



MAKANA
MUNICIPALITY | EASTERN CAPE
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MAKANA LOCAL MUNICIPALITY

Integrated Development Plan

Review 2011-2012

Prepared by the Makana Municipality

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Draft SDBIP 2011/12

FOREWORD BY THE EXECUTIVE MAYOR

Madam Speaker, members of the Mayoral Committee, fellow Councillors, the Municipal Manager and her foot soldiers - the officials, the Clergy, the elderly, various community stakeholders, ward committee members, teachers and learners, the media and members of the public, I greet you all in the name of service delivery.

This year as the country we will have our local government elections and we are all aware of the challenges that come with elections. Makana Municipality is one of many of the African National Congress led municipalities and we have no intention of changing the status quo.

Many of our people know of no other liberation movement or political party other than the African National Congress. As the ANC led Council we carry dreams and aspirations of people that throughout their lives bestowed their hopes on the ANC to bring about better lives for all.

Our call therefore as Councillors and officials here, is to make those dreams come true. We have come a long way with the masses of our people to disappoint them now. As we draw to the close our term as politicians, we need to ask ourselves whether we have made any strides in improving the lives of the people whom we serve.

In the previous Mayoral Imbizos, there was one basic request particularly by communities of rural areas. These communities all asked for safe drinking water. I remember vividly in one of my meetings where an old lady shared with the meeting how they had to relieve themselves in the bush and that when it rained all the waste would be washed down into the river which they share with animals, and they would get drinking water from the same river. Obviously such an elaborate description does not easily fade from one's memory.

I repeat, we've come a long way with the masses of our people to disappoint them now.

This year we took a conscious decision to bring this special occasion to this community. One of the reasons for this undertaking is to display our commitment to the development of rural areas in our Municipality. Under the Rural Development Programme we've managed to respond to the pleas of many residents in these areas to provide them with clean drinking water, provision of toilets and the electrification among others. People in rural communities should never feel as second citizens of Makana.

Despite some challenges Madam Speaker, I'm pleased to announce that we have had some success in certain areas of service delivery since the time we had the Official Opening of Council in 2010.

Guided by the 5 Key Performance Areas to speed up service delivery and to manage our finances properly, we have identified the following quick win projects:

- 100% completion of MIG projects in this financial year.
- Partnering with Amatola Water to provide constant water supply with minimum disruptions
- Partnering with Eskom to install solar geysers to low cost houses
- Partnering with the Provincial government to improve audit opinion and clean administration
- Speedy electrification of infill areas
- Improving cleanliness and focus on waste management standards and norms recently published requiring separation of waste – recycling
- Improving maintenance of public amenities and attend to mowing backlogs
- Fast-tracking implementation of rectification projects for those affected by the Disaster 2006 & 2008
- Fast-tracking implementation of Mayfield Housing project
- Cascading of PMS to all levels of operation with support from CDM
- “Keep the records straight” – leave records and financial transactions records

EXECUTIVE SUMMARY

Overview of the Municipality

Makana Municipality is located in the Eastern Cape Province on the south –eastern seaboard of South Africa. With the cities of Port Elizabeth 120km to the west and East London 180 km to the Makana Municipality is strategically situated between two of the province’s largest industrial centre. Both coastal cities are serving by well equipped container ports and have major airports linking them to Cape Town, Durban and Johannesburg.

Makana Municipality consists of 12 wards in which 3 are found in the rural areas of the Municipality. However, for the next electoral term, the Municipality will have 14 wards.

Towns and Villages of Makana Municipality:

Grahamstown:

At the heart of Makana Municipality lies the city of Grahamstown, situated 55 km from the coast and 535 m above sea level, Grahamstown is famous as one of the leading cultural, educational, tourist centres and host of National Arts Festival in South Africa.

Alicedale:

Owing its existence to the development of the railways, the station at Alicedale is a vital link between the Makana region and the main railway line between Port Elizabeth and Johannesburg.

Salem:

The Methodist Church founded Salem in the mid 1820s. It is famous for its many fine buildings and also for the historic negotiations between Richard Gush and the approaching Xhosa during the War of Hintsa, when the Xhosa agree to leave village in peace.

Riebeeck East:

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

Seven Fountains:

This farmers' community derived its name from seven springs located on different farms in area.

Fort Brown:

Established as a military post in 1817, the gun tower and adjoining walls of the fort, overlooking the Great Fish River and central to a number of major game reserves, are a national monument.

What opportunities do we offer?

- Strategically situated between two of the province's largest industrial centre.
- Economic opportunities in Tourism industry
- Magnificent game and wildlife
- Small scale mining
- Agriculture farming
- World class education institutions

Key challenges and what we need to improve of the municipality

Makana Municipality's challenges of strategic focus areas have been identified and distilled over a number of years. Due to the lack of resources to address some of the strategic focus areas, most of the strategic issue still remain relevant to date. For next financial years the Municipality would focus to these key issues.

- Expediting the provision of services such as roads, alternative water source, and provision of alternative energy sources for rural and urban areas.
- Constant provision of clean water supply to all urban
- Addressing housing backlog
- Improve financial/ revenue generating capacity of Municipality through devising and implementing support tools.
- Improve Auditor General Opinion
- Fragmented spatial planning in urban areas and land distribution rural area
- Development of Human resources skills development strategy
- Empowering and capacitating staff to ensure efficiency
- Supporting Municipal staff training and staff retention programmes
- Improving communication internal and external
- Exploring good management system
- Improve environmental management aspects

Long term strategy development

Makana Municipality has developed and adopted 2016 vision in 2007 in which this long term vision will be revised in next five year IDP development cycle.

Other long standing issue for the Municipality to be considered are:

- E edging infrastructure, Poverty, Unemployment and low economic growth,
- Sustainable Human Settlements
- Rural Development, land reforms, food production
- Sustainable development
- Financial Viability and
- Institutional Capacity Stimulating local Economic Development through the creation of conducive climate for economic growth

Integrated Development Plan (IDP), Monitoring and Evaluation

The IDP consists of a five year implemented framework and a three-year Capital work programme and Budget, complemented by a one- year Service Delivery and Budget Implementation Plan. The performance of the Municipality is measured and reported on a monthly, quarterly, bi-annual and on annual basis.

The targets of the Municipality as reflected in the IDP find the expression in the Service Delivery and Budget Implementation Plan (SDBIP). Service Delivery and Budget Implementation Plan form the basis for Section 57 Managers Performance agreements and performance plan for other managers.

CHAPTER ONE PLANNING PROCESS

1. INTRODUCTION

The first of preparing the IDP is the Situational Analysis. In essence, the Situational Analysis informs the identification of key issues. In turn, these key issues have to be focus areas for municipal investment for the next IDP cycle. Over the past four years the Makana Municipality has focused their operations, actions and according to the following five developmental aligned to local Government 5 year strategic agenda.

1.1. INTRODUCTION AND IDP OVERVIEW

This document represents the Makana Municipality's Integrated Development Plan (IDP) 2007 – 2012. (Review cycle 2009). IDP's are compiled in terms of the requirements of chapter 5 of the Municipal Systems Act (MSA) (Act 32 of 2000). Section 25 of the MSA states inter-alia the following:

“Each municipal council must, within a prescribed period after the start of its elected term, adopt a single inclusive and strategic plan for the development of the municipality which:

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

As far as the annual review and amendments of Integrated Development Plan (IDP) a municipal council-

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

As far as the status of an integrated development plan is concerned Section 35 of the MSA states that an IDP adopted by municipal council: -

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

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

Section 36 of the MSA states that a municipality must give effect to its integrated development plan; conduct its affairs in a manner, which is consistent with its integrated development plan.

1.2 MAKANA MUNICIPALITY'S APPROACH

The National Department of Provincial and Local Government published guidelines in 2001(IDP Guide Packs), describing the IDP process as an issue-driven approach to planning. Emphasis is on the analysis phase which focuses on the understanding priority issues, leading to the development of strategic guidelines. These priority issues are determined through participatory research and a participatory planning methodology. Ideally these priority issues become the focal point for determining appropriate development strategies that meet priority issues, and the needs of communities or stakeholders. With introduction of Turnaround Strategy by the department of Cooperative Government and Traditional Affairs last year, the Council has resolve to integrated formational of Turnaround strategy with in the IDP review process to ensure seamless integration between the two processes for 2010-2011 financial year. In preparation for the 2011-2012 financial year, the Municipality used Community Based Planning approach to collect information on community issues and needs.

1.3 IDP REVIEW PROCESS PLAN

Council formulate and adopted an IDP process plan to serve as guide in preparation for the review of the IDP. In brief IDP process plan outlines the time frames of scheduled events / activities, and co-ordinating structures involved in the processes.

1.3.1 MAKANA MUNICIPALITY IDP STRUCTURES

The following Table depicts the structures available within the Makana Municipality for handling the IDP issues: -

ROLE PLAYERS	ROLES AND RESPONSIBILITIES
Council	<ul style="list-style-type: none"> • Final decision making • Approval of the reviewed IDP documentation.
Ward Councillor	<ul style="list-style-type: none"> • Linking the IDP process with their constituencies. • Organising public participation at ward level.
Mayor	<ul style="list-style-type: none"> • Manage the drafting of the IDP. • Assign responsibilities to the MM. • Submit the IDP Process Plan to Council for approval. • Chairs the IDP Technical and IDP Rep Forum.

IDP Technical Committee	<ul style="list-style-type: none"> • Monitor the Process plan progress • Plan Public Participation Engagement • Alignment of IDP and Budget • Plan stakeholder Engagement • Integration with Sector department
Municipal Manager	<ul style="list-style-type: none"> • Prepare IDP process plan. • Ensure that timeframes are adhered to. • Decide on and monitor IDP process. • Overall management and co-ordination.
Mayoral Committee	<ul style="list-style-type: none"> • To help to harness common understanding between political and administrative component before the IDP reports are considered at Council meeting. • Makes recommendations to the IDP Representative Forum.
IDP Manager	<ul style="list-style-type: none"> • Day to day management of the IDP process. • Co-ordinate technical or sector expertise. • Co-ordinate Sector plan inputs • Prepare draft progress reports.
IDP Steering Committee	<ul style="list-style-type: none"> • Assist and support the Municipal Manager/IDP Manager and Representative Forum. • Information "GAP" identification. • Oversee the alignment of the planning process internally with those of the Local Municipality areas. • Portfolio had to lead related Portfolio matters
The District Council	<ul style="list-style-type: none"> • Co-ordination role with all Local Municipalities within the District. • Ensuring horizontal and vertical alignment of the IDP's of the Municipalities in the District Council area. • Facilitation of vertical alignment of IDP's with other spheres of Government and Sector Departments. • Provide events for joint strategy workshops with Local municipalities, Provincial and National role players and other subject matter specialist.

The following table indicates meetings and consultations that took place in preparation for the 2011 - 2011 IDP review process: -.

1.3.2 SCHEDULE OF MEETINGS/CONSULTATION

MEETINGS	CONSULTATION PURPOSE	DATE
<ul style="list-style-type: none"> • IDP Technical Committee 	Consider proposed IDP Processes Plan	July 2010
<ul style="list-style-type: none"> • IDP Process plan was Approved 	Tabling of IDP Process plan	24 August 2010

MEETINGS	CONSULTATION PURPOSE	DATE
• Steering committee workshop	Outline process to be undertaken	25 August 2010
• IDP Representative Forum	Outline processes to be undertaken to stakeholders	06 October 2010
• Community Based Planning	Community consultation	17 /11 – 02/12/2010
• Institutional Strategic planning	Considers Community based information, Municipal Capacity Assessment and MEC Comments	09 – 10 February 2011
• IDP Steering Committee	To consider Developmental issue raised by Community and in the strategic planning sessions	11 February 2011
• IDP Representative Forum	To consider Developmental recommendations by IDP Steering committee	17 February 2011
• Budget Committee Meetings	IDP and Budget Alignment	22-23 March 2011
• Special Council Meeting	Tabling of Draft IDP 2011-2012 for adoption	31 March 2011
• Special Council Meeting	Tabling of Final IDP Review 201102012	11 May 2011

1.3.3 COMMUNITY BASED PLANNING MEETINGS AND SCHEDULE

MEETINGS	CONSULTATION PURPOSE	DATE
Council Meeting	Approval of the Community Based Plan Processes plan	31 May 2010
Ward Committee Quarter Meeting	Introduction of Community Based Planning Methodology	22 July 2010
CBP pre-planning workshop (council chamber)	CBP Planning meeting with Ward committee meeting	21 August 2010
Capacity building workshop	Training of ward committees on Community based planning	04 September 2010

Community base planning Facilitator training	Training of Community based planning facilitators on the Facilitation of CBP	15-17 September 2010 12-14 October 2010 21 October 2010 02 November 2010
COMMUNITY BASED PLANNING SESSIONS		
WARD	VENUE	DATE
Ward 1	Seven Fountain School	01/12/2010
Ward 2	Clinic	07/12/2010
Ward 3	Alicedale Hall	02/12/2010
Ward 4	Fort Brown	21/11/2010
Ward 5	Extension 9 Hall	25/11/2010
Ward 6	Egazini Outreach	18/11/2010
Ward 7	Noluthando Hall	22/11/2010
Ward 8	Luvuyo Hall	19/11/2010
Ward 9	B.B. Zondani Hall	29/11/2010
Ward 10	Dakawa Hall	17/11/2010
Ward 11	Crown Hall	24/11/2010
Ward 12	Tantyi Hall	23/11/2010

1.3. 4 IDP & BUDGET PUBLIC PARTICIPATION

DATE	VENUE	TIME
WEDNESDAY 6/4/11	RIEBEECK EAST – ALFRED DIKE KOTA	14 H 00
	ALICEDALE – KWANONDZWAKAZI	17 H00
THURSDAY 07/4/11	NOLUTHANDO HALL	17H00
FRIDAY 08/4/11	EXTENSION 9 HALL	17H00
MONDAY 11/4/11	LUVUYO HALL	17H00
TUESDAY 12/4/11	EXTENSION 7 CLINIC	14H00
TUESDAY 12/4/11	B.B. ZONDANI HALL	17H00
WEDNESDAY 13/4/11	MARY WATERS	17H00
THURSDAY 14/4/11	RECREATIONAL HALL	17H00
FRIDAY 15/4/11	TANTYI HALL	17H00
SATURDAY 16/4/11	SEVENFOUNTEIN SCHOOL	14H00
	SALEM CLUB HOUSE	16H30
SUNDAY 17/4/11	MANLEY FLATS CLUBHOUSE	10H00
	FORT BROWN COMMUNITY HALL	14H00

MONDAY 18/4/11	CITY HALL	17H00
TUESDAY 19/4/11	GREAT HALL – RHODES UNIVERSITY	17H00
TUESDAY 26/4/11	INDOOR SPORT CENTRE (WARD 2 & 6)	17H30
THURSDAY 28/4/11	SEVENFOUNTEIN SCHOOL (WARD 1)	17H30
FRIDAY 29/4/11	NOLUTHANDO HALL (WARD 7)	17H30

1.4 Strategic Agenda of Municipality

The community based IDP and Budget of the Municipality reflects community priorities. In addition, the IDP is also informed by national and provincial perspectives. The IDP is therefore a government-wide expression of development commitments.

1.4.1 Municipal Vision

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

1.4.2 National Perspective

National government develops strategies, policies and legislations that have to be implemented by all spheres of government. Among the key strategies that pertain to the local government sphere are the following:

(a) Vision 2014 targets

National government's 2014 targets inform some of the programmes of this IDP. These targets cut across a broad spectrum of issues and are reflected in this IDP according to the five key performance areas of the Municipality.

b) National Spatial Development Perspective (NSDP)

The NSDP's objective is to promote informed economic investment profiling to guide regional growth and development planning within a socio-economic framework. It therefore acts as an indicative planning tool for the three spheres of government. An outcome of such economic investment profiling that involved all spheres of government are NDBS projects that are implemented across the municipality.

1.4.3 Mission

We recognise that our Mission (the main reason for the existence of our Municipality and therefore every job within it) is to attain our Vision, satisfy the needs of our stakeholders, particularly those listed below and efficiently and effectively provide the services required by legislation.

- a) The Council: efficient, effective, honest and dedicated Councillors and Employees, customers (Ratepayers, residents and visitors).
- b) Employees: fairness, equity, security, feedback, trust, support and fair play.

- c) Co-workers: Mutual respect, trust, support, teamwork, information and knowledge sharing & honesty.
- d) Suppliers: A fair and equitable procurement policy, payment on time, consistency, a safe clean environment, ethical governance and operations.

1.4.4 Core Values of the Municipality Our Values

Value	Behaviours
Honesty	We are corruption free
Transparency	We are open and communicate freely
Quality	We are committed to a culture in which we continuously strive for excellence
Participatory Democracy	We ensure maximum involvement of all stakeholders in all our activities.
Accountability	We are answerable for our actions.
Professionalism	We practice the highest standards Applicable to our work, and we Embrace humility, discipline and respect

1.4.5.1 Local Perspective

All strategic agendas whether of national, provincial or local government, are underpinned and guided by and designed to satisfy the needs of local communities. Residents of Makana Municipality take the lead in defining and shaping their priorities through a variety of public participation processes and programmes, such as ward based planning, ward bilateral, izimbizos, Masithethisane Campaign, Ward Committees and other public outreach programmes.

Some of the key priorities that have emerged from the consultation processes and that have shaped this IDP include the following:

- Provision and expedition of basic service delivery
- Crime prevention
- Quality of water
- Elimination of illegal dumping
- Provision of quality housing
- Provision of community amenities and facilities
- Development, provision and maintenance of infrastructure
- Poverty eradication and job creation
- Provision of health services and combating diseases such as TB, HIV and AIDS

1.4.5.2 Provincial Perspective

a) Provincial Growth and Development Plan (PGDP)

The PGDP also plays an important role in shaping the municipality's IDP. The PGDP of the Eastern Cape Provincial Government is reflected as follows in the Municipality's five key performance areas:

- Agrarian Transformation and food security, fighting poverty, manufacturing diversification and tourism are reflected in the Municipality's Local Economic Development
- Public Sector Transformation and Human Resources Development are reflected in Municipal Transformation and Organisational Development
- Infrastructure Development is reflected in Basic Service Delivery and Infrastructure Development

2. LEGISLATIVE FRAMEWORK

The following legislation defines the nature of the IDP

a) Constitution of the Republic of South Africa Act 108 of 1996

This Act stipulates that a municipality must give priority to the basic needs of its communities and promote their social and economic development to achieve a democratic, safe and healthy environment

b) Municipal Finance Management Act 56 of 2003

This Act makes provision for alignment between the IDP and the municipal budget. The Service Delivery and Budget Implementation Plan is the mechanism that ensures that the IDP and the Budget are aligned.

c) Local Government: Municipal Planning and Performance Management Regulations (2001)

These Regulations make provision for the inclusion in the IDP of the following:

- i) The institutional framework for the implementation of the IDP
 - ii) Investment and development initiatives in the Municipality
 - iii) Key performance indicators and other important statistical information
 - iv) A financial plan and
 - v) A spatial development framework
- d)** The following Six development issues were adopted by the IDP Rep Forum, after considering the PGDP, 5-Year Local Government Strategic Agenda and the Government's 2014 targets.

These issues were consolidated into 5 priorities and development issues in accordance with national key performance areas

- Institutional Transformation and Organisational Development
- Basic Service Delivery (Community & Social and Infrastructure Development)
- Local Economic Development
- Financial Viability and Management
- Good Governance and Public Participation

b) The above five development issues were adopted by the IDP Rep Forum, after considering the PGDP, 5-Year Local Government Strategic Agenda and the Government's 2014 targets.

C) Municipal Finance Management Act 56 of 2003

This Act makes provision for alignment between the IDP and the Municipal Budget. The Service Delivery and Budget Implementation 'Plan is the mechanism that ensures that the IDP and the Budget are aligned.

D) Local Government: Municipal Planning and Performance Management Regulations (2001)

These Regulations make provision for the inclusion in the IDP of the following:

- i) The institutional framework for the implementation of the IDP
- ii) Investment and development initiatives in the Municipality
- iii) Investment and development initiatives in the Municipality
- iv) Key performance indicators and other important statistical information
- v) A financial plan and
- vi) A spatial development framework.

CHAPTER TWO: SITUATIONAL ANALYSIS

2.1 INTRODUCTION

The first of preparing the IDP is the Situational Analysis. In essence, the Situational Analysis informs the identification of key issues. In turn, these key issues have to be focus areas for municipal investment for the next IDP cycle. Over the past four years the Makana Municipality has focused their operations, actions and according to the following five developmental aligned to local Government 5 year strategic agenda.

2.2 INSTITUTIONAL PROFILE

Part one of situational analysis provides a profile of the Makana Local Municipality, in terms of its institutional structure, human resources and financial resources dedicated to local economic development. It is important to understand the structure and capacity of the municipality to implement local economic development, so as to determine optimal future institutional arrangement for the facilitation of local economic development in Makana

This section is presented according to the following sections:

- Makana Political Structure
- Municipal power and functions
- Makana Institutional Structure
- Intergovernmental Relations

2.2.1 MAKANA POLITICAL STRUCTURE

The Makana Local Municipality was established in terms of Section 12 of the Local Government Municipal Structures Act (Act No. 177 of 1998). The municipality operates an Executive Mayoral Committee system with an Executive Mayor and five Portfolio Chairpersons being members of the Mayoral Committee

The Makana Council comprises 24 councillors (including the Mayor), 12 of whom are proportional councillors.

The Makana Council has the following five portfolio committees:

- Social Services, Community Empowerment and Protection Services
- Corporate Services
- Land, Housing & Infrastructural Development and Disaster Management
- Economic Development, Tourism and Heritage
- Budget, Treasury & IDP

The operation of portfolio committees is seen as a crucial means of ensuring the successful implementation of community based planning.

2.2.2 MUNICIPAL POWERS AND FUNCTIONS

The Makana LM currently has 39 different functions, based on the Municipal Systems Act, No 32 of 2000 and Act 117 of 1998. These are listed in Table 2.1

Table 2.1: Powers and functions of the Makana Municipality

Air pollution	Markets
Child care facilities	Municipal abattoirs
Fire fighting incl. DM function	Municipal parks and recreation
Municipal airports	Municipal roads
Municipal Health services	Noise pollution
Pontoons and ferries	Pound
Trading regulations	Public places
Sanitation	Refuse removal, refuse dumps and solid waste disposal
Building regulations	Control of undertakings that sell liquor to the public
Electricity reticulation	Fencing and fences
Local tourism	Street trading
Municipal planning	Street lighting
Municipal public transport	Traffic and parking
Storm water	Control of public nuisance
Water (potable)	Fencing and fences
Beaches and amusement facilities	Licensing of dogs
Billboards and the display of advertisements in public places	Licensing and control of undertakings that sell food to the public
Facilities for the accommodation, care and burial of animals	Cleansing
Local sport facilities	Local amenities
Cemeteries, funeral parlours and crematoria	

Most of these functions are based in Grahamstown, but the municipality does also have well capacitated offices in Alicedale and Riebeeck East. It must be noted that this list is largely indicative of the power devolved to the local municipal level, but does not necessarily imply that the municipality is currently providing all the above stated services.

2.2.3 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

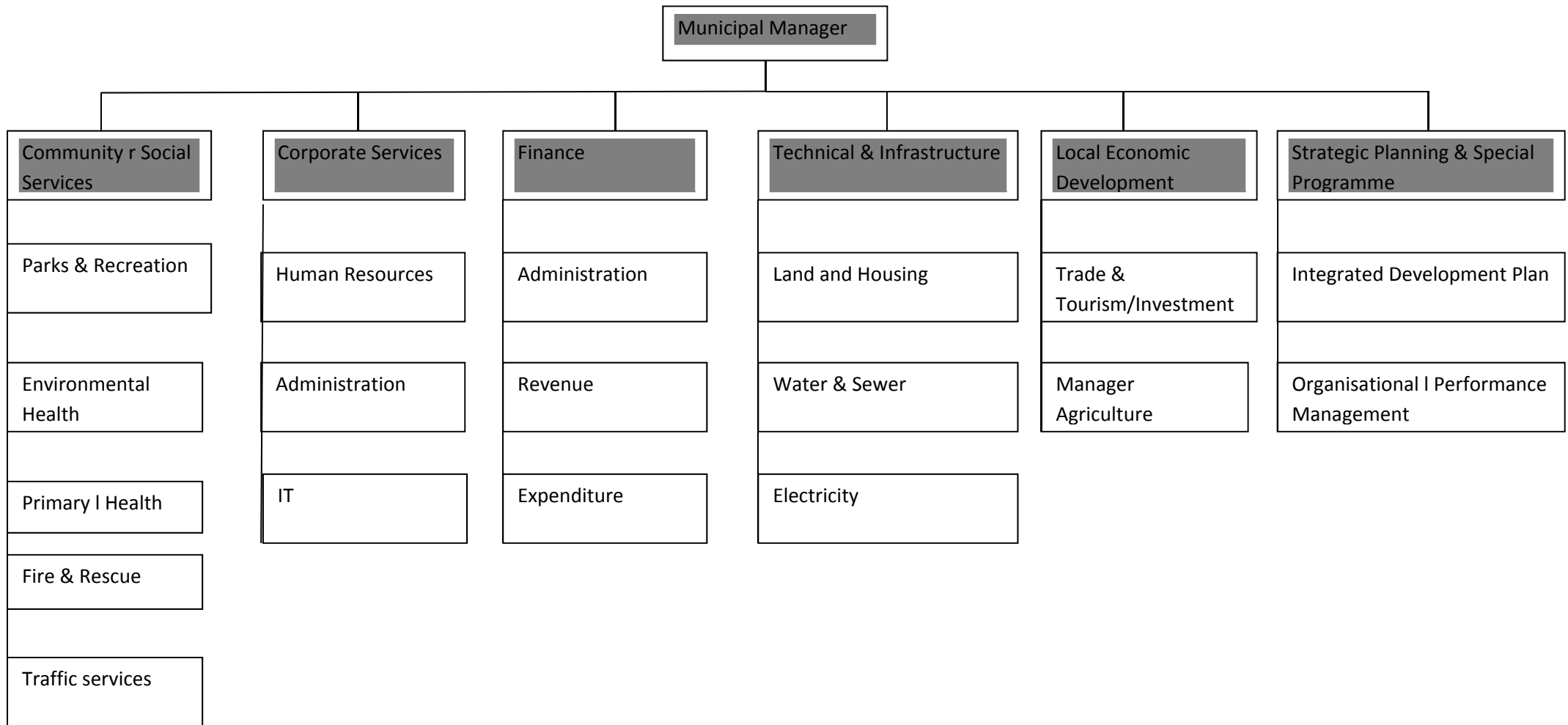
The institutional structure is administratively headed by the municipal manager. The current organizational structure for the Makana Local Municipality makes provision for six directorates namely:

- Municipal Manager
- Corporate Services
- Community and Social Services
- Finance
- Technical and Infrastructural Services (including housing and land)
- Local Economic Development

The currently organisational structure was revised and approved by council on2010 and there are 557 posts in the structure. Figure 2.1 provides the high level operational institutional organogram, with associated mandates for each directorate.

MAKANA ORGANOGRAM

FIGURE 2.1: MAKANA ORGANOGRAM



2.2.3.1 STAFFING CAPACITY

The Makana municipality had a staff complement of 547 permanent workers in 2008, excluding contract workers (Makana Annual report, 2008). According to the Cacadu District Municipal Capacity Report of 2009, the Makana municipality had a staff per capita ratio of 1:131 in 2007, with 39.39% of the Total operational expenditure (OPEX) dedicated to the staffing budget. This is within the national norm of 34% of municipality's OPEX budget being dedicated to staffing requirements. The Makana staffing composition is provided in Table 7.2. Discrepancies in employment figures throughout this profile may be explained by the fact that some records are for permanently employed workers, while others are for workers employed on a contractual basis.

Table 2.2 Makana Staffing composition

Directorate	Number of people employed
Offices of the Mayor, speaker and the Municipal Manager	9
Corporate Services	24
Community and Social Services	295
Finance	33
Technical and Infrastructural Services	191
Local Economic Development	5

Source: Makana Annual Report, 2010

The majority of municipal employees are employed in the community services and technical and infrastructural directorates. Within these respective directorates, the departments of parks & recreation, roads employed the most people.

Labour turnover was 20% in the 2007-2008 periods, with the most affected categories being technical and professional staff. The departments that are most affected by staff capacity shortages are:

- Fire department;
- Water, sanitation, roads and
- Electricity department

The following vacancy schedule has been developed for the 2011-2012 financial year

POSITION	Task Grades	Bottom Notch	2011/2012 SALARY (increased by 8%)	ALL INCL. BUDGET FOR THE 2010/11 FINANCIAL YEAR (@ 40%)	VOTE NUMBER
Library					
1 x Librarian (Alicedale)	7	93 792	101 295	141 814	105046
1 x Librarian (Hill Street)	7	93 792	101 295	141 814	105046
1x Cleaner (Hill Str)	2	57 000	61 560	86 184	105044
1x Mobile Library Assistant	9	118 900	128 412	179 777	105044
1x Clerical Assistant	5	118 900	128 412	179 777	105044
		482 384	520 975	729 365	
Refuse site					
2 Relief workers	3	52 776	113 996	123 116	105050
		52 776	113 996	123 116	
Land and Estates					
1 x Housing Officer (T.Grade to be confirmed)	???	110 088	118 895	166 453	101054

		110 088	118 895	166 453	
Roads					
5X General Workers	3	52 776	284 990	307 790	101020
		52 776	284 990	307 790	
Storm water					
1X Supervisor (Driver)	6	97 776	105 598	147 837	101045
5X General Workers	3	52 776	284 990	307 790	101045
		150 552	390 588	455 627	
Fire Control					
2x Platoon Commander - GHT	12	172 752	373 144	522 402	105030
4x Leaner fire fighter - GHT	8	123 948	535 455	749 638	105030
2 x Retainer fire fighter- Riebeeck East (Last quarter 2011/12)	7	146 328	316 068	442 496	105030
2 x Learner fire fighter - Alicedale	8	123 948	267 728	374 819	105030
2x Senior fire fighter - Alicedale	9	110 088	237 790	332 906	105030
		677 064	1 730 186	2 422 260	
Parks					
2x General Worker (Vegetation Control)	3	51 540	55 663	77 928	105066
		51 540	55 663	77 928	
Commonage					
Senior worker	2	52 776	56 998	79 797	105018
		52 776	56 998	79 797	
Distribution: Parks Transport					
Tractor Driver	5	60 852	65 720	92 008	105027
General Worker	2	52 776	56 998	79 797	105027
		113 628	122 718	171 806	
Cemeteries					
1X Caretaker (Waainek Cemetery)	3	55 344	59 772	83 680	105012
		55 344	59 772	83 680	
River Beds					
Supervisor/Operator	8	97 776	105 598	147 837	105045
3X Machine Operators	4	60 852	65 720	92 008	105045
Worker	3	51 540	55 663	77 928	105045
		210 168	226 981	317 774	
Sport grounds					
Caretaker (Mickey Yili - Millennium Cricket)	5	55 344	59 772	83 680	105063
Machine Operator (Ext 5 Soccer Grounds)	4	60 852	65 720	92 008	105063
Machine Operator (Foley's Ground)	4	60 852	65 720	92 008	105063
Supervisor	8	97 776	105 598	147 837	105063
		274 824	296 810	415 534	
Corporate Services					

Registry					
1X Records Clerk	5	60 856	65 724	92 014	103001
1 x Messenger Clerk	5	60 856	65 724	92 014	103001
		121 712	131 449	184 029	
Human Resources					
1 x Records Clerk	5	60 856	65 724	92 014	103036
		60 856	65 724	92 014	
Finance Directorate					
1X Records Clerk	6	71 832	77 579	108 610	104001
2X Meter Readers	5	60 852	131 440	184 016	104001
1X Manager: Asset Management	15	252 468	272 665	381 732	104001
		385 152	481 684	674 358	
Supply Chain Management					
1X Senior Clerk: SCM	11	146 328	158 034	221 248	104010
		146 328	158 034	221 248	
PMU (Funded from MIG)					
1X Social Facilitator (T.Grade to be confirmed)	11	146 328	158 034	221 248	101001
Financial Controller (T.Grade to be confirmed)	11	146 328	158 034	221 248	101001
		292 656	316 068	442 496	101001
Water Section					
3X Plumbers	9	110 088	356 685	499 359	401055
3X Operators	6	71 832	232 736	325 830	401055
3 X General Workers (Alicedale)	3	54 048	175 116	245 162	103001
2 X General Workers (R/East)	3	54 048	116 744	163 441	103001
4X General workers (Grahamstown)	3	54 048	233 487	326 882	401055
		344 064	1 114 767	1 560 674	
Sewer Section					
2X Plumbers	9	110 088	237 790	332 906	101040
		110 088	237 790	332 906	
Electricity Department					
2 x Millwrights Operators (T.Grade to be confirmed)	???	110 088	237 790	332 906	302010
1 x Network Controller (T.Grade to be confirmed)	???	110 088	118 895	166 453	302010
		220 176	356 685	499 359	
Roadworthy					
3X Painter (Level 16)	3	54 048	58 372	81 721	
		54 048	58 372	81 721	105052
Traffic control					
2X Traffic Officers on Grade Level 9	9	110 088	237 790	332 906	105060
3 x Peace Wardens / Officers (T.Grade to be confirmed)	???	86 844	281 375	393 924	105060
1X Cashiers Clerk on Grade Level 7	7	86 844	93 792	131 308	105060
1X Driving Licensing	9	110 088	118 895	166 453	105060

Examiner on Level 9					
		393 864	731 851	1 024 592	
Human Resources					
1X Cashier (R/E)	9	86 844	93 792	131 308	103001
		86 844	93 792	131 308	
Mayor's Office					
1 x Mayor's Driver (T.Grade to be confirmed)	???	86 844	93 792	131 308	105505
		86 844	93 792	131 308	
Media and Communications Office					
1 x Communications Officer	9	110 088	118 895	166 453	107006
		110 088	118 895	166 453	
Council Support Section					
1 x Clerk	6	71 832	77 579	108 610	103021
		71 832	77 579	108 610	
Special Programs Unit					
1 x Youth Officer	T7	86 844	93 792	131 308	107007
		86 844	93 792	131 308	
TOTAL		4 855 316	8 108 847	11 133 514	

2.2.3.2 Human Resources Plan

Municipality has Developed Human Plan with assistance of Provincial Department of Local Government and Traditional Affairs.

2.2.3.3 Work place skills plan

Makana Municipality has functional work skills development plan which is used to guide interventions for skills development and training of both officials and councillors. The plan was submitted and approved by Council on 19 July 2010 and will be revised in 2011-2012.

2.2.3.4 Employment Equity plan

Makana Municipality has an employment equity plan in place. The employment equity plan has been developed for a period of 5 years and will be reviewed yearly. The plan was submitted and approved by Council in July 2010 and will be revised in 2011-2012. Currently Municipality has a female and male representative of staff, which is as follows:

Female	434	(Including all race)
Male	186	(Including all race)

Out of the whole representation, people with disabilities representative 0.3%. Management has a fair representative of 31 % female and male are at 69 % of total number of management.

Following are the employment equity targets for the year 2011

Females	54	(Including all race)
Males	9	(Including all race)
People with disabilities	1	(Including all race)

2.3 Community and Stakeholders Development Priorities

4.1	Developmental Intervention	1	Conducting of work study to ensure that every have right job description
		2	Conduct Competency assessment
		3	Human Resources function to develop a strategy on the cascading of Individual Performance Management system
		4	Implement and monitor the EEP to ensure diversity in the Municipality
		5	Develop Affirmative Action policy
		6	Develop Internship and learner -ship program
		7	Strengthened DBSA artisan program
		8	Knowledge management
		9	Intensive awareness program on bursary scheme
		10	Engage Midlands FET College on technical skills needed.
		11	Improve Management of Riebeeck East and Alicedale Towns

2.4 PART TWO - SOCIO-ECONOMIC PROFILE

The overall development and performance of the Makana municipality will be determined by its fundamental socio-economic characteristics. These have an impact on the economic performance of the area, as well as its social and community development. In addition, the Makana LED is about improving the livelihoods of all residents in the area, and for this to be achieved; a clear understanding of the current situation is required.

This section will thus provide an overview of and discuss various indicators that have a bearing on the quality of life in Makana including:

- Demographics
- Education
- Employment
- Occupation profile
- Income levels
- Access to amenities
- Crime levels
- HIV/AIDS levels
- Access to social grants

In order to maintain internal consistency throughout the situational analysis and the strategic framework, the primary source of statistics will be databases compiled by Quantec Research except HIV and Access to social grants information. These databases make use of reports produce by Statistic South Africa including

- 2001 and 1996 censuses
- 2007 community survey
- Quarterly labour force survey
- Income and Expenditure survey

The statistics although sourced from available secondary data and recognised to have limitations in accuracy, provide a basis from which various analyses can be undertaken and are useful insofar as they reveal:

- Baseline information indicative of the status quo

- Disaggregated information that is specific to the Makana area
- Trends over time
- Various planning scenarios
- Structural changes and dynamic shifts

The Makana municipality as set out in its current boundaries was established in 2000 when the magisterial and municipal boundaries were realigned. Therefore, all references to the Makana municipal area from before 2000 are based on disaggregated trend estimations, which is a statistical technique used to predict and interpret data. This process is informed by the Municipal Demarcation Board's Municipal Profiles and allows reliable comparison of statistics for the Makana area before and after 2000

An introduction to the Makana area is given in the Table 4, and will provide a frame of reference from which all other subsequent profiles can be contextualised

Table 2.3: Overview of Makana Municipality

Indicator	Makana Municipality
Population	70 706
Population density	16.1 (people per square kilometer)
Households	16 975
Household density	3.87 (households per square kilometer)
Area	4 379 km ²

(Source: Quantec: 2007)

2.3.1 POPULATION PROFILE

Based on various actuarial population projections and demographic forecasting methods, Quantec Research estimates that the total Makana population in 2007 was **70 706** (Quantec, 2007). This figure is derived using the Actuarial Society of South Africa's 2003 Demographic Forecast Model and interpolated by Quantec research.

The socio-economic profile will take cognisance of the fact that uncertainty surrounding the reliability and accuracy of population figures for the Makana area has been raised as a concern in various planning documents such as Makana SDF. Makana SDF (2008) indicates the presence of doubts around the credibility and integrity of population data in the post 2001 census period. As a result of this, various estimates for the Makana population at different dates will be presented in Table 2.6. This shows the extent to which various sources differ on the size of the Makana population.

Table 2.4 Population estimates: 2001-2007

Source	Population	Year
Quantec Research	70 706	2007
CDM 2009 SDF	74 561	2007
Makana 2008 SDF	140 120	2007
CDM IDP 2008 review	84 111	2003
Makana IDP 2008 review	82 682	2001
Makana IDP 2007-2012	75 302	2001

(Source: Quantec: 2007)

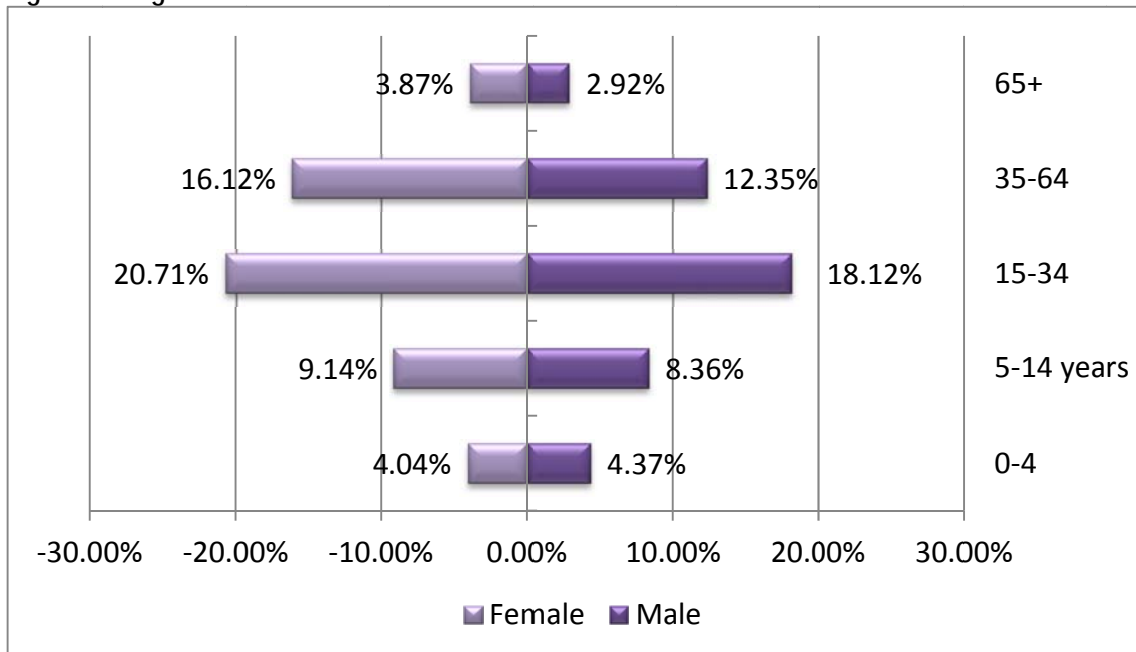
Based on the Quantec Research population figure for 2007, Makana's population in 2007 accounted for 18.4% of the Cacadu district's population. The greater Grahamstown area (including Rhini) accounts for approximately 81% of the municipality's population, with the other settlements located in the Makana area thus making marginal contributions to the total regional population.

Makana has a population density of 16.1 people per square kilometer, which is high when compared to the district population density of 6.6 people per square kilometer. This indicates a high level of urbanization in the LM, which puts pressure on the municipality to provide essential services.

2.3.1.1 AGE AND GENDER STRUCTURE

In terms of the age and gender structure in Makana, Figure 3.2 shows an aggregated population pyramid for the municipality. Population pyramids are visual representations of an area's age and gender structure, helping to establish the potential size of the economically active labour force.

Figure 2.2: Age and Gender structure



(Source: Quantec: 2007)

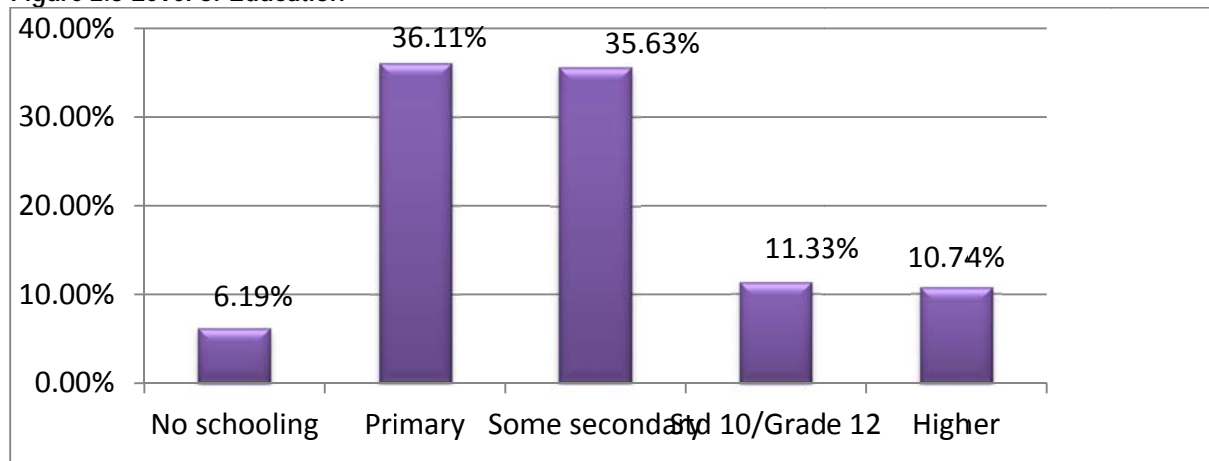
66% of the population falls within the economically active age of 15-64, which leads to a healthy dependency ratio of 0.51. A dependency ratio of 0.51 means that every economically active person supports an average of 0.51 people, made up of youth and the elderly. This may be compared with the provincial dependency ratio of 1.81, which is much higher. The 15-34 age group constitutes 38.8% of the total population.

This is a result of the Makana municipality hosting a range of education facilities including Rhodes University, which attract people within the 15-34 age group. The implication of this relatively young population is that extra pressure on the need for employment creation opportunities is placed on the municipality.

2.3.2 EDUCATION PROFILE

Education levels have a direct impact on economic development and the quality of life enjoyed by residents of an area. This is because it influences the skills profile and thus the employability of a population. Education affects the potential that workers have, their productive efficiency and also their ultimate income levels. Education is therefore acknowledged as being inextricably linked to the economic development of an area. Figure 2.3 shows the levels of education in the Makana municipality.

Figure 2.3 Level of Education



(Source: Quantec: 2007)

6.19% of the Makana population has received no schooling, which is below the provincial level of 9.4% and the district level of 12.3%. With regards to basic literacy, 36.11% of the Makana population have only been educated up to primary level, which is better than the provincial level. The Makana area excels in terms of the proportion of the population that has completed matric, and attained tertiary levels of education. 22.07% of Makana residents have an education level of matric or higher, which is almost twice the provincial level of 13.33%. The implication of this is that a large proportion of the population is able to (has the potential to) become fully economic active members of society as their employability is higher than those of uneducated people.

2.3.3 EMPLOYMENT PROFILE

As was indicated in the education profile, education levels have an impact on employment levels in an area. Employment in turn has an impact on household income levels and the overall economic structure of an area.

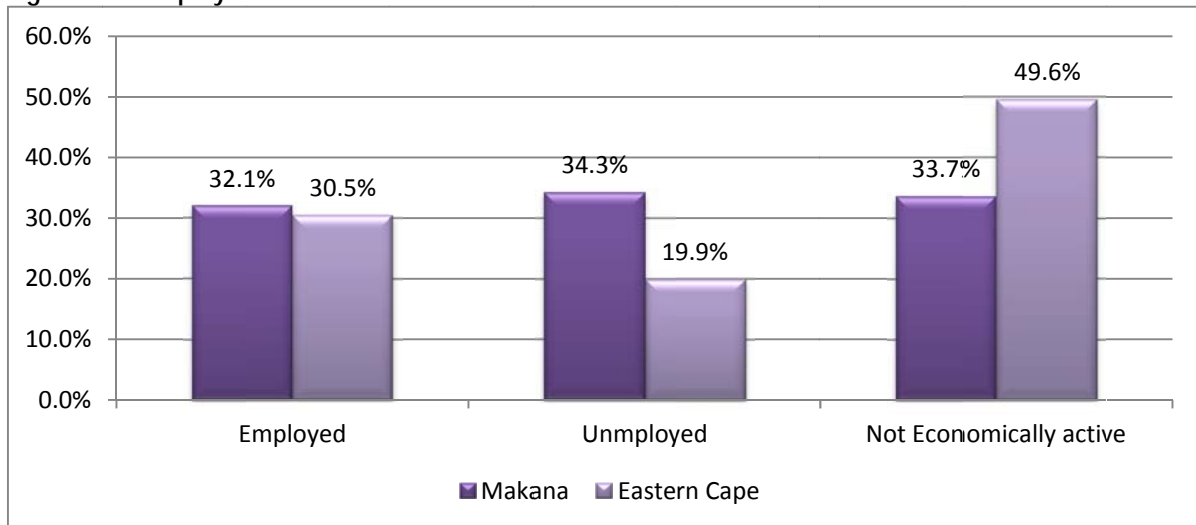
2.3.3.1 EMPLOYMENT STATUS

- For the purposes of this section, people's employment status may be categorized as employed, unemployment and not economically active. These statuses may be defined as:
- **Employed** have within the last seven days performed work for pay.
- **Unemployed** (i.e. Those people within the economically active population who: did not work during the seven days prior to the interview; want to work and are available to start work within two weeks of the interview; and have taken active steps to look for work or to start some form of self-employment in the four weeks prior to the interview.)
- **Not economically active** (i.e. A person who is not working and not seeking work or not available for work)

Figure 2.4 provides a graphic representation of employment in Makana. Using the definitions provided above, of the 70 706 people living in Makana in 2007:

- 13801 (or 32.1%) were employed, which is similar to the provincial level but lower than the district level.
- 14 753 (or 34.3%) were unemployed, which is much higher than the provincial and district levels
- 14 496 (or 33.7%) were not economically active, which is lower than the provincial and district levels.
- 27 656 were not classified as they fall outside the bands of the working age population

Figure 2. 4: Employment Status



(Source: Quantec: 2007)

The high level of unemployed as opposed to not economically active means that the percentage of people in Makana actively looking for work that have not yet been discouraged by long term unemployment is higher than the provincial and district level.

This means that there is a perception of there being employment opportunities present in the area that drives people to continue in their search for employment.

This is comparable with the provincial and district scenarios in which a higher number of people are no longer seeking work even though they are not employed (discouraged workers), which is an indicator of limited opportunities. The breakdown of people between unemployed and not economically active statuses may also be indicative of the temporary nature of jobs (rather than permanent) that avail themselves in the Makana area. This is in line with the dominant activities in Makana which are:

- Tourism – Events such as the national arts festival support temporary employment much more than permanent employment
- Community Services- In the form of Rhodes University and the schools situated within Makana
- Trade and Agriculture – which can be cyclical and seasonal in nature.

2.3.3.2 EMPLOYMENT BY OCCUPATION

81.5% of those employed in Makana were employed in **formal sector**, while 18.5% of total employment was in the **informal sector**. This is a reflection of its educational profile, as a more educated community generally finds employment in the formal sector. The formal- informal sector representation is identical to the provincial trend (18.3%) but lower than the district level of 25.5%. the high level of formal sector employment in Makana provides some insight into the nature and character of its economy, and the employment opportunities created within it. It may be deduced that the scope for small and micro-scale entrepreneurial ventures can be mostly found in the formal, mainstream sphere of economic activity.

With regards to the period between 1995 and 2007, job growth has been erratic. The number of people employed in Makana declined at an average rate of 0.91% per year, but employment levels have rebounded since 2003. Though, Makana's employment levels have fallen at a faster rate than that of the district and the province, it must be noted that this fall was off a relatively smaller base, which magnifies the effects of small changes.

Of concern is the fact that informal employment in Makana has fallen at an approximated rate of 2.6% a year.

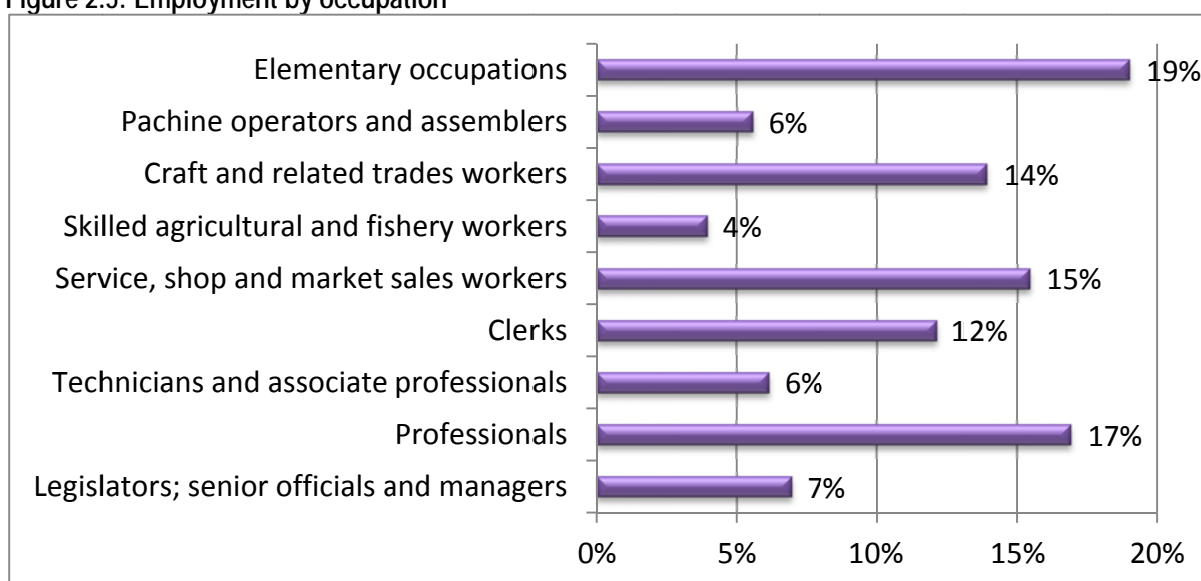
This has happened while the skills profile has remained largely static, with:

- 13% of workers being highly skilled
- 44% of workers being skilled

- 43% of workers being unskilled

The skills profile which is line with the education profile provided is reflected in Figure 2.5

Figure 2.5: Employment by occupation



(Source: Quantec: 2007)

21% of the workforce is made up of professionals and senior officials, which is a result of the significant impact that Rhodes University has. The percentage of people employed as technicians and other allied activity is low when consideration of those in elementary occupations (17%) is made.

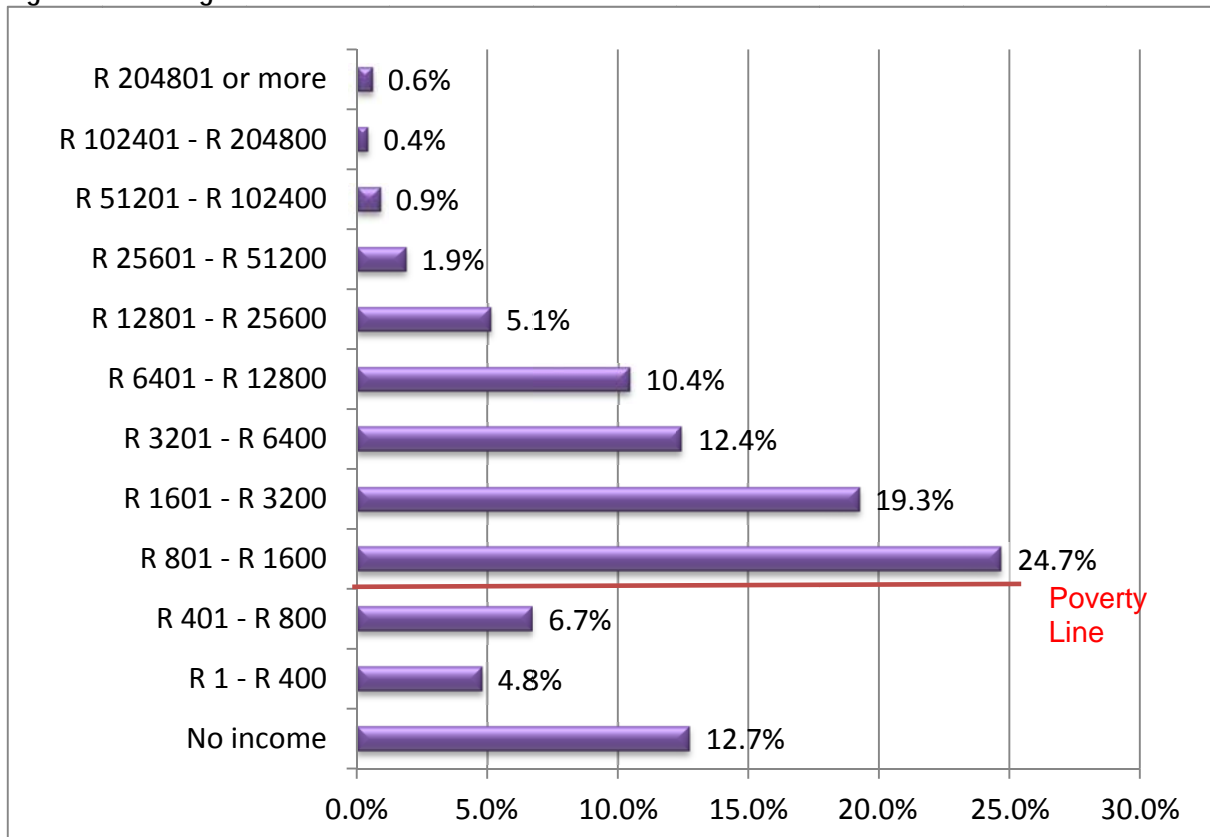
2.3.4 HOUSEHOLD INCOME

The demographic make-up of an area, coupled with its educational characteristics and employment trends all have an impact of household incomes. Household income is defined as the combined income of all members of a household. The determination of the income includes:

- Labour remuneration
- Income from property
- Transfers from government (including pensions)
- Transfers from incorporated businesses
- Transfers from other sources

As household income translates into buying power, it is thus also a determinant of the standard of living enjoyed by residents of Makana. 23% of households in Makana subsist on an income below the poverty line (of R800 a month or R9 600 a year), while 18% and 29% of district and provincial households respectively face a similar plight. The Makana municipality has a higher percentage of people in the high income brackets than the Eastern Cape which means that on average, household incomes in Makana approximate to R8 417.63 per month. This places Makana among the higher income ranges in the Eastern Cape.

Figure 2.6 Average Household Income



(Source: Quantec: 2007)

2.3.5 ACCESS TO BASIC SERVICES

In the introduction to the socio-economic profile, it was revealed that indicators of general well-being would be reviewed. In line with this, the provision of certain basic services has a direct and immediate effect on the quality of lives experienced by residents of an area. These services include but are not limited to:

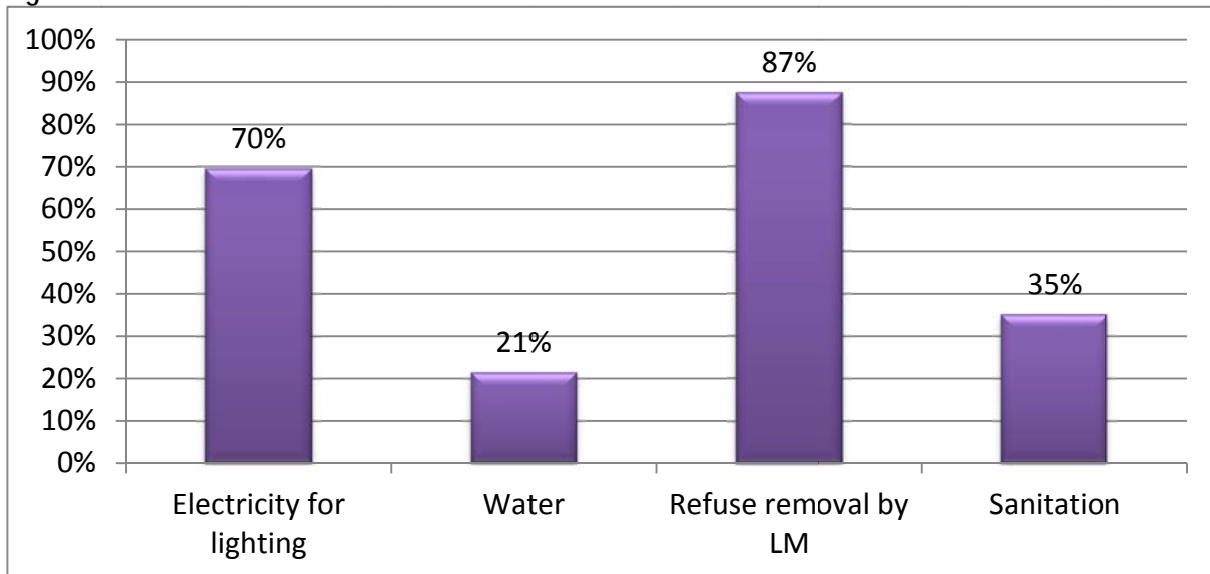
- Water supply
- Refuse collection and disposal
- Electricity
- Sanitation

The link between such basic services and the quality of life can be seen in how if the water that is provided is of a poor quality or refuse is not collected regularly, it will contribute to the creation of unhealthy and unsafe living environments. Similarly poor service delivery in the form of electricity shortages can also make it difficult to attract business or industry to an area and therefore limits job opportunities for residents.

The Makana Municipality generally fares well in terms of service provision in comparison to the Cacadu District and the Eastern Cape Province. This is presented in Figure .37. Water provision relates to piped water inside the household dwelling and sanitation refers to flush and chemical toilets that are communally accessible.

Provision of these services is low, in line with provincial and district standards, whilst the Makana Municipality does perform well in terms of provision of electricity for lighting and refuse removal. However, when broader measures of basic service provision are used (e.g. other forms of sanitation services and piped water beyond individual yards), the performance of the municipality is found to improve. Further analysis of service provision will be provided in the infrastructure profile.

Figure 2.7: Access to Basic Services



(Source: Quantec: 2007)

2.3.6 SYNTHESIS

An overview of some of the development indicators profiled in this chapter are shown in Table 6

Table 2.5: Synthesis of Socio-Economic Profile

Variable	Description
Population	70 706
Population Density	16.1 persons per square kilometer
Age Profile	38.9% of population are in the 15-34 age bracket
Education	6% have no schooling 22% have matric or higher
Employment	34% unemployed
Monthly household income	Average weighted household income: R8 417.63 23% of households live below poverty line of R800 per month

From this chapter it is evident that households in the Makana Municipality are on average better off than those in the rest of the Cacadu district and the Eastern Cape. In comparison to the Eastern Cape Province, the municipality has a higher percentage of people with Matric level education, and a lower level of people without any form of education. Poverty levels are also lower in Makana than in the rest of the district and the province.

Makana has a higher unemployment rate than the provincial level. It is apparent that the local economy is currently not generating enough employment opportunities.

This is a situation that arises despite the population being relatively well educated, and average household income levels being high.

The need for the Makana Municipality to create an enabling environment that is conducive to growth and development thus arises, and will be confronted throughout the rest of the document.

The provision of some basic services does ease the requirements for social infrastructure, which can allow the municipality to focus on providing economic infrastructure and promoting economic development.

2.3.7 CRIME INFORMATION (NEW)

The following table reflects the patterns of reported criminal activities during 2005/06 in the Cacadu district and Makana Municipality and the other table gives a breakdown of reported criminal activities according to the CDM IDP, 2007-2012 and CDM IDP, 2007-2008, respectively.

According to the Cacadu District Municipality 2007/8 IDP: "Great care should be exercised when interpreting the patterns of growth in reported crimes between 2001/02 and 2005/06. The 2001 Census allows one to use official population statistics to calculate ratios of crimes per 100 000 population, which may be compared to the provincial and national ratios for that year

The 2005/06 population statistics, however, are based on an assumption of 1.5 percent annual growth rate across all the municipalities. Although this may be a feasible estimate of population growth in the district as a whole, there is evidence of a wide range of annual growth rates in the local municipal areas. Thus the population of some of the Karoo municipalities might have growth slower than the estimated average, while a municipality such as Kouga is reported to be growing considerably faster than the average".

Theft related crimes account for fully one half of all reported crimes (51.6 percent if stock theft is included). Only in Makana (59.4 percent) is this proportion of crimes notably higher than the district average.

Burglary of residential premises is the most common crime in this category (theft) throughout the district (16.3 percent of all reported crimes) in all of the local municipalities.

The ratio of burglary at residential premises is twice as high in the Cacadu district as the Eastern Cape and national ratios.

Violent crimes account for one third of all reported crimes in the district. The pattern is roughly similar in the local municipalities. The incidence of violent crimes as a proportion of all crimes is lowest in Makana (27.1 percent).

Assault (common assault and assault with the intent to inflict grievous bodily harm) is the most common reported violent crime, accounting for over one quarter (28.4 percent) of reported crimes during 2005/06. Although there has been a decline in the ratio of assaults per 100 000 population (-3.3 percent for serious assault and -22.4 percent for common assault), the declines are lower than the provincial (-9.4 percent and -23.8 percent respectively) and national (-14 percent and -13.1 percent respectively) averages. The incidence of assault in the Cacadu district remains almost twice as high as the Eastern Cape and national ratios.

The ratios per 100 000 of population of the other violent crimes, i.e. murder, rape and attempted murder, are generally higher in the Cacadu district (particularly for rape) than the provincial and national ratios. In the District, rape, murder and attempted murder accounts for just fewer than four percent (4.4 percent) of all reported crimes. Sunday's River Valley (6.3 percent), Baviaans (5.9 percent) and the DMAs (5.5 percent) recorded somewhat higher proportions of these three violent crimes, while the proportion in Makana (3.3 percent) is the lowest.

It must be noted that the incidence of murders in the Cacadu district has increased by 14.5 percent between 2001/02 and 2005/06, while the Eastern Cape recorded a much lower rise during this period (4.9 percent increase), and the national incidence of murders as a proportion of all reported crimes declined by 13.5 percent over this period.

Among the other crimes, malicious damage to property remains common throughout the district.

Overall, the trends to watch are the following:

- Incidence of murder in the District is growing while the national incidence has declined.
- The incidence of rape too has increased, particularly in Camdeboo and Sunday's River Valley, but also in Kouga and Makana.
- Robbery is on the increase:
 - robbery with aggravating circumstances shows an increase that far outstrips both the provincial and national growth figures;
 - robbery with aggravating circumstances increased particularly in Makana;
 - common robbery has increased by over fifty percent since 2001/02 while the provincial and national proportions have decreased by around twenty percent during that period;
 - Makana, Ndlambe and Kouga recorded the highest increases in common robbery”

Table 2.6: Patterns of Reported Criminal Activities

Crime Category	CDM % of all	Makana
Assault with the intent to inflict grievous bodily harm	17.9%	12.9%
All theft not mentioned elsewhere	17.2%	21.0%
Burglary at residential premises	16.3%	16.5%
Common assault	10.5%	10.0%
Malicious damage to property	6.2%	7.0%
Theft out of or from motor vehicle	4.2%	7.3%
Stock theft	3.5%	2.5%
Crime injuria	3.0%	2.6%
Burglary at business premises	2.8%	1.2%
Drug-related crime	2.8%	1.5%
Rape	2.7%	2.3%
Shoplifting	2.3%	3.5%
Common robbery	2.1%	2.7%
Robbery with aggravating circumstances	1.3%	1.8%
Driving under the influence of alcohol or drugs	1.2%	1.7%
Theft of motor vehicle and motorcycle	1.1%	1.4%
Commercial crime	1.1%	1.4%
Murder	1.0%	0.6%
Attempted murder	0.7%	0.4%

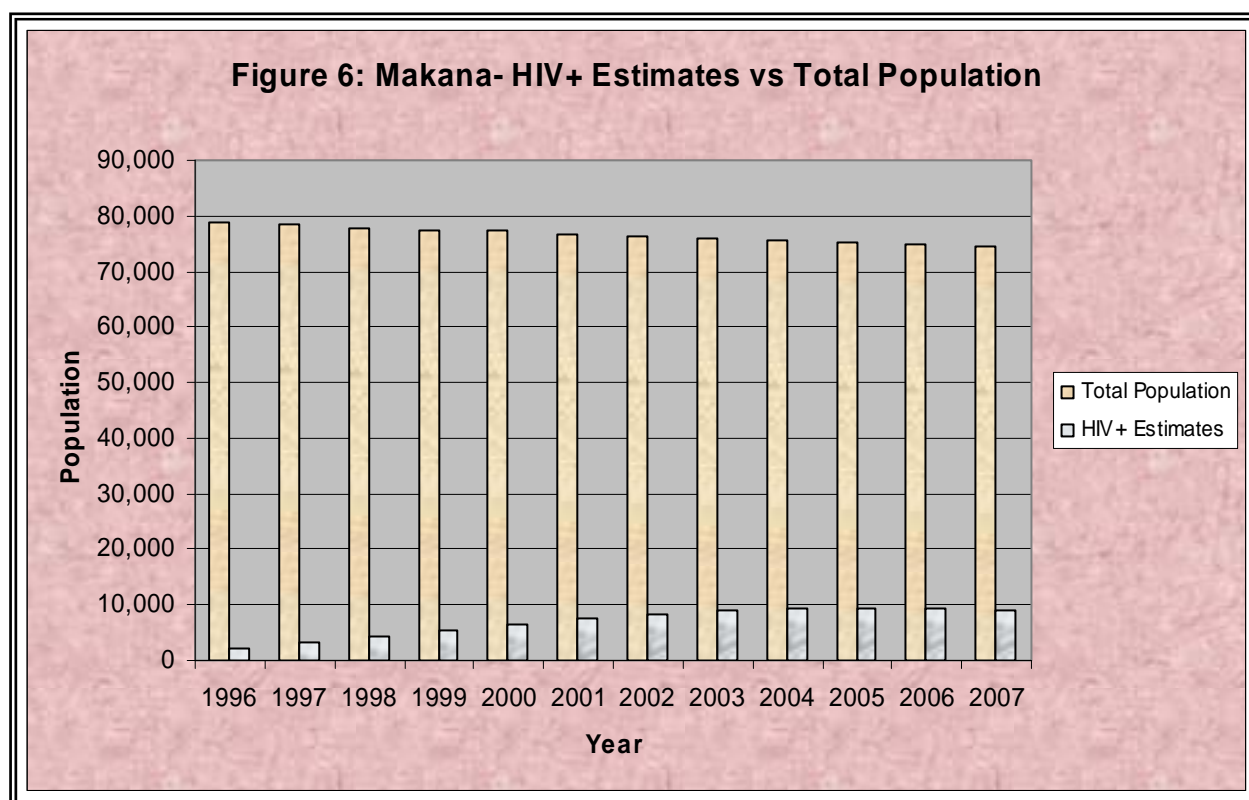
Crime Category	CDM % of all	Makana
Culpable homicide	0.6%	0.4%
Indecent assault	0.4%	0.3%
Arson	0.3%	0.3%
Neglect and ill-treatment of children	0.2%	0.2%
Illegal possession of firearms and ammunition	0.2%	0.2%
Abduction	0.1%	0.1%
Public violence	0.0%	0.1%
Car hijacking (subcategory of aggravated robbery)	0.0%	0.0%
Kidnapping	0.0%	0.0%
Truck hijacking (subcategory of aggravated robbery)	0.0%	0.0%
Bank robbery (subcategory of aggravated robbery)	0.0%	0.0%
Total reported crimes	100.0%	100.0%

Source: CDM IDP 2007-2012

2.8.8 HIV/AIDS INFORMATION

In 1996, 2001 and 2007 the percentage of the population of Makana who were HIV positive was 2, 73%, 9, 75% and 12, 21% respectively.

Figure 2.8: Makana- HIV vs. Total Population



Source Global Insight (2008)

2.3.9 ACCESS TO SOCIAL GRANTS

Due to the high unemployment, a significant portion of the population is dependent on social grants. Dependency on social grants is reflected by the table below (as provided by SASSA, 2009) which are categorised per SASSA's sub-regions.

The predominant type of grant is for child support followed by old age and permanent disability. There has been a gradual increase in social grant expenditure in the Cacadu District increasing to R 59,736,423.00 in the 2009 financial year from R 59,068,286.00 in the 2007 financial year.

Table: 2.7 Access to social grants

Source: SASSA, 2009	2007			2008			2009		
Office	No of Beneficiaries	No of Children	Expenditure	No of Beneficiaries	No of Children	Expenditure	No of Beneficiaries	No of Children	Expenditure
Grahams town	34253	24953	R 23,009,991.0	34337	25153	R 23,072,349	34548	25396	R 23,217,303.0

			0			.00			0
Care Dependency	353	357	R 360,570.00	346	350	R 353,500.00	346	351	R 354,510.00
Child Support (0-15)	16026	22771	R 5,465,040.00	16081	22892	R 5,494,080.00	16169	23052	R 5,532,480.00
Foster Care	1407	1825	R 1,241,000.00	1465	1911	R 1,299,480.00	1522	1993	R 1,355,240.00
Grant in Aid	764		R 183,360.00	754		R 180,960.00	762		R 182,880.00
Old Age	9942		R 9,951,232.00	9962		R 9,967,907.00	10000		R 9,996,870.00
Permanent Disability	5258		R 5,301,519.00	5247		R 5,290,481.00	5323		R 5,366,811.00
Temporary Disability	498		R 502,120.00	477		R 480,791.00	421		R 423,362.00
War Veteran	5		R 5,150.00	5		R 5,150.00	5		R 5,150.00

PART THREE: LOCAL ECONOMIC PROFILE

The previous chapter provided insights into the socio-economic characteristics of the Makana region. This chapter will look at the Makana economy from a historic perspective in order to gain an understanding of what trends have shaped its development. The present state of the various sectors that comprise the Makana economy will also be discussed in order to understand the dominant features it can be currently characterised by. The local economic profile will provide an overview of the Makana economy, with its outcomes becoming the inputs for the economic potential assessment.

This chapter will be made up of the following sections:

- Overall economic performance
- Sector contribution to Regional Gross Domestic Product (R-GDP)
- Sector Profiles

3.1 OVERALL ECONOMIC PERFORMANCE

Regional Gross Geographic Product (R-GDP) is an important indicator of economic activity and comprises the value of all final goods and services, produced during one year, within the boundaries of a specific region and is commonly used to measure the level of economic activity in a specific area e.g. local municipality. Table 9 shows the overall historic performance of the Makana economy, and Table 10 compares the Makana growth rate with that of the district and the province.

Table 3.1 Makana Municipality Overall Economic Performance

Year	R-GDP (R'000 at 2000 prices)	Contribution to Cacadu R-GDP	Contribution to Eastern Cape R-GDP
1995	1 215 095	23.5%	1.92%
2001	1 219 496	21.2%	1.73%
2007	1 327 491	19.7%	1.51%

(Source: Quantec, 2007)

Table 3.2: Average Annual R-GDP Growth Rate

Period	Makana	Cacadu	Eastern Cape Province
1995-2001	0.06	1.83	2.60
2001-2007	1.47	2.82	4.21

(Source: Quantec, 2007)

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

Looking at it from a historical perspective the Makana economy grew at a slow rate between 1995 and 2007, lagging behind district and provincial trends. The Makana economy performed below par from 1995 to 2001, as seen through a decline in agricultural incomes and changes in government and community service expenditures. From 2001 to 2007 the Makana economy grew at a faster rate than before (average of 1.47 a year), as tourism and agriculture recovered in the form of Private game reserves. Despite this, throughout the period 1995-2007, the Makana economy grew at a much slower pace than the Cacadu district and the Eastern Cape. There was thus a matching fall in the Makana area's contribution to district and provincial output.

3.2 SECTOR CONTRIBUTION TO R-GDP

This section will briefly consider each of the different economic sectors individually. This will be done in order to see which sectors are most active and dominant in the Makana area, and to gain a better understanding of how each sector functions.

3.2.1 STANDARD INDUSTRIAL CLASSIFICATION

Classification of economic activity in this report shall be based on the South African Standard Classification of all Economic Activities (SIC) approach. Under this approach, similar forms of economic activity are organised and distinguishable under the following nine major sectors which are discussed further in detail and their performance in the Makana LED Strategy that was approved in February 2010 :

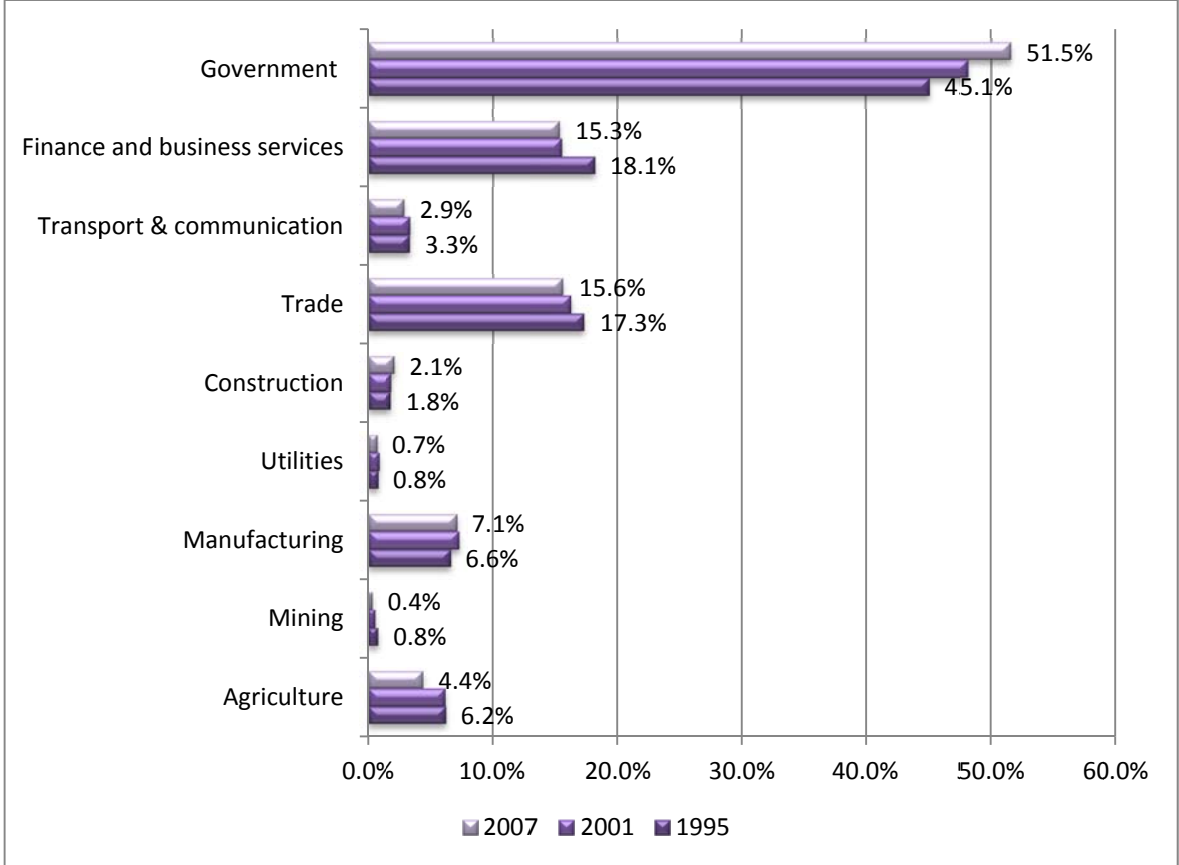
1. Agriculture, hunting, forestry and fishing
2. Mining and quarrying
3. Manufacturing
4. Electricity, gas and water supply
5. Construction
6. Wholesale and retail trade;
7. Transport, storage and communication
8. Financial intermediation, insurance, real estate and business services
9. Government and Community services

As is evident, these sectors are made up of combinations of diverse forms of activity. Under the SIC approach, it is possible to disaggregate economic activity to sub-sectorial level, as well as into lower levels of greater detail.

3.2.2 ECONOMIC STRUCTURE

The relative contribution of each economic sector to R-GDP shows how important each is to the overall functioning of the Makana economy. Figure 4.2 shows historic trends of how much each economic sector has contributed over the period 1995 to 2007. It must be noted that official statistics only show activity in the formal economy, and do not reveal the full extent of activity in the informal economy.

Figure 3.1: Sector contribution to R-GDP 1995-2007



(Source: Quantec, 2007)

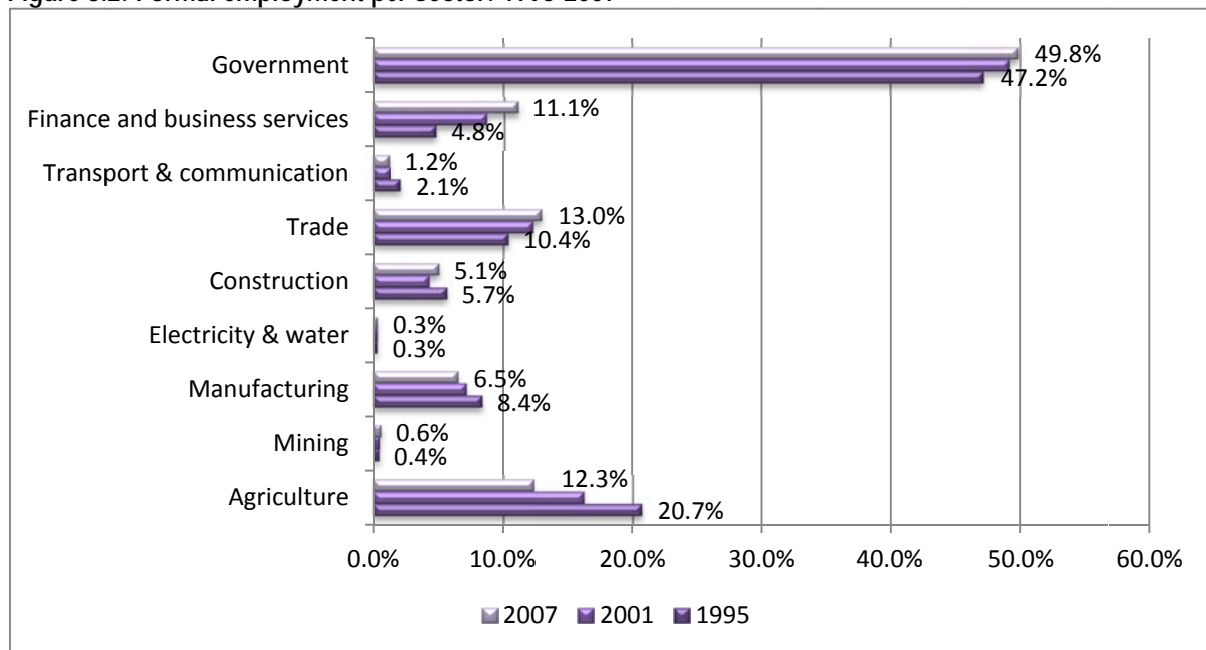
The other large contributors to the Makana economy are the trade and business services sectors. Agriculture only contributes towards 4.4% of output even though it is a notable source of employment. This is because by nature, agriculture is a primary sector in which little value addition takes place. This is compounded by fluctuating and generally depressed commodity prices.

Makana does not possess a strong resource-based economy as the mining and agriculture sectors make a combined contribution of less than 5%. This then filters through to it having a manufacturing sector that plays a smaller role than is seen in the district and the province.

3.2.3 SECTORAL EMPLOYMENT

It is prudent to consider how sectorial employment compares with sectorial output. This will allow identification of those sectors that are capital or labour intensive and thus driving potentially driving job creation in Makana. Figure 4.3 shows employment contributions per sector, with associated changes from 1995 to 2007.

Figure 3.2: Formal employment per sector: 1995-2007



(Source: Quantec, 2007)

Employment created by the government and community services sector (50%) matches its R-GDP contribution of 51%. Employment in this sector has increased as the sector's output has also increased. A large proportion of this is from Rhodes University, which directly employs approximately 10% (+-1500 workers) of the entire Makana labour force, and indirectly creates employment in other sectors as well.

Employment in the finance and business services sector doubled between 1995 and 2007 from 767 to 1558 people. This saw a rise in its contribution from 5% to 11% even though this growth came off a relatively small base to start off with. The increase in employment in this sector also came about as the sector's contribution to R-GDP declined.

Other notable changes were seen in agricultural employment, where employment fell by 47% from 3 277 people in 1995 to 1 740 in 2007.

This means that agriculture which in 1995 accounted for 20% of all employment in Makana declined in its contribution to 12.3%. Despite this fall in employment, as well as falling agricultural output, the sector still employs a high proportion of people compared to its R-GDP contribution (12% employment for a 4.4% contribution to output). It thus emerges that it is an important economic sector in the region given that it is labour intensive and provides low skilled employment. However it is a low contributor to GGP and also provides largely low paying jobs.

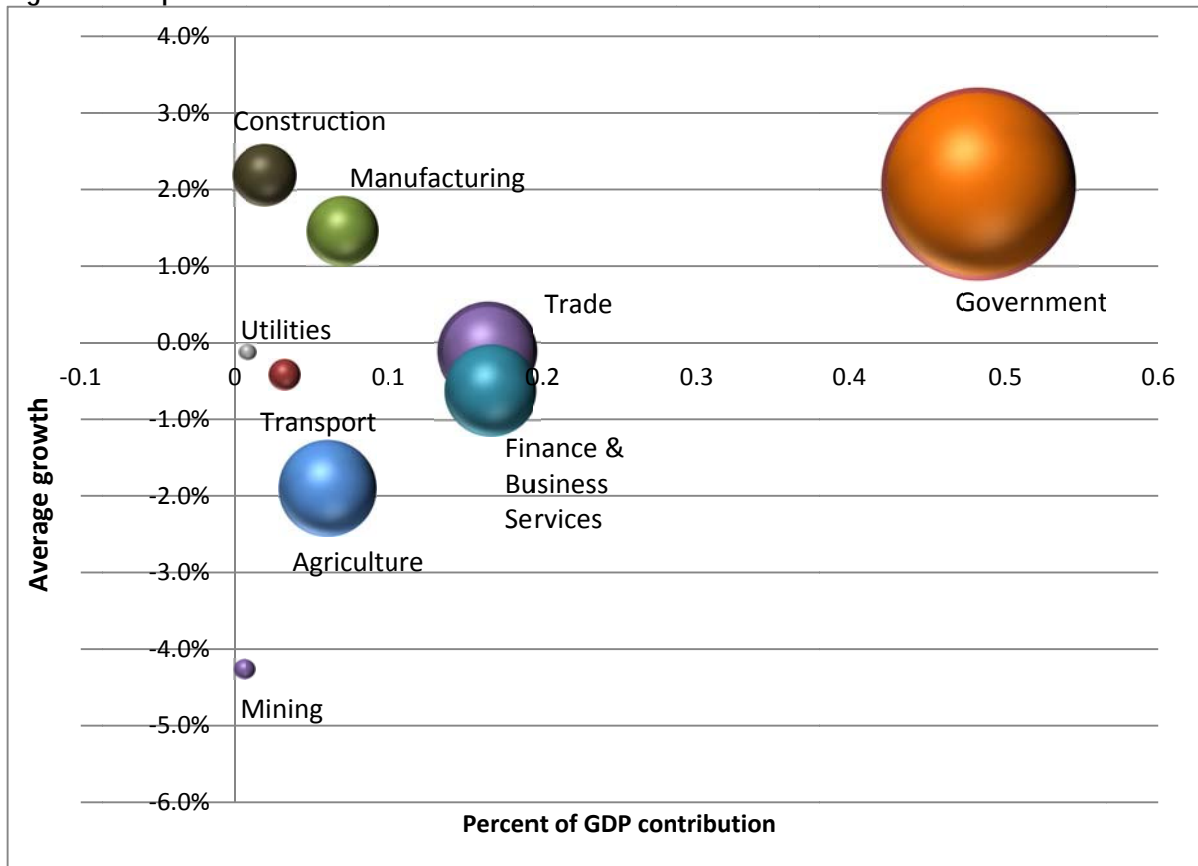
Agricultural employment in Makana is less than half of the district level of 27.4%. Possible environmental and climatic causes for this will be discussed in the environmental and sector profiles.

3.2.4 RELATIVE IMPORTANCE OF SECTORS

Figure 4.4 reveals the relative importance of different economic sector in Makana as seen through their:

- Average R-GDP Growth rates from 1995 to 2007
- Average contribution to R-GDP from 1995 -2007
- Average employment contribution

Figure 3.3: Importance of each economic sector



(Source: Quantec, 2007)

From Figure 4.4 it is clear that Government and community services dominate the Makana economy in terms of R-GDP and employment contribution. Though they currently do not contribute sizeable amounts to the R-GDP, construction and manufacturing grew faster than other sectors, albeit still at a slow pace. During that same period agriculture was declining. Three sectors (community services, trade and finance) make up approximately 82.4% of Makana's output, and this is visually represented in Figure 4.4.

3.3 SECTOR PROFILES

This section provides an overview of all the economic sectors in Makana, profiling the nature and extent of activity to be found as well as their defining traits.

3.3.1 AGRICULTURE

The agricultural sector includes all activities related to growing of crops, gardening and horticulture, farming with animals, agricultural husbandry services, hunting, trapping and game propagation, forestry and logging, fishing and operation of fish hatcheries .

In Makana the distinct types of activity to be found in this sector are:

- Commercial Agriculture
- Emerging and Subsistence Agriculture
- Hunting and Private Game Reserves

3.3.2 COMMERCIAL AGRICULTURE

Commercial agriculture focuses on stock farming to the north of Grahamstown and mixed farming to the South of Grahamstown. This is a reflection of the different climatic conditions experienced and varying patterns of farm size between the northern and southern parts of Makana.

The area to the north of Grahamstown is known as Upper Albany, and accounts for approximately two thirds of the municipality. As was revealed in the environmental profile, Albany North receives mean annual precipitation of less than 400mm, which makes it unsuitable for crop farming except under irrigation. Livestock and game farming thus dominate in Upper Albany. Lower Albany receives mean annual precipitation of over 600mm, which makes the land well suited to rain-fed cropping (Agriculture in Makana, 2008).

Stock farming is concentrated in Cattle (for beef), Goats (for meat and mohair), Horses (for stud breeding), Sheep (for wool) and rearing of Ostriches (for meat, hides and feathers). Farmers target local and regional markets in Grahamstown, East London and Port Elizabeth, depending on the specific form of Livestock, and the prevailing market conditions. Marketing channels used include local and regional abattoirs, brokers, agents and local produce markets and fairs. Average livestock farm sizes are between 1 000 and 3 000 hectares.

Mixed farming concentrates on livestock and crop products such as Pineapples, Olives, Pepper dews and Chicory. Makana agriculture focuses on these crop products because growing traditional crops such as Maize and cotton are no longer recognised as profitable in the area, due to the rainfall patterns and other climatic variables, and market conditions. The rain shadow that runs to the north of Grahamstown reduces the scope of land that can be used for crop farming. In addition to this, the water quality in areas such as Salem and Fort Brown is not conducive for growing most crops, due to its salinity and tendency to oxidise. Irrigation is undertaken on some farms, so as to supplement the low rainfall. The average size of mixed farms is between 100-500 hectares, as these need less land for livestock grazing.

The main source of income for commercial farmers (78%) is from livestock farming and animal products. This is largely made up of dairy farming (41%). With regards to field crops, the majority of income comes from maize and chicory (a combined contribution of 74%). Most value addition of commercial agricultural produce (packaging, canning, manufacturing, processing, etc.) occurs outside the Makana Municipality. There is however, some value addition that takes place, which will be discussed in the manufacturing sector profile. (Agriculture in Makana, 2008).

In the Census of Commercial Agriculture conducted in 2002 it was reported that there were 165 commercial farms in the Makana area. Between 2002 and 2009 that figure has probably reduced as a result of some farms being converted to game reserves and others lying fallow.

Commercial agriculture in Makana is organised around several geographically based farmers associations, which are all syndicated into the Albany-Bathurst Farmers League. Other farmers associations in the area include:

- Eastern Border Farmers' Association
- Belton-Salem Farmers' Association
- Carlisle Bridge Farmers Association
- Bathurst West Farmers Association
- Koenap Farmers Association

(Agriculture in Makana, 2008).

Challenges Faced by Commercial Farmers in Makana include:

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

(Agriculture in Makana, 2008).

3.3.3 EMERGING AND SUBSISTENCE AGRICULTURE

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

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

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

Emerging and small scale farmers are organised under the Makana Farmers Association and the Grahamstown Stockowners Association, which have a combined membership of approximately 100 farmers. **Some of the challenges they face include:**

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

(Makana Farmers Association, 2009)

2.3.4 HUNTING AND PRIVATE GAME RESERVES

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

Game reserves are mainly made up of land that was traditionally previously used as farms, but has been integrated and agglomerated into a larger entity. Private game reserves target international tourists that have high purchasing power during peak seasons as their main customers, and local tourist during low seasons.

Not all the income generated by Game reserves and hunting activity is reflected under the agricultural sector, as their activities also fall under the SIC classification of Trade. The scope of activity that fall under the agricultural classification includes revenues directly sourced from:

- Rearing of animals
- Game propagation
- Hunting and trapping

The transformation of land from pastoral farming to use as hunting and game reserves has yielded mixed fortunes throughout the Makana area. Average employee wages on game reserves and hunting operations are typically higher than those on traditional farms. However, these operations are often less labour intensive than traditional agriculture and thus employ fewer people than farms. This means that total community welfare and income (as expressed through wages earned and other benefits such as rations, housing subsidies, etc.) may not necessarily rise in every instance in which farmland has been converted into a hunting and game reserve (Whisson, 2009).

3.3.5 MINING

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

Based on the above definition, mining in Makana takes the form of surface mining of Kaolin and sand quarrying. Mining in Makana makes the smallest contribution of all the sectors in Makana.

With regards to employment, between 1995 and 2007 the number of people employed in the Makana mining sector has gone up from 66 to 78. Although increasing, this represents only 0.6% of all the people employed in Makana.

The geological profile of Makana indicates that the main resource that is available for extraction is Kaolin. Kaolin is a clay mineral that is used in the production of ceramics, bricks, tiles, paper, paints, pharmaceuticals and industrial minerals. Grahamstown boasts large untapped and underutilised deposits of Kaolin, but much of these reserves are of a low quality grade. Kaolin from Makana accounts for about 25% of national production, which shows how substantial and economically important its kaolin reserves are. Makana has approximately 100m tons of kaolin reserves, which is enough to supply the national market for over a hundred years based on current demand. (Mining in Makana, 2007).

Apart from mining of Kaolin, rock aggregates are extracted from quarries and borrow pits. The material extracted from these excavations is used as sand, gravel, crushed stones and crushed aggregates that are used in road and general construction.

(Mining in Makana, 2007)

3.3.6 CHALLENGE

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

3.4 MANUFACTURING

This sector is broadly defined as the physical or chemical transformation of materials or compounds into new products and can be classified into 10 sub-groups namely:

1. Food, beverages and tobacco
2. Textiles, clothing and leather goods
3. Wood and paper; publishing and printing
4. Petroleum products, chemicals, rubber and plastic
5. Other non-metal mineral products
6. Metals, metal products, machinery and equipment
7. Electrical machinery and apparatus
8. Radio, TV, instruments, watches and clocks
9. Transport equipment
10. Furniture and other manufacturing

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

3.4.1 CHALLENGE

Manufacturing in Makana is described under the Industry classification has 'limited prospects overall' and under the Carvalho classification as making a 'marginal' contribution to the municipality's economy. Despite this forecast, there is scope for specialist/niche manufacturing activity such as deboning of ostrich meat. As a result of Makana's industrial profile, such operations will not typically employ large amounts of labour. They can however, generate much needed income into the area and will often have linkages with other economic sectors.

3.5 CONSTRUCTION

The construction sector includes activities related to site preparation, construction of buildings, building installations, building completion and the renting of construction equipment. The range of activity contained within the construction sector thus includes shop fitting, plumbing, electrical contracting, painting and decoration.

3.5.1 CHALLENGES

Labour and physical inputs are the main resources needed in the construction sector.

There is a significant shortage of skilled labour in Makana that can be used for construction services. Scarce skills in the construction sector include but are not limited to:

- Management skills, more specifically project management skills are required to effectively operate and manage the business as a contractor
- Linked to management skills but crucial to the survival of any business is financial management skills
- Technical skills such as bricklaying, plumbing, electrical wiring etc.

This means that there are a few large and accredited building contractors in Makana that are able to undertake large, high value projects. Such contractors are typically associated with the Master Builders Association. Large construction sector organisations in the Makana area include *CM Heunis Building* contractors and *Strydom and Kroqwana Construction*.

In order to remain accredited, they often have to bring in skilled and certified laborers from outside the Makana area, which represents an income and employment leakage out of the Makana area. A leakage in this context refers to a flow of resources out of the local economy.

Building contractors are thus often brought in from outside the Makana area in order to oversee building projects. The contractors who are from outside the LM do however provide jobs for the locals but often bring in their own labour, and for this reason local job creation is not as high as it could be in the construction sector. In addition to this, limited institutional support for apprenticeship, mentorships and other forms of training propagate continued leakage of incomes from the area.

There are several emerging building contractors located within the Makana region. However, they are often plagued with a lack of experienced and skilled staff, which limits their growth. Other problems faced by emerging contractors include project management capacity constraints that ultimately affect project completion and quality.

As a result of no accreditation, emerging contractors are often bypassed when it comes to opportunities to tender for high value construction projects such as government funded infrastructure provision. This then reinforces a cycle in which emerging contractors remain too small, inexperienced and undercapitalised to grow their businesses.

(Lisa Trading, 2009)

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

3.6 TRADE

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

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

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

3.6.1 THE NATURE AND CHALLENGES OF TRADE IN MAKANA

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

Despite the wide array of options (in comparison to other similarly sized towns), there is a significant amount of expenditure leakage to other towns such as Port Elizabeth for goods such as specialty products, luxury items, electronic equipment and clothing.

This is a result of Makana's demographic profile, which is made up of young, upwardly mobile consumers that seek variety. High income earners thus often travel outside the Makana locality to buy goods and services. (Ranchhod, 2009)

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

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

In the other areas in Makana (Riebeeck East and Alicedale), owner managed enterprise dominates the trade sector. This applies to both the retail and tourism sides of the trade sector. This is because it is not profitable for large businesses to establish themselves in these areas due to their small populations and low income levels. The smaller settlements in Makana are thus dominated by general dealers, liquor stores and mini-markets that serve the needs of local resident.

3.6.2 MARKET TRENDS

The trade sector in Makana experiences some level of seasonality in that business activity tends to peak in relation to educational calendars (Rhodes University O-Week, Independent schools' balloon week, etc.) and major tourism events (Grahamstown Arts Festival, Science Festival, etc.). this however, is mitigated by the presence of smaller tourism events, and the existence of some consumer markets that are not directly derived from the presence of Rhodes university.

The retail aspect of trade has been largely stagnant with slow growth defining the market. However, there are sentiments that opportunities within the trade sector are not fully exploited which could signal potential future growth. Such opportunities exist in the townships, where low-income clients that are mostly dependent on government social grants are underserved. (Ranchhod, 2009)

With regards to accommodation for tourism, growth in the establishment of Bed and breakfast has also slowed, as the market has approached saturation. It is envisioned that the effects of the global recession will impose a heavy impact on the future growth and profitability of these establishments.

3.7 TRANSPORT & COMMUNICATION

Transport and communications as an economic sector refers to activities concerned with land transport, railway transport, water transport, transport via pipelines, air transport. It also includes the activities of travel agencies, post and telecommunications organisations, courier activities, as well as storage and warehousing activities.

3.7.1 THE NATURE OF TRANSPORT AND COMMUNICATIONS CIN MAKANA

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

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

- Bus and Coach passenger lines (such as Greyhound and Intercape) operate in the area, even though they do not have base offices in Makana.
- Mass Commuter transport (in the form of minibuses/ taxis, associated with Uncedo, the taxi organisation)
- Taxis services (such as JCs shuttle service and Rhode Trip)
- Flights from the Grahamstown airstrip for entertainment purposes (such as E.P. skydiving and guests to game reserves such as Kwandwe)
- Occasional sightseeing rail tours (such as the Alicedale adventure)

These activities are supported by enabling infrastructure and service including:

- Grahamstown's proximity to the N2 highway and linkages with other major roads as shown in the infrastructure profile
- A taxi rank facility that serves a hub for transport within and outside Makana
- Several petrol stations (garages) that trade on local and transient demand
- Travel agents (such as Sure-go travel)

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

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

3.7.2 CHALLENGE TRANSPORT AND COMMUNICATION

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

3.8 FINANCE AND BUSINESS SERVICES

The finance and business services sector includes activities related to obtaining and redistributing funds, including for the purpose of insurance, real estate or commercial and business services. Some of the activities that fall under this sector include financial intermediation; insurance and pension funding; real estate activities; renting or transport equipment; computer and related activities; research and development; legal; accounting; bookkeeping and auditing activities; architectural, engineering and other technical activities; and business activities not classified elsewhere.

The Service sector supports primary and secondary sectors by providing the 'soft' components of any economy. The quality of services provided determines the leveraging that will be achieved by the economy as a whole.

3.8.1 THE NATURE OF FINANCE & BUSINESS SERVICES IN MAKANA

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

A range of mortgage providers, micro-lenders and investment facilitators such as Wesbank and Louhen financial Services are also present.

Insurance brokers such as Sanlam life assurance, and McCallum Brokers also operate in the Makana area. These target personal financial services.

A full range of business services are also available in Grahamstown These include accounting (Neill Pike), real estate agents (Pam Golding) , attorneys (Nettletons), IT services (Albany Computers), engineers (MBB consulting) and other forms of activity. It is apparent that a broad spectrum of activity in the business services sector is covered in Makana.

It is prudent to point out that some of the business services located in Makana are directly linked to the existence of Rhodes University, and may not have been established in Makana if it were not for the presence of the university. These include:

- Hairy Fairy Flies (linked to ichthyology and the south African Institute of Biodiversity)
- Birch's (Robe making for university gowns)
- CES (linked to Environmental Science department)
- Grocott's Mail (Department of Journalism)
- Geodetic (Geography and Information Systems Departments)
- NISC (Department of linguistics, Rhodes library, research office)
- Private consultancies run by Rhodes university faculty members and alumni
- The number of real estate agents is high compared to other towns of a similar size. This is a result of the demand for accommodation that results from the student population studying at Rhodes University.

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

3.9 WHAT THIS MEANS FOR LED

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

3.9.1 GOVERNMENT, SOCIAL AND COMMUNITY SERVICES

The government services sector includes **community, personal and social services** rendered by private and public institutions.

Activities classified within this sector include public administration and defence activities, activities of government, government departments and agencies; education, public and private; health and social work; sewage and refuse disposal, sanitation and similar activities; activities of membership organisations; recreational, cultural and sporting activities; washing and dry-cleaning of textiles and fur products, hairdressing and other beauty treatments, funeral and related activities.

3.9.2 THE NATURE OF GOVERNMENT SERVICES IN MAKANA

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

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

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

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

- Government departments (such as Home Affairs, Roads and Transport, Agriculture, Education, Labour, Water Affairs and Forestry, amongst others)
- Defence activities (such as the SANDF Grahamstown military base, Midlands Command and the SAPS)
- Government agencies (such as SEDA, ECARP)
- Justice services including the department of Public Prosecutions, High court, Magistrates court and Small Claims Court
- Education (The East Cape Midlands College and Schools such as Nombulelo High School, Mary Waters School, St Andrews, DSG, Victoria Girls, amongst others)
- Health facilities (such as Settler's hospital)

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

3.9.3 What this means for LED

Makana has a comparative advantage in government services. As a result of the sector's sheer in size in Makana, it will be a key determinant in driving and directing Local Economic Development in Makana. As the anchor of economic activity in Makana, its future growth, sustainability and efficiency will have a significant in shaping the local economy and community at large.

3.10 TOURISM

The Standard Industrial Classification (SIC) used to classify economic sectors in the South Africa economy does not recognise tourism as a separate sector. This is because the tourism industry is a consumption based service industry that does not produce a tangible product. It does however, utilise the products and services of other classified industries including Trade, Transport and Business Services. Due to its increasing importance as an income and employment creator in South Africa, this report will discuss Tourism separately from the other sectors.

Tourism can be defined as related to all the goods and services linked to a person staying and travelling outside of their area of residence. This is difficult as it includes many different sources of goods and services. Despite these challenges, gaining an understanding of its salient features will ensure that the LED strategy capitalises on economic opportunities within the municipal area. The principal sources of information that will be used in this section are the recently completed *Responsible Tourism Sector Plan 2009 Review Report* and the report on *Tourism as a Pillar of the Makana Local Economic Development Strategy (2007)*.

3.10.1 NATURE OF TOURISM

As was indicated in section 2.4.4, the main forms of Tourism in Makana are **environmental, educational and cultural tourism**. This section will not repeat previously stated facts, but profile these forms of tourism in further detail. Tables 4.5 to 4.7 will list some of the activities, attractions and products that constitute Makana's tourism offering as listed in the *Responsible Tourism Sector Plan 2009 Review Report*.

Table 3.3: Environmental Tourism

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

Source: Responsible Tourism Sector Plan 2009 Review Report

Table 3.4: Educational Tourism

International Library of African Music, Grahamstown	44 Air School & Grahamstown Military Base, Grahamstown
Albany Museum, Grahamstown	National English Library Museum, Grahamstown
Observatory Museum, Grahamstown	Natural Science Museum, Grahamstown
Cory Library for historical research, Grahamstown	History Museum, Grahamstown

Source: Responsible Tourism Sector Plan 2009 Review Report

Table 3.5: Cultural Tourism

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

Source: Responsible Tourism Sector Plan 2009 Review Report

In addition to the above, there are a total of 121 providers of accommodation, that can be classified under Hotels, guest and country houses, lodges, caravan parks and camping sites, self-catering, backpackers, hostels, and B&Bs. From Table 4.5 to 4.7 it becomes clear that unlike most other activity in Makana (with the exception of agriculture), tourism occurs throughout the entire municipality and is not just concentrated in Grahamstown. Tourism thus has the capacity and capability to improve the spatial spread of activity in Makana.

Tourism is currently marketed by Makana tourism. It has approximately 120-130 members that engage in the different forms of tourism profiled. In addition to Makana tourism, the following associations and organisations are involved with tourism activity:

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

3.10.2 WHAT THIS MEANS FOR LED

There is an adequate supply of accommodation to match the wide range of tourism activities, facilities and products on offer in Makana. Tourism has the potential to create employment and generate income throughout various sectors of the Makana economy. In order for this potential to be realised and maximised, there is a need for marketing of Makana's tourism offerings to be coordinated and intensified for cooperative synergies to be experienced.

3.10.2 Community and Stakeholders priorities

3.1	Developmental Intervention	1	Identifying opportunities for job creation i.e. reviewed SCM to accommodate co-ops, outsourcing of some functions.
		2	Re-visit the Red Tape Reduction Strategy
		3	Development of Human Resources Strategy for Economic Development
		4	Development of Urban Renewal strategy i. CDB audit
		5	Capacity building programs for economic development .
		6	Exploring partnership with community to create jobs(Development of partnership Framework)

PART FOUR: ENVIRONMENTAL PROFILE

This Environmental profile provides an overview of the environmental characteristics of the Makana area. Development associated with primary activities such as mining and agriculture, as well as tertiary activity such as tourism is often based on an area's physical attributes. The environmental profile will thus feed into the developmental potential that can be based on Makana's inherent physical characteristics

The environmental characteristics of Makana are discussed under the following sub-sections:

- Climate
- Topography
- Hydrology
- Land capacity and Soil types
- Vegetation types and Biodiversity

4.1 CLIMATE

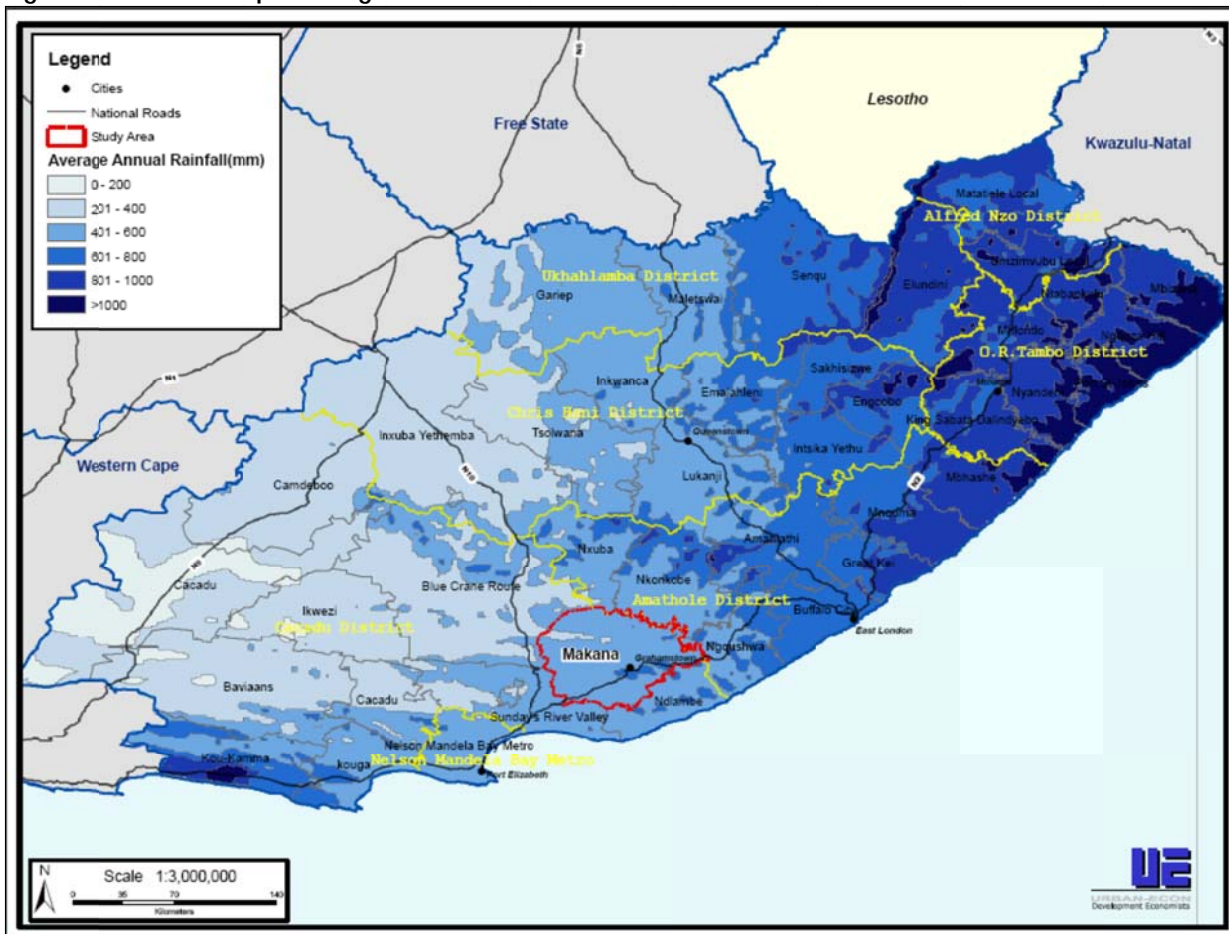
Makana lies in a subtropical climatic zone, meaning that the area is characterized by warm summers and cool winters and fairly evenly distributed rainfall throughout the year. Makana's rainfall levels are compared to the rest of the Eastern Cape's average annual precipitation levels in Figure 6.1. The spatial representation is based on data from the South African National Biodiversity institute and is useful in providing high level comparison of the Makana locality to the rest of the province's rainfall patterns.

In Figure 6.1 it can be seen that Makana's rainfall lies in the median range. The climate becomes more dry as one moves towards the north-Western half of the municipality. Because Makana is largely urbanized, with marginal rural populations, the climate will be profiled based on the major settlements located within it.

The Grahamstown area experiences moderate weather conditions in relation to mean precipitation , wind speed and direction, temperatures . Rain falls throughout the year with mean precipitation averaging 680mm. Summer temperatures (January) vary from an average maximum of 26⁰ to a minimum of 15⁰. In winter (July) temperatures vary from an average maximum of 18⁰ to an average minimum of 4⁰. The prevailing wind direction is from the west and southwest. (Makana SDF, 2009)

In Alicedale, rainfall is approximately 555mm per year. Temperatures in Alicedale range from 40⁰ to 15⁰ in summer, and 18⁰ to -8⁰ in the winter months. Rainfall in Riebeeck east area is approximately 865mm per year, with identical average winter and summer temperatures to those experienced Grahamstown. (Makana SDF, 2009)

Figure 4.1: Eastern Cape Average Annual Rainfall



Climate thus varies from moderately wet and temperate in some areas, to warm and dry in other areas of the municipality, making the area semi-arid. Although in-depth studies into the potential effects of climate change in Makana have not been undertaken, climate change will still have a profound effect on the Makana climate. With global warming expected to raise temperatures by between 1.4⁰ and 5.8⁰ by the year 2100, some of the implications for economic activity in Makana may take the form of

- Changes in agricultural production yields
- Changes in plant and animal species' habitat cover
- Changes in agricultural potential as rainfall and temperatures affect sensitive crops
- Changes in the range of diseases such as Malaria (Southern Drakensburg Sustainable Development Strategy, 2008).

This is climate change will represents a long term shift in the characteristics of the Makana climate. This will have an impact on agricultural capacity of the area, as well as its nature-based tourism potential .

IMPLICATIONS

- Climate has an impact on agricultural and tourism activity that takes place
- The identification of potential agricultural activity will need to take cognizance of rainfall and temperature patterns in the Makana area. This is most pertinent in the rearing and cultivation of sensitive animals and crops
- Climatic conditions also have an impact on the nature-based tourism that can take place within the Makana area

4.2 TOPOGRAPHY

Topography relates to land forms and land elevations that are found within an area. A region's topography influences the type of activities that can occur within it. To illustrate this point, general land planning conventions stipulate that:

- Slopes of 0° – 50° are suitable for most types of development.
- On slopes of 50° – 180° limited development might be appropriate, should an EIA indicate that impacts are acceptable.
- Development should not be permitted in areas with slopes greater than 180° .

The eastern part of the municipality can be classified as lowlands, with contours generally lying below 300m above sea level. The western part of the locality in which Alicedale is situated can be classified as being of a moderate elevation, lying between 300m and 600m above sea level. The central part of the municipality that contains Grahamstown and Riebeeck East has the highest elevation of between 600m and 900m above sea level. With regard to slope, most of the land in Makana has a slope of either between $3-8^{\circ}$ or $8-20^{\circ}$ (State of the Cacadu Environment, 2005).

The area is characterised by a combination of plains, lowlands and undulating hills. The Makana municipality has large pockets of open flat areas that allow for agriculture to take place. The central part of the municipality has more elevated and sloped terrain, which limit the scope for cultivation of some agricultural crops, even though much of the land can still be used for grazing. Flat topped hills that have been shaped by dolerite dykes, sills and chemical weathering are found throughout the region.

With regards to the particular topographical characteristics of the towns:

Grahamstown is situated in a valley that cuts into a plateau. The highest point on the plateau is 770m above sea level and the lowest point in the valley is 490m above sea level. (Makana SDF, 2009)

Alicedale is located about 360m above sea level in a flood plain created by the confluence of the Bushman's river and the New Year's river (Makana SDF, 2009)

Riebeeck East is located 630m above sea level on a piece of high ground. (Makana SDF, 2009)

IMPLICATIONS

- Makana is made up of land with a low to moderate elevation
- The landscape is punctuated by low hills
- The absence of high elevation land or land with steep slopes means most of the land can be used for various agricultural purposes

4.3 HYDROLOGY

The major water related driver in the municipal area is the Orange-Fish-Sundays Water Supply System which ensures continuous sustainable water supply for economic activity and is essential for community well-being and socio-economic prosperity in the area. The whole municipality is classified as a primary catchment area, with a mean quaternary runoff of between 12m^3 and 40m^3 . (State of the Cacadu Environment (2005)

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

Grahamstown's water is from local dams and sources transferred from the Orange River. There is adequate supply to cater for the $8.6\text{Mm}^3/\text{a}$ that is used, but also a need for more groundwater development.

Riebeeck East's water is sourced from local boreholes. It also has adequate supplies of water to cater for the $0.0285\text{Mm}^3/\text{a}$ that it uses. A planned water scheme for Riebeeck East is an increase in storage capacity in the form of tanks and a reservoir.

Alice dale's water is sourced from a local dam
(State of the Cacadu Environment, 2005)

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

IMPLICATIONS

- Studying the hydrological profile of an area is important as it has an impact on the availability and quality of water.
- The availability of water is important in agricultural activities, especially where the need for irrigation and boreholes to supplement rain water is high, as is the case in Makana.
- Water quality impacts on the amount of water available for human usage and the associated costs of water purification incurred to make water safe for use.
- High water demand set against limited supply possibilities put forth the possibility of water recycling.

4.4 LAND CAPACITY AND SOIL TYPES

Land capacity is determined by the collective effects of soil, topography, hydrology and climate features. It indicates the most intensive long-term and sustainable use of land for rain-fed agriculture and at the same time highlights the permanent limitations associated with different land use classes. Table 6.1 shows the classifications with which land is classified. It also shows different land usages that go in line with the different levels of land capability.. This shows the nature of agricultural activity that can be feasibly undertaken throughout the municipality.

Table 4.1 Land use options per land capability class

Land Capability		Intensity of use for rain-fed agriculture						
		Grazing and Forestry			Crop Production			
	Classes	Forestry	Veld	Pastures	Limited	Moderate	Intensive	Very Intensive
	Arable	I	x	x	x	x	x	x
II		x	x	x	x	x	x	
III		x	x	x	x	x		
IV		x	x	x	x			
Non-arable	V	x	x	x				
	VI	x	x					
	VII	x	x					
	VIII	x						

Source: Directorate Agriculture Land Resource Management, 2002

Table 4.2 Land Capability in Makana

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

Source: Cacadu ABP & LAA, 2008

Most of the land (68.71%) in Makana is classified under class 6. This means that the majority of land in Makana is only suitable for grazing of animals and non-arable. Based on the results presented in Table 6.2 and Figure 6.2, the Makana Area Based Plan (2008) states that land in the Makana area has suitable potential to for

- Large areas of irrigation, should water be available
- Rain-fed cropping of Wheat, chicory, pecan nuts and aloe
- Irrigation-fed cropping of stone fruit, olives, cotton, vegetable, sugar beet and oranges
- Livestock including game farming and ostrich farming

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

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

Some of the soils are also expansive, which has implications on building and construction methods used in the municipality's development. Expansive soils absorb moisture, which has implications for the decision-making processes followed land planners, property developers and building contractors.

Land capacity and soil types also have an impact on soil quality, and land degradation. Land degradation may be caused by overstocking of livestock and the use of inappropriate grazing methods and field burning regimes. Land degradation could result in a deterioration of livestock feeds, irreparable damage of natural resources, and loss of biodiversity.

IMPLICATIONS:

- The soil type and quality has a major impact on the intensity and type of farming that can occur in the area.
- Livestock grazing must be in line with the land's capability, in order to prevent land degradation and maximise land potential based on its inherent qualities.

4.5 VEGETATION TYPES AND BIODIVERSITY

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

The Makana District has richly diverse and unique vegetation, comprising ten vegetation types, representing six of the seven major southern African biomes (namely forest, grassland, succulent Karoo, fynbos, savannah grasslands and the thicket vegetation).

The Makana municipality is situated in the Albany Centre of Endemism and has 27 endemic plant species of which 17 (62%) are cited as being vulnerable and 5 (32%) are cited as being endangered.

Significant portions of land in the Makana municipality are classified as "Critical Biodiversity Areas". This means that they are to be managed for biodiversity and conservation, with only limited development in the form of small scale tourism amenities recommended. Critical Biodiversity Areas also have guidelines on the form an agriculture that may take place (State of the Cacadu Environment, 2005; Makana ABP and LAA, 2008)

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

- Urbanisation
- Transformation of land for agricultural purposes
- Overgrazing by livestock
- Habitat loss through preparation of cultivated land for products such as cash crops
- Overpopulation of alien species introduced through agriculture and game reserves

- Unsustainable resource use
- Collection of plant species for medicinal and ornamental uses
- Land degradation because of the use of irrigation in areas with poor soils

IMPLICATIONS

- Agriculture, mining, manufacturing activity and tourism all have the potential to affect Makana's vegetation and overall biodiversity
- The high level of biodiversity makes it essential for conservation efforts to be stepped up. This becomes more important when the level of endangered and vulnerable species is presented.
- Land use planning must reflect the need for protection of native vegetation. In rural areas this must be implemented in the form of sustainable agricultural practices .
- Private game reserves and agro-villages may be used as conduits for the conservation of natural resources in Makana as the prevalence of rich vegetation cover could be used as a tourist draw card.

4.6 SYNTHESIS

All economic activity and production is at some level predicated by the natural environment on which it is based and in which it operates. An understanding of environmental characteristics of an area is vital in evaluating development potential that exists in an area. Understanding trends in environmental change is also crucial in ensuring that future development supports and is supported by natural resources available within an area.

PART FIVE: STATE OF SERVICE DELIVERY AND SOCIAL NEEDS

5.1 INFRASTRUCTURE AND BASIC SERVICES

Infrastructure is one of the most vital requirements for social and economic development. As a result of this important link between infrastructure and development this section profiles the current situation regarding infrastructure in the Makana Local Municipality.

This section briefly assesses the of state basic service infrastructure Roads and storm water

- Road and storm water
- Water and sanitary services
- Electricity and Telecommunications
- Land availability, Land reform/use management and Housing human settlement

5.1.1 ROADS AND STORM WATER

Roads networks serve the function of critical economic infrastructure as goods and services cannot be moved if there is inadequate transport infrastructure.

In terms of major routes that traverse Makana's locality, the following roads exist:

NATIONAL ROADS:

- The N2 lies adjacent to Grahamstown and links it up with East London to the East and Port Elizabeth to the West.

MAIN ROADS:

- The R400 links up Grahamstown to Riebeeck East and the N10
- The R343 links up Salem with Kenton-on-Sea

- The R350 links up Grahamstown to Bedford
- The R344 links up Grahamstown to Adelaide

ARTERIAL ROADS:

- The R67 links up Grahamstown to Port Alfred in the South and Fort Beaufort to the North

Makana has a road network totaling 757.4km, of which 588km are gravel and 169km are tarred (CDM SDF, 2009). Maintenance of the N2 highway falls under the jurisdiction of the South African National Roads Agency Limited (SANRAL). Maintenance of the other roads is the responsibility of the Makana Municipality, with contracted assistance from the District from time to time.

Compared to municipalities in the Cacadu district, Makana has a good road network. However because of underfunding and growth experienced especially in the townships and informal settlements of Makana, there is now a significant backlog in terms of road provision and maintenance, backlogs amount to:

- R107m of tarred road
- R340m of gravel road
- R277m of pavements
- A backlog in the provision of storm water infrastructure equivalent to R233m

KEY CHALLENGE

Because of underfunding, improper maintenance roads, storm water channels has led to some of the roads being in a poor condition it is estimated that only 47.7% of the roads in Makana are in good condition and slow accesses construction of new roads

COMMUNITY AND STAKEHOLDERS DEVELOPMENT PRIORITIES

- Development of Integrated Road Plan
- New roads construction plan to include storm water channels
- Upgrading and maintenance of roads and storm water
- Construction of new roads and sidewalks

5.1.2 WATER AND SANITARY SERVICES

5.1.2.1 WATER

Management of and planning for water resource needs of the Makana municipality are governed by the Water Services Development Plan of 2007. This document provides a status quo of water resources in the area and planned infrastructure development regarding bulk water supply, reticulation and allied activities. It also outlines roles and responsibilities in municipal functions that relate to provision, maintenance and expansion of bulk water infrastructure in the Makana municipality.

In the major urban settlements, surface water supplies are sourced from the following dams and reservoirs:

- **Grahamstown:** Glen Melville, Settlers, Howieson, Jameson and Milner dams
- **Alicedale:** New Year's Dam
- **Riebeek East :** Municipal boreholes
- Grahamstown uses 8.6 Mm³/a of water per year and at present there is adequate supply from the dams mentioned above.
- Riebeek East use 0.02856 Mm³/a of water per year and although there is presently adequate supply, there is need for increased storage capacity.

(Makana IDP Review, 2008; State of the Cacadu Environment, 2005)

Table 5.1 shows the Makana municipality's provision levels of potable water and sewerage purification from 2005 to 2008.

Table 5.1: Makana Water Provision and Sewerage Purification levels

Service Provided	Period		
	2005/2006	2006/2007	2007/2008
Total Volume drinking Water (KI)	3 273 130	4 036 906	4 019 399
Total Volume Sewerage Treated (KI)	2 532 125	2 596 788	2 307 964

(Source, Makana Annual Report 2006/2007; 2007/2008)

In the 2007/2008 financial year period, the Makana municipality was able to provide 4 019 399KI of water. This translates into over 90% of the households in the municipality being served with individually metered ERF connections, according to the 2007 annual report.

The amount of water provided by the municipality has steadily grown as shown in Table 5.1. This is a result of growth in demand for water, as well as an increase in the municipality's capacity to supply water. The majority of households without water connections in their individual residential units are found in informal townships that have grown in the last fifteen years. This means that the majority of households in the Makana area have access to bulk water supplies.

Despite most households having access to water, water provision is not without its own set of challenges in Makana. These include:

- Challenges brought by perennial drought
- Poor quality of water (which at times does not reach set standards) because of aging remediation plants. This is typified by the Waainek Water Treatment Works which are very old and operating at their maximum output levels (when equipment breakdowns do not interfere with remediation).
- Inconsistent water pressure and intermittent water supplies as a result of old infrastructure, particularly reticulation pumps and piping. In addition to this, there is a labour shortage within the municipality which inhibits cost effective and timeous pump servicing and motor maintenance. The cumulative effect of this state of affairs is evidenced by how there were 2058 water complaints in 2007 from Makana's 16 120 connected erven.
- The lack of adequate water supplies also has a negative impact on the agricultural sector especially in Salem and areas where irrigation is necessary
- Provision clean water for rural areas

COMMUNITY AND STAKEHOLDERS DEVELOPMENT PRIORITIES

- Development of strategy on the alternative source of water for rural areas
- Construction of ML Reservoir
- Construction of bulk line from J. Kleinhans
- To increase number of pumps at J. Kleinhans
- Increase capacity of J. Kleinhans
- Upgrading of edging infrastructure
- Recycling water program
- Ensure fully functional water treatment plants
- Ensure constant water supply, distribution and conservation
- Improve quality of water

Short Term Interventions	Enhance revenue raising management
	Identification of Top (20) twenty consumers
	Align water losses project with meter audit
	Water saving campaign
	Improve Billing system

5.1.2.2 SANITATION

In terms of the access to toilet facilities in Makana, of all the households in 2007 it was found that:

- 35% had access to flush or chemical toilets
- 23% relied on pit latrines
- 29% used bucket latrines (Source: Quantec, 2007)

Despite most households having access to sanitation provision is not without its own set of challenges in Makana. These include:

This indicates a high level of provision of sanitation. However, new housing development in the townships and the expansion of Rhodes University is placing additional strain on old and over utilised infrastructure. Furthermore, demand for sanitation under the Free Basic Services scheme has increased since 1995, with increases in the indigent population, and the influx of former farm workers into urban areas. According to the 2008 IDP review, there exists a backlog in bulk water supply and sanitation services equivalent to 35% of the desired RDP level, the eradication of which will cost at least R100m. Also what has come as urgent issue the provision alternative sanitation in rural areas, changing sanitation provision to waterborne Riebeeck east, Kwandancama, Mission, Glibe, and Hlalani.

COMMUNITY AND STAKEHOLDERS DEVELOPMENT PRIORITIES

- Construct and install waterborne toilets
- Ensure the upgrading and regular maintenance of sanitation infrastructure
- Explore alternative ways of sanitation in rural areas vs. waterless toilets
- Awareness program on sanitation in Riebeeck East vs. source of water

5.1.3 ELECTRICITY

Reliable, uninterrupted electricity supply is vital to advance economic development in the region. Power cuts can impact negatively on both small and large scale businesses by cutting into their productive capacity. This applies to all businesses across the spectrum, from manufacturing enterprises such as Makana Brick and Tile to service organisations such Rhodes University.

The Makana municipality is responsible for electricity reticulation, distribution, resale and plant maintenance (Cacadu Municipal Capacity Report, 2008). Electricity generation and the provision of major infrastructure is the responsibility of Eskom, as is management of a substantial part of the municipal erven (Whisson, 2009).

In 2008 the Makana municipality had a backlog in electricity provision amounting to 3500 households, or equivalent to 27.17% of the desired RDP level. This backlog primarily takes the form of provision of energy for cooking and lighting that household makes use of.

With regards to eradication of this backlog, it should be noted that Eskom, the national supplier, has severe electricity generation capacity constraints to meet the demand for electricity in South Africa, which are expected to continue at least until 2014.

This limit the additional supply local municipalities are able to offer in their localities. The implication of this is that as much the scope for increased supply may be limited, the municipality may still facilitate the provision of infrastructure that will allow eventual connection of households to the national grid.

Despite most households having access to electricity provision is not without its own set of challenges in Makana as whole. These include:

COMMUNITY AND STAKEHOLDERS DEVELOPMENT PRIORITIES

- To upgrading and maintain the infrastructure
- Electrification of formal and informal areas.
- Identify areas that need High Mast and street lights
- IEP (Status of energy report)
- Installation High Mast and street lights
-
- Asset management and maintenance plan

RURAL AREAS: DEVELOPMENTAL PRIORITY: PROVISION OF ELECTRICITY IN

Developmental Interventions	1	An intensive needs analysis of the rural area in rural areas
	2	Submit application and motivation to DOE, Eskom on provision of electricity
	3	Development of Integrated energy approach strategy
	4	An intensive study of customers who can't afford to pay for the services, identify indigent people
	5	Assisting community from rural areas with electricity reconnection

5.1.4 HOUSING

Closely related to land reform, land availability, and the other forms of infrastructure discussed in this chapter is the issue of housing. The infrastructural backlogs and land reform issues highlighted in this chapter are inextricably related to the provision of adequate housing.

As has previously been alluded to in this report, there has been significant growth in urban dwellings in Makana townships. This is partly a result of former farm workers and their families moving into the urban areas seeking economic opportunities. According to the Makana 2008 IDP, the Makana municipality had

- The highest level of informal housing in the Cacadu District
- The highest growth in informal housing for the period 2001 – 2006
- The biggest backlog in housing in the district of 12 900 units.

It is evident that the district has a significant backlog in the provision of adequate housing that meets RDP standards. In response to this backlog, recent housing developments at Tanti Housing Development , Newtown Housing Development ,Extension 6 , Vukani, Victoria Road Extension and Farmerfield have led to the construction of over 1500 houses . Key areas that have been prioritized since 2008 IDP review as priority areas for housing development include Seven Fountains, Fort Brown, Mayfield, Transit Camp and Fingo Village, Alicedale and new approve housing development by department of human settlement Mayfield phase II Challenges

- Rectification of RDP houses

- Municipality does not have housing plan
- Completion RDP houses in Riebeeck east
- Use of RDP houses business shops/renting
- RDP house need rectification
- Rectification and reconstruction of house affected by Disaster 2008

COMMUNITY AND STAKEHOLDERS DEVELOPMENT PRIORITIES

- Rectification of RDP houses programs
- Completion of RDP houses Ward 9 and Riebeeck east
- Mayfield's phase II
- Housing developed Alicedale
- Housing development Seven fountain
- Development of Integrated Human Settlement Plan
- Housing development Fort Brown
- Disaster Housing projects 2006 & 2008

5.1.5 LAND AVAILABILITY, LAND REFORM

5.1.5.1 LAND AVAILABILITY

Land is identified in the realm of economics as one of the critical factors of production. Availability of prime land thus has an impact on the nature of growth and development that occurs within an area. Similar to other parts of the country, Makana municipality faces a number of challenges pertaining to land availability and reform. The Makana spatial development plan, in conjunction with the land use management package shows the status quo of land availability and how this informs planned future spatial development within the area.

According to the Makana SDF (2009) most of the land in the municipality is privately owned. The majority of publicly owned land takes the form of the SANDF army base and private game reserves, with some clusters also located in the urban settlements of Grahamstown, Alicedale and Riebeeck East.

In Riebeeck East and Alicedale most of the privately owned land, which is concentrated in and around the urban centre, is unutilised, vacant and undeveloped. Private land in Grahamstown is largely developed, while state owned land to the north and municipal commonages to the south and east of Grahamstown is less developed. Strategic land parcels that are currently under mixed ownership (private and public) have been identified for future commercial, residential, agricultural and industrial use. Unfortunately, there is little land for development in the core of Grahamstown's urban center, which leads to superficially high land prices.

5.1.5.2 LAND REFORM

Currently there are three parallel land reform policies being implemented by the South African National Government, these include Land Restitution, Land Redistribution and Land Tenure Reform.

Land restitution is a legal process whereby people who can prove that they were dispossessed of their land after 1913 can regain their land or receive appropriate financial compensation for it.

Land redistribution aims to address the racial imbalances in the ownership of commercial agricultural land while **land tenure reform** aims to address insecure tenure in the former homeland areas.

In terms of the land redistribution process, the national government has set a target black people owning 30% of commercial agricultural land by 2014 (CDE, 2008).

There is a need to ensure that land reform creates socioeconomic opportunities that are sustainable, and enough to benefit the majority of the populace. It must also be coupled with adequate provision of supporting infrastructure including education and training, hospitals, schools and residential settlements.

In Makana, land reform is undertaken through the Land and Agrarian Land Reform Project and Land Rights Awareness Campaign, which is a provincial initiative administered by the Department of Land Affairs, with

assistance of the Department of Agriculture. Table 5.2 provides some indicators of the status of land reform in Makana. Table 5.3 provides a status quo of land restitution in Makana.

Table 5.2 Status of Land Reform in Makana

Beneficiaries	Distributed 1994-2008	Progress towards target	Hectares still to be distributed to meet target	Average land price per hectare	Average grant approved per beneficiary	Grant per
710	13 113ha	18.62%	70 428	R3 596	R9 211	

(Source: CDM Area Based Plan and Land Availability Report, 2008)

Table 5.3 : State of Land restitution in Makana

Urban		Rural		Total		Results	
Claims	Area (Ha)	Claims	Area (Ha)	Claims	Area ((Ha)	Settled	Gazetted
45	15.28	59	25 240.29	104	25 285.57	14	53

(Source: CDM Area Based Plan and Land Availability Report, 2008)

As shown in Table 5.2, land reform has benefited a large amount of beneficiaries (710). In terms of achieving the national target of 30% land redistribution the district progressed towards 18.62% of this target, which is higher than the district average of 6.31%. The average grant approved per beneficiary was the lowest in the Cacadu district. Most of the land transferred under land reform is located in parcels to the east of Grahamstown and to the North-west of Riebeeck East.

The costs of land reform is presented in Table 5.2 however, do not include the opportunity cost associated with unproductive land, and other costs such as water and input provision (Whisson, 2009)

Out of the 104 land claims submitted, 14 restitution cases have been settled throughout the municipality by the Regional Land Commissioner, with a further 53 having been gazetted, 12 being validated, 21 under research and 3 under research.

Makana had the second highest number of total claims in the Cacadu district after the Kouga Local Municipality. There is however still a number of outstanding claims that still require adjudication by the Regional Land Commissioner. One reason for the slow progress in dealing with outstanding restitution claims is the absence of a Department of Land Affairs office in the area.

Farmers from the area recognise the need to restructure the ownership of land and support the development of successful black farmers and sustainable farming operations as critical to the future of the farming communities. This has been exhibited through several instances of farmers facilitating land redistribution through the willing-buyer willing seller model. However, the high number of land restitution claims have led to insecurity amongst farmers, which in turn has led to low capital investment rates and a reluctance to expand the scope and scale of their current activity.

IMPLICATIONS

Failed land reform programs negatively impact on agricultural production as well as threatening the livelihoods of emerging farmers. Without adequate land reform black and emerging farmers are prevented from engaging in productive activities in their area and are forced to seek work elsewhere, particularly in urban areas. Housing provision improves the quality of life of residents, and fosters civic pride. Housing provision is as essential as other forms of infrastructure as it directly impacts on community, social and economic development.

5.2 SOCIAL AND COMMUNITY DEVELOPMENT

Social and Community development deals with ranging from health care to education and provision of community facilities. Such, community up-liftment and awareness in matters of, safety and security, Library services, waste and environment management are of importance.

Within the municipality, there is a need to develop recreational facilities such as sport facilities for youth in urban and rural areas, as there is a lack of such in the majority of the communities. Development of such facilities will allow for the exploration of youth talent in sport, music and other cultural activities. However, the major constraint to investment are lack of financial resources in urban areas and availability of land in rural areas where most settlement are living in private land it became difficult for the municipality to develop those areas.

There is a high demand health services, the health function (primary health) has been transferred back to Provincial department of health. Relationship with provincial department of health will have to strengthened to ensure community needs are addressed.

Municipality has developed the following sector plans to inform social and community development and the entire sector plans will be revised in 2012 Review Cycle and outstanding plans like Community Service Plan will be developed.

- Integrated Waste Management was table adopted by Council on 30 March 2009 and will revised 2011-2012 financial year
- Integrated Area Based Plan that was developed through the assistance of Cacadu District Municipality and was table to Council on the 30 March 2009 and will be revised in 2011/2012 financial year.

5.2.1 WASTE MANAGEMENT

Waste Management consists of the collection, transportation and disposal of waste. An Integrated the Waste Management Plan is in the process of being drafted by the Makana municipality to guide activity and policies.

87% of households have refuse removed by the local municipality at least once a week which is significantly the provincial and district averages of 37% and 71% respectively. (Quantec, 2007). Makana thus has a high level of waste collection and disposal infrastructure.

In Grahamstown there is a solid waste disposal site which has adequate capacity for the next 20 years. In Riebeeck East refuse is burnt at a waste disposal site located at Mooimeisiesfontein while in Alicedale solid waste is collected at a disused Quarry (Makana SDF, 2008).

The Municipality is currently offering very limited recycling incentives to private people or businesses, which could result in income generation and employment creation opportunities. There is room for expansion of the Masihule project that promotes recycling in partnership with the Department of Social Development.

With regards to sewerage, Grahamstown has two sewage purification works and two water treatment plants. Alicedale has water purification works and sewerage ponds. Sewage works in Riebeeck East are non-functional, which poses health hazards, especially because of downstream seepage into water sources.

Waste management of sewage and organic material could provide opportunities for SMMEs such as renewable energy (e.g. biomass extractors and digesters) and the production of organic fertiliser.

The Belmont Valley and Mayfield Sewage Treatment Works are currently operating sub-optimally and require significant capital injections to allow them to meet the municipality's water-based sanitation needs. The cumulative effect of this state of affairs is evidenced by how there were 1240 waste management related complaints in 2007 from Makana's 12 139 connected erven. Whilst some of these complaints have their nascence in the state of the old infrastructure, this high number is also partly attributable to poor education of local residents on proper maintenance and upkeep of sanitary services.

In addition to this, there is inadequate capacity at the municipal sewerage works in Grahamstown to cater for large, wet and heavy water polluting industries such as leather tanneries and abattoirs, to name but a few

Municipality has developed Integrated Waste Management sector plans to inform Social and Community development, the plans was developed with the assistance of Cacadu District Municipality

Key issue in the Integrated Waste Management Plan:

FOCUS AREA:

Based on the gaps and needs identified, the plan focuses on 7 areas:

- Disposal Infrastructure Development
- Waste Collection Infrastructure
- Institutional Capacity and Human Resources
- Financial Resources
- Dissemination of information/communication
- Management of illegal dumping activities
- Waste minimization

5.2.2 Disaster Management

Disaster Management and Fire services are regarded as a key issue to the fact that the Municipality is prone to fires, floods and other disaster that are caused sometimes by strong winds that cause severe damage and require large financial resources to correct damage done at a given time. Waste Management is a also one key service provided by the municipality.

Municipality has developed a Disaster Management Plan through the assistance of Cacadu District Municipality and was table to Council on the 29 April 2002.

Key issue in the Disaster Management Plan:

Disaster Management encompasses a continuous, integrated, multi-sectorial and multi-disciplinary process of planning and implementation measures incorporating strategies for pre-disaster risk reduction as well as post disaster recovery, aimed at:

- Preventing or reducing the risk of disasters
- Mitigating the severity of consequences of disaster
- Emergency preparedness
- Rapid and effective response to disasters
- Post disaster recovery and rehabilitation

5.2.3 LIBRARY SERVICES

Municipality has five libraries, Hill Street, Community library, Duna Library, Fingo library and Alicedale library. Key challenges area access to library services new developed areas and in some of the areas with Makana Municipality and the implementation of security system in all libraries. There were also areas identified during Community based plan for the establishment of new libraries that would be considers in the planning processes.

5.2.4 TRAFFIC SERVICE, LAW ENFORCEMENT AND ROAD WORTHY

Key issue for this department are:

- Improve customer relationship
- Devise a strategy to Improve ageing fleet and office space a
- Establish traffic control methods in need areas more special in Grahamstown East

5.2.5 SPORT AND RECREATION

9.1	Developmental Intervention	1	Development of Sport facilities Master plan
		2	Facilitate cooperation agreements between farmer owner & municipalities for the provide land for sports fields
		3	Engage sport council on new sport fields
		4	Upgrading of play grounds
		5	Beautification & fencing required there plans for that
		6	Revival of sport codes
		7	Improve caretaker services in need Alicedale & Riebeeck East
		8	Development of Community centers(Tusong Service Centre)
		9	Engaging Farm owners on the sport fields/Partnerships

PART SIX: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

6.1 INTERGOVERNMENTAL RELATIONS

6.1.1 GOVERNANCE MANDATE

Cooperative governance in South Africa is a constitutional imperative as the Constitution explicitly makes provision for this mechanism. Chapter 3 of the National Constitution deals with cooperative governance. Government departments and agencies should co-operate with one another in mutual trust and good faith by:

- Fostering friendly relations.
- Assisting and supporting one another.
- Informing one another of/ and consulting one another on matters of common interest.
- Coordinating their actions and legislation with one another.
- Adhere to agreed procedures; and
- Avoiding legal proceedings against one another.

The South African cabinet approved a Draft Intergovernmental Relations Framework Bill on 15 November 2004. The aim of the bill is to provide an institutional framework for the different spheres of government to facilitate coherent government, co-ordination in the implementation of policy and legislation, effective provision of services and the monitoring of the implementation of policy and legislation. The Bill creates various structures on national, provincial and local level as well as on interdepartmental and inter-sphere level to give effect to cooperative governance. In addition to the above statutes, there are a number of other policies and legislation which also provide for cooperative governance, but will not be covered here.

Intergovernmental relations in the Makana Local Municipality consist of representation from different spheres of government. Examples of this are seen in the:

- IDP sector formation
- The Makana Safety Forum
- The IDP representative forum

6.1.1.2 NATIONAL AND PROVINCIAL DEPARTMENTS AND GOVERNMENTAL AGENCIES WITHIN MAKANA

The following government departments or agencies have offices in Makana

- Agriculture
- Correctional Affairs
- Defence
- Education
- Labour
- Home Affairs
- Justice
- Health
- SEDA

Furthermore, the following institutions have developmental projects running in Makana: 2010-2011

Table: 6.1: Projects of Dept.

DEPARTMENT	PROJECT NAME	BUDGET ALLOCATED	PROJECT LOCATION	TIME ENDING	IMPLEMENTING AGENT
DEPARTMENT OF AGRICULTURE	EC Makana Greening and Beautification	R 9,500,000	Makana	March 2011	Afri-coast Engineers SA (PTY) Ltd
	AP1 Botanical Gardens Makana Expansion	R 19,000,000	Makana	March 2011	SANBI
	Isiqalo Waste Management	R500 000	Grahamstown: Ndlambe		
	Masikhuthale Women's Project	R500 000	Grahamstown: Makana		
	Sizisa Trading	R500 000	Grahamstown: Ndlambe		
	Masihlume Recycling	R375 000	Grahamstown: Makana		
	Service Centre	R 93 960.00	Grahamstown: Ward 11(ACVV Senior Citizen)		Mrs. R Schoonbee
	Service Centre	R 208 800.00	Alicedale: Ward 3(For the Aged)		M I Sias Oerson/ M. May
	Service Centre	R 146 160.00	Grahamstown: Ward 11(Antic Senior Citizen)		Algerali Hopshire
	Old Age Home	R 116 928.00	Grahamstown: Ward 4(Brookshaw Home)		J C Scheepers
	Day Care Centre	R 81 432.00	Grahamstown: Ward 2 (Little Flower)		Lungelwa Mthwalo
	Service centre	R 62 640.00	Grahamstown: Ward 9 (Multi-purpose Centre)		Thembakazi Seyisi

	Service Centre	R 83 520.00	Riebeeck East: Ward 3 (Centre for the Aged)		M.I Sias Oerson
	Service Centre	R 62 640.00	Grahamstown: Ward 4 (Meals on wheels)		Michelle Sparrow
	Service Centre	R 156.600	Grahamstown: Ward 7 (Vezidinga Welfare Organisation)		Brian Fargher
RECOMMENDED PR2 CACADU BP 2011- 2012 (GRAHAMSTOWN)	Skills Development & Crime Prevention	R 300 000	Grahamstown: Ward 2,5,7,8,9,10,11,12 (Skill Dev.)		N. MAFUDUKA
DEPARTMENT OF SOCIAL DEVELOPMENT	Crime Prevention Programme	R 250 000.00	Grahamstown: Ward 2,5,7,8,9,10,11,12 (Developmental Foster Care)		F. MATISI
	Hospice	R 146 160.00	Grahamstown: Ward 10 (Grahamstown Hospice)		Dr. K.M Ngcoza
	Cacadu District Advisory Board	R 250 000.00	Grahamstown: Ward 4		Z. Kweta
	Cfws Grahamstown	R 805 900.00	Grahamstown: Ward 11 (Welfare Organization)		W. BICHOFF
	Shelter For Street Children	R 73 080.00	Grahamstown: Ward 11 (Eluxolweni Shelter)		MR D.B CLAASSEN
	Day Care Centre	R 146 160.00	Grahamstown: Ward 11 (Gladys Williams Crèche)		Matty Goeda
	Pre-School	R 68 904.00	Kwandwe: Ward 4 (Kwandwe Pre- School)		Brenda Dili
	Day Care Centre	R 267 264.00	Alicedale: Ward 3 (Lukhanyiso Day Care Centre)		Mm Kasipile
	Day Care Centre	R 91 872.00	Grahamstown: Ward 7 (Nompumelelo Dcc)		Mrs. W Bischoff/ Du Plessis
	Pre-School	R 62 640.00	Grahamstown: Ward7 (Noncedo Pre-School)		Lindelwa Mlambo
	Day Care Centre	R 432 900.00	Grahamstown: Ward 9 (Ragland Road Child Care Centre)		Yoliswa Kiti

	Pre-School	R 123 192.00	Grahamstown: Ward 5 (Sakhingomso Pre-School)		Ann Richard Zani
	Day Care Centre	R 219 240.00	Grahamstown: Ward 11 (Shaw Hall Day Care Centre)		Thandeka Ngqezana
	Day Care Centre	R 41 760.00	Grahamstown: Ward 10 (Siyabakhulisa Day Care Centre)		N.Ngabazana
	Nursery School	R 125 280.00	Grahamstown: Ward 9 (St Phillips Nursery School)		Linda Jela
	Nursery School	R 167 040.00	Grahamstown: Ward 10 (Sun City Nursery School)		Jenifer Isaacs/ Rose Norkie
	Educare Centre	R 323 700.00	Alicedale: Ward 3 (Tia Wessels Educare Centre)		Mrs. F. Lauw
	Pre-School	R 146 160.00	Grahamstown: Ward 2 (Tyhilulwazi Pre- School)		Lindelwa Klaas
	Pre-School	R 106 488.00	Grahamstown: (Boy-Boy Mginywa)		Nomfundo F. Gongqa
	Day Care Centre	R 148 248.00	Grahamstown: Ward 8 (Vukani Day Care Centre)		Dj Mankihlana
		R 262 000.00	Grahamstown: Ward 11 (Ukumoleza Abafazi)		Famsa- Ann Harris
	Safe House	R 100 000.00	Grahamstown: Ward 4 (Ukulunga Kwethu Safe House)		Famsa- Ann Harris
	Support Centre	R 75 000.00	Grahamstown: Ward 4		Lizette A Zeelie
	Hiv/Aids Support Group	R 387 250.00	Alexandria: Ward 1 (Ikwezi Support Group)		Ms. Gladys Smith
	Jabez Aids Health Centre	R 556 097.00	Grahamstown: Ward 5 (Jabez Aids Health Centre)		Ms. Gladys Smith
	Dumping Site	R 31 320.00	Grahamstown: Ward 11 (Masihlule Project Grahamstown Dump)		Angie Thomson

	Welfare Organization	R 319 338.00	Grahamstown: Ward 4 (Famsa Grahamstown)		Ms. Ann. Harris
NGO Project	Isibindi Community Development				

6.2 PUBLIC PARTICIPATION

Council is committed to promotion of local democracy through involvement of communities in its planning and decision making processes. This is done through continuous consultative engagement such Community Based Planning, Integrated Development Planning Representative forum, Mayoral Imbizo, Ward committee meetings, CDW operations and management of customer complaints. Communities are also encouraged to take part in projects implementation via their locally based organisation and participation project steering committee meetings.

6.3 SPECIAL PROGRAMME

Council is committed to the promotion of active participation and protection of vulnerable groups in our society and such as women, youth, children, orphans and disabled. A dedicated unity exists under the office of Executive Mayoral since 2004 to address the needs of these special groups and to guide their engagement and mainstreaming into economy and social cohesion. This unity has a mandate on coordinating HIV program in the in Municipal area. Also this unit focuses in the rural development programs that focus on the needs of the people living in private and public farms.

6.4 RISK MANAGEMENT

Municipality has developed Risk Management Policy in 2010 and has conducted risk assessment with 20 risks being identified in the Risk Management Plan.

6.4.1 Risk Based Plan

Section 165(2)(a) of the MFMA, states that “*The internal audit unit of a municipality or municipal entity must—prepare a risk-based audit plan and an internal audit program for each financial year*”. The plan has been developed based on the risk assessment conducted in November 2010.

The table below details the HIGH Inherent Risks identified during the Risk Assessment process. Although, the mitigation and management of the said risks is the responsibility of management, Internal Audit has used the results of the risk assessment to develop its risk based plan and accordingly focus its efforts on HIGH risk areas to determine whether actions taken by management to mitigate such risks has achieved the desired outcome.

No	Risk Description	Indicate if included in risk based IA plan (If not, Management action required)
1	Lack of adequate asset management processes	Asset Management Audit
2	Ineffective document management system	Follow up Audit
3	Poor management and discipline of staff	Governance Audit

4	Lack of co-operation between directorates	Governance Audit
5	Lack of Human Resource Management Strategy	HR Audit
6	Inadequate implementation of ICT framework	ICT Audit
7	Lack of business continuity processes	ICT Audit
8	Delayed cascading of Performance Management throughout municipality	Quarterly Performance Information Audit
9	Lack of revenue management strategy (protection and enhancement)	Revenue Audit
10	Non-payment of municipal services	Revenue Audit
11	Lack of overtime management	HR Audit / Management
12	Lack / inadequate SCM processes	SCM Audit / Management
13	Inability to optimally utilise available resources (human and financial)	Management
14	The organisational culture does not promote service delivery	Management
15	Insufficient security over municipal premises, staff and assets	Management
16	Inability to attract investors	Management
17	Inability to provide access to safe drinking water	Management
18	Inadequate maintenance of municipal infrastructure	Management
19	Inadequate litigation management	Management
20	Lack of sufficient financial budget	Management

6.5 ANTI-CORRUPTION

Municipality has developed Anti-corruption policy in 2010 to improve its profile and fighting perceived or existing corruption tendencies. An awareness session will be conducted in all directorate to ensure the policy is known across the municipality.

6.6 INTERNAL AUDIT

Municipality has outsourced internal audit function to Kabuso audit firm, previously has contract with PwC which ended last year. Municipality has developed three years strategic internal audit plan for the period ending 30 June 2013 and annual operational plan for the year ending 30 June 2011.

- Performance Management System
- Human Resources
- Document retention and Records Management
- Traffic Department Licensing and Registration
- Procurement and Supply Chain Management
- Information Technology Management

- Debt and Revenue Management
- OPCA (Operation Clean Audit)
- Governance Audit
- Asset Management
- Financial Discipline/Management Review
- General Management of Internal Audit Function

6.7 COMMUNITY ISSUE PER WARD:

WARD 1

TOILETS:

- Due to the lack of water sanitation is a problem in this ward
- Dry toilet systems to be implemented
- Assistance on proper sanitation (Crèche)

EMPLOYMENT & WARD GROWTH

- Pumba Game Reserve is creating employment
- Lots of immigrants and sprouting of informal settlement due to Pumba Game Reserve's employment opportunities.
- The community is concerned about the immigrants getting RDP houses that supposed to be theirs once the process reaches them.
- Establishment of development centre so that people can be skilled & employable

TARRED ROADS

- The main road off N2 highway needs tarring
- Homes in Seven Fountain area aren't accessible, even access roads are untarred, turbulent and dusty

OTHER ISSUES

- Require training for home based care
- Train youth on HIV skills, alcohol, drug abuse
- Formation of co-opts
- Police visibility
- Easy access to ambulance service.
- Availability/ accessibility of bursary information
- Library with computers
- Access to LED information
- Need social workers for child headed homes and orphans
- Intervention on Orphanages
- Skills empowerment for both youth and unemployed
- access to RDP houses
- Houses designed for disabled people.
- low self-esteem
- Old age home as some of the old people live alone
- Development centre for elderly people
- Visibility of home based care givers

- Donation of wheel chairs
- Employment of the disabled
- Increase child grants

UNEMPLOYED/ LOCAL BUSINESSES

- Need to be financed to improve their businesses
- Support from SEDA on registration
- Support from Agriculture for gardening projects, provide seed.
- Upgrade skills of the labourers that worked on community projects
- Department of labour to establish a programme that inform people of their rights
- Development centre for disabled people
- Financial support to open their own businesses
- Skills development for different skill
- Financial education
- Projects for single women

PUBLIC FARMS

- Need equipment for farming
- Fencing of camps and grazing fields
- Require a fuel tank
- Zoning of all farms required
- The community require RDP houses
- The community requires a Community Hall
- Water and electricity : solar system for boreholes
- Connection of people close to power lines and solar systems provided for those far
- Cleaning of reservoirs (amapitsi)
- Installation of waterless toilets

PRIVATE FARMS

- Municipality must engage the department of labour to educate farm worker on their right
- Capacitate people living in farms
- Department of justice and land affairs to intervene on brutal treatment by farm owners
- Support for the people given the space to establish any project they want
- Rural development strategy

- Job creation
- Cleaning project
- Katyi project
- Maintenance of roads

The above projects should be linked into epwp projects

WARD 2

- Community litter
- Domestic violence
- Unsanitary toilets
- RDP Houses
- Crime and youth drinking
- Poor medical care and home bound individuals to being unable to walk/ wheelchair bound
- Need more recreational facilities
- The theft of power cables

YOUTH

- Requires employment/ income generation for those not in school
- Need education on issues effecting them (youth)
- Need support on HIV/ AIDS matters/ programmes
- The municipality needs to improve access to sports facilities

UNEMPLOYED PEOPLE

- Need employment/ income generation.
- Need means of developing and acquiring skills

SELF-EMPLOYED

- They wish to get more opportunities
- Need information on sustaining their businesses

EMPLOYED

- Require information on how to improve own skill to progress
- The needs homes as some of them don't qualify for home loans

DISABLED

- Require improvement of the centre
- Require training on different skills e.g. needlework
- Require grant to be increased to cover medical expenses, clothing and food

ELDERLY

- Want a clean environment

- Are concerned about the safety and security and that of children in the area
- Require employment/ income generation as they at time have grandchildren to take care of

SINGLE WOMEN WITH CHILDREN

- Want to leave without fear of being robbed, raped or even killed.

WARD 3

- Rectification of RDP houses in Riebeeck East
- Sanitation problems due to lack of water
- Lack of employment: the only opportunities are from Roads and Transport. The pay is not enough to sustain families
- Lack of entertainment (recreational facilities) is a problem in Riebeeck East
- The community is concerned about the fire station having 1 VEHICLE (BUSHTENDER, 1 FIRE ENGINE)

CHALLENGES

- A fire station, at the moment they have a satellite station
- Need to have more fire engines
- There is a shortage of staff/volunteers
- They need hydrants
- Burglaries are a problem
- Due to unemployment customers neglect their debts thus there is not much local business because there are no customers
- Need more municipal assistance with the running of the community
- Requires computers
- The community mostly uses gas and struggling when it comes to refilling them
- There is problem of leaking toilets
- They community requires a bigger space for a playground or recreational site
- Renting is expensive
- There is a problem of shop lifting
- Common assault is also ripe in this community

WARD 4

- School transport is problematic
- Rape and sodomy among children at school as well as by parents
- Lack of after school activities
- Water shortages
- Lack of an active community police forum
- Skills development for the youth and unemployed, to be trained in different skills, to provide for job creation.
- Building of high school in rural areas (Fort Brow)
- Improve sport fields

- Need help with land acquisition for projects
- Government to avail agricultural fields
- Revival of fuel station at Committees Drift
- More water tanks to assist gardening project (Fort Brown).
- Develop contact with shops for the supply of vegetables from the garden projects
- Department of labour to interact and as mediator
- Legislation of farm labourers
- There must be a forum combining workers and farm owners
- Immediate response from government when issues are raised.
- Need to be empowered
- Need a centre for skills improvement
- Need access to pay points instead of having to go to neighbouring towns
- Need safe environment
- Need own houses
- Financial Education on how to manage grants, old age pension or otherwise
- Need to revive the toilet paper project, for the creation of employment
- To mobilise a women's movement

ELECTRICITY

- Areas close to power lines to be connected and those far to have solar systems installed
- Waterless / dry toilets in all areas to be erected

HOUSING DEVELOPMENT

- Municipality to have a plan for development (land acquisition)

WATER

- Municipality to assist with cleaning of the water storage facility in Fort Brown
- Where there is no source of water to have boreholes or solar pipes
- Provide tanks per family for water harvesting

SCHOOLS

- Provision of transport for the school children studying in long distant areas e.g. (GHT)
- Need caretaker for all farm schools
- Need intervention from the department of education and social development to improve discipline in youth/ children

PRIMARY HEALTH

- Improve mobile clinic provision
- To have doctors visit weekly
- Establishment of health posts in all rural areas

- Improve transportation of patients to nearby hospitals

ROADS

- Maintenance of gravel roads
- Visible road warning signs
- Installation of rambles in all high accident zone, main roads
- Introduce adequate closer certificate in all municipal roads

SPORT AND RECREATION

- Municipality to regularly maintain sports fields
- Formal agreement between Municipality and farm owners should be made for the provision of land for sport facilities.

BUSINESSES

- Economic development summit must be organized for the end of the financial year to focus on economic opportunities

WARD 5

- Poor construction of RDP houses
- Potholes and dusty roads- resulting in asthma
- Clinics, sanitation and refuse collection
An efficient clinic system is required to clear the confusion of which clinic these residents belong to. Refuse collection system is non-existent; rubbish is strewn all over resulting in health hazard
- Lack of adequate ablution, pit toilets are not cleaned often
- Inconsistent water quality
- Drug abuse, alcoholism & unemployment
- Recreational facilities required
- Lack of funding to remunerate volunteers in the orphanages and old age homes
- Unemployment is a problem in this ward, skills development required
- Need intervention on orphans and child headed home by social development
- To have a multi-purpose centre
- Maintenance of sport fields
- Require bursaries information so to be able to access bursaries
- A business forum is also needed for the small businesses
- Establishment of Co-opts for the unemployed
- Support group for HIV/ Aids, Alcohol & drug abuse
- Need schools
- Government to avail agricultural fields
- The establishment of a programme that encourages people to go back to school
- Need training on business, financial & marketing management. Information on how to apply for funding.

- Need site to establish business co-opts
- Labour department to help with educating employees on their rights.
- Skills development for municipal project workers and construction workers in RDP Building
- For the right/ deserving people to be able to get RDP houses
- Require a multi-purpose centre for different projects
- Safety and security a problem in this area
- Need a centre for skills improvement
- To establish a social workers forum to care for their needs
- To have houses designed for the disabled
- Need help with financial support in existing projects and businesses
- The disabled require donations of wheel chairs
- To have training & recognition of the disabled people's skills
- Require education on how to manage finances
- Require clean environment for healthy living
- To have home based care
- Equality in job creation (women/ youth/ disabled)
- Skills development for the youth and the unemployed in the ward
- The establishment of co-opts
- To mobilize a women's movement/ support group

WARD 6

- Poor construction of RDP houses
- Potholes and dusty roads- resulting in asthma
- Clinics, sanitation and refuse collection
- An efficient clinic system is required to clear the confusion of which clinic ward 5 and ward 6 residents belong to.
- Refuse collection system is non-existent, rubbish is strewn all over resulting in health hazard
- Lack of adequate ablution, pit toilets are not cleaned often
- Inconsistent water quality
- Drug abuse, alcoholism & unemployment
- Recreational facilities required
- Lack of funding to remunerate volunteers in the orphanages and old age homes
- Unemployment is a problem in this ward, skills development required
- Need intervention on orphans and child headed home by social development
- To have a multi-purpose centre
- Infrastructure Development
- Tarring of main access roads in extension 8 & 9
- Building of crèches in extension 8, 9 & transit camp
- Install full doors in the RDP houses built in extension 8
- Require a Small Business Centre to house groups of NGO, ATMS and businesses
- High mast to be installed in extension 9
- Need Storm Water Drains near the hall
- Community & Social needs to be government priority
- Playground required

- Upgrading of electrical volts
- Auditing of RDP ownership (councillor and ward committee)
- Moral regeneration movement programme within the ward
- Provision of sites for churches
- Revival of sport codes for youth including elderly and financial support with equipment and kit

BUSINESSES

- Enforcement of by-laws especially the taverns (councillor and ward committee to engage community on new businesses e.g. foreigner owned shops)

WARD 7

- Lack of recreational activities for the youth
- Lack of access to clean water
- RDP housing
- Crime
- Unemployment
- Deficiencies with the bucket system

YOUTH / UNEMPLOYED

- Skills empowerment and improvement of intergovernmental relations
- Use available resource as an employment base e.g. Kaolin Mining
- Playground in Phumlani location, need fencing
- Expanded public works programme required
- Community require Support with HIV/AIDS programmes
- Need to develop mentorship for students by graduates in the area even outside

SELF-EMPLOYED

Kwam– Emakana require technical and financial support from Municipality

- Self-employed individuals need assistance in registering their businesses
- Formation of co-opts (Isibindi project)
- Ostrich farming due to capacity in Makana

EMPLOYED

- Want to own houses but don't qualify for home loans
- Need help with improving own skills for progress
- Require plots to build own houses

DISABLED

- Require a Skills Development centre
- Grant to increase for the disabled
- Decrease waiting period for wheel chairs
- Homes designed for the disabled at least 5%

ELDERLY

- The establishment of a gardening project
- Adequate safety and security
- Ward based old age home

SINGLE WOMEN WITH CHILDREN

- Require safe environment
 - Social grant to continue
 - Motivational programmes for the young by motivational speakers in the ward
- Maintenance of sewer lines (drains)
 - Creation of humps in Ncame and Nompondo Streets
 - Rectification of 2004/ 7 toilets
 - Water outages / quality
 - Need assistance with the illegal dumping site next Mrhwetyana, Thatha, Phumlani, Mnandi, Old age & Noncedo Crèche.
 - Both crèches need maintenance (creation of lease agreement)
 - Subsidization of crèches
 - Clear plan of old age near BAB
 - Rectification of Zenzele Houses (Phumlani – RDP houses)
 - BAB to become a multi-purpose centre (be linked to new proposal of township renewal)
 - Support on youth initiatives

STREET LIGHTS

- One high mast in Phumlani and maintenance of all street lights and drains
- Taxi road (Thatha area) require lighting

ROADS

- Main roads need paving, sidewalks beautified and trees planted with shelters renewed.
- Municipality tar main road in extension 3
- The community requires maintenance of gravel/ access roads
- This community requires the tarring of access roads as carries a certain health risk (dust)
- This community requires sport & recreation facilities (Indoor Sport Centre)
- The identification of open spaces for sport & recreation facilities and parks is vital to keep the young in the community occupied.
- Revival of Isibindi/ Makana public project

WARD 8

- Lack of recreational activities for the youth
- Inefficient sewerage system
- Lack of access to water
- Crime
- Lack of communication between community members and the municipality
- RDO housing
- To have provision of bursaries for the youth
- The youth needs workshops on life skills
- To have ABET programmes easily accessible
- To have the youth involved in arts & culture

UNEMPLOYED

- The unemployed requires skills development
- Require employment as well as in-service training
- There is a lack of voluntary work for the unemployed
- Require learnership and internship programmes

SELF-EMPLOYED

- Need the involvement of LED
- This community requires training on how to properly manage their businesses

EMPLOYED

- Want to own businesses thus need help with information on how to go about the establishment of those businesses
- These people require help with training on their fields of work (plumbers / painters)

DISABLED

- Increase on the employment of disabled would be highly appreciated
- They require a Centre for the disabled

ELDERLY

- The elderly are concerned with the safety and security
- They require a safe haven /place just for the elderly
- They would appreciate a clean environment
- Require projects designed for the elderly

SINGLE WOMEN WITH CHILDREN

- Want to be involved in the making of decisions that affect their children
- Require support groups for single women with children
- ▮ Building of storm water drains
- ▮ Strengthening of CPF and are committees
- ▮ Speed humps (Hlalani main road)

VUKANI

- ▯ To build crèche, playground and community centre in the space of Ethuthwini
- ▯ 2 High masts installed
- ▯ Vukani needs knowledge on establishment of crèche and require a clinic in their open spaces
- ▯ Need mobile clinic in the area
- ▯ Need mobile police station in the area
- ▯ Enforcement of by-law on foreigners using their businesses as homes, visa vie
- ▯ Visible street names/ signage
- ▯ Building of the bridge behind Themba Santa, the Kenya area

ELUXOLWENI

- Requires tarring
- Electrification of houses in the area
- Require that the municipality do an investigation on who owns ARDER centre to convert it into community play ground
- An urgent addressing of outstanding snags

LUVUYO / NEW TOWN

- The Luvuyo Community Hall to be a heritage site, Nobhengula to be a multipurpose centre
- The community requires training on tourism
- Installation of high mast in front of Luvuyo Community Hall
- To mobilise and educate the community on the importance of heritage
- The community requires the eradication of the dumping site in Luvuyo

FINGO VILLAGE

- The beautification to continue throughout not just the face of Fingo, the planting of grass and flowers along the Albert Road.
- The strengthening of CPF is important
- The formation of co-opts on tourism
- The RDP houses need plastering and sealing
- The community require speed humps in Albert Road

SUNNYSIDE FARM

- Government to help with irrigation
- To repair a transformer for electrification
- Require tractors for ploughing
- Require RDP houses for the community
- Require LED intervention on the running of the farm

WARD 9

- Safety is a problem due to a lot of taverns
- Litter due to the once a week collection of refuse
- Crime due to high level of alcohol consumption
- Rape
- Unemployment
- Sanitation – dumping sites
- Vacant church plots to be converted into either playgrounds of multipurpose centres
- Alcohol and substance abuse ripe in this area
- Lack of motivation for youth
- Teenage pregnancy; HIV/AIDS
- Lack of activities for youth

MIXED YOUTH / UNEMPLOYED

- Municipality to develop skills programmes for the youth and the unemployed
- To develop recreational facilities
- The Municipality to have sport programmes for the community
- They require the department of Education to help with ABET programmes
- The community requires the enhancement of a reading culture within the community
- Require a Youth centre (Fingo Revolution movement etc.)

SELF-EMPLOYED

- The community requires a market place
- They require Business Marketing Management Skills
- They require assistance with the registration of their businesses

EMPLOYED

- They need improvement on different skills
- They need RDP houses as most don't qualify for home loans
- The community requires awareness programmes to educate farm worker of their rights(chillis project)

DISABLED

- Require user friendly RDP houses
- Need to have RDP houses in areas accessible for disabled
- Require an establishment of a Cross Cultural Centre
- Require protection
- They need educational programmes for the disabled (ABET programs)

ELDERLY

- They require homes for the aged
- They require education on management of grant money/ financial skills

SINGLE WOMEN WITH CHILDREN

- To establish single women forum
- To be prioritised in the RDP housing project

OTHER ISSUES

- Crime prevention/ visible policing
- Site for the disabled, could us the old church building in Godlonton Street
- Visibility of traffic officers
- Councillor and ward committee to engage community on dumping sites
- Maintenance of drain system throughout the ward
- Maintenance of high masts

SPORT AND RECREATION

- Upgrading of sport fields between Godlonton & Wood Street

HOUSING

- O, P, Q & R outstanding RDP houses, the community requires information on way forward

ROADS

- Victoria, I, J, N, P, Q, R – tarring
- Humps required for Victoria Road

OPEN SPACES

- D Street
- Below St Philips church in Godlonton Street
- Turpen Street

BUSINESSES

- Old businesses have been revived by foreigners
- Engagement of law enforcement in the Makhaya Tavern problem

WARD 10

- Maintenance of recreational facilities like: Cricket Oval & the tennis court
- Vandalism: buildings, cemeteries & facilities
- Teenage pregnancy resulting from casual sex
- Derelict buildings: for partying and sexual activities
- Lack of entertainment for young people
- Drug and alcohol abuse
- Rape increasing
- Hopelessness among the youth
- Unfair distribution of RDP houses

YOUTH

- Require employment to generate income
- They have access to multipurpose centre to be established in the ward
- Require empowerment programmes on job creation
- Require HIV/ AIDS support group
- Require library with computers

UNEMPLOYED

- Require employment
- To have Skills Development Programme
- The formation of co-opts
- To be the first informed of municipal projects in their ward

SELF-EMPLOYED

- Need registration assistance in establishment of businesses
- Require skills in business management, marketing development of existing skills
- Require Business Centre

EMPLOYED

- To establish skills development programmes
- To establish awareness programme on rights of the employed
- Require RDP housing as they may not qualify for home loans

DISABLED

- Require disabled forum
- Require access to Multi-purpose centre to be built
- To have skills development programme
- Require RDP houses designed for the disabled

ELDERLY

- Clean and safe environment
- Require mobile police station
- Require extension of the Makaizer Old Age home to accommodate more people
- Require recognition of the elderly group
- They require financial education

SINGLE WOMEN WITH CHILDREN

- Require employment
- Require skills development
- ▣ Rectification of RDP houses in Hooggenoeg and Vergenoeg

OLD RESIDENTIALS INCLUDING BACK YARDS

- ▣ Rectification of houses in Ghost Town and Vergenoeg

BUSINESSES

Old Businesses

- Electricity vending machines in some of the shop

NEW BUSINESSES

- Enforcement of municipal by-law (Zoning Schemes) – Phaphamani, Zolani & Sun City

ROADS

MAIN ROADS

- Maintenance of main road tar.
- Tarring of main road in Hoogenoeg
Access Roads to be tarred
- Tarring Hoogenoeg

SPORT AND RECREATION

- Planning already in process

OPEN SPACES

- Zolani – Slagpaan
- Ghost Town
- Phaphamani
- Opposite Kleinskool
- Vergenoeg – extension of the Rainbow Crèche

ADDITIONS

- Demolish shack in back yards
- Fire fighting office in the councillor space/ Multi-purpose centre

WARD 11

- Rubbish dumping : affecting the ridding club
- Rubbish a source of employment (community recyclers)
- Poor/ insufficient fencing of the dumping site

JOB CREATION

- The beautification of the following streets: Albany Road, Fitchart Street
- Paving and trees planting as well as the installation of street lights
- The old Regional Service Building that previously housed Radio Grahamstown could be turned into a Multi-Purpose Business Centre. To serve as a centre for small businesses,
- The same can be used as a training centre to train the unemployed youth in the fields of : brick laying, carpentry, plumbing tile laying and electricity.
- The building can also be used as a computer centre through all this jobs will be created.

THE RAILWAY YARD

- Could be bought from Transnet and developed into a multi residential complex.
- This will result in job creation and the housing needs/ backlog being addressed
- Houses in Scott Farm built prior to 1994 have cracks and some are falling apart, need upgrading.
- The community require the building of houses in their back yards (Scott Farm).

KAOLIN DEPOSIT

- can be utilized properly to manufacture, crockery and ceramic wares
- Job creation

THE AERODROME

- Could be re-opened and pilots trained on site.

THE TENNIS COURT

- The community requires information on why the project has been put on hold.
- The require security to protect equipment and infrastructure on site.
- The tennis court could be converted into a multi-sport facility.

OPEN SPACES

- Fitchart Street could be bought from Chan Henry and be turned into a veggie garden that will supplement the soup kitchen.
- Aiken Street could be turned into a play park for children.
- The space between the Oval and Lavender valley can be turned into a Recreational Park

COMMUNITY HALLS

- The Recreation Hall's fence needs to be repaired. The hall should be easily accessible to the youth.
- The Crown Hall needs to be repaired.

COMMUNITY CLINIC

- The clinic serves residents from multiple wards
- The clinic needs upgrading (to cater for the disabled people)

LIBRARY:

- The community requires a computer room with inter-net
- The standard of the library must be upgraded

WARD 12

- Non-delivery of promised RDP houses
- Existing RDP houses falling apart
- Unemployment – inadequate skills
- Poor level of education in the community
- Lack of teachers and facilities
- Safety and security
- Racism experienced from police once called to respond
- Government not taking responsibility for service delivery
- Rhodes should do more for the community of Grahamstown
- Lack of electricity in informal settlement
- Local entrepreneurs not receiving enough help from government
- Lack of exposure of the community's problems in the local publication

YOUTH / UNEMPLOYED

- Programmes and projects designed specifically for them e.g. Skills development programme
- The formation of co-opts e.g. Kaolin, Arts & Culture, Fashion Design, Agriculture
- They require the release of land for business purposes & projects
- To have lease agreements
- To revive the Umthombo project or Umsobomvu
- The monitoring of NGO & CBO's
- To establish the information and youth desk that is ward based/ reps to represent youth in forums
- To establish tutorial programmes to be facilitated by Education department

SELF-EMPLOYED

- Require help with registration of businesses
- The SMMES to be first priority and become sub-contractors e.g. SMME indaba to be ward based

EMPLOYED

- To have access to land to build their own houses as some don't qualify for home loans

DISABLED

- To establish a training centre for skills development
- The community requires a Home Based Care Centre for the disabled
- To have home visits from social workers
- Require information on how to get disabled friendly houses

ELDERLY

- Require homes for the aged
- Require social workers to visit and monitor the elderly situation and livelihood
- To have sporting code for the elderly

SINGLE WOMEN WITH CHILDREN

- Safe environment to be a priority
- They require police visibility

PART SEVEN: FINANCIAL VIABILITY

7.1 KEY CHALLENGES

- Financial system unable to produce financial reporting timeously. Section 71 and 72 reports
- No asset management plan
- Deviation Supply Chain Management Policy
- Strategy to deal with non-metered
- Consumer and losses (electricity and water)
- Adequately address the matter raised by the Auditor general in 08-09
- Capacity building on GRAP, Supply Chain Management and basic Accountancy

7.2 DEVELOPMENT PRIORITIES FOR 2011-2012

6.1	Developmental Intervention	1	Development of Revenue Collection & Management Strategy
		2	Debt Cleansing and meter audit
		3	Improve Asset Management process
		4	Unbundling of infrastructure asset
		5	Review Supplier chain management policy/depend on the exploration to be done by LED
		6	Improve financial reporting/Integrated Accounting system

PART EIGHT: MAKANA MUNICIPALITY SPATIAL DEVELOPMENT FRAMEWORK (SDF)

The Municipal Systems (Act 32 of 2000) requires Municipalities to prepare Spatial Development Framework Plan. The Spatial Development Framework must be consistent with applicable National or Provincial Legislation and give effect to National and Provincial plans and Planning Legislation in terms of section 18 of the Land Use Management Bill. SDF is a visual presentation of priority areas in a Municipal area where strategic intervention is required in terms of the Integrated Development Plan (IDP) National Planning Legislation used in formulating this SDF include;

- Local Government Municipal Systems Act
- Development Facilitation Act
- Land Use Management Act
- National Environmental Management Act
- National Spatial Development Perspective

The purpose of this SDF is to co-ordinate and to optimize human activities, which require physical space and/or have an impact on it. Spatial development planning is a public sector function which creates public investment and regulatory frameworks within which private sector decision-making and investment can occur.

These frameworks are known as Spatial Development Frameworks.

The primary purpose of the Spatial Development Framework is to represent the spatial development goals of a local authority that result from an integrated consideration and sifting of the spatial implications of different sectorial issues. The Spatial Development Framework should not attempt to be comprehensive. It should take the form of a broad framework that identified the minimum public actions necessary to achieve the direction of the plan. It must have sufficient clarity to guide decision-makers in respect of development applications.

It should describe the existing and desired future spatial patterns that provide for integrated, efficient and sustainable settlements.

Municipality has SDF that was adopted by Council in 30 March 2009 and will be revised in the next IDP review cycle 2012-2013 financial year.

The study area for Makana SDF includes all the land portions under the jurisdiction of Makana Municipality as defined by the demarcation board.

This document consists of the following components.

- **Description of the study area** – provide a status quo description of the study area with specific reference to settlement hierarchy and the resulting demographic and socio-economic profile.
- **Legislative and policy context** – The Makana SDF is produced and implemented within a specific legislative and policy context. This section explores the various pieces of legislation and government policies which provide direction to SDF formulation and implementation.
- **Guidelines for desired spatial form** – Desired spatial form is defined as the optimum or ideal combination of land uses to meet all the needs of the residents of a town/city.
- This section identifies policy statements which describe such a desired spatial form and includes guidelines for land use management within Makana Municipality.
- **Nodal Development Plans** – These plans enable the abovementioned guidelines to be applied in addressing the spatial needs of the residents in each node.
- **Capital investment framework** – This component consists of a framework of projects which will facilitate the desired spatial form applicable in each node and the municipality as a whole.

An initial assessment of the spatial planning needs of the municipality revealed the following shortcomings:

- Inadequate “mapping” of the municipal area.
- No policy/guidelines to address rural residential development
- No accessible record of land ownership
- Limited access to environmental sensitivity information
- Inadequate and lacking zoning scheme maps
- Immediate need to identify land for additional housing
- Pressure for development in both environmental and agricultural sensitive areas.

Having regard for the above the focus of this document has not been to comply with all the requirements of a complete spatial development framework but has been to provide the municipality with the following:

- Broad guidelines to enable the municipality to assess land development proposals
- Identify strategic land parcels which are to be accessed or utilized for future land requirements.
- Establish the policy framework for a land use management mechanism
- Prepare base-mapping for all primary and secondary nodes.
- Broadly address future land development in all nodes.
- Identify areas where planning funding is to be focused.
- An assessment of additional information required to continue the formulation of Spatial Development Framework.

CHAPTER THREE: DEVELOPMENTAL PRIORITIES ISSUES

3.1 MUNICIPAL STRATEGIC INTERVENTION FOR 2011-2012

This chapter is dealing with service delivery challenges, capacity challenges and provides an understanding of how the Municipality is intends to overcomes these challenges. A number of issues have surfaced from the IDP 2007-2008 analysis, community participation through Community based planning, institutional analysis (strategic planning sessions) and stakeholder engagement..

Each department in the municipality participated in identifying objectives and strategies for the development issues. These were presented to an IDP Rep Forum and Stakeholder workshop for discussion and consultation. The following five development issues were approved by the IDP Rep Forum, after considering the PGDP, 5-Year Local Government Strategic Agenda and the Government's 2014 targets.

These issues were consolidated into 5 priorities and development issues in accordance with national key performance areas. .

- Institutional Transformation and Organisational Development
- Basic Service Delivery (Community & Social and Infrastructure Development)
- Local Economic Development
- Financial Viability and Management
- Good Governance and Public Participation

DEVELOPMENT STRATEGIC OBJECTIVE

- a) A number of issues have surfaced from the IDP 2010-2011, community participation through Community based planning, institutional analysis (strategic planning sessions) and stakeholder engagement. Each department in the municipality participated in review of objectives and strategies for the development issues. These were presented to an IDP Rep Forum for discussion and consultation.

KEY PERFORMANCE AREA	DEVELOPMENT OBJECTIVE
Spatial Analysis	<ul style="list-style-type: none"> • Fragmented spatial planning in urban areas and land distribution rural area (Conduct Land audit(Neglected site, Open space)
	<ul style="list-style-type: none"> • Capacity assessment to be conducted when considering new developments in relation with water and electricity resources.
	<ul style="list-style-type: none"> • Development for all Infill areas plan
	<ul style="list-style-type: none"> • Land Administration and property management
Institutional Transformation and Organisational Development	<ul style="list-style-type: none"> • Maintain an efficient and effective administration

Basic Service Delivery	<ul style="list-style-type: none"> • An improved primary health care services • Contributed towards a safe and secure environment • Promote a culture of reading and learning • A clean & healthy municipal environment which promotes human well being • Public amenities are improved and well managed • Access to safe drinking water is provided • Manage water demand and conservation strategy • Acceptable sanitation services are provided • To provide an electrical supply that is continuous, reliable and safe. • Good quality roads and storm water drainage is provided • Sustainable land use planning and management • Contribute towards housing provision • Land Administration and property management
Local Economic Development	<ul style="list-style-type: none"> • A conducive climate for economic growth and development exists
Municipal Financial Viability & Management	<ul style="list-style-type: none"> • A municipality to be financially viable and sustainable
Public Participation & Good Governance	<ul style="list-style-type: none"> • Good Corporate Governance • Enhanced public participation and engagement to ensure service delivery according to developmental local government principles • Enhanced service delivery by improving organisational performance • Strategic profiling of legal services • Strategic profiling of legal services • Mainstreaming of HIV/Aids

3.2 PROJECT REGISTER

The next section is the Municipal interventions in the form of Project register with Developmental Objective, Developmental Strategies, Measuring Key Performance Indicators and Project/Programmes.

CHAPTER FOUR: INTEGRATION

INTRODUCTION

To ensure that the IDP address all strategic issues relevant to any effective municipality, the following section offers a comprehensive list of issues discussed during the IDP process.

The integration phase represents the institutional readiness for implementation.

This chapter deal with the:

PART 1: MANAGERIAL PLANS:

- 1.1 Processes of Managing Performance:
- 1.2 Budget/ Financial Plan Summary 2011/2012

PART 2: CROSS CUTTING SECTOR PROGRAM

- 2.1 Local Economic Development Plan
- 2.2 HIV/AIDS Plan

PART 1: MANAGEMENT PLANS

1. THE PROCESS OF MANAGING PERFORMANCE

The PM process at organizational level in the Municipality is characterized by the steps that are set out in Figure2. Although the steps and what follows relate mainly to performance management at organizational level, the principles and approaches as espoused could also be applied to performance management at departmental level.

1.2 PERFORMANCE PLANNING

Performance will be managed in terms of the IDP and the process of compiling the IDP. Therefore, the annual review of the IDP of the process planning for performance. From figure 2 it should be noted that the last step of the cycle is" Performance review" and the outcome thereof should inform the next cycle of IDP compilation / review by focusing the planning processes on the areas in which the Municipality has under-performed.

1.3 PERFORMANCE MONITORING

Performance monitoring is an on going process by which a manager accountable for a specific indicator as set out in the organizational scorecard (and a service delivery target contained in a SDBIP) continuously monitoring current performance against the set targets. The aim of the monitoring process is to take appropriate and immediate action where it appears that target will not be timeously met. The same will apply to the various SDBIPs. Performance monitoring requires appropriate action to be taken should it become evident that a specific performance target is not going to be met. In undertaking performance monitoring processes, the following aspects need to be determined and provided for:

- ❖ The data that must be collected in order to assess performance.
- ❖ The methods that must be employed of n the collection, storage, verification and analysis of that data.

- ❖ The processes and formats that must be used in compiling reports on that data.
- ❖ Corrective measures that will be employed when poor performance has been detected.
- ❖ Mechanisms to compare current performance with baseline indicators and performance during the previous financial year.

MONITORING REPORTS SHOULD BE SUBMITTED AS FOLLOWS:

Submitted to	Frequency
Executive Manager	At least quarterly
Municipal Manager	At least Monthly

Managers should track performance trends against targets for those indicators that lie within their area of accountability at least once per month. That will allow them to identify performance related

problems and take appropriate remedial action in time. In addition each senior manager should delegate to the direct line manager the responsibility to monitor the performance for his/ her sector.

1.4 PERFORMANCE MEASUREMENT

Performance measurement refers to the formal process of collecting and capturing performance data to enable reporting to take place for each KPI and against the target set for such indicator. A manual process will be used to measure performance at Makana Municipality. The municipal and SDBIP scorecards should spell out the name of an official who will be reporting on each indicator. The said official who will, when performance measurement is due, have to collect and collate the necessary performance data or information and capture the result against the target for period concerned. As such, they need not be against the target for the period concerned. As such, they need not be accountable for performance on the said performance indicator.

1.5 PERFORMANCE ANALYSIS

Performance analysis involves the process of making sense of measurements. It requires interpretation of the performance measurements to determine whether targets have been met / exceeded and to project whether future targets will be met or not. Where targets have not been met, the reasons thereof should be examined and corrective action recommended. Where targets have been met or corrective action recommended. Where targets have been met or exceeded, the key factors that resulted in such success should be documented and shared so as to ensure organizational learning.

1.5.1 THE MANAGER RESPONSIBLE FOR EACH INDICATOR SHOULD, THEREFORE, DO THE FOLLOWING:-

1. Capture the performance data against targets on the scorecard.
2. Analyse reasons for meeting or not meeting a target

3. Capture a summary of findings on the scorecard.
4. Recommend remedial actions as appropriate.

The completed organizational and SDBIP scorecards should be submitted to a formal meeting of the senior management team for further analysis and consideration of draft recommendations from the relevant managers. This level of analysis should examine performance across the municipality in terms of all its priorities with the aim to reveal and capture whether there are any broader organizational factors that are limiting the ability to meet any performance targets.

Such analysis should also ensure that quality performance reports are submitted to the Executive committee and that adequate response strategies are proposed in cases of poor performance. After reaching agreement on the analyses the management team can take the scorecards to the executive committee for consideration and review.

1.6 PERFORMANCE REPORTING AND REVIEW

The next two steps in the process of performance management (i.e. Performance reporting and performance Review) will be dealt with at the same time. This section is further divided into three sections dealing with the requirements for in –year versus annual reporting and reviews respectively and lastly a summary is provided for the various reporting requirements.

1.6.1 IN – YEAR PERFORMANCE REPORTING AND REVIEW

The submission of the scorecards to the executive committee for consideration and review of the entire municipal performance is the next step in the process. The first such report is a major milestone in the implementation of any PMS and it marks the beginning of what should become a regular event (i.e. using the performance report as a tool to review the municipality’s performance and to make important political and management decision on how to improve).

Performance Review is the process where the leadership of an organization reviews the results; and decides on appropriate action, after the performance of the organization has been measured and reported. In reviewing the organizational and departmental scorecards, the Executive Committee will have to ensure that the committed targets have been met; and where they have not, that satisfactory and sufficient reasons have been provided and that the proposed corrective action is adequate. If satisfied with the proposed corrective action those should be adopted as formal resolution of Council, minutes read and actioned accordingly.

As indicated earlier, the organizational and SDBIP scorecards should be submitted to the executive committee for consideration and review on a quarterly basis. The reporting should therefore take place as follows:-

Quarter	Period under Review	Month of reporting
1	July to end of September	October
2	October to end December	January
3	January to end March	April
4	April to end June	July

The review in January will coincide with the mid-year performance assessment as per section 72 of the MFMA. The said section determines that the accounting officer must, by 25 January of each year, assess the performance of the municipality and report to council on inter alia, its

service delivery performance during the first half of the financial year and service delivery targets and performance indicators as set out in the SDBIP

1.6.2 ANNUAL PERFORMANCE REPORTING AND REVIEW

- ❖ On an annual basis a comprehensive report on the performance of the Municipality also needs to be compiled. The requirements for the compilation, consideration and review of such annual report are set out in chapter 12 of the MFMA. In summary it requires that:-
- ❖ All Municipalities for each financial year compile an annual report.
- ❖ The annual report should be tabled within seven months after the end of the financial year.
- ❖ Soon after the annual report has been tabled it should be made public and local community should be invited to submit representations thereon.
- ❖ The Municipal Council should consider the annual report within nine months after the end of the financial year and adopt an oversight report containing the Council's comments on the annual report.
- ❖ The adopted oversight report should be made public.
- ❖ The annual report as tabled and council's oversight report should be forwarded to Auditor-General, the Provincial Treasury and the department responsible for local government in the Province.
- ❖ The annual report as tabled and the council's oversight report should be submitted to the provincial legislature.

The oversight report to be adopted provides the opportunity for full Council to review the performance of the Municipality. The requirements that the annual report once tabled and oversight report be made public similarly provides the mechanism for general public to review the performance of the Municipality. However the Municipality will budget for the compilation of a user friendly citizens' report. The citizens' report should be a simple, easily readable and attractive document that translates the annual report for public consumption.

Over and above the legal requirements of the MSA and the MFMA, there should be an annual public campaign that involves the community in the review of municipal performance. Such a campaign could involve all or any combination of the following methodologies:-

- ❖ Various forms of media should be used to convey the annual report e.g. radio newspapers, notice boards (in shops and community halls) and billboards.
- ❖ The public should be invited to submit comments on the annual report via physical visits to the Municipality offices, telephone, fax and email.
- ❖ Public hearings could be held in a variety of locations to obtain input of the annual report.
- ❖ Making use of existing structures such as ward committees to disseminate the annual report and invite comments.
- ❖ Hosting a number of public meetings and road shows at which the annual report could be discussed and input invited.
- ❖ Producing a special issue of the municipal newsletter in which the annual report is highlighted and the public invited to comment.

The public review process should be concluded by formal review of the annual report by the IDP representative Forum of the Municipality.

The annual performance report should be compiled and completed no later than two months after financial – year end. That will ensure that its outcomes can timeously inform the next cycle of performance planning.

1.6.3 SUMMARY OF VARIOUS PERFORMANCES REPORTING REQUIREMENT

The following table, derived from both the legislative framework for performance management and this PMS framework, summarises the various performance reporting deadlines s they apply to Makana Municipality.

Report	Frequency	Submitted for Consideration and or review to	Remarks
1. SDBIP	Quarterly	ExCo	See MFMA Circular 13 of National Treasury for further information
2. Monthly Budget Statements	Monthly	Mayor in consultation with Exco	See sections 71 and 54 of the MFMA
3. Organisational Scorecard	Quarterly	ExCo	This PMS framework (see section 2.
4. SDBIP mid- year budget and performance assessment	Annually in Jan of each year	Mayor + ExCo Council	See section 72 and 54 of the MFMA
5. Performance Report	Annually	Council	See section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report
6. Annual Report	Annually	Council	See chapter 12 of the MFMA

2. THE AUDITING OF PERFORMANCE MEASURES

2.1 THE ROLE OF INTERNAL AUDIT IN TERMS OF PERFORMANCE MANAGEMENT.

The MFMA requires that the Municipality must establish an internal audit section which could be outsourced (depending on municipal resources and specific requirements)Section 45 of the MSA stipulates that the results of the municipality’s performance measures should be audited by the said internal audit sections as part of the internal auditing process and annually by the auditor-General. For Makana, the internal audit function will be outsourced in liaison with the Cacadu District Municipality.

The Municipal Planning and Performance management Regulations stipulates that the internal audit section must, on a continuous basis, audit all performance and auditing must include an assessment of the following:-

The functionality of the Municipality’s performance management system. The internal audit section must therefore on a regular basis audit whether the PMS of the Municipality is functioning as developed and described in this framework.

Whether the Municipality's performance management systems complies with the act. This compliance check would require that the Municipality's internal audit unit, at least on an annual basis verify that the Municipality's PMS complies with the said legal requirements.

The extent to which the Municipality's performance measurements are reliable in measuring the performance of by making use of indicators. The Municipality should have a proper information that the internal audit function is able to access information regularly and to verify its correctness.

The Municipality's internal auditors must submit quarterly reports on the audits undertaken to the Municipal Manager and the Audit Committee.

2.2 AUDIT COMMITTEE

The MFMA and the Municipal Planning and Performance Management Regulations require that the Municipal Council Should establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the Municipality. No Councillor maybe a member of an audit committee. Council should also appoint a chairperson who is not an employee of Makana Municipality.

The regulations give Municipalities the option to establish a separate performance audit committee whereas the MFMA provides only for a single audit committee. The operation of Audit Committee when dealing with performance management is governed by section 14 (2-3) of the regulations which require the audit committee to do the following:-

Review the quarterly reports submitted to it by the internal audit unit.

Reviews the municipality's PMS and make recommendations in this regard to the council of the Municipality.

At least twice during a financial year submit an audit report to the Municipal Council.

In order to fulfil their function, a performance audit committee may according to the MFMA and the regulations:-

- ❖ Communicate directly with the council, Municipal manager or the internal and external auditor of the Municipality concerned;
- ❖ Access any municipal records containing information that is needed to perform its duties or exercise its powers;
- ❖ Request any relevant person to attend ant of its meetings and if necessary to provide information requested by the committee, and
- ❖ Investigate any matter it deems necessary for a performance of its duties and the exercise of its powers.

3. PERFORMANCE INVESTIGATIONS

The Audit Committee should also be able to commission in depth performance investigations where there is either continued poor performance or a lack of reliability in the information being provided. Those performance investigations should assess the following:-

- ❖ The reliability of reported information.
- ❖ The extent of performance gaps from targets.

- ❖ The reasons for performance gaps.
- ❖ Corrective action and improvement strategies.

The outsourced internal audit section will be used to conduct these investigations and should ensure the involvement of people who are experts in this area. For each investigation, clear terms of reference will need to be adopted by council.

4. STAKEHOLDER ROLES AND RESPONSIBILITIES

Stakeholder	Role
Council / Exco	<ul style="list-style-type: none"> ➤ Adopt the PMS Framework & PMS ➤ Adopt the Municipal Scorecards ➤ Conduct Annual Review ➤ Commission Performance Audits ➤ Reports to the Public and Province
Management Team	<ul style="list-style-type: none"> ➤ Plan for PM ➤ Adopt the PMS Framework & PMS ➤ Draft scorecards ➤ Approve Departmental Scorecards ➤ Conduct Performance Measurements ➤ Produce PM reports ➤ Commission Performance Audits
Audit Committee	<ul style="list-style-type: none"> ➤ Audit PM Reports & Make recommendation
Internal Audit	<ul style="list-style-type: none"> ➤ Audit the results of performance Measurements
IDP Steering Committee	<ul style="list-style-type: none"> ➤ Participate in PM Planning ,Monitoring & Review
IDP Rep Forum	
Ward committees	

5. PERFORMANCE MANAGEMENT AT INDIVIDUAL LEVEL

The reality is that the Municipality is an institution that employs people, thus its performance is highly dependent on employees. It therefore follows that performance needs to be managed at individual employee level. The individual performance management system is a vehicle for implementing the operational plans emanating from the linkages between individuals, functions and the broader Municipal objectives, The PMS is aimed at providing specific standards to assist the employer, management and municipal staff to perform to the required standards. Makana will use the individual PMS to:-

- ❖ Manage and measure behaviours' that contribute to organisational and individual success.
- ❖ Recognise levels of actual performance in relation to agreed targets
- ❖ Encourage continuous improvement and efficiency
- ❖ Identify and act on areas for individual development.
- ❖ Provide a platform for communication on performance between superiors and employees.

This section discussed the structured process for managing performance of the municipal manager and the employees that are directly report to her, separately discussed the process of managing performance for the rest of municipal staff.

5.1 PERFORMANCE MANAGEMENT FOR SECTION 57 MANAGERS

Performance management for municipal manager and the employees that directly report to him will strictly adhere to the provisions of the Municipal performance regulations (2006). The key phases are, namely, Performance Contracting, Performance review, and Performance assessment. This section will also discuss dispute relating to PM.

5.2 PERFORMANCE CONTRACTING

Performance contracting is characterized by the consultation between the employer and the employee regarding specific performance standards that should be adhered to during the given financial year. Being the first of the three key phases, performance contracting entails the signing of the performance Agreement within one month after commencement of each financial year, with the purpose to:-

- ❖ Comply with the contract of employment
- ❖ Comply with section 57 of the MSA;
- ❖ Specify the agreed objectives and targets, and communicate within municipality's performance expectations in line with the IDP, the SDBIP and the budget;
- ❖ Specify accountabilities that are drawn in the Performance Plan
- ❖ Serve as basis of the municipality's commitment to a performance orientated relationship
- ❖ Provide a platform for monitoring, evaluating and measurement performance against targeted outputs and subsequently rewarding good performance.

At this phase, the employee will commit to focusing on implementing the key objectives (i.e. KPA's including any relevant special projects and the core Competency Requirements (CCR's).

The KPA and CCRs are assigned a weight, respectively. Such weighting (as it is known) denotes the relative importance of the key objective to each other. The KPAs would cover the main areas of work and would account for 80% whereas the CCRs would account for 20% of the final performance assessment. For the MM the KPA's are as follows:

- ❖ Basic Service Delivery
Municipal Institutional Development and Transformation
- ❖ Local Economic development
- ❖ Municipal Financial Viability and Management
- ❖ Good governance and Public Participation

For managers that directly account to the MM, the KPAs that are related to the functional areas of that manager's position, should be negotiated between that manager and municipal manager. The CCR that is critical for the employee's job should be selected from the following list and must also note the compulsory Core Managerial Competencies.

6. CORE MANAGERIAL COMPETENCIES

- ❖ Strategic Capability and Leadership
- ❖ Programme and Project Management (compulsory)
- ❖ Financial Management
- ❖ Change Management
- ❖ Knowledge Management
- ❖ Service Delivery Innovation
- ❖ Problem solving and analysis

- ❖ People Management and Empowerment (Compulsory)
- ❖ Client orientation and customer focus (Compulsory)
- ❖ Communication
- ❖ Honesty and Integrity

6.1 CORE OCCUPATIONAL COMPETENCIES

- ❖ Competence in self –Management
- ❖ Interpretation of and implementation within the legislative and national policy frameworks
- ❖ Knowledge of development local government
- ❖ Knowledge of Performance Management and reporting
- ❖ Knowledge of global and South African specific political, social and economic context
- ❖ Competence in policy conceptualization, analysis and implementation
- ❖ Knowledge of more than one functional municipal field / discipline
- ❖ Skills in mediation
- ❖ Skills in governance
- ❖ Competence as required by other national line sector departments
- ❖ Exceptional and dynamic creativity to improve the functioning of the municipality

6.2 LIST OF CORE COMPETENCY REQUIREMENTS (CCRS) FOR EMPLOYEES

In order to address the development gaps that support the achievement of set performance targets, a personal development plan (PDP) will be developed and form part of the Performance Agreement i.e. In line with the MFMA the performance agreements will be made available to the public.

6.2.1 PERFORMANCE REVIEW

Performance review is aimed at checking and monitoring progress of the employee in satisfying the key objectives and their targets. Performance reviews will happen at the end of the first, second and third quarters of the year as noted below

Quarter	Period under review	Month of conducting review
1	July to end September	October
2	October to the end of December	January
3	January to the end of March	April
4	April to the end June	July

Makana Municipality may elect to conduct verbal reviews for the first and third quarters, particularly if performance is deemed satisfactory. During any of the reviews, the municipality will however make use of the assessment tools that will be ultimately used in performance assessment phase (4th Quarter). Despite the force stated performance review intervals, the employer reserves a choice to review performance at any stage (for as long as the employment contract is still valid). For the operational reasons and also based on agreement with the employee the employer will be entitled to making changes to the provisioning of the performance plan. In addition, performance feedback will be based on the employer’s assessment of the employee’s performance.

The performance review will entail the “stock taking” of the achievements on KPA and CRRs. Each of the two will be reviewed as follows:-Key performance areas

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding Performance						
4	Performance significantly above expectations						
3	Fully Effective						
2	Performance not fully effective						
1	Unacceptable performance						

The rating calculator will be developed and used for adding the scores for each KPA thus giving a final KPA score

6.2.2 CRITICAL COMPETENCY REQUIREMENTS

- a) Each CCR will be reviewed in terms of the extent to which the specified standards have been met.
- b) The fore going five-point scale will be used for each CCR.
- c) The rating will be multiplied by the weighting for each CCR and result in a score.
- d) The rating calculator will be used to add the scores and calculate the final CCR score.

It should be noted that for the mid-year review (i.e. October – December) it is important for the employer to keep records.

6.2.3 PERFORMANCE ASSESSMENT

Performance assessment is aimed at concluding the employee’s performance measurement and development against set objectives. It will happen during the fourth quarter of the financial year. For purposes of practicality, performance assessment will be executed similar to the Performance Review (explained above), save the following important variations:

- a) It will not be “stock take” but a “final evaluation” exercise for the financial year.
- b) The minimum composition requirements of the evaluation panels will be as follows:

EVALUATION OF THE MM	EVALUATION OF MANAGERS ACCOUNTABLE TO THE MM
Mayor	MM
Chairperson of the audit committee	Chairperson of the audit committee

Executive Committee Member	Executive Committee Member
Mayor or MM from another municipality	MM from another municipality
Ward Committee Member nominated by Mayor	HR Manager
HR Manager	

- c) Performance assessment will form the basis of rewarding outstanding performance and correcting unacceptable performance.
- d) Using the rating calculator, the range of performance bonus will allocated as follows, as a percentage of the all-inclusive remuneration package.

Performance Score	Performance Bonus
150% +	10% - 14%
130% to 149%	5% - 9%

- e) Unacceptable performance will be handled through providing remedial support to improve the employee's performance for an agreed timeframe (with the employer). If such structured attempts prove to be unsuccessful, the employer should take steps to terminate the contract on ground of unfitness or incapacity. In the case, there should be adherence to the provisions of the Labour Relations Act.
- f) Within 14 days of concluding the assessment of the MM's performance, the results thereof will be submitted to the MED for Eastern Caper local government and the national Minister for local government.

7. DISPUTE RESOLUTION

Dispute will be distinguished and handled as follows:

7.1 DISPUTE PERTAINING TO PERFORMANCE AGREEMENT

Where a dispute involves the MM, as an employee, such a dispute should be formally lodged by the MM to the provincial MEC for local government. The MEC or his/ her designate will mediate within 30 days of receipt of a formal dispute. The decision therefore will be final and binding on both the MM and the municipality.

Where a dispute involves a manager who directly accounts to the MM, such dispute should be formally lodged to the Mayor who will mediate within 30 days of receipt of the formal dispute. The Mayor's decision will be final and binding on both the manager and the MM.

7.2 DISPUTE PERTAINING TO THE OUTCOME OF PERFORMANCE EVALUATION

Where a dispute involves the MM, as an employee, such a dispute should be formally lodged by the MM to the Provincial MEC for local government. The MEC or his/ her designate will mediate within 30 days of receipts of the formal dispute. The decision therefore will be final and binding on both the MM and the municipality.

Where a dispute involves a manager who directly accounts to the MM, such a dispute should be formally lodged to a member of the Municipal Council who was not part of the evaluation panel.

Such member will mediate within 30 days of receipt of the formal dispute and his/ her decision will be final and binding on both the manager and the MM.

8. PERFORMANCE MANAGEMENT FOR ALL OTHER MUNICIPAL STAFF MEMBERS

At this level of the municipality, performance will also be managed in accordance with the phases shown in Figure 3. The objectives of the above phases are individually provided below.

8.1 CONTRACTING

Contracting will entail the conclusion of a new performance agreement in a new financial year. That will take place within one month after the commencement of the new financial year. Specific objectives are namely:

- To provide details of expected performance for the particular financial year in line with the Department objectives.
- To set the scene for developing a Personal Development Plan (PDP)
- To give clear and detailed targets for the employee with regard to Key Performance Area, Key Performance Indicators, target dates and weightings.

8.2 PERFORMANCE REVIEW

The aim of the performance review is to check and monitor progress of the employee on each KPA, by checking the difference between the actual and expected performance. The performance reviews are scheduled as follows:

Quarter	Period Under Review	Month of Conducting Review
1 st	July to end of September	October
2 nd	October to the end of December	January
3 rd	January to the end of March	April
4 th	April to the end of June	July

In addition, the performance review is aimed at the following:

- To discuss corrective action where it is necessary.
- To check and monitor the progress of the employee on their PDP.
- To update and customise the PDP, where necessary.

8.3 PERFORMANCE ASSESSMENT

Performance assessment will be based on the individual's performance in terms of the outputs/ outcomes (KPI's) that are linked to the KPA's which were agreed upon during the performance contracting phase. It will take place during the last quarter of the financial year. Specific objectives are as follows:

- To conclude an employee's performance measurement and development for each semester in that particular financial year.
- To assign KPA and final ratings/ scores for the performance cycle.
- To determine the impact of the employee's development on his/ her performance.
- To recognise employee performance by assigning non-financial rewards which are guided by scores from the performance rating scale.

In support of the developmental nature of PMS, the municipality will ensure application of developmental support throughout all phases of the PM cycle. That will be in the form of PDP's whose primary focus will be on ensuring that the employee is well capacitated to deliver on the set performance targets. Albeit, performance feedback will be based on the employer's assessment of the employee's performance.

All phases of the PM cycle will leave room for addressing disputes that may arise. Disputes will be handled in line with the provisions of the Municipal Disciplinary Code and/ or the Collective Agreement, as applicable.

9. GENERAL ISSUES RELATING TO PERFORMANCE MANAGEMENT

This section highlights some general issues related to performance management that need to be taken into account in implementing the PMS in the Municipality.

9.1 ANNUAL REVIEW OF THE PERFORMANCE MANAGEMENT SYSTEM

After the full cycle of the annual review and reporting is complete and the audit committee has met as required, the internal audit function will compile a comprehensive assessment/ review report. The report will be on whether the Municipality's PMS meets the system objectives and principles as set out in this framework and whether it complies with the MSA, PMS Regulations and the MFMA.

The report will need to be considered by the audit committee who will then submit any recommendations to the Executive Committee.

The review undertaken and recommendations made by the audit committee could serve as input into the wider municipal review of the PMS. After the full cycle of the annual review, the Municipal Manager should initiate an evaluation report that includes inputs from departments. The report will then be discussed by the management team and finally submitted to the Council for discussion and approval. All those steps will also fulfil the MSA's requirement that the Municipality should annually evaluate its PMS.

9.2 AMENDMENTS TO KPI'S AND TARGETS

The Municipality will need to adopt a policy on amendments to performance indicators and targets. As a policy area, such amendments may be proposed but will be subject to the approval of the Executive Committee in consultation with the Municipal Manager.

9.3 INTEGRATING PMS WITH THE COUNCIL'S EXISTING MANAGEMENT CYCLE

International best practice indicates that PMS stands the chance to succeed if it is integrated with the current management cycle of the Municipality.

The purpose of such a cycle would be to guide the integration of important process e.g. the strategic planning or development process in terms of the IDP methodology, the annual budget process and the formal process of evaluating and assessing Council's performance in terms of the approved PMS and this framework. Makana Municipality will develop and adopt a similar cycle that is suitable to its own circumstances and requirements.

9.4 INSTITUTIONAL ARRANGEMENTS

The implementation of the PMS in terms of this framework would require coordination at organisational level and that will be the task of the IDP–PMS Manager’s position, which will be acting on behalf of the Municipal Manager Performance Agreement.

For PMS at an individual level, the responsibility for co-ordination, administration and record keeping will be the responsibility of the position that is responsible for human resource management. Likewise, such duties will form part of the Corporate Service Director Performance Agreement.

The municipality will ensure that its outsourced internal audit section has expertise in dealing with performance management responsibilities which are practically over and above the traditional financial audit responsibilities.

10. CONCLUSION

Performance Management System has been implemented for section 57 managers and it is now going to be cascaded down to the rest of the staff. Performance Plan has been developed for all assistant directors has been developed.

1.3.1 BUDGET/FINANCIAL PLAN SUMMARY 2011-2012

EXECUTIVE SUMMARY

During the time when we were preparing the 2010 / 2011 (current financial year) financial year’s budget we assumed that by the time the 2011/12 financial year’s budget is finalized local government elections would have taken place. However, that has not been the case and we are required to finalize our term by adopting a draft budget for the coming financial year.

The National Treasury has availed a budget circular sensitizing us on how the 2011/12 budget must be prepared or considerations that must be borne in mind when the budget is prepared, some of which are national considerations. The issues relating to job creation has been raised more vocally even during the latest speech of the President of the Republic, Hon. Mr JG Zuma. We must therefore work even harder in creating conducive environment for ensuring that job creation is a reality.

This draft budget has also been prepared when NERSA (National Electricity Regulator of South Africa) has just made an announcement of bulk electricity tariff increases for the next three financial years which are also quite high. The times are getting tighter and tighter which therefore means that we must cut down on budgeting for nice-to-have, and rather stick on core issues. It is high time that we consider creating cooperatives in certain non-core areas (e.g. beautification of the town, greening of the town, cleaning of parks and recreation areas, etc.).

As it has been a norm from the 2008/09 financial year a budget that addresses the problems experienced by the Rural Communities (namely Rural Outreach programme) has been set

aside (year 1 = R1.9m, year 2 = R2m and year 3 = R2.1m). This allocation is made possible from the Equitable Share allocation.

All resolutions dealing with the (a) approval of the annual budget, (b) approval of rates and tariffs, (c) approval of the Service Delivery and Budget Implementation Plan (SDBIP), and (d) approval of budget related policies will be dealt with when the final budget is tabled to the Council on or before the end of April 2011 for approval.

I would like to express my sincere appreciation to all of you who have made it possible for us to table this draft budget and encourage you all to do more so that a balanced budget, linked to the IDP, is tabled to this Council before the end of April 2011, and considering comments by the public including priorities from other levels of state (national, provincial and district).

1.3.2 MAKANA MUNICIPALITY AT A GLANCE

Makana Municipality is situated in the Province of the Eastern Cape and is one of the nine Local Municipalities under Cacadu District Municipality. Makana Municipality incorporates the areas of Grahamstown, Alicedale, Riebeeck East, Salem, Fort Brown, Seven Fountains and Sidbury. The Makana area of jurisdiction is known as the "Festival City" due to the fact that various festivals are staged in this area, in a calendar year, such as "Arts Festival, Sci-Fest, Freedom Festival, Journalist's Annual Indaba", amongst other activities.

Makana Municipality is surrounded by world-known Game Reserves, such as Lalibela, Shamwari, Kwantwe, Kwantu, amongst others. The area boasts itself with highly recognised or highly rated educational institutions, such as Rhodes University and other colleges.

The Makana Municipal area of jurisdiction is a historic area, where a number of frontier wars took place in the past.

Population and Household Data

The population figures for the Makana Area indicated as per the census 2001 amounts to a total population of 82 682, whilst the survey conducted by Cacadu District Municipality came up with a figure of 140 120, so it is possible that the total population in this area is above 110 000. The households' statistics as per the 2001 census gave a figure of 18 453, whilst the same survey conducted by Cacadu District Municipality resulted to a figure of 16 758, and it is therefore possible that the total households in the area exceed 17 000.

Executive Mayoral System

The municipality operates an Executive Mayoral Committee system with the Executive Mayor and five Portfolio Chairpersons being members of the Mayoral Committee. The meetings of the Mayoral Committee are held once a month, and the same applies to the meetings of the Portfolio Committees, whilst the Council meetings are held four times during a calendar year.

Administration

The Municipal Manager / Accounting Officer is the head of administration and is supported by the following Directorates: -

- ❑ Corporate Services;
- ❑ Community and Social Services;

- ❑ Infrastructure Services (Including Housing and Land);
- ❑ Local Economic Development; and
- ❑ Finance

Financial Viability

The municipality was awarded a credit rating of Baa2.za by Moody's Investors Service in the 2009/10 financial year. The rating results of Baa2.za indicate that the municipality's financial and economic outlook is stable, as this symbol represents average credit worthiness. The municipality is faced with many challenges that include the non-payment of services, with the payment rate a little over 80% as at end June 2010.

1.3.3 MUNICIPAL SERVICES AT A GLANCE

Makana Municipality provides the following essential services under its area of jurisdiction: -

- Electricity (providing electricity through Eskom in former Grahamstown East and certain rural areas, whilst former Grahamstown West and part of Alicedale is supplied by the Municipality);
- Sewerage;
- Water;
- Refuse Removal, and

Other essential services such as Libraries, Traffic Control, and Environmental Management are also provided by the municipality. Makana Municipality also provides Primary Health services on an "agency basis". The problem with Primary Health provision is the fact that Makana Municipality contributes more than the required 20% of the supposed **80:20** split and the fact that nurses are resigning or leaving the municipality for "greener pastures" in Provincial Health Department due to salaries being provided by the Department, which is higher than the grading of the municipality. I must indicate though that with effect from 1st January 2011 the Primary Health Care service has been reverted back to the Provincial Department of Health (through a process named "provincialisation of Primary Health Care").

In an endeavour to promote or market the area of Makana the municipality has a long-standing arrangement with Makana Tourism, and the municipality avails some financial allocation to this institution. The Municipality has recently signed (early in 2010) a Service Level Agreement (SLA) with Makana Tourism in order to formalise this arrangement.

Makana Municipality does not operate nor has a "municipal entity" under its control and does not utilise external mechanisms for basic service delivery. At the moment there are negotiations in place for partnering with Amatola Water for the purpose of assisting in the area of water service as a partner.

1.3.4 THE EXECUTIVE MAYOR'S BUDGET SPEECH

The separate document covering the Mayor's Budget Speech will be made available **when** tabling the **draft** budget to Council for **adoption** and will also be loaded on the internet.

1.3.5 BUDGET PROCESS OVERVIEW

In August 2010 the Chief Financial Officer tabled a Budget Timetable which indicated vital due dates of all budget related processes. A combined timetable for the budget and IDP with due dates was tabled and approved by Council in September 2010. The budget timetable and IDP were circulated to all Directorates, Heads of Departments and were also discussed at Senior Management Team meetings which are held at least twice a month. Directorates were being kept reminded when the closing dates were drawing closer so that deadlines are achieved.

1.3.6 FINANCIAL CHALLENGES / CONSTRAINTS AND ASSUMPTIONS

Makana Municipality is surrounded by a number of rural areas under its area of jurisdiction, and obviously the municipality is experiencing a high unemployment rate. The high financial dependence for the municipality is mainly the Electricity Income whilst Grants and Subsidies are coming second. The high dependence on Grants and Subsidies is of great concern as that could create a disaster if such grants fail to materialise for unknown reasons.

The arrear debt situation is of great concern as at the end January 2010 the arrear debt situation was standing at **R170.8m**. These are the challenges that we must all jointly endeavour to address in the upcoming financial years, and also continue ensuring that those who are indigent and poor are brought into the "safety net" through the municipality's Indigent / Assistance to the Poor Policy. As part of the Audit Action Plan for the 2009/10 financial year's audit it has been suggested that a process of data cleansing and meter audit be embarked upon. The audit action plan has been recently approved by Council and soon tenders will be called and the analysis of the Debtor's book is also being targeted through this project.

The Municipality has also budgeted for the provision for bad debts against various services such as Electricity, Water, Sewerage and Refuse in order to cater for escalating non-payment of services. The draft budget that is tabled to the Council is not yet complete as it is not balanced as a lot of work will still need to be undertaken, up until the period leading to before end April 2011, when it is expected that it will be finally approved. The Budget Task Team will have to work hard to ensure that the budget not only balances, but is also linked to the IDP. Assumptions made in compiling this budget include (i) increase salaries by 8%, rates and taxes increased by 8%, electricity increased by 20% and also budget for loan repayment starting from 2011/12 financial year.

During the 2010/11 financial year an amount of R1.1m had to be paid to Cape Joint Pension fund resulting from the recent poor economic situation around. There is also a debate with Department of Water Affairs where there is a claim that as from 2002 the municipality is also amongst those municipalities that were charged their water tariffs based on incorrect tariffs by DWA. This matter is not yet finalised and is being discussed with the Department.

1.3.7 GRANTS RECEIVABLE IN THE 2011 FINANCIAL YEAR

The following are grants (conditional / non conditional) receivable from National Organs of states for various purposes as indicated in the Annual Division of Revenue Bill as availed immediately after the budget speech by the Minister of Finance (Mr P Gordhan) in early February 2011. The figures indicated in this schedule will be confirmed on or before 1 April

2011 or when the Bill is enacted, and usually through past years' experiences these figures do not change: -

Figure: 1.7.1 GRANT FUNDING – 2011 / 2012 (As per Division of Revenue Bill)

TYPE OF GRANT	2010 / 2011 ALLOCATION (As per Municipal Financial Year)	2011 / 2012 ALLOCATION (As per Municipal Financial Year)	2012 / 2013 ALLOCATION (As per Municipal Financial Year)	2013 / 2014 ALLOCATION (As per Municipal Financial Year)	Page Number of the DOR Act
Equitable Share	R53 620 000	R59 143 000 (Incl R1 684 000 for Cllrs remuneration)	R65 410 000 (Incl R1 779 000 for Cllrs remuneration)	R69 677 000 (Incl R1 882 000 for Cllrs remuneration)	28 and 301
Financial Management Grant	R1 200 000	R1 450 000	R1 500 000	R1 500 000	178
Municipal Systems Improvement Grant	R750 000	R790 000	R800 000	R850 000	178
Municipal Infrastructure Grant	R20 213 000	R24 312 000	R29 560 000	R31 185 000	201
National Electrification Grant	R7 410 000	R0	R0	R0	221
Integrated National Electrification Grant (through Eskom or not)	R236 000	R4 236 000	R1 693 000	R2 695 000	254

to be paid to Makana LM)					
Neighborhood Development Partnership Grant	R20 000 000 (IG) and R1 000 000 (TAG)	R15 000 000 R500 000 (TAG)	R18 000 000	R13 071 000	Per letter from NT 265
Expanded Public Works Programme (Incentive Grant to meet projects)	R0	R536 000	R0	R0	277
<u>TOTAL</u>	R104 429 000	R105 967 000	R116 963 000	R118 978 000	

1.3.8 OVERVIEW OF BUDGET RELATED POLICIES

The Finance Directorate embarks on a process of reviewing all financial related policies from the beginning of a financial year. All financial related policies are then tabled to Council for approval when the budget is finally approved by Council on or before end May of each year, and the 2011/12 budget preparation will not be different to other years. The crucial policy that needs urgent attention during this time is the Property Rates Policy which requires that it be re-developed and be in line with the Municipal Property Rates Act of 2004. The Draft Policy will be publicised during the month of April 2011 for comments. Other financial related policies;

- Asset Management policy
- Tariffs and chargers
- Travelling and subsistence policy
- Supply chain management
- Rate policy
- Indigent support policy
- Standing rules and orders by-law
- Grants and lieu of rates policy
- Fixed Assets
- Financial and Budgetary control
- Credit control and debt management
- Credit control policy
- Cash Management and investment policy

- Budget policy
- Banking policy
- Assistance to the poor policy

1.3.9 OVERVIEW OF BUDGET FUNDING

The sources of funding the municipality's budget include inter-alia (i) Electricity charges, (ii) Water Charges, (iii) Sewerage Charges, (iv) Refuse Charges, (v) Property Rates and a bigger portion also originates from (vi) Grant Funding.

The high dependence on grants could signal some challenges in cases where the municipality fails to receive such grants from relevant authorities. The bigger portion of grant funding is the Equitable Share which is unconditional by nature and followed by conditional grants such as (i) Municipal Infrastructure Grant and (ii) Neighborhood Development Partnership Grant (NDPG). The conditional grants can be utilised only for their sole purpose (or in terms of the Division of Revenue Act), whilst the unconditional grants can be used at the discretion of the municipality. The municipality has also raised a loan of R50m (20 year loan) in order to fund the requirements in the area of Water Infrastructure and the loan has been raised with the Development Bank of Southern Africa (DBSA).

The escalating increase in the debtor's situation is worrying more so when the government departments are also owing the municipality a sizeable amount. The debt collection rate as at end June 2010 was about 81% which indicates that for every R1 billed there's a likelihood that R0.19c will not be collected and this assumption was used in providing for a working capital (provision for bad debts).

1.3.10 DISCLOSURE OF ALLOCATIONS MADE BY THE MUNICIPALITY

Makana Municipality has an old arrangement with Makana Tourism in an endeavour to ensure that the municipal area is marketed. The Municipality makes annual financial contribution to Makana Tourism in order for it to finance its operations. Makana Tourism is in turn expected to provide monthly financial reports, as well as Audited Annual Financial statements to the municipality. The financial reporting attempts to allay the municipality of any abuse of public funds by the organisation. Makana Tourism has been allocated an amount of **R559 600** in the 2011/12 financial year from **R508 600 (2010/11)** an increase of **10%**. The allocation for 2011/12 has not yet been confirmed as this report relates to the draft budget.

1.3.11 SALARIES AND ALLOWANCES PAYABLE TO COUNCILLORS AND SECTION 56/7 EMPLOYEES

The assumptions made on increasing salaries and allowances have been fixed at an increase of **8%** for everyone within the institution including Councillors allowances and also allowances payable to Section 57 employees. The summary of budgeted allowances for Section 56/7 employees can be displayed as follows: -

Figure 1.11.1. Budgeted Salaries and allowances for Section 56/7 employees (2011/12)

Category	Salary per annum	Transport Allowance	Cellphone Allowance	Performance Bonus	Total

		(p.a.)	(p.a.)		
1 x Municipal Manager	R894 457	R159 202	R14 475	R151 231	R1 219 365
5 x Directors	R3 419 193	R651 258	R54 340	R578 883	R4 703 674
TOTAL	R4 313 650	R810 460	R68 815	R730 114	R5 923 039

The following are detailed budgeted salaries and allowances for Section 56/57 employees: -

Figure 1.11.1(a) Detailed Budgeted Salaries and allowances for Section 56/57 employees (2010/11)

Category	Salary per annum	Transport Allowance (p.a.)	Cellphone Allowance (p.a.)	Performance Bonus	Total
1 x Municipal Manager	R894 457	R159 202	R14 475	R151 231	R1 219 365
1 x Chief Financial Officer	R683 839	R130 251	R10 868	R115 777	R940 735
Director: Corporate Services	R683 839	R130 251	R10 868	R115 777	R940 735
Director: Local Economic Development	R683 839	R130 251	R10 868	R115 777	R940 735
Director: Community and Social Services	R683 839	R130 251	R10 868	R115 777	R940 735
Director: Infrastructural Services	R683 839	R130 251	R10 868	R115 777	R940 735
TOTAL	R4 313 650	R810 460	R68 815	R730 114	R5 923 039

The summary of budgeted allowances for Councillors can be displayed as follows: -

Figure 1.11.2. Budgeted Salaries and allowances for Councillors

Category	Salary per annum	Transport Allowance (p.a.)	Cellphone Allowance (p.a.)	Total
1 x Executive Mayor	R492 264	R164 088	R40 502	R696 854
5 x Members of Mayoral Committee	R1 845 986	R615 330	R101 113	R2 562 429
1 x Speaker of Council	R216 595	R72 199	R12 615	R301 409
17 x Other Councillors	R2 510 532	R836 837	R214 472	R3 561 841
TOTAL	R5 065 377	R1 688 454	R368 702	R7 122 533

Operating Income (at Directorate level) is as follows: -

MAKANA MUNICIPALITY			Annexure "C"		
Summary of Estimates of Operating Revenue by Vote					
	Medium Term Revenue & Expenditure Framework				
Votes	2010/2011 Approv. Budget R	2011/2012 Budget Year R	Year-to-Year Increase / (Decrease) %	2012/2013 Budget Year+1 R	2013/2014 Budget Year+2 R
Mayoral Executive	146 740	183 020	25%	202 410	218 603
Municipal Council					
Municipal Manager's Office	1 850 000	1 600 000	-14%	1 728 000	1 866 240
Budget & Treasury Office	54 253 360	54 977 970	1%	59 376 208	64 126 304
Technical Services	172 123 490	213 002 100	24%	230 037 520	245 065 100
Community & Social Services	26 173 710	24 074 740	-8%	26 000 719	28 080 777
Corporate Services	1 935 480	2 163 210	12%	2 336 267	2 523 168
Local Economic Development	234 250	0	-100%	0	0
Capital Funding	69 596 100	71 636 750	3%	97 294 400	66 493 350
TOTAL FOR VOTES	326 313 130	367 637 790	12.7%	416 975 524	408 373 541

MAKANA MUNICIPALITY			Annexure "B"		
Summary of Estimates of Operating Expenditure by Vote					
	Medium Term Revenue & Expenditure Framework				
Votes	2010/2011 Approv. Budget R	2011/2012 Budget Year R	Year-to-Year Increase / (Decrease) %	2012/2013 Budget Year+1 R	2013/2014 Budget Year+2 R
Mayoral Executive	1 580 450	1 965 800	24%	2 123 064	2 292 909
Municipal Council					
Municipal Manager's Office	8 527 650	9 529 730	12%	10 292 108	11 115 477
Budget & Treasury Office	15 352 420	18 050 580	18%	19 494 626	21 054 197
Technical Services	151 135 510	176 637 160	17%	190 768 133	202 654 162
Community & Social Services	56 432 210	61 143 840	8%	66 035 347	71 318 175
Corporate Services	18 945 730	21 956 550	16%	23 713 074	25 610 120
Local Economic Development	4 743 060	6 717 380	42%	7 254 770	7 835 152
TOTAL FOR VOTES	256 717 030	296 001 040	15%	319 681 123	341 880 191
	0	0		0	0

MAKANA MUNICIPALITY			Annexure "E"		
Summary of Estimates of Capital Expenditure by Vote					
	Medium Term Revenue & Expenditure Framework				
Votes	2010/2011 Approv. Budget R	2011/2012 Budget Year R	Year-to-Year Increase / (Decrease) %	2012/2013 Budget Year+1 R	2013/2014 Budget Year+2 R
Mayoral Executive	30 000	170 000	467%	0	0
Municipal Council	38 000				
Municipal Manager's Office	114 500	11 000	-90%	0	0
Budget & Treasury Office	450 000	1 550 000	244%	1 570 000	80 000
Technical Services	40 545 380	93 418 050	130%	74 703 400	51 934 850
Community & Social Services	7 529 970	9 972 700	32%	2 800 500	1 351 000
Corporate Services	694 000	1 405 000	102%	220 500	56 500
Local Economic Development	20 194 250	15 450 000	-23%	18 000 000	13 071 000
TOTAL FOR VOTES	69 596 100	121 976 750	75%	97 294 400	66 493 350

Figure 1.11.5(b) Draft summarised Capital Budget (by Source of Funding)

FUNDING SOURCES - CAPITAL BUDGET					
AFF	33	472		51 212 400	23 796 600
	300				
GRANTS:					
MIG	23	164		28 082 000	29 625 750
	450				
MSIG		340		-	-
	000				
NDPG	15	000		18 000 000	13 071 000
	000				
DBSA LOAN	50	000		-	-
	000				
	121 976 750			97 294 400	66 493 350

The above budget will have to be scrutinised before being tabled to the Council meeting of April 2011 in order to ensure that it is based on realistic sources of revenue as is required by the Municipal Finance Management Act 56 of 2003.

1.3.12. CURRENT OVERALL FINANCIAL POSITION AND LIQUIDITY SITUATION

The Municipality is reasonable liquid based on its size and its budget. Makana Municipality ensures that prudent financial controls are in place and are practiced. The municipality is also in a position of accounting for funding that is financed externally, such as conditional grants, and others. In demonstrating the ability of the municipality to exercise financial controls the municipality has been awarded a reasonable rating by the rating agent Moody's and in the Council meeting of December 2010 an amount of about R27m was allocated to address certain infrastructural requirements from matured investments and the budget was adjusted with this amount.

The municipality has been able to settle a claim of R1.1m from Cape Joint Pension fund which resulted from the fund's condition whereby member municipalities are required to contribute in a case where the fund has performed poorly due to external economic conditions. This is the predicament that many municipalities found themselves in as far as this fund is concerned from May/June 2010.

1.3.12 IMPLEMENTATION OF THE MFMA AND OTHER LEGISLATION

The municipality works very hard in ensuring that it implements all necessary statutory requirements applicable in a municipal environment within its limited financial resources and also human resources. The municipality has managed to implement Grap/Gamap requirements with effect from the 2008/09 financial year and has also implemented Municipal Property Rates Act No. 6 of 2004. During the current financial year (2010/11) the municipality is working hard in complying with GRAP17 as all municipalities are compelled to be complying with effect from 2010/11 financial year.

1.3.13 BUDGET RELATED RESOLUTIONS

The final budget resolution will be attached or disclosed when the municipal Council is finally approving the budget on or before end April 2011, as at this stage the Council will be adopting a draft budget.

1.3.14 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I Ntombi Baart (Ms), Municipal Manager of Makana Municipality, hereby certify that the Draft Annual Budget and supporting documents have been prepared to the best of our ability in accordance with the Municipal Finance Management Act and the regulations made under this Act.

I must also highlight that as this report has been prepared for the purpose of finalizing a Draft Budget some of the information that must be available in the budget report will be availed when the budget is finally approved by Council, on or before end April 2011.

PART 2: CROSS CUTTING SECTOR PROGRAM

2.1 Local Economic Development Plan

INTRODUCTION

The Council approved its LED Strategy 2010. The Strategy comprises a situational analysis and a local economic development framework. Figure 1 shows the project methodology that was used in developing the Local Economic Development Strategy.

Figure 1 Project Methodology



1. Situational Analysis

The situation analysis explores several components namely: policy, socio-economic, economic, infrastructural, environmental and institutional profiles, as well as an opportunity and constraints analysis.

The structure of the Situation Analysis report is as follows:

Chapter	Title	Purpose
2	Policy Framework	This chapter provides an overview of the national, provincial, district and local municipal planning initiatives that provide the framework in which the LED strategy will be developed.
3	Socio-economic Profile	The socio-economic profile provides a demographic overview of the population residing in the project area and considers indicators such as population growth, education, income and

		access to basic services
4	Economic Profile	The economic profile considers various economic indicators such as R-GDP size and growth, and provides a profile of the each of the productive economic sectors in the project area.
5	Infrastructural Profile	This chapter assesses the level of economic infrastructure available in Makana in terms of roads electricity network, water, sanitation and telecommunications so as to better understand the resources available.
6	Environmental Profile	The environmental profile provides a background to the biophysical and environmental characteristics of the area, with reference to topography, climate, vegetation, hydrology and biodiversity.
7	Institutional Profile	This chapter provides an overview of the institutional structure and capacity of the Makana Local Municipality.
8	Economic Potential Analysis	The potential analysis incorporates an opportunity and constraints assessment, which assists in creating an understanding with regard to the sectoral competitive advantages of the local economy and is used to determine the development potential within the area. Key factors that may be inhibiting growth are also identified as part of this process.

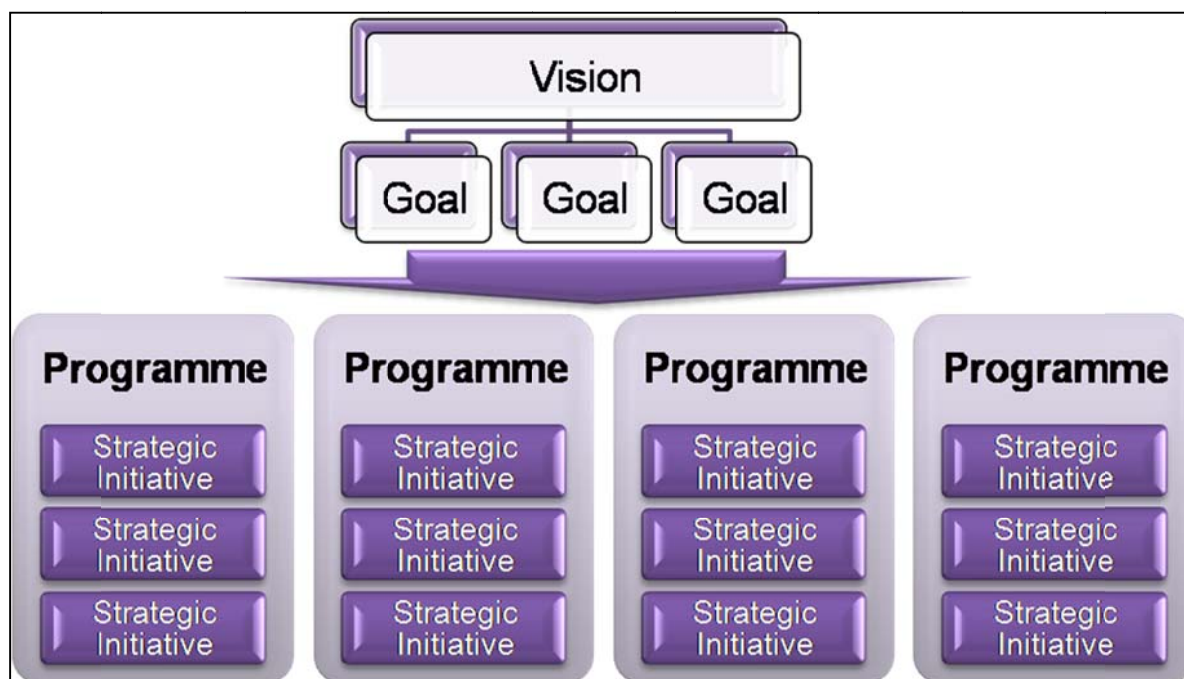
2. Strategic Development Framework

Local Economic Development Framework considers the strategic development framework for LED, implementation plan, monitoring and evaluation framework and benchmarking of the LED strategy.

2.1. The Report Outline

Chapter 2:	Strategic Development Framework	This section presents the framework of the strategy and includes the vision, goals, programmes and strategic initiatives conceived.
Chapter 3:	Implementation Plan	This section provides guidelines for the implementation of the strategic framework in terms of recommended actions, roles and responsibilities and associated timeframes.
Annexure 1:	Support Agencies	A compendium of support agencies and their contact details.
Annexure 2:	Monitoring & Evaluation Framework	A monitoring and evaluation framework based on the SDBIP is provided for the 10 prioritised initiatives.
Annexure 3:	Benchmarking for LED best practice	Provides criteria for successful LED strategies based on government guidelines .

The Strategic Framework is illustrated in Figure 2 below



3.2. Elements of the LED Framework

The strategic framework is developed in line with and adapted from World Bank LED principles, and is made up of the following elements:

Vision: The vision describes the stakeholders' (community, private sector, municipality, non-governmental organisations) agreement on the preferred economic future of the economy.

Goals: Objectives are based on the overall vision and specify desired outcomes of the economic planning process. They set performance standards and identify target activities for development.

Programmes: Programs are set out approaches to achieving realistic economic development goals.

Strategic Initiatives: Allow the prioritised implementation of specific programme components..

The vision sets out what the LED strategy seeks to achieve. All the other elements of the strategic framework thus cascade from the vision. The Makana LED strategy vision was developed after stakeholder engagement convened in the form of an Indaba. The Indaba allowed public participation and input into the vision. The other element that forms a central part of the LED vision is the Makana municipality's vision, as set out in its IDP document.

The long term economic vision for the development of the Makana area is:

A robust, vibrant and sustainable economy that promotes local inclusive development

The vision can be broken down to certain key words, phrases and principles that is expanded upon in Table 1.

Table 1 Explanation of the Vision Key Principles

Key Principle	Explanation
Robust	Robustness is the quality of being able to withstand stresses brought on by changes in circumstance. In the ever-changing global economy, it is vital that the economy have the ability to dynamically respond to various pressures. This is to be attained through an ability to adapt to industry trends and adopt evolving technologies and approaches
Vibrant	A vibrant economy is seen through high levels of activity and growth in terms of business attraction and establishment, employment creation and a bustling entrepreneurial base. Given Makana's relatively slow pace of growth from 1995 to 2007, it is vital that an injection of purpose-driven activity infuse the orientation of all economic activity in the area to boost growth and development.
Sustainable	<p>All economic activity that takes place in Makana must be founded on principles of long term sustainability (environmental and economic). Accelerated development and sustainability are not mutually exclusive but should rather be considered at complimentary.</p> <p>A shift towards a green economy (environmentally sustainable) is possible and even desirable within the context of Makana's development and such considerations must be made throughout the economic planning process.</p> <p>Economic sustainability relates to growth that is based on activity that is viable and feasible over the long-run. It thus relates to positioning the economy to be driven by key sectors that tap into and maximise its inherent traits.</p>
Local	This element underscores the importance of retaining incomes and expenditures within the municipality. This places forth notions of reduced income leakage, prioritised local procurement, internalised business sector solidarity and stakeholder cohesion. Also intrinsic in this statement is an element of local ownership of and responsibility for the area's growth and development.
Promotes development	<p>This key principle deals with the ability of stakeholders to translate the area's latent potential and comparative advantage into developments that benefit the community at large in a practical and discernible way. Makana has significant unrealised and unexploited development potential and it is pivotal that such low hanging fruit be grasped.</p> <p>Efficiently and effectively utilising available resources makes up part of this key principle. The realisation of Makana's development potential is to be articulated through the interventions envisaged in the programmes and strategic initiatives contained in the strategic framework.</p>
Inclusive development	Balanced development is envisaged on a household level as well as on the economy-wide level.

Key Principle	Explanation
	<p>On the household level there is a need for reduced poverty and other forms of deprivation, employment creation and access to economic opportunities and greater participation levels by all residents of the Municipality. Development and growth must not bypass or lead to the marginalisation of any sections of society.</p> <p>On the economy-wide level the economy whilst concentrating on its competitive and comparative advantages, must also allow for and promote diversification of activity. This reduces the chance of undue reliance on a few sectors, with balanced growth occurring in all sectors of the economy.</p> <p>Imbued in both these elements is the importance of redressing historical and structural imbalances. Historical imbalances relate to marginalisation of various groups into an economic periphery. Structural imbalances are based on the spatial and sectoral distribution of economic activity in the Municipality..</p>

The setting of goals was primarily based on district, provincial and national goals, where appropriate. This was then ratified via public participation at the Economic indaba. It is important to note that although ideally objectives should be SMART (i.e. specific, measurable, achievable, realistic and time-bound); it is not always possible to set quantifiable goals.

Based on the vision discussed above, and the traits of the economy revealed in the situation analysis, the following goals will guide the local economic development strategy:

- a) **Increase R-GDP by 3.5% per year to match district and the provincial growth rates by 2014**
- b) **Maintain employment at current levels from 2010 to 2011, with the view of increasing trade and service sector employment by 4% from 2012 to 2014**
- c) **Grow the tourism related component of the local economy by 10% by 2014**
- d) **Maintain sustainable levels of capital expenditure on key LED infrastructure from 2010 to 2014**
- e) **Increase the role of formal and informal strategic partnerships in and between the public and private sectors as a catalyst for growth**
- f) **Reduce income leakage and support SMME activity through increased local procurement and labour force support measures.**

3.3. PROGRAMMES AND STRATEGIC INITIATIVES

In order for the goals discussed in the previous section to be achieved, the strategic framework contains key developmental thrusts packaged in the form of programmes. The programmes are based on the findings of the situational analysis, seeking to reduce identified constraints and maximise untapped economic potential. Each programme is made up of several strategic initiatives, which fall in the public and private realms. The programs and strategic initiatives discussed in this section all seek to ensure that Makana maximises economic development based on its unique attributes and characteristics.

The programmes for the LED strategy are:

- a) Strategic Partnerships
- b) Infrastructure Provision And Services
- c) Investment Attraction
- d) SMME Promotion
- e) Tourism Development
- f) Leveraging of educational capital
- g) Agricultural sectoral development

The first four programmes deal with cross cutting issues that have been identified as requiring strategic interventions. Cross cutting issues relate to challenges and opportunities that transcend sectoral barriers. This can be seen by how the need for strategic partnerships applies across all economic sectors in Makana, how infrastructure promotes development across the economic spectrum, investment attraction is needed by all participants, and SMMEs operate across the board. Cross cutting programmes thus apply for the general economic landscape of Makana and are vital for the creation of a conducive and enabling environment for growth and development.

The last three programmes provide targeted actions in sectors deemed to be important in shaping the overall future of the economy (tourism, education and agriculture). These sectors were selected based on the following outcomes of the situation analysis:

- Comparative advantage analysis
- Sectoral performance classification
- Opportunities and constraints analysis

The strategic initiatives in each of the sectoral programmes zone in on critical success factors that will allow maximisation of their development potential.

Each programme is discussed in the proceeding sections, with elaborations on its motivation, rationale and strategic initiatives. The strategic initiatives are listed in descending order of prioritised, as voted for by stakeholders at the Makana Economic Indaba.

STRATEGIC PARTNERSHIPS The strategic initiatives that relate to strategic partnerships in Makana mainly involve the municipality as one of the partners and were developed in response to perceived gaps in intergovernmental and inter-organisational relations. Filling in these gaps will have a beneficial impact on the ability of government, business, civil society and the community to contribute towards LED.

3. Alignment

The LED Strategic Framework was used as the basis for the strategic, objectives and projects reflected in the 2010/11 IDP Review.

3.2 MAKANA MUNICIPALITY HIV AND AIDS PLAN: 2011-2012

PRIORITY AREA 1: PREVENTION, EDUCATION AND AWARENESS.

GOAL: Ensure the reduction of new HIV infection by 50% by 2012

SPECIFIC OBJECTIVES

- Promotion of VCT
- Develop and implementation of campaigns, education and awareness programmes
- Effective of condom distribution
- Management of STI's
- Encourage the NGO's, CBO's and Traditional leaders

Specific Objective	Broad Approach	Key Partnerships	Risk Factors	M&E Indicators	Resources	Target Dates	Total Budget
Encourage voluntary counselling and testing	<ul style="list-style-type: none"> ▪ Identification of non medical ▪ VCT sites and ensure that they are visible and accessible to the community • Increase VCT uptake • Organise referral system 	<ul style="list-style-type: none"> • Govt Dept • NGO's • Academic institutions (Rhodes University and Midlands College) • Traditional structures 	<ul style="list-style-type: none"> • Poor response from the community • Non availability of trained personnel • Non willingness to test • Non availability of VCT sites 	<ul style="list-style-type: none"> Increase in the number of people testing Number of counsellors Increase the of VCT sites 	<ul style="list-style-type: none"> Human resources Promotional material including visible Billboards 		
Encourage behavioural change among	<ul style="list-style-type: none"> • Initiate campaigns targeting youth • Conducting educational 	<ul style="list-style-type: none"> • Govt Depts • NGO's • CBO's • Love life • Youth advisory 	<ul style="list-style-type: none"> • Substance abuse • Religious and Traditional • Beliefs 	<ul style="list-style-type: none"> - Change the mindset of the community -Improve the 	<ul style="list-style-type: none"> Promotional material Human resources 		

youths at schools	programmes on good sexual behaviour • Awareness programmes about HIV and AIDS	centre • Peer educators • Dept of education • Dept of Justice	• Less youth participation on HIV and AIDS programmes	behaviour of young people and certain members of the community. - Reduce the number of substance abuse.	Financial resources		
Effective condom distribution	• Awareness campaigns on how to use male and female condoms • Distribute condoms on high-risk areas • Availability of women condoms	• Dept of Health • Youth organisations • Civil Society	• Availability of Condoms • Lack of Female condoms • Taverns	Increase of usage of condoms Reducing risk at high risk areas More women using their female condoms and be empowered and be prepared in using their condoms	Human and financial resources Promotional, material		
Management of STI's	• Community involvement about safety sex • Sex education • Availability of protective materials • Availability of educational and promotional material	• Dept of Health • Civil Society • Traditional structures • Love-life • Organisations	Belief systems Inconsistent /incomplete treatment Incompetence in the use of female condom Multiple sex partners Non availability of protective material	reduction in number of new STI's People speaking openly about STI,HIV and AIDS	Promotional material Human resources		
Specific	Broad Approach	Key Partnerships	Risk Factors	M & Indicator	Resource	Target	Budget

Objective						Dates	
Encourage NGO's, CBO's and Traditional leaders and Churches to take their role against HIV and AIDS	<ul style="list-style-type: none"> Capacitate the NGO's, CBO's in engaging them to HIV and AIDS programmes Convene capacity development programmes and discussions among Traditional and Church leaders to take their role in fighting HIV and AIDS. Identification of their needs Ministers fraternal (inclusion) 	<ul style="list-style-type: none"> Dept of Health Dept of Social Development NGO'S, CBO'S, Traditional Leaders and Churches Municipality Organisation 	<ul style="list-style-type: none"> -Lack of resources for NGO's and CBO'S -Less role of churches and Traditional leaders 	<ul style="list-style-type: none"> -More impact on the fight against HIV and AIDS -More participation of Churches and Traditional leaders 	Human resources Finances		

PRIORITY AREA 2: TREATMENT, CARE AND SUPPORT FOR PEOPLE LIVING WITH HIV AND AIDS

GOALS

SPECIFIC OBJECTIVES

1. Ensure availability of treatment care and support
2. Create support systems for people living with the virus
3. Promote and support positive living;

4. Establish and strengthen the support groups

Specific Objective	Broad Approach	Key Partnership	Risk Factors	M&E Indicators	Resources	Target Dates	BUDGET
Promote and support positive living	<ul style="list-style-type: none"> An environment that is positive for living with HIV and AIDS Encourage acceptance of status Creation of support system 	<ul style="list-style-type: none"> Dept of Health Civil society Organisation Churches NAPWA Govt Inst. CDW's 	<ul style="list-style-type: none"> -Not accepting the results -Anger and Denial -Feeling guilty Cultural beliefs 	<ul style="list-style-type: none"> -Developing a positive attitude towards life and; -face the world with positive mindset. 	IEC material Human and material		
Establish and strengthen support groups	<ul style="list-style-type: none"> Education of family members to take care and support people living with the virus Develop an effective referral system Encourage projects and programmes for the support group Awareness to community about the need 	<ul style="list-style-type: none"> Dept of Health Dept of Social Development SASSA 	<ul style="list-style-type: none"> -No clear programme for the support group -Non acceptance -Pressure in society - Anger and Denial -Feeling guilty 	<ul style="list-style-type: none"> -Active and positive involvement of families and communities -Active support groups -Increase in the number of groups -Projects that are sustainable be formed -Initiatives that community based care and supportive 	Human Resources Financial		

	to provide care and support						
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PRIORITY AREA 3: CARE AND SUPPORT FOR ORPHANS AND VULNERABLE CHILDREN

GOAL

SPECIFIC OBJECTIVE

1. Prevention and Education campaigns
2. Compile a Database of OVC
3. Ward child care committees to provide care and support

Specific Objective	Broad Approach	Key Partnership	Risk Factors	M&E Indicators	Resources	Target Dates	Budget
Prevention and Education campaigns	- Education awareness workshop - Family discussion in support groups	- SASSA - Dept of Social Development - Dept of Justice - South African Police Services - NGO's and CBO's - Organisat	- Non cooperation of communities - Non commitment of stakeholders	-Street kids -Abuse of children	IEC material		

		ions					
Ward child care committees to provide care and support OVC's	- Develop subcommittees within the ward committees to look on OVC's in the ward - Capacitate it with the roles - Educate the communities to take care of orphans and vulnerable children	- Municipality - SASSA - Department of Social - - Development - CDW's	- Community politics - Religious and Traditional beliefs	Existence of all ward child care committees in all the wards Functional ward care committees	Human financial		

PRIORITY AREA 4 MONITORING & EVALUATION AND ACTION RESEARCH GOAL: DEVELOP AND IMPLEMENT AN M&E FRAMEWORK WITH ACTIONABLE INDICATORS AND PRACTICAL RESEARCH PRACTICES

SPECIFIC OBJECTIVE

1. Establish and implement practical functional M&E system for Makana Municipality LAC

Specific objectives	Broad Approach	Key Partnership	Risk Factors	M&E Indicators	Resources	Target Dates	budget
Develop M&E efficient and user friendly tools for defined indicators	<ul style="list-style-type: none"> Convene workshops on M&E Establish a sub-committee 	<ul style="list-style-type: none"> District Aids Council M&E subcommittees in LAC Rhodes University media 	<ul style="list-style-type: none"> Lack of co operations by communities Poor attendance of meetings by stakeholders 	<ul style="list-style-type: none"> Uniform mechanisms report milestones by partners Revisiting of interventions regularly M&E subcommittee reports 	Human, Financial	June-Dec 2009	R30000
Ensure regular, timely and accurate reporting	Convene Secretariat meetings Convene LAC meetings	LAC Secretariat	Non attendance of meetings	Quarterly meetings held	Human and material		

GOAL: SPECIFIC OBJECTIVES: BUILD PARTNERSHIP AND LEADERSHIP WITH PLWHA

Specific Objectives	Broad Approach	Key Partnerships	Risk Factors	M&E Indicators	Resources	Target Dates	Budget
Build a leadership of people living with HIV & AIDS in order to mitigate against stigma and discrimination	<ul style="list-style-type: none"> • Convene workshops for people living with HIV & AIDS around legal matters related to HIV&AIDS • Asses the implementation of GIPA principles 	<ul style="list-style-type: none"> • Organisation of people living with HIV&AIDS • Community leaders • Government departments justice and HRC • Public and Private sector management 	<ul style="list-style-type: none"> -Denial -Non cooperation of Senior Management - discrimination in workplaces 	<ul style="list-style-type: none"> Ensuring public knowledge and adherence to the legal and policy interventions -Research 	Personnel Funding		

PRIORITY AREA 6: MAINSTREAMING HIV AND AIDS INTO ALL MUNICIPAL UNITS GOAL; SPECIFIC OBJECTIVE: MUNICIPALITY TO ENTRENCH THE CONCEPT OF MAINSTREAMING HIV AND AIDS

Specific Objective	Broad Approach	Key Partnership	Risk Factors	M&E Indicators	Resources	Target Dates	Budget
Capacity building for municipality stakeholders, officials and councillors to entrench the concept of mainstreaming HIV and AIDS	<ul style="list-style-type: none"> • IDP issues • Consultation • Participation • Strategic leadership and management • Key Performance areas • Personnel issue • Accessibility of jobs to applicants living with HIV • Confidentiality and disclosure • Protection against discrimination 	All government departments GTZ ECAC PLWHA CDW'S	Lack of interest Lack of finances Lack of employment opportunities	Training plans Strategies and project on HIV and AIDS by all municipal departments -Increased interest in meetings -Employment of PLWHA with discrimination	Human and financial		
Improve institutional support for HIV and AIDS through policy development	Review all policies and procedures , Ensure that all HR policies and systems respond to the implication of HIV and AIDS, Improve access to HIV and AIDS information in all municipal facilities, Knowledge and management on HIV and AIDS	HR Institutional Support	Poor response	Visible partnership and involvement	Human Financial Transport		