



MAKANA

MUNICIPALITY | EASTERN CAPE

MASIPALA WASEMPUMAKOLONI

MUNISIPALITEIT | OOS-KAAP

...a great place to be

2ND DRAFT ANNUAL REPORT

2021-2022



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7. ATTACHMENTS

7.1 Audited Annual Performance Report 2021-22

ACRONYMS AND ABBREVIATIONS:

IDP	Integrated Development Plan
LM	Local Municipality
STATS SA	Statistic South Africa
EPWP	Extended Public Works Programme
AFS	Annual Financial Statements
MSA	Municipal systems act 32 of 2000
IGR	Inter-Governmental Relations
MOU	Memorandum of understanding
MISA	Municipal Infrastructure Support Agent
FAME	Finance, Administration, Monitoring & Evaluation
GRAP	General Recognised Accounting Practice
MUNI-MEC	An intergovernmental body that meets quarterly to analyse the state of local government and is made up of the MEC'S, the municipal mayors and municipal managers
MIG	Municipal Infrastructure Grant
NERSA	National Energy Regulator Of South Africa
COGTA	Corporative Governance & Traditional Affairs
SPLUMA	Spatial Planning and Land Use Management Act
SBDM	Sarah Baartman District Municipality
HR	Human Resources
IT	Information technology
SDF	Spatial Development Framework
CWP	Community Worker's Programme

MFMA	Municipal Finance Management Act
LED	Local Economic Development
PMS	Performance Management System
SMME	Small, Medium & Micro Enterprise

This document has been prepared for public consumption for the 2021- 2022 Financial Year

Signed:

Y. Vara
EXECUTIVE MAYOR

on this day _____ of _____ 2022

Signed:

P. KATE
MUNICIPAL MANAGER

on this day _____ of _____ 2022

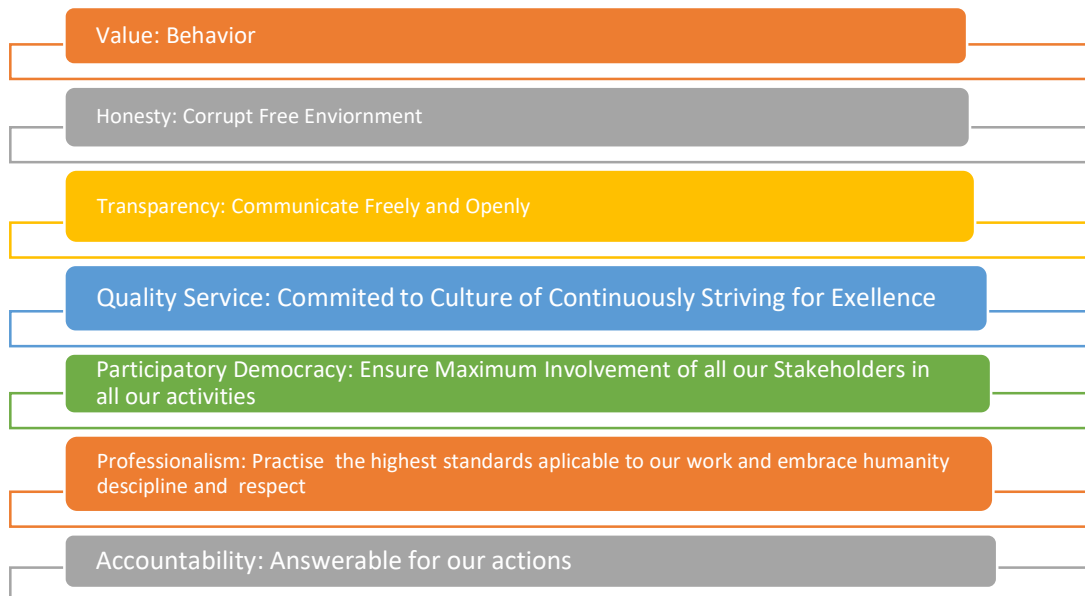
CHAPTER ONE: MUNICIPAL OVERVIEW

1.1 Municipal Profile

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

Vision	Baartman (formerly Cacadu) District Municipality in the Eastern Cape Province.
Making Makana Local Municipality a “ Great place to be” by 2030	Makana’s area is bordered in the North-East by Amathole District Municipality, 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, with the cities of Port Elizabeth 120km to the West and East London 180 km East. In 2011 the Municipality was delimited into fourteen wards.
Vision 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”.	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 is committed in ensuring that it achieves its Developmental Priorities for the term.

1.1.2 Core Values Figure1



1.1.3 Demographics and Socio-Economic Profile

The following Statistical Overview Report aims to quantify the economic, demographic and socio-economic environment of Makana Local Municipality in context of its neighbouring regions, the district, the province and South Africa. A better understanding of the demographic, economic and socio-economic environment could inform stakeholders to implement and monitor plans and policies that will allow for a healthy, growing and inclusive economy and society.

Understanding the changes in the composition of the population with respect to population group, age and gender is vital in the face of growing pressure on food, energy, water, jobs and social support on the country's citizens. An understanding of how the total fertility rates, age-specific fertility rates, sex ratios at birth, life expectancies and international migration affect the respective population groups, ages and genders is essential for effective planning on a spatial level. The first section of the Statistical Overview Report will aim to disentangle the changes in the Makana Local Municipality demographics in context of other locals of the region, the districts, the Province and South Africa.

The second section will provide insights into the economic environment of Makana Local Municipality in relation to the other local municipality in the region, the district, the province and South Africa's performance. The changing economic environment subsequently has an effect on the ability of the economy to create jobs. This section will therefore also include analysis on the employment and subsequent income dynamics of Makana Local Municipality.

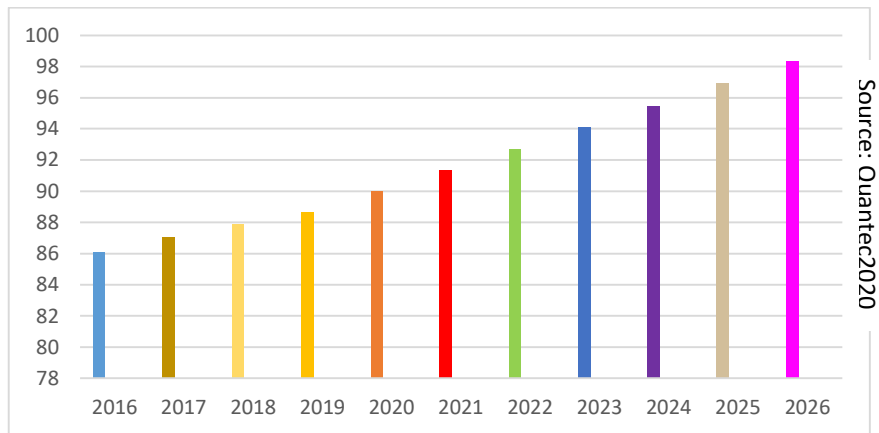
1.1.3.1. Demographic Profile

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

Total Population: Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income. This chapter is of paramount importance as it informs all the municipal planning.

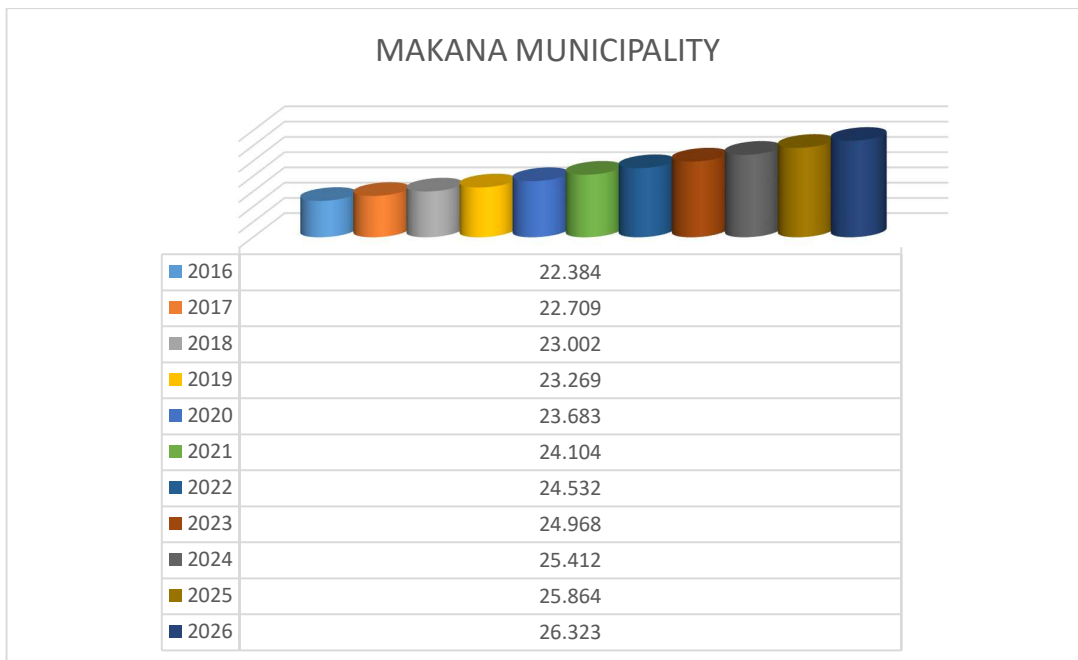
The municipal area is 4 375.6km² with a population span of 20.9 people per km² and 24 104 households(a household is considered a group of people living together or a single person who lives alone). A population is the number of individuals who live within a specific area. The growth rate of the municipality is greater to that of the district between 2016 and 2019, at 0.26%.

The figure below depicts the actual population numbers up until 2019 as well as a forecasted value for the subsequent years.



The number of households in Makana is expected to rise to atleast 26 323 households by 2026, with an average annual growth rate of 0.52%. Makana’s household growth rate is higher than that of the district(Sarah Baartman District) municipality(0.37%).

Makana Households 2016-2026



Household Size 2016 - 2026	2016	2020	2026
Makana	3.85	3.85	3.85
Sarah Baartman	3.63	3.62	3.61

Dependency Ratio

The dependency ratio is the ratio of dependents (people younger than 15 and older than 65). The working population age is 15-65. The higher the ratio, the more financial burden there is on the working age population to support those who are not economically active.

Dependency Ratio 2016-2026	2016	2020	2026
Makana	46.4	46.8	46.8
Sarah Baartman	54.4	54.6	54.7

In 2020 the Makana Municipality had an estimated dependency ratio of 46.75% meaning that there are about 47 dependencies for every 100 people of working age. The dependency ratio is expected to increase to 46.77% by 2026. The dependency ratio in Makana is lower compared to that of Sarah Baartman District.

Conclusion

The Makana Municipality had an average population growth of 0.39% and a household growth of 0.52%. Household sizes are therefore increasing. This has implications for the demand of housing, as well as the types of housing that will be demanded in the future.

1.4 Municipal Socio-Economic Status

1.1.4.1 Household Profile

Number of Households by Population Group: A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. An individual is considered part of a household if he/she spends at least four nights a week within the household. To categorise a household according to population group, the population group to which the head of the household belongs, is used.

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa.

In 2020, the Makana Local Municipality comprised of 23 600 households. This equates to an average annual growth rate of 0.94% in the number of households from 2010 to 2020. With an average annual growth rate of 1.03% in the total population, the average household size in the Makana Local Municipality is by implication increasing. This is confirmed by the data where the average household size in 2010 increased from approximately 3.8 individuals per household to 3.9 persons per household in 2020.

Relative to the district municipality, the Makana Local Municipality had a lower average annual growth rate of 0.94% from 2010 to 2020. In contrast, the province had an average annual growth rate of 0.97% from 2010. The South Africa as a whole had a total of 17 million households, with a growth rate of 1.90%, thus growing at a higher rate than the Makana.

The composition of the households by population group consists of 79.4% which is ascribed to the African population group with the largest amount of households by population group. The Coloured population group had a total composition of 10.5% (ranking second). The White population group had a total composition of 9.3% of the total households. The smallest population group by households is the Asian population group with only 0.8% in 2020.

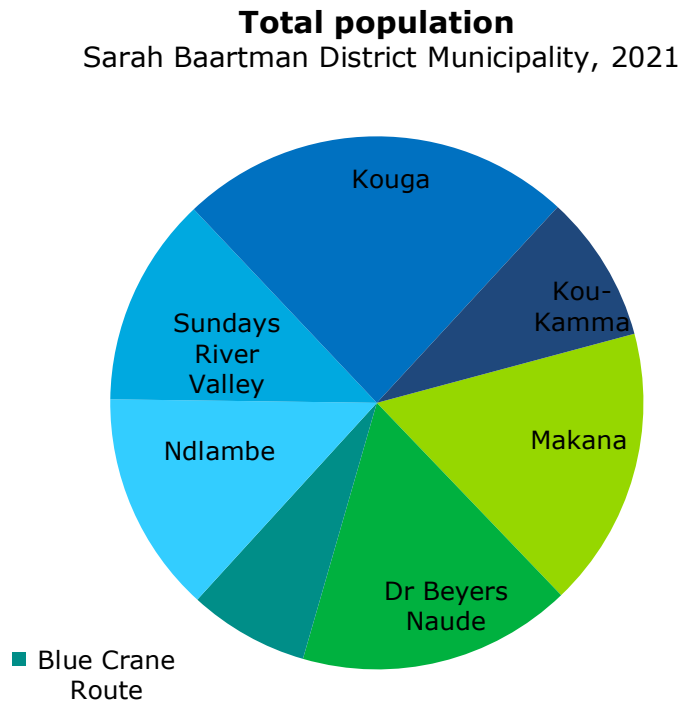
1.1.4.2 Total Population – Makana, Sarah Baartman, Eastern Cape and National 2011-2021(Numbers Percentage)

Year	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of District Municipality	Makana as % of Province	Makana as % of National
2011	81.900	458.000	6.690.000	52.000.000	17.9%	1.22%	0.16%
2012	82.800	466.000	6.750.000	52.800.000	17.8%	1.23%	0.16%
2013	83.700	474.000	6.810.000	53.700.000	17.7%	1.23%	0.16%
2014	84.700	483.000	6.880.000	54.500.000	17.5%	1.23%	0.16%
2015	85.700	491.000	6.950.000	55.300.000	17.5%	1.23%	0.15%
2016	86.600	499.000	7.020.000	56.200.000	17.4%	1.23%	0.15%
2017	87.600	507.000	7.100.000	57.000.000	17.3%	1.23%	0.15%
2018	88.500	515.000	7.180.000	57.900.000	17.2%	1.23%	0.15%
2019	89.400	522.000	7.250.000	58.800.000	17.1%	1.23%	0.15%
2020	90.400	530.000	7.330.000	59.600.000	17.1%	1.23%	0.15%
2021	91.200	536.000	7.400.000	60.300.000	17.1%	1.23%	0.15%
Average Annual Growth: 2011-2021				1.08%	1.60%	1.01%	1.50%

Source: HIS Markit Regional eXplorer version 2257

With 91 200 people, the Makana Local Municipality housed 0.2% of South Africa's total population in 2021. Between 2011 and 2021 the population growth averaged 1.08% per annum which is slightly lower than the growth rate of South Africa as a whole (1.50%). Compared to Sarah Baartman's average annual growth rate (1.60%), the growth rate in Makana's population at 1.08% was close top half than that of the district municipality.

1.1.4.3 Chart 1 Total Population – Makana and the rest of Sarah Baartman 2021 (Percentage)



Source: IHS Markit Regional eXplorer version 2257

When compared to other regions, the Makana Local Municipality accounts for a total population of 91,200, or 17.0% of the total population in the Sarah Baartman District Municipality, with the Kouga being the most populous region in the Sarah Baartman District Municipality for 2021. The ranking in terms of the size of Makana compared to the other regions remained the same between 2011 and 2021. In terms of its share the Makana Local Municipality was slightly smaller in 2021 (17.0%) compared to what it was in 2011 (17.9%). When looking at the average annual growth rate, it is noted that Makana ranked fifth (relative to its peers in terms of growth) with an average annual growth rate of 1.1% between 2011 and 2021.

1.1.4.4 Population Projections

Based on the present age-gender structure and the present fertility, mortality and migration rates, Makana's population is projected to grow at an average annual rate of 1.2% from 91 200 in 2021 to 96 600 in 2026.

1.1.4.5 Table: Population projections- Makana, Sarah Baartman, Eastern Cape and National Total 2021-26 (Number Percentage)

	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2021	91,200	536,000	7,400,000	60,300,000	17.0%	1.23%	0.15%
2022	92,100	543,000	7,470,000	61,100,000	17.0%	1.23%	0.15%
2023	93,100	549,000	7,550,000	61,900,000	17.0%	1.23%	0.15%
2024	94,200	556,000	7,630,000	62,700,000	16.9%	1.24%	0.15%
2025	95,400	563,000	7,710,000	63,500,000	17.0%	1.24%	0.15%
2026	96,600	570,000	7,780,000	64,300,000	17.0%	1.24%	0.15%
Average Annual growth							
2021-2026	1.17%	1.21%	1.02%	1.29%			

Source: IHS Markit Regional eXplorer version 2257

The population projection of Makana Local Municipality shows an estimated average annual growth rate of 1.2% between 2021 and 2026. The average annual growth rate in the population over the projection period for Sarah Baartman District Municipality, Eastern Cape Province and South Africa is 1.2%, 1.0% and 1.3% respectively. The Eastern Cape Province is estimated to have an average growth rate of 1.0% which is very similar than that of the Makana Local Municipality. The South Africa as a whole is estimated to have an average annual growth rate of 1.3% which is very similar than that of Makana's projected growth rate.

1.2 NUMBER OF HOUSEHOLDS BY POPULATION GROUP

A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own.

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

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa. *In 2021, the Makana Local Municipality comprised of 23 400 households.* This equates to an average annual growth rate of 0.90% in the number of households from 2011 to 2021. With an average annual growth rate of 1.08% in the total population, the average household size in the Makana Local Municipality is by implication increasing. This is confirmed by the data where the average household size in 2011 increased from approximately 3.8 individuals per household to 3.9 persons per household in 2021.

NUMBER OF HOUSEHOLDS - MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [NUMBER PERCENTAGE]

	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2011	21,400	131,000	1,710,000	14,300,000	16.4%	1.25%	0.15%
2012	21,600	133,000	1,730,000	14,600,000	16.3%	1.25%	0.15%
2013	21,800	135,000	1,750,000	14,900,000	16.1%	1.25%	0.15%
2014	21,900	137,000	1,760,000	15,200,000	16.0%	1.25%	0.14%
2015	22,300	140,000	1,790,000	15,600,000	15.9%	1.24%	0.14%
2016	22,800	143,000	1,830,000	16,000,000	15.9%	1.24%	0.14%
2017	23,300	147,000	1,880,000	16,300,000	15.8%	1.24%	0.14%
2018	23,600	150,000	1,900,000	16,400,000	15.7%	1.24%	0.14%
2019	23,300	150,000	1,870,000	16,400,000	15.5%	1.24%	0.14%
2020	22,900	148,000	1,840,000	16,400,000	15.4%	1.24%	0.14%
2021	23,400	152,000	1,880,000	16,600,000	15.4%	1.25%	0.14%
Average Annual growth							
2011-2021	0.90%	1.53%	0.93%	1.51%			

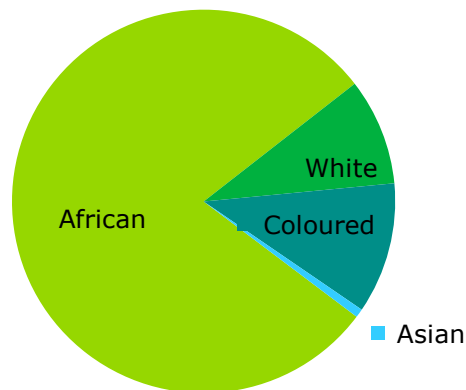
Source: IHS Markit Regional eXplorer version 2257

Relative to the district municipality, the Makana Local Municipality had a lower average annual growth rate of 0.90% from 2011 to 2021. In contrast, the province had an average annual growth rate of 0.93% from 2011. The South Africa as a whole had a total of 16.6 million households, with a growth rate of 1.51%, thus growing at a higher rate than the Makana.

The composition of the households by population group consists of 79.2% which is ascribed to the African population group with the largest amount of households by population group. The Coloured population group had a total composition of 11.1% (ranking second). The White population group had a total composition of 9.0% of the total households. The smallest population group by households is the Asian population group with only 0.7% in 2021.

NUMBER OF HOUSEHOLDS BY POPULATION GROUP - MAKANA LOCAL MUNICIPALITY, 2021 [PERCENTAGE]

Number of Households by Population group
Makana, 2021



Source: IHS Markit Regional eXplorer version 2257

The growth in the number of African headed households was on average 1.16% per annum between 2011 and 2021, which translates in the number of households increasing by 2 010 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2011 and 2021 at 1.57%. The average annual growth rate in the number of households for all the other population groups has increased with 0.89%.

1.1.4.2 Labour Profile

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP).

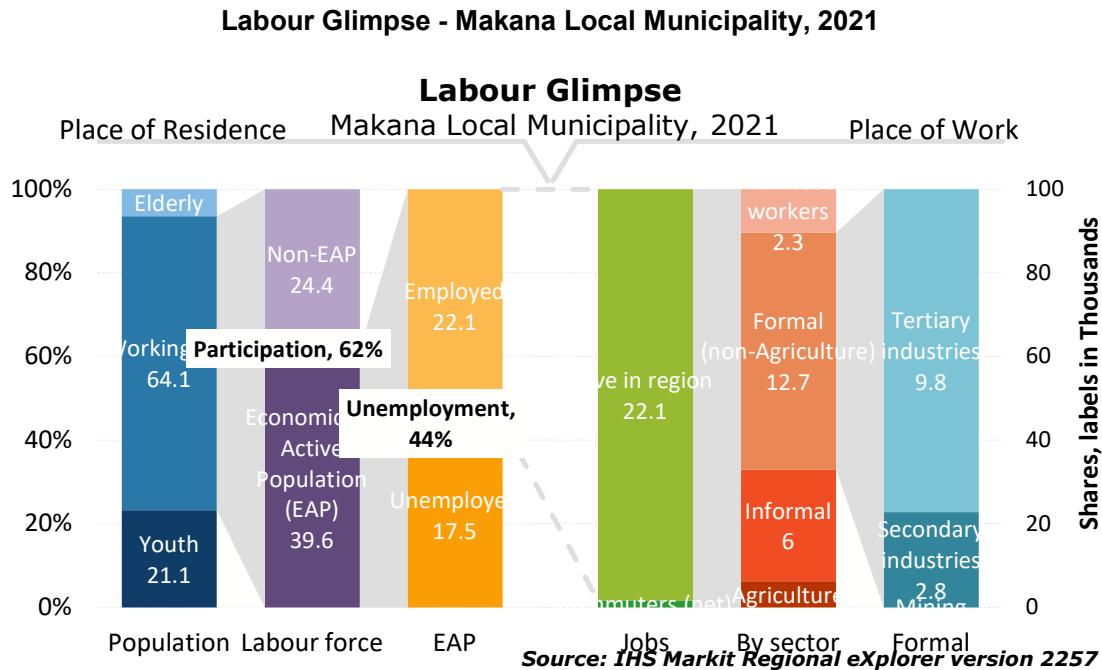
People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

WORKING AGE POPULATION IN MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2011 AND 2021 [NUMBER]

	Makana		Sarah Baartman		Eastern Cape		National Total	
	2011	2021	2011	2021	2011	2021	2011	2021
15-19	8,030	6,360	39,500	35,600	782,000	673,000	5,120,000	4,880,000
20-24	11,900	10,400	49,500	43,200	750,000	602,000	5,410,000	4,650,000
25-29	9,150	10,700	46,500	54,600	607,000	704,000	5,020,000	5,330,000
30-34	5,930	8,760	34,100	52,300	414,000	673,000	4,050,000	5,610,000
35-39	4,640	7,790	28,200	46,300	312,000	546,000	3,420,000	5,010,000
40-44	4,310	6,230	25,100	35,200	269,000	375,000	2,870,000	3,870,000
45-49	4,170	4,500	23,900	26,400	271,000	283,000	2,550,000	3,170,000
50-54	3,820	3,440	21,400	21,500	269,000	245,000	2,200,000	2,630,000
55-59	3,040	3,260	17,800	19,900	228,000	244,000	1,800,000	2,290,000
60-64	2,310	2,740	14,900	17,800	192,000	237,000	1,450,000	1,930,000
Total	57,300	64,100	301,000	353,000	4,090,000	4,580,000	33,900,000	39,400,000

The working age population in Makana in 2021 was 64 200, increasing at an average annual rate of 1.14% since 2011. For the same period the working age population for Sarah Baartman District Municipality increased at 1.61% annually, while that of Eastern Cape Province increased at 1.14% annually. South Africa's working age population has increased annually by 1.51% from 33.9 million in 2011 to 39.4 million in 2021.

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



Reading the chart from the left-most bar, breaking down the total population of the Makana Local Municipality (91 200) into working age and non-working age, the number of people that are of working age is about 64 200. As per definition, those that are of age 0 - 19 (youth) or age 65 and up (pensioners) are part of the non-working age population. Out of the working age group, 61.8% are participating in the labour force, meaning 39 600 residents of the local municipality currently form part of the economically active population (EAP).

Comparing this with the non-economically active population (NEAP) of the local municipality: fulltime students at tertiary institutions, disabled people, and those choosing not to work, sum up to 24 500 people. Out of the economically active population, there are 17 500 that are unemployed, or when expressed as a percentage, an unemployment rate of 44.2%. Up to here all the statistics are measured at the place of residence.

On the far right we have the formal non-Agriculture jobs in Makana, broken down by the primary (mining), secondary and tertiary industries. The majority of the formal employment lies in the Tertiary industry, with 9 840 jobs. When including the informal, agricultural and domestic workers, we have a total number of 22 500 jobs in the area. Formal jobs make up 56.7% of all jobs in the Makana Local Municipality. The difference between the employment measured at the place of work,

and the people employed living in the area can be explained by the net commuters that commute every day into the local municipality.

1.2.1 ECONOMICALLY ACTIVE POPULATION (EAP)

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

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

ECONOMICALLY ACTIVE POPULATION (EAP) - MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [NUMBER, PERCENTAGE]

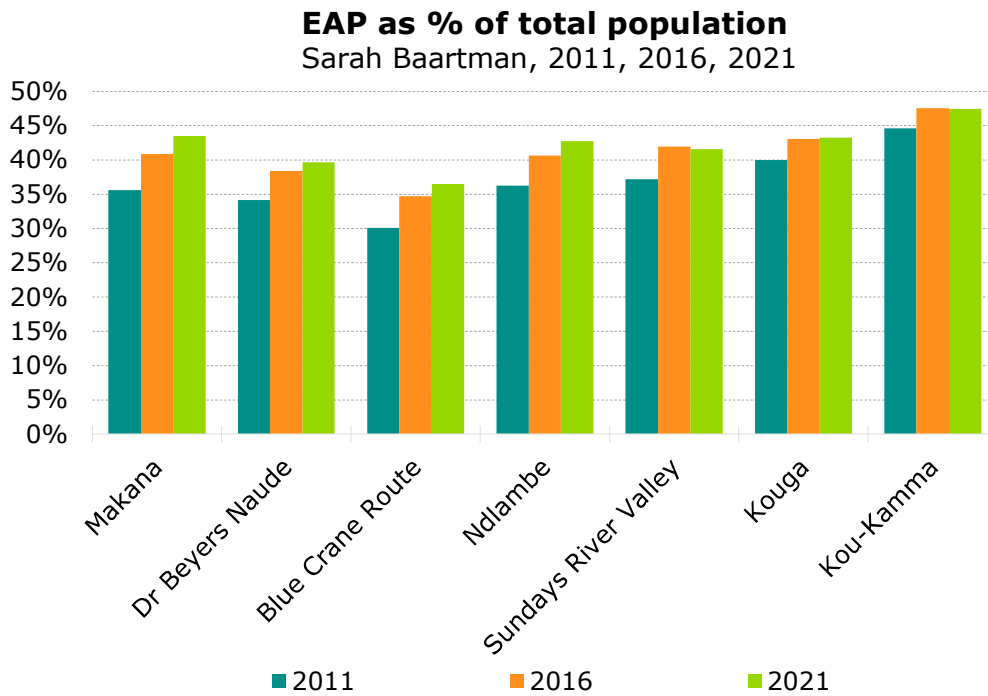
	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2011	29,200	169,000	1,730,000	18,300,000	17.2%	1.69%	0.16%
2012	29,800	173,000	1,760,000	18,700,000	17.2%	1.69%	0.16%
2013	31,000	180,000	1,830,000	19,300,000	17.2%	1.70%	0.16%
2014	32,700	190,000	1,920,000	20,100,000	17.2%	1.70%	0.16%
2015	34,000	198,000	2,000,000	20,800,000	17.2%	1.70%	0.16%
2016	35,400	206,000	2,090,000	21,500,000	17.2%	1.70%	0.17%
2017	36,900	213,000	2,180,000	22,000,000	17.3%	1.69%	0.17%
2018	37,700	218,000	2,240,000	22,300,000	17.2%	1.68%	0.17%
2019	39,000	225,000	2,330,000	22,700,000	17.3%	1.68%	0.17%
2020	38,700	223,000	2,330,000	22,100,000	17.4%	1.66%	0.18%
2021	39,700	227,000	2,400,000	22,200,000	17.5%	1.65%	0.18%
Average Annual growth							
2011-2021	3.12%	2.97%	3.35%	1.96%			

Source: IHS Markit Regional eXplorer version 2257

Makana Local Municipality's EAP was 39 600 in 2021, which is 43.48% of its total population of 91 200, and roughly 17.48% of the total EAP of the Sarah Baartman District Municipality. From

2011 to 2021, the average annual increase in the EAP in the Makana Local Municipality was 3.12%, which is 0.145 percentage points higher than the growth in the EAP of Sarah Baartman's for the same period.

EAP AS % OF TOTAL POPULATION - MAKANA AND THE REST OF SARAH BAARTMAN, 2011, 2016, 2021 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2257

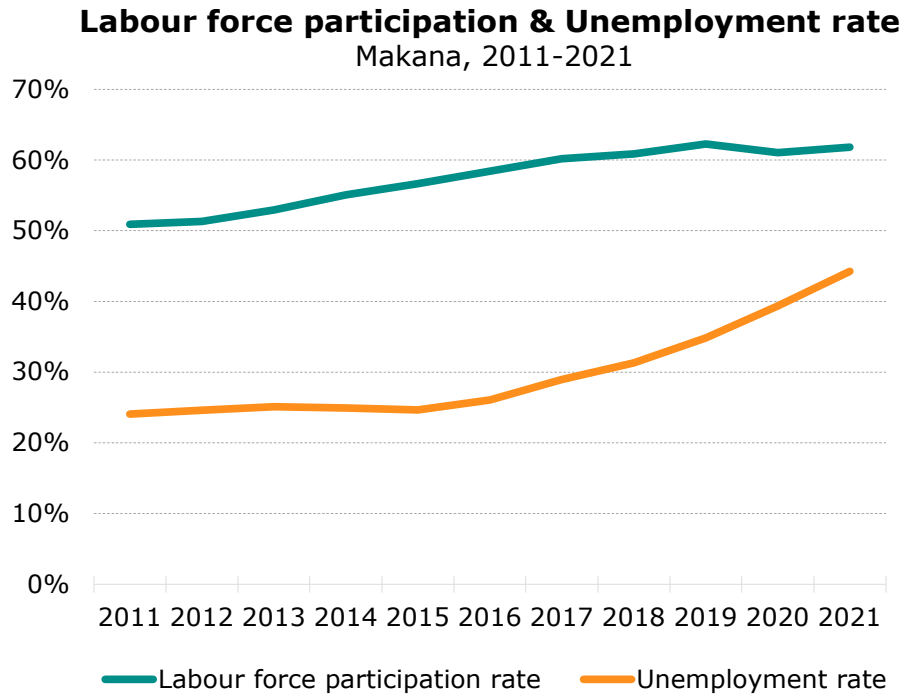
In 2011, 35.6% of the total population in Makana Local Municipality were classified as economically active which increased to 43.5% in 2021. Compared to the other regions in Sarah Baartman District Municipality, Kou-Kamma Local Municipality had the highest EAP as a percentage of the total population within its own region relative to the other regions. On the other hand, Blue Crane Route Local Municipality had the lowest EAP with 36.5% people classified as economically active population in 2021.

LABOUR FORCE PARTICIPATION RATE

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

The following is the labour participation rate of the Makana, Sarah Baartman, Eastern Cape and National Total as a whole

**THE LABOUR FORCE PARTICIPATION AND UNEMPLOYMENT RATES
MAKANA LOCAL MUNICIPALITY, 2011-2021 [PERCENTAGE]**



Source: IHS Markit Regional eXplorer version 2257

In 2021 the labour force participation rate for Makana was at 61.8% which is significantly higher when compared to the 50.9% in 2011. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2011, the unemployment rate for Makana was 24.1% and increased overtime to 44.2% in 2021. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Makana Local Municipality.

TOTAL EMPLOYMENT

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

1.2.1.2 Total Employment Consists of Two Parts:

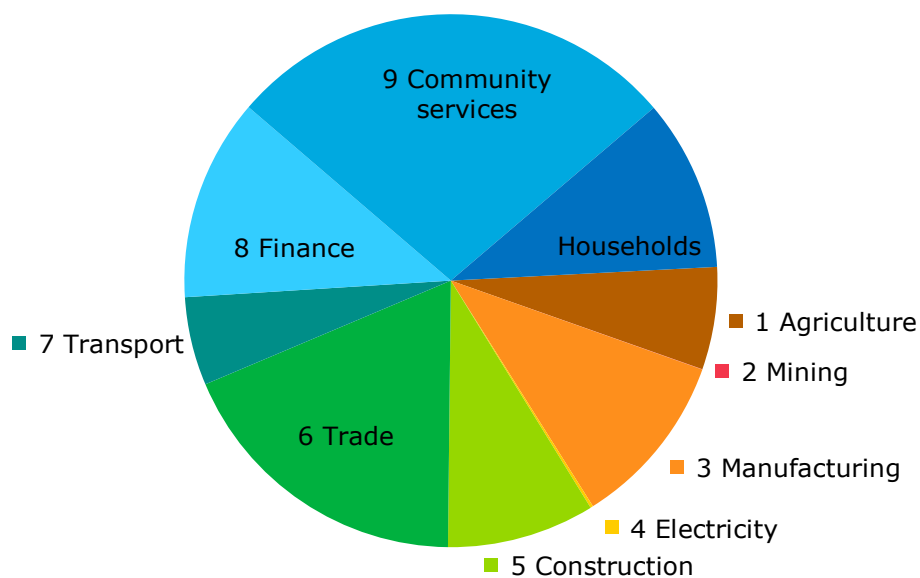
Employment in the Formal Sector, and Employment in the Informal Sector

Makana Local Municipality employs a total number of 22 500 people within its local municipality. The local municipality that employs the highest number of people relative to the other regions within Sarah Baartman District Municipality is Kouga local municipality with a total number of 35 600. The local municipality that employs the lowest number of people relative to the other regions within Sarah Baartman District Municipality is Blue Crane Route local municipality with a total number of 8 520 employed people.

In Makana Local Municipality the economic sectors that recorded the largest number of employment in 2021 were the community services sector with a total of 6 180 employed people or 27.5% of total employment in the local municipality. The trade sector with a total of 4 150 (18.5%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 2.11 (0.0%) is the sector that employs the least number of people in Makana Local Municipality, followed by the electricity sector with 39.7 (0.2%) people employed.

1.2.1.3 TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR MAKANA LOCAL MUNICIPALITY, 2021 [PERCENTAGE]

Total Employment Composition
Makana, 2021



Source: IHS Markit Regional eXplorer version 2257

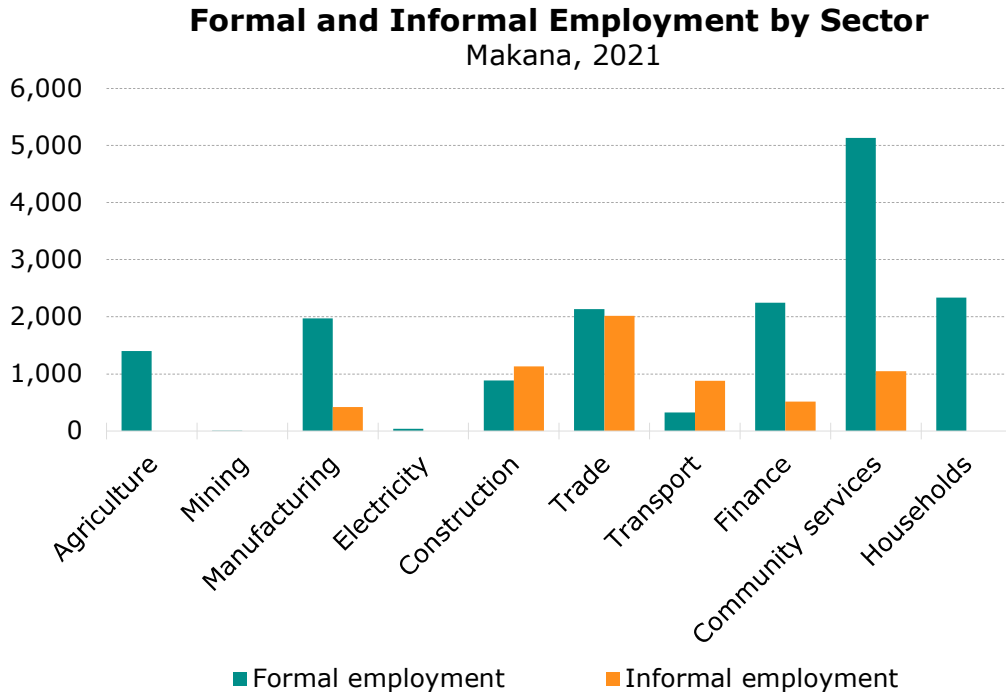
1.2.2.1 FORMAL AND INFORMAL EMPLOYMENT

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

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

The number of formally employed people in Makana Local Municipality counted 16 500 in 2021, which is about 73.30% of total employment, while the number of people employed in the informal sector counted 6 000 or 26.70% of the total employment. Informal employment in Makana increased from 5 590 in 2011 to an estimated 6 000 in 2021.

1.2.2.2 FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR MAKANA LOCAL MUNICIPALITY, 2021 [NUMBERS]



Source: IHS Markit Regional Explorer version 2257

In 2021 the Trade sector recorded the highest number of informally employed, with a total of 2 010 employees or 33.54% of the total informal employment. This can be expected as the

barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 418 and only contributes 6.97% to total informal employment.

1.2.2.3 FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - MAKANA LOCAL MUNICIPALITY, 2021 [NUMBERS]

Sector	Formal Employment	Informal Employment
Agriculture	1,400	N/A
Mining	2	N/A
Manufacturing	1,970	418
Electricity	40	N/A
Construction	885	1,130
Trade	2,140	2,010
Transport	326	880
Finance	2,250	516
Community services	5,130	1,050
Households	2,340	N/A

Source: IHS Markit Regional eXplorer version 2257

1.2.2.4 UNEMPLOYMENT

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

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

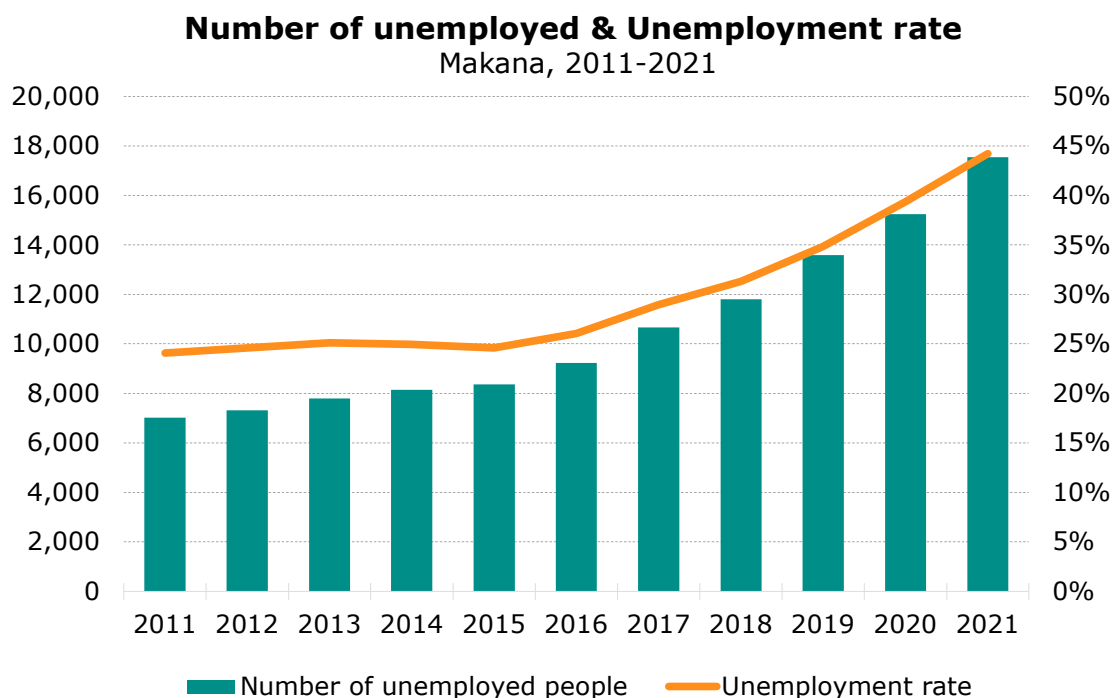
- "Without work", i.e. not in paid employment or self-employment;
- "Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
- "Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment.

The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

In 2021, there were a total number of 17 500 people unemployed in Makana, which is an increase of 10 500 from 7 020 in 2011. The total number of unemployed people within Makana constitutes 22.63% of the total number of unemployed people in Sarah Baartman District Municipality. The Makana Local Municipality experienced an average annual increase of 9.58% in the number of unemployed people, which is better than that of the Sarah Baartman District Municipality which had an average annual increase in unemployment of 9.96%.

In 2021, the unemployment rate in Makana Local Municipality (based on the official definition of unemployment) was 44.23%, which is an increase of 20.2 percentage points. The unemployment rate in Makana Local Municipality is higher than that of Sarah Baartman. Comparing to the Eastern Cape Province it can be seen that the unemployment rate for Makana Local Municipality was lower than that of Eastern Cape which was 45.61%. The unemployment rate for South Africa was 33.58% in 2021, which is a increase of -8.5 percentage points from 25.08% in 2011.

1.2.2.5 UNEMPLOYMENT AND UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - MAKANA LOCAL MUNICIPALITY, 2011-2021 [NUMBER PERCENTAGE]



When comparing unemployment rates among regions within Sarah Baartman District Municipality, Makana Local Municipality has indicated the highest unemployment rate of 44.2%, which has increased from 24.1% in 2011. It can be seen that the Sundays River Valley Local Municipality had the lowest unemployment rate of 20.4% in 2021, this increased from 10.4% in 2011.

1.3.1 ECONOMY

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

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

1.3.2 GROSS DOMESTIC PRODUCT BY REGION (GDP-R)

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

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

GDP-r can be measured using either current or constant prices, where the current prices measure the economy in actual rand, and constant prices measures the economy by removing the effect of

inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.

1.3.2.3 GROSS DOMESTIC PRODUCT (GDP) - MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [R BILLIONS, CURRENT PRICES]

	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2011	4.6	25.8	255.4	3,327.0	17.8%	1.80%	0.14%
2012	5.1	28.9	283.4	3,566.4	17.7%	1.81%	0.14%
2013	5.5	31.5	305.7	3,868.6	17.4%	1.79%	0.14%
2014	5.9	33.8	326.3	4,133.9	17.4%	1.80%	0.14%
2015	6.4	36.6	352.9	4,420.8	17.4%	1.80%	0.14%
2016	6.7	38.9	373.2	4,759.6	17.3%	1.80%	0.14%
2017	7.2	41.7	400.4	5,078.2	17.3%	1.80%	0.14%
2018	7.6	43.5	420.2	5,348.6	17.4%	1.80%	0.14%
2019	7.8	44.8	436.0	5,613.7	17.5%	1.79%	0.14%
2020	7.7	44.0	426.6	5,556.9	17.6%	1.81%	0.14%
2021	8.5	48.5	473.5	6,225.4	17.6%	1.80%	0.14%

Source: IHS Markit Regional eXplorer version 2257

With a GDP of R 8.52 billion in 2021 (up from R 4.59 billion in 2011), the Makana Local Municipality contributed 17.57% to the Sarah Baartman District Municipality GDP of R 48.5 billion in 2021 increasing in the share of the Sarah Baartman from 17.84% in 2011. The Makana Local Municipality contributes 1.80% to the GDP of Eastern Cape Province and 0.14% the GDP of South Africa which had a total GDP of R 6.23 trillion in 2021 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2011 when it contributed 0.14% to South Africa, but it is lower than the peak of 0.14% in 2015.

1.3.2.4 GROSS DOMESTIC PRODUCT (GDP) - MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2010 PRICES]

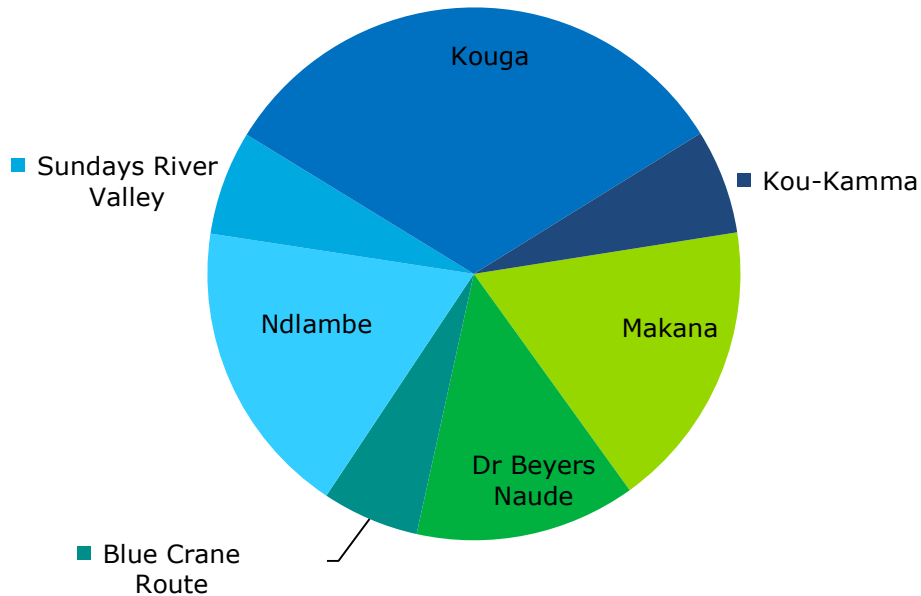
Year	Makana	Sarah Baartman	Eastern Cape	National Total
2011	1.3%	4.2%	3.3%	3.2%
2012	2.4%	2.2%	2.0%	2.4%
2013	1.5%	1.9%	1.4%	2.5%
2014	0.5%	1.1%	0.7%	1.4%
2015	1.1%	1.2%	1.0%	1.3%
2016	1.0%	0.2%	0.8%	0.7%
2017	1.2%	1.4%	0.5%	1.2%
2018	1.0%	1.7%	1.1%	1.5%
2019	0.4%	-0.2%	0.1%	0.3%
2020	-5.3%	-6.6%	-6.5%	-6.3%
2021	5.1%	4.9%	5.8%	4.9%
Average Annual growth 2011-2021	0.85%	0.76%	0.65%	0.95%

Source: IHS Markit Regional eXplorer version 2257

In 2021, the Makana Local Municipality achieved an annual growth rate of 5.13% which is a significant lower GDP growth than the Eastern Cape Province's 5.79%, but is higher than that of South Africa, where the 2021 GDP growth rate was 4.91%. Contrary to the short-term growth rate of 2021, the longer-term average growth rate for Makana (0.85%) is very similar than that of South Africa (0.95%).

1.3.2.5 GROSS DOMESTIC PRODUCT (GDP) - MAKANA LOCAL MUNICIPALITY AND THE REST OF SARAH BAARTMAN, 2021 [PERCENTAGE]

Gross Domestic Product (GDP)
Sarah Baartman District Municipality, 2021



Source: IHS Markit Regional eXplorer version 2257

The Makana Local Municipality had a total GDP of R 8.52 billion and in terms of total contribution towards Sarah Baartman District Municipality the Makana Local Municipality ranked third relative to all the regional economies to total Sarah Baartman District Municipality GDP. This ranking in terms of size compared to other regions of Makana remained the same since 2011. In terms of its share, it was in 2021 (17.6%) slightly smaller compared to what it was in 2011 (17.8%). For the period 2011 to 2021, the average annual growth rate of 0.8% of Makana was the second relative to its peers in terms of growth in constant 2010 prices.

1.3.2.6 GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN SARAH BAARTMAN DISTRICT MUNICIPALITY, 2011 TO 2021, SHARE AND GROWTH

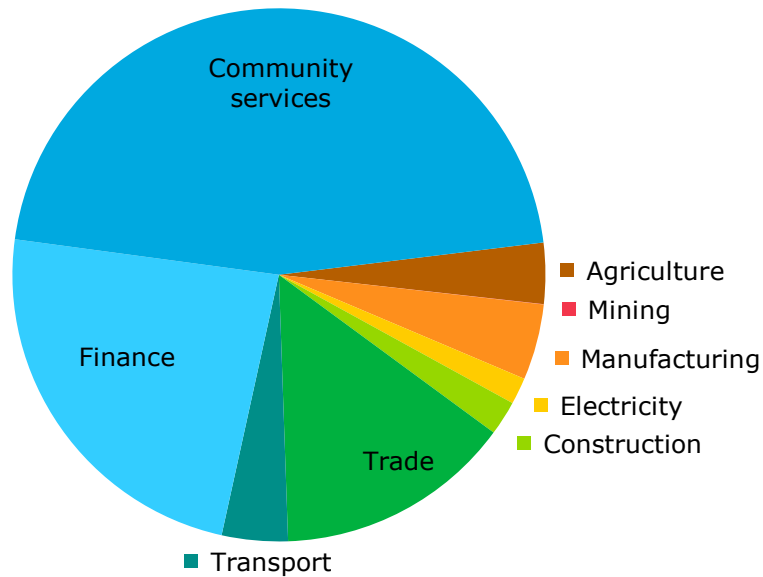
Municipality	2021 (Current prices)	Share of district municipality	2011 (Constant prices)	2021 (Constant prices)	Average Annual growth
Makana	8.52	17.57%	5.80	6.31	0.85%
Dr Beyers Naude	6.49	13.39%	4.55	4.83	0.60%
Blue Crane Route	2.86	5.89%	2.00	2.14	0.72%
Ndlambe	8.76	18.07%	6.11	6.57	0.72%
Sundays River Valley	3.07	6.34%	2.03	2.26	1.08%
Kouga	15.71	32.42%	10.72	11.65	0.84%
Kou-Kamma	3.07	6.33%	2.15	2.20	0.23%

Source: IHS Markit Regional eXplorer version 2257

Sundays River Valley had the highest average annual economic growth, averaging 1.08% between 2011 and 2021, when compared to the rest of the regions within Sarah Baartman District Municipality. The Makana Local Municipality had the second highest average annual growth rate of 0.85%. Kou-Kamma Local Municipality had the lowest average annual growth rate of 0.23% between 2011 and 2021.

1.3.2.7 GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - MAKANA LOCAL MUNICIPALITY, 2021 [PERCENTAGE COMPOSITION]

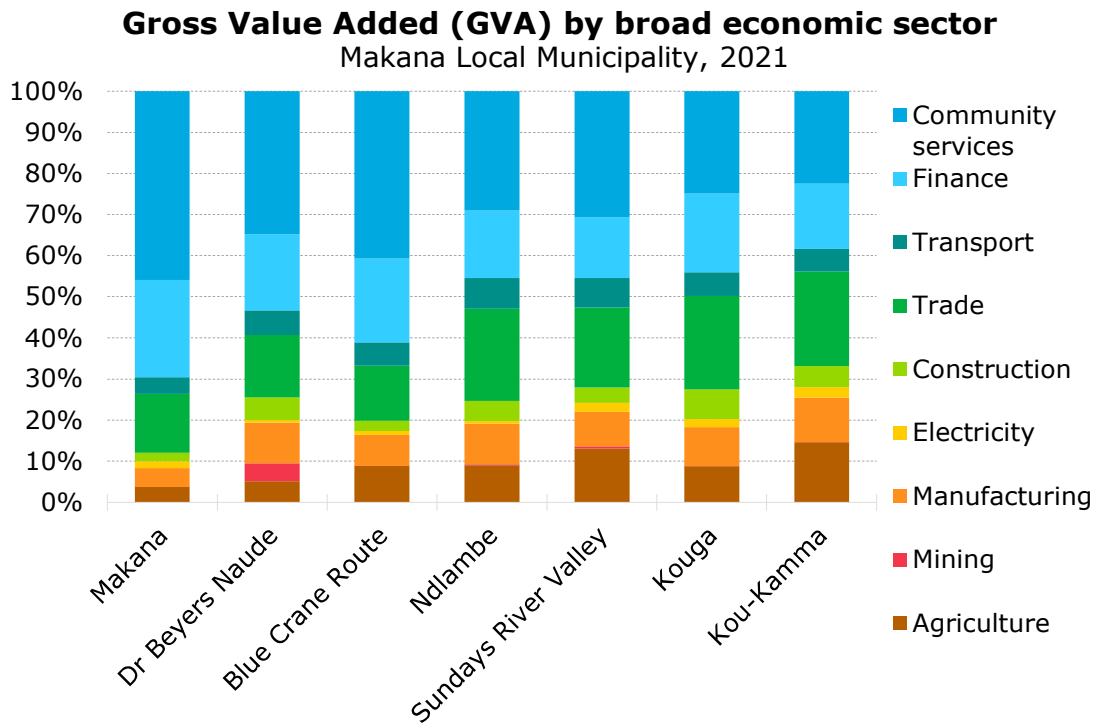
Gross Value Added (GVA) by broad economic sector
Makana Local Municipality, 2021



Source: IHS Markit Regional eXplorer version 2257

The community sector, which includes the government services, is generally a large contributor towards GVA. When looking at all the regions within the Sarah Baartman District Municipality, it is clear that the Makana contributes the most community services towards its own GVA, with 25.61%, relative to the other regions within Sarah Baartman District Municipality. The Makana contributed R 7.86 billion or 17.73% to the GVA of Sarah Baartman District Municipality. The region within Sarah Baartman District Municipality that contributes the most to the GVA of the Sarah Baartman District Municipality was the Sundays River Valley with a total of R 2.78 billion or 6.26%.

1.3.2.8 GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - MAKANA, DR BEYERS NAUDE, BLUE CRANE ROUTE, NDLAMBE, SUNDAYS RIVER VALLEY, KOUGA AND KOU-KAMMA, 2021 [PERCENTAGE COMPOSITION]



Source: IHS Markit Regional eXplorer version 2257

1.4 CRIME

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

1.4.1 IHS COMPOSITE CRIME INDEX

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

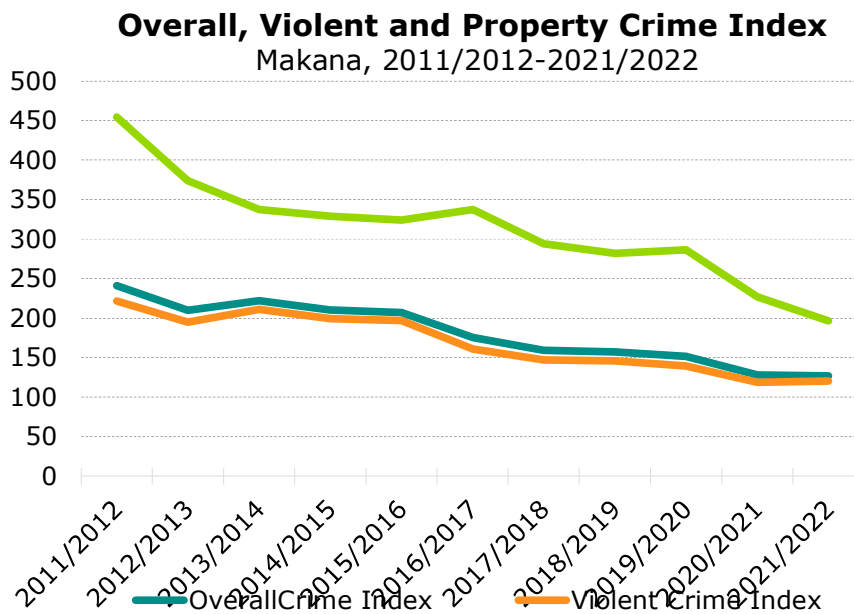
1.4.1.2 IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - MAKANA LOCAL MUNICIPALITY, 2011/2012-2021/2022 [INDEX VALUE]

HIS COMPOSITE CRIME INDEX

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

Overall crime Index:

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



Source: IHS Markit Regional eXplorer version 2257

For the period 2011/2012 to 2021/2022 overall crime has decrease at an average annual rate of 6.22% within the Makana Local Municipality. Violent crime decreased by 5.91% since 2011/2012, while property crimes decreased by 8.05% between the 2011/2012 and 2021/2022 financial years.

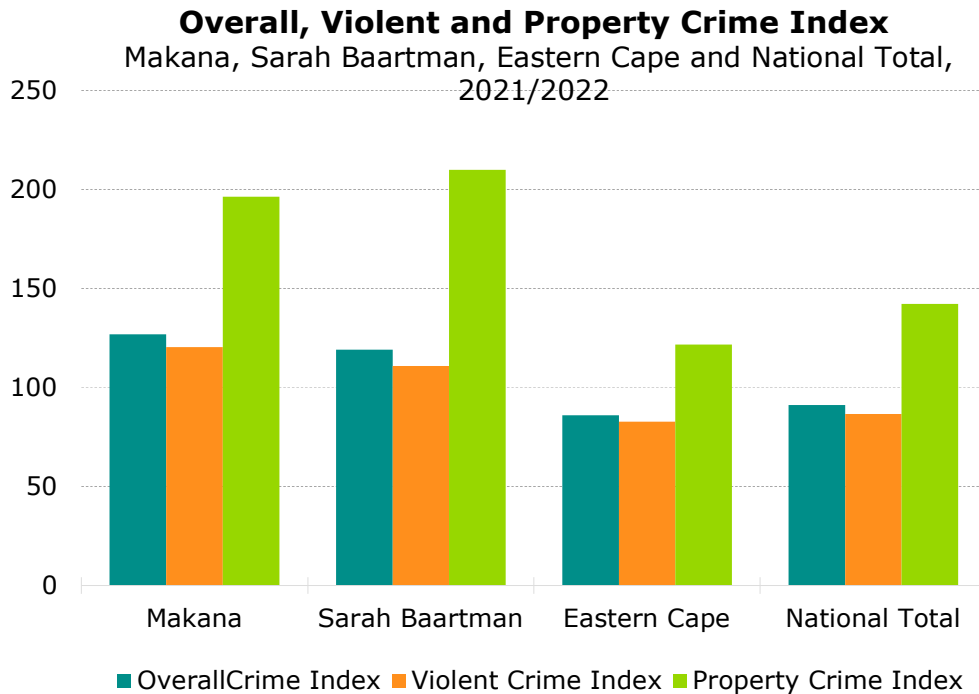
**OVERALL CRIME INDEX - MAKANA LOCAL MUNICIPALITY AND THE REST OF SARAH
BAARTMAN, 2011/2012-2021/2022 [INDEX VALUE]**

	Makana	Dr Beyers Naude	Blue Crane Route	Ndlambe	Sundays River Valley	Kouga	Kou-Kamma
2011/2012	241.03	125.05	143.58	181.04	174.38	142.46	176.76
2012/2013	209.78	131.39	138.20	176.40	175.49	123.87	159.70
2013/2014	221.84	116.71	145.60	172.83	168.85	123.41	148.39
2014/2015	210.28	122.42	135.71	181.44	172.91	119.97	143.65
2015/2016	207.28	132.97	131.13	171.30	156.29	124.26	128.34
2016/2017	175.66	127.48	135.64	170.25	133.21	127.09	127.86
2017/2018	159.29	119.99	121.86	157.95	133.40	120.25	136.92
2018/2019	157.29	121.85	125.33	169.33	155.99	121.35	138.32
2019/2020	151.70	124.91	129.43	147.26	158.54	117.34	111.10
2020/2021	127.86	111.88	97.03	128.51	139.73	89.54	86.38
2021/2022	126.82	117.43	116.77	131.13	156.44	94.89	103.46
Average Annual growth							
2011/2012-2021/2022	-6.22%	0.63%	2.05%	-3.17%	-1.08%	3.98%	-5.22%

Source: IHS Markit Regional eXplorer version 2257

In 2021/2022, the Sundays River Valley Local Municipality has the highest overall crime rate of the sub-regions within the overall Sarah Baartman District Municipality with an index value of 156. Ndlambe Local Municipality has the second highest overall crime index at 131, with Makana Local Municipality having the third highest overall crime index of 127. It is clear that all the crime is decreasing overtime for all the regions within Sarah Baartman District Municipality. Kou-Kamma Local Municipality has the second lowest overall crime index of 104 and the Kouga Local Municipality has the lowest overall crime rate of 94.9. It is clear that crime is decreasing overtime for all the regions within Sarah Baartman District Municipality. The region that decreased the most in overall crime since 2011/2012 was Makana Local Municipality with an average annual decrease of 6.2% followed by Kou-Kamma Local Municipality with an average annual decrease of 5.2%.

IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2021/2022 [INDEX VALUE]



Source: IHS Markit Regional eXplorer version 2257

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

1.5 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
National Arts Festival Soccer Tournament	June/ July yearly
Science Festival	March yearly
New year's Cup	December yearly
Mayor's Cup	December yearly

Dimension and Cross- Cutting

1.5.1 HIV+ AND AIDS ESTIMATES

HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility.

HIV Programme		2016	2017	2018	2019	2020	2021
Makana LM	Patients remaining on ART	59 382	62 788	66 619	71 818		
	Patients starting ART treatment	981	845	814	699		
Sarah Baartman	Patients remaining on ART	273 373	292 583	312 210	336 547		
	Patients starting ART treatment	4 908	4 221	3 824	3 860		

ARV treatment can also prolong the lifespan of people living with HIV. In the absence of any treatment, people diagnosed with HIV live for approximately 10 years before reaching the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely.

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

The ASSA model in turn uses the prevalence rates from various primary data sets, in particular the HIV/AIDS surveys conducted by the Department of Health and the Antenatal clinic surveys. Their rates are further adjusted for over-reporting and then smoothed.

Makana 's HIV prevalence increase from 59 382 to 71 818 between 2016 and 2019, while the number of clients starting ART decreased from 981 to 699 of the same periods. In 2016: 21 722 % of people received ART in Makana. This decreased to 21.34% in 2019.

Source: IHS Markit Regional eXplorer version 2112

In 2020, 12 800 people in the Makana Local Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.74% since 2010, and in 2020 represented 13.95% of the local municipality's total population. The Sarah Baartman District Municipality had an average annual growth rate of 2.50% from 2010 to 2020 in the number of people infected with HIV, which is higher than that of the Makana Local Municipality. The number of infections in the Eastern Cape Province increased from 785,000 in 2010 to 940,000 in 2020.

When looking at the South Africa as a whole it can be seen that the number of people that are infected increased from 2010 to 2020 with an average annual growth rate of 2.31%

CHAPTER TWO: MUNICIPAL GOVERNANCE:

In the quest to realise Makana Municipality's vision of "A Great Place to be", it is imperative that the Municipality is governed in a way that promotes good governance. The Municipality strives to achieve excellence by balancing the needs of all residents and the constitutional and legal framework applicable to local government with the available resources in such a way that service delivery takes place in an efficient, economic and effective manner.

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

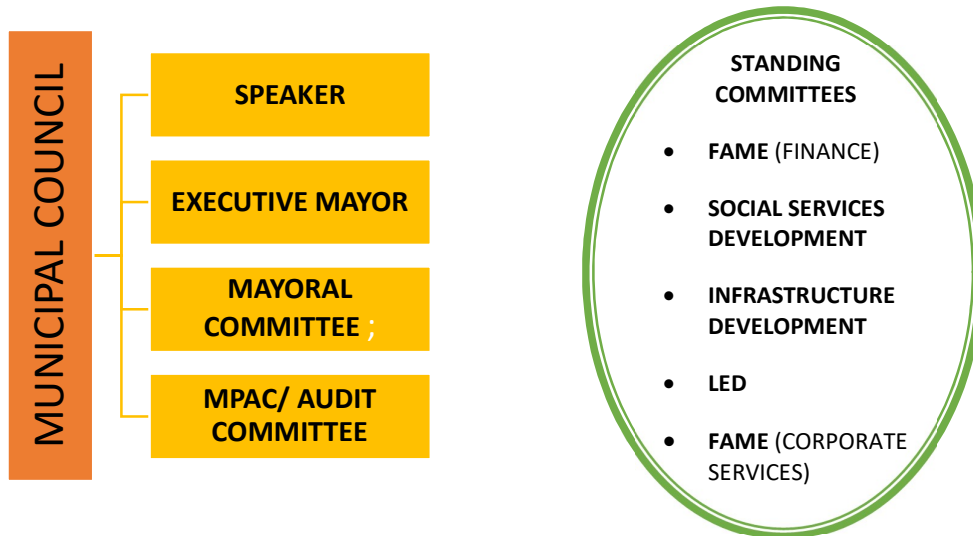
The Municipality is a Category B Municipality (local municipality) with an Executive Mayoral Committee System combined with a Ward Participatory System, as defined under Chapter 1 of the Local Government: Municipal Structures Act No. 117 of 1998. The Political and Administrative seat is situated in Makhanda.

2.1. POLITICAL GOVERNANCE

In compliance with Section 151(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); Section 53 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), Makana Municipal Council governs the local government affairs of the local community on its own initiative.

The roles and areas of responsibility of each political structure and each political office-bearer of the Municipality and of the Municipal Manager are defined and adhered to accordingly.

2.1.1. The Outline of Makana’s Political Structure



The Executive Mayor, Cllr Yandiswa Vara, assisted by the Mayoral Committee heads the political executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in her to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility.

The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, as well as the powers assigned by legislation.

Although she is accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in close conjunction with the Mayoral Committee.

The Municipal Council which comprises 27 Councillors, 14 of whom are Ward Councillors and 13 of whom are Proportional Representative (PR) Councillors. The Speaker is the Chairperson of the Municipal Council. There is an Executive Mayor and Executive Mayoral Committee; and Portfolio Committees who provide oversight on directorial operations.

2.1.2.1 FULL-TIME OFFICER BEARERS- FROM DECEMBER 2021 FOR 2022- 2027 TERM OF OFFICE:

REF NO	DESIGNATION	FUNCTION
01	Council Speaker Cllr Mthuthuzeli Matyumza	The Speaker of the Municipal Council: <ul style="list-style-type: none"> ▪ Presides at meetings of the Council. ▪ Performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the

		<p>Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);</p> <ul style="list-style-type: none"> ▪ Must ensure that the Council meets at least quarterly. ▪ Must maintain order during meetings. ▪ Must ensure compliance in Council and Council committees with the Code of Conduct set out in Schedule 1 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and ▪ Must ensure that Council meetings are conducted in accordance with the Rules and Orders of the Council. ▪
02	Executive Mayor Cllr Yandiswa Vara	<p>The Executive Mayor represents the public and is the chief political principal of the municipality. In terms of legislation the Executive Mayor has the following functions:</p> <ul style="list-style-type: none"> ▪ Identify the needs of the Municipality. ▪ Review and evaluate those need in order of priority. ▪ Recommend to the Municipal Council strategies, programmes and services to address priority needs through the Integrated Development Plan and the Operating and Capital Budgets, taking into account any applicable national and provincial development plans; and ▪ Recommend or determine the best way, including partnership and other approaches, to deliver those strategies, programmes and services to the benefit of the community.

2.1.2.2 FULL-TIME OFFICER BEARERS TERM ENDED IN NOVEMBER 2021

REF NO	DESIGNATION	NAME
01	Council Speaker	▪ Cllr Y Vara
02	Executive Mayor	▪ Cllr M Mpahlwa

2.1.3. Council and Councilors

Council's primary role is to govern the Municipality in a democratic and accountable manner, to perform legislative and executive functions and generally to fulfil its roles and responsibilities as set out in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).

It focuses on legislation, decision-making, oversight, and participatory roles and has delegated executive functions to the Executive Mayor, other office bearers, the Municipal Manager and other staff members where applicable.

Makana Municipal Council consists of 14 ward councilors and 13 proportionally elected councilors. Political parties are represented through elected councilors from the ANC (14), DA (5), and EFF (2), MCF(5), IND(1)

2.1.4. Political Decision Making

Section 160(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) prescribes the manner in which Council takes decisions. A quorum of all Councilors must be present to take any decision and most of the votes cast results in a legal decision. The exception to this rule is that when any of the following issues are determined, it is determined by a decision taken with a supporting vote of a majority of all its members:

The passing of policies and by-laws

- The approval of IDP and budgets
- The imposition of rates and other taxes, levies and duties
- The raising of loans and
- Appointment of section 54 and 57 employees

Section 32 Committee Schedule below gives an indication of the date meetings were supposed to sit.

Meeting Month	Council		MPAC		Aesth. Comm.		Employ Equity Comm.		Training Comm.		Health & Safety		Local Labour Forum		Soc. Dev.		Infra. Dev.		LED		FAME		CSS		Mayoral		Library Services		Budget Steering Comm.		Audit Comm.		Risk Comm.			
	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat				
July 2021	28.07	28.07.																																		
Aug 2021	27.08./21.8	31.08													01.08		11.08			12.08								26.08								
Sept 2021			03.09									02.09														07.09		07.09								
Oct 2021	19.10	19.10			05.10			07.10						19.10																13.10		14.10			07.10	
Nov 2021	17.11	23.11													23.11		24.11			25.11								25.11								
Dec 2021	07.12	07.12	03.12									02.12												01.12												
Jan 2022	27.01	27.01			18.01		19.01		19.01					25.01												11.01					13.01		20.01			14.01
Feb 2022	23.02	28.02													08.02		09.02			10.02								24.02								

Section 32 Committee Schedule below gives an indication of the date meetings were supposed to sit.

Meeting Month	Council		MPAC		Aesth. Comm.		Employ Equity Comm.		Training Comm.		Health & Safety		Local Labour Forum		Soc. Dev.		Infra. Dev.		LED		FAME		CSS		Mayoral		Library Services		Budget Steering Comm.		Audit Comm.		Risk Comm.	
	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat	Dated	Sat		
Mar 2022	31.03	31.03	04.03									03.03													08.03					11.03				
Apr 2022	28.04	27.05			12.04	12.04	07.04			07.04	07.04			19.04															13.04	14.04	19.04		07.04	
May 2022	27.05														10.05	23.05	11.05	18.05	12.05	24.05	17.05	17.05	19.05	19.05			26.05			13.05	13.05			
Jun 2022			03.06																						07.06				13.06		22.06		09.06	

2.1.5 Mayoral Committee

The Executive Mayor is supported by a Mayoral Committee. Each member of the Mayoral Committee has a portfolio with specific functions.

The Executive Mayor may delegate specific responsibilities to each member of the Mayoral Committee. Any powers and duties delegated to the Executive Mayor by the Municipal Council must be exercised and performed by the Executive Mayor together with the other members of the Mayoral Committee.

The Committee assists in harnessing the common understanding between political and administrative components before the IDP reports are considered at the council meeting. It also makes recommendations to the IDP Representative Forum

2.1.5.1 MAYORAL COMMITTEE BEARERS- FROM DECEMBER 2021 FOR 2022- 2027 TERM OF OFFICE:

REF NO.	COUNCILLOR	PORTFOLIO
01	Cllr T. Vayo	Chairperson Social Services Development
02	Cllr M.R. Xonxa	Chairperson Financial Administration, Monitoring & Evaluation – Corporate Services
03	Cllr Z.A Hoyi	Chairperson Financial Administration, Monitoring & Evaluation – Finance
04	Cllr G.B. Mene	Chairperson Engineering & Infrastructure Development:
05	Cllr M. Nkwentsha	Local Economic Development

2.1.5.2 MAYORAL COMMITTEE TERM ENDED IN NOVEMBER 2021

REF NO.	COUNCILLOR	PORTFOLIO
01	CLR P MATYUMZA	Chairperson Social Services Development
02	CLR N. MASOMA	Chairperson Financial Administration, Monitoring & Evaluation – Corporate Services
03	CLR L. NASE	Chairperson Financial Administration, Monitoring & Evaluation – Finance
04	CLR R. XONXA	Chairperson Engineering & Infrastructure Development:
05	CLR M. MATYUMZA	Local Economic Development

2.1.6 Portfolio Committees

Five (5) Section 80 committees are established, namely: PSSS, FAME, BTO, EIS and LED to advise the Executive Mayor on policy matters and any other matter to be considered by the Executive Mayor. They are assigned to focus on specific functional areas of the Municipality and can only make decisions on specific functional issues if delegations have been granted to them.

The members are appointed by Council. The chairpersons appointed by the Executive Mayor are full-time Councilors and form part of the Mayoral Committee.

2.1.7 Municipal Public Accounts Committee (MPAC)

Section 79 committees are permanent committees appointed to advise the municipal Council. Council established the Municipal Public Accounts Committee (MPAC) to perform an oversight function on behalf of Council over the executive functionaries of the Council. The MPAC, inter alia serves as an oversight committee to make recommendations to the Council when it adopts the Oversight Report on the Annual Report in terms of Section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA). No members from the political executive arm is a member of the MPAC.

The committee met on four (4) occasions during the year under review to deal with Annual and Oversight Report of 2019/20 Annual Report as well as considering matters relating to unauthorized, irregular, fruitless and wasteful expenditure.

2.1.7.1 MPAC MEMEBRS:

REF NO	NAME	CAPACITY	POLITICAL PARTY
01	Clr V Jezi	Chairperson	ANC
02	Clr S.Zono	Member	ANC
03	Clr L Sizani	Member	DA
04	Clr Z.Mantla	Member	MCF
05	Clr M. Booyesen	Member	EFF

2.1.7.2 MPAC MEMBERS: FOR TERM OF OFFICE ENDED IN NOVEMBER 2021

REF NO	NAME	CAPACITY	POLITICAL PARTY
01	Clr T. Seyisi	Chairperson	ANC
02	Clr N. Pieters	Member	ANC
03	Clr L. Sakata	Member	ANC
04	Clr B. Fargher	Member	DA
05	Clr M. Khubalo	Member	ANC
06	Clr S. Dyantyi	Member	EFF

2.1.8 Audit Committee

In compliance with Section 166(2) of the MFMA, Council has an Audit and Risk Committee which is an independent body advising the Municipal Council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to:

- Internal control;
- Risk management.
- Accounting policies;
- Adequacy, reliability and accuracy of financial reporting and information.
- Annual financial statements
- Performance management.
- Governance
- Compliance with MFMA, DoRA and other applicable legislation.
- Issues raised by the Auditor-General and Internal Audit; and
- Monitoring and evaluation of the Internal Audit Unit.

The Audit and Risk Committee Terms of Reference is reviewed by Council annually to ensure compliance with legislation and governance best practices. The Audit and Risk Committee meets on a quarterly basis and detail regarding their recommendations to Council can be found in the Internal Audit reports.

2.1.8.1. Members of the Audit Committee

Ref No.	Name	Capacity
01	Prof W. Plaatjies	Chairperson
02	Ms. Mahlakahlaka	Member
03	Mr. Manthe	Member
04	Ms. L. Mudau	Member (Resigned)

2.1.8.2 Previous Audit Committee Members

Ref No.	Name	Capacity	Meetings attended
01	Prof W. Plaatjies	Chairperson	7
02	Mrs A. Wagenaar	Member	7
03	Mr D. De Lange	Member	7
04	Mr L. Coopasamy	Member	5

2.2 ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the Accounting Officer of the Municipality and also the head of Administration. His primary function is to serve as chief custodian of service delivery and the implementation of political priorities.

He is assisted by his Senior Management Team (SMT), which comprises of the Directors of the five directorates established in the organogram as indicated in the chart below. There are also six (6) divisional managers reporting directly to the Municipal Manager. The SMT meet at least twice on monthly basis to discuss current priorities, strategic interventions to improve service delivery and new initiatives based on feedback from political leadership, departments and the local community.

The Municipal Manager provides direction and support to all officials under his leadership. Committees exist in ensuring smooth operation both within the institution and to the communities we serve, such committees as the Management Committee that constitutes of the Municipal Manager and his Directors as well as the Extended Management Committee which constitutes of the Municipal Manager, Directors and Operational Managers.

2.2.1 Organogram



The municipality undertook a comprehensive organisational development exercise for the entire institution. The objective was the alignment of the current and future organisational needs.

Due to organisational growth and new challenges, the municipality proceeded with a review of its organisational structure and *functional organogram* which was adopted by Council during the 2019/20 financial year on 30TH October 2019, after consultation with the Local Labour Forum.

Workshops were conducted with both senior managers and middle managers to discuss and consider current and emerging issues and how these might apply at Makana local municipality. Individual meetings were then held with all managers to gain their personal insight into service levels, resourcing, performance, structure and sustainability.

Top Management of the Municipality

- Municipal Manager: **Mr Moppo Mene**
- Chief Financial Officer: **Mr Gerard Goliath**
- Director Corporate and Shared Services: **Mr Xolela Kalashe**
- Director Engineering and Infrastructure: **Ms Asanda Gidana**
- Director Public Safety and Community Services: **Mr Kelello Makgoka**
- Director Local Economic Development and Planning: **Riana Marring**
-

NB: Chief Financial Officer resigned in November 2021 and Director LED sadly passed away in February 2022.

2.3. INTERGOVERNMENTAL RELATIONS

An intergovernmental Relations Forum exists under the guidance of the Executive Mayor. The purpose of the forum is to coordinate the planning of projects and the implementation of programmes emanating from the IDP processes.

The meetings of the IGR Forum are chaired by the Executive Mayor and convened on a quarterly basis with all local Government Departments being represented by Senior-Decision Makers. The impact of COVID19 pandemic introduced virtual meetings in order to continue with servicing the community of Makana by discussing issues concerning service delivery and compliance.

2.3.1 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.

2.3.2 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 are discussed.

2.3.3 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.

2.4 PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4.1 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 through virtual meeting due to COVID19 regulations.

2.4.2 WARD PUBLIC MEETINGS

Community meetings are held per ward by Ward Councillors and their committees at least once per quarter. Notices are distributed at least two days in advance in order for the communities to attend such meetings.

The municipality also makes use of the local Radio, and Virtual Newspaper to inform the public as well as Social Media e.g. WhatsApp groups and MobiSAM. This helps to get the message to the people on time so they can plan their questions and make necessary arrangements to attend.

There were also IDP revision / budget process review meetings held in 2020-21 financial year. The first series of meetings were held in between February-March 2020, aimed at the review and re-prioritisation of development priorities through IDP and Budget Mayoral Imbizo Consultation.

In May 2021, public participation meetings were held, observing strict Covid19 regulations. Unfortunately some meetings had to be postponed/ cancelled due to a variety of reasons, amongst which was a taxi strike in Makhanda. Of the ten planned public meetings only 4 took place.

2.4.4.1 WARD COMMITTEES

Ward committees form an essential part of the public participation process and these structures are particularly useful to ensure a relationship between Councillors and ward residents. It provides the opportunity to discuss local matters that concern the residents in that ward. Ward committees play an important role in this regard as they advise on the projects the community would like to be implemented in their wards.

These ward projects further strengthen the relationship between the Municipality and the communities due to the direct impact that the ward committees can make on development projects in their wards.

The purpose of ward committees:

- To act as an advisory committee to the Ward Councillor and Council;
- To ensure two-way communication to and from the community;

- To identify ward specific needs and to refer same to the administration and Council for attention;
- To actively partake in the annual IDP ward based public meetings;
- To assist the Ward Councillor in identifying ward projects and ward capital projects
- To identify stakeholders in the wards and to liaise with them regarding matters needing attention; and
- To discuss ward related Council agenda items and to make inputs regarding same if necessary.

The chairperson of the ward committee is the elected Ward Councillor and other members of the ward committee are elected by the residents of the ward. It is expected of the ward committees to hold regular meetings – at least once every three (3) months – and the minutes are submitted to the Speaker’s Office. The functionality of the ward committees is monitored and reported on to Council on a quarterly basis.

2.4.4.1 IDP/ Budget Roadshows:

Table: IDP Imbizo:

WARD	AREA	VENUE	DATE	TIME	STATUS
2&9	D and Eluxolweni	Noluthando Hall	17.05.22	17:30	Postponed due to load shedding
03	Phumlani, Mnandi & Ext 10 (May Field)	Ebaleni Ext 10	18.05.22	17:30	Done
6, 9 & 11	Ethembeni, Extension 5	Indoor Sport Centre	19.05.22	17:30	Done
14	Alicedale	Alicedale Town Hall	24.05.22	10:00	Cancelled due to instability in the area
09	Lower Vukani	Open Space	24.05.22	17:30	Done
05	Transit, Extension 9	Extension 9 Hall	25.05.22	17:30	Done
08	CBD	City Hall	26.05.22		Done

IDP / Budget Road Shows

Date	Time	Wards	Venue	Comments
22 March 2022	17h00	1	Riebeeck East	Done
23 March 2022	17h00	2 & 9 (D street and Eluxolweni)	Noluthando Hall	Cancelled due to poor attendance
24 March 2022	17h00	3 (vergenoeg, Scott’s Farm) and 4	Recreation Hall	Done

Date	Time	Wards	Venue	Comments
28 March 2022	12h00	8	City Hall	Postponed
	17h00	10	B.B. Zondani Hall	done
29 March 2022	12h00	3 (Phumlani & Ext.10) and 5	Extension 9 Hall	Postponed
	17h00	7 and 10	Tantyi Hall	Done

These meetings help with the planning of projects for the following financial year budgeting. These sessions provide an opportunity for municipality to interact with the communities to get feedback and recommendations for the next financial year.

2.5 CORPORATE GOVERNANCE

2.5.1 Audit and Risk Committee:

A new four-member Audit and Risk Committee was appointed by Council in April 2018 effective from the 01 May 2018 – 30 April 2021 and are therefore in their second year. The Chairperson was reappointed and there three new members were appointed on which resigned. 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 Performance Management System 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 & Planning, Director Engineering & Infrastructural Services, Director of Corporate Services and Director Public Safety and Community Services. Manager: Internal Audit; IDP/PMS Manager and the MPAC Chairperson as ex-officio.

External Parties: Provincial Treasury; Provincial CoGTA and Auditor-General representatives.

2.5.2 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 appointed 01 April 2020 and 2x National Treasury Interns appointed in 2021.

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.

2.5.3 Risk Management:

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, and this is hopefully to change with the now separately-established Risk Management Committee. Strategic risk register has been developed and reports produced on the implementation of corrective action quarterly.

Summary of Strategic Institutional Risks

No	Risk Description	Mitigation actions to be taken
1	No financial sustainability (not a going concern)	Continue implementation of Revenue collection strategies and policies. Improved debt collection and strict credit control procedures to be continuously applied. Reduction of expenditure on salaries, fuel, telephone and other controllable expenditure. Continued monthly reporting. Regular disposal of obsolete items. Implementation of overtime moratorium. Only crucial vacancies to be filled. Review of Fleet Management system.
2	Inadequate water	Implement consequence management. Training and skilling of staff. Provide budget for maintenance. Lobby for funding. Implement the maintenance plan. Ensure that the budget for the subsequent financial years available/confirmed by DWS. Drought funding to be implemented. Water - upgrading of James Kleynhans WTW. Upgrading of Waainek WTW. The upgrade of the Riebeeck East Water Treatment Work.
3	Ageing road and storm water infrastructure	Maintain plant and equipment when funding is available. Facilitate the maintenance of provincial roads. Develop and implement RRAMS. Operational and maintenance budget allocation. Skilling of staff. Ensure capital budget for road is provided for on the budget.
4	Unstable and poor reliability of supply of electricity	Sourcing of external funds. Enforcement of the ring-fencing of 10% allocation as stipulated by NERSA. Review of by-laws. Develop Master Plan. Disconnect illegal connection. Prosecute illegal connections. BTO to ensure the availability of tools, equipment and materials at stores.
5.	Inability to effectively manage solid waste	Municipality to source funding to upgrading Waste Water treatment Infrastructure
6.	Ineffective strategic management planning processes	Cascading of PMS to all management levels. b) Conduct quarterly reviews on performance for all levels of management.. Conduct quarterly reviews on the alignment of IDP, Budget and SDBIP for all levels of management.

7.	Noncompliance with laws and statutory regulations	Hold individuals accountable for all non-adherence to legislation and institute penalties as such. (AWARENESS SESSIONS NEED TO CONDUCTED) Monitor the correct capturing of information required on MUNISOFT quarterly.
8.	Business continuity compromised	Review the Disaster Recovery Plan. Installation of the VPN solution Use Alicedale office as a disaster recovery site. Server capacity be increased. Space requirements and centralised records management system. A singular system that encompasses all records (GRC system). Backups done on a regular basis. Create an offsite storage space. Appointment of an experienced ICT Manager. Appointment of ICT security officer to Safe-guard manual records.
6	Sewer spillages and inadequate waste water treatment plants	External funding to be sourced to address maintenance of Infrastructure. Development and implementation of Standard operating plans. WWRAP. Upgrading of Sewer reticulation system. Training and skilling of staff. Provision of tools equipment and materials to staff.
7	Performance targets not fully achieved	Proper job descriptions in place and properly evaluated. New organogram (restructuring). Quarterly review of set targets. Set aside time to prioritise planning. Management prioritising the issue of performance with staff. Cascading the PMS system down. Consequence management. Filling of critical positions. (IT-Manager and Internal Audit and Director: Technical and Manager Revenue)
8	Non-compliance with laws and statutory regulations	Review policies and Policy Strategy. Enhance Compliance Monitoring.
9.	Poor execution of capital projects	Ensure Proper planning for all projects.
10.	Slow progress in addressing issues that impede spatial economic development	Expedite the implementation of the capital investment programme, Regular meetings to SDF Committee to expedite implementation
11	Sewer spillages and inadequate waste water treatment plants	Development of WSDP with O&M plan.(ii) Implement and monitor the WSDP and O&M plans.
12	Inadequate management of municipal public amenities	Develop public amenities management and maintenance plan.

2.5.4 Fraud and Anti-Corruption Strategy:

The Makana Municipality developed and adopted a Fraud Prevention Policy Framework and Fraud Prevention has been included in the KPAs of the Directors. During the year of review, the

Municipality assigned this function to the Risk manager and attempts were made to operationalise fraud-reporting. A Fraud reporting Hotline has been established and a Fraud Whistle Blower Policy was formulated to protect whistle blowers.

2.5.5 Dedicated Fraud hotline numbers: 046 001 0012 and 087 809 4100:

All legitimate matters are reported to this number for further investigation. Furthermore, in accordance with the Protected Disclosure Act 26 of 2000, Makana Municipality provides assurance to all staff members, the general public, suppliers and other stakeholders related to the municipality, that they will be protected from any victimisation arising from any legitimate matters reported through any of the reporting channels provided.

2.5.7 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. Corporate Services | Admin/ HR City Hall/ High Street |
| II. Financial Viability | Finance Building High Street |
| III. Infrastructure Services | Engineering Building High Street |
| IV. Alicedale Office | |
| V. Riebeeck East Office | |
| VI. Electricity | |
| VII. Asset Management | Stores Breytenbach Road |
| VIII. Land and Estate Housing | Sonny Street/ Joza |
| IX. Parks Recreational | Parks |
| X. Traffic Services | Knight Street |
| XI. Fire Services | Knight Street |
| XII. Cleansing | Knight Street |
| XIII. Environmental Services | |
| XIV. Internal Audit | |
| XV. Strategic Planning & Monitoring | |
| XVI. Local Economic Development | High Street |
| XVII. Legal | City Hall/ High Street |
| XVIII. Records Management | City Hall/ High Street |

2.5.8 Status report on public participation (councillors and ward committees)

The Makana Municipality has fully functional Ward Committees. The ward committees holding monthly meetings.

The meetings are held according to the “Back to Basics” concept and meetings as follows:

1. Area meetings (Ward Committee member)
2. Ward general meetings (Councillor as a Chairperson)
3. Ward committee meetings (Councillor as a Chairperson)

Ward Committee reports are submitted to the office of the Speaker every month from all the wards with attendance registers used as a proof that the Ward Committee meeting that took place and that is also used as proof for the payment of the stipends to Ward Committee members.

Ward general meetings: most of the wards do not hold their general meetings. The reports are submitted to the Council as an item quarterly.

WARD BASED PLANNING: has been done in all wards and priorities have also been developed for each ward and are reflecting in the IDP.

MASIPHATHISANE: In Makana municipality Masiphathisane/ War Rooms have been established in all the wards of the municipality but are inactive. The challenge is however that only one ward (ward 2) has a functioning war room where they hold meetings and attend to the problems raised in the meetings.

STAKEHOLDERS: Makana Municipality has a database of its stakeholders and meet bi-monthly with them to discuss community concerns and progress on community projects.

WOMEN’S CAUCUS: A Women’s caucus has been established and is fully functional.

WOMEN’S FORUM: A Women’s Forum has been established and would be launched in the next financial year.

PETITIONS: A Petitions committee has been established and is chaired by the Speaker. All the petitions are handled by the office of the Speaker. Speaker receives all the petitions and hand them to the Petitions Committee.

COMMUNITY DEVELOPMENT WORKERS: The municipality provides transport for CDW’s to attend their Regional Round Tables and sometimes also to the Provincial Round Table. CDW’s have been allocated an office at the municipal offices. The Provincial office has been requested to assist them with the necessary tools of trade.

CHAPTER THREE: SERVICE DELIVERY PERFORMANCE

3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process that measures the implementation of the organisation's strategic objectives. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level, performance management is institutionalised through the legislative requirements of the performance management process. Performance management provides the mechanism to measure whether targets are met in line with the strategic objectives as set by the organization.

Section 152 of the Constitution of the Republic of South Africa, 1996, deals with the objectives of local government and paves the way for performance management.

The idea of a government that is accountable is important to meet the needs of Makana Municipality. The democratic values and principles in terms of section 195(1) are also linked with the concept of performance management, with reference to the principles of the following, among others to:

- Promote the effective, efficient and economic use of resources;
- Ensure accountable public administration;
- Be transparent by providing information;
- Be responsive to the needs of the community; and
- Facilitate a culture of public service and accountability.

The Local Government: Municipal Systems Act (MSA) of 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) require the Integrated Development Plan (IDP) to be aligned to the municipal budget. The monitoring of organisational performance of the budget must be done against the IDP on a quarterly basis via the Service Delivery and Budget Implementation Plan (SDBIP). The report is made public after the Council has been informed of the quarterly progress against set targets.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players".

Performance management is not only relevant to the organisation, but also to the individuals employed in the organisation, as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, the Budget and the SDBIP.

3.1.2 Legislative requirements

In terms of section 46(1) (a) of the Local Government: Municipal Systems Act, a municipality must prepare an Annual Performance Report (APR) for each financial year that reflects the municipality's performance and any service provider's performance during the financial year. The APR must furthermore indicate the development and service delivery priorities and the performance targets set by the municipality for the financial year, and based on the results indicate what corrective measures were or are to be taken to improve performance....

3.1.3 The IDP and the Budget

The Municipal Systems Act requires that the Municipality's Integrated Development Plan be reviewed annually to accommodate changes in the municipal environment, including community priorities. In turn, the revised IDP will inform changes to the budget, key performance indicators and targets of the municipality.

3.1.4 Service Delivery and Budget Implementation Plan (SDBIP)

The organisational performance is evaluated by means of a municipal scorecard (Top-Layer SDBIP). Performance objectives, as reflected in the municipal scorecard, are required to be practical, measurable and based on the key performance indicators.

The SDBIP is a tool that converts the IDP and budget into measurable criteria of how, where, when and the strategies, objectives and normal business processes of the Municipality are implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and the budget.

MFMA Circular No. 13 is a clarification of the Municipal Budget and Reporting Regulations, Schedule A1, General Notice 393 in Government Gazette 32141 and prescribes that:

- The IDP and Budget must be aligned;
- The Budget must address the strategic priorities;
- the SDBIP should indicate what the Municipality is going to do during the next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the Budget/IDP processes.

The Top-Layer SDBIP was prepared as described in the paragraphs below and approved by the Executive Mayor, Cllr Mzukisi Mpahlwa on 28th August 2020 in terms of section 53(1)(c)(ii) of the Local Government: Municipal Finance Management Act of 2003.

3.1.5 The Municipal Scorecard (TOP-LAYER SDBIP)

The municipal scorecard (Top-Layer SDBIP) consolidates service delivery targets set by Council/ Executive management and provides an overall picture of the performance of the Municipality as a whole, reflecting performance in its strategic priorities for the 2020/21 financial year.

The scorecard is the performance evaluation tool and is used during the informal and formal performance assessment of the Municipal Manager and Directors. Components of the Top-Layer SDBIP include:

3.1.5.1 One-year detailed plan with the following components:

- Expected revenue to be collected.
- Monthly projections of expenditure (operating and capital) and revenue for each vote.
- Quarterly projections of service delivery targets and performance indicators for each vote.
- Non-financial, measurable performance objectives in the form of targets and indicators.
- Output management objectives; and
- Level and standard of service being provided to the community.

3.1.5.2 Top-Layer KPI's were prepared based on the following:

- Key performance indicators (KPIs) for the programmes/activities identified to address the strategic objectives as documented in the IDP in co-operation with the community who identifies developmental priorities.
- KPIs identified during the IDP public participation process and KPIs that need to be reported to key municipal stakeholders; and
- KPIs to address the required national minimum reporting requirements.

3.1.5.3 Amendment of the Top-Layer SDBIP

The Top-Layer SDBIP was adjusted in 06 March 2020 after consideration an approval of adjusted 2020/2021 MTREF budget on 27th February 2020 by Council to reaffirm the Municipality's commitment to achieve its service delivery targets.

- Number of KPI' where reduced from 102 targets to 41 targets due to the nature of KPI being operational
- The reduction in the number of KPI's afforded the municipality the opportunity to focus on strategic issues in which KPI's were refined,

3.1.6 Organisational Performance

Strategic performance assessment indicates how well the Municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is effective, efficient and economical. Municipalities must develop strategic plans and allocate resources for implementation. Implementation must be monitored on an ongoing basis and the results must be reported on during

the financial year to various role players to enable them to implement corrective measures timeously as and when required.

The Annual Performance Report (APR) highlights the strategic performance in terms of the municipality's Top-Layer Service Delivery and Budget Implementation Plan (SDBIP), high-level performance in terms of the strategic objectives of the municipality and performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act of 2000.

3.1.7 Performance Management Policy Framework

The Municipality adopted a Performance Management (PM) Policy Framework. The Policy was reviewed and approved by Council on the 20th July 2021. The PM Policy articulates the Municipality's objectives in order to promote accountability and the overall strategy of the Municipality.

Therefore, the main principles of the PM Policy are that it must be feasible in terms of the available resources to the Municipality and that the PM Policy must serve as an enabling mechanism for employees to achieve their performance objectives and targets.

Performance management has been introduced in the Local Government: Municipal Systems Act, Act 32 of 2000 (hereafter referred to as the MSA). The MSA is specific with regards to performance management. Each municipality must develop a performance management system (PMS) in order to enhance service delivery inputs in order to maximise outputs to the community.

The MSA emphasises the amplified role of Council in performance management. Legislative enactments which govern performance management in municipalities are found in various documents.

As outlined in Section 40 of the MSA, Municipality must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and lower levels.

3.1.8 Actual performance (2021-22)

The Municipality utilises an automotive system on which KPI owners update actual performance on a quarterly basis. KPI owners report on the results of the KPI by documenting the following information on the Performance Management system:

The actual result in terms of the set target:

- A performance comment;
- Actions to improve the performance by the submission of corrective measures to meet the set target for the reporting interval in question, if the target was not achieved.

- It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results update and provide it to performance management unit for evaluation and the Internal Auditor and Auditor General upon request during the quarterly and annual audit testing.

3.1.9 Monitoring of the SDBIP

Municipal performance is measured as follows:

- Mid-year assessment and submission of the mid-year report to the Executive Mayor in terms of section of Section 72(1)(a) and 52(d) of the Local Government Municipal Finance Management Act to assess the performance of the Municipality during the first half of the financial year;
- Quarterly performance was subjected to an internal audit and the results of their findings were submitted to the Audit Committee; and
- Quarterly performance reports are submitted to Council for information.

3.1.10 Individual performance

Individual performance is implemented at senior management only at the moment and its coordination is done in office of the municipal manager. In the 2020-21 financial year Council has resolved that cascading of the PMS would be managed and coordinated in Corporate & Shared Services under the organizational development unit.

3.1.11 Municipal Manager and Directors Accountable to the Municipal Manager

The Municipal Systems Act (MSA), 2000 (Act 32 of 2000) prescribes that the Municipality must enter into performance-based agreements with all section 57-employees and that performance agreements must be reviewed annually and published for public interest. This process and the format are further regulated by Regulation 805 (August 2006), MSA.

The performance agreements for the section 57 appointments for the 2021-2022 financial year were signed as follows:

- Municipal Manager; 30 July 2021
- Chief Financial Officer; 30 July 2021
- Director: Public Safety and Community Services: 30 July 2021
- Director: LED and Planning; 30 July 2021
- Director: Engineering & Infrastructure Services. 30 July 2021
- Director: Corporate & Shared Services; 28th May 2021

3.2 ACTUAL RESULTS FOR THE 2021-2022 FINANCIAL YEAR

This section of the Annual Performance Report will report on the Municipality's actual performance against the planned targets as derived from the Municipality's Service Delivery Budget Implementation Plan (SDBIP). Municipality has six (6) development priorities in the Municipality IDP, APR will focus on all of KPA in top layer SDBIP. An overview of the overall Municipality's actual performance and performance against set KPI linked to the National KPA's are part of the SDBIP performance report.

3.2.1 ACTUAL RESULT FOR THE 2021/22 FINANCIAL YEAR

This section of the Annual Performance Report will report on the Municipality's actual performance against the planned targets as derived from the Municipality's IDP. Since the Municipality has 6 Development priorities and has 6 Key Performance Area with the inclusive of Human Settlement. An overview of the overall Municipality's actual performance linked to the National KPA's are depicted in section 51. Dashboard

COLOR CODE	STATUS	DESCRIPTION	KPI NO	ACHIEVE %
N/A	KPI Not Applicable	KPIs with no targets or actuals in the selected period.	N/A	N/A
G	KPI Fully Effective	Actual meets Target (Actual/Target = 100%)	18	35%
G2	KPI Performance Significantly Above Expectations	100.001% <= Actual/Target <= 149.999%	2	4%
B	KPI Outstanding Performance	150.000% <= Actual/Target	1	2%
R	KPI Unacceptable Performance	0% <= Actual/Target <= 74.999%	20	35%
O	KPI Performance Not Fully Effective- (Partially)	75.000% <= Actual/Target <= 99.999%	13	27%

There were 51 Key Performance Indicator (KPI) in the Adjusted Service Delivery Budget Implementation Plan for 2021-22 Financial year. For the year under view 19 KPI (35%) were achieved, 13 KPI (25%) were not fully met (partially achieved) and 18 KPI (35%) were unacceptable performance.

3.2.2 Overall performance Key Performance Area (KPA)

KPA	NO KPI	ACHIEVED	PARTIALLY	NOT	PERCENTAGE
Basic Service and Infrastructure and Infrastructure	12	4	3	5	33%
Community and Social Cohesion	6	2	3	1	33%
Local Economic development and Planning	6	2	3	1	33%
Institutional Development Financial Viability	14	6	3	5	42%
Good Governance & Public Participation	11	4	1	6	36%
Human Settlement	2	0	0	2	0%
TOTAL	51	18	13	20	35%

3.2.3 Audit of Performance Information

The Auditor General's Office concluded their audit during November 2022, the Audit Opinion expressed on Performance information is a qualified opinion for 2021/22. The main issues attributed to the disclaimer is Usefulness and Reliability of reported performance information.

AUDIT OPINION	2018/19	2019/20	2020/21	2021/2022
Unqualified opinion without matters (Clean Audit)				
Unqualified opinion with emphasis of matter or other matters				
Qualified opinion			X	X
Adverse opinion				
Disclaimer	X	X		

3.3 BASIC SERVICE DELIVERY

Water, Sanitation, Roads, Electricity (Electricity in the former Makhanda East area and certain rural areas is supplied by Eskom, whilst the former Makhanda West and parts of Alicedale are supplied by the Municipality), wastewater and refuse removal services are fundamentally important basic services to ensure a healthy and safe environment for all Makana inhabitants which

is a mandate of the municipality. Other services such as Libraries, Traffic Control and Environmental Management has service level agreements with sector provincial departments. These basic services sections play a very important part in the planning and implementation of basic services in all formally established township developments as well as informal settlements.

In an effort to market the Makana area, the Municipality has a long-standing arrangement with Makana Tourism where the Municipality makes an annual financial allocation to Makana Tourism in exchange for marketing the area and promote tourism. A Service Level Agreement was also completed by both parties to formalise the arrangement and the body provides the Municipality with monthly financial reports. The Makana Municipality does not have a “Municipal Entity” nor does it utilise external mechanisms for basic service delivery.

3.3.1 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.

3.3.1.1 Water Provision

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 the funding of some water capital projects through Municipal Infrastructure Grant. The Municipality has the responsibility of implementing water services projects and maintenance thereof. Water deliveries are made by trucks to rural areas on request by the Community and Social Services Directorate.

Description	2020/21 Actual No of Households	2021-22 Actual Household No.
Water: (above min level)		
Piped water inside dwelling	6309	10 400
Piped water inside yard (but not in dwelling)	9325	5 340
Using public tap (stand pipes)	819	1 650
Other water supply (within 200m)	0	
Minimum Service Level and Above sub-total	164	
Minimum Service Level and Above Percentage	98%	

Description	Actual no of Households 2020/21	2021-2022 Actual Household No.
<i>Water:</i> (below min level)		
Using public tap (more than 200m from dwelling)	2% located at rural farms	384
Other water supply (more than 200m from dwelling)	None	0
No water supply	2% located at farms	
Below Minimum Service Level sub-total	None	0
Below Minimum Service Level Percentage	None	0
Total number of households	16481	19 300

3.3.1.2 Water Supply

The Municipality provided its households with sufficient water with the exception of some farm areas and informal settlements. The Municipality supplies water to farm areas by carting water with water trucks and informal settlements receive their water through communal standpipes. Makana is currently providing the basic level of services as per the RDP standards but most of our households have individual house connections. The Municipality currently supplies water from two sources, which are the Fish River and Howieson's Poort Dams.

3.3.1.3 Challenges

The Municipality is still struggling with its aging infrastructure and low capacity of water treatment plant due to increase of demand of water.

Internally human resources capacity was also affected due to resignation of Manager for Water and Sanitation in 2017/18 year however, the manager was appointed in the 2019-20 financial year

3.3.1.4 Water and Sanitation infrastructure Development projects

External funding has been sourced from different stakeholders MIG and WISG. Underneath are water related infrastructure development projects funded for in the 2020-2021 financial year.

Name of the project	Target	Progress June 2021
Makana Bulk Sewer Upgrade phase 1 construction completed	70%	24%
Refurbishment of Belmont Valley Wastewater Treatment Works completed	40%	Tender was cancelled. We had an alternative bid that advised that we should rather go for an upgrade instead of the repairs. (June 2021)

Asbestos pipes replaced	50%	48%
Mayfield Gravity Sewer completed	50%	79.50%

3.3.2 Wastewater (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 since 2004 Makana Municipality has been acting as both Water Services Authority and Water Service provider.

The Department of Corporate Governance and Traditional Affairs is responsible for funding of some sanitation capital projects through MIG. The Municipality has a responsibility of implementing sanitation projects and maintenance thereof.

Level and standard of services	The municipality has not met the target of providing households with basic sanitation services for informal settlements. It is currently providing the basic level of services as per the RDP standards. The sewer infrastructure is very old and makes use of asbestos pipes which are no longer manufactured in South Africa. This results in continuous sewer blockages and overflows. The main wastewater treatment plant is currently overloaded. There is a lack of capacity on human resources, especially on technical expertise in-order for the Municipality to respond effectively on issues of operations and maintenance. This is still a challenge.
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Annual Performance as per Key Performance Indicator in Sanitation Services					
Indicator	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the Financial Year under review (actual numbers)	Number of Households/customer reached during the Financial Year	Percentage of achievement during the year
Households with access to sanitation services	1%	1986	569	629	Above 100%

Indigent households with access to free basic sanitation services	8064 have benefited.	7930	8000	8604	Above 100%
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All Clinics and schools were provided with adequate sanitation services during the year under review.

3.3.2.1 Challenges

Lack of financial resources, funding application will be made to the Department of Water Services. Most schools have sanitation infrastructure but there are water pressure problems at a number of schools that are being addressed.

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 Wastewater Treatment Works (WWTW) is a 5.4MI biological filter plant currently being operated at an average inflow of between 7 and 8MI/d.

The plant is servicing the entire CBD and Western side and 60% of the Eastern side, Mayfield WWTW has a stated existing hydraulic capacity of 2.5 MI/day and currently treats flows from the areas known as Mayfield, Makaanaskop, Kings Flats, Transit Camp and Extensions 6 and 7.

3.3.3 Electricity

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

Level Standard of Services	<p>Customers are provided with a bulk 11 kilovolts of electricity. Some of this electricity is provided from renewable energy.</p> <p>The Municipality provides streetlights in accordance to the standards as outlined in the National Energy Regulator of South Africa (NERSA) guidelines. It also provides high masts which are funded by the Municipal infrastructure grant (MIG).</p>
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Annual performance as per Key performance indicator in Electricity Services						
Indicator	Total number of households or customers expected to benefit	Estimated backlogs (actual numbers)	Target set for the financial year under review (actual numbers)	Number of households or customers reached during the financial year	Percentage of achievement during the year	Major challenges and remedial action
Households with access to electricity services	245	0	169	81	%	Funding for electrification of rural area (formalised infill area). All avenues of funding will be investigated.
Indigent households with access to basic electricity services		0	300	416	70%	None
			Medium and low voltage electricity is distributed according to consumer requirements and with NERSA standard.			

3.3.3.1 Achievements

The Electricity Department sought funding from the Department of Minerals & Energy (DME) under the Integrated National Electrification Programme Grant (INEP), for upgrade and refurbishment of various Makana 11kv Mini-Substations. There was also a successful construction of a 66KV Overhead line refurbishment in Makhanda.

3.3.3.2 Challenges and remedial action

The major challenge was the absence of resources such as the vehicles and material. A further challenge was the absence of training measures for staff due to a lack of funds. In addition, the inadequate maintenance of infrastructure was a major problem. More funding would be sourced from external parties to address the challenges in the next financial year.

3.3.3.3 Road and Storm water

The maintenance of the Makana Road Network involves 4 major role players:

- The Provincial Road Construction Unit presently constructing a surfaced road between Makhanda and Alicedale. The road is situated partially within Makana and Sundays River jurisdiction.
- The District Road Engineer (provincial maintenance unit) is responsible for 155, 0 km surfaced trunk and main roads as well as 663,0km of gravel roads within the rural areas of Makana. The condition of these roads is presently poor.
- The Makana Council is responsible for the maintenance of 176,0km of gravel and 163.0km of surfaced roads within the urban areas. The roads are generally in a poor to fair condition owing to lack of financial resources.
- A District Roads Forum has been established to address the problem of a lack of communication between the role-players.

The road network consists of a national road between Port Elizabeth and King William's Town consisting of ± 45km surfaced road each side of Makhanda being maintained by the National Roads Agency. The department is currently maintaining only Rural District Roads.

Level and standard of road services	The 16 503 erven within the urban areas of Makana have an acceptable surfaced or gravel access road to each erf. The 400 erven within the informal areas have no acceptable access. Maintenance done is of a high standard utilising cold premix, chip and spray and acceptable decomposed shale with a CBR of 45.		
Annual Performance as per Key Performance Indicator in Road Maintenance			
Indicator	Total number of household/ customer expected to benefit	Estimated backlogs (actual numbers)	Major challenges and remedial action
Households without access to gravel or graded roads	350	350	Funding was a major challenge and for the next financial year a Business Plan will be developed to address this matter
Road infrastructure requiring upgrade	80%	153 kilometres	Lack of finance Shortage of material
Annual performance as per Key Performance indicator in Roads Maintenance			
Planned new road infrastructure actually constructed	2.5 Km	176km	Insufficient funding
Capital budget reserved for road upgrading and	2,4%	176Km	Insufficient funding

maintenance effectively used.			
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3.3.4 Free Basic Services and Indigent Support

The Makana Municipality provides free basic services to registered indigent residents and also has a policy for indigent support that is implemented by the Finance Department.

The registration of more Indigents is a project that has been receiving attention in order to increase the number of beneficiaries.

3.4 PUBLIC SAFETY AND COMMUNITY SERVICES

3.4.1 Library Services

Reporting Level	Detail	TOTAL
Overview	The provision of accessible community facilities to an acceptable standard for all people in Makana Municipality.	
Description of activity	Provision of: Adequate library services for all sectors of the community. Access to library material for the purposes of education, information, recreation and aesthetic appreciation for all residing within the Makana municipal area. The strategic objectives of this function are to: <ul style="list-style-type: none"> • Ensure that the residents have access to up-to-date information through libraries. • Ensure that there are libraries in needy areas. • Ensure that there is an acceptable standard of service for all. • Decrease the illiteracy rate of the Makana community. 	
Analysis of function	Statistical information: Quantity of materials circulated <ul style="list-style-type: none"> • Main Library (Hill Street) • Community Library • Duna Library • Fingo Library • Alicedale Library • Riebeeck East Library • Ext 9 Total	54,600 32,300 23,300 40,957 10,095 11,016 10,394 182,662
	Number of current patrons <ul style="list-style-type: none"> • Main Library (Hill Street) • Community Library (Currie Street) • Duna Library • Fingo Library • Alicedale Library • Riebeeck East Library 	15,164 4,335 7,325 1,187 913 347 ---

Reporting Level	Detail	TOTAL
	<ul style="list-style-type: none"> • Ext 9 Total	29,271
Challenge	<ul style="list-style-type: none"> • Children's activities space at Fingo, Riebeeck East and Alicedale Library. 	
Highlights	<ul style="list-style-type: none"> • Provision of office space at Hill Street Library for Mobile Library and Library Clerk. • Installation of a library detector system and CCTV camera at Duna, Fingo and Community Libraries. • Providing public access to internet at Fingo and Hill Street libraries using "Connect with Sarah Baartman" vibrant literacy and audio projects in all libraries. 	

3.4.2 Environmental Management

Environmental management function is a strategic one, providing environmental leadership to the municipality and the community at large. The municipality functions with its partners through the Makana Environmental Forum, a forum of local individuals and organizations with a focus on environmental matters in the municipality.

The municipal environmental programmes and plans are communicated to the public through the quarterly meetings of the Makana Environmental Forum. The municipal environmental awareness activities continued to be strengthened by a collaboration with the Eastern Cape's Department of Environment and Economic Development Good Green Deeds which create community awareness and engagements

3.4.2.1 Activities

Environmental education and awareness: Department Environmental Affairs has seconded an official to coordinate all Environmental education and awareness program. Environmental Awareness campaigns are being created in schools throughout the municipal are of jurisdiction, planting of trees and donations of waste receptacles. Some of the schools included primary schools and high schools in Makhanda, Riebeeck East, Alicedale and Seven fountains' areas.

In addition, door to door awareness campaigns were conducted in collaborations with ward councillors, educational material was distributed and placed in libraries, clinic and police stations.

EPWP THUMA MINA GREEN GOOD DEEDS PROGRAM:

The community environmental education and awareness programme was strengthened by the appointment of twenty youth to assist with cleaning at the illegal dumping sites. These individuals were from various wards of the municipality. This programme was sponsored by the Department of Environment and Economic Development in the Eastern Cape. DEA, SALGA and Sarah Baartman District Municipal together with Makana LM embarked on the review of the waste by-laws and they are

currently in a draft format, however SBDM has review Municipal Health By-laws. A number of workshops were held with the group to familiarise them with municipal waste by-laws.

Municipal Assisted Initiatives:

Department of Economic Development and Environmental Affairs (DEDEA) has introduced Good Green Deeds program to assist the municipality with environmental management programs, including awareness and education program, door to door campaigns and schools outreach program. A total of 22 youth was appointed for the program.

The Municipality has also partner with Environmental NGO and was assisted with 14 young people in waste management in Makhanda area.

Waste pickers at the landfill site:

The recycling at the landfill site has been formalised through the appointed services, the program is currently will be monitored under the services providers watch.

Adopt – A- River Project:

This initiative was a project was on hold during this financial year due to redirection of funds for EPWP which was focusing on waste management, the project will be reinstated in the next Financial year as the river are once again polluted

Makana Municipal Invasive Action Plan:

A Makana Alien & Invasive Action Plan is in place drafted (date), accordance with the terms of the Alien & Invasive Species Regulations of 2014 and the National Environmental Management: Biodiversity Act (2006), which states “all Organs of State are meant to have developed Alien Species Control Plans for areas under their jurisdiction by October 2016”.

In the case of Makana municipality this regulation affects all land that is private or owned by other organs of state and would include *inter alia commonage* areas, street verges, green open spaces etc. The plan has been submitted to Council for approval in February 2017. The plan also incorporated actions underway and future plans such as Working for Water’s activities. The plan due for review during this current financial year in collaboration with Department of Water and Sanitation.

Environmental Risk Register:

With due consideration of the Environmental Monitoring outlined in the Makana Local Environmental Action Plan, assessment of risks associated with the environment in order to monitor effects of exposure of humans and/or the environment to hazardous situations is necessary. Monitoring environmental risks will also assist in avoiding litigation or compelling contractors or service providers working in the municipal area to comply with relevant legislation.

3.4.2.2 Main challenges

The general lack of funding to initiate community environmental projects remains a threat towards the implementation of projects. To mitigate this risk, the environmental management section continue to apply for funding from other state departments or in the form of EPWP projects.

External stakeholders should be brought in to assist the municipality to discharge its environmental mandate and be provided with various kinds of rewards such as rates rebates etc. This could be the case with environmental stewardship programmes by business and NGO entities.

The function of Environmental Health Services was recalled by the District Municipality in the financial year 2021/22 .In terms of the Municipal Structures Act, Section 84 (1) (i) Municipal Health Services is the function of the District Municipality. The unit is responsible for ensuring businesses, including restaurants, comply with applicable health standards to ensure clients are not at risk of picking up diseases.

Currently Municipal Health Services are performed by SBDM and monthly reports to Makana Local Municipality are submitted quarterly.

3.4.3.1 Waste Management (Solid)

<p>Strategy and main role player</p>	<p>The overall objective of waste management is to reduce the generation of waste; reduce the environmental impact of all forms of waste to ensure the health of the people of Makana. The Municipality’s waste management system enhances the quality of its environmental resources.</p> <p>The roles and responsibilities in terms of the National Waste Management Strategy for local government include:</p> <ul style="list-style-type: none"> • Waste minimisation: Local Government has to implement and enforce appropriate national waste minimisation initiatives and promote the development of voluntary partnerships with industry. • Recycling: Local Government is to establish recycling centres and/or facilitate community initiatives. • Waste collection and transportation: Local Government is to improve service delivery. • Waste disposal: Local Government is to take responsibility for the establishment and management of landfill sites, and to promote the development of regionally based facilities. <p>Formalising and controlling of scavenging is the responsibility of the permit holder.</p>
<p>Level and standard of services</p>	<p>It is expected that every household has access to waste collection services. The Municipality is expected to collect refuse from every household on a regular basis.</p>

Annual performance as per Key performance indicator in refuse removal services						
Indicator	Total Number of Households/ Customers expected to Benefit	Estimated Backlogs (actual numbers)	Target Set For the Financial Year under review (actual numbers)	Number of Households / Customers reached During the Financial Year	Percentage of Achievement During the Year	Major Challenges and Remedial Action
Households with access to refuse removal services	23 366	648 (farm houses) Rural areas	0	22500	97%	Illegal dumping is a major challenge in Makana.

3.4.3.2 Fire and Rescue Services

Function Public Safety Sub-Function: Fire & Rescue Section	
Reporting Level	Detail
Overview:	Includes fire-fighting, fire safety and awareness campaigns. The municipality has signed a corporate agreement with Sarah Baartman District Municipality to perform the functions on agency basis as well as with the other six (6) LMs in Sarah Baartman district.
Mission statement	It is the mission of Makana Fire and Rescue to create a safer environment for all persons in our society by providing an efficient and effective fire-fighting, emergency, rescue and fire safety service within the framework of the resources available.

3.4.3.2.1 Core Functions

Core Functions (As per the Fire Brigade Services Act 99 of 1987), the municipal core function is:

- Preventing the outbreak or spread of a fire
- Fighting or extinguishing a fire
- The protection of life or property against fire or other threatening danger
- The rescue of life or property from fire or any other threatening danger; and
- The performance of any other function connected with any of the matters related to the above.

These functions are performed in accordance with Standard By-Laws relating to Fire Brigade Services, which was promulgated on 11 June 1982 (Provincial Notice 661 / 1982)

3.4.3.2.2 Administration Section

This section deals with the day-to-day administrative activities of the Fire and Rescue Section which includes report writing, typing, recording and updating of information and all other related activities as required. This section is headed by the Manager and includes the Station Commander, Senior Clerk and Messenger /Cleaner.

3.4.3.2.3 Operational Section

This section consists of four (4) Platoon Commanders, six (6) Senior Fire Fighters, twenty four (24) Fire Fighters, and four (4) Dispatchers. The following posts have been filled: Two (2) Platoon Commanders, One (1) Senior Fire Fighter and three (3) Fire Fighter posts, two (2) Senior Fire Fighter posts have since become vacant.

The operational section implements the practical aspects relating to firefighting and other emergency incidents. To achieve its aim, this section is responsible for the following:

- The attendance and handling of all fires, rescues and emergency incidents.
- The acquisition of vehicles and operational equipment.
- The maintenance of vehicles and equipment.
- The checking and cleaning of fire hydrants.
- The training of public by group inspections and lectures.

3.4.3.2.4 Fire Prevention

Businesses are inspected to ensure that they comply with the fire safety regulations. A total of eighty seven(87) businesses were inspected during the financial year 2021/22.

3.4.3.2.5 Activity

Reduction of Vegetation Fires:

The key objective is to try and minimise the amount of vegetation fires. Emphasis is put on

- Analysing the risk areas
- Training the farmers on proper fire control/ burning tactics
- Awareness campaigns involving the Fire Protection Association, Albany Working for Water, Parks Department and DAFF etc.
- Includes firefighting, fire safety and awareness campaigns

3.4.4 Mission Statement

The municipality's mission is to provide for measures to safeguard the physical wellbeing and safety of the environment and property, to ensure the implementation of an integrated and coordinated approach to disaster management across all spheres of government, involving all relevant stakeholders.

3.4.4.1 Core Functions:

- Recruitment and training of disaster management volunteers
- Conduct disaster management awareness program at schools, farmers associations and for the general community
- Inform the above mentioned groups of possible disaster areas, dangers associated with it and how to deal with disaster situations
- Advise council on disaster management legislation
- Prepare disaster management plans to ensure maximum emergency plans for its area
- Ensure disaster management plans are in place
- Form an integral part of the municipal IDP
- Anticipate the types of disaster that are likely to occur and their possible effects
- Provide prevention and initiation strategies
- Establish contingency plans and emergency procedures in the event of a disaster

These functions are performed in accordance with the Disaster Management Act, 2002 (Act no 57 of 2002) and provides a legislative framework for the management of disasters in the country.

In terms of sections 19, 38 and 53 all spheres of government are required to prepare disaster management plans setting out the way in which the concept and principles of disaster management are to be applied in its functional area.

These plans must facilitate maximum emergency preparedness and contain contingency plans and emergency procedure in the event of a disaster clarifying the allocation of responsibilities to the various role-players and coordination in the carrying out of those responsibilities. The aim of this readiness plan is to ensure prompt and effective response to emergency incidents during and after the disaster occurrences.

3.4.4.2 Administration Section:

This section deals with the day-to-day administrative activities of Disaster Management which includes report writing, typing, recording and updating of information and all other related activities as required. It is headed by the Disaster Management Officer only, and reporting to the Manager: Fire Services.

3.4.4.3 Operational Section:

This section consist of one Disaster Management Officer. It implements the practical aspects relating to fire fighting in conjunction with the fire department since fires are classified as potential disasters and other emergency incidents e.g.

- Floods/Fire Victims – To conduct damage assessment to flooded/fire damaged areas, arrange temporary housing units to those who have their houses badly damaged by the flooding/fires, the office has been providing mattresses and blankets where necessary, refer the victims to other relevant sector departments for assistance e.g. SASSA, Social Development etc. and assist flood/fire victims with necessary requirements including evacuation of the area if needs be.
- The office forms part of the Road Incident Management System which seeks to reduce road incidents/accidents on the N2 and our national roads by taking note of bad surface on our roads, road marking, stray animals, managing tow truck operators and training of emergency personnel in incident management.
- The Office forms part of the Safety Events Management Team that constitute amongst other stake holders SAPA, Rhodes University, NAF Organisers, Makana Municipal Departments, Home Affairs etc. to make sure that all events taking place in Makana Municipality are planned in accordance with the Safety, at Sports and Recreational Events Act no 02 of 2010 to protect participants, spectators and property.
- To conduct awareness campaigns to the targeted groups making them aware of potential disasters and how to deal with them when they do occur.
- Dissemination of weather warnings to the community at large via community radio stations, Grocott's and social networks.
- The Office forms part of the Provincial Project Management Steering Committee Meetings, monitoring the DMRG (Disaster Management Risk Grant) allocated to Municipalities and Sector Departments to repair the damaged infrastructure after disaster occurrences.

3.4.4.4 Building Plans:

Building plans are scrutinized to ensure that they comply with Fire Safety Regulations.

A total of thirty five (35) building plans were scrutinised during the year under review.

3.4.4.5 Flammable liquids:

Flammable liquid inspections are carried out on businesses that deal with flammable liquids.

The annual tariff charges also makes provision that all businesses dealing in the sale, manufacture,

handling or storage of flammable liquids or gases must register and acquire a license from the municipality. An annual license fee for this purpose is therefore payable after safety requirements have been met. A total of eleven (11) flammable liquid inspections were conducted.

3.4.4.6 Fire Hydrants:

Fire Hydrants inspections are done regularly to ensure that they are clean, clearly marked and in operation. A total of one hundred and forty (140) fire hydrant inspections were conducted.

3.4.4.7 Water Deliveries:

As an additional income, the department delivers water to farms situated within the protected area upon request. Normal tariffs apply that include the use of the fire engine plus the distance travelled. Water is also delivered to rural communities in municipal area of jurisdiction, the Department of Technical and Infrastructural Services, is then responsible for the charges.

3.4.4.8 Motor Vehicle Accidents:

The Directorate responds to motor vehicle accidents to assist with vehicle extrication, patient treatment, hazardous materials, etc. A total of (19) accidents were attended to during the 2021/22 financial year.

3.4.4.9 Training and Awareness:

Lectures and practical drills are presented to the staff of the Fire Department on various subjects of firefighting, rescues, handling of hazardous incidents and legislation applicable to the fire service. This is In - Service Training and only focus on preparedness of Fire Fighters to combat fires and other emergencies.

3.4.4.9.1 Public Training:

Fire awareness campaigns are conducted at rural communities, schools and clinics within Makana to make the community aware of the dangers of fires. A total of two hundred and four (204) public members were reached. Elementary Fire Fighting training is presented to businesses to enable their staff to react immediately when a fire occurs at their workplace whilst it is still small. Covid 19 has had a negative impact on the Fire Awareness Campaigns.

3.4.4.9.2 School Awareness Programme:

The department continued with our School Awareness Programme to make the students/scholars aware of the dangers of fires and what to do in case of a fire. A total of twelve (12) schools and two hundred and three (203) students / scholars were reached during the financial year 20/21 Covid 19 had a negative impact on the School Awareness Programme.

Challenges:**Progress/ Update**

Fire station in Alicedale	SBDM has procured temporary satellite Fire Station for Alicedale, the station is semi equipped and procurement of additional vehicle is underway and expected to be delivered in the next financial year
Fire station in Riebeeck-East	SBDM has procure temporary satellite Fire Station for Riebeeck East, procurement of vehicle and recruitment of the personnel is currently underway and target is next financial year.
No fire station in Makhanda-East	No Capital Budget for the 2019/20 financial year, due to the financial situation of the Municipality.
Handling of after-hours complaints.	The Control Room is dealing with after-hours complaints, such as electricity, water, sewer etc. posing a risk, as the telephone lines are continuously engaged due to the influx of complaints from the public.
No Capital Budget to procure vehicles and equipment	No Capital Budget to procure much needed vehicles and equipment for the 2019/20 financial year, due to the financial situation of the Municipality. Sarah Baartman District Municipality procured two new vehicles and equipment.
Shortage of Staff	Shortage of staff has an impact on the operations of the department due to the fact that Vacant positions are not filled, and posts will be filled I the next financial year.

3.4.5 Safety and Security

The Makana Municipality does not have an in-house policing force but does actively participate in the Local Safety and Security Forums.

3.4.5.1 Traffic and Law Enforcement

Reporting Level	Detail
Overview:	Includes Traffic, Licensing, Roadworthy and Technical Services
Description of activities Traffic Law Enforcement	<p>The key function of the Traffic Department is to provide safer roads for all stakeholders within the Makana area.</p> <p>The Municipality has a mandate to:</p> <ul style="list-style-type: none"> • Conduct preventative traffic patrols and enforce traffic legislation • Enforce speed limits • Attend traffic accidents • Enforce parking legislation • Enforce municipal bylaws <p>The key objective of this function is to ensure safe and free flow of traffic within Makana Municipal area.</p>
Driving Licenses	<p>These services include all driver testing functions.</p> <p>The Municipality has a responsibility to :</p> <ul style="list-style-type: none"> • Test applicants and issue learner licenses • Test applicants and issue driving licenses • Renew card driving licenses • Renew and issue Professional driving licenses <p>The key objective of this function is to ensure safety on the roads by ensuring a high level of competency amongst vehicle drivers.</p>
Roadworthy Testing	<p>These services include all vehicle testing functions. The Municipality has a responsibility to:</p> <ul style="list-style-type: none"> • Test vehicle • Issue roadworthy certificates <p>The key objective of this function is to ensure safety on our roads by ensuring roadworthy vehicles</p>
Technical services	This service is responsible for the maintenance of all road markings and road signs
Challenges	Lack of finances are seriously hampering operations as we find it difficult to maintain old and outdated equipment. Vehicles are old and break down frequently. The department has filled most critical vacancies that have been vacant for years.

3.4.6 Parks; Sport and Recreation

Function: Horticulture and auxiliary services sub-function: Aerodrome		
Overview:	Makana and the surrounding municipalities are fortunate to have at their disposal a category 1 licensed aerodrome with an all-weather runway and navigation lights that needs maintenance to accommodate up to a light jet aircraft.	
Description of activity:	<p style="text-align: center;">Inspections</p> <p>The section: The Department of Civil Aviation also undertakes annual inspections in support of the retention of the category 1 licence.</p>	Quarterly
	<p style="text-align: center;">Administration</p> <p>Collection of landing fees: The lease contract will be expiring with the flying club toward the end of the next financial year</p> <p>Challenges</p> <ul style="list-style-type: none"> • The airfield is currently not fully operational due to various challenges relating to fencing, overgrown weeds, run way with pot holes and no run way lights. • The continued deterioration of the main tarred runway due to lack of maintains is still a main challenge 	Annually
	<p>Achievements</p> <p>Mowing of the airfield was done twice during 21/22 financial year and not much was achieved in terms of fencing, run way road , lights during this period under review , the plan is to attend to the maintenance of the airfield in the next financial.</p>	
Overview:	This sub-function includes several sections including maintenance of grass verges and public open space, planted layouts, street trees and weed control.	
Description of Activity	<p>The services provided include:</p> <ul style="list-style-type: none"> • Moving of verges in Makhanda, Alicedale and Riebeek East including main entrances, CBD, material roads, suburban roads and council facilities. • Moving of public open spaces with tractor drawn implements • Maintenance of gardens and planted layouts within the city. • Maintenance of street trees including tree planting and the maintenance of streets under power lines as well as the removal of trees where required. • Manual tree stump removals • Weed control that includes the eradication of weeds and annual grass on roads, gutters and storm water channels 	<p>196ha</p> <p>449ha</p> <p>2.5 ha</p> <p>673 trees</p> <p>17</p> <p>1650 ha</p>

Function: Horticulture and auxiliary services sub-function: Cemeteries		
Overview:	This sub-function includes the maintenance of cemeteries in Makhanda, Alicedale and Riebeeck East.	
	The services provide include: <ul style="list-style-type: none"> • Administration of electronic recording system for burials • Cemetery maintenance • Contract management 	+857 – 1023 burials annually
Description of activity	Challenges <ul style="list-style-type: none"> • Acquisition of land for new cemetery in Alicedale and Makhanda. Funding to maintain cemeteries. Vandalism/ theft of artefacts/ fencing, caretaker's house and metal railings, burial records not properly updated. 	
	Achievement <ul style="list-style-type: none"> • Extensions to Mayfield airspace • Maintenance of service roads to Mayfield • Procurement of contracts for the maintenance of grass areas: Waainek, Mayfield, Historical. Lavender Valley and Kings Flats cemeteries. • Formalisation of parks equipment tender for long term supply 	
Function: Horticulture and auxiliary services sub-Function: Nursery		
Overview:	Provision of nursery for the production of greening material for the Municipality.	
Description of activity:	The services provided include: <ul style="list-style-type: none"> • The production of ground covers, shrubs and trees. • Maintenance of ornamental section for decorations. • Production of manuals for street displays <p>CHALLENGES: Old equipment such chain saws, weed eaters, lawn mowers to deal with maintenance of grass and trees in town and the surrounding area. Limited budget for the operation of the municipal nursery</p> <p>ACHIEVEMENTS: Procurement of 4x weed eaters and 2x chain saw. Planting of aloe plants on 7 x illegal dumping spots to discourage illegal dumping. Trimming and cutting of dangerous trees in seven fountains and Alicedale (in progress) and assisting electricity department with cutting trees affecting electric power lines</p>	

3.5 LOCAL ECONOMIC DEVELOPMENT AND PLANNING

The role of Local Economic Development and Planning is to unlock economic opportunities through support and providing a spatial environment that stimulates economic growth. The priority of the Department has been to ensure that development of strategic documents to guide development. The Municipality was able secure funding from MISA for the review of the Spatial Development Framework and funding from COGTA for the review of an LED-strategy in-house.

For the implementation of these documents the Municipality will have to ensure a full staff component for the LED and Planning Directorate with qualified professionals. The Municipality has appointed 2× Town Planners and 1× Building Inspector

The LED and Planning Directorate is constituted as follows:

- a) **Local Economic Development Section:** responsible for agricultural development, tourism development and promotion; trade and investment promotion and SMME development.
- b) **Town Planning Section:** Responsible for spatial planning, Settlement Planning and Land Use Management
- c) **Building Inspectorate Section:** Regulating development in terms of National Building Regulations and Standards Act 103 of 1977

The staff component of LED Directorate will be fully populated with qualified and experienced staff once the remaining vacancies have been filled.

During the year under review the municipality solicited funding to implement the following Agricultural and Tourism projects:

3.5.1 Agriculture and Rural Development

Projects	Amount	Funding Source
Nonzaliseko Project: Crop Project	R100,000	SBDM
Reibeeck East Farmers: Livestock Farmers	R70,000	SBDM

3.5.2 Highlights and Achievements.

- More than 1100 businesses registered on CIPC
- About 46 SMMEs have benefited from subcontract opportunities since the promulgation of the revised Preferential Procurement Regulations.
- Each year during the Festival, four crafters are allocated a stall to trade. In additional three informal traders are also allocated a stall to trade at the Church Square

- Registered more than 1100 people on CWP.
- Trained more than 24 SMMEs on Business Management and Tendering.
- 7 SMMEs obtained funding from Sarah Baartman District Municipality
- 1 SMME benefited from Covid19 SMME's relief grant
- More than 1000 Walk-ins for SMME assistance

3.5.3 Spatial Planning and Land Use Section:

- A precinct plan was commissioned in 2021 for Makhanda East and will be completed in January 2022.
- Township establishment process for Fort Brown and Seven Fountains were started
- Appointment of AA members and dealing with appeals: in terms of Section 126(6) of Makana Municipality Spatial Planning and Land Use Management By-Law, Council appointed the appeal authority in June 2019.
- The appeal Authority has dealt with two appeals since the appointment which were resolved amicably.

3.5.4 Job Creation

Job creation opportunities will be from different Infrastructure development Projects of water and sanitation interventions, upgrading and rehabilitation of Roads, EPWP and Community Development works Program.

NAME OF PROJECT	NUMBER OF LABOURERS	FUNDER	PROJECT STATUS
Upgrade of Mayfield Bulk Outfall Sewer Phase 2	20	MIG	Construction
Replacement of Asbestos Pipes in Makhanda Phase 2	24	MIG	Construction
Upgrade of Ncame Street	30	MIG	Construction
Construction of Makana Bulk Sewer Upgrade Phase 1 (Kwa Thatha)	24	WSG	Construction
Construction of Makana Bulk Sewer Upgrade Phase 2 (Matthew Street)	6	WSG	Construction
Alicedale Outfall Sewer	5	ECDC	Construction
Water Conservation and Demand Management Phase 3	8	WSG	Complete
Electrification of Nkanini	33	Eskom	Construction
James Kleynhans WTW	34	WSG	Construction
Rehabilitation And Maintenance Of Somerset, High, New and Hill Streets in Grahamstown CBD	15	MISA	Complete
Community Works Program	898	COGTA	Ongoing
Expanded Public Works Program	172	Public Works	Ongoing
TOTAL	1269		

CHAPTER FOUR: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 MUNICIPAL WORKFORCE

The Makana Local Municipality currently has 30 different functions, based on the Municipal Systems Act, No 32 of 2000 and Act 117 of 1998.

4.1.1 MUNICIPAL MANAGER AND SECTION 57 MANAGERS

	Approved Positions (e.g. MM-S57 etc.)	Number of Approved and Budgeted posts.	Filled Posts	Vacant Posts
1	Municipal Manager	1	Yes	0
2	Director Corporate Services	1	Yes	0
3	Chief Financial Officer	1	Yes	0
4	Director Local Economic Development	1	No	1
5	Director Technical & Infrastructure	1	Yes	0
6	Director Public Safety	1	Yes	0
Total		6	5	1

4.1.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT INDICATORS

	Indicator Name	Total Number of People (planned for) During the Year Under Review	Achievement Level during the Year Under Review	Achievement Percentage During the Year Under Review	Comments on the Gap
1	Vacancy rate for all approved and budgeted posts	25	25	100%	None
	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	6	4	60%	One resignation and a suspension was experienced at this level
3	Percentage of Section 57 Managers including Municipal Managers who attended at least one skills	3	3	100%	No Gap

	development training course within the financial year				
4	Percentage of Managers in Technical Services with a professional qualification	6	6	100%	No Gap
5	Percentage of staff that have undergone a skills audit (including competency profiles) within the current five-year term	619	0	0%	Process will be addressed as one of the outcomes of the Organisational development process of the Municipality.
7	Percentage of councillors who attended skills development training within the current five-year term	27	4	20%	Training was hampered by a severe lack of funds.
8	Percentage of staff complement with disability	1	1	100%	N/A
9	Percentage of female employees	131	131	100%	No Gap
	Percentage of employees that are aged 35 or younger	57	44	77%	N/A

4.2 MANAGING THE MUNICIPAL WORKFORCE

4.2.1 Human Resources Unit:

This Unit is responsible for the transformation of Makana Local Municipality into an effective, efficient, and progressive public sector organisation.

It is further responsible for the:

- development and implementation of policies, procedures, and oversight of the daily operations of the municipality.

- develop and implement HRM strategies, policies and plans aligned to the strategy of the organisation that enable the organisation to achieve its objectives,
- Facilitate employee benefits, skills development, recruitment & selection, employee wellness, occupational health & safety and employee relations.
- Annually to review and prepare for the submission of the policy to Council for adoption. The policies may be amended from time to time and must be revised at least every five years. All other policies.

4.2.2 Compliance with Health and Safety Legislation

The Makana LM has adopted a policy for the Occupational, Health and Safety. The position of the Occupational, Health and Safety Officer has been approved in the organogram with the aim of ensuring an ongoing review, its standards, policies and procedures to comply and, where possible, to exceed legislative requirements pertaining to Occupational Health & Safety regulations.

The Occupational Health and Safety Act (85 of 1993) and its regulations provide guidelines for the Makana Council to develop appropriate standards and management systems. Makana municipality has appointed a Health and Safety officer

4.2.3 Capacitating the Municipal Workforce

A Work Skill Plan is revised annually by the Skill Development Facilitator. The plan is approved by Council with a specific budget and an implementation report is submitted to LGSETA on or before the 30th March, in order to recover the funds spent on implementing the plan.

The Makana Local Municipality offers various annual in- service training opportunities to promote the development of skills in specific areas to encourage growth in skills availability in the province and to assist learners in obtaining practical exposure to the world of works.

Targeted training and employment is also used to affirm previously disadvantaged categories, with a special training initiative to address the gender imbalances in the work force. 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.

In further support of its major transformation outcomes, Makana Local Municipality has also revised its human resources training and development policy and plans, making this area the responsibility of a dedicated Training Committee.

The Training Committee is responsible for the issuing and updating of Makana Local Municipality Workplace Skills Plan prepared in terms of the requirements of the Skills Development Act. The Skills Plan maps out training priorities for the organisation based on identified skills gaps and deficiencies and envisaged future operational needs (including succession and career planning), thus permitting appropriate training interventions to be devised and implemented.

As per the Skills Development Act 97 of 1998 Makana Municipality has a responsibility to encourage the unemployed to enter labour market through learnership programme. This also applies to internal staff for the advancement of career growth, for personal growth and upward mobility within the institutional departments. Interns - the program of the unemployed graduated to gather work experience in the workplace. The Skills Plan maps out training priorities for the organisation based on identified skills gaps and deficiencies and envisaged future operational needs (including succession and career planning), thus permitting appropriate training interventions to be devised and implemented.

4.2.3.1 Skills Development & Training

Municipality has a challenge of lack internal capacity and scarcity funding as result lot of training could not take place. The following training programmes were undertaken with regard to staff development:

Details	Training Undertaken
Councillors	Training on local labour terms of reference
Staff:	<ul style="list-style-type: none"> ▪ Occupational health and safety training course- 10 Officials serving as Safety representatives ▪ Training in water and wastewater treatment. - Learnership for 29 Makana Employees

Staff Registered with Professional Bodies

Technical Services	Total Numbers of Managers & Officials	Total Number of Registered with Professional Accredited Body	Total Number of Pending Registrations Confirmation with the Accredited Professional Body	Total Number Not Registered with Accredited Professional Body
Water	1	1	0	0
Electricity	3	2	0	1
Technical	4	2	0	2

Technical Services	Total Numbers of Managers & Officials	Total Number of Registered with Professional Accredited Body	Total Number of Pending Registrations Confirmation with the Accredited Professional Body	Total Number Not Registered with Accredited Professional Body
Town Planning	2	1	0	1
Project Management Unit	1	0	0	1
Internal Audit	3	3	0	0

4.3.2.3 Levels of Education and Skills

Total Number of Staff	Number of Staff Without Grade 12	Number of Staff with Senior Certificates Only	Number of Staff with Tertiary/ Accredited Professional Training
616	223	170	226

4.2.4 Employment Equity and Recruitment Policy

The success and competitive standing of Makana LM business activities hinge critically upon the quality of its human capital and on its retention and continual development of a workforce of competent and motivated personnel. Consequently, the Makana LM seeks, as a key intent, to implement best practices in the direction of all its human resources provisioning, management, and employee development activities.

An Employment Contract has been developed and adopted by the Council. Subsequent to that Human Resources Plan was developed and adopted by the Council as guiding tool towards achieving organisational objectives.

An Employment Equity policy has been adopted by the Makana Council and guides the organisation's human resources practices in promoting employment equity, the recruitment and development of employees from designated groups and the advancement of appropriate gender representation in the organisation.

An Employment Equity Plan has been developed setting out organisational equity targets, while simultaneously ensuring compliance with requirements by the Department of Labour. Progress towards employment equity has been accorded high priority and is being driven by the Employment

Equity and Training & Development Committee that reports directly to the FAME. The committee includes both Makana Councillors and Management Committee representation.

A range of policies have been formulated to advance both Makana LM initiatives to address historical employment inequalities as well as wider organisational transformation goals.

Areas of employment equity focus have included the review and revision of the policy on employee recruitment practices to bring these into alignment with the requirements of Makana LM Employment Equity and Affirmative Action plans.

4.2.5 EMPLOYEE WELLNESS

The Makana LM pursues 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.

Various additional efforts have been made to exploit employee communication tools and staff training opportunities to promote the maintenance of employee health and positive levels of staff motivation and healthy workplace relations. This has included efforts to disseminate information and advice on the management of HIV/AIDS related illnesses and workshop training to impart knowledge and skills to managers and supervisors to promote the recognition and embracing of cultural and other diversity in the workplace.

4.2.6 INJURIES, SICKNESSES AND SUSPENSIONS:

During the year under review, 5 cases of "Injury on Duty" were reported to the Compensation Commission.

Comment on Suspensions and Cases of Misconduct:

In the same year, the Makana Municipality dismissed two employees for various cases of misconduct.

4.2.7 OTHER STRUCTURES AND FORUMS:

Makana Local Municipality acknowledges that relationships with other strategic forums impact positively in an indirect manner on the management of the organisation.

Makana LM has a formal recognition agreement with the South African Municipal Workers Union (SAMWU) and annual salary and wage adjustments affecting the union represented employees have been satisfactorily concluded since 2001.

Makana LM has a disciplinary and grievance procedure in place and invokes these in dealing with employee relations problems that may arise, with recourse taken to the Council for Conciliation, Mediation and Arbitration (CCMA) to settle any matters not satisfactorily resolved internally. An Industrial Relations Officer position has been filled with aim of improving employer-employee's relations.

4.2.8. MAJOR CHALLENGES AND REMEDIAL ACTIONS WITH REGARD TO HUMAN RESOURCE AND ORGANISATIONAL MANAGEMENT

The Makana Municipality continues to face challenges related to the inability to retain key engineering skills. As a response to this challenge, the Makana Municipality has developed and adopted a Scarce Skills and Retention Policy. The Scarce Skills and Retention policy seeks to provide a framework for the retention of critical skills and provide incentives for such skills.

4.2.9 MANAGING WORKFORCE

OFFICE OF THE MUNICIPAL MANAGER:

EMPLOYEES: PLANNING (IDP/PMS), LEGAL, RISK, IA, ICT, PMU ETC.				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
0-3				
4-6				
7-9	1	1	0	
10-12	1	1	0	
13-15				
16-18	1	1	0	
19-20				
TOTAL	3	3	0	

OFFICE OF EXECUTIVE MAYOR/ SPEAKER:

EMPLOYEES:				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
0-3				
4-6				
7-9	2	2	0	
10-12	4	3	1	
13-15	2	2	0	
16-18				
19-20				
TOTAL	8	7	1	

SUMMARY EMPLOYEES: OFFICE OF THE MUNICIPAL MANAGER				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
Municipal Manager's Office	17	12	5	
Internal Audit	4	2	2	
Planning & Monitoring				
Legal	3	3	0	
Risk Management	1	1	0	
PMU	6	4	2	
TOTAL	31	22	9	

LOCAL ECONOMIC DEVELOPMENT:

EMPLOYEES: AGRICULTURE				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
0-3				
4-6				
7-9				
10-12	2	2	0	
13-15				
16-18				
19-20				
TOTAL	2	2		

EMPLOYEES: SMME				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
0-3	1	1	0	
4-6	1	1	0	
7-9				
10-12				
13-15				
16-18	1	1	0	
19-20				
TOTAL	3	3	0	

SUMMARY EMPLOYEES: LED				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
Agriculture				
SMME, Trade & Investment	1	1	0	
Tourism & Heritage	1	0	1	
Planning & Estate	9	7	2	

TOTAL				

Community & Social Services

EMPLOYEES: FIRE				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
0-3				
4-6	4	4	0	
7-9	39	29	10	
10-12	1	1	0	
13-15	1	1	0	
16-18				
19-20				
TOTAL	45	35	10	

EMPLOYEES: TRAFFIC				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
0-3				
4-6	15	5	10	
7-9	10	10	0	
10-12	3	2	1	
13-15	1	1	0	
16-18				
19-20				
TOTAL	29	18	11	

EMPLOYEES: PARKS				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
0-3				
4-6				
7-9				
10-12				
13-15	1	0	1	
16-18				
19-20				
TOTAL	1	0	1	

SUMMARY EMPLOYEES: COMMUNITY SERVICES				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
Office of Director	3	3	0	
Cleansing				
Fire				
Library				
Environmental Health				
Parks				
Traffic				
TOTAL	3	3	0	

EMPLOYEES: TREASURY & BUDGET OFFICE				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
0-3				
4-6	39	34	5	
7-9	7	7	0	
10-12	6	3	3	
13-15	4	2	2	
16-18				
19-20				
TOTAL	56	46	10	

EMPLOYEES: COMPLIANCE & REPORTING				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
0-3				
4-6	1	1	0	
7-9				
10-12	1	0	1	
13-15	1	0	1	
16-18				
19-20				
TOTAL	3	1	2	

EMPLOYEES: EXPENDITURE				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
0-3				
4-6	3	3	0	
7-9				
10-12	4	3	1	

13-15	1	1	0	
16-18				
19-20				
TOTAL	8	7	1	

EMPLOYEES: REVENUE & DATA CONTROL				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
0-3				
4-6	30	26	4	
7-9	4	4	0	
10-12				
13-15	1	1	0	
16-18				
19-20				
TOTAL	35	31	4	

EMPLOYEES: SUPPLY CHAIN				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
0-3				
4-6	5	4	1	
7-9	3	3	0	
10-12	1	0	1	
13-15	1	0	1	
16-18				
19-20				
TOTAL	10	7	3	

SUMMARY EMPLOYEES: TBO				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
Compliance & Reporting	3	1	2	
Expenditure	7	7	0	
Supply Chain	13	7	5	
Revenue & Data Control	31	28	3	
TOTAL	54	43	10	

CORPORATE AND SHARED SERVICES

EMPLOYEES: ADMINISTRATION				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
0-3				
4-6				
7-9	17	11	6	
10-12				
13-15				
16-18	1	0	1	
19-20				
TOTAL	18	11	7	

EMPLOYEES: HUMAN RESOURCES				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
0-3				
4-6				
7-9	2	2	0	
10-12	6	6	0	
13-15	1	1	0	
16-18				
19-20				
TOTAL	9	9	0	

EMPLOYEES: RECORDS				
Job Level	Ending 31 July 2022			
	Number of posts	Posts filled	Vacancies	% Variance
0-3				
4-6	6	3	2	
7-9	1	1	0	
10-12				
13-15	1	1	0	
16-18				
19-20				
TOTAL	7	5	2	

4.2.9.1 Employee Expenditure

Financial Year	Total number of Staff	Total Audited Operating Expenditure	Personnel Expenditure (Salary Related)	Percentage of Expenditure
2017-2018	706	499 485 472	156 270 281	31,29%
2018-2019	716	554 915 489	165 707 277	29.86%
2019-2020	724	484 812 324	190 680 765	39.33%

2020-2021	622 incl. Cllrs, interns & contract workers	616 473 663	217 141 964	35%
2021-2022		656 176 577	214 975 574	33%

4.2.9.2 List of Pension and Medical Aid Schemes

Names of pension fund	Number of Staff	Name of Medical Aids	Number of Staff
Cape Joint Pension Fund	01	Bonitas	71
Cape Joint Retirement	285	LA Health	55
SALA Pension Fund	97	SAMWU Med	84
SAMWU Provident Fund	145	Key Health	31
		Hosmed	04

4.2.9.3 Employee Related Cost

Related Cost	2018/2019	2019-20	2020-21	2021-22
Salaries	R 165 707 276	R 190 680 765	217 141 964	214 975 574
Remuneration of Councillors	R 10 675 513	R 11 410 126	R11 398 481	11 204 692

4.2.10 Terminations

REASON	NUMBER 2018-19	2019-20	2020-21	2021-22
RETIREMENTS	5	A combined total of 20 people left the institution during the 2019/20 financial year.	8	12
DECEASED	5		12	17
RESIGNATIONS	9		5	03
MEDICALLY BOARDED	2		1	00
CONTRACT EXPIRY			1	01
DISMISSAL	2		1	04

CHAPTER FIVE: FINANCIAL VIABILITY AND PERFORMANCE:

5.1 Financial Viability Highlights

The steady progress made is evidenced by a better cash coverage ratio was slightly reversed by the economic impact of the COVID19 pandemic as the municipality's built up reserves had to be released to cover the reduced collection rate. The municipality still, however, had an increased ability to contribute towards paying Eskom account and long outstanding debt which led reduction in arrear creditors of the municipality. The municipality has also improved its financial management by ensuring Grant funding is ring-fenced and not used in the ordinary course of business.

The financial performance of the municipality has been forecasted with marginal deviation to the operational budget when comparing actual results to the budget. The review of municipal organogram and job description is another initiative that will bring accountability and ensure that departmental managers' ability to plan, perform & implement internal controls. There remains a budget shortfall to adequately cover the impairment of debtors & was partially rectified in 2020/21 Adjustments Budget together with achieving a funded budget.

EXECUTIVE SUMMARY OF KEY FINANCIAL ACHIEVEMENTS FOR THE YEAR UNDER REVIEW:

With leadership of the CFO and managers, the Budget & Treasury Office has been able to diagnose and identify possible remedial action to enhance municipal revenue.

5.2 Financial Viability Challenges

The following general challenges are experienced by the municipality with regards to financial viability:

Challenges

- Maintain a sound financial position in the context of the national and international economic climate
- Long outstanding creditors
- Revenue enhancement
- High volume of litigations
- Limited revenue base
- Financial recovery plan
- Filling of critical positions

5.3 National Key Performance Indicators- Municipal Financial Viability and Management (rations)

The following table indicates the municipality's performance in terms of the **National Key Performance Indicators** required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA.

These key performance indicators are linked to the **National Key Performance Area** namely **Municipal Financial Viability and Management**.

Ratio	2018/19	2019-20	2020-21	Remarks	2021-22
<p>Liquidity Ratio (Current Ratio) - this ratio indicates the extent to which current assets can be used to settle short-term liabilities. If current assets do not exceed current liabilities it means a liquidity problem i.e. insufficient cash to meet financial obligations.</p> <p>The norm is 1.5 - 2:1.</p>	0.43	0.53	0.39	The decreased ratio is attributable to the increase in creditors and unspent grant balances. The cash and cash equivalents increased and it is sufficient to cover unspent grants.	0.24
<p>Cash Coverage Ratio - indicates the municipality's ability to meet at least its monthly fixed operating commitments without collecting any revenue during that month.</p> <p>The norm should not be less than 1 - 3 months.</p>	1 month	0.42 months	1 month	The reduction is attributable to non payment by consumers and an increase in the debt book and outstanding creditors. The municipality needs to intensify its collection efforts to get a sustainable rate.	0.10
<p>Creditors Payment Period – this indicates the average number of days taken to pay trade creditors.</p> <p>The norm is 30 days.</p>	309 days	279 days	258 days	The municipality is continuing to pay its arrear creditors and thus reducing the outstanding debt for creditors.	230 days
<p>Contracted Services as a % of Total Operating Expenditure – measures the extent to which municipal resources are committed towards contracted services.</p> <p>The norm is 2% - 5%</p>	10%	4%	6%	The municipality has due to landfill site litigation used services of a contracted service provider.	6%

Ratio	2018/19	2019-20	2020-21	Remarks	2021-22
Irregular, Fruitless and Wasteful and Unauthorised Expenditure to Total Expenditure – this ratio measures the extent of irregular, fruitless and wasteful and unauthorised expenditure to total expenditure. The norm is 0%.	165%	195%	171%	The UIF&WE continues to increase as the prior year expenditures have not been concluded by the municipality.	23%
Capital Expenditure Budget Implementation Indicator – measures the actual to budgeted capital expenditure that has been spent by the municipality. The norm range is between 95% - 100%.	29%	72%	63%	The municipal expenditure on capital grants has decreased due to poor planning and delayed procurement processes. The absence of infrastructure master plans is also adversely affecting the performance of the municipality. Efforts are made to improve capital grant expenditure in the next financial year.	56%
Percentage of Property, Plant and Equipment, Intangible Asset and Investment Property Impaired – indicates the loss in future economic benefits or service potential of an asset over and above the systematic recognition of depreciation. The norm is 0%.	0%	0%	0%	Impairments were made only on infrastructure assets during the financial year and during the prior year amendment has been made as there were no impairments made.	0,3%

Ratio	2018/19	2019-20	2020-21	Remarks	2021-22
Repairs and Maintenance to Property, Plant and Equipment and Investment Property – measures the level of repairs and maintenance to ensure adequate repairs and maintenance to prevent breakdowns and interruptions to services delivery. The norm is 8%.	0.21%	0.93%	1%	R&M has decreased when compared to the prior year and this reflects the inability by the municipality to service its infrastructure.	0.8%

5.4 Financial Overview

Financial year	2020-2021			2021-2022		
	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget	Actual
Income	R569 154	R585 166	R588 891	R607 681	R607 581	R616 279
Less Expenditure	R501 397	R505 397	R616 474	R528 282	R524 465	R656 177
Net surplus	R41 072	R79 769	-R27 582	R79 399	R83 116	-R39 898

5.5 Operating Ratios:

Financial year	2020-2021			2021-2022		
	Expected Norm	Actual	%Variance	Expected Norm	Actual	%Variance
Employee cost	25% - 40%	37%	3%	25% - 40%	33%	7%
Repairs & maintenance	8%-12%	2.04%	5.96%	8%-12%	3.5%	4.5%

5.6 Total Capital Expenditure

DETAILS	2018/19	2019/20	2020-21	2021-2022
R' 000				
Original budget	R68 498	R39 069	R43 047	R49 227
Adjustment budget	R96 234	R86 164	R67 859	R77 740
Actual Expenditure	R29 808	R61 824	R57 778	R43 260

5.7 Auditor General Report

5.7.1 Audit Outcomes

AUDIT OPINION	2017/18	2018/19	2019/20	2020-21	2021-22
Unqualified opinion without matters (Clean Audit)					
Unqualified opinion with emphasis of matter or other matters					
Qualified opinion	X				
Adverse opinion					
Disclaimer		X	X	X	X

The municipality regrettably received the fourth disclaimer audit opinion for 2021/2022 financial year. The major components that contributed to the disclaimer are as follows:

- Property Plant and Equipment.
- Revenue from Exchange and Non-Exchange Transactions.
- Receivables from Exchange and Non-Exchange Transactions.
- Expenditure Management.
- Procurement and Contract Management; and
- Compliance with Supply Chain Management.

The audit report will be table to Council first, to improve the audit outcome an audit action/ improvement plan would develop to address all the audit findings.

5.8 Supply Chain Management

5.8.1. Supply chain management

Supply chain management includes all processes which need to be followed to procure goods and services. It entails the identification of needs by the end user departments, registration of vendors, processes of obtaining quotes, competitive bids and management of inventory. The section has not managed to reduce the number of material findings highlighted by the AG in the 2021/22 audit report, instead there has been a regression in this area. It is however the intention of the municipality to change the situation in the next financial reporting period by ensuring that there are proper Supply

Chain Processes, and laws and regulations are adhered to. **Competitive bids more than R200 000**

5.8.2	Bid Number	Title of Bid	Value of bid awarded (R)
1.	MLM/2020-21/BTO/005	Supply and delivery of protective clothing main stores.	Various Items
2.	MLM/2020-21/INFRA/019	Makana bulk sewer upgrade phase 2	15 830 450.19
3.	MLM/2020-21/INFRA/020	Makana ground water development phase 2	535 877.00
4.	MLM/2020-21/INFRA/021	Water conservation demand management phase 3: professional engineering and consulting services	614 100
5.	MLM/2020-21/INFRA/022	11kv substation refurbishment phase 2: professional engineering and consulting services	743393.01
6.	MLM/2020-21/BTO/007	Supply and delivery of fuel :main stores	R299 103.55, for installation and maintenance. Price of petrol will be at current price at the time of purchase
7.	MLM/2020-21/MM/004	Supply, delivery and installation of a server with virtualization software, windows server operating system and two ups	535 070.05
8.	MLM/2020-21/MM/002	Supply, delivery and installation of two san or nas storage backup services or similar	509 926.75
9.	MLM/2020-21/MM/002	Supply and delivery of roads and stormwater materials for a period of 24 months	Various Items
10.	MLM/2021-22/INFRA/001	Appointment of a multi-disciplinary professional service provider for planning, design, contract monitoring and construction supervision of 91 new units at makana municipality: xolani 35 units, n-street 31 units and lingelihle 25 units housing projects.	841 750.00
11.	MLM/2021-22/INFRA/002	Appointment of a multi-disciplinary professional service provider for planning, design, contract monitoring and construction supervision of 87 new units at makana municipality:	804 750.00
12.	MLM/2021-22/INFRA/003	Water conservation and demand management: phase 3	4647507.51
13.	MLM/2021-22/MM/001	Supply and delivery of 16 laptops, 20 backpacks, 10 desktops and 3 flatbed scanners	443232.26
14.	MLM/2021-22/MM/004	Renovation and refurbishment of two alicedale community halls in makana local municipality	1810874.95
15.	MLM/2021-22/INFRA/005	Refurbishment of grahamstown 11kv electrical network	4111754.85
16.	MLM/2021-22/INFRA/006	Upgrade of belmont valley wastewater treatment works: professional and consulting engineering services	2 246 000.78

5.8.2	Bid Number	Title of Bid	Value of bid awarded (R)
17.	MLM/2021-22/INFRA/007	Replacement of ageing asbestos pipes in makhanda phase 3: professional and consulting engineering services	2 045 429.50
18.	MLM/2021-22/INFRA/009	Supply and installation of pumpset in howisonpoort pumpstation.	4 906 066.96
19.	MLM/2021-22/INFRA/010	Supply and installation of smart water meters in makana phase 1	44 171.05
20.	MLM/2020-21/BTO/005	Supply and delivery of protective clothing main stores.	Various Items
21.	MLM/2020-21/INFRA/019	Makana bulk sewer upgrade phase 2	15 830 450.19

5.8.2.1 Bid Committee meeting

In compliance with SCM regulations and policy all bid committees were established and are functioning fully, namely:

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

There are two separate sets of bid committees for Infrastructure projects and the other for other goods and services to try and expedite expenditure through service delivery.

A calendar of meetings was drawn up but was not fully adhered to. The committees thereafter functioned on an ad-hoc basis but managed to shorten the procurement processes. Delays were mostly in the planning stages up to Bid Specification approval.

5.8.2.2 Awards made by the Bid Adjudication Committee:

The highest bids awarded by the Bid Adjudication Committee are as follows.

Ref	Bid Number	Title of Bid	Value of bid awarded (R)
1.	MLM/2020-21/BTO/005	Supply and delivery of protective clothing main stores.	Various Items
2.	MLM/2020-21/INFRA/019	Makana bulk sewer upgrade phase 2	15 830 450.19
3.	MLM/2020-21/INFRA/020	Makana ground water development phase 2	535 877.00
4.	MLM/2020-21/INFRA/021	Water conservation demand management phase 3: professional engineering and consulting services	614 100
5.	MLM/2020-21/INFRA/022	11kv substation refurbishment phase 2: professional engineering and consulting services	743393.01
6.	MLM/2020-21/BTO/007	Supply and delivery of fuel: main stores	R299 103.55, for installation and maintenance. Price of petrol will be at current price at the time of purchase

Ref	Bid Number	Title of Bid	Value of bid awarded (R)
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8.	MLM/2020-21/MM/002	Supply, delivery and installation of two san or nas storage backup services or similar	509 926.75
9.	MLM/2020-21/MM/002	Supply and delivery of roads and stormwater materials for a period of 24 months	Various Items
10.	MLM/2021-22/INFRA/001	Appointment of a multi-disciplinary professional service provider for planning, design, contract monitoring and construction supervision of 91 new units at Makana municipality: Xolani 35 units, n-street 31 units and Lingelihle 25 units housing projects.	841 750.00
11.	MLM/2021-22/INFRA/002	Appointment of a multi-disciplinary professional service provider for planning, design, contract monitoring and construction supervision of 87 new units at Makana municipality:	804 750.00
12.	MLM/2021-22/INFRA/003	Water conservation and demand management: phase 3	4647507.51
13.	MLM/2021-22/MM/001	Supply and delivery of 16 laptops, 20 backpacks, 10 desktops and 3 flatbed scanners	443232.26
14.	MLM/2021-22/MM/004	Renovation and refurbishment of two Alicedale community halls in Makana local municipality	1810874.95
15.	MLM/2021-22/INFRA/005	Refurbishment of Grahamstown 11kv electrical network	4111754.85
16.	MLM/2021-22/INFRA/006	Upgrade of Belmont valley wastewater treatment works: professional and consulting engineering services	2 246 000.78
17.	MLM/2021-22/INFRA/007	Replacement of ageing asbestos pipes in Makhanda phase 3: professional and consulting engineering services	2 045 429.50
18.	MLM/2021-22/INFRA/009	Supply and installation of pumpset in Howison Poort pumpstation.	4 906 066.96
19.	MLM/2021-22/INFRA/010	Supply and installation of smart water meters in Makana phase 1	44 171.05
20.	MLM/2020-21/BTO/005	Supply and delivery of protective clothing main stores.	Various Items
21.	MLM/2020-21/INFRA/019	Makana bulk sewer upgrade phase 2	15 830 450.19

5.8.2.3 Awards Made by the Accounting Officer

In terms of paragraph 5(2) (a) of Council's SCM Policy, only the Accounting Officer may award a bid which is in excess of R10 million. The power to make such an award may not be sub-delegated by the Accounting Officer.

5.8.2 Procurement Statistics

a) Awards Made to the Companies/Enterprises established in the Makana Municipal Area

Request for Quotations are called from prospective service providers for procurement of items of less than R30 000-00. For procurement of items above R30 000-00 adverts are published on the notice board, e-tender and website and when the responses meet the municipal needs and specifications we therefore considered and approve.

To ensure Local Economic Development, quotations are first requested from Makana Service providers. Should there be no match, the municipality then goes outside the municipal jurisdiction

Majority of the external award values is made up of RFQs and tenders that were advertised openly during 2021/2022 Financial Year.

THRES HOLD	GOODS/SERVICE - ORDERS		PROCUREMEN T METHOD MINIMUM	APPROVAL AUTHORITY	SERVICE PROVIDE R (S)
	VALUE	NO			
R0 – R2 000 Petty Cash	R1 086 040.05	265	One Quote(1)		
R2 001 – R30 000	R6 066 015.75	383	Three Quotations(3)	Head of Department or Delegated Authority	VARIOUS
R30 001 – R200 000	R10 923 534 74	115	7days Advertisement via Website and Notice board : Three Quotations	This level of approval will be applied in terms of the Accounting Officer's delegation. CFO approves	VARIOUS
R200 001 – R2 Million	R1 189 819.83	3	Competitive Bidding Process	Bid Adjudication Committee	VARIOUS
R2 Million – R10 Million	NONE	NONE	Deviation	Head of Department or Delegated Authority	N/A
Above R10 Million	NONE	NONE	Competitive Bidding Process	Accounting Officer	N/A

R19 584 440.30

5.8.3 Deviation from Normal Procurement Processes

Type of deviation	Value of deviations (R)	Percentage of total deviations value
Sole Provider	R598 895.70	7.32%
Goods/Service needed urgently/ Emergency	R3 043 793.81	37.21%
Other (Strip and Quote)	R4 538 118.93	55.47%
Total	R8 180 808.44	100%

5.8.4 Logistic Management

The system of logistics management must ensure the following:

- monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- the setting of inventory levels that include minimum and maximum levels and lead times wherever goods are placed in stock;
- the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and monitoring and reviewing of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Each stock item at the municipal stores is coded and listed on the financial system. Monthly monitoring of issues and receipts patterns is performed by the storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. In the event that special projects are being launched by departments, such information is not communicated timely to the stores section in order for them to gear them to order stock in excess of the normal levels.

Internal controls are in place to ensure that goods and services that are received are certified by the responsible person which is in line with the general conditions of a contract.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

5.8.5 Disposal Management:

This is one of the critical vacant post in SCM unit. Currently there is no one in this section, all the work is distributed amongst other SCM officials and asset accountant that is presently employed by the municipality. The municipality needs to give this section urgent attention and make recommendation for the filling of the posts to council.

The system of disposal management must ensure the following:

- Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- Firearms are not sold or donated to any person or institution within or outside the Republic, unless approved by the National Conventional Arms Control Committee.
- Immovable property is let at market related rates except when the public interest or plight of the poor demands otherwise;
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- In the case of the free disposal of computer equipment, the provincial Department of Education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.
- The municipality is complying with section 14 of the MFMA which deals with the disposal of capital assets. The disposal policy plan was reviewed and finalised in June 2014 and aims to provide the guidelines for the disposal of all obsolete and damaged assets. This policy however needs to be reviewed. Information regarding assets earmarked for disposal have already been collated and the request for approval for disposal was tabled to Council and further requests will be tabled in the near future looking at the state of municipal vehicles and ICT infrastructure.

5.8.6 Performance Management

The SCM policy requires that an Internal Monitoring System be established and implemented in order to determine, on the basis of retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM Policy were achieved.

Monitoring of internal processes is an on-going process. Procedure manuals for various SCM processes have been developed, approved and are being implemented.

Monthly reporting of appeals received by aggrieved bidders are also done to measure the performance of the bid specification and bid evaluation committees

5.8.7 Procurement and Contract management

The municipality has complied with SCM Regulation 6(2) for the 2021/2022 financial year. These reports were submitted on time to the Chief Financial Officer, the Accounting Officer, as well as the Executive Mayor.

5.8.8 Procurement and Contract management- Suppliers not registered for Vat

VAT registration numbers of suppliers are indicated on a VAT 103 form that is issued by SARS. We can also confirm a VAT number that appears on an original tax clearance certificate.

The unit has access to a VAT number validity function which is available on the SARS website. It is easily accessible and is currently utilized. The unit also utilises centralise supplier database for verification of supplier's vat and tax matters.

5.8.9 Procurement and Contract Management-Monitoring of contract not done on a Monthly basis

Contract management is the responsibility of each manager for contracts in his/her functionality area. There is one official at SCM unit who deals with contracts monitoring and reporting. Additional capacity needs to be created within the SCM Contract Management Unit. In future the Chief Financial Officer will ensure that vacant funded positions within SCM are filled in order to capacitate the unit.

5.9 Financial Performance

5.9.1 Revenue by Source:

The following table indicates the various types of revenue items:

Revenue Sources	2018-19 %	2019-20	2020-21	2021-2022
Government subsidies	29%	32%	26%	31.3%
Service charges	50%	43%	51%	46.7%
Properties rates	14%	17.26%	19%	16.1%
Interest received Investment	1%	0.79%	5.72	0.1%
Agency services	1%	0.41%	0.52	0.8%
Interest received debtors	5%	5.64%	5.6%	2.4%
Rentals of facilities	0%	0.07%	0.04%	0.1%
Other Revenue		0.83%	0.25%	2.5%

5.9.2 Expenditure by Type

The following graph indicates the various types of expenditure items:

Type	2018-19 %	2019-20	2020-21	2021-2022
Employees cost	31%	39.33%	35.3	33%
Remuneration of Councillors	2%	2.35%	2.25%	1.7%
Debt impairment	21%	13.30%		22.6%
Depreciation	6%	5.76%		5.4%
Finance Charges	10%	3.83%		1.5%
Bulk purchases	19%	22.29%		20.8%
Contracted services	4%	5.99%		7.7%
Transfer & Grants	0%	0.19%		0.1%
Other expenditure	7%	6.96%	7.35%	7.5%

6. APPENDICES A: COUNCIL NEW TERM OF OFFICE FROM NOVEMBER 2021

APPENDIX A: MUNICIPAL COUNCILLORS

NO.	ORG	WARD	SURNAME & NAME
1	EFF	PR	BOOYSEN MZAMO
2	EFF	PR	BUWA NOLUTHANDO MEMORA
3	ANC	10	CETU ZODWA ALFREDA
4	DA	08	CLARK CAROLYNN
5	MCF	PR	DEKE AMANDA
6	DA	04	EMBLING GEOFRE KEITH WYNSTAN
7	MCF	PR	GEELBOOI MILO DIBANISILE
8	ANC	03	HOYI ZANEKHAYA ANDILE (MAYCO)
9	DA	08	JACKSON BRIAN
10	ANC	06	JEZI VUYANI NELSON
11	DA	PR	MADYO XOLANI GLADMAN
12	MCF	PR	MANTLA ZONWABELE
13	ANC	07	MASINDA LUNGA
14	MCF	PR	MATEBESE THANDISIZWE
15	ANC	13	MATINA WANDISILE

NO.	ORG	WARD	SURNAME & NAME
16	ANC	PR	MATYUMZA MTHUTHUZELI (SPEAKER)
17	ANC	05	MENE GCOBISA BRENDA (MAYCO)
18	IND	14	VUYANI NESI
19	ANC	12	NKWENTSHA MZOBANZI (MAYCO)
20	ANC	01	PETER PHUMELELE
21	MCF	PR	SIXABA WONGEZILE LUNGISA
22	DA	PR	SIZANI LUVUYO
23	ANC	PR	VARA YANDISWA (EXECUTIVE MAYOR)
24	ANC	PR	VAYO THANDOLWETHU (MAYCO)
25	ANC	02	XONXA MPHUMZI RUMSELL (MAYCO)
26	ANC	09	YAKA THOZAMILE SYLVESTER
27	ANC	11	ZONO SAKHIWO

APPENDICES B: PREVIOUS TERM OF OFFICE COUNCIL

NO.	ORG	WARD	SURNAME & NAME
1	DA	PR	BRUINTJIES, THEO FREDLIN(M)
2	DA	PR	CLARK, CAROLYNN (F)
3	DA	04	FARGHER, BRIAN (M)
4	ANC	03	FATYI, MTHUNZI (M)
5	ANC	PR	MPAHLWA MZUKISI, EXECUTIVE MAYOR(M)
6	ANC	06	GAUSHE, THEMBISA (F)
7	ANC	11	GOJELA, MNCEDISI (M)
8	ANC	12	NKWENTSHA, MZOBANZI (M)
9	DA	08	JACKSON, BRIAN (M)
10	ANC	07	KHUBALO, MALIBONGWE (M)
11	ANC	14	Vuyani Nesi {M}
12	DA	PR	MADYO, XOLANI GLADMAN (M)
13	ANC	PR	MASOMA, NOMBULELO, CHAIRPERSON: FAME CORPORATE SERVICES PORTFOLIO (F)
14	ANC	PR	MATYUMZA, MTUTUZELI, CHAIRPERSON: LED PORTFOLIO (M)
15	ANC	PR	MATYUMZA PHUMLA, CHAIRPERSON: PUBLIC SAFETY & SOCIAL SERVICES PORTFOLIO (F)
16	DA	PR	MEYER, ALDWORTH JOHN (M)
17	ANC	09	MOYA, MFUNDO (M)
18	EFF	PR	BASHE, SIYABONGA (M)
19	ANC	05	NASE, LUYANDA (M) CHAIRPERSON: FAME FINANCIAL SERVICES PORTFOLIO
20	DA	PR	LUVUYO, SIZANI (M)
21	ANC	01	PIETERS, NTOMBEKHAYA MAVIS (F)
22	EFF	PR	DYANTYIE, SIYAMTHANDA (F)
23	ANC	10	SAKATA, LUYANDA (M)
24	ANC	13	SEYISI, THEMBAKAZI (F) (MPAC CHAIRPERSON)
25	ANC	PR	SODLADLA, SIYABULELA (M)
26	ANC	PR	VARA, YANDISWA, SPEAKER (F)
27	ANC	02	XONXA, MPHUMZI RUMSELL (M)

APPENDIX: C THIRD TIER STRUCTURE

NO.	DIRECTORATE	MANAGER (TITLE AND NAME)
1.	Corporate and Shared Services	Manager Administration: Vacant
3.		Records Manager: Ms N Xintolo
4.		Manager Human Resources: Ms Phumla Qezu
5.		Unit Manager: Alicedale: Mr GK Goliath
6.		Unit Manager Riebeeck East: Ms N Kulati
7.		Manager Expenditure: Mr M Crouse
8.	Budget and Treasury Office	Manager Budget and Reporting: Vacant
9.		Manager Revenue: Ms C Mani
10.		SCM Manager: Vacant
11.		Manager in Office of MM: Mr L Ngandi
12.	Mayor and Municipal Manager's Office	Internal Audit Manager: Ms G.C Mtshazi
13.		IDP/PMS Manager: Mr M Pasiya
14.		Manager office of Speaker : Ms N Santi
15.		Special Project Unit Manager: Mr S Wali
16.		Legal Manager: Ms N Mbanjwa
17.		Risk Manager: Mrs N Kosi
18.	Local Development and Planning	Tourism Manager: Vacant
19.		Agriculture Manager: Vacant
20.		Manager Planning: Ms Sinazo Jonas
21.	Public Safety and Community Services	Environmental Manager: Mr N Nongwe
22.		Manager Fire Services: Mr W Welkom
23.		Manager: Cleansing Services: Mr J Esterhuizen
24.		Assistant Director: Parks: Mr J Budaza
25.		Operations Manager: Mr Phumzile Smile
26.		Manager Traffic & Licensing: Mr. C Hanekom
27.	Engineering and Infrastructure Services	Acting Deputy Director Electricity distribution: Mr M Radu
28.		Manager Electricity: Mr X Bokwe
29.		Renewable Energies: Mr M Siteto
30.		Manager: Water & Sanitation: Mr G Maduna
31.		Manager: Roads & Stormwater: (vacant)
32.		Deputy Director: Civil Services (vacant)

APPENDIX: D MAKANA LOCAL MUNICIPALITY'S POWERS AND FUNCTIONS

NO.	POWERS AND FUNCTIONS	NO.	POWERS AND FUNCTIONS
1.	Building regulations	17.	Facilities for the accommodation, care and burial of animals
2.	Billboards and the display of advertisement in public spaces	18	Fencing and fences
3.	Cemeteries, funeral parlours and crematoria	19	Local amenities
4.	Child care facilities	20	Local tourism
5.	Cleansing	21	Local sport facilities

6.	Control of undertakings that sell liquor to the public. Noise pollution	22	Firefighting services
7.	Licensing and control of undertakings that sell food to the public	23	Municipal airport
8.	Municipal planning	24	Municipal health services
9.	Markets	25	Municipal abattoirs (Not applicable)
10.	Municipal parks and recreation	26	Municipal roads
11.	Noise pollution	27	Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under the Constitution or any other Law
12.	Storm water management	28	Trading regulations
13.	Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	29	Pounds
14.	Public places	30	Refuse removal, refuse dumps and solid waste disposal
15.	Street trading	31	Street lighting
16.	Traffic and parking	32	Municipal transport (Not applicable)

APPENDIX: E WARD REPORTING

REPORT ON ESTABLISHMENT AND ACTIVITIES OF THE WARD COMMITTEES UNDER THE OFFICE OF THE SPEAKER

The constitution of the country places an obligation on all local municipalities to establish Ward Committees immediately after the local government election. The primary function of the ward committee is to be a formal communication channel between the community and the council.

The Speaker called for the establishment of ward committees which was done through an electoral process managed by the Independent Electoral Commission. To date Makana has managed to establish Ward Committees in all 14 wards.

APPENDIX: F WARD COMMITTEE INFORMATION

Details of Ward Committee Members					
WARD 1			WARD 2		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Ntomboxolo Cinthia Mkhambana	F	1	Nandipha Mancam	F
2.	Liyema Mali	F	2.	Bulelwa Majiza	F
3.	Dawie Roman	M	3.	Bekithemba Mabona	M
4.	Lindiwe Basie	F	4.	Olwethu Zabo	M
5.	Mzoxolo Papu	M	5.	Thembisa Mantile	F
6.	Vuyokazi Yamile	F	6.	Yolulwe Libi	M
7.	Nomawethu Hempe	F	7.	Zibangele Gladman Mcuba	M
8.	Candy Mentoor	F	8.	Mihlali Mzizi	M

9.	Xabiso Ngqawana	M	9.	Malithenjwe Lubelwana	M
10			10.	Khuthala Milani Mvakwendlu	F
WARD 3			WARD 4		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Tyron Oswald Austin	M	1.	Devon Waldick	M
2.	Ntombozuko Hazel Faxe	F	2.	Elizabeth Endlene Davies	F
3.	Nontle Mama	F	3.	Akhona Mantashe	F
4.	Eric Tamboer	M	4.	Alison Neville Holleman	F
5.	Amanda Habana	F	5.	Brian Fargher	M
6.	Siphosethu Nogampula	M	6.	Hester Magrietha Coetzee	F
7.	Nicolla Arends	F	7.	Catherine Letcher	F
8.	Khanyiswa Kiswa	F	8.	Phillipa Sauls	F
9.	Sizwe Mbunge	M	9.	Lena May	F
10	Mveliso Simangweni	M	10.	Jenicquil Nelson	M
WARD 5			WARD 6		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Zamuxolo Gladman Nesi	M	1.	Noncedo Teyi	F
2.	Tembakazi Bottoman	F	2.	Phumza Veronica Magida	F
3.	Vusumzi Sexon Gazo	M	3.	Nwabisa Bill	F
4.	Linda Sylvia Kom	F	4.	Ntombikayise Princess Jali	F
5.	Fundiswa Brenda Mami	F	5.	Xolani Christian Dibela	M
6.	Nomonde Gladys Kalipa	F	6.	Bulelwa Madeli	F
7.	Nokuzola Primrose Namba	F	7.	Mpumezo Seteni	M
8.	Unathi Siphokazi Makile	F	8.	Ntombekhaya Ntenti	F
9.	Zwelandile Albert Madyo	M	9.	Nobuntu Noggala	F
10.	Nontsikelelo Maki	F	10.	Yamisa Tyibilika	F
WARD 7			WARD 8		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Xolelwa Manana-Tsokotsiyane	F		Akona Gabavana	F
2.	Luvuyo Nzanzeka	M		Yolanda Niwa	F
3.	Zimasa Thame	F		Fiona Mary Semple	F
4.	Andiswa Tafane	F		Rowan Mark Engelbrecht	M
5.	Anele Ken Rala	M		Robyn Cooper	F
6.	Bongani Christopher Sam	M		Peter Lamond Knowling Sturrock	M
7.	Vukile Phillip Kelele	M		Bernadette Nontuthuzelo Blow	F
8.	Nomakhosazana Albertina Budaza	F		Tracey Ann Arthur	F
9.	Luzuko Christian Nkupu	M		Zukiswa Constance Mhlwatika	F
10.	Mzwamadoda Makalima	M		Kimberly Chante Lindoor	F
WARD 9			WARD 10		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Nomakula Theresa Fondini	F		Noxolo Beverly Bodla	F
2.	Sakhumzi Zondani	M		Thembinkosi Andrew Nkosinkulu	M

3.	Ntombozuko Gloria Madinda	F		Simphiwo Funani	M
4.	Phumelelo Palacios Beyi	M		Ntomboxolo Lerato Ngeleza	F
5.	Zamamiya Majola	F		Nontutuzelo Thelma Mtsora	F
6.	Noluvuyo Kralo	F		Ben Mpinda	M
7.	Xhanti Qoko	M		Gcobisa Ntanjana	F
8.	Anele Kepe	M		Unathi Klaas	F
9.	Akhona Mafani	M		Nosipho Moyikwa	F
10.	Libona Danster	M		Lizo Bonyongo	M

WARD 11			WARD 13		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
	Zoleka Nguta	F	1.	Lungile Joja	M
1.	Ngcingci Bonkinkosi	F	2.	Melisizwe Lawu	M
2.	Nomatile Kula	F	3.	Zolelwa Peter	F
3.	Siyabonga Dondashe	M	4.	Sabelo Bashe	M
4.	Monwabisi Fulani	M	5.	Nokulunga Ngxingo	F
5.	Thanduxolo Mbekela	M	6.	Ntombikayise Ngindo	F
6.	Eunice Qwazi	F	7.	Bulelwa Yawa	F
7.	Mkhanyiseli Solomon	M	8.	Nwabisa Mahlahla	F
8.	Mthuthuzeli Silo	M	9.	Nomsa Julia Yame	F
9.	Xolani Mzileni	M	10.	Ngcwelekazi Kuhlana	F

WARD 14			WARD 12		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Tembalethu Magopeni	M	1.	RHODES UNIVERSITY	
2.	Phumela Primrose Kewuti	F	2.		
3.	Tamara Mboyi	F	3.		
4.	Brendon Klaase	M	4.		
5.	Clinee Bruintjies	F	5.		
6.	Nosibusiso Faxe	F	6.		
7.	Zanemvula Ntoyanto	M	7.		
8.	Neliswa James	F	8.		
9.	Bulelwa Macwili	F	9.		

7. ANNEXURE A: ANNUAL PERFORMANCE REPORT:

7.1. KPA: 1 BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline- []	Overall Performance for Quarter ending September 2021 to Quarter ending June 2022				Performance Comment	Improvement Plan/Corrective action for under performance
				Target	Actual	R	Status		
1.1	Upgrading and refurbishment of water and sanitation infrastructure	Percentage of Makana Bulk Sewer upgrade phase 1 construction completed	15%	100%	96%	O	Partially Achieved	The project is at 96% complete the project was delayed due to the Water Use License Application (WULA) that led to project stoppage from January to February 2022.	The contractor is back on site. The WULA application is still in process. The project is anticipated to be completed in August 2022
1.2	Upgrading and refurbishment of water and sanitation infrastructure	Percentage of Makana Bulk sewer upgrade phase 2 construction completed	0%	100%	84%	O	Partially Achieved	The project is at 86% complete. The delay was due to the Water Use License Application (WULA) that led to project stoppage from January to February 2022.	The contractor is back on site. The WULA application is still in process. The project is anticipated to be completed in August 2022
1.4	Upgrading and refurbishment of water and sanitation infrastructure	Percentage of asbestos pipes replaced phase2 stage2 (Roll over)	30%	100%	100%	G	Achieved	This project has been completed and completion certificate has been issued	N/A
1.5	Upgrading and refurbishment of water and sanitation infrastructure	Percentage of asbestos pipes replaced Phase 2 (Rollover)	30%	100%	100%	G	Achieved	The project has been completed and a completion certificate has been issued.	N/A

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline- ██████	Overall Performance for Quarter ending September 2021 to Quarter ending June 2022				Performance Comment	Improvement Plan/Corrective action for under performance
				Target	Actual	R	Status		
1.6	Upgrading and refurbishment of water and sanitation infrastructure	Percentage of Mayfield Gravity Sewer completed phase	45%	100%	96.70%	O	Partially Achieved	The project is at 96% complete, the delay on the completion project was due to delay in the delivery of material because of the SMME, for remaining scope all that has since been sorted.	The two SMME contract was terminated the work would be done by the main contractor and the project is now due to be completed in July 2022. Municipality will apply for rollover for unspent budget.
1.7	Upgrading and refurbishment of water and sanitation infrastructure	Percentage of Water Conservation & Demand Management work completed	25%	100%	63.87%	O	Achieved Not Achieved	The project is at 63 % complete and the delay was due to slow start by the contractor.	The contractor issued with the letter of unsatisfactory letter. The constructor was asked to issue catch-up plan and the project is now due to be completed in July 2022.
1.8	Resuscitate boreholes within Municipal area	Percentage of ground water development completed	0%	100%	100%	G	Achieved	The project is at the 100%, 3 boreholes were drilled in Alicedale and 2 were equipped. 3 Boreholes were drilled in Riebeek East, with being 2 equipped and 1 was refurbished.	N/A

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline- █	Overall Performance for Quarter ending September 2021 to Quarter ending June 2022				Performance Comment	Improvement Plan/Corrective action for under performance
				Target	Actual	R	Status		
1.9	Upgrading and refurbishment of water and sanitation infrastructure	Number of new sewer connections meeting minimum standards	0	29	11	R	Not Achieved	Only 11 Toilets has been connected to sewer line, the delay on the completion project was due delay in the delivery of material because of the SMME, for remaining scope.	The two SMMEs were terminated, the main contractor took over the remaining scope. The project will be completed in August 2022.
1.10	Upgrading, maintenance and resurfacing of roads network	Number of KMs upgrading from tar blocks paving	5	3,500 Km	964	R	Not Achieved	Only 964m has been completed, the contractor abandoned construction site	Contract of constructor was terminated due to deficient performance. Municipality is in a process of appointing replacement contractor(s). Municipality will apply for rollover for unspent budget.
1.11	Provision, maintenance and repair of recreational facilities	Percentage of refurbishment of Alicedale halls completed	0%	100%	0%	R	Not Achieved	The project has not started due to delay in the SCM processes. The initial bid process delayed due 14 days of objection. The Bid Adjudication was completed on 24 May 2021, however there were two bidders' submitted objections/ requested some information, during	The new bid specification went to the Committee on 09 November 2021. The bid was advertised on 12 November 2021 and closed on 13 December 2021. Bid Evaluation Committee sat on 27 January 2022 and again on 03 March 2022. Bid Adjudication Committee sat immediately thereafter. The service

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline- []	Overall Performance for Quarter ending September 2021 to Quarter ending June 2022				Performance Comment	Improvement Plan/Corrective action for under performance
				Target	Actual	R	Status		
								objection window period. One bidder kept on requesting for more information, until the validity period, and 2 subsequent expired. The 90 days validity period expired on the 9th of June 2021. The first extension expired on the 15th of July 2021, and 2nd one on 13 August 2021. The bid was ultimately cancelled in September 2021, and Bid process had to start afresh.	provider was appointed on 12 March 2022. The site was handed over to the Contractor in May 2022, after submission of all contractual requirements. The project will be completed in September 2022.
1.12	Upgrading and refurbishment of water and sanitation infrastructure	1.12. 2020/21 Procurement of 2 x Pump Set JK WTW	0	100%	100%	G	Achieved	2 x Pump sets for the James Kleynhans Water Treatment Works were procured.	N/A
1.13	Upgrading and refurbishing of the existing electricity network	1.13. Refurbishment of 11 KV Electrical Network	0%	30%	15%	R	Not Achieved	The refurbishment of the 11kv Electrical Network is at 15% (June 2022). There was a delay because the initially appointed service provider wanted to negotiate price adjustment, after the award. As this was not	The bid was awarded to the 2 nd highest point scorer. Municipality will apply for rollover for unspent budget.

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline- []	Overall Performance for Quarter ending September 2021 to Quarter ending June 2022				Performance Comment	Improvement Plan/Corrective action for under performance
				Target	Actual	R	Status		
								accepted, it led to cancellation of the bid, due to inability to commence within 14 days.	

7.2 KPA 2: COMMUNITY AND SOCIAL COHESION

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline	Target	Actual	R	Status	Performance Comment	Improvement Plan/Corrective action for under performance
2.1	Ensure Safety and clean environment through municipality	Number of Illegal dumping sites cleaned by 30 June	52	60	49		Partially Achieved	A total of forty-nine(49) illegal dumping sites were cleaned between 1st July 2021 to 30 June 2022.Lack of performance was due lack and aging waste management fleet.	The Municipality prioritized waste management fleet for 2022-23 financial in the capital budget, and secure R2 Million for waste fleet as well las received a skip truck to attending to illegal dumping
2.2	Ensure Safety and clean environment through municipality	Percentage compliance with the required attendance time for structural firefighter incidents	0%	100%	100%	G	Achieved	100% compliance with the required attendance time for structural firefighter incidents was achieved	N/A

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline	Target	Actual	R	Status	Performance Comment	Improvement Plan/Corrective action for performance under
2.3	Ensure Safety and clean environment through municipality	Number of Community road safety awareness programmes conducted	0	4	4	G	Achieved	One School awareness on road safety was conducted in all four quarters.	N/A
2.4	To provide reading and study material	Average number of library and community services	100	16,000	15,910	O	partially Achieved	There were 15 910 library walk-ins recorded in the between 1st July 2021 to June 2022. Decrease number walks was due to Covid regulations.	N/A
2.5	To promote the well-being, health, safety and security of our community	Number of community and social services community engagement forums held	2	12	2	R	Not Achieved	Only meeting 2 forums were held due lack of participation from stakeholder. Which was environmental joint forum and fire and disaster management forum.	The Municipality is planning revive all forum during the 2022-23 financial year through workshop and stakeholder engagement. And all forums are priorities in the new SDBIP 2022-23 financial year.

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline	Target	Actual	R	Status	Performance Comment	Improvement Plan/Corrective action for performance under
2.6	To promote the well-being, health, safety and security of our community	Number of community and social service education awareness initiative held	0	24	18	○	Partially Achieved	There were 18 community and social service education awareness initiative held between 1st July 2021 to June 2022. these awareness program include Fire, Environmental and Library services. Municipality couldn't each planned target due to Lockdown regulations where still applicable and awareness campaign were no conducted physical during first and toward end second quarter	The depart has opted to send information to school and other stakeholders via emails

7.3 KPA 3: LOCAL ECONOMIC DEVELOPMENT AND PLANNING

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline	Target	Actual	R	Status	Performance Comment	Improvement Plan/Corrective action for under performance
3.1	Facilitate support to SMME development	Percentage of SMMEs appointed to stimulate economic growth	0%	100%	75%	O	Partially Achieved	Total of 75% of tenders issued value of 30% was given to local SMME's. Target is dependent on contracts awarded by municipality therefore there were no contracts awarded in the fourth quarter by the municipality.	The department will raise more awareness with internal departments on the importance of allocating portions of their contracts for local beneficiation. (June 2022)
3.2	To identify specific precincts or economic investment areas,	Finalisation of Precinct Plan	0	Completion of Precinct Plan	Draft Present Plan	G	Achieved	The Draft Present plan was only tabled to Council by the 28 April 2022	Report updated
3.3	To ensure adherence to town planning and building control legislation	Percentage of SDF implementation rollout plan implemented annually	0%	100% (11 Projects)	81%	O	Partially Achieved	There were 11 projects targeted for the financial year. the project is Belmond Velly Makana Bulk sewer phase1, Makana Bulk sewer phase2, Asbestos pipe replacement phase 2 stage1, Asbestos pipe	[3.3] Director: Local Economic Development and Planning: Funding has been sourced for Belmont valley and 178 RDP House will be constructed in the next financial year 2022-23.

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline	Target	Actual	R	Status	Performance Comment	Improvement Plan/Corrective action for under performance
								replacement phase2 stage2, Mayfield gravity sewer, water conservation and demand managing, upgrade of Ncame Street Upgrade, 11KV substations, Construction of RDP House, Waste Management (Landfill site) Out of the 11, 9 are in progress and being implement. 2 projects, which are Belmond valley and Construction of RDP Houses are not yet implemented due to no availability of funds. (June 2022)	

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline	Target	Actual	R	Status	Performance Comment	Improvement Plan/Corrective action for under performance
3.4	To ensure adherence to town planning and building control legislation	Town establishment of Fort Brown and Seven Fountains	0	1	0	R	Not Achieved	The project has not been completed; it was discovered that a hydro study was required as part of the EIA Process. Therefore, the Hydro study was delayed due to a deviation required to increase the scope of work.	The deviation was approved, and purchase order was obtained from supply chain management unit by 30 June 2022.
3.5	Facilitate job creation initiatives	Number of work opportunities created through Public Employment Programmes (including EPWP, CWP, and other related employment programme	1,200	1,400	1,355	O	Partially Achieved	172 EPWP participants. 989 were recruited for CWP and 194 were recruited for DEIS project (June 2022)	There is still outstanding information for the Construction of 2 Alicedale hall which will be included
3.6	Facilitate support to SMME development	Number of support initiatives for SMME to stimulate economic growth	0	2	2	G	Achieved	Intellectual Property Workshop was held for SMME's within the creative industry. An Information Session where SMME support agencies were invited to present their services was	N/A

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline	Target	Actual	R	Status	Performance Comment	Improvement Plan/Corrective action for under performance
								held on the 15th of June 2022. (June 2022)	

7.4 KPA 4: INSTITUTIONAL DEVELOPMENT AND FINANCIAL VIABILITY

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline	Target	Actual	R	Status	Performance Comment	Improvement Plan/Corrective action for under performance
4.1	Provision and increase of households with access to free basic service	Percentage of the Municipality's operating budget spent on Indigent relief for free basic services	0%	5%	7%	G2	Achieved	Total of 7.2% of the operating budget was spent on indigent relief for free basic services	N/A
4.2	Provision and increase of households with access to free basic service	Percentage of all qualifying indigent applications processed by 30 June	0%	100%	85%	O	Not Achieved	Total 85% of all qualifying indigent applications processed by 30 June 2022	Ward have been committee have appointed to assist with indigent campaign and workshop is scheduled for August to improve the indigent process.
4.3	Improve expenditure management	Creditors Payment Period	279	100	230	R	Not Achieved	The Creditors Payment Period is 230 days by June 2022	Payment agreements are honored, and municipality is negotiating with suppliers for part payments to avoid interest.
4.4	Improve planning of risk management	Percentage of the Total Annual Operating Budget revenue raised / collected by the 30 June	0.80%	90%	78%	O	Partially Achieved	Total Annual Operating Budget revenue raised/collected by 30 June 2022 was 0.78%	Revenue Enhancement strategies will be implemented that including debt incentive to improve collection.

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline	Target	Actual	R	Status	Performance Comment	Improvement Plan/Corrective action for under performance
4.5	An effective productive administration capable of sustainable service delivery	Service debtors to revenue ratio (Total outstanding service debtors / revenue received for the service)	112.72%	100%	109%	R	Not Achieved	Service debtors to revenue ratio is 109%	Revenue Enhancement strategies will be implemented that including debt incentive to improve collection.
4.6	Capacity building and effective financial management	Current Ratio	0.43:1	1:01	0.30	GR	Partially Achieved	The current ratio is 0.65:1 by June 2022	Cost containment measures will be implemented to reduce outstanding creditors. (June 2022)
4.7	Capacity building and effective financial management	Cost coverage ratio (Available cash + investment monthly fixed operating expenditure)	0:01	1:01	2.93	G	Achieved	Cost coverage ratio was 0.49:1 by June 2022	Cost containment measures are implemented, and unspent grants are cash backed. (June 2022)
4.8	An effective productive administration capable of sustainable service delivery	Debt coverage ratio (Total Operating revenue - operating grants receiver) (Debt service payment due)	53.86:1	40:01:00	86.70	R	Achieved	Debt coverage ratio is 86.70 by June 2022	Cost containment measures will be implemented to reduce outstanding creditors.
4.9	Capacity building and effective financial management	Number of GRAP compliant Fixed assets registers submitted to the Auditor general by 31 August	0	1	0	G	Achieved	GRAP compliant Fixed assets registers to submitted to the Auditor general by 31 August	N/A

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline	Target	Actual	R	Status	Performance Comment	Improvement Plan/Corrective action for under performance
4.10	To create an efficient, effective and accountable administration	Rand value of the Municipality's approved training budget spent on implementing its workplace skills plan by 30 June	R940,962.00	R1,000,000.00	R857,750.03	O	Partially Achieved	Municipality has spent R857,750.03 for in the 2021-22. This included Internal funded training expenditure – R141 658.45 CPMD Expenditure - R150 550 Internship Expenditure – R565 541.58. We were not able to spend in fourth due directive from National Treasury on procurement which directing no procure unless national Treasury is exempting you	We have put procurement plan for training development.
4.11	To create an efficient, effective and accountable administration	Review of Organisational structure	0	1	1	G	Achieved	Organisational structure was revised and adopted by Council on the 22nd of June 2022	
4.12	To create an efficient, effective and accountable administration	Staff Vacancy Rate	12.50%	10%	20.40%	R	Not Achieved	Director: Corporate and Shared Services: The vacancy rate for funded posts is 20.4%. The target could not be met due to unbudgeted positions in the organogram by June 2022	Director: Corporate and Shared Services: In the 2022/2023 FY the department will be able to advertise all the budgeted position and the target to appoint is the first and second

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline	Target	Actual	R	Status	Performance Comment	Improvement Plan/Corrective action for under performance
									quarter of 2022 (June 2022)
4.13	To create an efficient, effective, and accountable administration	Number of reports on the number of people from employment equity groups employed in the three highest levels of organogram	0	1	1	G	Achieved	Two Manager in the highest levels of the organization Manager Revenue and Manager Tourism and SMME development were appointed in the financial year in the financial year	N/A
4.14	To create an efficient, effective, and accountable administration	Percentage of identified policies reviewed by 30 June	0%	100%	100%	G	Achieved	Policy manual has been developed with updated policies and approved by Council June 2022	

7.5 KPA 5 : GOOD GOVERNANCE & PUBLIC PARTICIPATION

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline	Target	Actual	R	Status	Performance Comment	Improvement Plan/Corrective action for under performance
5.1	Improve Audit opinion outcome	Final Audit outcomes of previous year	1	1	0	R	Not Achieved	Disclaimer there was issue on PPE that could not be audited by AG, high was number of vacancy rate, revenue no meter reading done only using estimates were used	Audit Action has been developed; Asset accounted was appointed-Mater reading is done since November 2021
5.2	Improve Audit opinion outcome	Number of repeated audit findings from previous year	0	1	0	R	Not Achieved	Seven (7) repeated finding	Audit Action has been developed; Asset accounted was appointed, Mater reading is done since November 2021
5.3	To communicate effectively and be responsive to the needs of the community	Percentage of ward committees that are functional (meet four times a year, are quorate and have an action plan)	0%	100%	74.75%	R	Not Achieved	Only 75% ward committee were operational due to the election which were held in November 2021 not all wards were elected and operational by June 2022	Election outstanding ward committees will be completed in August after school holidays
5.4	Enhance administration and Council oversight	Number of MPAC meetings held by the 30 June	4	4	2	R	Not Achieved	Three (3) Municipal Public Accounts Committee where in 2021- 22 Financial years. First one was 18 August 2022, second 22 May 2022 There was no meeting in the held in the Thirds quarter due to election of the new Council	New MPAC Committee was established in January and were further taken to training on their role and responsibilities

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline	Target	Actual	R	Status	Performance Comment	Improvement Plan/Corrective action for under performance
5.6	Enhance administration and Council oversight	Percentage of audit committee resolution implemented / in progress	0%	90%	94.75%	G2	Achieved	94.82% of the Audit Committee resolutions have been implemented or in progress	N/A
5.7	Enhance public participation and stakeholder engagement	Number of IDP and Budget stakeholder engagements held by 30 June	1	4	4	G	Not Achieved	Only two IDP/Budget Session were in the 2021-22 fiscal year, one was in September 2021 and another second one was held in May 2022. Both sessions were focusing on IDP Processes. The third session was held with District Municipality and Stakeholders. The fourth session was held with provincial Treasury and COGTA departments.	N/A
5.8	Enhance risk management	Number of risk assessment conducted by 30 June	0	24	24	G	Achieved	[5.8] Municipal Manager: Risk assessments completed on 6 departmental registers (June 2022)	[5.8] Municipal Manager: None (June 2022)
5.9	Enhance risk management	Percentage of compliance achieved quarterly	80%	100%	84%	O	Partially Achieved	Total of 84 % was achieved in the compliance on Municipal legislative requirements	Directorate to improve MFMA Compliance

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline	Target	Actual	R	Status	Performance Comment	Improvement Plan/Corrective action for under performance
5.10	Enhance administration and Council oversight	Replacement of lease ICT hardware infrastructure	0	1	1	G	Achieved	There main serve for Municipal operation was replace and installed in City. Two backup Storage Arial Sever procured and installed one in BTO and one in City Hall	N/A
5.11	Enhance administration and Council oversight	Upgrading of municipal website	0	1	0	R	Not Achieved	The service provider could not be upgrade the website due to outstanding debt from the Municipality	The Municipality would pay the outstanding the service provider will update website.
5.12	Enhance administration and Council oversight	Percentage of Development of centralized customer care system	0%	100%	0%	R	Not Achieved	Centralisation customer care could be achieved due to more groundwork need to be done. Like collection of the information on how depart different depart are managing customer complaints	The project is prioritized for new budget year and is included in the SDBIP

7.6 KPA 6: HUMAN SETTLEMENT

SBDIP Ref	Strategic objective	Key Performance Indicator	Baseline	Target	Actual	R	Status	Performance Comment	Improvement Plan/Corrective action for under performance
6.1	Facilitate housing development	Development upgrading of informal settlement	0%	0%	0%	R	Not Achieved	The project has not yet commenced, the delay was due to late appointment of Professional Resources Team by the Dept of Human Settlements and Housing Development Agent	Municipality is awaiting response from DHS for the UIS Plan to commence the project (June 2022)
6.2	Facilitate housing development	construction of 178 outstanding RDP Houses	0	178	0	R	Not Achieved	The project has no commence, the project is at procurement stage. There was delay due to number responded which 160 to be evaluated. The project is divided into two (2), with 87 units sitting at 20% of work completed and 91 units sitting at 21% completed	A project scope has been provided Human Settlement with revised completion dates of April 2024

7.7 MUNICIPAL NATIONAL KEY PERFORMANCE INDICATOR

7.7.1. Basic Service Delivery and Infrastructure Development

Indicator	2020-21	2021-22
The percentage of households earning less than 2 x social grant plus 25% per month with access to free basic services	33.41%	18%
The percentage of households with access to basic level of water	95%	95%
The percentage of households with access to basic level of sanitation	84%	84%
The percentage of households with access to basic level of electricity	91%	91%
The percentage of households with access to basic level of solid waste removal	92%	92%

7.7.2. Municipal Financial Viability and Management

Indicator	2020-21	2021-22
Debt to revenue ratio- Debt to Revenue as of 30 June 2019(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	7.8 %	8.37%

7.7.3 Good Governance and Public Participation

Indicator	2020-21	2021-22
The percentage of a municipality's capital budget spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	73%	64%