet Facilities:

Ward	Flush toilet (connected to sewerage system)	Flush toilet (with septic tank)	Pit/Bucket Toilet	Other	None Not applicable	Grand Total
Ward 1	246	96	291	24	120	777
Ward 2	1869	15	30	6	24	1944
Ward 3	1164	3	369	126	39	1701
Ward 4	2184	15	15	6	21	2241
Ward 5	1743	24	387	69	21	2244

Ward 6	876	3	348	6	-	1233
Ward 7	360	3	498	15	12	888
Ward 8	1317	27	18	6	15	1383
Ward 9	960	15	360	18	57	1410
Ward 10	1794	27	276	3	15	2115
Ward 11	681	33	1059	18	90	1881
Ward 12	102	3	-	-	-	105
Ward 13	1038	138	246	66	216	1704
Ward 14	1032	147	312	57	198	1746
Grand Total	15366	549	4209	420	828	21372

2.8.3.3 BLUE AND GREEN DROP STATUS

2.8.3.3.1 BLUE DROP STATUS

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

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

Table 40: Blue Drop Status

PERFORMANCE AREA	2011	2012	2014
Blue drop Score	55,07%	71.90%	70.83%
PERFORMANCE AREA	ALICEDALE	MAKHANDA	RIEBEECK EAST
Water Safety Planning (35%)	23.63	22.4	26.78
Treatment Process Management (8%)	8	6	8
DWQ Compliance (30%)	13.5	21	28.5
Management Accountability (10%)	7.15	7.9	7.15
Asset Management (14%)	8.79	8.02	8.26
Efficiency, Loss Management (3%)	0.63	0.63	0.63

2.8.3.3.2 GREEN DROP STATUS

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

Table 41: Green Drop Status

PERFORMANCE AREA		ALICEDALE	BELMONT VALLEY	MAYFIELD
Technology (Liquid)		Aerated ponds Oxidation pond	Biological filters	Activated sludge
Technology (Sludge)		None specified	Anaerobic digestion	Aerobic digestion
Key Risk Areas				
A.	ADWF designs capacity	0.85	5.4	2.5
B.	Operational flow(% of design capacity)	151% (NI)	139%	112%
C.	Annual average effluent quality compliance %	0.0%	62.5%	37.5%
D.	Technical skills 9Reg 813)	Yes	Partial	Yes
2014 Wastewater Risk Rating		82.4%	81.8%	76.5%

2.8.3.5 REGULATORY IMPRESSION

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

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

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

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

2.8.3.6 WATER AND SANITATION BULK INFRASTRUCTURE RESOURCES

2.8.3.6.1 Howisons Poort Dam

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

2.8.3.6.2 Settlers Dam

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

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

2.8.3.6.3 Jameson Dam

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

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

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

2.8.3.6.4 Milner Dam

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

2.8.3.6.5 Service Reservoirs

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

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

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

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

2.8.3 4.7. WAAINEK WATER PURIFICATION WORKS (PLANT)

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

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

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

2.8.4.7.1 Raw Water Inlet

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

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

2.8.4.7.2 Raw Water Storage Reservoirs

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

2.8.4.7.3 JAMES KLEYNHANS WATER TREATMENT WORKS

James is Kleiynhans water treatment works supply mostly Makhanda east, Water Treatment Works is supplied with raw water from the Glen Melville Dam, owned and operated by DWS. . Water from the Orange River is released into the upper reaches of the Fish River as part of the Orange-Fish-

Sundays scheme. Water abstracted from the Fish River is stored in the off-channel Glen Melville dam. Water from the dam gravitates to the James Kleynhans WTW.

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

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

2.8.4.8. MAKANA BULK SANITATION BULK PROVISION

2.8.4.8.1 MAKHANDA WASTE WATER TREATMENT WORKS.

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

2.8.4.8.1.1 Belmont Valley WWTW:

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

2.8.4.8.1.2 Mayfield WWTW:

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

2.8.4.8.1.3. Alicedale WWTW:

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

2.8.4.9 DROUGHT SITUATION AND INTERVENTION

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

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

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

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

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

Table 42: Drought Interventions

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

Table 43: Municipal Short Term Projects

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

2.8.5. ELECTRICITY

2.8.5.1 Electricity Provision:

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

Level and standard of services	<input type="checkbox"/> Customers are provided with a bulk 11 kilovolts of electricity. Some of this electricity is provided from solar energy. <input type="checkbox"/> The Municipality provides streetlights in accordance to the standards as outlined in the National Energy Regulator of South Africa (Nersa) guidelines. It also
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	<p>provides high masts which are funded by the Municipal infrastructure grant (MIG).</p> <p><input type="checkbox"/> Medium and low voltage electricity is distributed according to consumer requirements.</p>
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Access to minimum electricity standards is defined as an electricity connection at the dwelling. National policy also requires that poor households should receive 50kWh of free basic electricity per month.

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

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

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

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

a) Energy for Lighting:

Ward	Electricity	Gas	Paraffin	Candles (not valid option) ^a	Solar	None	Grand Total
Ward 1	645	3	51	72	6	3	780
Ward 2	1887	3	18	21	3	6	1938
Ward 3	1281	6	333	81	3	-	1704
Ward 4	2208	6	15	6	-	3	2238
Ward 5	2217	9	9	9	-	-	2244
Ward 6	1215	-	6	3	3	-	1227
Ward 7	786	15	63	21	3	3	891
Ward 8	1362	6	6	3	-	3	1380
Ward 9	1227	9	126	42	9	-	1413

Ward 10	1872	6	174	57	6	3	2118
Ward 11	1599	6	228	45	3	3	1884
Ward 12	105	-	-	-	-	-	105
Ward 13	1263	6	336	81	15	3	1704
Ward 14	1473	3	213	45	3	3	1740
Grand Total	19140	78	1578	486	54	30	21366

b) **Energy for Heating:**

Ward	Electricity	Gas	Paraffin	Wood	Coal	Solar	None	Grand Total
Ward 1	267	12	84	261	15	3	132	774
Ward 2	351	48	1161	18	9	6	351	1944
Ward 3	699	99	324	219	6	9	342	1698
Ward 4	1317	192	213	69	3	6	438	2241
Ward 5	612	39	852	18	3	6	714	2244
Ward 6	330	60	747	15	9	6	72	1239
Ward 7	69	6	465	18	-	-	327	885
Ward 8	885	99	198	27	9	3	165	1386
Ward 9	282	30	738	69	3	-	285	1407
Ward 10	603	30	1014	90	9	3	375	2124
Ward 11	372	36	1008	105	9	3	351	1884
Ward 12	96	9	-	-	-	-	-	105
Ward 13	483	156	309	462	24	-	276	1710
Ward 14	1113	30	141	282	36	3	135	1743
Grand Total	7479	846	7254	1653	135	48	3963	21384

2.8.6 SOLID WASTE MANAGEMENT

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

2.8.6.1 REFUSE REMOVAL AND WASTE MANAGEMENT

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

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

a) Refuse disposal

Ward	Removed by local authority/private company at least once a week	Removed by local authority/private company less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Other	Grand Total
Ward 1	321	39	27	300	27	63	777
Ward 2	1926	6	-	6	-	3	1941
Ward 3	1659	12	6	24	3	-	1704
Ward 4	2154	21	9	36	12	9	2241
Ward 5	2238	-	3	3	-	-	2244
Ward 6	1230	3	-	3	-	-	1236
Ward 7	864	15	6	-	3	-	888
Ward 8	1332	6	6	27	6	6	1383
Ward 9	1314	3	3	9	3	75	1407
Ward 10	2058	3	15	15	30	-	2121
Ward 11	1863	-	3	6	6	-	1878
Ward 12	102	-	-	-	-	3	105
Ward 13	954	9	30	528	120	69	1710
Ward 14	999	27	78	492	117	30	1743
Grand Total	19014	144	186	1449	327	258	21378

2.8.6.2 WASTE DISPOSAL INFRASTRUCTURE

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

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

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

These waste streams need to be disposed of in a dedicated deeply dug trench and be covered immediately after disposal. It could be necessary depending on the quantities of abattoir waste (dead animals) to treat the waste with lime once disposed of. Illegal scavenging is only taking place

on the landfill at night. The site is properly fenced with an access gate at the entrance. Record-keeping of incoming waste should be improved and properly recorded.

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

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

Alicedale: this site was authorised in May 2005 through Directions in terms of Section 20(5) (b) of the Environment Conservation Act, Act 73 of 1989, by the Department of Water Affairs and Forestry. The site is located approximately 500m from town (Co-ordinates: S 330 19' 04" and E 260 04' 35").

The landfill site is operated by filling an old sandstone quarry. The site is approximately 0.9 Ha in size. The expected lifetime of the site is approximately 20 years.

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

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

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

Is the site fenced?	No
Does the site have sufficient buffer zone?	Yes (500m)
type of equipment utilised	No permanent equipment, a Bulldozer is hired once a year for covering purposes
Operating hours	There are no official operating hours for the site.
Saving plan for closure	No estimate regarding closure exists. The Municipality must budget for the closure and rehabilitation in the near future.

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

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

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

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

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

Position of site:	The site is located approximately 2 kilometres from town (Co-ordinates: S 330 12' 35" and E 260 10' 56")
Permit:	Yes, controlled through Directions
Year issued	2005
Classification of site	GCB –
Type of operation (end- tip, trench, cell)	No proper operational method followed, waste is burned
Estimated size of site	Approximately 0.5 ha
Estimated remaining life of site	10 -15 years

Separation of fresh and contaminated water	None in place
Ground water monitoring	No, not required
Volumes per day, week or month	It is estimated that the site receives approximately 0.56 tons per day.
Is cover material available?	Yes
Is the drainage sufficient?	No
Is there access control?	No
Is the site fenced?	Yes, but need maintenance
Does the site have sufficient buffer zone?	Yes, 2 km from nearest house
type of equipment utilised	No permanent equipment, a bulldozer is hired once a year for covering purposes
Operating hours	There are no official operating hours for the site.
Saving plan for closure	No estimate regarding closure exists. The Municipality must budget for the closure and rehabilitation in the near future.

2.8.6.3 RECYCLING

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

2.8.6.4 AIR QUALITY

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

2.8.7 TRANSPORT, ROADS AND STORM WATER

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

2.8.7.1 ROAD INFRASTRUCTURE AND TRANSPORT MODES

BASIC SERVICE / INFRASTRUCTURE	MUNICIPAL ROADS
Total length of Roads	757.4Km
Gravel	588Km
Tarred	169km
Man-made house access	N/A
Transport Modes Stats' 2001	74 539
On foot	25 674
By bicycle	435
By motorcycle	173
By car as a driver	2 957
By car as a passenger	3 324
By minibus/taxi	4 386
By bus	573
By train	88
Donkeys	
Other	220
Not applicable	36 709

Makana SDF 2013

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

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

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

a) Condition of unpaved roads

Condition	Very Good	Good	Fair	Poor	Very Poor	Total (km)
Paved Roads	2%	22%	66%	10%	0%	160.3
Unpaved Roads	0%	0%	0%	59%	41%	114.1

b) Paved Network Needs (km)

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

2.8.7.2 RAIL

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

2.8.7.3 AIRSTRIPS

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

2.8.7.4 NONE- MOTORISED TRANSPORT

i) Animal drawn transport

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

ii) Bicycle Transport & Facilities

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

iii) Sidewalks and Walkways

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

Pedestrian infrastructure is required in Makana, for new roads currently built and future ones iii) sidewalks and walkways considered.

2.9 CONSOLIDATED HIGH LEVEL CRITICAL SERVICE DELIVERY CHALLENGES

a) Water and Sanitation:

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

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

- Inadequate resources (equipment and human resources) resulting in the inability to attend to complaints and dealing with the problems; and
- Continuous vandalism of critical infrastructure including the exposure of manholes, which could lead to injury and damage to property resulting in possible litigation.

Water source Challenges:

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

Water treatment works Challenges

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

Bulk water distribution Challenges

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

Service reticulation challenges

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

b) Electricity

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

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

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

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

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

Windfarms as part of an alternative energy solution a:

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

The high level challenges are as follows:

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

- Inadequate resources being vehicles, ladders, materials, testing equipment, safety clothing, designing software, etc.; and
- Insufficient staff training in particular trade tests for electricians and authorisation of electricity staff.

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

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

c) Road and Stormwater

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

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

The high level challenges in the main are as follows:

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

- Makana's rural areas are fast becoming a safety hazard and are becoming inaccessible due to a lack of maintenance and upgrading due to a lack of funds, equipment and human resources.

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

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

The roads and storm water operating challenges are as follows:

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

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

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

2.10 HUMAN SETTLEMENT AND MANAGEMENT

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

2.10.1 ROLES AND RESPONSIBILITIES IN RELATION TO HOUSING PROVISION

2.10.1.1 MUNICIPALITY

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

2.10.1.2 Provincial Department Human Settlement

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

2.10.1.3 National Department Human Settlement

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

2.10.2 HOUSING AND SETTLEMENT ANALYSIS

2.10.2.1 HERITAGE

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

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

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

2.10.2.2 URBAN AND RURAL SETTLEMENT AREAS

Table 44: Urban and Rural Settlement Areas

NO	SETTLEMENTS	APPROXIMATE POPULATION DISTRIBUTION
1	Makhanda	80%
2	Riebeeck East	5%
3	Alicedale	10%
4	Seven Fountains	4%

NO	SETTLEMENTS	APPROXIMATE POPULATION DISTRIBUTION
5	Fort Brown	
6	Salem (Surrounding land is the subject of a substantial land claim, which may result in the need to expand the settlement)	
7	Sidbury (Entirely surrounded it has become the administrative centre for game farming and no longer performs a true human settlement function)	

Table45: Settlement and Nodes

Settlement Type	Settlement Name	Settlement Function	General Description
<i>District Centre</i>	<ul style="list-style-type: none"> • <i>Makhanda</i> 	<ul style="list-style-type: none"> • District-level administrative centre. • Major District service centre for commercial and social goods and services. • Education centre • Industrial centre for value-adding processes and local-based manufacturing. • Residential development covering full range of economic bands. • Tourism 	<ul style="list-style-type: none"> • Makhanda fulfils a regional and district function within the Makana Municipality, the Sarah Baartman District Municipality and the Province. • The District and Provincial functions include the Rhodes University, Eastern Cape High Court, hosting of the National Arts Festival and others. • Accommodate ± 83.7 % of the municipal population in a well-defined urban environment. • Fulfil a key economic function within the district with trade and government administration being the core contributors. • Rich cultural heritage and resources.
<i>Local Centre</i>	<ul style="list-style-type: none"> • <i>Alicedale</i> 	<ul style="list-style-type: none"> • Local-scale administrative centre. • Local-scale service centre for commercial and social goods and services. • Residential development covering limited range of economic bands (Middle-income – Low-income). 	<ul style="list-style-type: none"> • Small rural centre with a population of ± 1 932 • Railway station and Bushman Sands Country Estate. • Key economic and important structuring elements. • Rural services function.

		<ul style="list-style-type: none"> • Potential for value-adding agro-industrial processes. • Potential for event-related tourism events. 	
Sub-Local Centre	<ul style="list-style-type: none"> • <i>Seven Fountains</i> • <i>Fort Brown</i> • <i>Riebeek East</i> 	<ul style="list-style-type: none"> • Minor administrative functions. • Minor service centre for social goods and services. • Focused support of local economic initiatives agriculture-based. 	<ul style="list-style-type: none"> • Seven Fountains and Fort Brown are small rural settlements with potential to be developed as agri-villages. • Seven Fountains mainly established based on accommodating workers from the surrounding rural area. • Fort Brown was originally a military out-post with the possibility of developing the outspan as a rural agri-village. • The Riebeek East village is situated within the farming and game reserve area with a population of ± 753
Rural Settlements	<ul style="list-style-type: none"> • <i>Salem</i> • <i>Sidbury</i> • <i>Committee's Drift</i> 	<ul style="list-style-type: none"> • Primarily residential and livelihood subsistence function. • Some provision of limited social goods and services. 	<ul style="list-style-type: none"> • These small rural settlements provide a less important services function to the rural area. • Opportunity for small services function and tourism / rural support.

2.10.2.3 INFORMAL DWELLINGS

The five wards with the highest number of informal dwellings are (From highest to lowest)

- Ward 3
- Ward 14
- Ward 11
- Ward 13
- Ward 9

There has been a reduction in the number of informal dwellings from 2001; informal dwellings are concentrated in Makhanda and in Alicedale.

Table 46: Informal Dwellings

Informal Dwelling (Not Backyard Shacks)	No. of persons (2001)		No. of persons (2011)		Change	
	Numeric	%	Numeric	%	Numeric	% change
Ward 1	46	2.93	28	1.96	-18	-39.13
Ward 2	76	4.85	4	0.28	-72	-94.74
Ward 3	27	1.72	396	27.65	369	1366.67
Ward 4	664	42.35	16	1.12	-648	-97.59
Ward 5	57	3.64	11	0.77	-46	-80.70
Ward 6	209	13.33	6	0.42	-203	-97.13
Ward 7	3	0.19	63	4.40	60	2000.00
Ward 8	12	0.77	15	1.05	3	25.00
Ward 9	-	29.27	127	8.87	-	-
Ward 10	459	0.57	103	7.19	-356	-77.56
Ward 11	9	0.38	220	15.36	211	2344.44
Ward 12	6	-	1	0.07	5	-83.33
Ward 13	-	-	189	13.20	-	-
Ward 14	-	-	253	17.67	-	-
Makana – EC104	1568	100	1432	1000	-136	-8.67

Source: StatsSA2001

2.10.2.4 BACKYARD SHACKS

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

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

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

2.10.2.5 BACKYARD SHACKS FROM 2001

Table 47: Backyard Shacks

Informal Dwelling (Backyard Shacks)	No of person (2001)		No of persons (2011)	
	Numeric	% of the total	Numeric	% of the total
Ward 1	30	3.88	37	5.12
Ward 2	21	2.72	21	2.90
Ward 3	15	1.94	99	13.69

Informal Dwelling (Backyard Shacks)	No of person (2001)		No of persons (2011)	
	Numeric	% of the total	Numeric	% of the total
Ward 4	155	20.05	23	3.18
Ward 5	-	-	162	22.41
Ward 6	3	0.39	2	0.28
Ward 7	6	0.78	67	9.27
Ward 8	170	21.99	8	1.11
Ward 9	45	5.82	26	3.60
Ward 10	47	6.08	174	24.07
Ward 11	215	27.8	23	3.18
Ward 12	66	8.54	-	-
Ward 13	-	-	24	3.32
Ward 14	-	-	57	7.88
Makana	773		723	

2.10.2.6 Dwelling Types and Tenure Status

Table 48: Dwelling Types and Tenure Status

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

Source: Stats' 2011

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

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

2.10.3 RHODES UNIVERSITY CAMPUS

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

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

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

2.10.4 HOUSING DEMAND

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

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

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

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

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

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

2.10.5 HOUSING DEMAND

There is a need for housing throughout the Municipal Area. The table below indicates the housing needs per town as reflected by the Municipality's Housing Waiting List register

TABLE 49: HOUSING BACKLOGS

	Makhanda	Alicedale	Riebeeck East	Rural Areas (Seven Fountains & Fort Brown)	TOTAL
<i>Estimated Housing Demand 2018 (Town Planning Report & IDP 2018)</i>	12 800	948	456	417	14 621
<i>Estimated Housing Demand 2028 (@ 1.12 % population growth / annum)</i>					16 154
<i>Current Projects :</i>					
• Mayfield North	2 763				9 558
• East Commonage	3 585				
• Provincial Project	2 200				
• Etembeni	300				
• Phola Park / Glebe (Erf 4103)	300				
• Infill Areas	410				
• Alicedale		338			912
• Fort Brown				341	
• Seven Fountains				233	
Total Current Projects (2018)					10 470
Current Shortfall (2018)					4 151
Additional Households (2028) (@1.12 % population growth / annum)					2 838
Estimated Housing Demand including Shortfall (2028) (@1.12 % population growth / annum)					6 989
Estimated Land Requirements @ 40 units / ha					172 ha

**The Municipality cannot provide housing on private land – Names of towns indicate town of origin of applicant. Also note Fort Brown is under land claim*

2.10.6 HOUSING SECTOR PLAN

Makana Municipality reviewed its Housing Sector Plan in 2012. Currently the municipality has some capacity to deal with housing administration and development and Makana Council is committed to establish a fully-fledged department to manage the Human Settlement Development. The following table is a status quo of the housing projects:

Table 50: Housing Projects

RUNNING PROJECTS:					
PROJECT NAME	No. of subsidy	Status	No. of units Completed	No. of units to be built	Budget Requirement
Fingo Village 577(2)	3577 (237)	Blocked	237	0	R5.3m
Fingo Village 577 (3)	577 (340)	Planning	0	340	R38m
Eluxolweni 176 (15)	8 176	Blocked	158		R3,9m
Transit Camp (421)	4 440	Running	38 Incomplete		R1,7m
Transit Camp 440	1 19	Planning	19		R1,9m
Mayfield 2200 Ph. 2, Stage 1 (1200)	a1200	Planning	1200	1200	
Mayfield 2200 (1200)	P 1200	Installation services running & procurement section	R157 m	0	R0m
PLANNING PROJECTS:					
PROJECT NAME	No. of Subsidy	Status	Approved Budget	No of units completed	Budget Required
Fort Brown	188	Planning	R0 m	0	R4,4 m
Seven Fountains	229	Planning	R0 m	0	R5,3 m
Alicedale 316	316	Planning	R0 m	0	R5,3 m
Ethembeni 2000 (3)	3330	Planning			
Alicedale16	27	Construction	R0 m	0	R5,3 m
Upper Mnandi	14	Planning	R0 m	0	R0,976 m
Lower Mnandi	40	Planning	R0 m	0	R2,7 m
Xolani	34	Planning	R0 m	0	R2,3 m
Zolani	167	Planning	R0 m	0	R11,6 m
N Street	27	Planning	R0 m	0	R1,8 m
J Street	31	Planning	R0 m	0	R2,1 m

RUNNING PROJECTS:						
PROJECT NAME	No. of subsidy	Status	No. of units Completed	No. of units to be built	Budget Requirement	
K Street	31	Planning	R0 m	0	R2,1 m	
PLANNING PROJECTS (SERVICED SITES)						
Project Name	No Subsidies	Status	Approved budget	No units completed	Budget required	
25 Sites	25	Construction	R0 m	0		
Newtown/Kwa Ndancama	33	Planning	R0 m	0		
Phumlani 250	250	Planning	R0 m	0	R2,1 m	
Glebe Mission 28	28	Planning	R0 m	0	R2,1 m	
Erf 4103	28	Planning	R0 m	0	R2,1 m	
RECTIFICATION PROJECTS		INFORMAL PROJECT AREAS				
Project Name	No Subsidies	Project name	No Subsidies	Status	Approved Budget	Completed
Alicedale 221	221	Phaphamani	No information			
Scott's farm	90	Polar Park				
Ghost town	189	Upper Zolani				
Vukani location		J,N, Xolani, Up and lower Mnandi, Extension 9 and Farmer field				
DISASTER PROJECT						
Makana Disaster	161	Not started	R20 m		Information not available	

2.10.7 TOWNSHIP ESTABLISHMENT

2.10.7.1 Rhini Infill

SETTLEMENT DESCRIPTION	Number of Units	HOUSING TYPE	Land Ownership	Servitudes	Layout Plan (no. erven)	EIA	Mineral Rights	Flood line Study	Geo-tech	Submission to SG
Area M	9	Existing Housing	✓	✓	✓	n/a	n/a	n/a	n/a	Not yet
Erf 4103	28	Existing Housing	✓	✓	✓	n/a	n/a	n/a	n/a	✓
Area V (Old Cemetery)	46 (affected units)	RDP	✓	✓	✓					
The Glebe	28	RDP	✓	✓	✓	✓	✓	✓	✓	✓
J Street	31	RDP	✓	✓	✓	n/a	n/a	n/a	n/a	✓
K Street	12	Existing Housing	✓	✓	✓	n/a	n/a	n/a	n/a	Not yet
N Street	27	RDP	✓	✓	✓	n/a	n/a	n/a	n/a	Draft
Zolani	140	RDP	✓	✓	✓	✓	✓	✓	✓	Draft
Lower Mnandi	40	RDP	✓	✓	✓	n/a	n/a	n/a	n/a	✓
Upper Mnandi	14	RDP				n/a	n/a	n/a	n/a	✓
Xolani	34	RDP	✓	✓	✓	n/a	n/a	n/a	n/a	✓

2.10.2 Rhini Informal Areas

SETTLEMENT DESCRIPTION	Number of Units	HOUSING TYPE	Land Ownership	Servitudes	Layout Plan (no. erven)	EIA	Mineral Rights	Floodline Study	Geo-tech	Submission to SG	Date of approved GP
Mayfield Phase 1	2200	RDP	✓	✓	✓	✓	✓	✓	✓	✓	
Mayfield North	3900	RDP	✓	✓	Draft						
Ethembeni	1029	RDP	✓	✓	Draft						
Phaphamani	Undetermined	RDP	✓	✓	draft						
East Commonage	Undetermined	RDP	✓	✓	draft						

2.10.3 Rental housing

HOUSING TYPE	Land Ownership	Servitudes	Confirmation of services	feasibility Study	Motivational report	Compliance of restructure zones	EIA/TIA	Approved Building/house plan	Target date of completion
CRU	✓	✓	✓	✓	✓				

2.11 FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

2.11.1 INTRODUCTION:

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

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

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

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

2.11.2 REVENUE MANAGEMENT

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

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

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

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

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

- Data integrity that leads to overstatement of debtor's book and billing.
- Indigent write- offs that are not processed every financial year.
- Prescribed debts not being written off

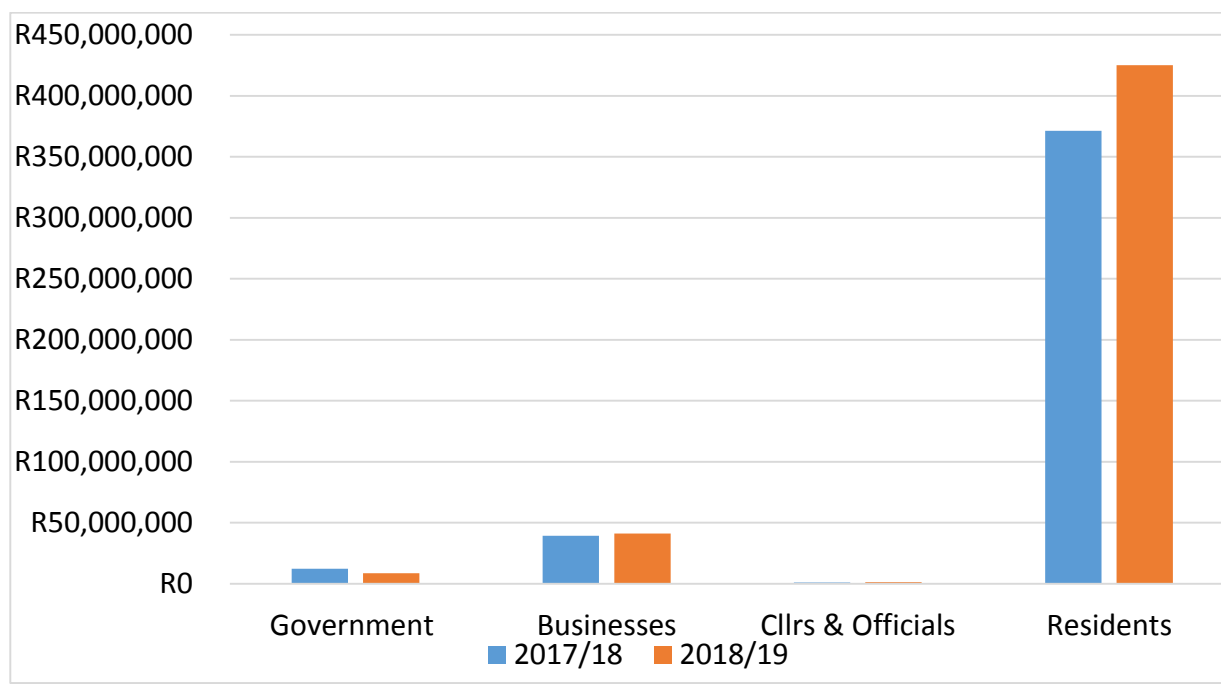
Municipality has entered into an agreement with Cogta for revenue enhancement and data cleansing exercise and these initiatives has been prioritised to address the overstatement of Age Analysis and debtors' accounts. Other initiatives planned are the implementation of smart metering project which will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

2.11.3 DEBTORS' AGE ANALYSIS

CATEGORY	BALANCE	% OF TOTAL OUTSTANDING
Business	R 41 062 696	8.63%
Residential	R 425 122 681	89.31%

Government	R 8 643 843	1.82%
Councillors	R 18 212	0.004%
Staff Debtors	R 1 179 924	0.25%
Total	R 476 027 356	100%

2.11.4 MUNICIPAL DEBTORS



2.11.5 DEBT PER AREA BREAKDOWN

AREA	PERCENTAGE
Rhini	58%
Grahamstown	31%
Alicedale	7%
Rural Area	3%
Riebeeck	1%

2.11.6 TOP 10 CREDITORS 2017/18

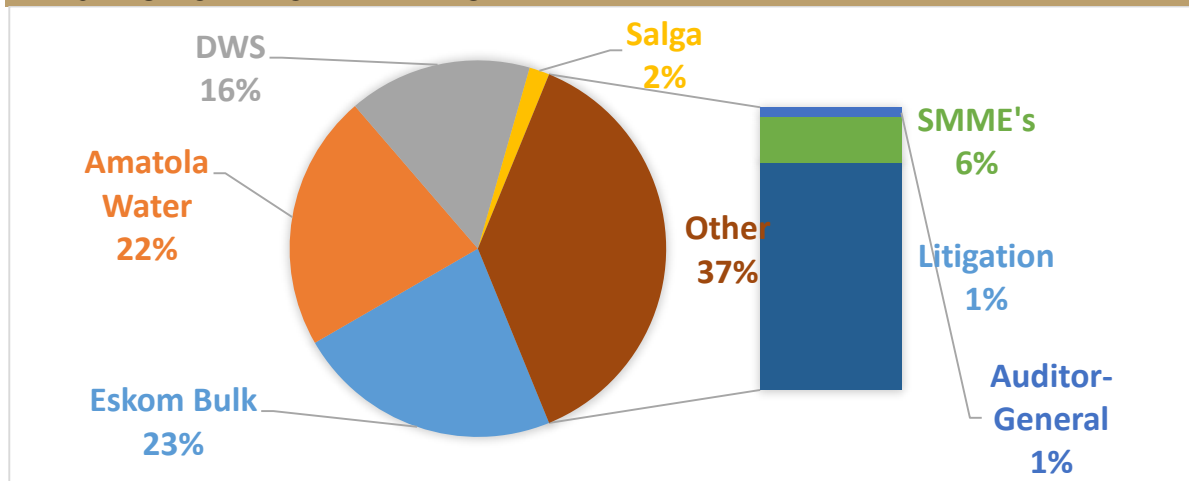
EC104 MAKANA MUNICIPALITY TOP 10 CREDITORS AS AT END MARCH 2019							
	Creditor Name	0days	30days	60days	90days	120days +	Totals
1	ESKOM BULK ACCOUNT	27 082 625,10	-			24 073 432,37	51 156 057,47
2	DEPARTMENT OF WATER AFFAIRS	328 595,28	660 528,31	227 856,81	1 029 717,95	36 568 969,45	38 815 667,80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

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

2.11.7 SALARY COST

Months	Total Salaries inclusive of overtime & 3 rd Parties	Overtime Paid
July	R 10 944 565	R 569 805
August	R 14 517 920	R 593 403
September	R 14 556 979	R 609 140
October	R 14 591 162	R 584 911
November	R 20 219 951	R 552 262
December	R 15 663 281	R 356 748
January	R 14 065 833	R 587 845
February	R 14 283 622	R 642 736
March	R 14 384 986	R 451 093
Total	R133 228 300	R4 947 943

2.11.8 MUNICIPAL CREDIT REPORT



2.11.9 MONTHLY COST

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

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

2.11.9.1 MONTHLY RUNNING COST

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

2.11.9.2 MONTHLY RUNNING COST

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

2.11.10 GENERAL CHALLENGES SITUATION

High Staff turnover

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

Historical debts

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

Non Payment by ratepayers

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

2.11.11 FINANCIAL POLICIES

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

POLICY	LAST UPDATED	REMARKS
Tariff Policy	30 May 2018	No action required at present.
Property Rates Policy	20 June 2016	Contents being reviewed as part of GV process.
Indigent Management Support Policy	June 2017	No action required at present
Budget Policy	30 May 2018	No action required at present.
Asset Management Policy	30 May 2018	No action required at present.
Accounting Policies	Part of Annual Financial Statements for year ended 30 June 2018	Accounting policies need to be updated, approved and implemented.

POLICY	LAST UPDATED	REMARKS
Assistance to poor and indigent policy	30 June 2017	No action required at present.
Supply Chain Management Policy	30 May 2018	No action required at present.
Credit Control and Debt Collection Policy	20 June 2016	No action required at present.
Cash Management and Investment Policy	20 June 2016	Given the cash flow challenges faced by the municipality the policy should refined, approved and vigorously be implemented.
Short-term Insurance Policy	20 June 2016.	Policy needs to be drafted, approved and implemented.
General Ledger Chart of Accounts Maintenance Policy	No policy supplied.	Policy needs to be drafted, approved and implemented.
Debt Management Policy	20 June 2016	No action required at present.
Debt Incentive Scheme	31 Jan 2019	Revised
Cash Management Policy	20 June 2016	No action required at present.
Budget Process Policy	30 May 2018	No action required at present.
Asset Management Policy	30 May 2018	No action required at present.
SCM Infrastructure Policy	30 May 2018	No action required at present.
Virement Policy	30 May 2018	No action required at present.
Grant Policy	30 May 2018	No action required at present.
Lease Policy	30 June 2017	No action required at present
Policy on provision For doubtful debt	30 June 2017	Policy to be reviewed to reflect current market situation
Principles and policy on the provision of impairments to debtors, and writing off of irrecoverable	30 June 2017	Policy to be reviewed to reflect current market situation
Customer care credit control	26 May 2016	No action required at present

CHAPTER THREE: DEVELOPMENTAL STRATEGIC PLAN

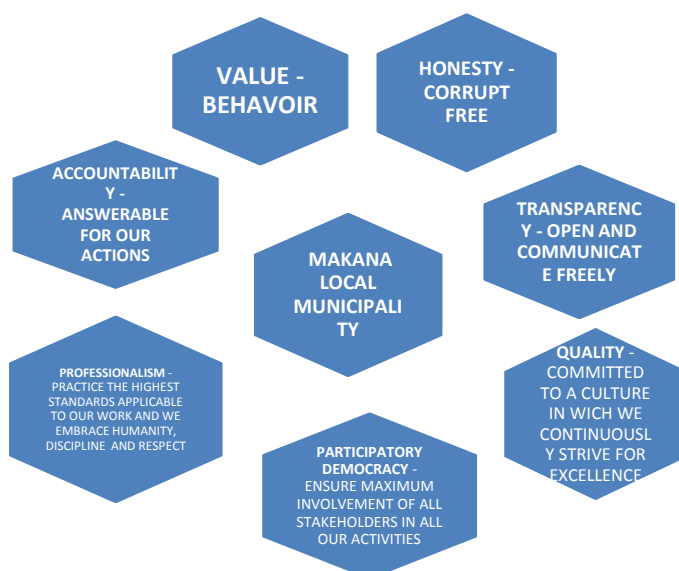
This Chapter outlines Makana strategic Intent and Key Performance Areas (KPA's) for the next financial. It aims to respond to some key issues and challenges highlighted in Chapter Two and National policy imperatives outlines in the Chapter One.

MAKANA VISION AND MISSION STATEMENT

“Makana Municipality strives to ensure sustainable, affordable, equitable and quality services in a just, friendly, secure and healthy environment, which promotes social and economic growth for all”.

CORE VALUES OF THE MUNICIPALITY:

Figure 9: Core Values



3.1 MUNICIPAL DEVELOPMENT PRIORITIES FOR 2017-22

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

3.2 STRATEGIC REVIEW OUTCOMES

3.2.1 Socio Economic Review

Strengths / Opportunities	Weaknesses / Threats
<ul style="list-style-type: none"> • Estimated Census 2011 population of 80 390 and estimated Quantec 2018 (Urban Econ) population of 91 473 with 23 918 households at a household size of 3.8. • Population growth between 2001 and 2018 estimated at 1.12 % per annum with an estimated population in 2028 at 102 258 or an additional 2 838 households. • Highly urbanised population indicates options for more cost effective service delivery and social services provision. • Levels of education and education profile is slightly better than the SBDM and the Eastern Cape with 15.3 % completing secondary education in comparison to 11.5 % in the Eastern Cape. • Monthly average household income in the Makana Municipality is the highest in the SBDM and significantly higher than the Provincial average. • The Municipality contributes ± 19 % of the District GDP at R 3 689 million or 1.7 % of the Provincial GDP. • General government, finance and business, trade and manufacturing are the biggest sector contributors to the GDP. • Tourism and ecotourism play a significant part in the economic structure of the Municipality and opportunities for further expansion and economic growth within Makhandia. 	<ul style="list-style-type: none"> • Increase in population will increase pressure on the provision of infrastructure, services and land for future urban development. • Current backlogs in services and amenity provision will be further exacerbated by continuous population growth rate at 1.12 % per annum. • Population growth significantly higher than the Eastern Cape and Sarah Baartman DM, confirming in migration. • Majority of population growth to be expected in Makhandia with possible decline in rural population. • Although lower than the Provincial average (12.7 %), the poverty headcount in Makana is 2.2 % and the intensity of poverty is 41.6 %. • Unemployment is estimated at 45.5 % which is slightly higher than the Provincial average (44.6 %) and significantly higher than the unemployment rate in the SBDM (38.7 %). • Agriculture and mining are very low GDP contributors. • Low employment GDP contributors are transport and communication, construction and manufacturing. • Quarrying, mining only extracted in raw format with no processing and value adding. • Industrial and manufacturing sectors contribute only 17 % to the GDP with opportunities for growth and expansion.

3.2.2 Service delivery challenges review

Strengths / Opportunities	Weaknesses / Threats
<p>⇒ <u>Makhanda</u></p> <ul style="list-style-type: none"> • The nodes and settlement structure of the Makana Municipality is well-defined with Makhanda as a District Centre, Alicedale as a Local Centre and Seven Fountains, Fort Brown and Riebeek East as Sub-Local Centres. • The Municipality is accessible through the N2 National Road, halfway between King Williams Town and Port Elizabeth. • Based on the CSIR Social Services Provision Thresholds, social facilities and amenities are well-provided for in the District, mostly within accessibility thresholds, with specific reference to district policing service, health and education. • The urban structure of Makhanda is well-defined with vast higher density residential areas in Makhanda East, the Rhodes University to the west and CBD. • The urban structure is clearly defined with residential densities above 25 units per hectare in Makhanda East and lower residential densities in Makhanda West. • Residential densities in Makhanda East are $\pm 4\,725$ people per km^2 in comparison with $\pm 1\,430$ people per km^2 in Makhanda West. • The CBD is well-defined between Cradock, African, Burton and Market Streets with strong accessibility corridors within the greater Makhanda. • The provision of social services in Makhanda is well-established with the provision of community halls, libraries, sports facilities, cemeteries, health care, education and safety and security within the CSIR threshold. • Large tracts of land south of Makhanda is owned by the Municipality and north of the town by the State, providing opportunities for possible future residential expansion. • The open space system is well-defined, although not well maintained. • Various redevelopment precincts have been identified that provide opportunity for economic growth, mixed use intensification and urban renewal. These include the CBD, City Hall, Beaufort Street / Raglan Road, African Street and Makanaskop. 	<p>⇒ <u>Makhanda</u></p> <ul style="list-style-type: none"> • The rural population, although relatively low, is dependent on the larger District Centres, i.e. Makhanda and Alicedale for day-to-day services and support. • Poorly developed small rural settlements, i.e. Committee's Drift, Fort Brown, Riebeek East, Seven Fountains and Salem. • Urban structure is typical of former segregated planning with poorly developed business and support infrastructure in Makhanda East. • Sections of Makhanda are characterised by informal structures with specific reference to Phaphamani, Ethembeni, Vukani and infill areas. • Although the Census indicates $\pm 2\,200$ households residing in informal structures in Makhanda, the Municipality estimates a subsidised housing demand of 12 800, current projects addressing $\pm 10\,470$ units. • Housing demand for Makhanda is estimated to increase to 6 989 units in 2028, requiring additional development areas of 174 ha. • Maintenance and upkeep of community facilities (sport fields, community halls, cemeteries) are lacking in all urban areas within the Makana Municipality. • Maintenance of service delivery infrastructure (roads, stormwater, sewer, and water) • Housing implementation is seriously affected by financial constraints and legislative requirements for layout plan formalisation, survey and infrastructure provision. • Future residential expansion may experience challenges with land ownership, land capability, services availability and urban sprawl. • A Heritage Resources Management Plan and Inventory has not been prepared by the Municipality and maintenance of heritage resources lacking in general.

Strengths / Opportunities	Weaknesses / Threats
<ul style="list-style-type: none"> • Subsidised housing initiatives are currently being implemented on large sections of the commonage (Mayfield North, East Commonage and Ethembeni) and various infill portions to accommodate informal structures. • Makhanda and the greater Makana Municipality have significant heritage resources. 	<ul style="list-style-type: none"> • The provisions of the National Heritage Resources is not complied with.
<p>⇒ <u>Alicedale</u></p> <ul style="list-style-type: none"> • Alicedale fulfils a strong local rural function with a population of ± 3 873. • Large sections around KwaNonzwakazi, Transriviere and east of the Commonage is state owned. • Provision of community facilities are adequate. 	<p>⇒ <u>Alicedale</u></p> <ul style="list-style-type: none"> • An estimated subsidised housing demand of ± 948 of which 338 are part of an existing project. • Business and commercial component very restricted with residents generally dependent on Makhanda for institutional and commercial support. • A number of informal structures between Transriviere and KwaNonzwakazi. • Maintenance and operational issues with community facilities to be addressed.
<p>⇒ <u>Riebeek East</u></p> <ul style="list-style-type: none"> • Riebeek East has a very small population with opportunities for future growth and a stronger rural function. 	<ul style="list-style-type: none"> • Lack of water resources • Lack of housing • Lack land
<p>⇒ <u>Rural Settlements</u></p> <ul style="list-style-type: none"> • The Fort Brown and Seven Fountains rural settlements have been identified and prioritised for development and provision of services, social infrastructure and housing for the surrounding rural population. 	<p>⇒ <u>Rural Settlements</u></p> <ul style="list-style-type: none"> • High cost of provision of bulk infrastructure and lack of funding for layout formalisation and service provision.
<p>⇒ <u>Infrastructure</u></p> <ul style="list-style-type: none"> • 85% of the population has access to piped water (inside dwelling and inside yard) with a further 10 % with access to communal stand pipes. • Highest level of services are in Makhanda. • 75% of the population has access to flush toilet sanitation system. 	<p>⇒ <u>Infrastructure</u></p> <ul style="list-style-type: none"> • Ageing infrastructure, poor maintenance and possible lack of bulk supply in future. • 19.7 % of the population has only access to pit and bucket toilets and 3.9 % with no access to sanitation services. • General inadequate waste water treatment works capacity, collector mains and pump stations.

Strengths / Opportunities	Weaknesses / Threats
<p>⇒ <u>Electricity</u></p> <ul style="list-style-type: none"> • 80.6 % of the population has access to electricity for cooking and 89 % for lighting purposes. • High levels of adequate refuse removal and disposal at ± 89 % of the population. 	<p>⇒ <u>Electricity</u></p> <ul style="list-style-type: none"> • ± 19 % of the population relies on gas, paraffin and other sources for cooking purposes. • Ageing electricity network, cables, substations and support infrastructure and personnel identified as key constraints.
<p>⇒ <u>Roads & Transport</u></p> <ul style="list-style-type: none"> • A Traffic Management Strategy is currently being developed as part of the Makana SDF review. 	<ul style="list-style-type: none"> • Poor roads

3.3 MUNICIPAL STRATEGY AGENDA

Development Priority	Goal	Strategic Objective
1. Basic Service Delivery and Infrastructure Development	Provision of reliable of basic service delivery infrastructure	<ul style="list-style-type: none"> • Upgrading and refurbishment of water and sanitation infrastructure • Water conservation and demand management • Constant quality drinking water within SANS standards • Resuscitate boreholes • Maintenance of the existing water and sanitation infrastructure • Provision of alternative water and sewer facility to none service areas • Efficient planning and Service delivery improvement plans • Disposal of effluent within SANS standards • Upgrading, maintenance and resurfacing of roads network • Efficient planning of the energy supply • Upgrading and maintenance of electricity network infrastructure and reliable energy supply • Adequate street lighting and electrification of all formal settlements • Reduce loose of electricity
2. Community and Social Development	A safe, healthy and secure living environment	<ul style="list-style-type: none"> • Ensure compliance with environmental health by-laws • Reduce ecological foot print through renewable energy sources • Provision, maintenance and repair of recreational facilities

Development Priority	Goal	Strategic Objective
		<ul style="list-style-type: none"> • Provision and upgrading traffic law enforcement resource • Reduce waste through awareness campaigns and community engagement • To effectively manage and reduce waste through regular refuse collection • Support recycle initiative • Improve landfill site
	Access to basic Library Services	<ul style="list-style-type: none"> • Provision and upgrading library services
3. Local Economic Development and Rural Development	Maximise economic growth and development takes place in a conducive environment	<ul style="list-style-type: none"> • Ensure adherence to town planning and building control legislation • Facilitate support to SMME development • Facilitate support to Tourism and heritage development • Facilitate investment attraction and business development • Facilitate support to Agricultural development • Facilitate job creation initiatives • Review of Spatial Development Framework
4. Institutional Development and Financial Management	An effective productive administration capable of sustainable service delivery	<ul style="list-style-type: none"> • Effective organisational design and policy development • To ensure that all Municipal buildings and staff adhere to and implement OHS • To ensure effective management of staff through internal controls such as policies • To ensure a continually secure, effective and efficient ICT service • Effective and efficient administration and ensure effective integrated planning Effective and efficient administration • Ensure maximum use of record centre • Effective management of legal services and properties
	Effective and efficient administration and ensure effective integrated planning	<ul style="list-style-type: none"> • Enhance Strategic planning processes • Efficient Human Resources function • Effective organisational design and policy development
	Financially viable and sustainable Municipality	<ul style="list-style-type: none"> • Improve provision of free basic services to indigent households • Maintaining fully GRAP compliant asset register annually • Capacity building and effective financial management • Improve municipal revenue base and financial management

Development Priority	Goal	Strategic Objective
		<ul style="list-style-type: none"> Facilitate compilation, updated General and Supplementary valuation roll Improve expenditure management
5. Good Governance and Public Participation	To provide open transparent corruption free governance	<ul style="list-style-type: none"> To implement the fraud prevention policy Improve planning of risk management Enhance risk management Enhance administration and Council oversight Improve Audit options outcome Enhance Inter governmental Relationships Facilitate support and empowerment of vulnerable groups To communicate effectively and be responsive to the needs of the community
6. Human Settlement Management	To ensure equitable access to housing for communities	<ul style="list-style-type: none"> Facilitate housing development Effective management of house beneficiation process Facilitate access to social housing

3.4 INTERGOVERNMENTAL ALIGNMENT

3.4.1 SBDM Development Priorities:

Internal issues for SBDM to focus on	Response	Dev Priority/ KPA No.
Does the SBDM have the full capacity to support the LM's e.g. Engineers to assist with water and sanitation?	SBDM acknowledges the urgency of the matter and has prioritised the recruiting and appointment of suitably qualified engineer to assist the LM's deal with the critical issues surrounding infrastructure	1 & 5
LED and how SBDM can assist the LM's	<p>LED strategy is currently being reviewed and updated and this will include consultations with the LM's to ensure the LEC Strategy is speaking to the needs of the local communities</p> <p>SBDM and CDA exploring opportunities to ensure communities benefit from LED through job creation</p>	3
SBDM needs to build its own internal capacity	<p>SBDM is reviewing its organogram to reflect the needs of the district. Skill assessment is being undertaken</p> <p>SBDM directorates will review their structure and ascertain what further capacity is required. Proposals to workshop and revised organogram presented to council</p>	2 & 5

Internal issues for SBDM to focus on	Response	Dev Priority/ KPA No.
Assistance in the development of grant applications and finding new avenues of grant funding	SBDM has committed to assisting the LM's to find new funding sources as well as revenue streams. A donor management strategy will be developed in the new financial year.	1, 2, 3 & 5
Employer vs Employee issues	SBDM will harness its own HR and Corporate Services to assist where possible. A survey of HR issues will need to be conducted to determine what HR / Labour issues need further support.	5
Assistance to get quick projects off the ground such as storm water drain cleaning and construction (finding or providing funding)	SBDM will request each LM to submit a list of projects that they are struggling with to get off the ground and enter into a discussion with each LM as to how best the DM can assist	1
Assist in developing Sector Plans for the LM's	This process is already underway and SBDM will further liaise with the LM's to determine which plans are the most pressing and work to develop these plans	5
Establish a small business fund	This is included in the LED Strategy which emphasises the importance of SMME's and funds will be available for projects through LED Assistance is provided to SME's to access funding other donor agencies such as SEDA	3
Climate change Strategy SBDM to lead on this critical issue to develop a strategy fir Climate Change	Acknowledge the impact of the devastating drought. SBDM directorates of Infrastructure and Planning and Economic Development to devise a joint strategy to assist LM's Strategy will take both the Disaster Management (Infrastructure) aspect as well as the impact on small farmers and agriculture (Planning and Economic Development) into account	1, 3 & 5
Exploring creative ways to deal with waste management	Supporting creative ways to reduce waste such as plastics Support to innovative SMME's to recycle waste	1, 3
Drought relief – affecting employment especially seasonal workers	Drought is the no. 1 priority at SBDM – WSIG Grants secured for LM's totalling almost R300 million	1, 3 & 4

Internal issues for SBDM to focus on	Response	Dev Priority/ KPA No.
Access to water	Establishment of working group to deal with drought	
Regional Bulk water supply assistance	The SBDM can assist in engaging with the relevant bulk water supply providers such as Amatole	1
Assistance to ensure LM's have access to water from the Churchill dam	Engaging with DWAF and Metro	4 & 5
Assistance with aging infrastructure	Set aside funds to develop and implement a Disaster Infrastructure Development Plan	1
Strategy to assist with the increasing number of informal settlements and its impact on service delivery and infrastructure	Engaging with relevant sector departments such as Human Settlement	4
LED – create full time jobs – huge reliance on seasonal workers which does not create job security	LED Strategy acknowledges this need and a number of projects will be implemented in the next financial year to create more permanent jobs This will incorporate agriculture, tourism and creative and cultural industries	3
Financial capacity Building Programme for LM's such as the Clean Audit Programme to be relaunched to assist in audit improvement	SBDM Finance Dept. programme will assist the LM's with financial capacity. For example – reviewing the Eskom accounts of LM's to determine the optimal tariff structure; Completeness of Revenue Assessment	2
Internal Audit as a Shared Service	Through OTP, EC COGTA and EC SALGA the following municipalities are benefiting from the STR Programme DRBNLM, BCRM and SRVM	1
Establish a Development Fund to assist Youth with Start-up Capital	A Youth Fund is in the Draft Budget. SBDM will be taking to Council a policy to guide access to the Youth Fund	3

3.4.2 DEPARTMENT SPORT RECREATION ARTS CULTURE PROJECTS (DSRAC)

SCHOOL SPORT:				
Municipality	Ward	Program/Project	Budget (R)	Time-frame
Dr Beyers N, Blue Crane Route, Kouga, Koukamma,		Structures supported	R181 000.00	April 2019 – March 2020
	All	Equipment and kit	Budget at Head Office	April 2019 – March 2020

Makana, Ndlambe & Sundays River		School tournaments, Leagues, Support	R521 000.00	April 2019 – March 2020
		Capacity Building on sport specific codes (LEVEL 1) In Netball, Rugby, Football, Volleyball, Athletics, Tennis, Chess and Cricket	R35 000	April 2019 – March 2020
Total budget			R737 000.00	
SPORT DEVELOPMENT:				
Municipality	Ward	Program/ Project	Budget (R)	Time-frame
Dr Beyers N, Blue Crane Route, Kouga, Koukamma, Makana, Ndlambe & Sundays River	All	Support Leagues on the following codes: Netball, Soccer, Boxing, Athletics, Rugby (transport, equipment, kit)	R630 375	April 2019 – March 2020
		Equipment and kit	R312 000	April 2019 – March 2020
Total budget			R942 375	
RECREATION:				
Municipality	Areas	Program/Project	Budget (R)	Time-frame
	Addo Enon Basheba Paterson Hankey Cookhouse Rietbron Nuie Bathesda Aberdeen Klipplaat Jansenville Kenton-on sea Bathurst Port Alfred Grahamstown	Youth Camp	R85 000	April 2019 – March 2020
		Support to 18 hubs	R140 000	April 2019 – March 2020
		Equipment and attire	R209 500	April 2019 – March 2020
		Support festivals and campaigns	R238 500	April 2019– March 2020
		Capacity Building in Indigenous Games	R35 000	April 2019 – March 2020

			R708 000	
Academy: High Performance (Elite Athletes)				
Municipality	Ward	Program/ Project	Budget (R)	Time-frame
Dr Beyer's Naude, Kouga, Makana, Ndlambe & Sundays River	Selected	Sport science and medicine services	R200 000	April 2019 – March 2020
		Coaches Education (Teachers, Community volunteers)	R100 000	April 2019 – March 2020
		Talent identification and sport science education	-	April 2019 – March 2020
Total budget			R 300 000	

Museum and Heritage			
Municipality	Ward	Program/Project Summary	Budget (R)
Koukamma, Dr Beyeres Naude Ndlambe, Makana		Educational Programme in National Symbols and orders	R4 000
Makana	Makhanda	Heritage Carnival {2 nd Quarter} September 2019	R65 000
Total budget			R69 000
Arts and Culture			
Municipality	Ward	Program/ Project Summary	Budget (R)
Makana	All	Support district festivals as follows: Film and Video, District word-festival, Shukuma, Iphulo, Amaphuth' ahlathinye	R148 000
Makana	Choirs from: Makana (Grahamstown), Ndlambe (Alexandria), Dr Beyer's (Graaff-Reinet), Sundays River (Kirkwood)	O.R. Tambo District Choral Music Festival :	R2 000
Ndlambe (venue for the event)	Artists from Local municipalities:	Ndlambe Music Festival:	R350 000

	Kouga (Humansdorp), Ndlambe, Makana, Dr Beyer's Naude, Blue Crane		
Makana	Grahamstown	Support to Arts Centres	R20 000
Grahamstown During NAF	Provincial	National Arts Festival	R240 000
Library and Information Services			
2017/18 –Outcome: Improved co-ordination and collaboration between national, provincial and local government.			
Output: Category B Municipality supported financially in terms of operations of libraries to address unfunded mandate. Annual Budget: R15, 490m			
Municipality	Project type		Budget (R)
Makana	Sarah Baartman		TBC
Job Creation			
Empowering Disadvantaged Community with Knowledge and Skill.			
Name	Project type		Quantity
Assistant Librarians (Unemployed Youth)	EPWP – this is done in partnership with Public works together with the budget from the EQUITABLE share		10
Internship Programme (Unemployed Graduate)	This is done in- conjunction with CATH-seta		2 – Sport and Recreation 2 – Arts and Culture

3.4.3 DEPARTMENT SOCIAL DEVELOPMENT

No.	Name of Applicant/ Organisation	Locality	Ward	Activity	Allocation	No. Beneficiaries
Household Food Production						
1.	Masikhulisane Vegetables and multi-purpose Corporative Ltd	Makhanda	3	Household Food Production	R 25 000	10
Community Nutrition and Development Centre						
2.	Ekhaya Community Development Centre	Makhanda		CNDC	R 537 652.00	120

3.5 IDP PROJECT REGISTER

Table 52: IDP Project Register

GOALS	NO	STRATEGIC OBJECTIVES	NO	KEY PERFORMANCE INDICATOR	PROJECT NO	PROJECT NAME	INDICATOR CODE	FUNCTION AREA
DEVELOPMENT PRIORITTY NO ONE: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
Provision of reliable of basic service delivery infrastructure	1	Efficient planning and Service delivery improvement plans	1.1	Approved water Service Development Plan by Council	P001	Review of Water Services Development Plan	1.1.1.1. P001	Water and Sanitation
			1.2	Revised Water and Sanitation Master plan by Council	P002	Review of Water and Sanitation Master plan	1.1.1.2 P002	Water and Sanitation
			1.3	% of the milestone achieve in with project management plan	P003	Project Management Unit	1.1.1.3 P003	PMU
			1.4	Prioritise Water Conservation and Demand Management	P004	Water Conservation	1.1.1.4 P004	Water and Sanitation
			1.5	Plan Installation of services to housing development land	P005	Installation services	1.1.1.5 P005	
	1	Efficient planning and Service delivery improvement plans	1.6	Number of water harvesting initiatives provided	P017	Water Harvesting	1.5.5.7 P017	Bulk water infrastructure development

Provision of reliable of basic service delivery infrastructure			1.7	Resuscitate boreholes in rural areas	P018	Resuscitate boreholes	1.5.5.8 P018	Bulk water infrastructure development
	2	Maintenance of the existing water and sanitation infrastructure	2.1	Disposal of waste water as per authorised licences	P004	Sewer Disposal	1.2.2.1 P004	Water and Sanitation services
			2.2	Maintenance of water exiting reticulation system infrastructure	P005	Maintenance of the Water reticulation system infrastructure	1.2.22 P005	Water services
			2.3	Maintenance of sewer exiting reticulation system infrastructure	P006	Maintenance of the sewer reticulation system infrastructure	1.2.2.3 P006	Sanitation services
			2.4	Schedule maintenance of bulk water and waste water infrastructure	P007	Water conservation and demand management	1.2.2.4 P007	Water and Sanitation
			2.5	Provision alternative basic sanitation infrastructure	P258	Sewer Pail Removal	1.2.2.5 P258	Sanitation services
Provision of reliable of basic service delivery infrastructure	3.	Improve the drinking water quality & disposal of effluent within SANS standards	3.1	Compliance to SANS quality water standard	P008	Blue status	1.3.3.1 P008	Water service
			3.2	Compliance to SANS quality waste water standard	P009	Green status	1.3.3.2. P009	Waste Water service
	4.	Provide Quality Drinking water	4.1	90% Compliance to SANS quality drinking water standard	P010	Water sample testing	1.4.4.1 P010	Water service

	5	Upgrading and refurbishment of water and sanitation infrastructure	5.1	Upgrading James Kleynhans Water Treatment Works (East)	P011	James Kleynhans WTW (East)	1.5.5.1 P011	Bulk water infrastructure
			5.2	Upgrading of the Alicedale and refurbishment of water and sanitation infrastructure	P012	Alicedale Bulk water supply (Water Pump station)	1.5.5.2 P012	Bulk water infrastructure development
Provision of reliable of basic service delivery infrastructure		Upgrading and refurbishment of water and sanitation infrastructure	5.3.	Upgrading of Riebeeck East Bulk water supply	P013	Riebeeck East Bulk water supply	1.5.5.3 P013	Bulk water infrastructure development
			5.4	Refurbishment Fort Brown bulk water supply	P014	Fort Brown bulk water supply	1.5.5.4 P014	Bulk water infrastructure development
			5.5	Refurbishment Waainek Bulk Water Supply	P015	Waainek Bulk Water Supply Refurbishment of WT W	1.5.5.5. P015	Bulk water infrastructure development
			5.6	Refurbishment Howison's Poort and Settlers Dams	P016	Howison's Poort and Settlers Dams	1.5.5.6 P016	Bulk water infrastructure development
			5.9	Number of KM/Meters of reticulation lines refurbished	P019	Water & Waste Water Infrastructure	1.5.5.9 P019	Bulk water infrastructure development
Provision of reliable of basic service delivery infrastructure		Upgrading and refurbishment of water and sanitation infrastructure	5.10	Number of Pump station and substation refurbished	P020	Refurbishment s of Bulk & Sewer Reticulation lines, Pump stations, and Substations	1.5.5.10 P020	Bulk water infrastructure development

			5.11	Upgrading of Mayfield Waste Water Treatment Works	P021	Mayfield Waste Water Treatment Works	1.5.5.11 P021	Bulk water infrastructure development
			5.12	Upgrading Belmont Valley Waste Water Treatment Work	P022	Belmont Valley Waste Water Treatment works	1.5.5.12 P022	Bulk water infrastructure development
			5.13	Upgrading Kwa Thatha Bulk Sewer	P023	Kwa Thatha Bulk Sewer	1.5.5.13 P023	Bulk water infrastructure development
			5.14	Upgrading of Extension 4 and 5 sewer overflow	P024	Extension 4 and 5 sewer overflow	1.5.5.14 P024	Bulk water infrastructure development
			5.15	Upgrading Mayfied WWTW	P025	Mayfied WWTW	1.5.5.15 P025	Bulk water infrastructure development
			5.16	Upgrading Hooggenoeg Outfall	P026	Hooggenoeg Outfall Sewer Upgrade	1.5.5.16 P026	Bulk water infrastructure development
Provision of reliable of basic service delivery infrastructure			5.17	Upgrading Transit Camp sewer	P027	Transit Camp sewer connection	1.5.5.17 P027	Bulk water infrastructure development
			5.18	Upgrading of Alicedale sewer reticulation and rising main	P028	Alicedale Sewage Reticulation	1.5.5.18 P028	Bulk water infrastructure development
	6	Provision of new water and sanitation infrastructure	6.1	Construction of Riebeeck East Waste Water Treatment Works	P029	Riebeeck East Waste Water Treatment Works	1.6.6.1 P029	Water and Sanitation

			6.2	Installation of Sewer reticulation Riebeeck East	P030	Sewer reticulation Riebeeck East	1.6.6.2 P030	Water and Sanitation
			6.3	Installation of Fort Brown bulk sewer and reticulation	P031	Fort Brown bulk sewer and reticulation	1.6.6.3 P031	Water and Sanitation
			6.4	Installation of Seven Fountains bulk sewer and reticulation	P032	Seven Fountains bulk sewer and reticulation	1.6.6.4 P032	Water and Sanitation
			6.7	Installation of Salem water and sanitation infrastructure	P033	Salem water and sanitation infrastructure	1.6.6.7 P033	Water and Sanitation
			6.8	Installation Extension 6 stage 4 Sewer Reticulation	P034	Extension 6 stage 4 Sewer Reticulation	1.6.6.8 P034	Water and Sanitation
			6.9	Construction of Extension 6 stage 4 Toilet Top-structures	P035	Extension 6 stage 4 Toilet Top-structures	1.6.6.9 P035	Water and Sanitation
			6.10	Eradication of Bucket to Infill Areas, J street, Zolani, Suncity, Phaphamani	P036	Bucket Eradication to Infill Areas, J street, Zolani, Suncity, Phaphamani	1.6.6.1. P036	Water and Sanitation
		Upgrading, maintenance and resurfacing of roads network	7.1	Review Road and Storm water Master Plan	P037	Road ND Storm water Master Plan	1.7.7.1 P037	Roads and storm water
			7.2	Number of KM/Meters of road surface in KwaNomzamo	P038	Access Road Improvement KwaNomzamo	1.7.7.2 P038	Roads and storm water
			7.3	Number KM/Meter maintained	P039	Maintenance of roads	1.7.7.3 P039	Roads and Tumwater

			7.4	Number of KM upgraded and resurface Alicedale N2	P040	Road from Alicedale to N2	1.7.7.4 P040	Roads and Tumwater
		Upgrading, maintenance and resurfacing of roads network	7.5	Number of KM upgraded and resurface Riebeeck East to N1	P041	Road from Riebeeck East to N1	1.7.7.5 P041	Roads and Tumwater
			7.6	Number KM/Meters of kerbs Upgrading and resurfacing		Number of roads and storm water upgraded	1.7.7.6 P042	Roads and Stormwater
			7.7	Number of meters, resurface, Rehabilitation roads	P043	Rehabilitation/ resurface of Ncame and Joza street	1.7.7.7 P043	Roads and Tumwater
			7.8	Facilitate Stakeholder engagement regarding road maintenance	P044	Sign MoU concerning the province owned roads between MLM &DRPW	1.7.7.8 P044	Roads and Stormwater
			7.9	Number of KM/ Meters Upgrading of Stormwater resurfacing of roads In Transriviere	P045	Alicedale Roads and Storm water Improvements in Transriviere and Mandela Park	1.7.7.9 P045	Roads and storm water
	8		7.10	Number of KM/ Meters paved in all identifies areas	P046	Paving of roads	1.7.7.10 P046	Roads and Storm water
		Maintenance of Storm water channels	8.1	Number of meters maintained Storm water channel	P045	Maintenance of storm water channels	1.8.8.1 P045	Storm water

A safe, efficient, functioning energy supply infrastructure that provide conducive environment for investment	9	Efficient planning of the energy supply	9.1	Development of Electricity Master Plan	P046	Electricity master plan	1.9.9.1 P046	Electricity Planning
	10	Ensure efficient infrastructure and reliable energy supply	11	Review provision of electricity to Makhandha east	P047	Review provision of electricity in Makhandha East	1.10.10.1 P047	Electricity Planning
			10.2	Report on the number maintenance undertook quarterly	P048	Maintenance of the existing electricity reticulation system infrastructure	1.10.10.2 P048	Operation and maintenance
			10.3	Report on the number meters audit conducted quarterly	P049	Meter audits	1.10.10.3 P049	Operation and maintenance
	11	Adequate street lighting and electrification of all formal settlements	11.1	Provision and high mast and street lights	P050	Installation of High mast and street lights	1.11.11.1 P050	Street light infrastructure
			11.2	Number of electrical supply and infrastructure provided	P051	Electrification of recreational facilities	1.11.11.2 P051	Electricity infrastructure
			11.3	Electrification urban and rural areas	P052	Electrification household	1.11.11.3 P052	Electricity infrastructure
			11.4	Maintenance and repairs of high mast and Street lights	P264	Maintenance of streetlights	1.11.11.4 P264	Street light infrastructure
			11.5	Upgrading of 66 KV Line	P265	Refurbishment of 66 KV Line	1.11.11.5 P265	Electricity infrastructure
	12	Upgrading and refurbishing of the existing electricity network	12.1	Upgrading of Overhead District lines	P053	Upgrading of Overhead District lines	1.12.12.1 P053	Electricity infrastructure
			12.2	Upgrading and refurbishment LV Pane	P054	LV Pane-Installation of new panel in substation	1.12.12.1 P054	Electricity infrastructure

			12.3	Upgrading and refurbishment MV Panel	P056	MV Pane-Installation of new panel in substation	1.12.12.3 P055	Electricity infrastructure
			12.4	Report on the number of refurbishment under gone in the existing electrical network infrastructure	P057	Refurbishment of electrical network	1.12.12.4 P056	Electricity infrastructure
			12.5	Provide machined and equipment to electricity operations	P060	Purchasing of tools	1.12.12.5 P060	Electricity infrastructure
			12.6	Upgrading and maintenance of fleet Resources	P061	Purchasing of Vehicle	1.12.12.6 P061	Electricity infrastructure
A safe, healthy and secure living environment	13	A safe, healthy and sustainable environment within Makana Municipality	13.1	Review Integrated Waste Management	P068	Review Integrated Waste Management	1.13.13.1 P067	Waste Management - And Clean City
			13.2	Source funding for town cleaning program from EPWP	P069	Clean-city programme	1.13.13.2 P069	Waste Management - And Clean City
			13.3	Expand Recycling and composting programme	P070	Recycling and composting project	1.13.13.3 P070	Waste Management - And Clean City
			13.4	Provided alternative refuse collection to rural areas	P071	Refusal of collection service in rural areas	1.13.13.4 P071	Environment and Cleansing
			13.5	Provision Tipper Trucks	P072	Acquisition of Tipper Truck	1.13.13.5 P072	Waste Management Sanitation
			13.6	Provision of Front loader	P073	Acquisition of Front loader	1.13.13.6 P073	Waste Management Sanitation

			13.7	Acquisition containers	P074	Acquisition containers	1.13.13.7 P074	Waste Management Sanitation
A safe, healthy and secure living environment			13.8	Upgrading of landfill waste site in Makana	P075	Upgrading of landfill waste site	1.13.13.8 P075	Waste Management And Clean City
			13.9	Number of Community education and awareness programmes conducted	P076	Eradication of illegal dumping sites	1.13.13.9 P076	Waste Management And Clean City
			13.10	Number of areas, domestic refuse collected per week	P078	Domestic refuse collection	1.13.13.10 P077	Waste Management And Clean City
			13.11	Number of ward cleaner-up programme quarterly	P079	Ward clean-up Campaign programme	1.13.13.11 P079	Waste Management And Clean City
To provide economical and appropriate services for the poor	14	Increase % of households with access to free basic service	14.1	Report number of indigent households with access free basic service quarterly	P080	Free basic services	1.14.14.1 P080	FBS
			14.2	Update indigent register annually	P081	Annual review of Indigent register	1.14.14.2 P081	FBS
DEVELOPMENT PRIORITY NO TWO: COMMUNITY AND SOCIAL DEVELOPMENT								
A safe, healthy and secure living environment	15	Ensure compliance with environmental health by-laws	15.1	Licensing and control of stray animal included vicious dogs	P082	Development of by on the control stray animal	2.15.15.1 P082	Environmental Management

			15.2	Review and development of bylaws reviewed	P083	Review of Environment Management and control of stray animal	2.15.15.2 P084	Environmental Management
			15.3	Development of environmental compliance register	P084	Environmental Management compliance register	2.15.15.3 P085	Environmental Management
	16	Reduce ecological foot print through renewable energy sources	16.1	Establishment of Biomass generation plant	P085	Biomass energy generation(Alien vegetation to energy)	2.16.16.1 P086	Sustainable Energy
			16.2	Establishment of Landfill gas generation plant	P086	Landfill gas generation	2.16.16.2 P087	Sustainable Energy
			16.3	Establishment of waste to energy project	P087	Renewable energy waste	2.16.16.3 P087	Sustainable Energy
A safe, healthy and secure living environment		Reduce ecological foot print through renewable energy sources	16.4	Establishment of Solar photovoltaic energy generation	P088	Solar photovoltaic energy generation	2.16.16.4. P088	Sustainable Energy
			16.5	Establishment Small-scale embedded generation	P089	Small-embedded scale generation	2.16.16.5 P089	Sustainable Energy
			16.6	Development of Hydroelectricity	P090	Hydroelectricity	2.16.16.6. P090	Sustainable Energy
			16.7	Establishment Municipal own energy efficiency	P091	Efficiency in municipal buildings	2.16.16.7 P091	Sustainable Energy
			16.8	Establishment Municipal own energy efficiency street and traffic light	P092	Street and traffic lights	2.16.16.8 P092	Sustainable Energy

			16.9	Establishment Energy efficiency in the water sector	P093	Energy efficiency in the water sector	2.16.16.9 P093	Sustainable Energy
			16.11	Installation smart meters	P095	Installation smart meters	2.16.16.11 P095	Sustainable Energy
			16.12	Installation of Solar panels and geysers	P096	Solar panels and geysers	2.16.16.12 P096	Sustainable Energy
A safe, healthy and secure living environment		Reduce ecological foot print through renewable energy sources	16.13	Number of Climate change initiatives awareness program implemented	P097	General climate change planning and awareness	2.16.16.13 P097	Sustainable Energy
			16.14	Adaptation	P098	Adaptation	2.16.16.14 P098	Sustainable Energy
			16.15	Introduction of Green and public transport	P099	Green and public transport	2.16.16.15 P099	Sustainable Energy
	17.	Provision, maintenance and repair of recreational facilities	17.1	Development of Sport Master Plan	P100	Sport Master Plan	2.17.17.1 P100	Park and sport Recreation facilities
			17.2	Maintenance and repair sport and recreational facilities	P101	Sport Master Plan	2.17.17.2 P101	Park and sport Recreation facilities
			17.3	Number of Children park and sport recreational facilities established	P102	Children's Playpark and sport recreational facilities	2.17.17.3 P102	Park and sport Recreation facilities

			17.4	Number of trees planted area	P103	Tree Planting	2.17.17.4 P103	Park and Recreation facilities
A safe, healthy and secure living environment			17.5	Report on number of recreational facilities upgraded/maintained per quarter	P104	Upgrading and maintenance of the existing recreational facilities	2.17.17.5 P104	Park and Recreation facilities
			17.6	Establishment of Commonages	P106	Establishment of Commonages	2.17.17.6 P106	Park and Recreation facilities
			17.7	Establishment cleaned alien vegetation	P107	Establishment cleaned alien vegetation	2.17.17.7 P107	Park and Recreation facilities
			17.8	Established and extend Cemeteries	P108	Cemetery Extension	2.17.17.8 P108	Cemeteries and pauper burials
			17.9	Maintenance of cemeteries quarterly	P109	Maintenance of cemeteries quarterly	2.17.17.9 P109	Cemeteries and pauper burials
			17.10	Fencing of cemeteries fence annually	P110	Fencing of cemeteries	2.17.17.10 P110	Cemeteries and pauper burials
	18.	Provision and upgrading traffic law enforcement	18.1	Upgrading of fleet for traffic and law enforcement	P111	Upgrading of fleet	2.18.18.1 P111	Traffic law enforcement
A safe, healthy and secure living environment		Provision and upgrading traffic law enforcement	18.2	Number of Community road safety awareness programmes conducted	P112	Community road safety programme	2.18.18.2 P112	Traffic law enforcement
	19.		19.1	Review of Disaster Management Plan and Fire Management Plan	P113	Review of Disaster Management and	2.19.19.1 P113	Fire and Rescue Services

		To promote the well-being, health , safety and security of our community				Fire Management Plan		
			19.2	Provision of fire and rescue infrastructure to Alicedale and Riebeeck East	P114	Establishment of fire station	2.19.19.2 P114	Fire and Rescue Services
			19.4	Development of Fire By-law	P115	Development of Fire By-law	2.19.19.4 P115	Fire and Rescue Services
			19.5	Development of Community Safety Plan	P116	Community Safety Plan	2.19.19.5 P116	Fire and Rescue Services
Access to basic Library Services	20.	To provide reading and study material	20.1	Number of community education outreach programmes conducted quarter	P117	Community Outreach programme	2.20.20.1 P117	Library services
			20.2	Provision of library facilities to needy areas and resources	P118	Provision of libraries and resources	2.20.20.2 P118	Library services
DEVELOPMENT PRIORITY NO THREE:LOCAL ECONOMIC DEVELOPMENT AND RURAL DEVELOPMENT								
Maximise economic growth and development takes place in a conducive environment	21	To ensure adherence to town planning and building control legislation	21.1	Review and adopt SDF by June 2019	P119	Review Spatial Development Framework (SDF)	3.21.21.1 P119	Spatial planning
			21.2	Development and implement policy on land invasion and	P120	Development of Land invasion policy	3.21.21.2 P120	Spatial planning

				demolition of illegal structures				
			21.3	Development of the SPLUMA By-Law	P121	Township Establishment	3.21.21.3 P121	Spatial planning
			21.4	Establishment of the Tribunal and Appeals Board	P122	Establishment of SPLUMA compliant Planning Tribunal	3.21.21.4 P122	Spatial planning
			21.5	Upgrading Air filed	P123	Air filed development	3.21.21.5 P123	Spatial planning
			21.6	Conduct land audit	P124	Land Audit	3.21.21.6 124	Spatial planning
			21.7	Establishment of Waste to Energy	P125	Waste to Energy (Power X project)	3.21.21.7 P125	Spatial planning
Maximise economic growth and development takes place in a conducive environment		To ensure adherence to town planning and building control legislation	21.8	Number of infill areas approved for town establishment	P126	Town establishment	3.21.21.8 P126	Spatial planning
			21.9	Review of the Sub division, Rezoning and Building control policy	P127	Rezoning and Building and building control policy	3.21.21.9 P127	Building control
	22	Promote and support SMME development	22.1	Establishment SMME hub Business plan	P135	Establishment SMME hub Business plan	3.21.22.1 P135	SMME Development
			22.2	Number of hawker stalls constructed	P136	Construction hawker stalls	2.22.22.2 P136	SMME Development
			22.3	Hosting SMME Seminars	P137	SMME Seminars and Expo	2.22.21.3 P137	SMME Development
			22.4	Development of Trade and Investment attract Strategy	P138	Trade Investment attract Strategy	3.22.22.4 P138	Trade and investment

Maximise economic growth and development takes place in a conducive environment	23	Promote Tourism and heritage development	23.1	Implementation of Town Regeneration Phase 1	P139	Town Regeneration Phase 1	3.23.23.1 P139	Tourism heritage and
			23.2	Report to Portfolio Committee on initiatives identified for implementation under Creative City project	P140	Creative City project	3.23.23.2 P140	Tourism heritage and
			23.2	Number of SMMEs in tourism sector supported and Capacitated Quarterly	P141	Tourism Business Development Programmes	3.23.23.2 P141	Tourism heritage and
			23.3	Report on funding allocated to Makana Tourism by the Municipality quarterly	P142	Makana Tourism	3.23.23.3 P142	Tourism heritage and
			23.4	Development of Gray Dam	P143	Gray Dam Development	3.23.23.4 P143	Tourism heritage and
			23.5	Development of Makana area profile by June 2018	P144	Township Tourism Profiling and Promotion	3.23.23.5 P144	Tourism heritage and
Maximise economic growth and development takes place in a conducive environment		Promote Tourism and heritage development	23.6	Review of Tourism Sector Plan by June 2018	P145	Tourism Sector Plan Review	3.23.23.6 P145	Tourism heritage and
			23.7	Provided security for Egazini Memorial site	P146	Security - Egazini Memorial Site	3.23.23.7 P146	Tourism heritage and
Maximise economic growth and development takes place in a conducive environment	24	Promote and support investment attraction and business development	24.1	Development Trade and Investment attract Strategy	P147	Small Town regeneration	3.24.24.1 P147	Trade investment and
			24.2	Support enterprise development initiative	P148	Support enterprise development	3.24.24.2 P148	Enterprise Development

	25	Promote support and Agricultural development	25.1	Number of hectares provided to households	P149	One hectare one household	3.25.2.5.1 P149	Agricultural Development
			25.2	Championing food security initiative through Designate personnel	P150	Food Security	3.25.2.5.2 P150	Agricultural Development
		Promote support and Agricultural development	25.3	Number of MOU signed with strategic partners	P151	MOU with strategic partners	3.25.2.5.3 P151	Agricultural Development
			25.4	Number of capacity building conducted annually	P152	Co-operative development and capacity building	3.25.2.5.4 P152	Agricultural Development
			25.5	Report on the number of co-operatives benefited agricultural emerging competition	P153	Promote and support cooperative through funding	3.25.2.5.5 P153	Agricultural Development
			25.6	Promote green economy through Community sustainable Urban Agriculture initiatives	P154	Sustainable Urban Agriculture (SUA) both in rural and urban	3.25.25.6 P154	Agricultural Development
			25.7	Report on the number of women and youth initiative supported	P155	Promotion of women and youth in agriculture	3.25.25.7 P155	Agricultural Development
			25.8	Infrastructure development of emerging farmers in Thornpark	P156	Thornpark Infrastructure development	3.25.25.8 P156	Agricultural/Rural Development
			25.9	Facilitate access to finance from emerging farmers	P157	Report Rand value received	3.25.25.9 P157	Agricultural Development

			25.10	Report the progress made in mentorship programme Quarterly	P158	Mentorship programme	3.25.25.10 P158	Agricultural Development
			25.11	Number of Rural ward forum established	P159	Establishment of Rural development ward forum	3.25.25.11 P159	Agricultural Development
			25.12	Establishment of east commonage	P133	East Commonage	3.25.25.12 P133	Spatial planning
	26	Promote job creation initiatives	26.1	Number of Job opportunities created through CWP	P134	Facilitate CWP	3.26.26.1 P134	Local Economic development
			26.2	Number of Job opportunities created through EPWP	P135	Facilitate EPWP	3.26.26.2 P1135	Municipal Manager
			26.3	Number of Job opportunities created through infrastructure development interventions	P136	Number job opportunities created	3.26.26.3 P136	Engineering and Infrastructure development
DEVELOPMENT PRIORITY NO FOUR: INSTITUTIONAL DEVELOPMENT FINANCIAL MANAGEMENT								
An effective productive administration capable of sustainable service delivery	27	Ensure good relationship between management and employees	27.1	Number of LLF meeting hosted annually and Roadshows and staff briefing	P162	Quarterly LLF Meetings, Conduct Hr Roadshows & Staff brief quarterly.	4.27.27.1 P162	Human Resource Management
	28	To create an efficient, effective	28.1	Number of succession policy initiative implemented	P163	Implement the succession policy, Source funds for	4.28.28.1 P163	Human Resource Management

		and accountable administration				study assistance & review salaries		
			28.2	Number of staff moral programmes implemented annually	P164	Implement staff morale programmes	4.28.28.2P164	Human Resource Management
			28.3	Evaluate all job description	P165	Job Evaluation	4.28.28.3P165	Human Resource Management
			28.4	Number performance agreements signed	P166	Implement performance management system.	4.28.28.4P166	Human Resource Management
An effective productive administration capable of sustainable service delivery		To create an efficient, effective and accountable administration	28.5	Number wellness programme conducted	P167	Develop Conduct Wellness awareness programmes	4.28.28.5P167	Human Resource Management
			28.6	Development Work Skills Plan	P168	Work Skills Plan	4.28.28.6P168	Human Resource Management
			28.7	Human Resource Capacity development	P169	Conduct skills audit	4.28.28.7P169	Human Resource Management
			28.8	Number of employees assisted	P170	Employee assistance	4.28.28.8P170	Human Resource Management
			28.9	Number of Bursaries issued annually	P171	Municipal Bursaries	4.28.28.9P171	Human Resource Management
			28.10	Quarterly reports on EE plan implementation. Submission of annual report	P172	Implementation n Employment Equity Plan	4.28.28.10P172	Human Resource Management

			28.1 1	Fill vacant post with three month	P173	Improve recruitment and selection rate	4.28.28.11 P173	Human Resource Management
An effective productive administration capable of sustainable service delivery	29	Effective organisational design and policy development	29.1	Annual Review of Organogram	P174	Review of organogram	4.29.28.12 P174	Organisational Design
			29.2	Number of job descriptions revised	P175	Review job descriptions,	4.29.29.2 P175	Human Resource Management
			29.3	Number of roadshows conducted	P176	HR Policy Road Shows	4.29.29.3 P176	Human Resource Management
	30	To ensure that all Municipal buildings and staff adhere to and implement OHS	30.1	Number of OHS meetings quarterly	P177	4 OHS meetings.	4.30.30.1 P177	Human Resource Management
	31	To ensure effective management of staff through internal controls such as policies	31.1	Number of report issued on adherence with HR policies	P178	Quarterly reports on adherence to HR policies such as leave, recruitment etc.	4.31.31.1 P178	Human Resource Management
	32	To ensure a continually secure, effective and efficient ICT service	32.1	Review of ICT Strategic Plan annually	P179	Review of ICT Strategic Plan	4.32.32.1 P179	Information Communication & Technology
32.2			installation VPN Solution	P180	VPN Solution installation	4.32.30.2 P180	Information Communication & Technology	
32.3			Number of new cabling installed	P181	Data Cabling	4.32.32.3 P181	Information Communication & Technology	

			32.4	Installation of Wi-Fi infrastructure	P182	Installation of Wi-Fi/ New/Acquisition	4.32.32.4 P182	Information Communication & Technology
			32.5	Upgrading IT Network infrastructure	P183	Maintenance IT Network	4.32.32.5 P183	Information Communication & Technology
			32.6	Upgrading of Website	P189	Upgrading of Website	4.32.32.6 P189	Information Communication & Technology
			32.7	Number maintenance done per quarter	P266	Maintenance of computer and Website	4.32.32.7 P267	Information Communication & Technology
An effective productive administration capable of sustainable service delivery	33	To ensure that disaster recovery plans are fully implemented	33.1	Review and Update disaster recovery plans	P190	Review and Update disaster recovery plans	4.33.33.1 P190	Information Communication & Technology
	34	To ensure that the Municipality moves towards e governance -	34.1	Number of councillors capacitated on use computer	P191	Paper less project	4.34.34.1 P191	Information Communication & Technology
	35	Effective and efficient administration and ensure effective integrated planning	35.1	Centralisation of customer complaints Management system	P192	Development Customer care management system	4.35.35.1 P192	Administration
			35.2	Issue newsletter quarter	P193	Quarterly news letter	4.35.35.2 P193	Media and communication
			35.3	Number of corporate branding implemented	P194	Corporate Branding	4.35.35.3 P194	Media and communication

			35.4	Institutionalisation of PMS and to all municipal levels	P209	Cascading PMS to all level	4.35.35.4 P209	Performance management
			35.5	Number of stakeholder and community engagement	P210	Stakeholders and community Engagement	4.35.35.5 P210	Integrated Development
An effective productive administration capable of sustainable service			35.6	Review of ward development priorities ward annually	P211	IDP - Ward Based Planning	4.35.35.6 P211	Integrated Development
			35.7	Annually review of IDP	P212	IDP -Annually Review	4.35.35.7 P212	Integrated Development
			35.8	To ensure that all municipal staff are adequately housed.	P213	Renovation of office buildings	4.35.35.8 P214	Office Space
	36	Ensure maximum use of record centre	36.1	Report quarterly on the number of media and communication activities	P195	Review Policy and Procedure	4.36.36.1 P195	Media and communication
		Ensure maximum use of record centre	36.2	Review of Fillings System	P196	Review approved and Fillings System	4.36.34.2 P196	Records and Archives Management
			36.3	Number staff capacitated on record management	P197	Capacity Building and Training	4.36.36.3 P197	Records and Archives Management
			36.4	Number of Terminated records Disposed	P198	Disposal of Terminated Records	4.36.36.4 P198	Records and Archives Management
			36.5	Re-Introduce electronic management system	P199	Re- establish Electronic Records Management System	4.36.36.5 P199	Records and Archives Management

			36.6	Establishment of offsite Records storage	P200	Off-site Records storage	4.36.36.6 P200	Records and Archives Management
An effective productive administration capable of sustainable service delivery	37	Effective management of legal services and properties	37.1	Monitor and evaluate litigation for and against Municipality	P201	Litigation register	4.37.37.1 P201	Legal Service
			37.2	Reduced legal cost	P202	Reduced legal cost through settlement	4.37.37.2 P202	Legal Service
			37.3	Monitor and evaluated lease and transfer by the Municipality	P203	Lease and Transfer	4.37.37.3 P203	Properties
			38.1	90% Debt Collection	P215	Enhance Revenue strategy	4.38.38.1 P215	Financial management: Revenue
Improve municipal revenue base and financial management	38	A financially viable and sustainable Municipality 2022	38.2	Improve billing	P216	Accurate billing	4.38.38.2 P216	Financial management: Revenue
			38.3	Number of smart meters Installed	P217	Installation of smart meter	4.38.38.3 P217	Financial management: Revenue
			38.4	Review of all service tariffs structure	P218	Tariffs Review	4.38.38.4 P218	Financial management: Revenue
			38.5	Reporting on the % of the budget actually spend	P219	MFMA Reporting	4.38.38.5 P219	Financial Management :Budget and Reporting
			38.6	To ensure the efficient and effective procurement of goods and services	P220	Empowering SMME's	4.38.38.6 P220	Financial Management : SCM

			38.7	Quarterly reports on bid committee functionality	P221	Bid Committee	4.38.38.7 P221	Financial Management : SCM
			38.8	Annual stock count report to CFO.	P222	Stock Management	4.38.38.8 P222	Financial Management : SCM
	39	Capacity building and financial management	39.1	Number of capacity building training conducted or attending	P223	Capacity Building and Training	4.39.39.1 P223	Financial management: Administration
			39.2	Number of internship programmed provided annually	P224	Provide internship	4.39.39.2 P224	Financial management: Administration
			39.3	Compliance to Section 102 of MFMA	P225	Decrease in unauthorised, irregular, fruitless, wasteful expenditure	4.39.39.3 P225	Financial Management : SCM
			39.4	Compliance to Section 99b of MFMA	P226	Creditors payment within 30 Day	4.39.39.4 P226	Financial Management : SCM
	42	Capacity building and financial management To provide a credible budget To ensure monitoring of Municipal Assets through annual checks and reporting	39.5	Annual update of the indigent register	P227	Credible indigent register	4.39.39.5 P227	Financial management: Revenue

		Maintaining fully GRAP compliant asset register annually						
			39.6	Improve management of expenditure management and its liabilities	P228	Compliance financial commitments to	4.39.39.6 P228	Financial management: Revenue
			39.7	Implementation of mSCoa Plan	P229	mSCOA	4.39.39.7 P229	Financial Management Administration
			39.8	Review of property rates	P230	General Valuation Roll and Supplementary	4.39.39.8 P230	Financial management: Revenue
			40.1	Prepare and adoption budget by Council annually	P231	Annual Budget	4.40.40.1 P231	Financial Management :Budget and Reporting
			40.2	Prepare and adoption adjustment budget by Council annually	P232	Adjustment budget	4.40.40.2 P232	Financial Management :Budget and Reporting
			41.1	Annual count of assets	P233	Annual asset count & fleet management report	4.41.41.1 P233	Financial Management: Assets
			42.1	Fully GRAP Compliant Asset register	P234	Assets Management	4.42.42.1 P234	Financial Management: Assets
	40	To provide a credible budget	42.2	Annual disposal sale of assets	P235	Disposal sales of assets	4.42.42.2 P235	Financial Management: Assets

GOALS	NO	STRATEGIC OBJECTIVES	NO	KEY PERFORMANCE INDICATOR	PROJECT NO	PROJECT NAME	INDICATOR CODE	FUNCTION AREA
DEVELOPMENT PRIORITY NO FIVE- GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
To provide open free transparent corruption governance	43	To implement the fraud prevention policy	43.1	One awareness programme annually	P236	Awareness Program	5.43.43.1 P236	Risk Management
	44	Improve planning of risk management	44.1	Establishment of a Hotline	P237	Establishment of a Hot line	5.44.44.1 P237	Risk Management
			44.2	Conduct annually risk assessment	P238	Annual review of Institutional and operational Risk registers	5.44.44.2 P238	Risk Management
	45	Enhance risk management	45.1	Institutionalisation of risk management	P239	Quarterly on the risk management activities	5.45.45.1 P239	Risk Management
	46	Enhance administration and Council oversight	46.1	Number of Audit Committee meeting held annually	P240	Quarterly audit committee	5.46.46.1 P240	Municipal Manager/Internal Audit
	47	Enhance administration and Council oversight	47.1	Issue Quarterly Action sheet and report	P241	Monitor meeting resolution	5.47.47.1 P241	Administration and Committee
	48	Improve Audit options outcome	48.1	Achieved qualified audit options	P242	Audit Action Plan	5.48.48.1 P242	Municipal Manager

Foster partnership with external stakeholders to enhance Social Cohesion	49	Enhance Inter governmental Relationships	49.1	Number of IGR forum hosted	P243	Four IGR Forum	5.49.49.1 P243	IGR
	50	Empower vulnerable groups	50.1	Establishment of Youth hub -centres	P244	Building of youth centres	5.50.50.1 P244	Community development
			50.2	Number of CSI initiated annually	P245	Identification of CSI Initiative	5.50.50.2 P245	Municipal Manager
	51	Support vulnerable groups	51.1	Number of Youth programme implemented and report	P246	Youth programme	5.51.51.1 P246	Municipal Manager
			51.2	Number of HIV/Aid Council meeting and reports activities quarterly	P247	Implementation n of HIV/AIDS Plan	5.51.51.2 P247	Municipal Manager
			51.3	Number of Elderly, Children and Women programme implemented	P248	Elderly, Children and Women programme	5.51.51.3 P248	Municipal Manager
	52	To communicate effectively and be responsive to the needs of the community	52.1	Implementation of Service Delivery Model	P250	Implementation Masiphathisane Model	5.52.52.1 P250	Public participation
			52.2	Improve ward committee function	P251	Quarterly report on the function of the ward committees	5.52.52.2 P251	Ward Committee
DEVELOPMENT PRIORITY NO SIX: HUMAN SETTLEMENT MANAGEMENT								
	53	To ensure equitable access to housing for community of Makana	53.1	Hectors land secure for housing development	P253	Source land for housing development	6.53.53.1 P253	Housing Development
			53.2	Review Housing Plan	P254	Review Housing Plan	6.53.53.2 P254	Housing Development

			53.3	Number of RDP House rectified annually	P255	Facilitate rectification of RDP Houses	6.53.53.3 P255	Housing Development
			53.4	Number of housed built annually	P256	Facilitate completion Housing Development planned projects	6.53.53.4 P256	Housing Development
			53.5	Review Housing beneficiary list annually	P257	Facilitate Housing beneficiary list	6.53.53.5 P257	Housing Development
			53.6	Facilitate Social housing development	P258	Facilitate FIIPS Projects	6.53.53.6 P258	

4.1 Executive Summary

Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. This includes the compilation of the Medium-term Revenue and Expenditure Framework.

The service delivery priorities were reviewed as part of this year's planning and budget process. A critical review was also undertaken of expenditures on noncore and 'nice to have' items as per Circular 82.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Council has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 93 and 94 were used to guide the compilation of the 2019/20 MTREF.

The main challenges experienced during the compilation of the 2019/20 MTREF can be summarised as follows:

- Budgeting for a surplus (i.e. Total Revenue exceeding Total Expenditure) on the operating Budget;
- Fully implementing cost containment measures and removing non-core expenditure items;
- Maintaining revenue collection rates at acceptable levels and even more;
- Allocation of the required operating budget provision for newly created infrastructure and facilities, with a consequential impact on the level of rates and tariff increases;
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure;
- Allocation of the required operating budget provision for staffing requirements, including the implementation of the Task Job Evaluation System and the associated maintenance phase

The following budget principles and guidelines directly informed the compilation of the 2019/20 MTREF:

4.2 Revenue Management

The MTREF used the guidelines set out of Circular 93 and 94 issued by National Treasury as well as the Guideline on Municipal Electricity price increase.

On 23 May 2019, NERSA approved a guideline increase for municipalities as follows:

A guideline increase of 13.07 %, which is based on the following assumption:

- Bulk purchases cost have increased by 15.63% in line with Eskom's electricity tariff increases to municipalities;
- A consumer price index (CPI) of 5.2% as indicated in the forecast by the Bureau for Economic Research (BER) in March 2016;
- Salary and wage increases of CPI plus 1.5% as indicated in the SALGA Circular No.06/2018: Salary & Wage Collective Agreement; and
- Repairs & maintenance, capital charges and other costs have increased by the CPI.

National Treasury continues to encourage municipality to keep increases in property rates, tariffs for trading services and charges for other municipal own revenue sources within the parameters of the country's inflation rate.

In terms of Circular 79 "Setting of tariffs should consider the following practicalities:

- Cost of bulk purchases and the fluctuation in the seasonal cost thereof,
- Consumption patterns to enable better demand planning and management, and
- Embark on the process to correct tariff structures to be cost reflective

One of the main challenges hampering revenue collection is the issue of tariffs structure, provisions has been made in 2019/20 budget to start the process of correcting the tariffs to be cost reflective especially water and sanitation tariffs structure.

The budget is based on a water tariff increase of 6%, the installation of new meter and replacement of damaged meter project that is implemented under the Water Conservation & Demand Management Project is expected to significantly have a positive effect on the collection rate as this will mean that all consumers will be accurately billed and this should minimise the frequency of disputes by consumers.

Department of Water & Sanitation through the consultant, MBB Consulting Engineers, has been assisting during 2018/2019 with inspections of all bulk water consumers and has replaced all the electric magnetic meter installed by Sebata that could not be read for billing of consumption. During 2019/2020 all bulk water consumers will be billed accurate consumption and will increase revenue collection.

Sanitation tariffs will increase by 6% is based on the CPI increase as the cost effective tariffs is still in progress. Refuse removal tariff increase is set at 19% for all users. This is largely based on the increase of the main cost drivers of the service and to ensure the service runs at breakeven or a minor profit margin.

Sundry tariff increases will be limited, in most instances, to be within 6%. The financial sustainability and viability of the 2019/20 MTREF is largely dependent on the collection level of billed revenue for services delivered. A debt collection company has been appointed for data cleansing and improving collection rate. The 2019/20 budget is based on the collection rate 94% collection.

4.3 Expenditure Management

Long-outstanding debts, particularly ESKOM, continues to be a challenge. Payment plans are in place and provision has been made in 2019/20 budget for repayment of part of these debts.

The repayment of long-outstanding creditors relating to previous financial years was not budgeted appropriately in the current financial year, compromising service delivery. This means 2019/20 budgeted expenditure had to be cut or put on hold to compensate for the funding of repayment of accruals.

Employee-related costs budget represents 41.59% of the total 2019/20 Budgeted Expenditure. Efforts need to be made to reduce this ratio to below the upper limits of the Treasury norm of 40%

Asset Management plans, including maintenance plans, are regarded a priority as they have a direct impact on the quality of services delivered to the communities.

To date, the maintenance plan has been developed and its implementation is in phases due to financial constraints. Municipal asset reconciliations, verification of movables and updating of work-in-progress (WIP) have been in process.

The capital budget of R39.069 million for 2019/20 represents a decrease of 54% when compared to the 2018/19 Adjustment Budget. The capital programme decreases are attributable to the drought funding falling away and a reduction in other grants. The Capital Budget will increase to R39.384 million in the 2020/21 financial year and then increases in 2021/22 to R39.906 million. There is no Borrowing in the

Capital Budget due to the lack of cash resources to repay the annual instalments. There will only be R1 million funded from internally generated funds in the 2019/20 financial year.

The MTREF for the Multi-year budget summary is as follows:

EC104 Makana - Table A1 Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands										
Financial Performance										
Property rates	53 450	62 566	66 278	67 345	74 087	–	55 540	81 496	86 386	91 569
Service charges	202 543	230 148	224 897	223 821	248 321	–	185 407	269 667	286 507	304 410
Investment revenue	1 000	1 086	991	800	3 300	–	520	2 000	2 120	2 247
Transfers recognised - operational	86 094	86 421	91 034	92 497	118 700	–	36 069	104 889	108 433	116 192
Other own revenue	39 899	43 990	42 697	51 527	27 439	–	4 402	26 368	27 938	29 602
Total Revenue (excluding capital transfers and contributions)	382 986	424 211	425 896	435 991	471 848	–	281 938	484 420	511 383	544 020
Employee costs	144 120	178 487	157 569	182 284	184 306	–	113 475	189 305	204 449	220 805
Remuneration of councillors	9 422	9 637	10 315	9 774	11 248	–	7 162	12 017	12 738	13 502
Depreciation & asset impairment	27 535	30 591	29 479	11 500	35 636	–	985	33 500	34 170	34 853
Finance charges	17 937	33 371	23 505	7 500	10 500	–	3 814	10 500	10 710	10 924
Materials and bulk purchases	95 361	116 135	114 508	108 095	112 748	–	75 058	124 200	129 956	135 636
Transfers and grants	2 967	23 280	2 678	30 700	150	–	3	150	153	156
Other expenditure	195 768	125 113	168 563	83 084	116 922	–	40 613	114 387	116 675	119 009
Total Expenditure	493 108	516 613	506 616	432 937	471 509	–	241 109	484 059	508 852	534 886
Surplus/(Deficit)	(110 123)	(92 403)	(80 720)	3 054	339	–	40 829	360	2 531	9 135
Transfers and subsidies - capital (monetary allocations) (Na	30 639	27 884	40 300	68 498	58 521	–	–	43 701	48 492	48 892
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(79 483)	(64 518)	(40 421)	71 552	58 860	–	40 829	44 061	51 023	58 027
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(79 483)	(64 518)	(40 421)	71 552	58 860	–	40 829	44 061	51 023	58 027
Capital expenditure & funds sources										
Capital expenditure	31 083	292	35 745	68 498	85 104	–	13 394	39 069	39 384	39 906
Transfers recognised - capital	27 249	292	34 371	66 748	82 454	–	12 694	38 069	39 384	39 906
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	2 901	–	442	1 750	2 650	–	700	1 000	–	–
Total sources of capital funds	30 150	292	34 813	68 498	85 104	–	13 394	39 069	39 384	39 906
Financial position										
Total current assets	56 641	91 628	56 035	131 287	141 287	–	75 330	204 585	218 322	235 000
Total non current assets	1 108 117	1 045 376	1 050 730	876 200	898 200	–	1 063 203	904 556	911 891	919 194
Total current liabilities	181 793	249 809	259 602	130 597	130 597	–	268 886	227 617	180 474	133 502
Total non current liabilities	149 374	160 212	160 755	73 679	73 679	–	160 754	160 000	160 800	161 562
Community wealth/Equity	833 592	726 983	686 408	803 211	835 211	–	708 893	621 524	682 940	746 770
Cash flows										
Net cash from (used) operating	11 687	(24 459)	58 226	44 967	82 605	–	47 643	43 158	43 584	46 470
Net cash from (used) investing	(28 166)	32 664	(35 677)	(33 999)	(75 948)	–	(1 770)	(38 869)	(39 184)	(39 706)
Net cash from (used) financing	–	(526)	(21 955)	(7 500)	(1 500)	–	(1 261)	(1 575)	(1 654)	(1 736)
Cash/cash equivalents at the year end	5 179	12 943	13 536	4 457	18 693	–	70 959	21 407	24 154	29 181
Cash backing/surplus reconciliation										
Cash and investments available	5 179	12 943	13 536	4 987	14 987	–	59 802	21 407	24 154	29 181
Application of cash and investments	126 183	148 318	188 032	4 675	10 286	–	230 879	16 462	(43 356)	(103 763)
Balance - surplus (shortfall)	(121 004)	(135 375)	(174 497)	312	4 701	–	(171 077)	4 945	67 510	132 944
Asset management										
Asset register summary (WDV)	–	–	–	–	–	–	–	–	–	–
Depreciation	27 535	30 591	29 479	11 500	35 636	–	–	33 500	34 170	34 853
Renewal and Upgrading of Existing Assets	–	–	–	10 294	71 823	–	–	36 001	39 384	39 906
Repairs and Maintenance	–	–	8 862	27 949	3 535	–	–	3 965	4 044	4 125

4.4 OPERATING BUDGET FRAMEWORK

4.4.1 Operating Revenue

Municipality is in the process of turning around the current declining position in order to build a sustainable future, revenue enhancement is one of the key elements of turn around strategies that has been used to address the challenges. The Council has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. A debt collecting company was also appointed to assist with data cleansing, recovering outstanding debts and capacitating the Credit Control personnel in the process. Indigent policy and procedures, credit control and debt collection policy were reviewed as they are important part of debt management and revenue enhancement.

Summary of revenue classified by main revenue source

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Revenue By Source											
Property rates	2	53 450	62 566	66 278	67 345	74 087	–	55 540	81 496	86 386	91 569
Service charges - electricity revenue	2	135 222	127 106	118 437	122 721	147 221	–	101 469	161 943	171 660	181 960
Service charges - water revenue	2	40 778	66 687	76 280	70 493	70 493	–	70 930	74 722	79 205	83 958
Service charges - sanitation revenue	2	19 287	24 372	21 765	16 673	16 673	–	8 216	17 674	19 087	20 614
Service charges - refuse revenue	2	7 225	11 937	8 415	13 934	13 934	–	4 792	15 328	16 554	17 878
Service charges - Other		31	47								
Rental of facilities and equipment		1 167	1 280	1 743	1 425	1 425	–	408	1 511	1 601	1 698
Interest earned - external investments		1 000	1 086	991	800	3 300	–	520	2 000	2 120	2 247
Interest earned - outstanding debtors		16 980	18 731	19 879	7 418	7 418	–	–	7 863	8 335	8 835
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		49	492	383	990	1 025	–	75	1 261	1 337	1 417
Licences and permits		2 221	2 360	2 642	2 550	3 400	–	1 787	3 570	3 784	4 011
Agency services		996	811	–	1 500	1 500	–	–	1 575	1 670	1 770
Transfers and subsidies		86 094	86 421	91 034	92 497	118 700	–	36 069	104 889	108 433	116 192
Other revenue	2	18 486	20 316	18 050	37 444	12 471	–	2 132	10 388	11 011	11 672
Gains on disposal of PPE		–	–	–	200	200	–	–	200	200	200
Total Revenue (excluding capital transfers and contributions)		382 986	424 211	425 896	435 991	471 848	–	281 938	484 420	511 383	544 020

- Revenue generated from rates and services charges form a significant percentage of the revenue basket for the municipality. In the 2019/20 financial year, revenue from rates and services charges have been budgeted at R351 million or 72.5 per cent of the total operating budget. This growth can be mainly attributed to the implementation of a new General Valuation Roll from 01 July 2019; yearly tariff increases in service charges; and the anticipated increase in collection rate.
- Electricity is the largest revenue source, excluding grants and transfers, totaling 33.4 per cent or R161,9 million; followed by Property rates at R81.4 million (16.8%) and Water R74.7 million (15.4%). The priority of water projects that is being currently undertaken is expected

to not only materially improve the municipality's service delivery but also increase our revenue.

- c) One of the ever-present challenges facing all spheres of government is managing the gap between cost drivers and tariffs levied. With this in mind, Makana municipality has undertaken to set the tariff increase relating to Rates & service charges at 6% except for Electricity (13.07%) and refuse removal (19%).

4.4.2 Operating Expenditure

Operating expenditure for 2019/20 MTREF is informed by the following:

- The implementation of cost-containment measures and elimination of non-priority spending.
- Eliminating of wasteful expenditure
- Credibility and level of funding
- Financial Recovery Plan

Table 87 Summary of operating expenditure by standard classification item

EC104 Makana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Expenditure By Type											
Employee related costs	2	144 120	178 487	157 569	182 284	184 306	–	113 475	189 305	204 449	220 805
Remuneration of councillors		9 422	9 637	10 315	9 774	11 248	–	7 162	12 017	12 738	13 502
Debt impairment	3	72 490	30 415	109 388	20 000	36 670	–	2 747	36 100	36 822	37 558
Depreciation & asset impairment	2	27 535	30 591	29 479	11 500	35 636	–	985	33 500	34 170	34 853
Finance charges		17 937	33 371	23 505	7 500	10 500	–	3 814	10 500	10 710	10 924
Bulk purchases	2	95 361	116 135	114 508	83 065	96 065	–	70 599	108 900	114 350	119 718
Other materials	8	–	–	–	25 030	16 683	–	4 459	15 300	15 606	15 918
Contracted services		8 456	39 901	19 359	12 459	80 252	–	37 866	27 413	27 961	28 520
Transfers and subsidies		2 967	23 280	2 678	30 700	150	–	3	150	153	156
Other expenditure	4, 5	114 714	53 554	38 730	50 625	–	–	–	50 875	51 892	52 930
Loss on disposal of PPE		108	1 244	1 086	–	–	–	–	–	–	–
Total Expenditure		493 108	516 613	506 616	432 937	471 509	–	241 109	484 059	508 852	534 886

- a) The total operating expenditure is budgeted at R484 million,
- b) Employee-related costs are budgeted for at R201 million, which is 41.59 per cent of the total operating expenditure. The amount is based on employees and Councillors' remuneration.
- c) The cost associated with the remuneration of councillors of R12 million and is budgeted in line with the latest Public Officer Bearers act issued.

- d) Bulk purchases of R108.9 million are directly informed by the purchase of electricity from Eskom and water from Department of Water & Sanitation.
- e) Repairs and maintenance have been budgeted at R15.3 million. This is aligned to the municipality's strategic objectives and goals in the Integrated Development Plan (IDP). Consequently, repairs and maintenance are linked to the municipality's core services.

4.4.3 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Makana Indigent Policy. The target is to register more indigent households during the 2019/20 financial year, a process reviewed annually.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

4.5 CAPITAL BUDGET FRAMEWORK

4.5.1 Capital Revenue and Expenditure

Total Capital Budget amounts to R 39 million, comprising of conditional grants and other external funding sources. The following table indicates funding of capital projects and programs over the MTREF:

	MIG Budget Excluding VAT		
	2019/20	2020/21	2021/22
Water supply to Makhanda West from James Kleinhans WTW		4 880 282	22 515 000
Feasibility Study of investigation of water supply to Makhanda West from James Kleinhans WTW	1 421 079		
Waainek Bulk Water Supply Refurbishment (Multi-year Project)	4 373 096		
Belmont Valley Wastewater Treatment Works Refurbishment	5 456 819	4 475 769	
Replacement of Asbestos pipes in water reticulation network in Grahamstown	4 007 617	3 644 739	
Mayfield Gravity sewer	3 739 130	2 967 277	
Upgrade of Ncame Street	1 157 955	5 154 977	
	20 155 696	21 123 044	22 515 000
	WSIG Budget Excluding VAT		
	2019/20	2020/21	2021/22
Refurbishment of Jameson Dam	7 448 652	-	-
Purchase Two Bakkies	620 000		
Purchase Hydro-Blast Jetting Machine	1 700 000		
Construction of 6ML concrete reservoir adjacent to High Level	7 622 652		
Refurbishment of Milner Dam		8 695 652	
Refurbishment of Old Town Filters water line		6 956 522	
Connection of new Boreholes to existing WTW		1 739 130	8 695 652
Bothas Hill reservoir - Security fence		869 566	
Bulk sewer upgrade			8 695 652
	17 391 304	18 260 870	17 391 304
Library Services - Internally Generated Funds	2019/20		
Air conditioners	173 913		
Fencing of Library	173 913		
Computer Equipment	173 913		
	521 739		
Internally Generated Funds			
Community Services Equipment	200 000		
Technical Services Equipment	200 000		
Office & Computer Equipment	600 000		
	1 000 000		
Total Capital Budget	39 068 739	39 383 914	39 906 304

The capital programme is aligned to the current drought situation and sewer challenges.

4.6 FINANCIAL POLICIES

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

POLICY	DESCRIPTION	LAST UPDATED	REMARKS
Tariff Policy	<p>Prescribes the procedures for calculating tariffs.</p> <p>This policy is required in terms of Section 74 of the Local Government Municipal System Act, Act 32 of 2000 and Municipal Finance Management Act, Act 56 of 2003.</p>	30 May 2018	No action required at present.
Rates Policy	<p>Required by the Municipal Property Rates Act, Act 6 of 2004.</p> <p>This Policy provides the framework for the determination of rates and Municipal Finance Management Act, Act 56 of 2003.</p>	20 June 2016	Contents being reviewed as part of GV process.
Indigent Management Support Policy	<p>Policy to provide access to and regulate free basic service charges and services to all indigents. Indigents are those households who are unable to access or pay for basic services due to a number of socio-economic factors. Indigents must gain access to the Municipal Services infrastructure including water supply, sanitation, refuse removal, electricity and alternative energy where no electricity is available. The Municipality needs to ensure that the services provided to indigent households are always maintained and available.</p> <p>The indigent subsidy must be targeted to the poor.</p>	June 2017	No action required at present

Budget Policy	<p>Policy set out the principles which must be followed in preparing Medium Term Revenue and Expenditure Framework Budget.</p> <p>It further ensures that the Budget reflects the strategic outcomes embodied in the IDP and related strategic policies.</p>	30 May 2018	No action required at present.
Asset Management Policy	The objective of the Policy is to prescribe the accounting and administrative procedures relating to the property, plant and equipment.	30 May 2018	No action required at present.
Accounting Policies	The policy describes the basis of presentation of the Annual Financial Statements in accordance with the Generally Recognized Accounting Practices and Accounting Standards.	Part of Annual Financial Statements for year ended 30 June 2018	Accounting policies need to be updated, approved and implemented.
Supply Chain Management Policy	<p>Policy is developed in terms of Section 1 of the Municipal Finance Management Act, Act 56 of 2003.</p> <p>The principles of this Policy is to give effect to a fair, equitable, transparent, competitive and cost effective system for the procuring of goods and services, disposing of goods and selecting of contractors in the provision of Municipal Services.</p>	30 May 2018	No action required at present.

POLICY	DESCRIPTION	LAST UPDATED	REMARKS
Subsistence and Travel Policy	Policy regulates the reimbursement of travelling and subsistence costs to officials and Councillors attending official business.		Policy needs to be reviewed, approved and implemented.
Credit Control and Debt Collection Policy	Policy provides for Credit and Debt Collection Procedures and mechanisms to ensure that all consumers pay for the services.	20 June 2016	No action required at present.
Cash Management and Investment Policy	Policy was compiled in accordance with the Municipal Finance Management Act, Act 56 of 2003.	20 June 2016	Given the cash flow challenges faced by the municipality the policy should refined, approved and vigorously be implemented.
Short-term Insurance Policy	The objective of the Policy is to ensure the safe-guarding of Council's assets.	20 June 2016.	Policy needs to be drafted, approved and implemented.
General Ledger Chart of Accounts Maintenance Policy	<p>A current and accurate chart of accounts is an integral part of the accounting systems of the municipality.</p> <p>This chart of accounts is generally consistent with the definitions and procedures presented in the GRAP (General Recognize Accounting Practices) requirement as well as the General Financial Statistics (GFS Classification) and various budget reform processes as aligned by National Treasury.</p>	No policy supplied.	Policy needs to be drafted, approved and implemented.

POLICY	DESCRIPTION	LAST UPDATED	REMARKS
Information Technology Policy	<p>Aim of this policy is:</p> <ul style="list-style-type: none"> • To promote the professional, ethical, lawful and productive use of Makana Municipality information systems; • To define and prohibit unacceptable use of Makana Municipality information systems; • To educate Municipal officials about their Information Security responsibilities; • To describe where, when and why monitoring may take place; • To outline disciplinary procedures. 	No policy supplied.	Policy needs to be drafted, approved and implemented.
Debt Management Policy	<p>The objectives of this policy are to:</p> <ul style="list-style-type: none"> • Record the circumstance under which a municipality may incur debt; • Describe the conditions that must be adhered to by the Municipal Manager or his/ her delegate when a loan application is submitted to council for approval; • And record the key performance indicators to ensure access to the money markets. 	20 June 2016	No action required at present.

Petty Cash Policy	<p>The objectives of the policy are:</p> <ul style="list-style-type: none"> • To ensure the correct procedures are followed when requesting a petty cash facility; • To ensure that petty cash is kept safe at all times; • To ensure that advances are only paid for valid expenses purchases and that all transactions are accurate and complete; • To ensure that petty cash is balanced and reconciled on a daily basis in order to detect mistakes, and to prevent the float being depleted before replenishment takes place; • To ensure that replenishment of petty cash is done when required and that replenishment only takes place for amounts that are supported by valid supporting documents; • To ensure that the petty cash facility is available and managed well in the absence of the regular petty cash official. 	20 June 2016.	No action required at present
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4.6 INFRASTRUCTURE CAPITAL PLANS 2018- 2024

Table 56: Infrastructure Capital Plans

PROJECT						5- YEAR INFRASTRUCTURE CAPITAL PLAN				
TYPE	PROGRAMME & PROJECTS	SOURCE	PRIORITY	PLANNING	APPROVED BUDGET (ZAR): CURRENT	3- YEAR CAPITAL PLAN			2- OUTER YEARS	
				COST EST.						
	CURRENT PROJECTS					2019/20	2020/21	2021/22	2022/ 23	2023/24
I	DWS- FUNDED MANDATE									
	WATER CONSERVATION & DEMAND MANAGEMENT	WSIG	WATER		10 000 000	-	-	-	-	-
	RRFURBISHMENT OF RIEBEECK EAST BULK WATER SUPPLY PHASE1	WSIG	WATER		15 000 000	-	-	-	-	-
	REFURBISHMENT OF ALICEDALE WATER TREATMENT WORKS PHASE1	WSIG	WATER		10 000 000	-	-	-	-	-
	WATER CONSERVATION AND DEMAND MANAGEMENT	WSIG/ DROUGHT	WATER		10 000 000	-	-	-	-	-
	GROUND WATER DEVELOPMENT	WSIG/ DROUGHT	WATER		12 000 000	-	-	-	-	-
	JAMES KLEYNHANS BULK WATER SUPPLY(BWS)	RBIG	WATER		10 000 000	78 000	66 000	-	-	-
	MAKANA BULK SEWER	DWS/ COGTA	SANITATION	20 000 000	-	-	-	30 000 000	-	-
	BELMONT WATER WASTE TREATMENT WORKS(WWTW)	RBIG	SANITATION	140 000 000	-	-	7 000 000	30 000 000	-	-

	PROJECT					5- YEAR INFRASTRUCTURE CAPITAL PLAN				
TYPE	PROGRAMME & PROJECTS	SOURCE	PRIORITY	PLANNING	APPROVED BUDGET (ZAR): CURRENT	3- YEAR CAPITAL PLAN			2- OUTER YEARS	
				COST EST.						
	MAYFIELD WASTE WATER TREATMENT WORKS	RBIG	SANITATION	100 000 000	-	-	-	30 000 000		
		SUB-TOTAL			67 000 000	78 000 000	66 000 000			
II	MIG-CURRENT PROJECTS – FUNDED MANDATE									
	ALICEDALE SEWERAGE UPGRADE	MIG	SANITATION	24 709 956 .78	11 484 644					
	WAAINEK BULK WATER SUPPLY REFURBISHMENT	MIG	WATER	33 317 214 .	11 292 566					
					22 777 210.00					
III	PROPOSED PROJECTS- MIG FUNDED MANDATE									
	PMU PROJECT ADMINISTRATION (5% OF ALLOCATION)	MIG		1 700 000	1 198 800	1 219 950	1 278 500	1 218 250	-	-
	SOCIAL COMMUNITY PROJECT (15%OF ALLOCATION)	MIG		3 596 400	-	-	3 835 500	3 472 012.50	-	-
	WAAINEK BULK WATER SUPPLY REFURBISHMENT (MULTI-YEAR PROJECT)	MIG	WATER	33 317 214	-	7 747 783				

	PROJECT					5- YEAR INFRASTRUCTURE CAPITAL PLAN				
TYPE	PROGRAMME & PROJECTS	SOURCE	PRIORITY	PLANNING	APPROVED BUDGET (ZAR): CURRENT	3- YEAR CAPITAL PLAN			2- OUTER YEARS	
				COST EST.						
	FENCING OF BELMONT VALLEY WASTEWATER TREATMENT WORKS	MIG	SANITATION	1 300 000	-	1 300 000				
	PROPOSED PROJECTS									
	UPGRADING OF WATER INFRASTRUCTURE									
	NEW 6MI RESERVOIR AT WAAINEK WTW	MIG	WATER			10 000 000				
	HOWISON SPOORT & SETTLERS- SECURITY, LIGHTS & REFURBISHMENT OF PUMPS	COGTA/DWS	WATER			1 500 000				
	BOTHAS HILL RESERVOIR SECURITY FENCE	MIG	WATER			1 000 000				
	WATER MANAGEMENT PLAN	MISA	WATER				1 000 000			
	JAMESON DAM	COGTA/DWS	WATER				10 000 000			
	MILNER DAM	COGTA/DWS	WATER				10 000 000			
	BOTHAS HILL RESERVOIR TO HIGH LEVEL RESERVOIR	MIG	WATER				10 000 000	25 000 000		
	OLD TOWN FILTERS TO HIGH LEVEL RESERVOIR – NEW PIPELINE	COGTA	WATER				4 000 000			

	PROJECT					5- YEAR INFRASTRUCTURE CAPITAL PLAN				
TYPE	PROGRAMME & PROJECTS	SOURCE	PRIORITY	PLANNING	APPROVED BUDGET (ZAR): CURRENT	3- YEAR CAPITAL PLAN			2- OUTER YEARS	
				COST EST.						
	JAMESON/ MILNER DAMS TO OLD TOWN FILTERS WATER LINE	COGTA/ DWS	WATER				8 000 000			
		SUB TOTAL		39 913 614	1 198 800	22 767 733	48 114 000	29 690 262.50	-	-
	UPGRADING OF SANITATION INFRASTRUCTURE									
	SEWERAGE MANAGEMENT PLAN	MISA	SANITATION	1 000 000		1 000 000				
	REFURBISHMENT OF INTERNAL SEWER RETICULATION	MIG	SANITATION	20 000 000		6 000 000	6 000 000	6 000 000	6 000 000	6 000 000
	UGRADING OF ROADS INFRASTRUCTURE - TAXI ROUTE									
	UPGRADE OF NCAME STREET	MIG		12 000 000	-	12 000 000				
	UPGRADE OF M - STREET	MIG		20 000 000	-	-	20 000 000			
	UPGRADE OF MAKANA WAY	MIG		10 000 000	-	-		10 000 000		
	UPGRADING OF ELECTRICITY INFRASTRUCTURE									
	REFURBISHMENT OF HIGH MAST LIGHT	MIG		1 200 000.00	-	-	1 200 000			

	PROJECT					5- YEAR INFRASTRUCTURE CAPITAL PLAN				
TYPE	PROGRAMME & PROJECTS	SOURCE	PRIORITY	PLANNING	APPROVED BUDGET (ZAR): CURRENT	3- YEAR CAPITAL PLAN			2- OUTER YEARS	
				COST EST.						
	REFURBISHMENT OF STREET LIGHTS	MIG		950 000.00	-		950 000			
			SUB-TOTAL	44 150 000		19 000 000	28 150 000	16 000 000	6 000 000	6 000 000
		TOTALS		142 090 784. 78	90 976 010	41 845 733	76 330 000	45 690 262	6 000 000	6 000 000
		15% VAT		21 313 617. 72	13 646 401. 50	6 276 859. 95	11 449 500.	6 853 539. 38	900 000.	900 000
	TOTAL REQUIREMENTS PLAN	FUNDING (5-YEAR)	GRAND TOTAL	163 404 402. 50	104 622 411. 50	48 122 592. 95	87 779 500.	52 543 801. 88	6 900 000	6 900 000

CHAPTER FIVE: INTEGRATION

5.1 INTRODUCTION:

To ensure that the IDP address all strategic issues relevant to any effective municipality, the following section offers a comprehensive list of issues discussed during the IDP process. The integration phase represents the institutional readiness for implementation and to ensure integrated planning for the provision of basic services. An analysis was conducted in respect of various sector plans for the Municipality. Some of these sector plans were found to be still relevant and required minor changes. Others required a review, whilst new ones need to be developed and this was based on benchmarked and IDP Assessment with other local Municipal with our side.

5.2 SUMMARY OF SECTOR PLANS:

Table 57: Sector Plans

STATUS	SECTOR PLANS
EXISTING PLANS	Review Water Service Development Plan
	Integrated Waste Management Plan
	Area Based Plan
	Comprehensive Infrastructure Plan
	Disaster Management Plan
	Housing Settlement Plan
	Review of Transport Plan
	Review Fire and rescue plan(CPS report)
	Environmental strategy(LEAP)
	Spatial Development Framework
NEW ONE TO BE DEVELOPED	Five Invest Financial plan
	Development of Job creation sector plan
	Poverty alleviation plan
	Fleet management plan
	Development of Electricity Master Plan
	Asset Management Strategy
	Supply chain Management Strategy
	Cooperative strategy

	Revenue enhancement strategy	
CROSS CUTTING PLANS	Plans	Action required
	Local Economic Development Plan	Strategy was approved and due for review 2017
	HIV/AIDS action plan t	To be developed
	Special Programs sectorial plans	<ul style="list-style-type: none"> Youth plan need to be develop People with Disability

5.2.1 HUMAN RESOURCES PLAN

Municipality has developed a Human Resources Plan with the assistance of Provincial Government (Department of local government in 2011, was adopted by council in 2016.

Alignment of the Human Resource Plan with municipal objectives

Alignment: Effective achievement of our Municipality goals through implementing the following development strategies and policies:

- Enhance Employee retention & recruitment
- Improve human resource administration
- Employment wellness
- Training and Development

Strategic direction: Makana Municipality Development Priorities

- Institutional transformation and Organisational Development
- Basic Service delivery
- Local Economic Development
- Municipal Financial Viability Management
- Good Governance and Public Participation
- Empower Rural Communities and support to vulnerable groups

DEVELOPMENT PRIORITY	OPERATIONAL OBJECTIVE	HR PROGRAM
Institutional transformation and Organisational Development	Develop HR Plan by in order to provide an conducive working environment and ensure compliance with legislative requirements HR Plan will assist in coordinating all HR programmes as listed below	HR Plan
	Ensure the cascading of Performance Management System to all employees to ensure effective service delivery.	Performance Management System
	2010-2011 cascaded to HOD level, 2011-2012 cascaded to supervisory and Forman level, 2012-2013 to all employees.	Training and Development
	Development of work skills plan that seeks to achieve organisational goal e.g. shortage of qualified electricians, accountants, etc. DTIS: Assessment shortage of skills by DBSA	
Institutional transformation and Organisational Development	Operationalization of wellness policy to enforce health and safety regulations. There is vacant position in the organogram of Employment well facilitator.	Wellness (Health and safety)
	Operationalization of career succession plan policy	Career planning
	To ensure sound good working relations between the employer and employees. (LLF) To empower members of LLF –all stakeholders (training) i.e. ORA, Labour relations Act, Basic conditions Act, LLF constitution and other related courses	Labour relations
	Ensure smooth exit procedure 1. Resignation 2. Retirement 3. Dismissal 4. Early retirement due to health	Exit management

5.2.2 COMMUNICATION STRATEGY

Chapter 4 of the Municipal Systems Act (Act 32 of 2000), equally, states that all Municipalities must strive to meet the following object, among others: -

- Foster meaningful dialogue and interface within the internal structures of Municipalities, external bodies and members of the public.
- Likewise, the Promotion of Administrative Justice Act (Act 3 of 2000) and Promotion of Access to Information Act (Act 2 of 2000) charge Government Bodies to observe and adhere to the principles and practices of good governance,
- It is within this context that this policy shall direct Makana Municipality on how to constructively engage the members of the public and external bodies in particular media institutions as instructed by the Constitution of the Republic of South Africa and applicable pieces of legislation and the institutional policies.

Scope of the policy

This policy and strategy applies to the Councillors and Officials of Makana Municipality, be they casuals, part time, full time, contract or consultants. The communication policy and strategy will be reviewed and revised when the need arises by the Council. The last review was done in 2016 and adopted on the 24 June 2016.

Aims of the policy

The aim of this policy is to ensure the streamlining of communication within the Makana jurisdiction and to ensure a coherent and coordinated communication process.

To provide a framework within which internal and external communication of the Municipality will be discharged with its stakeholders and to reduce the risk of damaging or ineffective communication, and to ensure that staff and Councillors are aware of how communication is best conveyed externally and internally, and who has responsibility for which aspects.

Objectives of the Policy

The objectives of the Communication Policy of Makana Municipality are as follows:

- (a) Ensuring that there is a clear and co-ordinated communication process within the Municipality, to enhance and promote cooperative governance between its clientele, partners, stakeholders and the media.

- (b) Ensuring that there are clear roles of communication by the staff of Makana Municipality and to foster meaningful dialogue and interface between and among the internal role players.
- (c) Ensuring that the image of the Municipality is at all times upheld.
- (d) Ensuring that the Municipality complies with the legislative requirements as far as communication is concerned.
- (e) Ensuring that resources are used in support of the achievement of the Municipality's strategic goals.
- (f) Ensuring effective coordination and coherent system of communication within Makana Municipality.

Official Communicators

All staff members (officials) as defined above and Councillors are communicators of the Council by virtue of their work. All staff members and Councillors are representatives and messengers of the Municipality.

Staff members and Councillors should always be mindful that when they communicate with a member from the public, things they say are seen as official statements expressing the views of the municipality. In instances where Councillors speak in their personal capacity or for their political parties, they must make sure that point is clear.

However it is critical to note that for interview or research purposes, whether by institutions, organisations, private companies, media, etc. consent to engage with such bodies must be sought from the Municipal Manager by officials and from the Executive Mayor or Speaker by the Councillors. Councillors do not need to seek the approval of the Speaker or the Executive Mayor when they speak in their personal capacity or for their political parties.

The Media and Communications Officer (Municipal Spokesperson), the Municipal Manager and the Executive Mayor are not only the official communicators of the Municipality but the primary communicators. However, they can delegate their powers to whomever they see fit at times.

5. 2.3 INTEGRATED WASTE MANAGEMENT

Purpose: Makana municipal integrated waste development consideration various service categories as well as evaluate the service delivery in each of the towns in the Municipality. The service categories that are taken into consideration can be summarised as follows:

- Refuse Removal:
- Residential
- Commercial
- Industrial
- Garden Refuse
- Builders' Rubble and
- Medical Waste
- Street and ablution cleaning
- Landfill Sites,
- Transfer Stations and
- Bulk Containers

The Status Quo investigation of the waste management section considered each of these aspects, In addition to this existing structure, the status quo study also considered planned developments for service extensions and any planned projects that have been identified in the IDP. The Makana Local Municipality (LM) Integrated Waste Management Plan (IWMP) has been reviewed in 2017 and was approved by council 2018, in line with the requirements of the Waste Act and the Department of Environmental Affairs (DEA) Guideline for the Development of Integrated Waste Management Plans.

Makana LM has a total of approximately 80 400 persons and 21 384 households with an average of 3.7 persons per household. Based on Census data from 2011, about 19 014 (89%) households receive weekly waste collection services. A total 8% households either utilize their own dumpsite or have no refuse disposal facilities.

Status Quo of Waste Disposal Facilities Makana LM has three (3) landfill sites all situated on municipal property, at the following main centres: Makhanda, Alicedale and Riebeeck East.

The Makhanda landfill is an old quarry located 2km north-west of town. The site was permitted by the then Department of Water Affairs and Forestry (DWAF) on 10 September 1996 as a G:M:B+ landfill site in terms of Section 20 of the Environmental Conservation Act (No 73 of 1989). The site is medium by classification, it is estimated that the site receives approximately 125 tons of waste a day. The expected lifetime of the site is approximately 20 years.

The Alicedale landfill site is an old sandstone quarry located approximately 500m west of town. The site was authorised in May 2005 through Directions in terms of Section 20(5) (b) of the then Environmental Conservation Act (No 73 of 1989) as a G:C:B- landfill site. The site is classified as a

communal landfill and it receives approximately 1.56 tons of waste a day. The expected lifetime is approximately 20 years.

The Riebeeck East landfill site is located approximately 2km east of town. The site was authorised in May 2005 through Directions in terms of Section 20(5) (b) of the then Environmental Conservation Act (No 73 of 1989) as a G:C:B- landfill site. The site is classified as a communal landfill and it receives approximately 0.56 tons of waste a day. The expected lifetime is approximately 10-15 years.

5.2.4 DISASTER MANAGEMENT PLAN

Introduction:

The Makana Local Municipality Disaster Management Plan has been prepared in accordance with the provisions of the Disaster Management Act no 57 of 2002, and within Cacadu Disaster Management Framework and was adopted by Council in May 2009, currently under review. The plan is aimed at ensuring an integrated and uniform approach to comprehensive disaster management in the Municipality.

This Plan has been documented by the Disaster Management Centre, Sarah Baartman District Municipality, with the support of Makana Municipality.

Objectives:

To strengthen the capacity of Makana disaster management system to reduce unacceptable risks and improve response and recovery activities.

Strategic focus:

Move disaster management programming efforts from a response and relief emphasis to comprehensive risk management culture.

Top priority risk for Makana municipality:

A Risk Priority Rating has been determined for Makana Municipality and the top three being, Storms, Fires and Epidemics. Within the Plan there are contingency plans for all the Hazards/Disasters that the Municipality is prone to and the purpose of this is to be effective and efficient during emergencies.

Below is the list of contingency plans that are in place to deal with disasters that has strike or threatening to occur.

1. Contingency Plan for Floods
2. Contingency Plan for Fires

3. Contingency Plan for Epidemics
4. Contingency Plan for Accidents

5.2.5 WATER SERVICE DEVELOPMENT PLAN

The purpose of IDP and WSDP goals is to provide the Municipality's long term direction and desired state for water services provisioning within the Makana Water Services Authority.

To comply with the Water Services Act (Act 108 of 1997) and the National Water Act (Act 36 of 1998), the WSDP should be prepared as part of the IDP process unless there is no IDP process in which case it can be prepared separately. The WSDP is a sectorial plan that falls within the inter-sectorial umbrella plan of the IDP.

The strategies developed as part of the WSDP has been based on the IDP vision, priority issues and objectives in terms of addressing the when, who, what, etc.

Should it be found that insufficient resources are available to support the strategy, the IDP priority issues and objectives would have to be reconsidered Municipal WSDP was last revised 2008 and adopted by Council in June 2009 and will be revised in the 2017/18 financial year.

Objectives

The primary objective is for Makana Municipality to provide effective, efficient and sustainable water services and sanitation for all communities within the Makana Municipality jurisdiction and the planning to eradicate backlogs

Table 58: Water and Sanitation Backlogs

Water Works Service Area	Water needs to RDP Level		Sanitation Needs to RDP Level	
	Technical	Management	Technical	Management
Reticulation	35%	35%	35%	35%
Bulk	45%	35%	45%	45%

Table 59: Status of supply to higher levels

Present services level	Basic RDP	Hugh RDP	Urban
LM-Services Levels	%	95.5%	95.5%
LM- Sanitation Services	13.6%	73.3%	86.6%

Cost of Eradicating backlogs:

Typical Required Water Sector (DWAF & Local Gov.) Cash flow to meet target dates of 2008 for Water Services and 2010 for Sanitation (DWAF & CMIP) – RM

Table 60: Cost of Backlogs

As in 08/09 -10/11	TOTAL
Bulk Water Supply System	48,891,927
Reticulation and Cost Recovery	728,640
Household Sanitation (Up to 2010/11)	38,264,507
Rehabilitation	12,297,966
Sub Total	100,183,040

What is the strategy to eradicate backlogs?

COST split of Water Sector Funding Requirements for Different Service Levels (RM) Note: Estimates are provided only in the categories where integrated supply services are (to be) provided. The remaining categories can readily be isolated on municipal level and can be financed by consumer contributions and external (non-governmental loan grant etc., funding)

Backlogs	Basic	High	Urban	Total
	(%)	(%)	(%)	(%)
Bulk Water Supply System	28	20.8	48.8	48.8
Village Reticulation and Cost Recovery	0.7		0.7	0.7
Household Sanitation (Up to 2010/11)		38.2	38.2	38.212.3
Rehabilitation		12.3	12.2	

5.2.6 LOCAL ECONOMIC DEVELOPMENT STRATEGY

INTRODUCTION: The Council approved its LED Strategy 2010 and under review. The Strategy comprises a situational analysis and a local economic development framework.

This LED was developed using the following methodology:

Step One: Consolidating of the existing research

Step Two: Target Sectoral Stakeholder Engagement

Step Three: Economic Potential Analysis

Step Four: Package Five LE Strategy

Situational Analysis

The situation analysis explores several components namely: policy, socio-economic, economic, infrastructural, environmental and institutional profiles, as well as an opportunity and constraints analysis.

The structure of the Situation Analysis report is as follows:

CHAPTER	TITLE	PURPOSE
2	Policy Framework	This chapter provides an overview of the national, provincial, district and local municipal planning initiatives that provide the framework in which the LED strategy will be developed.
3	Socio-economic Profile	The socio-economic profile provides a demographic overview of the population residing in the project area and considers indicators such as population growth, education ,income and access to basic services
4	Economic Profile	The economic profile considers various economic indicators such as RGDP size and growth, and provides a profile of the each of the productive economic sectors in the project area.
5	Infrastructural Profile	This chapter assesses the level of economic infrastructure available in Makana in terms of roads electricity network, water, sanitation and telecommunications so as to better understand the resources available.
6	Environmental Profile	The environmental profile provides a background to the biophysical and environmental characteristics of the area, with reference to topography, climate, vegetation, hydrology and biodiversity.
7	Institutional Profile	This chapter provides an overview of the institutional structure and capacity of the Makana Local Municipality.
8	Economic Potential Analysis	The potential analysis incorporates an opportunity and constraints assessment, which assists in creating an understanding with regard to the sectoral competitive advantages of the local economy and is used to determine the development potential within the area. Key factors that may be inhibiting growth are also identified as part of this process.

Strategic Development Framework

Local Economic Development Framework considers the strategic development framework for LED, implementation plan, monitoring and evaluation framework and benchmarking of the LED strategy.

The Report Outline

Chapter 2:	Strategic Development Framework	This section presents the framework of the strategy and includes the vision, goal programmes and strategic initiatives conceived
Chapter 3:	Implementation Plan	This section provides guidelines for the implementation of the strategic framework terms of recommended actions, roles and responsibilities and associated timeframes.
Annexure 1:	Support Agencies	A compendium of support agencies and the contact details.
Annexure 2:	Monitoring & Evaluation Framework	A monitoring and evaluation framework based the SDBIP is provided for the 10 priorities initiatives.
Annexure 3:	Benchmarking for LED best practice	Provides criteria for successful LED strategy based on government guidelines.

Elements of the LED Framework

The strategic framework is developed in line with and adapted from World Bank LED principles, and is made up of the following elements:

Vision: The vision describes the stakeholders' (community, private sector, municipality, nongovernmental organisations) agreement on the preferred economic future of the economy.

Goals: Objectives are based on the overall vision and specify desired outcomes of the economic planning process. They set performance standards and identify target activities for development.

Programmes: Programs are set out approaches to achieving realistic economic development goals.

Strategic Initiatives: Allow the prioritised implementation of specific programme components.

The vision sets out what the LED strategy seeks to achieve. All the other elements of the strategic framework thus cascade from the vision. The Makana LED strategy vision was developed after stakeholder engagement convened in the form of an Indaba. The Indaba allowed public participation and input into the vision. The other element that forms a central part of the LED vision is the Makana municipality's vision, as set out in its IDP document.

The Long Term Economic Vision for The Development of The Makana Area is:

A robust, vibrant and sustainable economy that promotes local inclusive development

The vision can be broken down to certain key words, phrases and principles that are expanded upon in Table 61.

Explanation of the Vision Key Principles

Table 61: Vision Key Principles

KEY PRINCIPLE	EXPLANATION
Robust	Robustness is the quality of being able to withstand stresses brought on by changes in circumstance. In the ever-changing global economy, it is vital that the economy have the ability to dynamically respond to various pressures. This is to be attained through an ability to adapt to industry trends and adopt evolving technologies and approaches
Vibrant	A vibrant economy is seen through high levels of activity and growth in terms of business attraction and establishment, employment creation and a bustling entrepreneurial base. Given Makana's relatively slow pace of growth from 1995 to 2007, it is vital that an injection of purpose-driven activity infuse the orientation of all economic activity in the area to boost growth and development.

KEY PRINCIPLE	EXPLANATION
Sustainable	<p>All economic activity that takes place in Makana must be founded on principles of long term sustainability (environmental and economic). Accelerated development and sustainability are not mutually exclusive but should rather be considered at complimentary.</p> <p>A shift towards a green economy (environmentally sustainable) is possible and even desirable within the context of Makana's development and such considerations must be made throughout the economic planning process.</p> <p>Economic sustainability relates to growth that is based on activity that is viable and feasible over the long-run. It thus relates to positioning the economy to be driven by key sectors that tap into and maximize its inherent traits.</p>
Local	<p>This element underscores the importance of retaining incomes and expenditures within the municipality. This places forth notions of reduced income leakage, prioritised local procurement, and internalised business sector solidarity and stakeholder cohesion. Also intrinsic in this statement is an element of local ownership of and responsibility for the area's growth and development.</p>
Promotes development	<p>This key principle deals with the ability of stakeholders to translate the area's latent potential and comparative advantage into developments that benefit the community at large in a practical and discernible way. Makana has significant unrealised and unexploited development potential and it is pivotal that such low hanging fruit be grasped.</p> <p>Efficiently and effectively utilising available resources makes up part of this key principle. The realisation of Makana's development potential is to be articulated through the interventions envisaged in the programmes and strategic initiatives contained in the strategic framework.</p>
Inclusive development	<p>Balanced development is envisaged on a household level as well as on the economy-wide level.</p>

KEY PRINCIPLE	EXPLANATION
	<p>On the household level there is a need for reduced poverty and other forms of deprivation, employment creation and access to economic opportunities and greater participation levels by all residents of the Municipality. Development and growth must not bypass or lead to the marginalisation of any sections of society.</p> <p>On the economy-wide level the economy whilst concentrating on its competitive and comparative advantages, must also allow for and promote diversification of activity. This reduces the chance of undue reliance on a few sectors, with balanced growth occurring in all sectors of the economy.</p> <p>Imbued in both these elements is the importance of redressing historical and structural imbalances. Historical imbalances relate to marginalisation of various groups into an economic periphery. Structural imbalances are based on the spatial and sectoral distribution of economic activity in the Municipality.</p>

The setting of goals was primarily based on district, provincial and national goals, where appropriate. This was then ratified via public participation at the Economic indaba. It is important to note that although ideally objectives should be SMART (i.e. specific, measurable, achievable, realistic and time bound); it is not always possible to set quantifiable goals.

Based on the vision discussed above, and the traits of the economy revealed in the situation analysis, the following goals will guide the local economic development strategy:

- a) Increase R-GDP by 3.5% per year to match district and the provincial growth rates by 2014
- b) Maintain employment at current levels from 2010 to 2011, with the view of increasing trade and service sector employment by 4% from 2012 to 2014
- c) Grow the tourism related component of the local economy.
- d) Maintain sustainable levels of capital expenditure on key LED infrastructure from 2010 to 2014
- e) Increase the role of formal and informal strategic partnerships in and between the public and private sectors as a catalyst for growth
- f) Reduce income leakage and support SMME activity through increased local procurement and labour force support measures.

Programs and strategic initiatives

In order for the goals discussed in the previous section to be achieved, the strategic framework contains key developmental thrusts packaged in the form of programs. The programs are based on the findings of the situational analysis, seeking to reduce identified constraints and maximise untapped economic potential. Each program is made up of several strategic initiatives, which fall in the public and private realms. The programs and strategic initiatives discussed in this section all seek to ensure that Makana maximises economic development based on its unique attributes and characteristics.

The programs for the LED strategy are:

- a) Strategic Partnerships
- b) Infrastructure Provision And Services
- c) Investment Attraction
- d) SMME Promotion
- e) Tourism Development
- f) Leveraging of educational capital
- g) Agricultural sectoral development

The first four programs deal with cross cutting issues that have been identified as requiring strategic interventions. Cross cutting issues relate to challenges and opportunities that transcend sectoral barriers. This can be seen by how the need for strategic partnerships applies across all economic sectors in Makana, how infrastructure promotes development across the economic spectrum, investment attraction is needed by all participants, and SMMEs operate across the board. Cross cutting programs thus apply for the general economic landscape of Makana and are vital for the creation of a conducive and enabling environment for growth and development.

The last three programs provide targeted actions in sectors deemed to be important in shaping the overall future of the economy (tourism, education and agriculture). These sectors were selected based on the following outcomes of the situation analysis:

- Comparative advantage analysis
- Sectorial performance classification
- Opportunities and constraints analysis

The strategic initiatives in each of the sectorial programs zone in on critical success factors that will allow maximisation of their development potential. Each programme is discussed in the

proceeding sections, with elaborations on its motivation, rationale and strategic initiatives. The strategic initiatives are listed in descending order of prioritised, as voted for by stakeholders at the Makana Economic Indaba.

STRATEGIC PARTNERSHIPS The strategic initiatives that relate to strategic partnerships in Makana mainly involve the municipality as one of the partners and were developed in response to perceived gaps in intergovernmental and inter-organisational relations.

Filling in these gaps will have a beneficial impact on the ability of government, business, civil society and the community to contribute towards LED.

ALIGNMENT

The LED Strategic Framework was used as the basis for the LED planning objectives and projects reflected in the IDP 2012-2017 Review.

5.3 PERFORMANCE MANAGEMENT INSTITUTIONAL LEVEL

The PM process at organizational level in the Municipality is characterized by the steps that are set out in Figure 2. Although the steps and what follows relate mainly to performance management at organizational level, the principles and approaches as espoused could also be applied to performance management at departmental level.

5.3.1 PERFORMANCE PLANNING

Performance will be managed in terms of the IDP and the process of compiling the IDP information; therefore the annual review of the IDP planning process for performance. From figure 2 it should be noted that the last step of the cycle is "Performance review" and the outcome thereof should inform the next cycle of IDP compilation / review by focusing the planning processes on the areas in which the Municipality has under-performed.

5.3.2 PERFORMANCE MONITORING

Performance monitoring is an on-going process by which a manager accountable for a specific indicator as set out in the organizational scorecard (and a service delivery target contained in a SDBIP) continuously monitoring current performance against the set targets. The aim of the monitoring process is to take appropriate and immediate action where it appears that target will not be timeously met. The same will apply to the various SDBIPs.

Performance monitoring requires appropriate action to be taken should it become evident that a specific performance target is not going to be met. In undertaking performance monitoring processes, the following aspects need to be determined and provided for

- ❖ The data that must be collected in order to assess performance.
- ❖ The methods that must be employed of n the collection, storage, verification and analysis of that data.
- ❖ The processes and formats that must be used in compiling reports on that data.
- ❖ Corrective measures that will be employed when poor performance has been detected.
- ❖ Mechanisms to compare current performance with baseline indicators and performance during the previous financial year.

5.3.3 MONITORING REPORTS SHOULD BE SUBMITTED AS FOLLOWS:

Table 62: Monitoring Reports

Submitted to	Frequency
Director	At least quarterly
Municipal Manager	At least Monthly

Managers should track performance trends against targets for those indicators that lie within their area of accountability at least once per month. That will allow them to identify performance related problems and take appropriate remedial action in time. In addition each senior manager should delegate to the direct line manager the responsibility to monitor the performance for his/her sector.

5.3.4 PERFORMANCE MEASUREMENT

Performance measurement refers to the formal process of collecting and capturing performance data to enable reporting to take place for each KPI and against the target set for such indicator. A manual process will be used to measure performance at Makana Municipality. The municipality's SDBIP scorecards should spell out the name of an official who will be reporting on each indicator. The said official will, when performance measurement is due, have to collect and collate the necessary performance data or information and capture the result against the target for the period concerned. As such, they need not be against the target for the period concerned. As such, they need not be accountable for performance on the said performance indicator.

5.3.5 PERFORMANCE ANALYSIS

Performance analysis involves the process of making sense of measurements. It requires interpretation of the performance measurements to determine whether targets have been met

/ exceeded and to project whether future targets will be met or not. Where targets have not been met, the reasons thereof should be examined and corrective action recommended. Where targets have been met or corrective action recommended. Where targets have been met or exceeded, the key factors that resulted in such success should be documented and shared so as to ensure organizational learning.

5.3.6 THE MANAGER RESPONSIBLE FOR EACH INDICATOR SHOULD, THEREFORE DO THE FOLLOWING:-

1. Capture the performance data against targets on the scorecard.
2. Analyse reasons for meeting or not meeting a target
3. Capture a summary of findings on the scorecard.
4. Recommend remedial actions as appropriate.

The completed organizational and SDBIP scorecards should be submitted to a formal meeting of the senior management team for further analysis and consideration of draft recommendations from the relevant managers. This level of analysis should examine performance across the municipality in terms of all its priorities with the aim to reveal and capture whether there are any broader organizational factors that are limiting the ability to meet any performance targets.

Such analysis should also ensure that quality performance reports are submitted to the Executive committee and that adequate response strategies are proposed in cases of poor performance. After reaching agreement on the analyses the management team can take the scorecards to the executive committee for consideration and review.

5.3.7 PERFORMANCE REPORTING AND REVIEW

The next two steps in the process of performance management (i.e. Performance reporting and performance Review) will be dealt with at the same time.

This section is further divided into three sections dealing with the requirements for in –year versus annual reporting and reviews respectively and lastly a summary is provided for the various reporting requirements.

5.3.8 IN – YEAR PERFORMANCE REPORTING AND REVIEW

The submission of the scorecards to the executive committee for consideration and review of the entire municipal performance is the next step in the process. The first such report is a major milestone in the implementation of any PMS and it marks the beginning of what should become a regular event (i.e. using the performance report as a tool to review the municipality's performance and to make important political and management decision on how to improve).

Performance Review is the process where the leadership of an organization reviews the results; and decides on appropriate action, after the performance of the organization has been measured and reported. In reviewing the organizational and departmental scorecards, the Executive Committee will have to ensure that the committed targets have been met; and where they have not, that satisfactory and sufficient reasons have been provided and that the proposed corrective action is adequate. If satisfied with the proposed corrective action those should be adopted as formal resolution of Council, minutes read and actioned accordingly.

As indicated earlier, the organizational and SDBIP scorecards should be submitted to the executive committee for consideration and review on a quarterly basis. The reporting should therefore take place as follows:-

QUARTER	PERIOD UNDER REVIEW	MONTH OF REPORTING
1	July to end of September	October
2	October to end December	January
3	January to end March	April
4	April to end June	July

The review in January will coincide with the mid-year performance assessment as per section 72 of the MFMA. The said section determines that the accounting officer must, by 25 January of each year, assess the performance of the municipality and report to council on inter alia, its service delivery performance during the first half of the financial year and service delivery targets and performance indicators as set out in the SDBIP

5.3.9 ANNUAL PERFORMANCE REPORTING AND REVIEW

- ❖ On an annual basis a comprehensive report on the performance of the Municipality also needs to be compiled. The requirements for the compilation,

consideration and review of such annual report are set out in chapter 12 of the MFMA. In summary it requires that:-

- All Municipalities for each financial year compile an annual report.
- ❖ The annual report should be tabled within seven months after the end of the financial year.
- ❖ Soon after the annual report has been tabled it should be made public and local community should be invited to submit representations thereon.
- ❖ The Municipal Council should consider the annual report within nine months after the end of the financial year and adopt an oversight report containing the Council's comments on the annual report.
- ❖ The adopted oversight report should be made public.
- ❖ The annual report as tabled and council's oversight report should be forwarded to Auditor General, the Provincial Treasury and the department responsible for local government in the Province.
- ❖ The annual report as tabled and the council's oversight report should be submitted to the provincial legislature.

The oversight report to be adopted provides the opportunity for full Council to review the performance of the Municipality. The requirements that the annual report once tabled and oversight report be made public similarly provides the mechanism for general public to review the performance of the Municipality. However the Municipality will budget for the compilation of a user friendly citizens' report. The citizens' report should be a simple, easily readable and attractive document that translates the annual report for public consumption.

Over and above the legal requirements of the MSA and the MFMA, there should be an annual public campaign that involves the community in the review of municipal performance. Such a campaign could involve all or any combination of the following methodologies:-

- ❖ Various forms of media should be used to convey the annual report e.g. radio newspapers, notice boards (in shops and community halls) and billboards.
- ❖ The public should be invited to submit comments on the annual report via physical visits to the Municipality offices, telephone, fax and email.
- ❖ Public hearings could be held in a variety of locations to obtain input of the annual report.
- ❖ Making use of existing structures such as ward committees to disseminate the annual report and invite comments.
- ❖ Hosting a number of public meetings and roadshows at which the annual report could be discussed and input invited.

- ❖ Producing a special issue of the municipal newsletter in which the annual report is highlighted and the public invited to comment.

The public review process should be concluded by formal review of the annual report by the IDP representative Forum of the Municipality.

The annual performance report should be compiled and completed no later than two months after financial – year end. That will ensure that its outcomes can timeously inform the next cycle of performance planning.

5.3.10 SUMMARY OF VARIOUS PERFORMANCES REPORTING REQUIREMENT

Annual Performance Report

Section 121(3) A annual performance report would have to be Section 121 (3) (c) of the MFMA outlines the requirements for Annual performance reporting. An assessment of municipal performance together with recommendations for council by the audit committee, corrective actions undertaken arising from audit report and competency compliance for inclusion in the annual report.

Table 63: Performance Reporting Requirements

Report	Frequency	Submitted for Consideration and or review to	Remarks
1. SDBIP	Quarterly	ExCo	See MFMA Circular 13 of National Treasury for further information
2. Monthly Budget Statements	Monthly	Mayor in consultation with ExCo	See sections 71 and 54 of the MFMA
3. Organisational Scorecard	Quarterly	ExCo	This PMS framework (see section 2.
4. SDBIP mid- year budget and performance assessment	Annually in Jan of each year	Mayor + ExCo Council	See section 72 and 54 of the MFMA

5. Performance Report	Annually	Council	See section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report
6. Annual Report	Annually	Council	See chapter 12 of the MFMA

Table 64: PERFORMANCE MANAGEMENT PLAN

Reporting Structure	Reviewing Structure	Report	Submission Date	Where	When
Divisions	Directorates	Monthly performance reports	25 th of each month	Directorate	Monthly
Directorates	Executive Management Committee	Monthly performance reports	27 th of each month	Municipal Manager's Office	Monthly
Directorates	□ IDP/PMS and Budget Steering Committee	Quarterly performance reports	10 th the of next month after the end of each Quarter	IDP/PMS Unit	Quarterly
Directorates	□ IDP/PMS and Budget Steering Committee	Mid-term performance reports	10 th of January	IDP/PMS Unit	Mid-year
Portfolio Committee	□ Portfolio Committee	SDBIP Quarterly Report	First and second week next month after the end of each Quarter	IDP/PMS Unit	Quarterly

Reporting Structure	Reviewing Structure	Report	Submission Date	Where	When
Directorates	<ul style="list-style-type: none"> Executive Mayoral Committee Council 	Mid-term performance reports	25 th January	Strategic Planning Session	Mid-year
IDP/PMS Unit	Audit Committee <ul style="list-style-type: none"> Internal Audit Unit 	<ul style="list-style-type: none"> Consolidate Directorates Quarterly performance reports audit Quarterly Performance analysis report 	14 th of the next month after the end of the Quarter	<ul style="list-style-type: none"> Municipal Manager's Office Internal Audit Unit 	Quarterly
Directorates	<ul style="list-style-type: none"> IDP/ PMS and Budget Steering Committee Council 	Annual Performance reports	10 th July	IDP/PMS Unit	Annually
IDP/PMS Unit	<ul style="list-style-type: none"> IDP/ PMS and Budget Steering Committee Council 	<ul style="list-style-type: none"> Consolidate Directorate s Annual performance reports Annual Performance analysis report 	14 th July	<ul style="list-style-type: none"> Municipal Manager's Office Internal Audit Unit 	Annually

5.3.11 THE AUDITING OF PERFORMANCE MEASURES

THE ROLE OF INTERNAL AUDIT IN TERMS OF PERFORMANCE MANAGEMENT:

The MFMA requires that the Municipality must establish an internal audit section which could be outsourced (depending on municipal resources and specific requirements) Section 45 of the MSA stipulates that the results of the municipality's performance measures should be audited

by the said internal audit sections as part of the internal auditing process and annually by the auditor- General. For Makana, the internal audit function will be outsourced in liaison with the Sarah Baartman District Municipality.

The Municipal Planning and Performance management Regulations stipulates that the internal audit section must, on a continuous basis, audit all performance and auditing must include an assessment of the following:-

- The functionality of the Municipality's performance management system.
- The internal audit section must therefore on a regular basis audit whether the PMS of the Municipality is functioning as developed and described in this framework.
- Whether the Municipality's performance management systems complies with the act.
- This compliance check would require that the Municipality's internal audit unit, at least on an annual basis verify that the Municipality's PMS complies with the said legal requirements.
- The extent to which the Municipality's performance measurements are reliable in measuring the performance of by making use of indicators.
- The Municipality should have proper information that the internal audit function is able to access information regularly and to verify its correctness.
- The Municipality's internal auditors must submit quarterly reports on the audits undertaken to the Municipal Manager and the Audit Committee.

AUDIT COMMITTEE: The MFMA and the Municipal Planning and Performance Management Regulations require that the Municipal Council Should establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the Municipality. No Councillor maybe a member of an audit committee. Council should also appoint a chairperson who is not an employee of Makana Municipality.

The regulations give Municipalities the option to establish a separate performance audit committee whereas the MFMA provides only for a single audit committee. The operation of Audit Committee when dealing with performance management is governed by section 14 (2-3) of the regulations which require the audit committee to do the following:-

- Review the quarterly reports submitted to it by the internal audit unit.
- Reviews the municipality PMS and make recommendations in this regard to the council of the Municipality.

At least twice during a financial year submit an audit report to the Municipal Council.

In order to fulfil their function, a performance audit committee may according to the MFMA and the regulations:-

- ❖ Communicate directly with the council, Municipal manager or the internal and external auditor of the Municipality concerned;
- ❖ Access any municipal records containing information that is needed to perform its duties or exercise its powers;
- ❖ Request any relevant person to attend any of its meetings and if necessary to provide information requested by the committee, and
- ❖ Investigate any matter it deems necessary for a performance of its duties and the exercise of its powers.

PERFORMANCE INVESTIGATIONS: The Audit Committee should also be able to commission in depth performance investigations where there is either continued poor performance or a lack of reliability in the information being provided. Those performance investigations should assess the following:-

- ❖ The reliability of reported information.
- ❖ The extent of performance gaps from targets.
- ❖ The reasons for performance gaps.
- ❖ Corrective action and improvement strategies.

The outsourced internal audit section will be used to conduct these investigations and should ensure the involvement of people who are experts in this area. For each investigation, clear terms of reference will need to be adopted by council.

5.3.12 STAKEHOLDER ROLES AND RESPONSIBILITIES

Table 65: Stakeholder Roles and Responsibilities

STAKEHOLDER	ROLE
Council / ExCo	<ul style="list-style-type: none"> ➤ Adopt the PMS Framework & PMS ➤ Adopt the Municipal Scorecards ➤ Conduct Annual Review ➤ Commission Performance Audits ➤ Reports to the Public and Province
Management team	<ul style="list-style-type: none"> ➤ Plan for PM ➤ Adopt the PMS Framework & PMS

STAKEHOLDER	ROLE
	<ul style="list-style-type: none"> ➤ Draft scorecards ➤ Approve Departmental Scorecards ➤ Conduct Performance Measurements ➤ Produce PM reports ➤ Commission Performance Audits
Audit committee	<ul style="list-style-type: none"> □ Assess Performance Management Reports & Make recommendation
Internal audit	<ul style="list-style-type: none"> □ Audit the results of performance Measurements

5.4 PERFORMANCE MANAGEMENT AT INDIVIDUAL LEVEL

The reality is that the Municipality is an institution that employs people, thus its performance is highly dependent on employees. It therefore follows that performance needs to be managed at individual employee level. The individual performance management system is a vehicle for implementing the operational plans emanating from the linkages between individuals, functions and the broader

Municipal objectives, The PMS is aimed at providing specific standards to assist the employer, management and municipal staff to perform to the required standards. Makana will use the individual PMS to:-

- ❖ Manage and measure behaviours' that contribute to organisational and individual success.
- ❖ Recognise levels of actual performance in relation to agreed targets □ Encourage continuous improvement and efficiency
- ❖ Identify and act on areas for individual development.
- ❖ Provide a platform for communication on performance between superiors and employees.

This section discussed the structured process for managing performance of the municipal manager and the employees that are directly report to her separately discussed the process of managing performance for the rest of municipal staff.

5.4.1 PERFORMANCE MANAGEMENT FOR SECTION 57 MANAGERS

Performance management for municipal manager and the employees that directly report to him will strictly adhere to the provisions of the Municipal performance regulations (2006). The key phases are, namely, Performance Contracting, Performance review, and Performance assessment. This section will also discuss dispute relating to PM.

5.4.2 PERFORMANCE CONTRACTING

Performance contracting is characterized by the consultation between the employer and the employee regarding specific performance standards that should be adhered to during the given financial year. Being the first of the three key phases, performance contracting entails the signing of the performance Agreement within one month after commencement of each financial year, with the purpose to:-

- ❖ Comply with the contract of employment
- ❖ Comply with section 57 of the MSA;
- ❖ Specify the agreed objectives and targets, and communicate within municipality's performance expectations in line with the IDP, the SDBIP and the budget;
- ❖ Specify accountabilities that are drawn in the Performance Plan
- ❖ Serve as basis of the municipality's commitment to a performance orientated relationship
- ❖ Provide a platform for monitoring, evaluating and measurement performance against targeted outputs and subsequently rewarding good performance.

At this phase, the employee will commit to focusing on implementing the key objectives (i.e. KPA's including any relevant special projects and the core Competency Requirements (CCR's).

The KPA and CCRs are assigned a weight, respectively. Such weighting (as it is known) denotes the relative importance of the key objective to each other. The KPAs would cover the main areas of work and would account for 80% whereas the CCRs would account for 20% of the final performance assessment. For the MM the KPA's are as follows:

- ❖ Basic Service Delivery
- ❖ Municipal Institutional Development and Transformation
- ❖ Local Economic development
- ❖ Municipal Financial Viability and Management
- ❖ Good Governance and Public Participation

For managers that directly account to the MM, the KPAs that are related to the functional areas of that manager's position, should be negotiated between that manager and municipal

manager. The CCR that is critical for the employee's job should be selected from the following list and must also note the compulsory Core Managerial Competencies.

5.4.3 CORE MANAGERIAL COMPETENCIES

- ❖ Strategic Capability and Leadership
- ❖ Programme and Project Management (compulsory)
- ❖ Financial Management
- ❖ Change Management
- ❖ Knowledge Management
- ❖ Service Delivery Innovation
- ❖ Problem solving and analysis
- ❖ People Management and Empowerment (Compulsory)
- ❖ Client orientation and customer focus (Compulsory)
- ❖ Communication
- ❖ Honesty and Integrity

5.4.4 CORE OCCUPATIONAL COMPETENCIES

- ❖ Competence in self –Management
- ❖ Interpretation of and implementation within the legislative and national policy frameworks
- ❖ Knowledge of development local government
- ❖ Knowledge of Performance Management and reporting
- ❖ Knowledge of global and South African specific political, social and economic context
- ❖ Competence in policy conceptualization, analysis and implementation
- ❖ Knowledge of more than one functional municipal field / discipline
- ❖ Skills in mediation
- ❖ Skills in governance
- ❖ Competence as required by other national line sector departments
- ❖ Exceptional and dynamic creativity to improve the functioning of the municipality

5.4.5 LIST OF CORE COMPETENCY REQUIREMENTS (CCRS) FOR EMPLOYEES

In order to address the development gaps that support the achievement of set performance targets, a personal development plan (PDP) will be developed and form part of the Performance Agreement i.e. In line with the MFMA the performance agreements will be made available to the public.

5.4.6 PERFORMANCE REVIEW

Performance review is aimed at checking and monitoring progress of the employee in satisfying the key objectives and their targets. Performance reviews will happen at the end of the first, second and third quarters of the year as noted below

Table 66: Performance Review Schedule

Quarter	Period under review	Month of conducting review
1	July to end September	October
2	October to the end of December	January
3	January to the end of March	April
4	April to the end June	July

Makana Municipality may elect to conduct verbal reviews for the first and third quarters, particularly if performance is deemed satisfactory. During any of the reviews, the municipality will however make use of the assessment tools that will be ultimately used in performance assessment phase (4th Quarter). Despite the force stated performance review intervals, the employer reserves a choice to review performance at any stage (for as long as the employment contract is still valid). For the operational reasons and also based on agreement with the employee the employer will be entitled to making changes to the provisioning of the performance plan. In addition, performance feedback will be based on the employer's assessment of the employee's performance.

The performance review will entail the “stock taking” of the achievements on KPA and CRRs. Each of the two will be reviewed as follows:-Key performance areas.

Level	Terminology	Rating				
		1	2	3	4	5
5	Outstanding Performance					
4	Performance significantly above expectations					
3	Fully Effective					
2	Performance not fully effective					
1	Unacceptable performance					

The rating calculator will be developed and used for adding the scores for each KPA thus giving a final KPA score

5.4.7 CRITICAL COMPETENCY REQUIREMENTS

- a) Each CCR will be reviewed in terms of the extent to which the specified standards have been met.
- b) The fore going five-point scale will be used for each CCR.
- c) The rating will be multiplied by the weighting for each CCR and result in a score.
- d) The rating calculator will be used to add the scores and calculate the final CCR score.

It should be noted that for the mid-year review (i.e. October – December) it is important for the employer to keep records.

5.4.8 PERFORMANCE ASSESSMENT

Performance assessment is aimed at concluding the employee's performance measurement and development against set objectives. It will happen during the fourth quarter of the financial year. For purposes of practicality, performance assessment will be executed similar to the

Performance Review (explained above), save the following important variations:

It will not be "stock take" but a "final evaluation" exercise for the financial year.

- a) The minimum composition requirements of the evaluation panels will be as follows:

Table 67: Performance Assessments

EVALUATION OF THE MM	EVALUATION OF MANAGERS ACCOUNTABLE TO THE MM
Mayor	MM
Chairperson of the audit committee	Chairperson of the audit committee
Executive Committee Member	Executive Mayoral Committee Member
Mayor or MM from another municipality	MM from another municipality
Ward Committee Member nominated by Mayor	HR Manager or Manager responsible PMS for secretarial purposes
HR Manager or Manager responsible PMS for secretarial purposes	

- c) Performance assessment will form the basis of rewarding outstanding performance and correcting unacceptable performance.
- d) Using the rating calculator, the range of performance bonus will allocated as follows, as a percentage of the all-inclusive remuneration package.

Performance Score	Performance Bonus
150% +	10% - 14%
130% to 149%	5% - 9%

- e) Unacceptable performance will be handled through providing remedial support to improve the employee's performance for an agreed timeframe (with the employer). If such structured attempts prove to be unsuccessful, the employer should take steps to terminate the contract on ground of unfitness or incapacity. In the case, there should be adherence to the provisions of the Labour Relations Act.
- f) Within 14 days of concluding the assessment of the MM's performance, the results thereof will be submitted to the MED for Eastern Caper local government and the national Minister for local government.

5.4.9 PERFORMANCE MANAGEMENT FOR ALL OTHER MUNICIPAL STAFF MEMBERS

The Municipality will be focusing in the next following years in cascading Performance management to all employees. PMS has been cascade up HOD level but no review has been conducted yet.

5.4.10 GENERAL ISSUES RELATING TO PERFORMANCE MANAGEMENT

This section highlights some general issues related to performance management that need to be taken into account in implementing the PMS in the Municipality.

5.4.11 ANNUAL REVIEW OF THE PERFORMANCE MANAGEMENT SYSTEM

After the full cycle of the annual review and reporting is complete and the audit committee has met as required, the internal audit function will compile a comprehensive assessment/ review report. The report will be on whether the Municipality's PMS meets the system objectives and principles

as set out in this framework and whether it complies with the MSA, PMS Regulations and the MFMA.

The report will need to be considered by the audit committee who will then submit any recommendations to the Executive Committee. The review undertaken and recommendations made by the audit committee could serve as input into the wider municipal review of the PMS. After the full cycle of the annual review, the Municipal Manager should initiate an evaluation report that includes inputs from departments. The report will then be discussed by the management team and finally submitted to the Council for discussion and approval. All those steps will also fulfil the MSA's requirement that the Municipality should annually evaluate its PMS.

5.4.12 AMENDMENTS TO KPI'S AND TARGETS

The Municipality will need to adopt a policy on amendments to performance indicators and targets. As a policy area, such amendments may be proposed but will be subject to the approval of the Executive Committee in consultation with the Municipal Manager.

5.4.13 INTEGRATING PMS WITH THE COUNCIL'S EXISTING MANAGEMENT CYCLE

International best practice indicates that PMS stands the chance to succeed if it is integrated with the current management cycle of the Municipality.

The purpose of such a cycle would be to guide the integration of important process e.g. the strategic planning or development process in terms of the IDP methodology, the annual budget process and the formal process of evaluating and assessing Council's performance in terms of the approved PMS and this framework. Makana Municipality will develop and adopt a similar cycle that is suitable to its own circumstances and requirements.

5.4.14 INSTITUTIONAL ARRANGEMENTS

The implementation of the PMS in terms of this framework would require coordination at organisational level and that will be the task of the IDP–PMS Manager's position which will be acting on behalf of the Municipal Manager Performance Agreement.

For PMS at an individual level, the responsibility for co-ordination, administration and record keeping will be the responsibility of the position that is responsible for human resource management. Likewise, such duties will form part of the Corporate Service Director Performance Agreement.

The municipality will ensure that its outsourced internal audit section has expertise in dealing with performance management responsibilities which are practically over and above the traditional financial audit responsibilities.

5.4.15 CONCLUSION

Performance Management System has been implemented for section 57 managers and plans are in place to cascade to lower levels starting from Head of Department level in the 2017/22 financial years.