



2012 -2017

MAKANA MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2012 - 2017

Mzolisi Pasiya

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ACRONYMS AND ABBREVIATIONS

IDP	Integrated Development Plan
Agric	Agriculture
ASGISA	Accelerated and Shares Growth Initiative for South Africa
<u>CBP</u>	Community Based Planning
<u>CDM</u>	Cacadu District Municipality
<u>CDW</u>	Community Development Workers
CFO	Chief Financial Officer
Cllr	Councillor
EM	Executive Mayor
MM	Municipal Manager
CSS	Community and Social Services
DBSA	Development Bank South Africa
DEAET	Department of Economic Affairs Environmental and Tourism
DLGHTA	Department Local Government Housing and Traditional Affairs
DoSD	Department Of Social Development
DPLG	Department of Provincial and Local Government
DTIS	Department of Technical and Infrastrucure Services
DWAF	Department of Water Affairs and Forestry
ECDC	Eastern Cape Development Corporation
EHS	Environmental Health Services
FM	Financial Manager
GHT	Grahamstown
GTZ	German Technical Corporation
HAST	HIV and AIDS and Sexually Transmitted Infections
LSA	Local Service Area
Makana LM	Makana Local Municipality
MEC	Member of the Executive Council
MMEC	Member of Municipal Executive Committee
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPCC	Multi Purpose Community Centre
Mun	Municipality
NSDP	National Spatial Development Plan
PGDP	Provincial Growth and Development Plan
PHP	People Housing Process
PIMMSS	Planning Implementation Management and Support System
PMS	Performance Management System
Rep	Representative
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SPU	Special Program Unit
TBD	To be determined
WSDP	Water Service Development Plan
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works
AFF	Asset Financing Fund

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

EXECUTIVE SUMMARY

Informed by the prescriptions of the Municipal Systems Act, Act No 32 of 2000, the Makana Municipality adopted the Integrated Development Process Plan in order to guide the development of the Integrated Development Plan (IDP) for the new electoral term of 2012/2017. The public consultation process was premised on the IDP and Budget Participation Sessions which were held in the majority of the wards. The inputs received from such Sessions informed which were subsequently analysed and prioritized in the Institutional and Departmental Strategic Planning Sessions are the integral part of the Integrated Development Plan. It is the intention of the Municipality to guarantee compliance ensuring that the draft IDP in considered in conjunction with the budget by Council on or before 31 May 2012.

The extent of the challenges still prevailing within the municipal operating environment required external assessment. The Municipality consistently and continuously strives to improve its capacity to better facilitate service delivery. To achieve this and compliance to its constitutional mandate, Municipality strives within its financial and administrative capacity to improve social and economic development.

The Municipality has, in its history, experienced a number of challenges with respect to audit opinions received clearly illustrating the necessity to implement a vigorous turnaround strategy. It was therefore deemed necessary to conduct a comprehensive organizational development (OD) diagnosis in bringing about holistically change throughout the institution. An OD exercise will assess the efficacy and adequacy of the current organizational design and model against the macro strategic requirements as encapsulated in the IDP. It will include business process mapping; business process reengineering; functional analysis; job design and evaluation. The aforementioned will take into account the following: the macro strategic environment, analyse mandates as public policy shifts from time to time and changes in the business processes within a broader people management value chain.

The purpose of the diagnosis is to provide a framework for practical implementation of the transformation the Municipality and ultimately of Public Service Delivery. It is envisaged that the OD diagnosis will provide a framework for practical implementation of the transformation the Municipality and ultimately of Public Service Delivery. The objective of this change project is to identify opportunities for organizational improvement and to design and facilitate the implementation of organizational development interventions aimed at enhancing organizational efficiency and effectiveness, ensuring that all interventions support the municipal vision, mission, values and the Municipal Turnaround Strategy.

This comprehensive exercise will continuously strives to improve the municipal capacity in providing service delivery and improve upon the effectiveness and efficiency of the administration and management of the Municipality.

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

- a) Electricity (it provides electricity through Eskom in the former Grahamstown East area and certain rural areas, whilst the former Grahamstown West and parts of Alicedale is supplied by the Municipality)
- b) Sewerage
- c) Water
- d) Refuse removal and,
- e) Other services such as Libraries, Traffic Control and Environmental Management.

The revenue base of the Municipality is threatened by the declining revenue collection rate hence it has been deemed appropriate to initiate the development of a Revenue Enhancement Strategy and implement vigorous interventions such as introduction of the Capital Contribution Tariff and the reviewing of the town planning application fees . Although the Municipality is fairly capable of funding its operations from its financial resources it is a concern that it is increasingly becoming dependable on the unconditional grants and equitable share allocations from the national fiscus.

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

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:

- Aging 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

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.

OVERVIEW OF THE MUNICIPALITY

The Makana Municipality is located in the Eastern Cape Province on the south –eastern seaboard of South Africa and in the western part of the Eastern Cape Province falling under the Cacadu District Municipality. 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. It is the home of the National Arts Festival and the seat of the Rhodes University in and other prominent and internationally acclaimed primary and high schools found in Grahamstown.

Makana Municipality consists of 14 wards in which 3 are found in the rural areas of the Municipality.

Towns and Villages of Makana Municipality:

Grahamstown:

At the heart of Makana Municipality is 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 Hints, 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, is 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

CHAPTER ONE PLANNING PROCESS

1. INTRODUCTION

The first process in preparing the Integrated Development Plan (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) be 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 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 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, the needs of communities and stakeholders. With introduction of (outcome 9) it is required that Municipality to include the seven outputs. In preparation for the 2012- 2017 financial year, the Municipality used Mayoral Imbizo's 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 the 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 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

	<ul style="list-style-type: none"> • Manager and Representative Forum. • Information “GAP” identification. • Oversee the alignment of the planning process internally with those of the Local Municipality areas. • Portfolio head to lead related Portfolio matters.
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 2012 - 2013 IDP review process: -.

1.3.2 SCHEDULE OF MEETINGS/CONSULTATION

MEETINGS	CONSULTATION PURPOSE	DATE
• IDP Technical Committee	Consider proposed IDP Processes Plan	August 2011
• IDP Process plan was Approved	Tabling of IDP Process plan	24 August 2011
• IDP Representative Forum	Outline processes to be under taken to stakeholders	16 Sept 2011
• Institutional Strategic planning	Considers Community based information, Municipal Capacity Assessment and MEC Comments	18 – 20 Jan 2012
• IDP Steering Committee	To consider Developmental issue raised by Community and in the strategic planning sessions	12 March 2012
• IDP Representative Forum	To consider Developmental recommendations by IDP Steering committee	16 March 2012
• Budget Committee Meetings	IDP and Budget Alignment	22-23 March 2012
• Special Council Meeting	Tabling of Draft IDP 2012-2013 for adoption	30 March 2012
• Special Council Meeting	Tabling of Final IDP Review 201102012	11 May 2012

1.3.3 MAYORAL IMBIZO MEETINGS AND SCHEDULE

MAYORAL IMBIZO/ SESSION PER AREA	WARD/ VENUE	DATE
Ward 2 & 9	Noluthando Hall	14/09/2011
Ward 8 & 12	City Hall	15/09/2011

Ward 13	Space in Rev. Lolwana (Vukani location)	18/09/2011
Ward 3 & 4	Recreation Hall	20/09/2011
Ward 8/ 9/ 12	Luvuyo Hall	21/09/2011
Ward 6 & 9	Indoor Sport Centre	27/09/2011
Ward 5	Ext 8/ 9/ Transit Camp	28/09/2011
Ward 13	Seven Fountain	02/10/2011
Ward 14	Alicedale	05/10/2011
Ward 13	Manley Flats	16/10/2011
Ward 13	Salem Hall	16/10/2011
Ward 11	Extension 7 Clinic	17/10/2011
Ward 1	Alfred Dike Kota Hall	24/10/2011
Ward 1	Fort Brown Community Hall	16/10/2011
Ward 10	B.B. Zondani	19/10/2011
Ward 7 & 9	Foley's Ground	20/10/2011
Ward 3/ 7/ 10	Tantyi Hall	26/10/2011
Ward 1 & 3	Pumlani Park	27/10/2010
Ward 11	Ethembeni Open Space	02/11/2011
Ward 5	Transit Camp	03/11/2011

1.3. 4 IDP & BUDGET PUBLIC PARTICIPATION

DATE	VENUE	WARDS
10/ 05/ 2012	<ul style="list-style-type: none"> • City Hall • Luvuyo Hall • Extension 7 Clinic • Tantyi Hall 	4; 8 & 12 8; 9 & 13 6 & 11 7 & 9
12/ 05/ 2012	Seven Fountains	14
14/ 05/ 2012	<ul style="list-style-type: none"> • Indoor Sport Centre • Recreation Hall 	6 & 9 3 & 4
16/ 05/ 2012	Noluthando Hall	1; 2 & 11
23/ 05/ 2012	Alfred Dike Hall	1
24/ 05/ 2012	Old Ambulance Building	3

1.4 Strategic Agenda of Municipality

The community based IDP and Budget of the Municipality reflects community priorities. In turn 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 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	Behaviour
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, 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
- Water quality
- Ageing infrastructure
- 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

The following Six development issues were adopted by the IDP stakeholder, after considering the PGDP, 5-Year Local Government Strategic Agenda and the Government's 2014 targets and outcome 9.

These issues were consolidated into 5 development priorities that are aligned with national key performance areas:

These issues were cluster into 5 Developmental priorities for the next 5 year

- Basic Service Delivery and Infrastructure Development
- Community Development & Social Cohesion
- Local Economic Development
- Institutional Development
- Good governance support rural development and vulnerable groups

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 of the following in the IDP:

- 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

- b) The above five developmental 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 of the following in the IDP:

- i) The institutional framework for the implementation of the IDP
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- iii) Key performance indicators and other important statistical information
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- v) A spatial development framework.

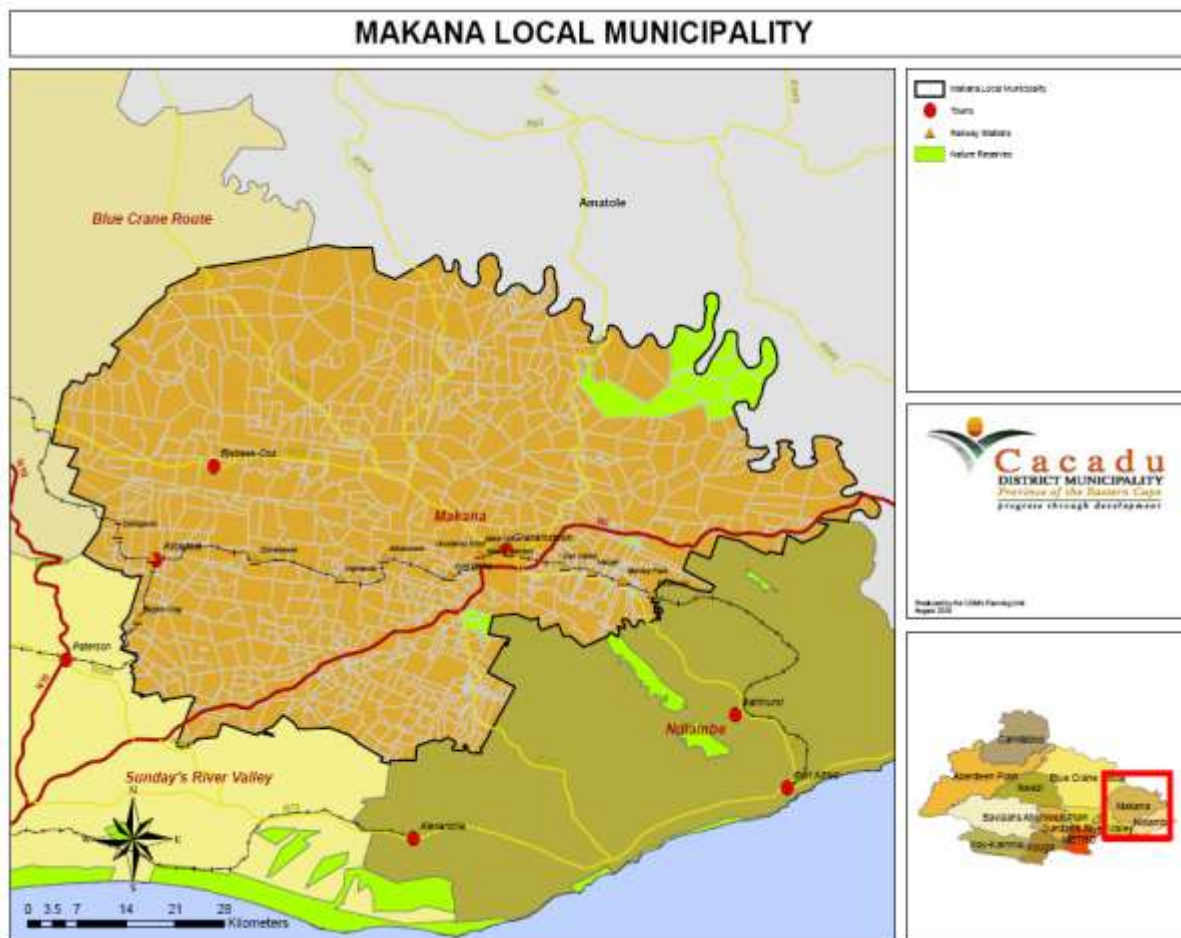
CHAPTER TWO: SITUATIONAL ANALYSIS

PART ONE: SOCIO ECONOMIC PROFILE

2.1 INTRODUCTION

Situational Analysis is first phase towards development or review of the Integrated Development Plan for the Municipality. This phase is regarded as the bases of the IDP it seek to provide the municipality with information need to know to arrive at the strategic and implementation oriented decision on how to make best use of its resources.

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 14 wards in which 3 are found in the rural areas of the Municipality.



Makana Municipality has population estimated to 70 706, density of 16.1 people per square kilometre, 16 975 households with 3.87 density per square kilometre and cover an area of 4 379 km². Makana Municipality has the following major settlements and towns

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 Hints, 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.

2.2 DEMOGRAPHIC PROFILE

2.2.1 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 population 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 is presented in Table 2.1. This shows the extent to which various sources differ on the size of the Makana population.

Table 2.1 Population estimates: 2003-2007

Source	Population	Year
Statistic South Africa Customers Survey		2007
Quantec Research	70 706	2007
CDM 2009 SDF	74 561	2007
Makana 2008 SDF	140 120	2007
CDM IDP 2008 review	84 111	2003

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.

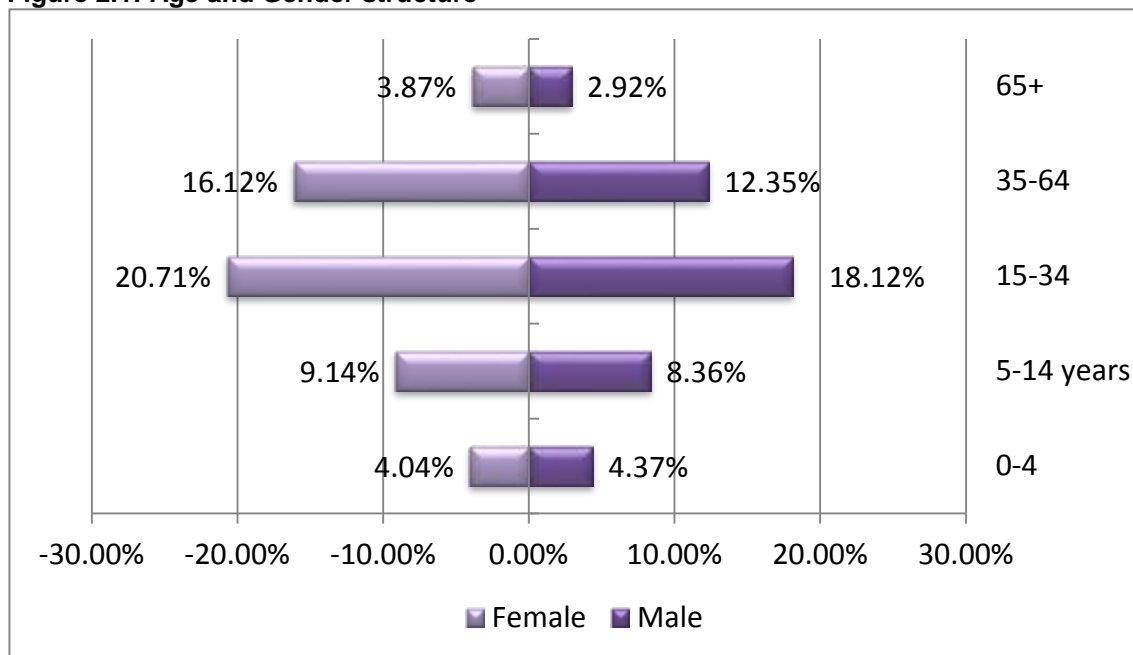
2.2.2 Annual population growth rate

Since 1996, the population of Makana decreased at an average annual rate of -0.5% per annum compared to an annual average growth rate of 1.1% within the Cacadu District and a 0.3% provincial growth rate.

2.2.3 Age and gender structure

In terms of the age and gender structure in Makana, Figure 2.1 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 2.1: Age and Gender structure



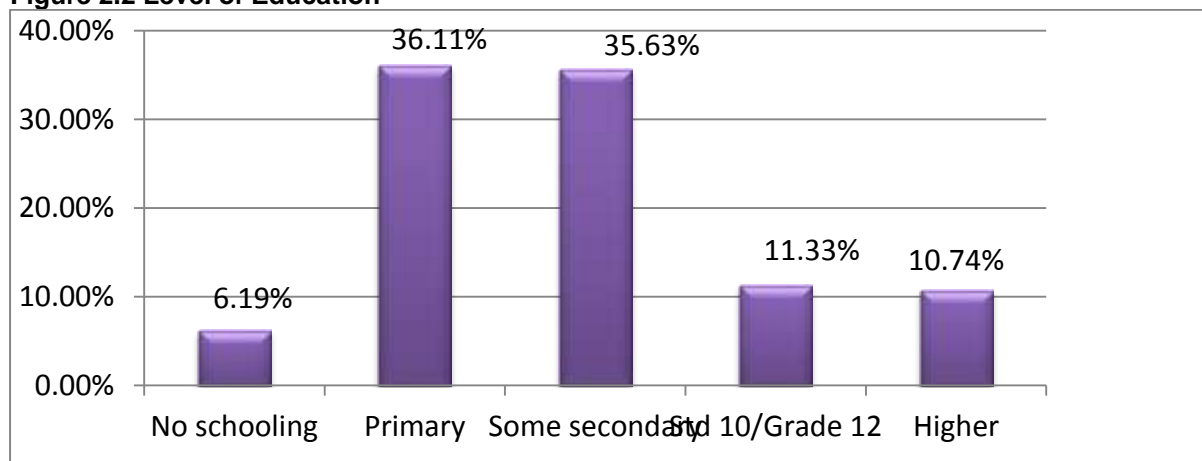
(Source: Quantec: 2007)

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 groups constitute 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 groups. The implication of this relatively young population is that extra pressure on the need for employment creation opportunities is placed on the municipality.

2.2.5 Education profile

Education levels have a direct impact on 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 development of an area. Figure 2.2 shows the levels of education in the Makana municipality.

Figure 2.2 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 has 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 (have the potential to) become fully economic active members of society as their employability is higher than those of uneducated people.

2.2.6 Human development index

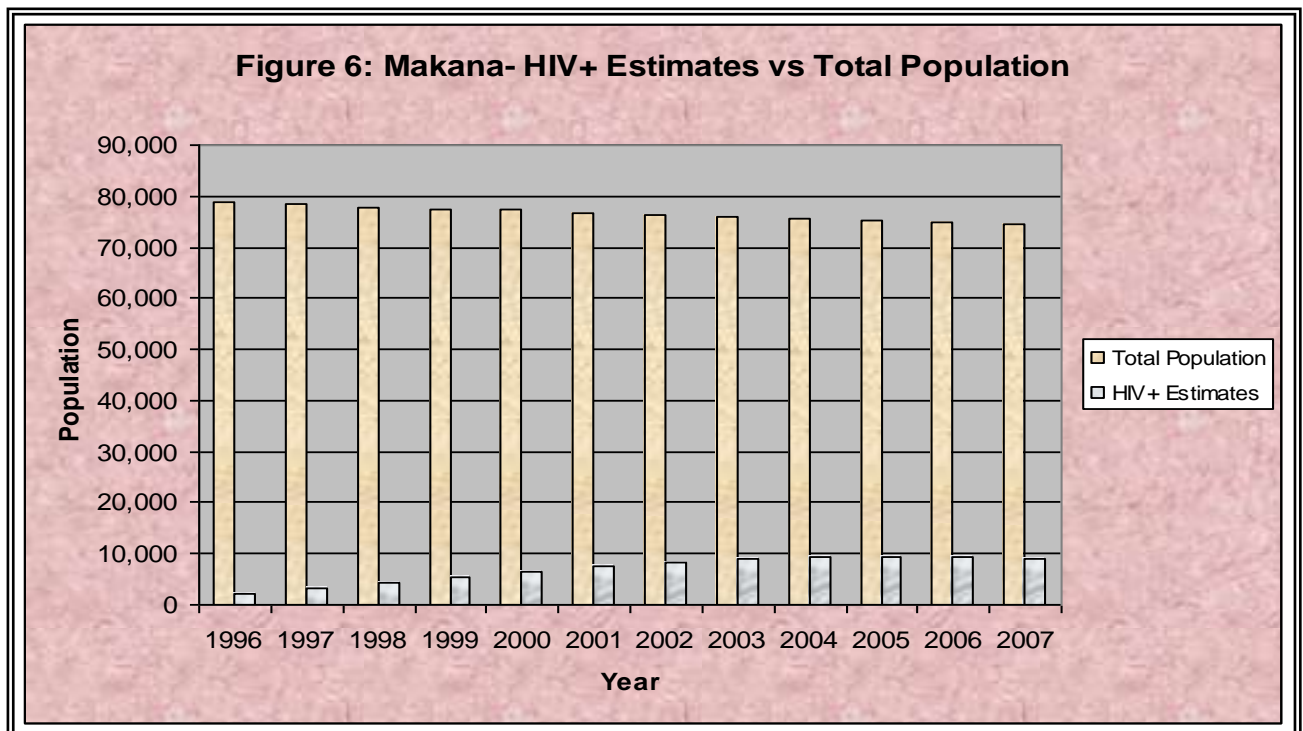
The Human Development Index (HDI) is a mechanism in which to measure development by combining indicators of life expectancy, educational attainment and income into a composite human development index. As such the HDI can be used as a frame of reference for both social and economic development. In 2007, Makana's HDI (0.59) was marginally higher than the Cacadu index of 0.57.

2.2.7 Gini coefficient

The Gini coefficient is a summary statistic on income inequality which varies from 0 (in the case of perfect equality where all households earn equal income) to 1 (in the case where one household earns all the income and other households earn nothing). The coefficients for Makana, as indicated in the table below, indicate that the distribution of income in Makana has worsened between 1996 and 2007 from 0, 6 to 0, and 69.

2.2.7 HIV estimate vs. Total population

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 2.3**



2.3 POVERTY AND INEQUALITY PROFILE

The percentage of people in poverty has increased from 41, 1% in 1996 to 45, 1% in 2007 representing a total population of 33 636 living in poverty.

2.3.1 Household Income

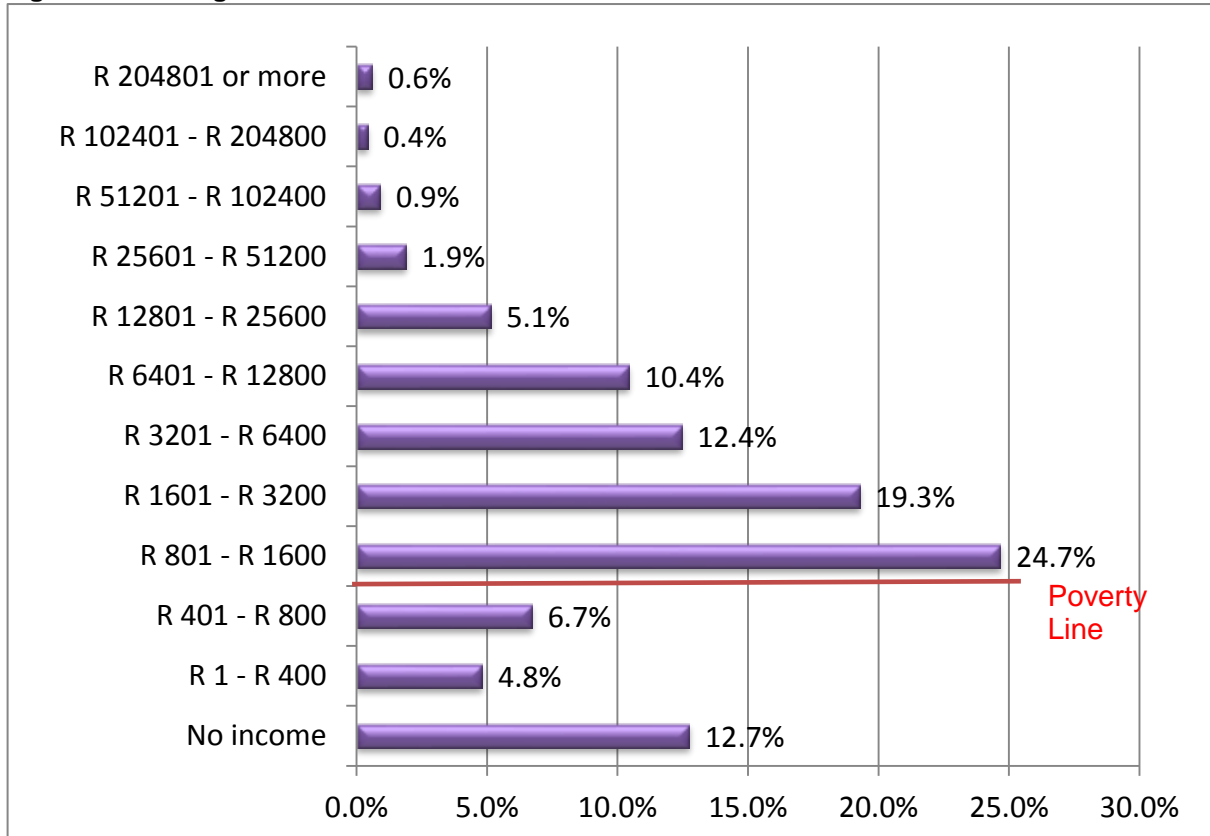
The demographic make-up of an area, coupled with its educational characteristics and employment trends all have an impact of household incomes. Household income is defined as the combined income of all members of a household. The determination of the income includes:

- 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 2.4 Average Household Incomes

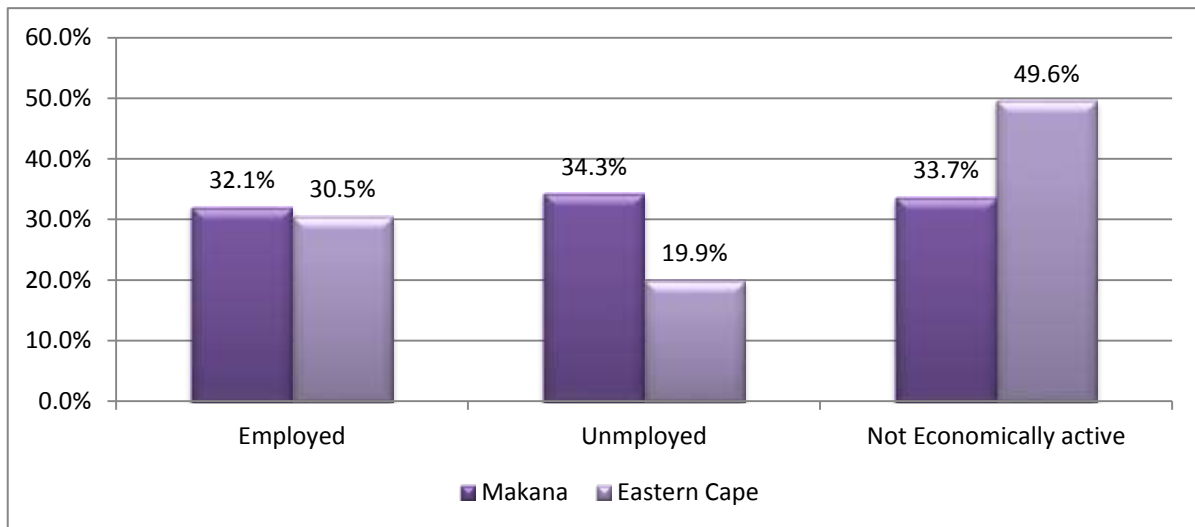


(Source: Quantec: 2007)

2.3.2 Employments Status

Figure 2.3 shows the employment of the Makana Municipality status of the below;

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 in line with the dominant activities in Makana which are:

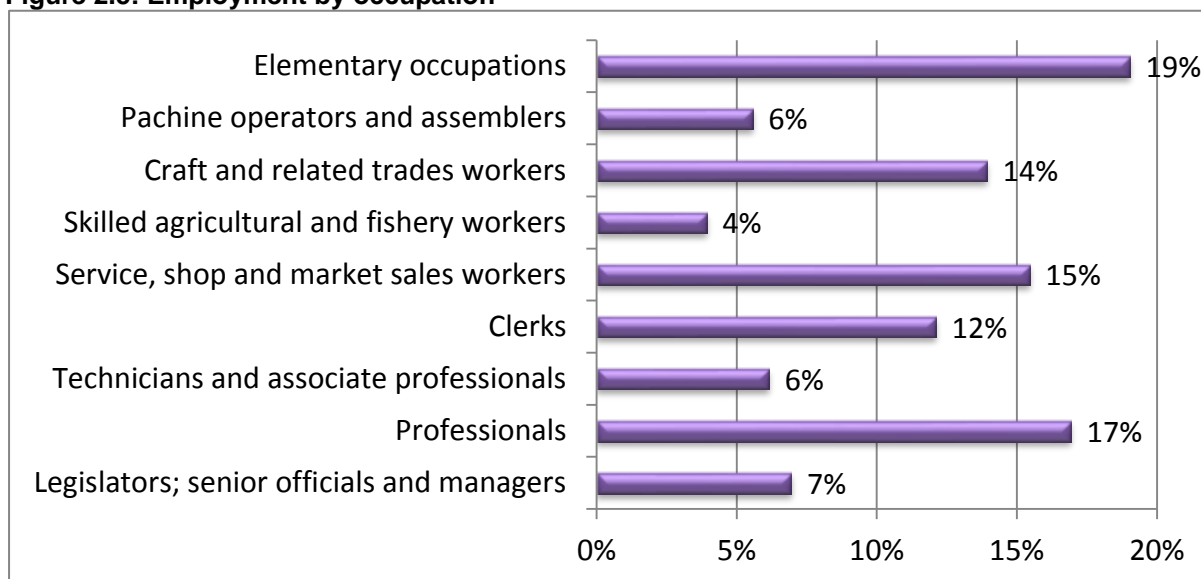
- Tourism – Events such as the national arts festival support temporary employment much more than permanent employment
- Community Services- In the form of Rhodes University and the schools situated within Makana
- Trade and Agriculture – which can be cyclical and seasonal in nature.

2.3.3 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 skills profile which is line with the education profile provided is reflected in Figure 2.4

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 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, March 2012) which are listed per grant provided.

The predominant type of grant is for child support followed by old age and permanent disability. The information presented in the tables below is the sum of the beneficiaries from Makana and Ndlambe Municipality, is estimated that 60% of beneficiaries are form Makana.

Pay Points	Grant Type	Number of Grants	Total Grant Number
Bank Payments	Old age	8,498	9,888,678.82
	War veterans	4	4,193.22
	Disability	4,554	5,406,656.76
	Foster care	1,432	1,583,254.87
	Care combination	60	146,302.56
	Care dependency	277	322,996.62
	Child support	11,157	4,605,725.96
	TOTAL	25,982	21,958,078.81

Community Halls	Old age	Disability	Forster care	CSG Grant	Other	Grants	beneficiaries
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200505- B.B. Zondani – GHT	81	37	3	106	2	229	217
200543- Bathurst Community Hall	21	1	0	12	0	34	30
200540- Jawuka Community Hall	14	6	1	27	0	48	45
200523- Kwanonzwakazi Community Hall	14	3	0	13	0	30	28
200562- Kwanonqubela Community Hall	16	6	1	24	0	47	43
200560- Marselle Community Hall	27	7	0	15	0	49	45
200599- Sekulula - GHT	1,715	1,184	384	6,743	126	10,152	9,312
	1,888	1,244	389	6,940	128	10,589	9,722

2.4 ECONOMIC DEVELOPMENT PROFILE

Introduction: The local economic development profile will provide an overview of the Makana economy, with its outcomes becoming the inputs for the economic potential assessment.

This section will be made up of the following sections:

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

2.4.1 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.

This Table 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)

This Table: 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.

2.4.2 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.

2.4.2.1 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:

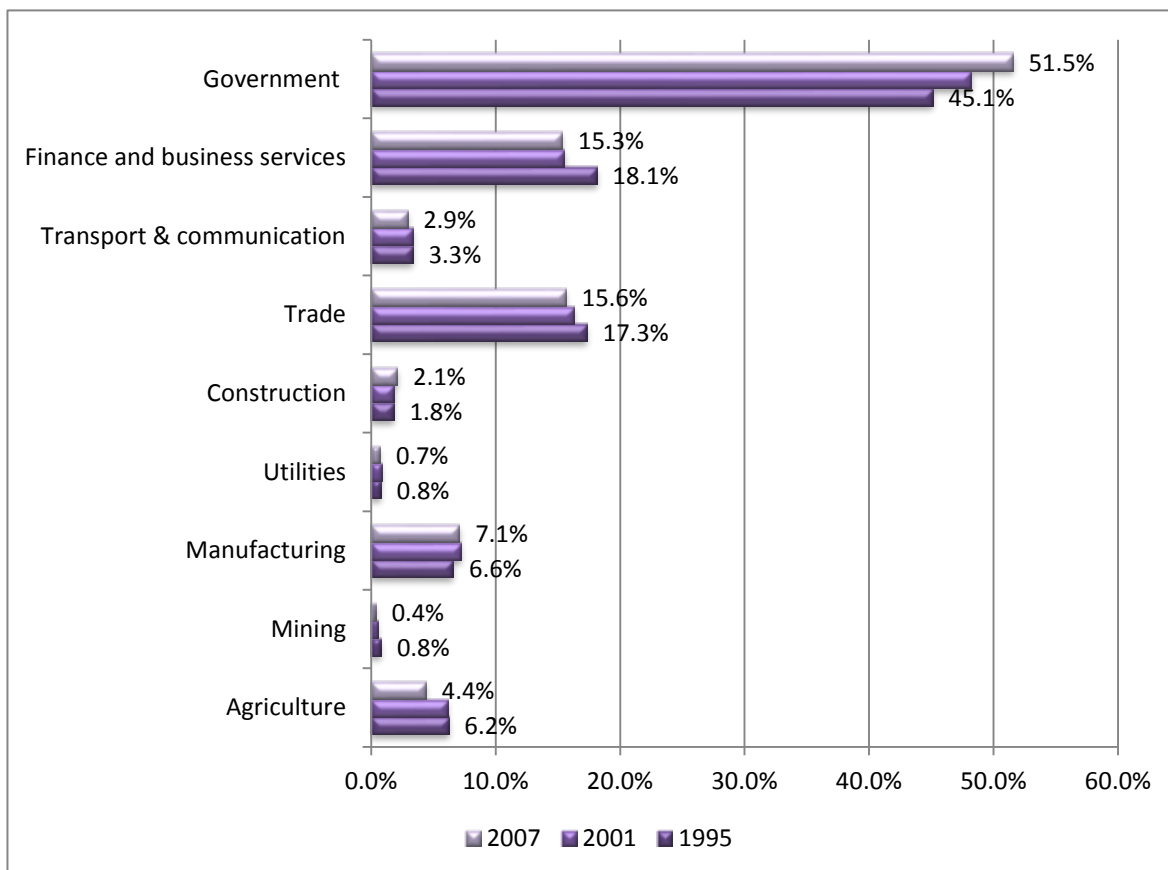
1. Agriculture, hunting, forestry and fishing
2. Mining and quarrying
3. Manufacturing
4. Electricity, gas and water supply
5. Construction
6. Wholesale and retail trade;
7. Transport, storage and communication
8. Financial intermediation, insurance, real estate and business services
9. Government and 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-sectoral level, as well as into lower levels of greater detail.

2.4.2.2 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 4.2: Sector contribution to R-GDP 1995-2007



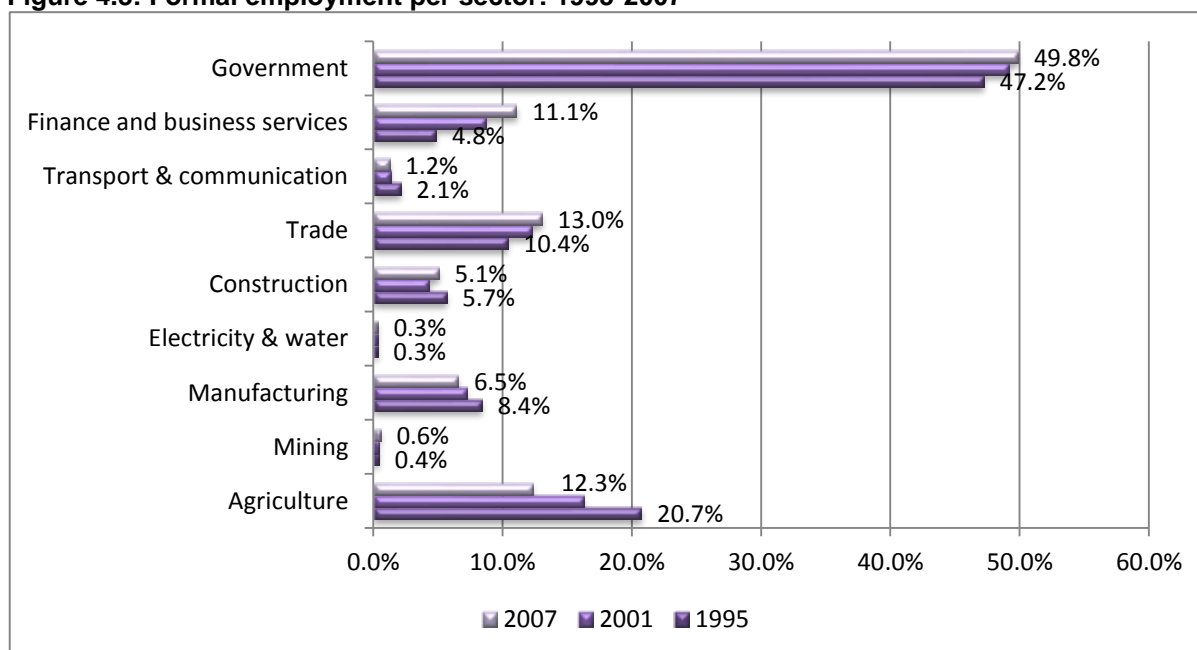
(Source: Quantec, 2007)

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.

2.4.2.3 Sectoral employment

It is prudent to consider how sectoral employment compares with sectoral 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 4.3: Formal employment per sector: 1995-2007



(Source: Quantec, 2007)

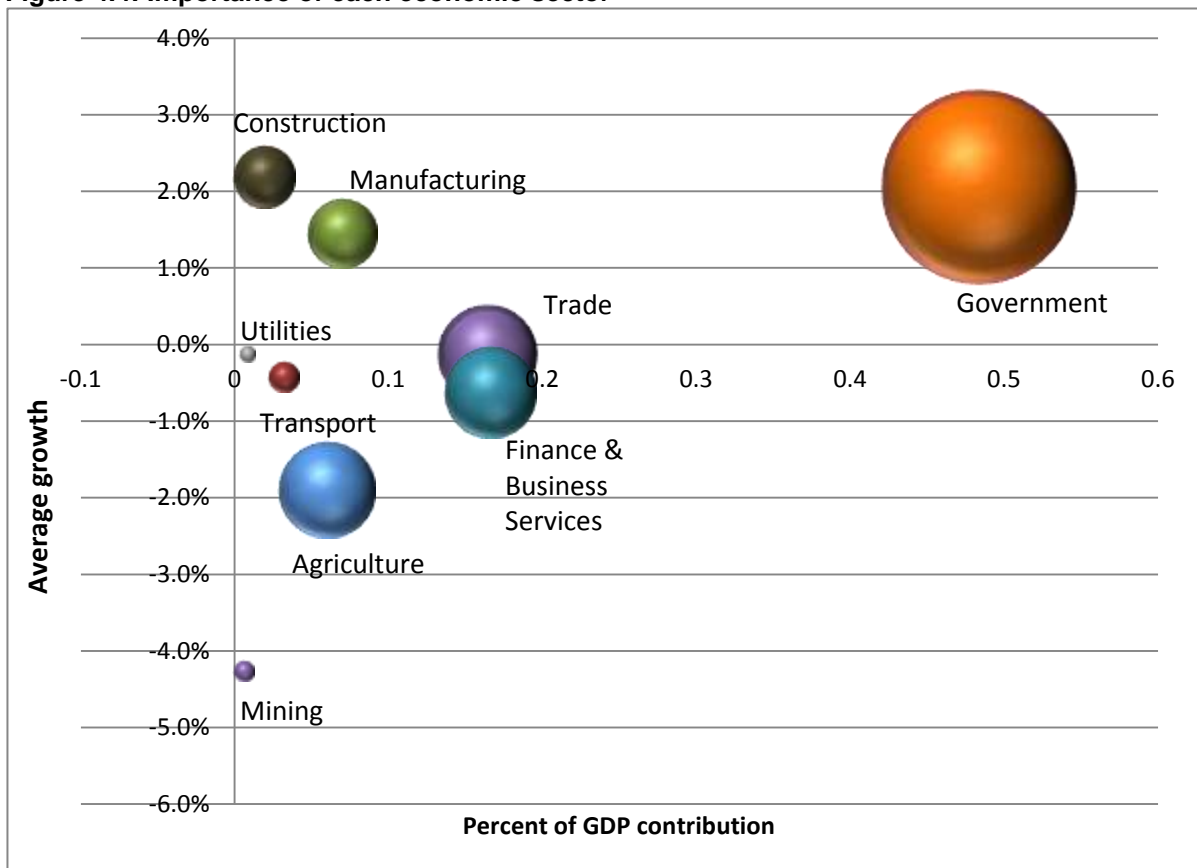
Employment created by the government and community services sector (50%) matches its R-GDP contribution of 51%. Employment in this sector has increased as the sector's output has also increased. A large proportion of this is from Rhodes University, which directly employs approximately 10% (+1500 workers)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

2.4.2.4 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 4.4: 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.

2.4.3 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. In Makana there are three distinct types of activity to be found in this sector are:

2.4.3.1 Commercial agriculture

Commercial agriculture is found in the north of Grahamstown is known as Upper Albany, and accounts for approximately two thirds of the municipality. Livestock and game farming thus dominate in Upper Albany. Lower Albany land is suitable well suited to rain-fed cropping (Agriculture in Makana, 2008).

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

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

Challenges Faced by Commercial Farmers in Makana include:

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

2.4.3.2 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.

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)

2.4.3.3 Hunting and private game reserves

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

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

2.4.4 MINING SECTOR

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

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

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

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

2.4.5 MANUFACTURING

This sector is broadly defined as the physical or chemical transformation of materials or compounds into new products. The Manufacturing sector is thus the sector where natural resources and other intermediate goods are converted through value adding processes into final products for the Trade sector.

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

2.4.6 CONSTRUCTION

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

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

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

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

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

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

(Lisa Trading, 2009)

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

2.4.7 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)

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 centers – 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.

2.4.8 **TRANSPORT AND COMMUNICATIONS IN 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 Intercap) 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.

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

2.4.9 **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.

Challenge: This sector will have a role in economic development through its ability to attract and its ability to absorb local semi-skilled and skilled labour. One of this sector's roles in economic development is that of improving the quality of financial and 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

2.4.10 PROVINCIAL AND NATIONAL 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.

2.4.11 NATURE OF TOURISM

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 4.5: 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
Coombs View 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	Tenuto Spring Grove Nature Reserve
Great Fish River Reserve	Hellspoor Valley Game Farm
Woodlands Game Reserve	Trumpeter's Drift Game Farm, Gt Fish River
Belton Hiking Trails, Kenton Rd	Highland road

Source: Responsible Tourism Sector Plan 2009 Review Report

Table 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 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 Drostdy
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

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

2.5 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.

2.5.1 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.

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 26^o to a minimum of 15^o. In winter (July) temperatures vary from an average maximum of 18^o to an average minimum of 4^o. 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 40^o to 15^o in summer, and 18^o to -8^o 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)

2.5.2 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^o – 50^o are suitable for most types of development.

- On slopes of 50⁰– 180⁰ limited development might be appropriate, should an EIA indicate that impacts are acceptable.
- Development should not be permitted in areas with slopes greater than 180⁰.

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 3-8⁰ or 8-20⁰ (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)

2.5.3 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 12m³ and 40m³. (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 8.6Mm³/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 Mm³/that it uses. A planned water scheme for Riebeeck East is an increase in storage capacity in the form of tanks and a reservoir.

Alicedale'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"

2.5.4 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 Land use options per land capability class

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

Source: Directorate Agriculture Land Resource Management,

2002

Table 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).

2.5.5 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:

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

O: OVERVIEW OF KEY PERFORMANCE ARES

2.6 KEY PERFORMANCE AREA: MUNICIPALITY TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

2.6.1 Institutional profile

Section 66 of the Local Government: Municipal Systems Act (Act No 32 of 2000) requires a Municipal Manager to, within a policy framework determines by the Municipal Council and subject to any applicable legislation, establish to a mechanism to regularly evaluate the staff establishment of a Municipality and, if necessary, review the staff establishment.

This section is presented according to the following sections:

- Municipal power and functions
- Makana Political Structure
- Organisational Structure and Human resources
- Intergovernmental Relations

2.6.1.1 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.

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.

2.6.1.2 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). Council has of twenty four (24) Councillors (including the Mayor), 12 of whom are proportional councillors. The municipality operates an Executive Mayoral Committee system with an Executive Mayor and five Portfolio Chairpersons being members of the Mayoral Committee. The Council plays an oversight role in terms of the delegations and the Mayor and council provides political guidance over the financial matters of the Municipality.

There is a fully functional Audit Committee attached to the municipality that provides opinions and recommendations on financial processes and performance and provides comments to the Oversight Committee on the Annual Report. The Municipal Public Accounts Committee is comprised of non-executive councillors, with the specific purpose of providing the Council with comments and recommendations on the Annual Report. The Oversight Committee report will be published separately in accordance with MFMA guidance.

EXECUTIVE MAYOR: Clr Zamuxolo Peter
SPEAKER: Clr Rachel Madinda
MAYORAL COMMITTEE MEMBERS Clr P Ranchhod – Chairperson of Finance, Administration, Monitoring and Evaluation Committee Cr M Matyumza - Chairperson of Social Services Development Committee Clr N Gaga - Chairperson of Infrastructure Development Committee Clr P Notyawa - Chairperson of Local Economic Development Committee Clr M Masoma - Chairperson of Tourism and Creative Industries Committee.

2.6.1.3 Organisational Structure and Human resources

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:

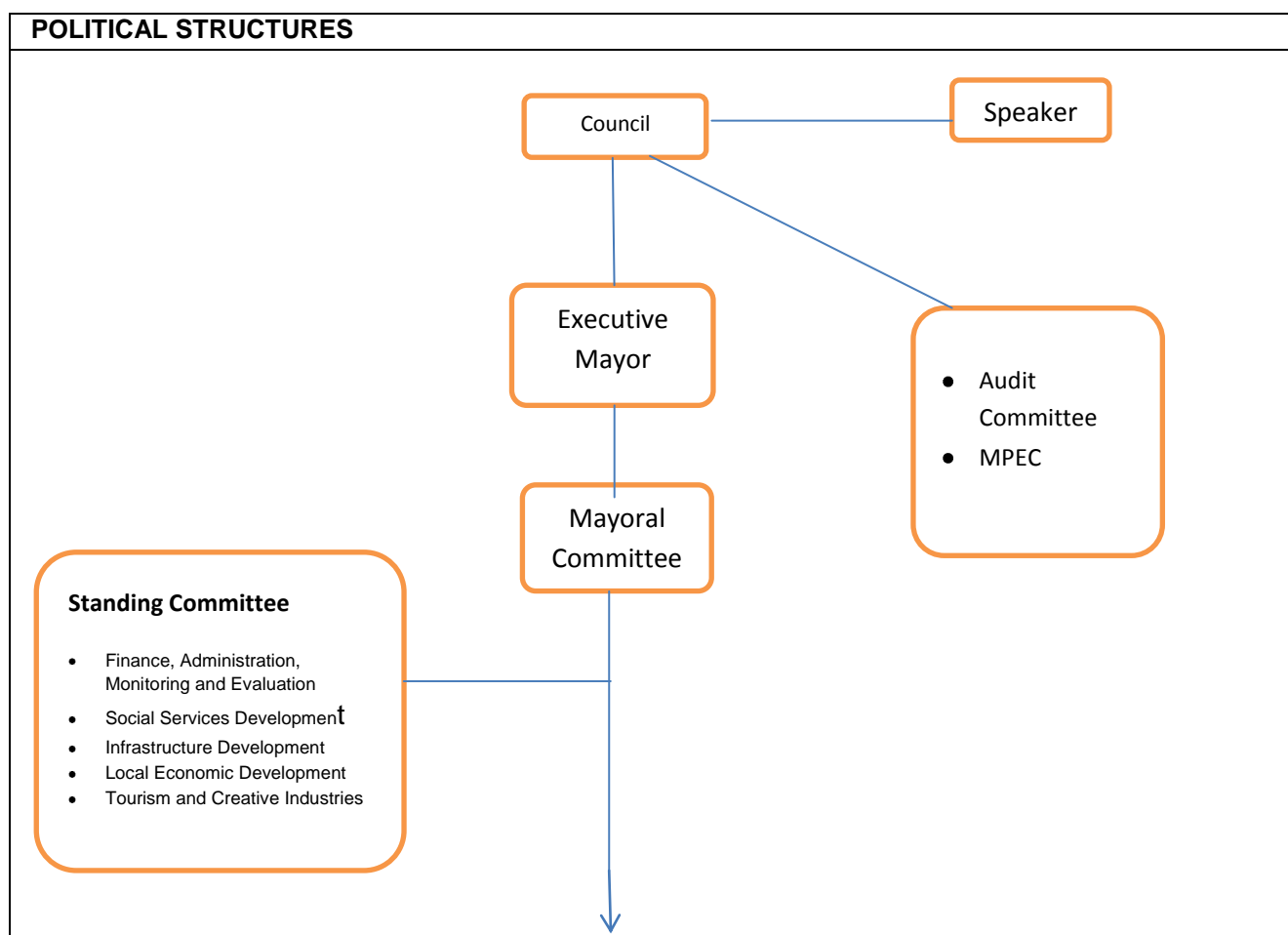
- Municipal Manager
- Corporate Services
- Community and Social Services
- Finance
- Technical and Infrastructural Services (including housing and land)
- Local Economic Development

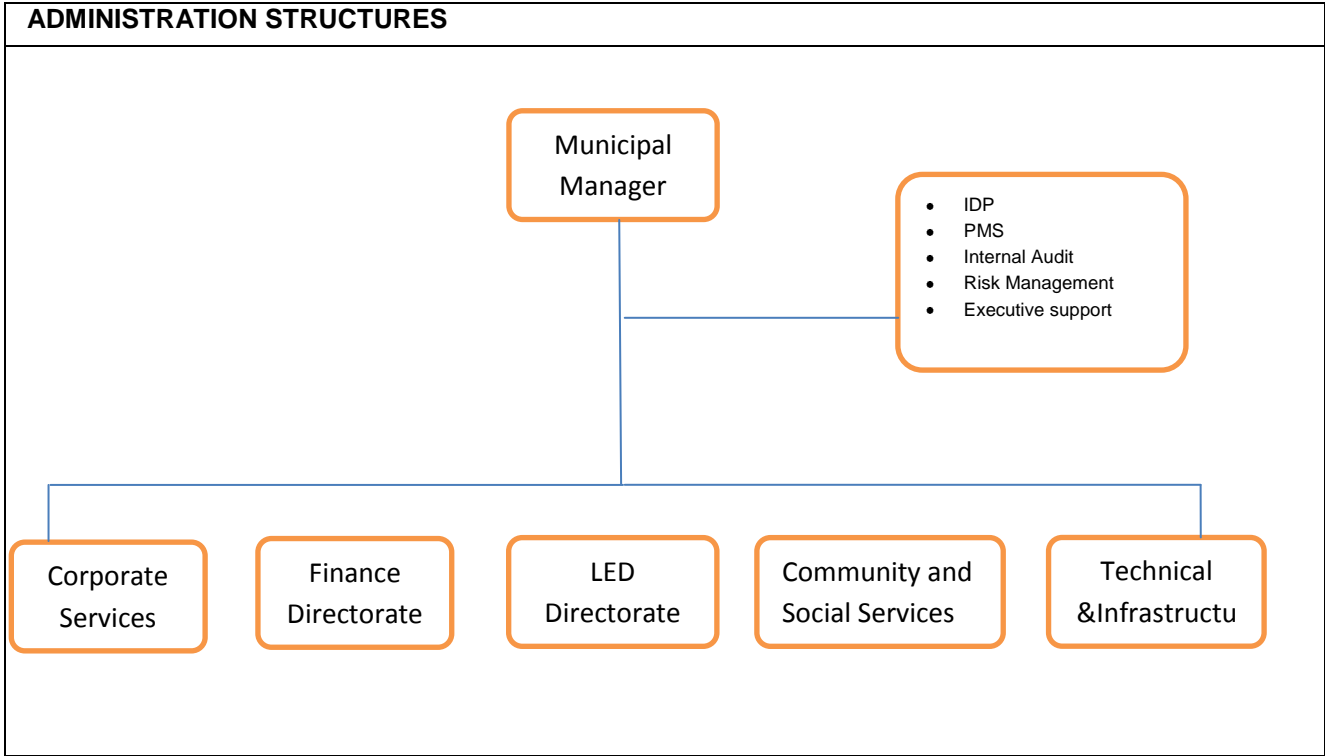
Organisational Structure:

:

The currently organisational structure was revised and approved by council on April 2010 and there are 557 posts in the structure. The table below provides the high level operational institutional organogram, with associated mandates for each directorate.

The following Organogram illustrates the relationship between the Political and Administration:





Directorate and Department:

DIRECTORATE	DEPARTMENT
Municipal Manager Office	<ul style="list-style-type: none"> • IDP • PMS • Risk Management • Internal • Executive support
Corporate Services	<ul style="list-style-type: none"> • Human Resources • Legal Services • Information Technology • Administration • Council support
Financial Services	<ul style="list-style-type: none"> • Budget • Revenue Management • Expenditure Management • Supply Chain Management
Community and Social Services	<ul style="list-style-type: none"> • Library services • Environmental management • Waste Management • Traffic control and road worthy • Fire and rescue services • Disaster management
Technical and Infrastructure	<ul style="list-style-type: none"> • Water and sanitation • Housing and Land Estate • Roads and storm water • Electricity • Spatial Development Framework
Local Economic Development	<ul style="list-style-type: none"> • SMME development

- Tourism
- Trade and investment
- Heritage development
- Agriculture

STAFFING POST PER DIRECTORATE

DIRECTORATE	APPROVED	FILLED	VACANT
MM'S OFFICE	4	4	0
CORPORATE SERVICES	33	24	9
BUDGET & TREASURY	20	15	5
COMM & SOCIAL SERVICES	285	165	120
TECHNICAL & INFRASTRUCTURE	290	188	102
LOCAL ECONOMIC DEVELOPMENT	6	6	0
GRAND TOTAL	638	402	236

Source: Makana Annual Report, 2011/12

2.6.1.4 Employment Equity Plan

LEGISLATION: Employment equity Act (Act 55 of 1998)

OBJECTIVES:

- ❖ improve the gender representation at senior management & lower levels from 29.7% - 45%
- ❖ Improve the over/ under –under representation of people from different designated groups in all occupational levels within Makana Local Municipality.
- ❖ Eliminate barriers identified in employment policies and the working environment

Blacks = Indians/ coloureds/ Africans

DESIGNATED	TOTAL
BLACKS	
FEMALE	177
DISABLED	3
MALES	461
WHITES	
FEMALE	10
MALE	25
DISABLED	0
GRAND TOTAL	676

MAKANA LOCAL MUNICIPALITY PROFILE AS AT MAY 2010

Workforce profile employees including employees with disabilities

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	MALE	FEMALE	
Top Management											1
Senior Management	4	0	0	0	0	0	0	1	0	0	5
Professionally Qualified & Experienced Specialists And Mid Management	5	2	0	6	6	0	0	0	0	0	19
Skilled Technical & Academically Qualified Workers, Junior Management, Supervisors, Foremen & Superintendents	45	12	0	14	39	4	0	4	0	0	118
Semi-Skilled & Discretionary Decision Making	113	4	0	3	50	10	0	4	0	0	184
Unskilled & Defined Decision Making	181	5	0	0	40	7	0	1	0	0	234
TOTAL PERMANET											
TEMPORARY EMPLOYEES											
GRAND TOTAL	348	23	0	23	136	21	0	10	0	0	561

KEY DEVELOPMENT PRIORITY AREAS:

Key Performance Indicator 1: Human Resource

Priority 1: Improve and maintaining an effective system to manage performance amongst its human resource to ensure scarce resources is utilized efficiently.

- Cascading of Individual Performance Management System
- Leadership capacitation amongst its human resources
- Development Human Resource Strategy
- Ensuring conducive working environment(i.e. office space)
- Managing outcomes organizational designs exercise and Job evaluation
- Review bursary policy to cover more disadvantage students

Key Performance Indicator 2: Communication

Priority1: Improve communication and marketing

- Improve internal communication
- Improve Municipal Image through any effective marketing and promotion strategies

Key Performance Indicator 3: Administration

Priority 1: Improve interface between EXCO the council to align administration and political priorities of Council management.

Priority 2: Improve customer care management system and ensure the rollout of Batho- Pele principles

Priority 3: Integrated IT management system

Priority 4: Improve Record Management System

2.7 KEY PERFORMANCE ARE: BASIC SERVICES DELIVERY AND INFRASTRUCTURE DEVELOPMENT

INTRODUCTION:

Basic Service backlogs and provision of Indigent in urban areas

Services	Estimated backlog	Indigent provision
Water	165	8064
Sanitation	165(Pit latrines and Bucket left)	8064
Electricity	None	8064
Waste	165	8064
Housing	13 800	N/A

NB: There is still challenge in providing services in rural areas to the lack of infrastructure

2.7.1. DEVELOPMENT PRIORITY ISSUE: WATER AND SANITATION

PROVISION PORTABLE 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
- Riebeeck 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.

- Riebeeck East use 0.02856 Mm³/a of water per year and although there is presently adequate supply, there is need for increased storage capacity.

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 lack of adequate water supplies also has a negative impact on the agricultural sector especially in Salem and areas where irrigation is necessary
- A backlog in the provision of storm water infrastructure equivalent to R233m
- Provision clean water for rural areas

SANITATION AND SEWER:

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.

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. Also what has come as urgent issue the provision alternative sanitation in rural areas, changing sanitation provision to waterborne Riebeeck east, Kwandancama, Mission, Glibe, Hlalani.

COMMUNITY PRIORITIES: WATER & SANITATION

• Access to portable water and basic sanitation with special reference to rural areas
• No constant water supply in some areas special reference Grahamstown east.
• Portable water doesn't always meet minimum quality standard
• Provision of waterborne sanitation to all urban areas
• Provision of bulk for water and sanitation infrastructure
• Eradication of sanitation backlogs
• Social facilitation in rural areas for the use of waterless sanitation
• Provision of free basic services
• Maintenance of infrastructure
• Bulk water supply for Riebeeck East
• Assistance in Ratification and Rebuilding of toilets
• Water and sanitation reticulation
• Explore alternative ways of sanitation in rural areas vs. waterless toilets
• Resuscitate of water boreholes
• Access to portable water and basic sanitation with special reference to rural areas

• No constant water supply in some areas special reference Grahamstown east.
• Portable water doesn't always meet minimum quality standard
• Provision of waterborne sanitation to all urban areas
• Provision of bulk for water and sanitation infrastructure
• Eradication of sanitation backlogs
• Social facilitation in rural areas for the use of waterless sanitation
• Provision of free basic services
• Maintenance of infrastructure
• Bulk water supply for Riebeeck East
• Assistance in Ratification and Rebuilding of toilets
• Water and sanitation reticulation
• Explore alternative ways of sanitation in rural areas vs. waterless toilets
• Resuscitate of water boreholes
• Provision of free basic services
• Maintenance of infrastructure
• Bulk water supply for Riebeeck East
• Assistance in Ratification and Rebuilding of toilets
• Water and sanitation reticulation
• Explore alternative ways of sanitation in rural areas vs. waterless toilets
• Resuscitate of water boreholes

2.7.2 DEVELOPMENT PRIORITY AREA: ROAD AND STOMERWATER

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
- It is estimated that backlog on the provision of tar road for the gravel streets is 167 kilometer for whole of Makana in urban areas.

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. And there is need of a roads maintenance plan.

COMMUNITY PRIORITIES ISSUE: ROADS AND STOMERWATER

• New roads construction plan to include storm water channels
• Upgrading and maintenance of roads and storm water
• Construction of new roads and sidewalks
• Provision of storm water channels
• Paving / tarring of all access roads (streets)
• Upgrading of old main roads with tar
• Upgrading of rural roads
• Road safety mechanisms
• Cleaning of main roads
• Repairs and maintenance of storm water drains
• Installation of storm water channels
• Installation of storm water in all new human settlement development
• Construction of bridges
• Construction of sidewalks
• New roads construction plan to include storm water channels
• Upgrading and maintenance of roads and storm water
• Construction of new roads and sidewalks
• Provision of storm water channels
• Paving / tarring of all access roads (streets)
• Upgrading of old main roads with tar
• Upgrading of rural roads
• Road safety mechanisms
• Cleaning of main roads
• Repairs and maintenance of storm water drains
• Installation of storm water channels
• Installation of storm water in all new human settlement development
• Construction of bridges
• Construction of sidewalks
• New roads construction plan to include storm water channels
• Upgrading and maintenance of roads and storm water
• Construction of new roads and sidewalks
• Provision of storm water channels
• Paving / tarring of all access roads (streets)
• Upgrading of old main roads with tar

2.7.3 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 as 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 limits the additional supply local municipalities are able to offer in their localities. The implication of this is that as much as 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 a whole. These include:

- Assisting community from rural areas with electricity reconnection
- Aging infrastructure
- Upgrading and Maintenance of infrastructure

COMMUNITY DEVELOPMENT PRIORITIES ISSUE:

- **Electrification of formal and informal areas.**
- **Provision of High Mast and street lights**
- **Provision of free basic service**
- **Provision of electricity in rural areas**
- **Electricity cuts**

2.7.4 SEWER FACILITIES

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

2.7.5 LAND AVAILABILITY, LAND REFORM, SPATIAL AND HOUSING

2.7.5.1 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 centre, which leads to superficially high land prices.

2.7.5.2 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 approved 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	Gazette
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 numbers 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.

2.7.5.3 SPATIAL DEVELOPMENT FRAMEWORK

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 sectoral 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.

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

Municipal Spatial Development Framework (SDF) was last revised by Council in 2008 and is due for review due to new development. In the past five years the Municipality has been busy making the application for town establishment for eight infill areas which were approved in 2011. Those areas would need to be incorporated in our SDF which are Zolani, Upper and Lower Mhandi, J, K, L, M street.

COMMUNITY SPATIAL NEEDS PRIORITY ISSUE

- **Provision of land for housing development**
- **Land audit open space**
- **Effective use of municipal buildings**
- **Influx and informal settlements**
- **Provision land for recreation facilities i.e. Child care centre**

2.7.5.4 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 previous reports, that 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 Tantyi 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 these areas have since been approved. Also the housing sector plan would be revised to include the new approve areas for town establishment.

COMMUNITY DEVELOPMENT PRIORITY ISSUE:

- **Rectification of RDP houses programs**
- **Completion of RDP houses in Fingo Village and Riebeeck east**
- **Mayfield's phase II**
- **Housing developed Alicedale**
- **Housing development Fort Brown**
- **Disaster Housing projects 2006 & 2008**
- **Speed up Agri-Village housing development (Seven fountain – Fort Brown)**
- **Provision of houses for those living in mud houses (Phumlani & Xolani locations)**
- **Facilitation the housing development application for Lower-Upper Mnadi,**

Zolani, Xolani squatter and N,J,K

- **Insufficient provision of houses (backlog)**
- **Poor workmanship**
- **RDP houses being used as shops by foreigners**
- **Transparency in the allocation of RDP House**

SUMMARY OF BASIC SERVICE COMMUNITY PRIORITIES:

PRIORITY ISSUES	AFFECTED WARDS	FACTORS	EFFECTS	POTENTIAL
WATER & SANITATION : <ul style="list-style-type: none"> ✓ Access to water ✓ Uninterrupted water supply. ✓ Proper sanitation ✓ Aging infrastructure resulting in bad quality water 	Wards: 1; 2; 3; 4; 5; 6; 7; 8; 9; 10; 11; 12; 13; 14	<ul style="list-style-type: none"> ✓ Old water and sewerage pipes ✓ Eradication of bucket system in some areas ✓ Educating those in rural areas on how to operate waterless toilets 	Lack of proper sanitation and access to water can lead to ill health	Installation of water tanks in areas affected by water outages. Implement a water and sanitation maintenance plan
HOUSING: <ul style="list-style-type: none"> ✓ insufficient provision of houses (backlog) ✓ Poor workmanship ✓ RDP houses being used as shops by foreigners 	Wards: 1; 2; 3; 4; 5; 6; 7; 8; 9; 10; 11; 12; 14	<ul style="list-style-type: none"> ✓ Houses are not user friendly for the disabled ✓ Poor workmanship calls for rectification ✓ Awaiting formalisation of certain areas 	Due to the backlog there is a mushrooming of squatter camps/ informal settlements	Reduce red tape during the process of acquiring land and building of houses
ELECTRICITY: <ul style="list-style-type: none"> ✓ Aging infrastructure 	Wards: 1; 5; 6; 7; 9; 10; 11; 13; 14	<ul style="list-style-type: none"> ✓ Installation of street lights (high masts) in some areas ✓ Maintenance of street lights (High masts) 	Due to the dark areas crime erupts	Implement a maintenance plan Awareness campaign on dangers of illegal connections
ROAD & TRANSPORT: <ul style="list-style-type: none"> ✓ Poor state of our roads (pot holes) ✓ Maintenance of storm water drains ✓ maintenance of access roads ✓ Tarring of roads or paving instead ✓ Provision of scholar transport ✓ Maintenance of manholes 	Wards: 1; 2; 3; 4; 5; 6; 7; 9; 10; 11; 13; 14	<ul style="list-style-type: none"> ✓ No appropriate/ safe bus stops with cover ✓ Lack of skilled labour ✓ Schools are too far from the house and lack of transportation for children in rural areas can lead to illiteracy 	Roads are damaged during the storms due to unmaintained storm water drains Uncovered manholes result in accidents	Road maintenance programme Construction of undercover bus stop

LAND & ESTATE: ✓ Land acquisition ✓ Illegal occupation of RDP houses	Wards: 1; 5; 13; 14	✓ Red tap in the release of land for projects results in backlogs	Illegal occupation results in violence	Reduce red tape on the provision of land
ENVIRONMENTAL: ✓ Clean and healthy environment for all	Wards: 1; 2; 5; 6; 7; 8; 9; 10; 11; 12; 13; 14	✓ Control of illegal dumping ✓ Boundary fencing ✓ Control of stray animals ✓ Upgrading of sport fields ✓ Provision of recreational facilities ✓ Maintenance of grave yards ✓ Agri- zoning ✓ Construction of ramps on skips ✓ Identification of open spaces	Unhealthy environment leads to unhealthy community subsequently leading to a high mortality rate	Environmental maintenance plan Pruning of hedges and mowing along river banks
LOCAL ECONOMIC DEVELOPMENT : ✓ Socio- economic growth ✓	Wards: 1; 2; 5; 6; 7; 8; 9; 10; 11; 12; 13; 14	✓ Agri-Village ✓ Skills development to address the issue of poverty and unemployment ✓ Youth empowerment to decrease unemployment & crime	Due to unemployment and lack of activities for the young, the rate of crime increases	Create a conducive environment for local economic development Have a business retention plan Subsidise small businesses
COMMUNITY SERVICES: ✓ Community empowerment	Wards: 1; 2; 3; 4; 5; 6; 7; 8; 9; 10; 11; 12; 13; 14	✓ Area based projects ✓ Indigent subsidy ✓ Access to bursaries ✓ Multi- purpose centre ✓ Enforce strict liquor trading hours	Moral degeneration due to high consumption of alcohol	Awareness programmes Provision of infrastructure for the young and unemployed

2.7.5.5 SOCIAL AND COMMUNITY DEVELOPMENT

Social and Community development deals with ranging from environment health issue to education and provision of community facilities. Such, community upliftment 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 constrain 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 be 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
- Integrated Transport plan was developed by Cacadu District Municipality and was approved by Council need to revised
- Integrated Area Based Plan that was developed through the assistance of Cacadu District Municipality and was approved by Council need to revised

a) Waste Management

Waste Management consists of the collection, transportation and disposal of waste. Municipality has Integrated Waste Management Plan in place to guide activity and policies which was approved by council in 2009 and is due for review.

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 Masihlule project that promotes recycling in partnership with the Department of Social Development.

Institutional challenges

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

COMMUNITY DEVELOPMENT PRIORITY ISSUE:

- Eradication of Illegal dumping site
- Street cleaning
- Provision of the cleaning service in all areas of Makana
- Fencing of legal dumping sites
- Provision of more than one black band and one extra recycling
- Cleaning of street verges and rivers beds
- Monitoring of cleaning staff
- Improve collection schedule

b) 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. The disaster management plan would need to be revised to assess its implementation

Key issue in the Disaster Management Plan:

Disaster Management encompasses a continuous, integrated, multi-sectoral 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

c) 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 internet in all libraries

Key issue priorities

- Improve customer management
- Establish traffic control methods in need areas more special in Grahamstown East

2.8 KEY PERFORMANCE AREAS: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

2.8.1 Key performance indicator one: Monitoring and evaluation

Priority 1: Effective monitoring and evaluation system for developmental objective and delivery strategies of the municipality

- Non-financial target,
- Financial performance and
- Strategies to achieving clean administration.

2.8.2 Key performance indicator 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.

Priority 1: Improve community participation

Enhance participation with communities the following processes

- Planning,
- Budgeting,
- Monitoring and reporting
- Regular communication with communities on the achievement of targets set out in the IDP is carried out,
- Improve functioning of ward committees

Priority 2: Improve participation with stakeholders

- Capacitation of public participation and executive function with human resource
- Capacity building of community based organization to enhance effective participation facilitation
- Relationship with organized business, labour and civil society built
- Inter-governmental relations

Priority 3: Enhance Social Cohesion amongst Makana Communities

Priority1: Empower and assist rural communities

- Provision of basic services and social needs
- Land distribution
- Economic empowerment
- Development Agri villages

Priority 2: Empowerment and support of Venerable groups

- People with disability
- Women and children
- Youth
- People living with HIV/AIDS
- Older person

Priority 3: Improve access primary health care services

- 24 hr. health care service in Grahamstown east.
- Expand primary health care service to new urban developed areas
- Access to primary health facilities to rural communities
- **Priority 4: Fight crime**

- Engage Community and stakeholders

2.8.3 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 municipality has a fund that is dedicated to assist in these areas.

2.8.3 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.

2.8.4 Internal Audit

Municipality has outsourced internal audit function to Kabuso audit firm, previously has contract with PwC which ended 2010. Municipality has developed three years strategic internal audit plan for the period ending 30 June 2013 and annual operational plan the municipality is in process of establishing internal capacity with the intention to establish internal audit unit between 2013 and 2017.

2.8.5 Financial Viability

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 10-11
- Provision of Indigent subsidy
- Capacity building on GRAP, Supply Chain Management and basic Accountancy

2.9 Local Economic Development

Priority issue: Promote and Support Tourism and Heritage Development

- Lack of understanding of tourism opportunities in communities
- Lack of heritage product development
- Lack of tourism transformation
- Lack of creative industries

Priority issue: Promote and Support Enterprise Development

- Lack of growth in business sector
- Lack of exploring opportunities in kaolin
- Lack of information on access to services on how to start a business
- Lack of availability of land and land/space
- Lack of skills in business plan writing
- Lack of infrastructure for informal traders

- Lack of investment attraction

Priority issue: Promote and Support Agricultural Development

- Lack of availability of land and land/space
- Lack of appropriate agricultural programmes to address food security in urban and rural development

Priority issue: Promote and Support Investment Attraction and Business Development

- Lack of growth in business sector
- Lack of exploring opportunities in kaolin
- Lack of infrastructure that will promote investment
- Lack of availability of land and land/space
- Lack of business confidence
- Lack of investment attraction

Priority issue: Promote and Support Rural Development

- Lack of understanding between rural development and agriculture

RECOMMENDATIONS:

- a) THAT women and youth be empowered through SMMEs and other activities.
- b) THAT an environment where external investors that would want to come to Makana be created.
- c) THAT relations with the institution that we are in partnership with be strengthened e. g Rhodes University.
- d) THAT SEDA offices be utilized to assist in the sustainable businesses.
- e) THAT two projects be identified that will alleviate poverty in the community.
- f) THAT location of informal traders is looked at to ensure sustainability of their business.
- g) Coordination of competitive businesses funded by Social Development with that of Local Economic Development.
- h) THAT the SEDA database is updated and also assist registered businesses where necessary in terms of skill development etc.

CHAPTER THREE: MUNICIPAL STRATEGIC FRAMEWORK FOR 2012-2017

3.1 DEVELOPMENTAL PRIORITIES

This chapter is dealing with service delivery challenges, capacity challenges and provides an understanding of how the Municipality is intends to overcome 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 cluster into 5 Developmental priorities for the next 5 year

- Basic Service Delivery and Infrastructure Development
- Community Development & Social Cohesion
- Local Economic Development
- Institutional Development
- Good governance support rural development and vulnerable groups

3.2 Municipal Vision, Mission and Values

3.2.1 Municipal Vision

Makana Municipality 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.

3.2.2 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.

- e) **The Council:** efficient, effective, honest and dedicated Councillors and Employees, customers (Ratepayers, residents and visitors).
- f) **Employees:** fairness, equity, security, feedback, trust, support and fair play.
- g) **Co-workers:** Mutual respect, trust, support, teamwork, information and knowledge sharing & honesty.
- h) **Suppliers:** A fair and equitable procurement policy, payment on time, consistency, a safe clean environment, ethical governance and operations.

3.2.3 Core Values of the Municipality - Our Values

Value	Behaviour
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

3.3. MUNICIPAL ALIGNMENT WITH LG KPAS TO STRATEGIC PRIORITIES OF NATIONAL & PROVINCIAL GOVT

MTSF PRIORITY	PROVINCIAL PRIORITIES	NATIONAL KPA	OUTCOME 9 OUTPUT	DISTRICT PRIORITY	MUNICIPAL DEVELOPMENT PRIORITY	LOCAL GOV. OBJECTIVES
Build cohesive, caring .and sustainable communities	Build cohesive, caring .and sustainable communities	Basic Service Delivery and Infrastructure Development.	Output 2 : Improving access to basic services Output 4 – Actions in support of human settlement outcomes	Infrastructure development	Basic service delivery and infrastructure development	Well structured, efficient and supports sustainable human settlement by 2017
				Community services	Community and social cohesion	Community of Makana have access to adequate facilities also live in a safe, secure and healthy environment by 2017
Speed up economic growth& transformation to create decent work and Sustainable	Speed up economic growth& transformation to create decent work and Sustainable	Local Economic Development	Ouput3: Implementation of Community Work Programme	Economic Development	Local Economic Development	Maximise economic growth and development takes place in a conducive environment 2017
Strengthen education, skills and human resources	Strengthen education, skills and human resources	Institutional Development and Organization Transformation	Output 5 – Deepen democracy through refined ward committee model Output 6: improve municipal financial and administrative capacity.	Institution development	Institutional development	<ul style="list-style-type: none"> • Achieve clear administration by 2015 • Municipality is Financial Viable by 2015

MTSF PRIORITY	PROVINCIAL PRIORITIES	NATIONAL KPA	OUTCOME 9 OUTPUT	DISTRICT PRIORITY	MUNICIPAL DEVELOPMENT PRIORITY	LOCAL GOV. OBJECTIVES
A comprehensive rural development strategy linked to land and agrarian reform and food security	Rural development, land and agrarian reform and food security.	Local Economic Development	Output 3 : Implementation of Community Work Programme	Economic development	Rural development and support to vulnerable groups and Local Economic Development	Ensure viable rural communities and support to vulnerable groups by 2017
Building a developmental state and improving the public services, and strengthening democratic institution	Building a developmental state and improving the public services, and strengthening democratic institution	Good Governance and Public Participation	Output 5 – Deepen democracy through refined ward committee model Output 7 – Single window of coordination	Capacity and building and support to LM	Institutional development	Enhance Good governance and public participation

3.4 DEVELOPMENT PRIORITIES:

3.4.1 Development Priority One: Basic Service Delivery And Infrastructure Development

NO	IDP STRATEGIC OBJECTIVE	KPI	STRATEGY	Baseline information	PRIORITY ISSUES MILESTONES		
					2012-2013	2013-2014	2014-2015
01	Well structured, efficient, safe and supports	Number of plans revised and developed	Ensure integrated planning for the provision of portable water and basic sanitation	All sector plan are overdue for review	All infrastructure sector development plans are revised and developed	Incorporate all new issue to IDP and provide budget	Monitor and review the infrastructure development plans

sustainable human settlement by 2017		Manage water demand management and conservation strategies	Estimated to 30% per month	Reduce by 10%	Reduce by 10%	Reduce by 10%
	Number of backlogs addressed and decrease interruption services	Ensure all communities of Makana have access, constant and safe provision to adequate basic services	All formal are being service with water borne sanitation except Extension 6, Hlalani location	Addressing eradication of sanitation backlogs in all formal areas and development infrastructure	Provision of infrastructure in new development areas	Provision of infrastructure in new development areas
		Upgrading of maintenance of ageing old infrastructure	Whole City center need refurbishment	Addressing old infrastructure	Addressing old infrastructure	Addressing old infrastructure
		Facilitate eradication housing backlog	13 000 housing backlog	Addressing Housing	Addressing Housing	Addressing Housing
	Number of alternative source basic service		Only Solar geyser has been identified	Identification alternative source of energy	Implementation of alternative basic services	Implementation of alternative basic services
	Provision adequate budget and resources for maintenance repairs		No maintains plan in place for the infrastructure	Comprehensive Maintenance of all existing infrastructure and	Enhance Maintenance and repair of the existing infrastructure	Enhance Maintenance and repair of the existing infrastructure
	Number of New roads with storm water	Provision of quality roads and maintenance of storm water	167 gravel (Backlog)	Construction of new roads	Construction of new roads	Construction of new roads
		Number of informal areas formalized, land identified for human settlement	Ensure effective and efficient land use and provision land for human settlement	7 New informal areas has been approved for town establishment	Formalization of informal areas, identification of land for human settlement and improve turn around for development application.	Formalization of informal areas, identification of land for human settlement and.

3.4.2 Development Priorities Two: Community and Social Cohesion

NO	IDP STRATEGIC OBJECTIVE	KPI	STRATEGY	Baseline information	PRIORITY ISSUES MILESTONES		
					2012-2013	2013-2014	2014-2015
02	Community of Makana have access to adequate facilities also live in a safe, secure and healthy environment by 2017		Ensure integrated planning for the provision of community and social services	All sector plan are due for review	Review all Community and Social services sector plans and develop news one I	Integrate the revised plans with Municipal Planning	Integrate the revised plans with Municipal Planning
		Number or community facilities developed and revised by 2015	Improve the access to community facilities to all communities	Community facilities development plan s	Development of comprehensive community facilities development plan	Review annually	Review annually
		Number or percentage of existing facilities upgraded or maintained	Assessment of the existing community infrastructure adequacy	No assessment has been conducted	Upgrading and maintain existing facilities	Upgrading and maintain existing facilities	Upgrading and maintain existing facilities
		Development of safety plan by 2013	Promote safety ,security and health of the communities	No community safety plan	Development integrated community safety plan	Review annually	Review annually
		All sector plans are revise 2013		All sector plan are due for the review	Review of sector plans	Integrated plans with Municipal Plans	Integrated plans with Municipal Plans
		Impact on intervention deployed in eliminating illegal dumping.		Illegal dumping no effectively controlled	Elimination of illegal dumping	Maintenance of the dumping sites	Maintenance of the dumping sites

		Number of natural resources cleaned		Ensure safe and healthy environment	Cleaning conserve natural resources ,open space and streets verges	Cleaning conserve natural resources ,open space and streets verges	Cleaning conserve natural resources ,open space and streets verges
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3.4.3 Development priorities three: local economic development

NO	IDP STRATEGIC OBJECTIVE	KPI	STRATEGY	Baseline information	PRIORITY ISSUES MILESTONES		
					2012-2013	2013-2014	2014-2015
03	Maximise economic growth and development takes place in a conducive environment 2017	Number of program that support and promote heritage with outcomes	Promote and support tourism and heritage development	Heritage asset register is in place	Heritage development and promotion	Review annually	Review annually
				Strategy in place	SMME Development	Review annually	Review annually
				Implementation plan	Celebrate 200 years of Grahamstown	Review annually	Review annually
				Strategic partnership with LTO, NAF and MAC	Tourism Development	Review annually	Review annually
		Number of agriculture development programs identified and support and the outcome	Promote and support agricultural development	Feasibility study for Agro processing	Support agriculture development	Review annually	Review annually
		Number of enterprise development promoted and the outcomes	Promote support enterprise development	SMME development strategy and investment incentive policy in place	Support enterprise development	Review annually	Review annually
		Number	Promote and	Investment incentive	Investment	Review annually	Review annually

		initiatives implemented in promote and support investment attraction and business development	support investment attraction and business development	policy Benchmark study and MOU the Municipality and Zenzele and ECDC	attraction Support mining initiatives	Review annually	Review annually
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3.4.4 Development Priorities Four: Institutional Development

NO	IDP STRATEGIC OBJECTIVE	KPI	STRATEGY	Baseline information	PRIORITY ISSUES MILESTONES		
					2012-2013	2013-2014	2014-2015
04	Achieve clear administration by 20115	Number of intervention implemented Annual and the impact	Effective management of Human Resources Management	Organisation structure is under review through OD exercise	Review organisational structure	Review annually	Review annually
				Only one policy is was revised in the last financial year Recruitment and selections	Review of human resources polies	Review annually	Review annually
				Operational plan has been developed	Provide effective wellness programs	Review annually	Review annually
				Job description has not been revised since Job evaluation	Review of the Job descriptions	Review annually	Review annually
				Some offices are not conducive as working with special reference LED, DTIS, Finance, City hall.	Conducive working environment is crated	Review annually	Review annually
				Cu on the job requirements	Ensure employees have required competence levels.	Review annually	Review annually
				Interns program has been introduced in the 2011-2012 financial year.	Provide opportunities to new entrants to the labour market	Review annually	Review annually

				No specified turnaround time for processing benefits query	Endure proper administration of benefits	Review annually	Review annually
				Turn around time for recruitment not always complied with and there is no retaining strategy in place	Provide and retain competent personnel	Review annually	Review annually
			Compliance with Labour legislation and collective agreement	Equity plan in place but not complied with	Implementation of employment equity plan	Review annually	Review annually
			Sound labour/management HR relationships	There is labour forum in place but does not sit always as planned	Enhance labour relationship	Review annually	Review annually

NO	IDP STRATEGIC OBJECTIVE	KPI	STRATEGY	Baseline information	PRIORITY ISSUES MILESTONES		
					2012-2013	2013-2014	2014-2015
		Number of the employees have performance plans	Development and functionality of effective accountability and performance management measures	No system in place for relating staff except section 57 Managers	Provide a tool for evaluation for individual performance management	Review annually	Review annually
		Number of intervention implemented Annual and the impact		There is no consistence in the turn- around time for the processing mail. Filling system procedures not always followed.	Capacitate employees working central and directorate records	Review annually	Review annually
				Information management systems are not integrated	Ensure that municipal information management system is integrated	Review annually	Review annually

				No electronic document system in place	Provide electronic document management system	Review annually	Review annually
				Customer care disintegrated	Improve customer care management	Review annually	Review annually
		Number of change management implemented annually and impact	Implement change management strategies	Organisational Design exercise has been conducted	Implementation of the Organization Design initiatives/ proposals	Review annually	Review annually
05	Municipality is Financial Viable by 2015	Increase revenue by 10% Annual	Improve revenue management strategies	Unknown	Improve of revenue rising strategies	Review annually	Review annually
		8,3 per month	Improve expenditure management strategies on service delivery initiatives	4% per monthly	Ensure effective budget management (improve expenditure)	Review annually	Review annually
		Objective is to reach 90% collection monthly	Improve collection rate	Currently collection rate is 74%	Improve credit control vigilance	Improve credit control vigilance	Improve credit control vigilance
		Programs identified in SDBIP are implemented as planned	Improve asset management strategies	Non GRAP compliant asset register	Proper management of municipal assets(include fleet management)	Review annually	Review annually
		Number of compliant decrease	Sound financial management system	Currently financial system Abacus does not always provide report that are needed	Acquire new accounting system	Review annually	Review annually
		Supply chain Norms and standard are	Improve supply chain management	No adequately personnel to provide effective supply chain	Provide proper supply chain management	Review annually	Review annually

		complied with		management			
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3.4.5 Development Priorities Five: Rural Development and Support to Vulnerable Groups

NO	IDP STRATEGIC OBJECTIVE	KPI	STRATEGY	Baseline information	PRIORITY ISSUES MILESTONES		
					2012-2013	2013-2014	2014-2015
06	Ensure viable rural communities and support to vulnerable groups by 2017	Percentage or the number of services extended in all areas and provided in the rural areas	Full integration of rural areas	No comprehensive plan to provide basic services in rural areas	Development comprehensive plan for the provision basic services in rural areas	Increase capacity to provide basic services in the rural areas	Enhance the provision of basic service in rural
		Number of out ridge programs implemented and the impact.	Support rural areas communities	No all areas are benefiting in the program	Implementation rural outreach program	Review annually	Review annually
		Number of support given to vulnerable groups	Empower and support vulnerable groups	No coordinated plan	Support empower initiatives to vulnerable groups initiatives	Review annually	Review annually
				No strategy in place	Develop anti-poverty strategy	Review annually	Review annually
		Number of intervention implemented for vulnerable groups. and impact	Support Vulnerable groups	No comprehensive plan	Mainstreaming Vulnerable guideline	Review annually	Review annually
					Implementation of Youth intervention programs	Review annually	Review annually
					Implementation of people with disabilities intervention	Review annually	Review annually

					programs		
					Implementation of HIV/AIDS intervention programs	Review annually	Review annually
					Implementation of people with disabilities intervention programs	Review annually	Review annually
07	Enhance Good governance and public participation	Initiatives implemented to improve stakeholder engagement and the impact	Functional community participation mechanisms and ward committees	No public policy in place	Development of Broad public participation policy	Review annually	Review annually
				Ward committees not capacitated public participation	Build of capacity of ward committees	Review annually	Review annually
				Only IDP public participation structured which are effectively used to engage stakeholders	Improve external stakeholders engagement	Review annually	Review annually
				No effective feedback mechanism to communities.	Improve communication with communities	Review annually	Review annually

3.5 PROJECT REGISTER

3.5.1 Development Priorities One: Basic Service Delivery And Infrastructure Development

STRATEGY	Priority Issue	Project Description	Project Output	Project Register ID
Ensure all communities of Makana have access, constant and safe provision to adequate basic services	Ensure integrated planning for the provision of basic services	Review of the Sector plans	Review Water Service Development Plan	IDP 1.1
			Comprehensive Infrastructure Plan	IDP 1.2
	Addressing eradication of sanitation backlogs in all formal areas	Provide sanitation reticulation	Extension 6,	IDP 1..3
			Hlalani location	IDP 1..4
	Upgrading and maintenance of ageing infrastructure	Development of comprehensive Maintenance of all existing infrastructure	Comprehensive Water and sanitation reticulation maintenance plan	IDP 1..5
			Electricity infrastructure Maintenance Plan	IDP 1.6
			Development of Road and storm water Maintains Plan	IDP 1.7
		Rehabilitation and refurbishing bulk water infrastructure	Replacement of the under asbestos pipes	IDP 1.8
			Intermediate Augmentation Reservoir	IDP 1.9
			Howison's Poort Pump station	IDP 1.10
			Upgrading Waainek Treatment Plan	IDP 1.11
		Provide water supply bulk water	Upgrading of Alicedale Water Treatment Plan	IDP 1.12
			James Kleinhans project	IDP 1.13
			Upgrading Mayfield waste water treatment works	IDP 1.14
	Rehabilitation and refurbishing bulk sanitation infrastructure	Upgrade of Lingelihle sewer pump station	IDP 1.15	
		Upgrading of Mathew street	IDP 1.16	
		Upgrading Grahamstown outfall sewer line	IDP 1.17	
Development of Electricity Master Plan		IDP 1.18		
integrated planning for the provision of electricity				
Upgrading and refurbishment of electricity infrastructure	Upgrading faulty 11KV underground cables	IDP 1.19		
	Refurbishment and extension 11 KV overheads lines (Old Infrastructure)	IDP 1.20		
	Conversion overhead lines to underground cables	IDP 1.21		
	Network protection upgrade	IDP 1.22		

			Extension and Upgrade of building	IDP 1.23	
			66 KV Network Refurbishment	IDP 1.24	
			Upgrading and replacement street lights and High mast	IDP 1.25	
			Upgrading 11 KV Distribution Substation	IDP 1.25	
			Alicedale network upgrade	IDP 1. 27	
			Energy Management	IDP 1.28	
			New and Upgrading of fleet	IDP 1.29	
			Upgrading of equipment	IDP 1.30	
			Electrification household, provision of street lights and high mast	Electrification formal and informal areas	IDP 1.31
				Electrification of farm areas	IDP 1.32
				Installation of high mast	IDP 1.33
				Installation of Street lights	IDP 1.34
				Electrification of Sport and recreation facilities	IDP 1.35
			Explore alternative sources of energy	Cultivation of renewable	Development of wind farm
	Biomass	IDP 1.37			
	Access to basic service to rural areas	Provide basic portable water and sanitation in rural areas	Resuscitate boreholes and Windmills	IDP 1.38	
			Rain Water harvesting	IDP 1.39	
			Exploring of other ground water sources	IDP 1.40	
			Provision of Water less sanitation	IDP 1.41	
			Resuscitate boreholes and Windmills	IDP 1.42	
Rain Water harvesting			IDP 1.43		
Exploring of other ground water sources			IDP 1.44		
Provision of Water less sanitation			IDP 1.45		
Ensure that all consumers living below poverty lines have access basic services	Facilitation of the registration of indigent people	Resuscitate boreholes and Windmills	IDP 1.46		
		Promotion of indigent registration to all urban areas and rural areas.	IDP 1.47		
Provide quality road and storm water	Poor roads backlog and	Infrastructure planning	Development of a Road and storm water Master Plan	IDP 1.48	
			Development of a Road and storm water Maintenance Plan	IDP 1.49	

		Constructions of new surface roads	Completion Vukani, Internal Roads	IDP 1.50		
			Tarring of Main roads	IDP 1.51		
			Tarring of Internal roads	IDP 1.52		
			Construction of roads with storm water in Alicedale	IDP 1.53		
			Cross bridges	IDP 1.54		
		Construction of new and rehabilitation of side walk	Construction of New Sidewalk in Grahamstown east	IDP 1.55		
			Rehabilitation of sidewalks in Grahamstown west	IDP 1.56		
		Upgrading of roads, storm water and associated structures	Upgrading Ncame Street, Nompondo street	IDP 1.57		
			Installation of kerbs extension 4.5	IDP 1.58		
			Cleaning of storm water pipes and catch pits	IDP 1.59		
			Upgrading Ncame Street, Nompondo street	IDP 1.60		
			Resealing and resurfacing of roads	IDP 1.61		
		Maintenance and repair of rural roads	Re-gravelling of rural road	IDP 1.62		
		Manage water demand and conservation	Improve water demand management and conservation strategies	Implementation water demand management and conservation initiatives	Domestic meters replacement program installation	IDP 1.63
					Water loss investigation	IDP 1.64
Upgrade security fencing of five reservoirs	IDP 1.65					
Educate community water conservation	IDP 1.66					
Domestic meters replacement program installation	IDP 1.67					
Water loss investigation	IDP 1.68					
Ensure effective and efficient land use and provision land for human settlement	Provide land for human settlement and development	Formalization of informal areas and provision of land for human settlement	Formalization of all approved areas for township establishment	IDP 1.69		
			Provide land for human settlement	IDP 1.70		
		Facilitation of application	Infill areas	IDP 1.71		
			Improve Development application turnaround time	IDP 1.72		
Facilitate the eradication of housing backlog	Provide house to need people	Improving facilitation of housing development	Development of Human Settlement Plan	IDP 1.73		
			Facilitate application for housing development	Lower and Upper Mnandi	IDP 1.74	
		Zolani,		IDP 1.78		
Xolani,	IDP 1.79					

			N,J,K Streets	IDP 1.80
		Improve beneficiary administration and allocation of RDP houses	Registration of beneficiary	IDP 1.81
		Speed up the housing development of approve projects	Transit Camp - 440 sites.	IDP 1.82
			Grahamstown Disaster for 2006 (420) and 2008-161 PHASE1 and 26 PHASE 2, Alicedale (28) units	IDP 1.83
			Scotts farm, Ghost Town and Alicedale-Rectification programme	IDP 184
			Mayfield PH2 (2200 houses)	IDP 1.85
			Newtown (90 houses)	IDP 1.86
			Seven Fountains (Housing)	IDP 1.87
			Fort Brown (Housing)	IDP 1.88
			Alicedale (216 houses)	IDP 1.89
			Alicedale 15 Units	IDP 1.90
			Riebeeck East 22 Units	IDP 1.91
			Fingo Village (577 houses)	IDP 1.92
			Eluxolweni (173 houses)	IDP 1.93
			Registration of properties: Alicedale (Transrivier Township) and Grahamstown (Scotts farm)	IDP 1.94

3.5.2. Development Priorities Two: Community and Social Cohesion

STRATEGY	Priority issue	Project Description	Project Output	Project ID
Ensure integrated planning for the provision of community and social services.	All community and social services sector development plans are revised and developed	Review of the Sector plans	Integrated Waste Management Plan	IDP 2.1
			Disaster Management Plan	IDP 2.2
			Review Fire and rescue plan(CAPS report)	IDP 2.3
			Community safety plan	IDP 2.4
		Review environmental plan (LEAP)	IDP 2.5	
		Develop the sector plans	Community library development plan	IDP 2.6
Improve the access and quality of community facilities to all communities	Development of comprehensive community facilities development plan that include development of community center	Development community development plan	Assessment of the need community facilities	IDP 2.7
			Development of Community facilities Master Plan	IDP 2.8
	Upgrading and maintenance of social, health and recreation facilities.	Assessment of the existing community facilities infrastructure	Development of Maintenance and repair operational plans	IDP 2.9
		Improve cemeteries infrastructure	Develop drainage plan for Waainek Cemetery	IDP 2.10
			Using EPWP program to clear and main cemeteries	IDP 2.11
Promote safety ,security and health environment for the communities	Integrated community safety and security plan	Development integrated community safety plan	Community safety plan	IDP 2.12
	Improve security of community facilities	Secure community facilities	Installation of the security in community facilities	IDP 2.13
	Enforcement of the by-laws	Introducing of municipal court	Investigate the possibility of opening an municipal court	IDP 2.14
	Improve Public	Review of transport sector plan	Review of Transport plan	IDP 2.15

	Transport facilities	Establishment of taxi and bus terminus	Establishment of taxi rant in Grahamstown East	IDP 2.16
			Establishment of bus terminus	IDP 2.17
	Traffic control	Improve road safety	Installation traffic control mechanism	IDP 2.18
			Expand ranger program	IDP 2.19
			Investigate Implementation of CLL	IDP 2.20
			Impound stray animals	IDP 2.21
			Branding of livestock	IDP 2.22
			Replacement of fleet	IDP 2.23
			Community awareness programs	IDP 2.24
			Expanding service i.e. Alicedale	IDP 2.25
Expansion of the traffic control services	Provide traffic services across the municipality	Access and community empowerment on the Emergency Services	Review Fire and rescue plan(CAPS report)	IDP 2.26
			Establishment fire service at Grahamstown east	IDP 2.27
			Empower rural areas(Awareness Campaigns)	IDP 2.28
			Establish 24 hour emergency call centre	IDP 2.29
			Volunteer program (EPWP)	IDP 2.30
			Raise Community Awareness	IDP 2.31
Ensure access to Emergency Services across the municipality.	Eliminate of illegal dumping site Environmental Management	Community awareness programs	IDP 2.32	IDP 2.32
			Erect of ramps and fencing at identified dumping spots.	IDP 2.33
			Eliminate vacant erven which serve as illegal dumping areas	IDP 2.34
			Community awareness programs	IDP 2.35
			Erect of ramps and fencing at identified dumping spots.	IDP 2.36
Environmental Health & Cleansing	Eliminate of illegal dumping site Environmental Management	Community awareness programs	IDP 2.36	IDP 2.36
			Erect of ramps and fencing at identified dumping spots.	IDP 2.36
			Make use of other stakeholders to help with cleaning of public space i.e. SANDF	IDP 2.36
			Public Awareness program.	IDP 2.36
			Improve clean methods	IDP 2.37
			Conserve natural resources	
			Review LEAP and update	IDP 2.38
Environmental	Implementation of LEAP programme			

	Management		according to current priorities	
			Livestock Management	IDP 2.39
			Bio-Carbon Project	IDP 2.40
			Biodiversity conservation	IDP 2.41
			Urban Greening	IDP 2.42
			Waste Management	IDP 2.43
			Water Quality and Quantity	IDP 2.44
		Sanitation in rural Makana	IDP 2.45	
		Parks & Recreation environmental initiative	Livestock and commonage management	IDP 2.46
			Biodiversity Conservation - Alien vegetation removal & Catchment management	IDP 2.47
			Urban Green Spaces, Recreational Spaces	IDP 2.48
			Thicket vegetation rescue and restoration (Partners)	IDP 2.49
			Kowie ditches Cleaning & Rehabilitation (Partners)	IDP 2.50
			Waste Recycling	IDP 2.51
		Infrastructure development	Alternative Energy Strategy	IDP 2.52
			Alternative Sanitation projects in rural Makana areas	IDP 2.53
			Stream water quality Monitoring & Management	IDP 2.54
Environmental development	Implementation of Environmental Education & Training Strategy	IDP 2.55		
	Implementation of the Environmental Monitoring System	IDP 2.56		
	Complete and implement Biodiversity Management Plans	IDP 2.57		
	Implement the Swedish supported Urban Sustainability Programme	IDP 2.58		
	Makana Green City Strategy	IDP 2.59		
	Strengthen relationships	IDP 2.60		
To promote culture of reading and learning	Provide library services to all communities	Improve access to library services	Provision of libraries services identified areas	IDP 2.61
			Access to internet in all libraries	IDP 2.62

			Investigate WIFI system for libraries in outlying areas	IDP 2.63
			Assist improve matric results in previously disadvantaged communities	IDP 2.64
			Conduct outreach programmes.	IDP 2.65
			initiate and assist in establishment of school libraries	IDP 2.66
			initiate and assist in establishment of school libraries	IDP 2.67

DEVELOPMENT PRIORITIES THREE: LOCAL ECONOMIC DEVELOPMENT

STRATEGY	PRIORITY ISSUES	Project description	Project outputs	Project ID	
Promote and support tourism and heritage development	Heritage development	Promotion of the heritage development	Funding for the development and implementation of Egazini Project	IDP 3.1	
			Inner City Regeneration	IDP 3.2	
			Lobby for national and provincial government to support Dakawa	IDP 3.3	
			Heritage asset register.	IDP 3.4	
			Identify 5 rural sites of significance in the Frontier Wars	IDP 3.5	
			Restoration, preservation and use of forts and Towers	IDP 3.6	
			Investigate job creation potential of heritage sites	IDP 3.7	
			Heritage Development and Promotion Strategy	IDP 3.8	
				IDP 3.9	
	SMME Development	Support SMME Development		SMME Support Programme: Start up fund	IDP 3.10
				Research project on Partnership opportunities with wildlife industry	IDP 3.11
				Creative Industries Development Plan: performing arts and crafts	IDP 3.12

			Infrastructure Development: signs, Airstrip, Bus Terminus	IDP 3.13
			1) Fiddlers Green	IDP 3.14
			2) Support for Creative and Performing Artists.	IDP 3.15
			3) NAF SMMEs	IDP 3.16
			4) Craft Product Development	IDP 3.17
		Celebrate 200 years of Grahamstown	Implementation of 200 Years Project: Revamp website, Projects inclusive of all population groups	IDP 3.18
		Tourism Development and promotion	Re- branding of Makana Tourism: Alignment with municipal brand	IDP 3.19
			Tourism Nodal Development:	IDP 3.20
			Familiarisation Trips: Media, Tour Operators, Decision makers, Local Service providers	IDP 3.21
			Tourism Information sharing workshop: aspiring service providers and also those that already operating	IDP 3.22
			Heritage Development and Promotion Strategy	IDP 3.23
			Identify EPWP projects for tourism	IDP 3.24
Promote and support agricultural development	Support agriculture development	Support agricultural initiatives and rural communities	Identify programmes in agriculture that promote women development in rural areas.	IDP 3.25
			Promote agricultural co- operatives for woman in rural areas	IDP 3.26
			Identify programmes in rural areas with appropriate marketing opportunities for development by youth	IDP 3.27
			Promote and establish co-ops for youth in agriculture considering appropriate markets	IDP 3.28
			Enter into MOU's with appropriate training providers	IDP 3.29
			Formalise existing relationship with	IDP 3.30

			strategic partners by entering into MOU's for promoting agricultural development	
			Identify linkages that will promote economic growth and development in the agricultural sector	IDP 3.31
			Promote and facilitate the implementation of catalytic projects with the assistance of emerging and commercial farmers, as well as relevant role-players	IDP 3.32
			Maximise the use of the available resources- markets	IDP 3.33
			Identify projects that will promote the green economy	IDP 3.34
			Facilitate access to land for emerging farmers e	IDP 3.35
			Identify land that can be utilised as an agricultural hub (model)	IDP 3.36
			Compile a resource document of funding available, as well as requirements to qualify for funding	IDP 3.37
			Identify projects that should be considered for submitting funding proposals	IDP 3.38
			Promote savings mobilisation within agricultural co-operatives	IDP 3.39
			Mentorship programmes (for example mentorship programme	IDP 3.40
			Promote and support the	IDP 3.41
			EPWP projects in agriculture	IDP 3.42
			Strengthen the implementation of the SUS programme (food gardens especially in WARD 14 where there is limited access to land)	IDP 3.43
Promote support enterprise development	Promote and support enterprise development	Support enterprise development	Development of implementation plan for enterprises by women in rural	IDP 3.44

			Develop a development and implementation plan for enterprises by youth from govt depts. and – agencies	IDP 3.45
			Identify EPWP projects for woman in rural areas	IDP 3.46
			Identify EPWP projects for youth, especially in rural areas	IDP 3.47
			Feasibility study to identify premises and the viability to establish a SMME hive	IDP 3.48
			Draft a resource document of funding available from govt and – agencies	IDP 3.49
Promote and support investment attraction and business development	Attract investor Makana Area	Investment attraction	Implement the Investment Incentive Policy	IDP 3.50
			Negotiate with SEDA to establish an one-stop-shop for enterprises	IDP 3.51
	Support mining initiatives		Roll-out and implementation plan for training for Kaolin co-ops	IDP 3.52
			Draft a Mining strategy and policy for Makana	IDP 3.53
			Make list of potential funding sources	IDP 3.54
			Identify local opportunities available for Kaolin beneficiation,	IDP 3.55
			Monitor the implementation of the business plan for Kaolin incubation centre	IDP 3.56
	Conduct an assessment of business confidence		Assessment of business confidence	IDP 3.57
			Strategy on how to improve business confidence	IDP 3.58
	Promoted of BBBEE in cooperation with NAFCOC		Strengthen and formalise relationship with NAFCOC	IDP 3.59
		Promote BBBEE in co-operation with NAFCOC	IDP 3.60	

3.5.3 Development Priorities Four: Institutional Development

STRATEGY	PRIORITY ISSUES	PROJECT DESCRIPTION	PROJECT OUTPUT	PROJECT ID	
Effective management of Human Resources Management	Review organisational structure	Review the organisational arrangement to respond to the new challenges	Review organogram	IDP 4.1	
	Review of human resources polices and plans	Review of HR policies and plans	Review of the Job descriptions	IDP 4.2	
			Recruitment and selection policy	IDP 4.3	
			Review bursary policy	IDP 4.4	
			Review study aid	IDP 4.5	
			Review Training and Development policy	IDP 4.6	
			Review of the policed	Human resources policies and plans to developed	Development of succession plan
	Compliance with Labour legislation and collective agreement	Compliance with Equality plan and implementation	Review workforce profile and enhance implementation	Review Employment Equity Plan and establishment of Employment equity forum and ensure reporting	IDP 4.12
		Provide effective wellness programs	Review wellness program	Wellness operational plan	IDP 4.13
				Establishment of functional wellness advisory committee.	IDP 4.14
		Conducive working environment is crated	Provide health and safe working environment	New office space	IDP 4.15
				Regular sitting of Occupation at health & Safety Committee and prioritise working station improvement	IDP 4.16
Ensure employees and councillor shave required competence levels.	Provide Training of staff and Councillors	Implementation of WSP and report	IDP 4.17		
		Resuscitate training committee	IDP 4.18		
Provide opportunities to new entrants to the labour market	Implementation of Internship programs	Recruitment interns	IDP 4.18		
Endure proper humans	Induction of employees and Councillors on benefits	Awareness programme once year	IDP 4.19		

	resource administration		on the process and code of practice	
		Update personnel files	Review personal file annually and provide report	IDP 4.20
	Provide and retain competent personnel	Review the benefit structure	Benchmarking and review the policy	IDP 4.21
Development and functionality of effective accountability and performance management measures	Monitor and evaluation individual performance	Develop Individual Performance Management System	Tool for evaluation and monitor individual performance	IDP 4.22
	Monitoring and evaluation of organisational performance	Improve Organisational Performance Management System	Monitor and Evaluate Organisational Performance Quarterly Implementing Automotive system	IDP 4.23
Integrated Information and records Management Systems	Improve registry process	Capacitate employees working central and directorate records	Training registry staff	IDP 4.24
	Improve document control	Provide electronic document management system	Resuscitate Muni. Admin	IDP 4.25
	Improve registry facility	Exploration of registry building/space	Conducive registry office space	IDP 4.26
Provide reliable Information Technology Systems	Integration of IT system	Connect all Information Technology system and offices	Integrated IT Systems	IDP 4.27
			All areas of Makana connected to the Server	IDP 4.28
Implement change management strategies	Implementation of the Organization Design initiatives/ proposals in phase approach.	Integration of the OD report to Municipal plans	Development of Implementation plan	IDP 4.29
			Adjustment of the budget	IDP 4.30
			Review SDBIP	IDP 4.31
Improve Municipal Hall	Improve condition and recreation facilities	Assessment of the condition of Municipal halls and their usage	Community hall Improvement plan	IDP 4.32
Improve revenue management strategies	Improve revenue collection	Improve of revenue rising strategies	Vigorously implement credit control policy	IDP 4.33
			Meter audit water and Electricity	IDP 4.34
			Data cleansing exercise	IDP 4.35
			Review indigent register	IDP 4.36
Improve expenditure	Ensure effective budget management (improve	Prevent irregular and authorised expenditure	Compliance to SCM policy and regulations	IDP 4.37

management strategies on service delivery initiatives	expenditure)		Regular monitoring Monthly	
Improve asset management strategies	Proper management of municipal assets(include fleet management)	Develop and implementation Assessment plan that also including fleet management	GRAP Compliance	IDP 4.38
Sound financial management system	Capacity building of human resource	Training and development	Training of the staff using the accounting system	IDP 4.39
			Review contract of the service provider	IDP 4.40
Improve supply chain management	Lack of human resources	Provide suitable qualified staff	Appoint of suitable qualified staff	IDP 4.41

3.5.5 Development Priorities Five: Ensure Good Governance Support Rural Development And Vulnerable Groups

STRATEGY	PRIORITY ISSUES	PROJECT DESCRIPTION	PROJECT OUTPUT	PROJECT ID
Full integration of rural areas	Development comprehensive plan for the provision basic services in rural areas	Provision of wall to wall Municipality services	Development of Comprehensive provision of basic services to rural areas	IDP 5.1
			Development of Comprehensive provision of basic services in the rural areas.	IDP 5.2
	Improve the provision of the services	Extend provision basic services	Basic sanitation	IDP 5.3
			Portable water	IDP 5.4
			Electricity	IDP 5.5
			Free basic services	IDP 5.6

Support rural areas communities	Support rural communities	Development of Rural development outreach program	Implementation rural outreach program	IDP 5.7
Empower and Support Vulnerable groups	Addressing poverty, job creation basic service	Develop anti-poverty strategy	Poverty Alleviation programme	IDP 5.8
			Development of Job creation sector plan	IDP 5.9
	Support and empower initiatives to vulnerable groups initiatives	Support and empower Vulnerable group	Mainstreaming Vulnerable guideline	IDP 5.10
			Implementation of Youth intervention programs	IDP 5.11
			Implementation of people with disabilities intervention programs	IDP 5.12
			Implementation of HIV/AIDS intervention programs	IDP 5.13
			Implementation of people with disabilities intervention programs	IDP 5.14
Enhance Good governance and public participation	Development of Broad public participation strategy	Development of the Public participation guidelines	Public Participation Policy	IDP 5.15
	Build of capacity of ward committees	Empowerment of ward committees public participation	Ward Based Plans	IDP 5.16
	Improve external stakeholders engagement	Effective participation of external stakeholders	Empowerment stakeholders program	IDP 5.17
	Engage external stakeholders	Provision of non- core Municipal services to communities	Access to primary health facilities to rural communities	IDP 5.18
			Provision primary health facilities in the developed human settles	IDP 5.19
			Crime preventing	IDP 5.20
			None- Municipal roads	IDP 5.21
			Social Security Assistance	IDP 5.22
		Provision of Community Centre	IDP 5.23	
	Enhance public participation	Improve communication with	Enhance IGR	IDP 5.24

		stakeholders on issued affective with them.		
			Municipal Planning process	IDP 5.25
			Municipal Budgeting process	IDP 5.26
			Monitoring and reporting on the achievement of targets set out in the IDP is carried out	IDP 5.27
			Improve functioning of ward committees	IDP 5.28
Improve Customer care	Introduction of integrated customer system	Establishment of customer care Centre	IDP 5.29	

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 and to Ensure integrated planning for the provision of basic services

PART ONE: SECTOR PLANS:

An analysis was conducted in respect of various sector plans for the Municipality. Some of these sector plans were found to be still relevant and required minor changes. Others required a review, whilst new ones need to be developed and this was based on benchmarked and IDP Assessment with other local Municipal with our side.

STATUS	SECTOR PLANS	
Existing plans	Review Water Service Development Plan	
	Integrated Waste Management Plan	
	Area Based Plan	
	Comprehensive Infrastructure Plan	
	Disaster Management Plan	
	Housing Settlement Plan	
	Review of Transport Plan	
	Review Fire and rescue plan(CPS report)	
	Environmental strategy(LEAP)	
	Spatial Development Framework	
New one to be developed	Human resources development plan	
	Five Invest Financial plan	
	Development of Job creation sector plan	
	Poverty alleviation plan	
	Fleet management plan	
	Development of Electricity Master Plan	
	Development of Job creation sector plan	
	Asset Management Strategy	
	Supply chain Management Strategy	
	Cooperative strategy	
Cross cutting plans	Plans	Action require d
	Local Economic Development Plan	Strategy was approved by
	HIV/AIDS action plan t	To be developed
	Special Programs sectoral plans	<ul style="list-style-type: none"> • Youth plan need to be develop • People with Disability

4.1 PART ONE: SUMMARY OF THE EXISTING SECTOR PLANS

4.1.1 DRAFT HUMAN RESOURCES PLAN

Municipality has developed issue Human resources plan with assistance of Provincial Department of local government in 2011 the plan is still draft form.

Executive summary:

Legislative frame work mandate as per the applicable act) emanating from IDP (strategic) and SDBIP (operational plan within the context of the budget. The other legislative prescripts are, Municipal Systems Act, Municipal Finance Management Act, Labour Relations Act, and Structures Act.

The following sets out the Integrated Development Planning of the Makana Local Municipality which governs all planning as obligated by section 153 of Act no. 108 of 1996 (The Constitution of the Republic of South Africa) and further explained in chapter 5 of Act 32 of 2000 (The Local Government Systems Act).

An IDP is one of the key tools for Local Government to achieve its developmental role and seeks to arrive at decisions on issues such as municipal budgets, land management, promotion of local economic development, and institutional transformation in a consultative, systematic and strategic manner.

Makana Local Municipality during 2007/08 drafted a comprehensive 5 year Integrated Development Plan (IDP) in terms of Chapter 5 of the Municipal Systems Act, 2000. Section 34 of the said Act requires all municipalities to annually review and amend its IDP in accordance with an assessment of its performance measurements in terms of Section 41 of the Act and to the extent that changing circumstances so demand.

In the IDP Review process, the Process Plan of the Municipality need to be prepared in line with the IDP Review Framework Plan as agreed to by all the Municipalities in the District. The IDP Review Process Plan provides guidance to the review process with respect to the programme of action that has to be followed during the review process. The purpose of this process plan is to identify and detail the elements identified in the Framework Plan and set out the specific time frames in which all activities should be achieved. Makana Local Municipality is an amalgamation of Grahamstown, Riebeeck East, Alicedale and Fortbrown. and is composed of 14 wards.

Alignment of the human resource plan with municipal objectives

Alignment: Effective achievement of our Municipality goals through implementing the following development strategies and policies:

- Enhance Employee retention & recruitment
- Improve human resource administration
- Employment wellness

Strategic direction:

Makana Municipality Development Priorities

- Institutional transformation and Organisational Development
- Basic Service delivery
- Local Economic Development
- Municipal Financial Viability Management
- Good Governance and support to Rural Communities and Vulnarable groups

DEVELOPMENT PRIORITY	OPERATIONAL OBJECTIVE	HR PROGRAM
Institutional transformation and Organisational Development	Develop HR Plan by in order to provide an conducive working environment and ensure compliance with legislative requirements HR Plan will assist in coordinating all HR programmes as listed below	HR Plan
	Recruitment and selection is aligned with equity plan and develop a recruitment plan.	Recruitment and selection
	Ensure the cascading of Performance Management System to all employees to ensure effective service delivery. 2010-2011 cascaded to HOD level, 2011-2012 cascaded to supervisory and Forman level, 2012-2013 to all employees.	Performance Management System
	Development of work skills plan that seeks to achieve organisational goal e.g. shortage of qualified electricians, accountants, etc. DTIS: Assessment shortage of skills by DBSA	Training and Development

Institutional transformation and Organisational Development	Operationalization of wellness policy to enforce health and safety regulations. There is vacant position in the organogram of Employment well facilitator.	Wellness(Health and safety)
	Operationalization of career succession plan policy	Career planning
	To ensure sound good working relations between the employer and employees. (LLF) To empower members of LLF –all stakeholders (training) i.e. ORA, Labour relations Act, Basic conditions Act, LLF constitution and other related courses	Labour relations
	Ensure smooth exit procedure 1. Resignation 2. Retirement 3. Dismissal 4. Early retirement due to health	Exit management

4.1.2 Communication strategy

Legal compliance

Chapter 4 of the Municipal Systems Act (Act 32 of 2000), equally, states that all Municipalities must strive to meet the following object, among others: -

To foster meaningful dialogue and interface within the internal structures of Municipalities on the one hand, and between the Municipalities and external bodies and members of the public.

Likewise, the Promotion of Administrative Justice Act (Act 3 of 2000) and Promotion of Access to Information Act (Act 2 of 2000) charge Government Bodies to observe and adhere to the principles and practices of good governance,

It is within this context that this policy shall direct Makana Municipality on how to constructively engage the members of the public and external bodies in particular media institutions as instructed by the Constitution of the Republic of South Africa and applicable pieces of legislation and the institutional policies.

Scope of the policy

This policy applies to the Councillors and Officials of Makana Municipality, be they casuals, part time, full time, contract or consultants. It will be reviewed and revised when the need arises by the Council.

Aims of the policy

The aim of this policy is to ensure the streamlining of communication within the Makana jurisdiction and to ensure a coherent and coordinated communication process.

To provide a framework within which internal and external communication of the Municipality will be discharged with its stakeholders and to reduce the risk of damaging or ineffective communication, and to

ensure that staff and Councillors are aware of how communication is best conveyed externally and internally, and who has responsibility for which aspects.

Objectives of the policy

The objectives of the Communication Policy of Makana Municipality are as follows:

- (a) Ensuring that there is a clear and co-ordinated communication process within the Municipality, to enhance and promote cooperative governance between its clientele, partners, stakeholders and the media.
- (b) Ensuring that there are clear roles of communication by the staff of Makana Municipality and to foster meaningful dialogue and interface between and among the internal role players.
- (c) Ensuring that the image of the Municipality is at all times upheld.
- (d) Ensuring that the Municipality complies with the legislative requirements as far as communication is concerned.
- (e) Ensuring that resources are used in support of the achievement of the Municipality's strategic goals.
- (f) Ensuring effective coordination and coherent system of communication within Makana Municipality.

Official communicators

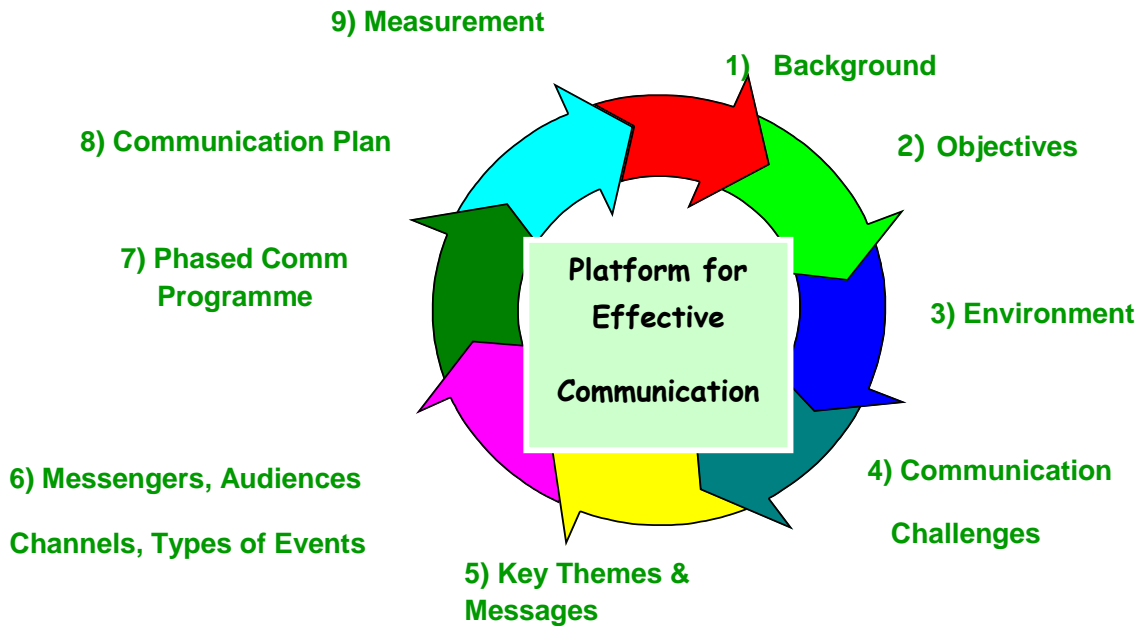
All staff members (officials) as defined above and Councillors are communicators of the Council by virtue of their work. All staff members and Councillors are representatives and messengers of the Municipality.

Staff members and Councillors should always be mindful that when they communicate with a member from the public, things they say are seen as official statements expressing the views of the municipality. In instances where Councillors speak in their personal capacity or for their political parties, they must make sure that point is clear.

However it is critical to note that for interview or research purposes, whether by institutions, organisations, private companies, media, etc. consent to engage with such bodies must be sought from the Municipal Manager by officials and from the Executive Mayor or Speaker by the Councillors. Councillors do not need to seek the approval of the Speaker or the Executive Mayor when they speak in their personal capacity or for their political parties.

The Media and Communications Officer (Municipal Spokesperson), the Municipal Manager and the Executive Mayor are not only the official communicators of the Municipality but the primary communicators. However, they can delegate their powers to who ever they see fit at times.

The Cycle of Communications in line with the national GCIS 9-step methodology



4.1 3 Integrated waste management

Purpose: Makana municipal Intergrated waste development consideration various service categories as well as evaluate the service delivery in each of the towns in the Municipality. The service categories that are taken into consideration can be summarised as follows:

- Refuse Removal:
- Residential
- Commercial
- Industrial
- Garden Refuse
- Builders' Rubble and
- Medical Waste
- Street and ablution cleaning
- Landfill Sites,
- Transfer Stations and
- Bulk Containers

The Status Quo investigation of the waste management section considered each of these aspects, In addition to this existing structure, the status quo study also considered planned developments for service extensions and any planned projects that have been identified in the IDP.

4.1.4 DISASTER MANAGEMENT PLAN

Introduction:

The Makana Local Municipality Disaster Management Plan has been prepared in accordance with the provisions of the Disaster Management Act no57 of 2002, and within Cacadu Disaster Management Framework, and is aimed at ensuring an integrated and uniform approach to comprehensive disaster management in the Municipality.

This Plan has been documented by the Disaster Management Center, Cacadu District Municipality, with the support of Makana Municipality.

Objectives:

To strengthen the capacity of Makana disaster management system to reduce unacceptable risks and improve response and recovery activities.

Strategic focus:

Move disaster management programming efforts from a response and relief emphasis to comprehensive risk management culture.

Top priority risk for Makana municipality:

A Risk Priority Rating has been determined for Makana Municipality and the top three being, Storms, Fires and Epidemics. Within the Plan there are contingency plans for all the Hazards/Disasters that the Municipality is prone to and the purpose of this is to be effective and efficient during emergencies.

Below is the list of contingency plans that are in place to deal with disasters that has strike or threatening to occur.

1. Contingency Plan for Floods
2. Contingency Plan for Fires
3. Contingency Plan for Epidemics
4. Contingency Plan for Accidents

4.1.5 WATER SERVICE DEVELOPMENT PLAN

The purpose of IDP and WSDP goals is to provide the Municipality’s long term direction and desired state for water services provisioning within the Makana Water Services Authority.

To comply with the Water Services Act (Act 108 of 1997) and the National Water Act (Act 36 of 1998), the WSDP should be prepared as part of the IDP process unless there is no IDP process in which case it can be prepared separately. The WSDP is a sectoral plan that falls within the inter-sectoral umbrella plan of the IDP.

The strategies developed as part of the WSDP has been based on the IDP vision, priority issues and objectives in terms of addressing the when, who, what, etc. Should it be found that insufficient resources are available to support the strategy, the IDP priority issues and objectives would have to be reconsidered. Municipal WSDP was last revised and will be revised in the next financial year.

Objectives

The primary objective is for Makana Municipality to provide effective, efficient and sustainable water services and sanitation for all communities within the Makana Municipality jurisdiction and the planning to eradicate backlogs

Backlogs

Water Works Service Area	Water needs to RDP Level		Sanitation Needs to RDP Level	
	Technical	Management	Technical	Management
Reticulation	35%	35%	35%	35%
Bulk	45%	35%	45%	45%

Status of supply to higher levels

Present services level	Basic RDP	Hugh RDP	Urban
LM-Services Levels	%	95.5%	95.5%
LM- Sanitation Services	13.6%	73.3%	86.6%

Cost of Eradicating of backlogs

Typical Required Water Sector (DWAF & Local Gov.) Cash flow to meet target dates of 2008 for Water Services and 2010 for Sanitation (DWAF & CMIP)- RM

As in 08/09 -10/11	TOTAL
Bulk Water Supply System	48,891,927
Rectitulation and Cost Recovery	728,640
Household Sanitation (Up to 2010/11)	38,264,507
Rehabilitation	12,297,966
Sub Total	100,183,040

What is the strategy to eradicate backlogs?

COST split of Water Sector Funding Requirements for Different Service Levels (RM) Note: Estimates are provided only in the categories where integrated supply services are (to be) provided. The remaining categories can readily be isolated on municipal level and can be financed by consumer contributions and external (non governmental loan grant etc., funding)

Backlogs	Basic (%)	High (%)	Urban (%)	Total (%)
Bulk Water Supply System	28	20.8	48.8	48.8
Village Reticulation and Cost Recovery	0.7		0.7	0.7
Household Sanitation (Up to 2010/11)		38.2	38.2	38.212.3
Rehabilitation		12.3	12.2	

4.1.6 HOUSING SECTOR PLAN

The Housing Act (Act 107 of 1997) requires municipalities to formulate housing strategies and targets and incorporate these into their Integrated Development Plans.

This HSP has been reviewed and revised in accordance with the prescripts of the Blue Book for Municipal Housing Planning and the related National Treasury Planning dispensation.

The methodology used to review the HSP consisted of the review of the current ID , HSP, SDF and other relevant chapters of the IDP and sectoral plans. In addition to this, a desktop analysis was undertaken to better understand the demand for housing, the supply side study included primary level survey and collection of data related to land and land packaging, infrastructure planning and availability, organisation capacity and projects including, planned, current and blocked and lastly an integration study to establish cross cutting issues and related planning and availability especially as it relates to health, education, roads and transportation, social and recreational and safety facilities. The results of all these studies were used in the production of a situation analysis report which was utilised to inform the development of the HSP. The HSP consist of strategic goals and priorities for the Municipality which is detailed into programmes for year 1 of a 5 year horizon. Lastly, a project pipeline together with a project tracking tool

was developed and provided to enable the Municipality to improve its planning, tracking and monitoring of projects.

The engagement processes with the Municipalities and the client (ECDoHS) was multi layered. A provincial project management forum was established that agreed on and monitored inception and progress on the project. An orientation workshop was held with the Municipalities to create the understanding and awareness of the project, to create the conduit for information to be collected and to undertake an initial desktop exercise to understand the dynamics and nuances related to housing delivery. Individual visits to the Municipalities, districts, other departments resulted in the collection of the required primary level information this included the administration of a structured questionnaire with key officials. The situation analysis report was work shopped with key Municipal officials and in some Municipalities, Councillors in order to seek confirmation and agreement with the resultant conclusions. Thereafter the HSP's were produced and presented to the ECDoHS for approval.

Due to the fact that Housing Sector is a supplementary document to the Integrated Development Planning of the Municipality and consists of a more detailed elaboration on the status quo and future plans, it is currently undergoing review.

Housing demand profile of the municipality

The estimated demand based on the SDF 2008 is approximately 14 026 beneficiaries as set out below:

SETTLEMENT	NO OF BENEFICIARIES
Grahamstown	13 000
Riebeeck East	500
Alicedale	500
Rural	26
TOTAL	14 026

Strategic objectives

GOAL 1: THE MUNICIPLITY WILL HAVE ESTABLISHED THE HOUSING UNIT.
<p>Objectives: By 2016</p> <ol style="list-style-type: none"> 1. The council will have discussed and finalised the issue of establishing the housing unit. 2. The municipality will have been accredited by the DoHS 3. The Municipality will have developed the Municipal Housing Policy. 4. The Municipality will be able to draft the housing strategy and monitor and evaluate appointed contractors. 5. The municipality will have established a clear beneficiary administration strategy. 6. The municipality will have a detailed housing waiting list which takes into consideration Outcome 8 key areas. 7. The municipality will be able to define and understand the demand and resources for supply 8. The municipality will have developed institutional structuring to support the housing unit 9. The municipality will have a suitably structured and capacitated housing dept. 10. The municipality will have developed a more relevant programme of housing delivery to residents

in traditional structures in rural areas.

GOAL 2: THE MUNICIPALITY WILL HAVE IMPROVED THE HOUSING SUPPLY UNDER AFFORDABLE HOUSING AS WELL AS RENTAL HOUSING.

Objectives: By 2016

1. The municipality has increased the housing delivery across all housing categories; reduction of housing backlogs by Increased, scaled up supply of state funded
2. The Municipality will have closed all blocked projects and rectification of all defective houses
3. The municipality will high quality housing that is well-designed and built to a high standard.
4. The municipality will have a mix of housing, both market and affordable, particularly in terms of tenure and price, to support a wide variety of households in all areas, both urban and rural.
5. Housing developments in suitable locations, which offer a good range of community facilities and with good access to jobs, key services and infrastructure.
6. A flexible, responsive supply of land – managed in a way that makes efficient and effective use of land, including re-use of previously-developed land, where appropriate.
7. Register for farm workers residing on farms
8. Rectification and blocked RDP Housing Project from Newtown, Alicedale and Paterson completed.
9. The RDP Houses for Scottsfarm, Ghost Town, Alicedale, KwaNonzwakazi & Transriver completed
10. The formalization of areas earmarked as backlog areas be finalised.

Planned projects:

Project Name	Project Units	Project Type	Project Status
Alicedale 221	221	Rectification	Planning
Scotfarm	87	Rectification	Planning
Ghostown	90	Rectification	Planning
GRT - Tjoksville	??	Project Linked	Planning
Grahamstown Eluxolweni	176	IRDP Phased Approach Planning & Services	Planning
Mayfield 1647	1647	IRDP Phased Approach Planning & Services	Planning
Fort Brown 188	188	IRDP Phased Approach Top Structure	Planning
Fingo Village 577 (100)	577	IRDP Phased Approach Top Structure	Planning
Seven Fountains 219	219	IRDP Phased Approach Top Structure	Planning
Mayfield 1647	1647	IRDP Phased Approach Top Structure	Planning
Grahamstown : Transit Camp	440		Planning
Total	5292		

4.2. PART TWO: CROSS CUTTING SECTOR PROGRAM

4.2.1 LOCAL ECONOMIC DEVELOPMENT PLAN

INTRODUCTION: The Council approved its LED Strategy 2010. The Strategy comprises a situational analysis and a local economic development framework. This LED was developed using the following methodology:

Step One: Consolidating of the existing research

Step Two: Target Sectoral Stakeholder Engagement

Step Three Economic Potential Analysis

Step Four: Package Five LE Strategy

Situational Analysis

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

The structure of the Situation Analysis report is as follows:

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

Strategic Development Framework

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

The Report Outline

Chapter 2:	Strategic Development Framework	This section presents the framework of the strategy and includes the vision, 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.

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	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.

Key Principle	Explanation
	<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	<p>This element underscores the importance of retaining incomes and expenditures within the municipality. This places forth notions of reduced income leakage, prioritised local procurement, internalised business sector solidarity and stakeholder cohesion. Also intrinsic in this statement is an element of local ownership of and responsibility for the area's growth and development.</p>
Promotes development	<p>This key principle deals with the ability of stakeholders to translate the area's latent potential and comparative advantage into developments that benefit the community at large in a practical and discernible way. Makana has significant unrealised and unexploited development potential and it is pivotal that such low hanging fruit be grasped.</p> <p>Efficiently and effectively utilising available resources makes up part of this key principle. The realisation of Makana's development potential is to be articulated through the interventions envisaged in the programmes and strategic initiatives contained in the strategic framework.</p>
Inclusive development	<p>Balanced development is envisaged on a household level as well as on the economy-wide level.</p> <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.**

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.

Alignment

The LED Strategic Framework was used as the basis for the LED pln, objectives and projects reflected in the IDP 2012-2017 Review.

4.2.2 HIV/AIDS PLAN

HIV/ AIDS Plan would be revised as the current plan was developed when Municipality was still provided primary health services. A new plan is needed which will clarify the role of the Municipality and focal areas and mainstreaming.

4.3 PERFORMANCE MANAGEMENT

The PM process at organizational level in the Municipality is characterized by the steps that are set out in Figure 2. Although the steps and what follows relate mainly to performance management at organizational level, the principles and approaches as espoused could also be applied to performance management at departmental level.

4.3.1 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 is 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.

4.3.2. PERFORMANCE MONITORING

Performance monitoring is an ongoing 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 monitors 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 timely 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 in 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.

4.3.3 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.

4.3.4 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.

4.3.5 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.

4.3.6 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.

4.3.6.1 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

4.3.6.2 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 roadshows at which the annual report could be discussed and input invited.
- ❖ Producing a special issue of the municipal newsletter in which the annual report is highlighted and the public invited to comment.

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

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

4.3.6.3 SUMMARY OF VARIOUS PERFORMANCE REPORTING REQUIREMENT

The following table, derived from both the legislative framework for performance management and this PMS framework, summarises the various performance reporting deadlines as 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

4.3.7 THE AUDITING OF PERFORMANCE MEASURES

4.3.7.1 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.

4.3.7.2 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 fulfill their function, a performance audit committee may according to the MFMA and the regulations:-

- ❖ Communicate directly with the council, Municipal manager or the internal and external auditor of the Municipality concerned;

- ❖ Access any municipal records containing information that is needed to perform its duties or exercise its powers;
- ❖ Request any relevant person to attend any of its meetings and if necessary to provide information requested by the committee, and
- ❖ Investigate any matter it deems necessary for a performance of its duties and the exercise of its powers.

4.3.7.3. 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.

4.3.7.4. 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	

4.3.8 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 behaviors' 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.

4.3.8.1 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.

4.3.8.2 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.

4.3.8.3 CORE MANAGERIAL COMPETENCIES

- ❖ Strategic Capability and Leadership
- ❖ Programme and Project Management (compulsory)
- ❖ Financial Management

- ❖ Change Management
- ❖ Knowledge Management
- ❖ Service Delivery Innovation
- ❖ Problem solving and analysis
- ❖ People Management and Empowerment (Compulsory)
- ❖ Client orientation and customer focus (Compulsory)
- ❖ Communication
- ❖ Honesty and Integrity

4.3.8.4 CORE OCCUPATIONAL COMPETENCIES

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

4.3.8.5 LIST OF CORE COMPETENCY REQUIREMENTS (CCRS) FOR EMPLOYEES

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

4.3.8.6 PERFORMANCE REVIEW

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

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

4.3.8.7 CRITICAL COMPETENCY REQUIREMENTS

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

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

4.3.8.8 PERFORMANCE ASSESSMENT

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

- 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.

4.3.8.9. PERFORMANCE MANAGEMENT FOR ALL OTHER MUNICIPAL STAFF MEMBERS

The Municipality will be focusing in the next following years in cascading Performance management to all employees. PMS has been cascade up HOD level but no review has been conducted yet.

4.3.8.10 GENERAL ISSUES RELATING TO PERFORMANCE MANAGEMENT

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

4.3.8.11 ANNUAL REVIEW OF THE PERFORMANCE MANAGEMENT SYSTEM

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

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

4.3.8.12 AMENDMENTS TO KPI'S AND TARGETS

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

4.3.8.13 INTEGRATING PMS WITH THE COUNCIL'S EXISTING MANAGEMENT CYCLE

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

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

4.3.8.14 INSTITUTIONAL ARRANGEMENTS

The implementation of the PMS in terms of this framework would require coordination at organisational level ad 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.

4.3.8.15 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 HOD;s and Managers has been developed.

4.4 FINANCIAL PLAN

4.4.1 Introduction: Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local development and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilize integrated development planning as a method to plan future development in their areas and so to find the best solutions to achieve sound long term development goals. A municipal IDP provides a five year strategic programme of action aimed at steering short, medium and long term strategic and budget priorities to create a development platform, which correlates with term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated development planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore integrated development planning provides a strategic environment for managing and guiding all planning development and decision making in the municipality.

It is important that the IDP developed by the municipality correlate with National and provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of

life for all the people living in that area. Applied to the CDM issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that CDM strategically complies with the key national and provincial priorities.

The aim of this vision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance, one of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities policies and strategies and the CDM response to these requirements.

The constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

In order to ensure integrated and focused service delivery between all spheres of government is was important for the CDM to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of national and provincial priorities.

Five Development priorities:

1. Basic Service Delivery and Infrastructure Development
2. Community and Social Cohesion
3. Local Economic Development
4. Institutional Development
5. Good Governance and support to rural communities and Vulnerable groups

4.3.1 Three year Financial Plan

Executive summary and challenges

The application of sound financial management principles for the compilation of Makana Municipality's budget is essential to ensure the financial viability and that municipal services are rendered sustainable, economical and equitable to all communities. Service delivery priorities were reviewed during strategic sessions that took place since January 2012, and these strategies are, as far as possible, incorporated in this budget.

Several challenges were identified during the process of compiling this budget.

1. Council currently collects on average 75% of the billed revenue. In order to provide services as expected by the citizens, this situation has to improve. Current arrears amount to more than R220 million. At a meeting held during March 2012, a decision was taken that the Credit Control Policy will be enforced in an effort to reduce the loss of income through non-payment and other reasons such as illegal connections to the electricity and water network. This further result in Council having to provide for an increasing contribution to a bad debts provision, that leads to less funds available to spend on other service delivery items.

2. Ageing infrastructure still remains a problem and requires constant maintenance. It is also the cause of numerous water and electricity outages.
3. The ever increasing cost of bulk electricity, while the recovery rate from consumers are limited to a rate lower than that Council has to pay. Although the increase on the Bulk Purchases of Electricity is set at 13.5%, NERSA advised that the recovery must be maximised at 11%, thereby resulting in a loss on the sale of Electricity of approximately R2, 5million.
4. A critical need to fill vacancies with limited funds for salaries, equipment and office accommodation
5. Ever increasing needs exceeding resources, financial and otherwise, by a huge margin. Critical capital and operating requirements requested by departments had to be reduced drastically due to unaffordability.
6. Inability to restrict tariff increases to a level not exceeding the CPI.

The Revenue Budget of R329 015 780, up 10,86% from R296 781 040 for 2011/12, was largely based on the projected income for the current financial year, compared to the actual income for the previous financial year, while ensuring a budgeted surplus adequate to fund the own-funded projected capital expenditure.

The Operating Expenditure Budget for 2012/13 of R305 092 280 is up 2,8% from the R296 781 040 of 2011/12. The resulting surplus of R23 923 500 will be utilized to fund the own-funded portion of the capital budget.

The total Capital Budget amounts to R124 736 010, up 2.26% from the original budget for 2011/2012 of R121 976 750.

Budget process overview

The annual budget process of a municipal council normally starts in August of each year with the approval of a budget timetable, and the process culminates in inputs obtained from the community being captured in the draft budget, which has to be approved by the end of March each year. The next step involves consultations being held with internal and external stakeholders to produce a credible, realistic and fully funded budget that has to be adopted by Council by the end of May each year. This budget also has to be aligned with the Integrated Development Plan (IDP), and this year it is no different as projects identified in the IDP is included in this draft budget. Over and above this, several regulations and circulars from National Treasury has to be conformed with during these processes.

This year there were certain delays as directorates were tasked to hold individual strategic sessions flowing from the institution-wide strategic session held in mid-January. The final inputs were provided in March, after considering the outcomes of the individual strategic sessions.

The draft budget was adopted by Council on 30 March 2012, where after meetings were held with directorates and relevant councilors to ensure the compilation of the final budget for approval by Council on 29 May 2012.

Operating revenue framework

In order to maintain the current level of services and to improve on it, revenue has to be generated. Large sections of our community live in poverty due to a high rate of unemployment in the area. Our ageing infrastructure requires a high level of maintenance, and even higher costs to replace. There is a huge need to eradicate developmental backlogs – some residents still makes use of bucket sanitation. Roads are in desperate need of upgrading. Furthermore, the new developments in our area also results in additional strain on our infrastructure such as Sewer, Water, Roads and Electricity networks. All this requires money, that is not freely available, to maintain and upgrade.

As a result Credit Control measures have to be enforced in an effort to collect what is due to Council. The value of efforts to promote revenue enhancement through Local Economic Development and Tourism is also often understated.

After considering these and other factors, the following increases in tariffs are proposed to fund the operations of Council during the 2012/13 financial year:

Rates	9 %
Electricity	11 %
Water	9 %
Refuse	9 %
Sewer	9 %
Other Income	9 %
Infrastructure Levy	3 % of revenue from above services

The proposed Infrastructure Levy, if approved, is intended to fund extensions to and maintenance of our infrastructure due to the increased demands placed on our infrastructure as a result of new developments within the Makana area of jurisdiction.

1.1. OPERATING EXPENDITURE FRAMEWORK

There is a desperate need in certain areas to fill vacant positions. As mentioned earlier, there is a desperate need to increase maintenance on our assets. Due to limited financial resources being available, unpopular decisions had to be made. Requests to increase maintenance had to be reviewed and adjusted where required. Maintenance in certain areas like Roads were increased, while other areas were allocated the same as the previous year, based on past spending patterns. Requests to fill vacancies were limited to posts already budgeted for in 2011/2012. No new posts are budgeted for in 2012/2013, and only those vacancies arising from natural attrition during the year will be filled in 2012/2013. Salary increases of 6% were budgeted for. Increases in expenditure were largely based on previous year actual expenditure, as compared to actual expenditure projected for the current financial year, and allowing for limited increased/additional activities in the next financial year.

In an effort to be able to fund the own-funded capital requests from a budgeted surplus as is required, we were faced with a particular challenge by having to limit the increase in operating expenditure compared to the 2011/12 financial year. This was done in accordance with past trends where the full budget was not spent in all areas.

Capital expenditure

Initial requests for Capital Expenditure to be funded from our own sources amounted to R71m. These are all considered to be desperately needed. Our vehicle fleet dates back to the 1980's in some cases, although numerous new vehicles were bought in recent years. Networks have to be upgraded and extended. New staff needs equipment and vehicles to perform their duties.

Once again certain unpopular decisions had to be made due to unaffordability. All requests for vehicles were removed to a next financial year, upgrades to networks were reduced and/or moved to outer years. Due to the fact that the filling of vacancies was put on hold, the budget for the purchase of equipment was also reduced substantially.

However it is important to note that infrastructural development in service delivery areas funded from Grants amounting to R69.98m will still proceed as planned. The overall capital budget is increased by only 2,26% to R124 736 010 when compared to the original budget for the previous year. This was achieved through increased externally funded projects and a reduction in own funded projects.

Overview of budget related policies

The Finance Directorate regularly embarks on a process of reviewing all financial related policies. 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. As there were no fundamental changes in legislation, the current policies generally

are still considered adequate. During the 2012/2013 financial year, an adequacy assessment on all the budget related policies will however be undertaken.

However, the Supply Chain Management policy is currently being reviewed and will be communicated to all stakeholders for comments, as there were certain changes in legislation that was gazetted in December 2011. The Cacadu District Municipality embarked on a pilot program, in conjunction with National Treasury, to implement a standard Supply Management Policy throughout the district. The final product will be presented to Council for consideration after the consultation processes were concluded.

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 big 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, followed by conditional grants such (i) Municipal Infrastructure Grant and (ii) Neighbourhood Development Partnership Grant (NDPG). The conditional grants can be utilised only for the sole purpose they were intended for (in terms of the Division of Revenue Act), whilst the unconditional grants can be used at the discretion of the municipality.

The Division of Revenue Bill for 2012 / 13 was made available immediately after the Minister of Finance (Mr Pravin Gordhan) delivered his budget speech early this year in Parliament, and the indicative grants or subsidies to be received by Makana Municipality in the forthcoming financial year are as follows: -

GRANT FUNDING – 2012 / 2013 (As per Division of Revenue Bill)

TYPE OF GRANT	2012 / 2013 ALLOCATION (As per Municipal Financial Year)	2013 / 2014 ALLOCATION (As per Municipal Financial Year)	2014 / 2015 ALLOCATION (As per Municipal Financial Year)

Equitable Share	63 592 000	68 127 000	73 212 000
Financial Management Grant	1 500 000	1 500 000	1 750 000
Municipal Systems Improvement Grant	800 000	870 000	950 000
Municipal Infrastructure Grant	29 490 000	31 109 000	32 908 000
Councillors Remuneration (part of Equitable Share)	3 410 000	3 858 000	4 930 000
Integrated National Electrification Programme (Eskom) Grant	80 000	1 693 000	2 695 000
Neighbourhood Development Partnership Grant	20 000 000	14 270 000	0
Expanded Public Works Programme	1 000 000	0	0
Electricity Demand Side Management Grant	6 000 000	0	0
TOTAL	125 872 000	121 427 000	116 445 000

These figures were confirmed by National Treasury through the Division of Revenue Act which was enacted into law and gazetted on 17 May 2012 through Government Gazette 35361.

The Revenue Budget for 2013/2013 of R329 015 780 will be funded from own revenue (R258 306 780), MSIG (R800 000), Equitable Share (R67 002 000), FMG (R1 470 000), and MIG (R1 437 000).

The funding of the Capital Budget can be illustrated with the following table:

<u>FUNDING SOURCES - CAPITAL BUDGET</u>					
	<u>2012/2013</u>			<u>2013/2014</u>	<u>2014/2015</u>
AFF	23,923,500			75,843,000	13,416,300
<u>GRANTS:</u>					
MIG	28,030,500			29,553,550	31,262,600
NDPG	20,000,000			14,270,000	
FMG	30,000				
DME	6,000,000				
DBSA LOAN	43,000,000				
DWA	2,852,510				
DSRAC	899,500				
	124,736,010			119,666,550	44,678,900

The escalating increase in the debtor's situation is worrying more so when the government departments are also owing the municipality a sizeable amount. Efforts were made recently by Provincial Treasury to assist the Municipality in identifying deposits made that will result in reducing a portion of the arrear debt from government departments. The debt collection rate at present is about 75% which indicates that for every R1 billed it is likely that R0.25c will not be collected.

OPERATING BUDGET:

MAKANA MUNICIPALITY										
CATEGORISED OPERATING BUDGET: 2012/2013										
Department/Section	Salaries , wages and allowances	General expenses	Repairs and main- tenance	Loan Repayment	Contri- butions to Funds	GROSS EXPEN- DITURE	LESS: Charge- outs	NET EXPEN- DITURE	INCOME	SURPLUS/ (DEFICIT)
TECHNICAL & INFRASTRUCTURAL SERVICES										
Administration	3 411 600	4 348 450	133 420		27 780	7 921 250		7 921 250	1 443 360	(6 477 890)
Distribution - Masons & carpenters	224 630	26 600	27 560		1 680	280 470		280 470		(280 470)
Distribution - Plant	844 570	213 990	120 000		5 580	1 184 140	(1 184 140)			
Distribution - Transport	923 820	334 040	150 000		5 040	1 412 900	(1 412 900)			
Distribution - Workshops	1 965 180	646 300	25 580		13 240	2 650 300	(2 650 300)			
Sanitation - Pail removals	1 810 950	212 910	83 010		13 400	2 120 270		2 120 270		(2 120 270)
Sewerage - Administration	475 230	4 839 320			1 002 800	6 317 350		6 317 350	32 755 090	26 437 740
Sewerage - Disposal works	3 647 200	1 375 750	279 960		27 960	5 330 870		5 330 870		(5 330 870)
Sewerage - Reticulation	1 539 000	396 430	1 046 830		10 250	2 992 510		2 992 510	21 000	(2 971 510)
Stormwater drains & river beds	2 012 450	145 890	931 430		14 390	3 104 160	(71 380)	3 032 780		(3 032 780)
Streets, footpaths & gutters	4 160 710	943 040	3 185 580		28 640	8 317 970	(400 000)	7 917 970	5 100	(7 912 870)
Town Planning and Land Usage	1 512 220	2 343 580	15 000		12 200	3 883 000		3 883 000	6 106 230	2 223 230
Properties and estates	1 924 000	1 274 410	1 516 630		11 110	4 726 150		4 726 150	1 254 730	(3 471 420)
	24 451 560	17 100 710	7 515 000		1 174 070	50 241 340	(5 718 720)	44 522 620	41 585 510	(2 937 110)
CORPORATE SERVICES										
Administration	4 270 710	4 348 610	352 200		30 970	9 002 490	(2 630)	6 372 190	500	(6 371 690)

							300)			
City hall & offices	635 240	421 210	103 180		3 640	1 163 270		1 163 270	179 620	(983 650)
Community halls	717 900	1 204 730	213 020		5 430	2 141 080		2 141 080	60 000	(2 081 080)
Council Support	318 660	10 325 140	71 770		2 900	10 718 470		10 718 470	3 044 900	(7 673 570)
Human resources	1 831 620	3 399 510	27 980		13 850	5 272 960	(1 092 640)	4 180 320	500 000	(3 680 320)
Legal Services	50 000	1 010 000				1 060 000		1 060 000		(1 060 000)
IT Services	287 860		750 000			1 037 860		1 037 860		(1 037 860)
	8 111 990	20 709 200	1 518 150		56 790	30 396 130	(3 722 940)	26 673 190	3 785 020	(22 888 170)
FINANCIAL SERVICES										
Administration	9 899 650	7 786 190	743 500		1 078 340	19 507 680	(3 890 800)	15 616 880	14 359 290	(1 257 590)
Rates		5 407 830			1 000 000	6 407 830		6 407 830	42 003 490	35 595 660
Supply chain management	1 718 400	225 050	33 020		9 240	1 985 710		1 985 710	11 000	(1 974 710)
	11 618 050	13 419 070	776 520		2 087 580	27 901 220	(3 890 800)	24 010 420	56 373 780	32 363 360
COMMUNITY & SOCIAL SERVICES										
Administration and social development	1 096 660	1 092 760			9 600	2 199 020		2 199 020		(2 199 020)
Aerodrome		217 400	17 210			234 610		234 610	10 000	(224 610)
Botanical gardens		85 050				85 050		85 050		(85 050)
Caravan park	90 540	41 540			790	132 870		132 870	1 000	(131 870)
Cemeteries	352 330	311 490	201 050		2 430	867 300		867 300	350 000	(517 300)
Disaster management		104 030				104 030		104 030		(104 030)
Commonage	1 187 130	1 542 530	56 580		7 730	2 793 970		2 793 970	20 000	(2 773 970)
Domestic refuse removal	2 323 600	4 836 940	253 330		1 017 660	8 431 530		8 431 530	20 570 740	12 139 210
Distribution - Parks admin.	1 255 600	795 130	20 220		6 970	2 077 920	(2 078 920)	(1 000)	1 000	2 000
Drivers' licensing	226 090	230 950	3 540		1 760	462 340		462 340	2 037 950	1 575 610
Distribution - Parks transport	1 365 000	713 190	360 000		9 660	2 447 850	(2 447 850)			
Environmental Management	473 910	288 440			3 240	765 590		765 590		(365 590)
Fire control	7 850 110	881 520	178 140		38 040	8 947 810	(682	8 265 810	62 000	(8 203 810)

							000)			
Library - Fingo	345 220	48 940			2 780	396 940		396 940	10 100	(386 840)
Library - Currie street	419 470	68 130	9 300		3 120	500 020		500 020	7 000	(493 020)
Primary health care										
Library - Duna	582 470	103 450	16 730		4 240	706 890		706 890	21 060	(685 830)
Library - Riebeeck East	389 780	37 380	15 150		2 920	445 230		445 230	1 000	(444 230)
Public library - Hill street	2 972 090	436 940	38 800		17 480	3 465 310		3 465 310	3 310 760	(154 550)
Public health - general expenses	1 371 750	631 320	42 000		10 000	2 055 070		2 055 070	1 276 910	(778 160)
Library - Alicedale	363 480	26 460			1 840	391 780		391 780	500	(391 280)
Nursery	272 560	379 650	4 510		2 100	658 820		658 820	40 000	(618 820)
Refuse site	215 600	131 460	372 500		900	720 460		720 460	90 000	(630 460)
Pound		44 810				44 810		44 810		(44 810)
Roadworthy/signage	315 460	384 330	69 160		900	769 850		769 850	124 000	(645 850)
Sanitation - general cleansing	5 283 240	1 401 030	472 000		36 400	7 192 670		7 192 670	7 000	(7 185 670)
Settlers hiking trail		149 040	1 850			150 890		150 890	1 000	(149 890)
Traffic control	4 257 910	834 360	123 590		29 210	5 245 070		5 245 070	814 000	(4 431 070)
Sports grounds/playgrounds	1 048 390	919 490	119 220		6 220	2 093 320		2 093 320	30 700	(2 062 620)
Vehicle licensing	436 780	97 160			2 250	536 190		536 190	1 180 130	643 940
Street islands & verges	2 938 320	1 643 880	161 030		21 540	4 764 770		4 764 770		(4 764 770)
	37 433 490	18 478 800	2 535 910		1 239 780	59 687 980	(5 208 770)	54 479 210	29 966 850	(24 512 360)
EXECUTIVE MAYOR										
Mayor's office	620 270	1 309 650	57 710		5 840	1 993 470		1 993 470	376 100	(1 617 370)
	620 270	1 309 650	57 710		5 840	1 993 470		1 993 470	376 100	(1 617 370)
MUNICIPAL MANAGER										
Executive Support	767 370	795 050			5 820	1 568 240		1 568 240	1 000	(1 567 240)
Integrated development planning	939 690	1 063 650			4 210	2 007 550		2 007 550	800 000	(1 207 550)
Municipal Manager	1 431 210	1 541 210	32 920		12 850	3 018 190	(590 950)	2 427 240	1 000	(2 426 240)
Media and communications officer	572 340	562 450			2 890	1 137 680		1 137 680		(1 137 680)
Special programmes unit	1 069 050	3 015 030			4 960	4 089 040		4 089 040	2 001 000	(2 088 040)
	4 779 660	6 977 390	32 920		30 730	11 820 700	(590 950)	11 229 750	2 803 000	(8 426 750)
LOCAL ECONOMIC DEVELOPMENT										
Local economic development	2 925 110	3 303 750	20 510		16 900	6 266 270		6 266 270		(6 266 270)

	2 925 110	3 303 750	20 510		16 900	6 266 270		6 266 270		(6 266 270)
TECHNICAL & INFRASTRUCTURAL										
SERVICES: HOUSING										
Economic letting schemes		1 330			1 430	2 760		2 760		(2 760)
Economic letting/selling schemes		1 050				1 050		1 050		(1 050)
Grahamstown East schemes		22 000				22 000		22 000		(22 000)
Sub-economic letting schemes		1 200	17 630			18 830		18 830		(18 830)
Alicedale letting scheme										
Sub-economic conversion scheme		600			720	1 320		1 320		(1 320)
		26 180	17 630		2 150	45 960		45 960		(45 960)
TECHNICAL & INFRASTRUCTURAL										
SERVICES: ELECTRICITY										
Administration	442 440	10 159 310	71 700		1 003 450	11 676 900	(486 710)	11 190 190	119 651 350	108 461 160
Bulk purchases		70 907 480				70 907 480		70 907 480		(70 907 480)
Distribution	7 508 680	974 990	3 343 530		47 800	11 875 000		11 875 000		(11 875 000)
	7 951 120	82 041 780	3 415 230		1 051 250	94 459 380	(486 710)	93 972 670	119 651 350	25 678 680
TECHNICAL & INFRASTRUCTURAL										
SERVICES: WATER										
Administration	636 550	11 733 260		3 000 000	1 803 570	17 173 380		17 173 380	74 422 890	57 249 510
Conservation and purification	2 356 500	3 436 460	1 436 680		11 730	7 241 370		7 241 370		(7 241 370)
James Kleynhans scheme	1 411 290	8 759 600	871 870		10 250	11 053 010		11 053 010		(11 053 010)
Reticulation	2 731 880	437 000	3 244 320		16 500	6 429 700		6 429 700		(6 429 700)
	7 136 220	24 366 320	5 552 870	3 000 000	1 842 050	41 897 460		41 897 460	74 422 890	52 525 430
Dog Tax		1 260				1 260		1 260	1 280	20

		1 260				1 260		1 260		1 280	20
Parking Meters										50 000	50 000
										50 000	50 000
	105 027	187 734	21 442		7 507	324 711	(19 618	305 092	329 015	329 015	23 923 500
	470	110	450	3 000 000	140	170	890)	280	780		
Percentage of gross expenditure	32.34%	57.82%	6.60%	0.92%	2.31%		-6.04%				

MAKANA MUNICIPALITY										
CATEGORISED OPERATING BUDGET: 2013/2014										
Department/Section	Salaries , wages and allowances	General expenses	Repairs and main- tenance	Loan Repayment	Contri- butions to Funds	GROSS EXPEN- DITURE	LESS: Charge- outs	NET EXPEN- DITURE	INCOME	SURPLUS/ (DEFICIT)
TECHNICAL & INFRASTRUCTURAL SERVICES										
Administration	3 616 296	4 609 357	141 425		29 447	8 396 525		8 396 525	1 529 962	(6 866 563)
Distribution - Masons & carpenters	238 108	28 196	29 214		1 781	297 298		297 298		(297 298)
Distribution - Plant	895 244	226 829	127 200		5 915	1 255 188	(1 255 188)			
Distribution - Transport	979 249	354 082	159 000		5 342	1 497 674	(1 497 674)			
Distribution - Workshops	2 083 091	685 078	27 115		14 034	2 809 318	(2 809 318)			
Sanitation - Pail removals	1 919 607	225 685	87 991		14 204	2 247 486		2 247 486		(2 247 486)
Sewerage - Administration	503 744	5 129 679			1 062 968	6 696 391		6 696 391	34 720 395	28 024 004
Sewerage - Disposal works	3 866 032	1 458 295	296 758		29 638	5 650 722		5 650 722		(5 650 722)
Sewerage - Reticulation	1 631 340	420 216	1 109 640		10 865	3 172 061		3 172 061	22 260	(3 149 801)
Stormwater drains & river beds	2 133 197	154 643	987 316		15 253	3 290 410	(75 663)	3 214 747		(3 214 747)
Streets, footpaths & gutters	4 410 353	999 622	3 376 715		30 358	8 817 048	(424 000)	8 393 048	5 406	(8 387 642)
Town Planning and Land Usage	1 602 953	2 484 195	15 900		12 932	4 115 980		4 115 980	6 472 604	2 356 624

Properties and estates	2 039 440	1 350 875	1 607 628		11 777	5 009 719		5 009 719	1 330 014	(3 679 705)
	25 918 654	18 126 753	7 965 900		1 244 514	53 255 820	(6 061 843)	47 193 977	44 080 641	(3 113 337)
CORPORATE SERVICES										
Administration	4 526 953	4 609 527	373 332		32 828	9 542 639	(2 788 118)	6 754 521	530	(6 753 991)
City hall & offices	673 354	446 483	109 371		3 858	1 233 066		1 233 066	190 397	(1 042 669)
Community halls	760 974	1 277 014	225 801		5 756	2 269 545		2 269 545	63 600	(2 205 945)
Council Support	337 780	10 944 648	76 076		3 074	11 361 578		11 361 578	3 227 594	(8 133 984)
Human resources	1 941 517	3 603 481	29 659		14 681	5 589 338	(1 158 198)	4 431 139	530 000	(3 901 139)
Legal Services	53 000	1 070 600				1 123 600		1 123 600		(1 123 600)
IT Services	305 132		795 000			1 100 132		1 100 132		(1 100 132)
	8 598 709	21 951 752	1 609 239		60 197	32 219 898	(3 946 316)	28 273 581	4 012 121	(24 261 460)
FINANCIAL SERVICES										
Administration	10 493 629	8 409 085	788 110		1 143 040	20 833 865	(4 124 248)	16 709 617	15 220 847	(1 488 769)
Rates		5 840 456			1 060 000	6 900 456		6 900 456	44 523 699	37 623 243
Supply chain management	1 821 504	243 054	35 001		9 794	2 109 354		2 109 354	11 660	(2 097 694)
	12 315 133	14 492 596	823 111		2 212 835	29 843 675	(4 124 248)	25 719 427	59 756 207	34 036 780
COMMUNITY & SOCIAL SERVICES										
Administration and social development	1 162 460	1 158 326			10 176	2 330 961		2 330 961		(2 330 961)
Aerodrome		230 444	18 243			248 687		248 687	10 600	(238 087)
Botanical gardens		90 153				90 153		90 153		(90 153)
Caravan park	95 972	44 032			837	140 842		140 842	1 060	(139 782)
Cemeteries	373 470	330 179	213 113		2 576	919 338		919 338	371 000	(548 338)
Disaster management		110 272				110 272		110 272		(110 272)
Commonage	1 258 358	1 635 082	59 975		8 194	2 961 608		2 961 608	21 200	(2 940 408)
Domestic refuse removal	2 463 016	5 127 156	268 530		1 078 720	8 937 422		8 937 422	21 804 984	12 867 563
Distribution - Parks admin.	1 330 936	842 838	21 433		7 388	2 202 595	(2 245	(42 638)	1 060	3 698

							234)			
Drivers' licensing	239 655	244 807	3 752		1 866	490 080		490 080	2 160 227	1 670 147
Distribution - Parks transport	1 446 900	755 981	381 600		10 240	2 594 721	(2 643 678)	(48 957)		48 957
Environmental Management	502 345	305 746			3 434	811 525		811 525		(811 525)
Fire control	8 321 117	934 411	188 828		40 322	9 484 679	(736 560)	8 748 119	65 720	(8 682 399)
Library - Fingo	365 933	51 876			2 947	420 756		420 756	10 706	(410 050)
Library - Currie street	444 638	72 218	9 858		3 307	530 021		530 021	7 420	(522 601)
Primary health care										
Library - Duna	617 418	109 657	17 734		4 494	749 303		749 303	22 324	(726 980)
Library - Riebeeck East	413 167	39 623	16 059		3 095	471 944		471 944	1 060	(470 884)
Public library - Hill street	3 150 415	463 156	41 128		18 529	3 673 229		3 673 229	3 509 406	(163 823)
Public health - general expenses	1 454 055	669 199	44 520		10 600	2 178 374		2 178 374	1 353 525	(824 850)
Library - Alicedale	385 289	28 048			1 950	415 287		415 287	530	(414 757)
Nursery	288 914	402 429	4 781		2 226	698 349		698 349	42 400	(655 949)
Refuse site	228 536	139 348	394 850		954	763 688		763 688	95 400	(668 288)
Pound		47 499				47 499		47 499		(47 499)
Roadworthy/signage	334 388	407 390	73 310		954	816 041		816 041	131 440	(684 601)
Sanitation - general cleansing	5 600 234	1 485 092	500 320		38 584	7 624 230		7 624 230	7 420	(7 616 810)
Settlers hiking trail		157 982	1 961			159 943		159 943	1 060	(158 883)
Traffic control	4 513 385	884 422	131 005		30 963	5 559 774		5 559 774	862 840	(4 696 934)
Sports grounds/playgrounds	1 111 293	974 659	126 373		6 593	2 218 919		2 218 919	32 542	(2 186 377)
Vehicle licensing	462 987	102 990			2 385	568 361		568 361	1 250 938	682 576
Street islands & verges	3 114 619	1 742 513	170 692		22 832	5 050 656		5 050 656		(5 050 656)
	39 679 499	144 763 269	2 688 065		1 314 167	63 269 259	(5 625 472)	57 643 787	31 764 861	(25 878 926)
EXECUTIVE MAYOR										
Mayor's office	657 486	1 388 229	61 173		6 190	2 113 078		2 113 078	202 410	(1 910 668)
	657 486	1 388 229	61 173		6 190	2 113 078		2 113 078	202 410	(1 910 668)
MUNICIPAL MANAGER										
Executive Support	813 412	842 753			6 169	1 662 334		1 662 334	1 060	(1 661 274)
Integrated development planning	996 071	1 127 469			4 463	2 128 003		2 128 003	848 000	(1 280 003)
Municipal Manager	1 517 083	1 633 683	34 895		13 621	3 199 281	(638 226)	2 561 055	1 060	(2 559 995)
Media and communications officer	606 680	596 197			3 063	1 205 941		1 205 941		(1 205 941)
Special programmes unit	1 133 193	3 195 932			5 258	4 334 382		4 334 382	2 121 060	(2 213 322)

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	5 066 440	7 396 033	34 895		32 574	12 529 942	(638 226)	11 891 716	2 971 180	(8 920 536)
LOCAL ECONOMIC DEVELOPMENT										
Local economic development	3 100 617	3 501 975	21 741		17 914	6 642 246		6 642 246		(6 642 246)
	3 100 617	3 501 975	21 741		17 914	6 642 246		6 642 246		(6 642 246)
TECHNICAL & INFRASTRUCTURAL SERVICES: HOUSING										
Economic letting schemes		1 410			1 516	2 926		2 926		(2 926)
Economic letting/selling schemes		1 113				1 113		1 113		(1 113)
Grahamstown East schemes		23 320				23 320		23 320		(23 320)
Sub-economic letting schemes		1 272	18 688			19 960		19 960		(19 960)
Alicedale letting scheme										
Sub-economic conversion scheme		636			763	1 399		1 399		(1 399)
		27 751	18 688		2 279	48 718		48 718		(48 718)
TECHNICAL & INFRASTRUCTURAL SERVICES: ELECTRICITY										
Administration	468 986	10 768 869	76 002		1 063 657	12 377 514	(515 913)	11 861 601	126 830 431	114 968 830
Bulk purchases		75 161 929				75 161 929		75 161 929		(75 161 929)
Distribution	7 959 201	1 033 489	3 544 142		50 668	12 587 500		12 587 500		(12 587 500)
	8 428 187	86 964 287	3 620 144		1 114 325	100 126 943	(515 913)	99 611 030	126 830 431	27 219 401
TECHNICAL & INFRASTRUCTURAL SERVICES: WATER										
Administration	674 743	12 437 256		3 180 000	1 911 784	18 203 783		18 203 783	78 888 263	60 684 481
Conservation and purification	2 497 890	3 642 648	1 522 881		12 434	7 675 852		7 675 852		(7 675 852)
James Kleynhans scheme	1 495 967	9 285 176	924 182		10 865	11 716 191		11 716 191		(11 716 191)
Reticulation	2 895 793	463 220	3 438 979		17 490	6 815 482		6 815 482		(6 815 482)

	7 564 393	25 828 299	5 886 042	3 180 000	1 952 573	44 411 308		44 411 308	78 888 263	34 476 956
Dog Tax		1 336				1 336		1 336	1 357	21
		1 336				1 336		1 336		
	111 329 118	324 442 279	22 710 309	3 180 000	7 957 568	344 462 222	(20 912 018)	323 550 204	348 507 471	24 957 267

MAKANA MUNICIPALITY										
CATEGORISED OPERATING BUDGET: 2014/2015										
Department/Section	Salaries , wages and allowances	General expenses	Repairs and main- tenance	Loan Repayment	Contri- butions to Funds	GROSS EXPEN- DITURE	LESS: Charge- outs	NET EXPEN- DITURE	INCOME	SURPLUS/ (DEFICIT)
TECHNICAL & INFRASTRUCTURAL SERVICES										
Administration	3 833 274	4 885 918	149 911		31 214	8 900 317		8 900 317	1 621 759	(7 278 557)
Distribution - Masons & carpenters	252 394	29 888	30 966		1 888	315 136		315 136		(315 136)
Distribution - Plant	948 959	240 439	134 832		6 270	1 330 500	(1 355 603)	(25 104)		25 104
Distribution - Transport	1 038 004	375 327	168 540		5 663	1 587 534	(1 617 488)	(29 953)		29 953
Distribution - Workshops	2 208 076	726 183	28 742		14 876	2 977 877	(3 034 063)	(56 186)		56 186
Sanitation - Pail removals	2 034 783	239 226	93 270		15 056	2 382 335		2 382 335		(2 382 335)
Sewerage - Administration	533 968	5 437 460			1 126 746	5 971 428		5 971 428	36 803 619	30 832 191
Sewerage - Disposal works	4 097 994	1 545 793	314 563		31 416	5 989 766		5 989 766		(5 989 766)
Sewerage - Reticulation	1 729 220	445 429	1 176 218		11 517	3 362 384		3 362 384	23 596	(3 338 789)
Stormwater drains & river beds	2 261 189	163 922	1 046 555		16 169	3 487 834	(81 716)	3 406 118		(3 406 118)

Streets, footpaths & gutters	4 674 974	1 059 600	3 579 318		32 180	9 346 071	(457 920)	8 888 151	5 730	(8 882 421)
Town Planning and Land Usage	1 699 130	2 633 246	16 854		13 708	4 362 939		4 362 939	6 860 960	2 498 021
Properties and estates	2 161 806	1 431 927	1 704 085		12 483	5 310 302		5 310 302	1 409 815	(3 900 488)
	27 473 773	19 214 358	8 443 854		1 319 185	55 324 424	(6 546 791)	48 777 633	46 725 479	(2 052 154)
CORPORATE SERVICES										
Administration	4 798 570	4 886 098	395 732		34 798	10 115 198	(3 011 167)	7 104 030	562	(7 103 469)
City hall & offices	713 756	473 272	115 933		4 090	1 307 050		1 307 050	201 821	(1 105 229)
Community halls	806 632	1 353 635	239 349		6 101	2 405 717		2 405 717	67 416	(2 338 301)
Council Support	358 046	11 601 327	80 641		3 258	12 043 273		12 043 273	3 421 250	(8 622 023)
Human resources	2 058 008	3 819 689	31 438		15 562	5 924 698	(1 250 854)	4 673 844	561 800	(4 112 044)
Legal Services	56 180	1 134 836				1 191 016		1 191 016		(1 191 016)
IT Services	323 439		842 700			1 166 139		1 166 139		(1 166 139)
	9 114 632	23 268 857	1 705 793		63 809	34 153 092	(4 262 022)	29 891 070	4 252 848	(25 638 221)
FINANCIAL SERVICES										
Administration	11 123 247	8 913 630	835 397		1 211 623	22 083 896	(4 371 703)	17 712 194	16 134 098	(1 578 095)
Rates		6 190 884			1 123 600	7 314 484		7 314 484	47 195 121	39 880 638
Supply chain management	1 930 794	257 637	37 101		10 382	2 235 915		2 235 915	12 360	(2 223 555)
	13 054 041	15 362 151	872 498		2 345 605	31 634 295	(4 371 703)	27 262 592	63 341 579	36 078 987
COMMUNITY & SOCIAL SERVICES										
Administration and social development	1 232 207	1 227 825			10 787	2 470 819		2 470 819		(2 470 819)
Aerodrome		244 271	19 337			263 608		263 608	11 236	(252 372)
Botanical gardens		95 562				95 562		95 562		(95 562)
Caravan park	101 731	46 674			888	149 293		149 293	1 124	(148 169)
Cemeteries	395 878	349 990	225 900		2 730	974 498		974 498	393 260	(581 238)
Disaster management		116 888				116 888		116 888		(116 888)
Commonage	1 333 859	1 733 187	63 573		8 685	3 139 305		3 139 305	22 472	(3 116 833)

Domestic refuse removal	2 610 797	5 434 786	284 642		1 143 443	9 473 667		9 473 667	23 113 283	13 639 616	
Distribution - Parks admin.	1 410 792	893 408	22 719		7 831	2 334 751	(2 424 852)	(90 101)	1 124	91 225	
Drivers' licensing	254 035	259 495	3 978		1 978	519 485		519 485	2 289 841	1 770 355	
Distribution - Parks transport	1 533 714	801 340	404 496		10 854	2 750 404	(2 855 172)	(104 768)		104 768	
Environmental Management	532 485	324 091			3 640	860 217		860 217		(860 217)	
Fire control	8 820 384	990 476	200 158		42 742	10 053 759	(795 485)	9 258 275	69 663	(9 188 611)	
Library - Fingo	387 889	54 989			3 124	446 002		446 002	11 348	(434 653)	
Library - Currie street	471 316	76 551	10 449		3 506	561 822		561 822	7 865	(553 957)	
Primary health care											
Library - Duna	654 463	116 236	18 798		4 764	794 262		794 262	23 663	(770 599)	
Library - Riebeeck East	437 957	42 000	17 023		3 281	500 260		500 260	1 124	(499 137)	
Public library - Hill street	3 339 440	490 946	43 596		19 641	3 893 622		3 893 622	3 719 970	(173 652)	
Public health - general expenses	1 541 298	709 351	47 191		11 236	2 309 077		2 309 077	1 434 736	(874 341)	
Library - Alicedale	408 406	29 730			2 067	440 204		440 204	562	(439 642)	
Nursery	306 248	426 575	5 067		2 360	740 250		740 250	44 944	(695 306)	
Refuse site	242 248	147 708	418 541		1 011	809 509		809 509	101 124	(708 385)	
Pound		50 349				50 349		50 349		(50 349)	
Roadworthy/signage	354 451	431 833	77 708		1 011	865 003		865 003	139 326	(725 677)	
Sanitation - general cleansing	5 936 248	1 574 197	530 339		40 899	8 081 684		8 081 684	7 865	(8 073 819)	
Settlers hiking trail		167 461	2 079			169 540		169 540	1 124	(168 416)	
Traffic control	4 784 188	937 487	138 866		32 820	5 893 361		5 893 361	914 610	(4 978 750)	
Sports grounds/playgrounds	1 177 971	1 033 139	133 956		6 989	2 352 054		2 352 054	34 495	(2 317 560)	
Vehicle licensing	490 766	109 169			2 528	602 463		602 463	1 325 994	723 531	
Street islands & verges	3 301 496	1 847 064	180 933		24 202	5 353 696		5 353 696		(5 353 696)	
	42 060 269	153 336 555	2 849 348		1 393 017	67 065 414	(6 075 509)	60 989 905	33 670 753	(27 319 152)	
EXECUTIVE MAYOR											
Mayor's office	696 935	1 471 523	64 843		6 562	2 239 863		2 239 863	214 555	(2 025 308)	
	696 935	1 471 523	64 843		6 562	2 239 863		2 239 863	214 555	(2 025 308)	
MUNICIPAL MANAGER											
Executive Support	862 217	893 318			6 539	1 762 074		1 762 074	1 124	(1 760 951)	
Integrated development planning	1 055 836	1 195 117			4 730	2 255 683		2 255 683	898 880	(1 356 803)	

Municipal Manager	1 608 108	1 731 704	36 989		14 438	3 391 238	(689 284)	2 701 954	1 124	(2 700 831)
Media and communications officer	643 081	631 969			3 247	1 278 297		1 278 297		(1 278 297)
Special programmes unit	1 201 185	3 387 688			5 573	4 594 445		4 594 445	2 248 324	(2 346 122)
	5 370 426	7 839 795	36 989		34 528	13 281 739	(689 284)	12 592 454	3 149 451	(9 443 004)
LOCAL ECONOMIC DEVELOPMENT										
Local economic development	3 286 654	3 712 094	23 045		18 989	7 040 781		7 040 781		(7 040 781)
	3 286 654	3 712 094	23 045		18 989	7 040 781		7 040 781		(7 040 781)
TECHNICAL & INFRASTRUCTURAL SERVICES: HOUSING										
Economic letting schemes		1 494			1 607	3 101		3 101		(3 101)
Economic letting/selling schemes		1 180				1 180		1 180		(1 180)
Grahamstown East schemes		24 719				24 719		24 719		(24 719)
Sub-economic letting schemes		1 348	19 809			21 157		21 157		(21 157)
Alicedale letting scheme										
Sub-economic conversion scheme		674			809	1 483		1 483		(1 483)
		29 416	19 809		2 416	51 641		51 641		(51 641)
TECHNICAL & INFRASTRUCTURAL SERVICES: ELECTRICITY										
Administration	497 126	11 415 001	80 562		1 127 476	13 120 165	(557 186)	12 562 979	134 440 257	121 877 278
Bulk purchases		79 671 645				79 671 645		79 671 645		(79 671 645)
Distribution	8 436 753	1 095 499	3 756 790		53 708	13 342 750		13 342 750		(13 342 750)
	8 933 878	92 182 144	3 837 352		1 181 185	106 134 559	(557 186)	105 577 374	134 440 257	28 862 883
TECHNICAL & INFRASTRUCTURAL SERVICES: WATER										
Administration	715 228	13 183 491		3 370 800	2 026 491	19 296 010		19 296 010	83 621 559	64 325 549
Conservation and purification	2 647 763	3 861 206	1 614 254		13 180	8 136 403		8 136 403		(8 136 403)

James Kleynhans scheme	1 585 725	9 842 287	979 633		11 517	12 419 162		12 419 162		(12 419 162)
Reticulation	3 069 540	491 013	3 645 318		18 539	7 224 411		7 224 411		(7 224 411)
	8 018 257	27 377 997	6 239 205	3 370 800	2 069 727	47 075 986		47 075 986	83 621 559	36 545 573
Dog Tax		1 416				1 416		1 416	1 438	22
	118 008 865	343 796 306	24 092 737	3 370 800	8 435 023	364 003 209	(22 502 494)	341 500 715	369 417 919	27 917 204

DETAILED CAPITAL BUDGET								
2012/2013 - 2014/2015								
No.	VOTE NO	DEPARTMENT/SECTION :	FUNDING SOURCE	COST 2012/2013	PRIORITISATION		COST 2013/2014	COST 2014/2015
		DETAILS			Quarter	Month		
2		TECHNICAL & INFRASTRUCTURAL SERVICES						
3	90/10/01/	PMU SECTION						
6		4x Portable Printers	MIG	15 000				
7								
8				15 000			-	-
14	90/10/53/	Town Planning						
15		Spatial Development Framework Reviewal	AFF	200 000				
21		1x Fax Machine	AFF	2 500				
22								
23				202 500			-	-
31	90/10/05/	MASONS AND CARPENTERS						

32		Tools and Equipment (Replace as needed)	AFF	6 900			7 100	7300
33								
34				6 900			7 100	7 300
35	90/10/10/	PLANT						
36		1 x Pedestrian Roller	AFF	130 000			140 000	
37		2 x LDV's	AFF					200 000
38								
39				130 000			140 000	200 000
45	90/10/20/	MECHANICAL WORKSHOPS						
46		Tools and Equipment (Replace as needed)	AFF	18 000			20 000	22 000
47				18 000			20 000	22 000
48	90/10/35/	SEWAGE DISPOSAL						
49		Belmont Valley						
50		2 x LDV's	AFF				150 000	
51		Effluent Pump	AFF	100 000				
52		Filter Sand	AFF	60 000				
53		Testing Equipment	AFF	50 000				
56		Cellphone	AFF	500				
57		Nameboard	AFF	2 000				
58								
59				212 500			150 000	-
60		Mayfield						
61		Razor fenceline around chlorination room and ponds	AFF	200 000				
62		Nameboard	AFF	2 000				
63		Upgrading chlorination room	AFF	100 000				
64		Skip jack with trailer	AFF	40 000				
65		Tools and Equipment (Replace as needed)	AFF	15 000				

67		Testing Equipment	AFF	50 000				
68		Cellphone	AFF	500				
69								
70				407 500			-	-
71	90/10/40/	SEWERAGE RETICULATION						
72		Grahamstown						
73		Tools and Equipment (Replace as needed)	AFF	130 000				
74		Upgrading of Panel for Matthew street pump station	AFF	80 000				
75		Installation of Palisade fencing	AFF	40 000				
76		Replace manhole covers (stolen, broken) and new ones	AFF	80 000				
77		1 X Vacuum Jet (for blockages and sucking)	AFF	900 000				
78		1 X Jack Hammer	AFF	25 000				
79		Replace dilapidated toilet structures	AFF	90 000				
80								
81				345 000			-	-
82		Alicedale						
83		Tools and Equipment (Replace as needed)	AFF	15 000				
84		Upgrading of electrical panel & additional electrical components	AFF	25 000				
85				40 000			-	-
86		Riebeeck East						
87		Tools and Equipment (Replace as needed)	AFF	30 000				
88		Replace delapidated toilet structures	AFF	55 000				

89							
90				85 000		-	-
91	90/10/45/	STORMWATER					
92		Tools and Equipment (Replace as needed)	AFF	10 000		11 000	12 000
93		Stormwater Master Plan Design	AFF	400 000		500 000	600000
94		Cleaning of stormwater catchpits and pipes (Maintenance)	AFF			900 000	900000
95				410 000		1 411 000	1 512 000
96	90/10/50/	ROADS AND STREETS					
97		Tools and Equipment (Replace as needed)	AFF	10 000		11 000	12 000
98		Pothole repairs (Maintenance)	AFF			2 200 000	2 400 000
99		Resealing of roads	AFF	2 000 000		4 000 000	5 000 000
100		Repairs of sidewalks (Maintenance)	AFF			2 000 000	2 000 000
101		Construction of new sidewalks	AFF	1 000 000		3 000 000	3 000 000
102							
103				3 010 000		3 000 000	3 000 000
104	90/10/54/	PROPERTIES AND ESTATES					
105		Land & Estates					
111		Deeds Search (Server) - provide for on operating link to d/office???	AFF	20 000			
112		Upgrading of GIS	AFF	180 000			
119		Upgrading of offices	AFF	000 000		20 000 000	
116				200 000		20 000 000	-
117							
118	90/10/54/	Housing Section					

120		Double Cab	AFF	190 000			280 000	
121		Purchase of Land	AFF	200 000	1			
122				390 000	1		280 000	-
123								
124		TOTAL TECHNICAL & INFRASTRUCTURAL SERVICES		472 400	12		25 008 100	4 741 300
125								
126		CORPORATE SERVICES						
127	<u>90/30/01/</u>	ADMINISTRATION						
135		Alicedale						
136		Renovations to Kitchen	AFF	30 000				
138				30 000				
139		Riebeek East						
140		3 X Heaters	AFF	1 800				
141		2 X Fans	AFF	600				
142		1 X High Back Chair	AFF	1 200				
143				3 600			-	-
144	<u>90/30/15</u>	CITY HALL AND OFFICES						
146		Round Tables for City Hall	AFF	20 000				
148		Polisher	AFF				5 500	
149		2 X Trolleys	AFF	5 000				
150		1 X Microwave	AFF	1 000				
151		1 X Eezy Move	AFF	8 000				
152				34 000			5 500	-
153	<u>90/30/19/</u>	COMMUNITY HALLS						
154		Grahamstown						

155		Stage Curtains for Halls	AFF				40 000	
156		3 X PA System	AFF				5 500	
159		2 X Stove	AFF	15 000				
160		7 X Fridges	AFF	15 000				
161		3 X Eezy Move	AFF	8 000				
162		250 X Chairs	AFF	30 000				
163		10 X Tables	AFF	8 000				
164				76 000			45 500	-
168		Alicedale						
169		Stage Curtains Transrivier Hall	AFF				60 000	
170		Tables for Halls	AFF	10 000				
171		Polisher	AFF	5 000				
172				15 000			60 000	
173								
174								
175								
177	90/30/36/	HUMAN RESOURCES						
180		L Shaped Table and 1 Small Table	AFF	5 000				
190				5 000			-	-
191	90/30/21/	COUNCIL SUPPORT						
192		Cupboard: Speaker	AFF	10 000				
193		Air Conditioner Cllrs Offices	AFF	50 000				
194		Water Dispencers	AFF	3 000				
196		Ward 7 office		100 000				
197		Cllrs office furniture		50 000				

198								
199		TOTAL COUNCIL		213 000				
200		TOTAL CORPORATE SERVICES		376 600			111 000	-
201								
202		FINANCIAL SERVICES						
203	90/40/01/	ADMINISTRATION						
204	-	5 X Laptops for Interns	FMG	30 000				
208	-	Fax Machine	AFF	5 000				
209	-	New System	AFF	000 000	2			
210	-				2			
				035 000				-
211	90/40/01/	REVENUE						
212	-	4 X 2 LDV with canopy for meter reading	AFF				190 000	
213	-	Upgrading of meter reading system & software	AFF	500 000				
217	-	Fax Machine	AFF	3 000				
218	-	Air Conditioner cashier	AFF	8 000				
219	-	Photocopier Cashiers	AFF	7 000				
220	-			518 000			190 000	
221								
222		SUPPLY CHAIN UNIT						
223		Furniture (For New Staff)	AFF	20 000				
224		Computers	AFF					
225				20 000				
226								
227								
228		TOTAL FINANCIAL SERVICES			2		380 000	-
229				573 000				

230		COMMUNITY AND SOCIAL SERVICES						
231	90/50/55	ENVIRONMENTAL HEALTH AND CLEANSING						
232		1 X Tractor Alicedale	AFF				350 000	
233		1 X Roll on Container Truck	AFF				700 000	
234		1 X 8 Ton Tipper Truck	AFF				650 000	
238		Upgrading of Dumping Spots	AFF	150 000				
239		1 X Compaction Unit	AFF				1 300 000	
240								
241				150 000			3 000 000	-
245				-			4 300 000	-
246	90/50/63/	SPORTS GROUNDS						
247		Convert Tennis Courts - Currie St						
248		Construct Playgrounds - GHT East	AFF	150 000				
250		Resurface Dlepu Stadium Outfield B Field	AFF	75 000				
251		2 X Containers					50 000	
255		2 Weed Eaters	AFF	14 000				
256		2 x Professional Coaster Push Mowers	AFF	17 000				
257		Renovate Ablutions JD Lepu Stadium	AFF	100 000				
260		Renovate Ablutions Transriviere	AFF	50 000				
261								
262				406 000			50 000	-
263	90/50/66/	STREET ISLANDS AND VERGES						
264		Replacement Tractor Drawn Bush Cutter	AFF	40 000				
265		4 X Professional Coaster Push Mowers	AFF	35 000				

266		2 x Weed Eaters - A/dale	AFF	14 000				
267		3 X Weed Eaters	AFF	21 000				
268		Mobile Cherry Picker For Street Tree Work	AFF	250 000				
270		2 x Pole Pruners	AFF	9 000				
271								
272				369 000			-	-
273	90/50/30/	FIRE CONTROL						
274	S&S 4.4	Grahamstown						
275		2x Air Conditioners	AFF				8 000	
276		Response Vehicle	AFF				190 000	
277		1x Projector	AFF	10 000				
279		CCTV Camera	AFF	25 000				
281		Skid Unit	AFF	25 000			25 000	
282		Wire Lockers	AFF	3 000				
283		Chairs	AFF	3 000				
284				66 000			223 000	-
285	S&S 4.2	Alicedale						
286	4.2.1	Response Vehicle	AFF				190 000	
287		Water Tanker	AFF				800 000	
288		Wire lockers	AFF	2 000				
289		Filing Cabinet	AFF	2 000				
290		Building	AFF	-			1 400 000	
291		Telephone Installation	AFF	30 000				
292				34 000			2 390 000	-
293								

294	S&S	Riebeek East						
295	4.2.2	Building	AFF	-			1 400 000	
296		Wire Lockers	AFF	2 000				
297		Filing Cabinet	AFF	2 000				
298		Chair	AFF	1 000				
299		Desk	AFF					
300		Computer	AFF	6 000				
301		Telephone Installation	AFF	30 000				
302				41 000			1 400 000	-
303	90/50/15/	DISASTER MANAGEMENT						
304	S&S 3.1	Response Vehicle	AFF					
305	3.3.1	Filing Cabinet	AFF	2 000				
306	3.3.2	Chairs	AFF	1 000				
307				3 000			-	-
308								
309		LIBRARIES						
310	90/50/44/	Hill street						
311		Air Conditioner	DSRAC	300 000				
312		Upgrading of Reference Section	DSRAC	50 000				
313		Moveable Display Rack	DSRAC	8 000				
314		3x Oil Heaters	DSRAC	2 000				
315		Projector	DSRAC	10 000				
316		Microwave	DSRAC	2 000				
317		Office furniture	DSRAC	40 000				

318								
319				412 000				-
320	90/50/42/	Duna						
322		Renovation of Kitchen	DSRAC	50 000				
323		30x Chairs	DSRAC	15 000				
324								
325				65 000				-
326		Community Library (Currie Street)						
327		Blinds for the Hall	DSRAC	20 000				
329		Book Shelves	DSRAC	20 000				
330		Air Conditioner for the Hall	DSRAC	50 000				
331		White Board for the Hall	DSRAC	2 000				
332		2x Computers and 1 printer	DSRAC	20 000				
333		Afrikaans Encyclopedia	DSRAC	25 000				
334								
335				137 000				-
336	90/50/46/	Alicedale Library						
337		TV & DVD Player	DSRAC	10 000				
338		Digital Camera	DSRAC	5 000				
339		Office Furniture	DSRAC	20 000				
340		Office Fan	DSRAC	500				
341								
342				35 500				-
343	90/50/43/	Riebeeck East						

344		Circulation Desk	DSRAC	70 000				
345		Library Shelves	DSRAC	50 000				
346		Air Conditioner	DSRAC	100 000				
347								
348				220 000			-	-
349	90/50/38/	Fingo						
351		Blinds for modular library	DSRAC	30 000				
352				30 000			-	-
353								
366		TRAFFIC CONTROL						
367	90/50/60/	ADMINISTRATION						
368		2x Sedan vehicles	AFF				200 000	
370		3x Blue light cluster	AFF	15 000				
371				15 000			200 000	
372	90/50/25	DRIVERS LICENSING						
373		Driver test yard	AFF	200 000				
374								
375				200 000			-	-
376	90/50/52/	ROADWORTHY/SIGNAGE						
377		Fax Machine	AFF	4 000				
378		2x brush cutters		5 000				
379		Distance measure wheel	AFF	1 000				
380		Small tools	AFF	5 000				
382		Microwave	AFF	1 000				
383								
384				16 000			-	-

385	90/50/65/	VEHICLE LICENSING						
386		Filing system	AFF	50 000				
387		Computer	AFF	10 000				
388		Walk in safe	AFF	30 000				
389				-				
390				90 000			-	-
391								
392	90/50/12	CEMETERIES						
393		Infrastructure Kwanonzwakazi New Cemetery	AFF	100 000			100 000	
394		Infrastructure - Mayfield Extend Boundary Fence and construct gravel roads	AFF	100 000			120 000	
395				200 000			220 000	-
396								
397	90/50/18	COMMONAGE						
398		2 X Brush Cutters	AFF	17 000				
399				17 000			-	-
400	90/50/01	PARKS ADMINISTRATION						
401		Laptop ADPR	AFF					
402		Training Facility / Boardroom					250 000	
403		Change Rooms Female Staff		150 000			150 000	
404				150 000			400 000	-
405								
406	90/50/27	PARKS TRANSPORT						
407		Collection Truck	AFF				400 000	
408		4 X4 LDV (Commonage)	AFF				250 000	
409		7 Ton Water Tanker	AFF				500 000	

411		1 X 30-40 KW Tractor GHT	AFF				350 000	
413		1X 30-40 KW Tractor Alicedale	AFF				375 000	
414								
415							1 875 000	-
421		TOTAL COMMUNITY AND SOCIAL SERVICES					14 058 000	-
422								
432		MUNICIPAL MANAGER						
434							-	-
435	90/70/07/	SPECIAL PROGRAMMES UNIT						
450	90/70/06/	MEDIA & COMMUNICATION OFFICER						
453		Auto loud hailing system	AFF	5 000				
454		External hard drive	AFF	1 500				
456								
457				6 500			-	-
458								
459	10/70/03	IDP & PERFORMANCE MANAGEMENT						
461		Water Dispenser	AFF	5 000				
463		Book Binder	AFF	7 000				
470		Heater	AFF	500				
471		1x High back Chair	AFF	800				
472		2x Visitors Chair	AFF	700				
473				14 000			-	-
474	90/70/01/	EXECUTIVE SUPPORT						
477		Overhead Projector	AFF	10 000				

478		Camera	AFF	2 000				
479		Office Furniture	AFF	3 000				
480		TV MM & EC	AFF	10 000				
481		Mayoral Car	AFF				800 000	
482		Mayor Aircon	AFF	5 000				
483		Chair (Mayor)	AFF	5 000				
484								
485				35 000			800 000	-
494		TOTAL MUNICIPAL MANAGER		55 500			800 000	-
495								
496	<u>90/75/05/</u>	LOCAL ECONOMIC DEVELOPMENT						
497		Tourism Infrastructure	AFF	75 000				
498		Office Equipment	AFF	30 000				
499		Subsidising infrastructure to support SMME's	AFF	250 000				
500		Support agricultural infrastructure development	AFF	300 000				
502		New Year's projects	NDPG	20 000 000			14 270 000	
503		TOTAL LOCAL ECONOMIC DEVELOPMENT		20 655 000			14 270 000	-
504								
505		TECHNICAL & INFRASTRUCTURAL SERVICES						
520	<u>90/20/10/</u>	ELECTRICITY DISTRIBUTION						
521		Fleet Management						
522		2x 4x4 LDV's	AFF				400 000	
523		4x 4 LDV Land Cruiser type (with built in step	AFF				600 000	

		ladder)					
524		2x Small Vehicle	AFF				
525		1x 3 Ton truck	AFF			400 000	
526		1x 14 Seater Kombi	AFF				
527							
528				-		1 400 000	-
529		66KV Network Refurbishment					
530		66/11KV Grahamstown Sub. Phase 1	AFF			4 300 000	
531		2x5 or 1x10 MVA Grahamstown transformer	AFF	500 000	4		
532		Refurbish 3MVA Transformer	AFF			1 200 000	
533		Summit Breaker Upgrade	AFF			1 000 000	
534				500 000	4	6 500 000	-
535		Refurbishment & Extension 11KV Overheadlines					
540		Substations(Faulty switchgear & Overloaded t/formers)					
541		18x 11KV Substations	AFF			2 100 000	1 800 000
		Belmont	AFF	685 000			
542		Orsmond Terrace	AFF	000 000	1		
543				685 000	1	2 100 000	1 800 000
544		Safety Control and Communication					
545		Network connection to control room	AFF			660 000	755 000
546		Repeater Unit	AFF			25 000	
547		Portable radio's	AFF			20 000	
548							
549				-		705 000	755 000
550		Upgrade of Faulty 11KV					

		Underground Cables						
551		Florence to Seymour (replacement)	AFF				570 000	
552		Summit to Central (upgrade)	AFF				2 900 900	
553		Grey to Caravan Park (security of supply)	AFF				500 000	
554								
555				-			3 970 900	-
556		Ad-hoc Connections (Infrastructure & New Developments)						
557		Ad-hoc Connections	AFF				440 000	560 000
558				-			440 000	560 000
559		Low Voltage Network Conversion overhead to underground						
560								
561		Blackbeard Str	AFF				400 000	
562		Donkin Str	AFF				450 000	
563		Removal of faulty T-joints in Somerset, High and New str	AFF				200 000	
564		Replacement of rotten poles	AFF				530 000	470 000
565								
566				-			1 580 000	470 000
567		Substations Security						
568		Alarms and camera security alert	AFF				750 000	300 000
569		Security fencing	AFF				550 000	400 000
570		Steel doors	AFF				250 000	200 000
571								
572				-			1 550 000	900 000
573		Stolen Earth Replacement						
574		Earthing Electrode	AFF				850 000	150 000

575				-			850 000	150 000
576		Electrification						
577		Mayfield	AFF					
578		Fort brown & Seven fountains	AFF				1 750 000	
579		Miki Yili	AFF				1 400 000	
580		Infill Areas	AFF				1 500 000	
581		Seven Fountains	AFF	000 000	1			
582				000 000	1		4 650 000	-
583		Network Protection Upgrade						
584		Protection	AFF	900 000			1 490 000	800 000
585				900 000			1 490 000	800 000
586		Equipment						
587		Safety Equipment	AFF				130 000	40 000
588		HighVoltage testing instruments	AFF				850 000	400 000
589		Protection, design and maintenance software	AFF				150 000	
590		350 KVA Mobi Silent Generator	AFF					
591								
592				-			1 130 000	440 000
593		Safety in Accordance with OHS Act Requirement						
594		Workshop	AFF				400 000	300 000
595		Substations	AFF				500 000	200 000
596			AFF					
597				-			900 000	500 000
598		STREETLIGHTS & HIGHMASTS						
599		Upgrade & Replace Streetlights Town	NEG				2 040 000	300 000

600	Upgrade & Replace Streetlights High Str	AFF	600 000			560 000	
601	Extension of DR Jacob Zuma drive Streetlight	NEG				630 000	400 000
602	Extension of streetlights Cradock Heights	AFF				100 000	
603	Upgrade & replace streetlights Alicedale	AFF				100 000	
604	Construction of Joza mini highmast	AFF					
605	Area lighting	AFF				480 000	100 000
606	Decorations	AFF				250 000	150 000
607	Upgrade & Replace of robots in grahamstown	AFF				600 000	300 000
608			600 000			4 760 000	1 250 000
609	ENERGY MANAGEMENT						
610	Smart metering (pre- paid meter upgrade)	NEG				1 100 000	300 000
611	Energy management	NEG					
612	Ripple system upgrade	NEG	1 000 000				
613	Electricity Demand Side Management Grant	DME				1 780 000	
614			1 000 000			2 880 000	300 000
615	ALICEDALE NETWORK UPGRADE						
616	Overhead lines	AFF				400 000	300 000
617	11 KV underground cable	AFF				1 250 000	450 000
618							
619			-			1 650 000	750 000
620	REFURBISHMENT & EXTENTION 11 KV OVERHEAD LINES						
621	Howisins Port	AFF	600 000				
622	District	AFF				660 000	
623	Stones Hill	AFF				440 000	
624						1 100 000	-

				600 000				
625								
626		TOTAL ELECTRICITY		285 000			37 655 900	8 675 000
627								
628		WATER						
629	90/10/60/	PUMPING AND PURIFICATION						
630		Waainek						
631		Office Lab Equipment	AFF	150 000				
632		1x LDV	AFF				150 000	
633		Tools & Equipment	AFF	10 000				
634		Jar Stirrer	AFF	45 000				
635		O&M Manuals	AFF					
636		Water Recycling System upgrade/ Backwash system	AFF	200 000				
637		Upgrading of restroom	AFF	60 000				
638		Replacement of gate valves (Maintenance)	AFF					
639		Construction of analysis laboratory	AFF	200 000				
640								
641				665 000			150 000	-
642		Alicedale WTP						
643		Tools & Equipment	AFF	10 000				
644		Laboratory Equipment	AFF	50 000				
645		Office Equipment	AFF					
646		Jar Stirrer	AFF	45 000				
647		1x Edge trimmer	AFF	5 000				
648		Upgrade/Automation of dosing system	AFF	100 000				
649		Upgrading of inlet/	AFF					

		headworks of treatment works		100 000				
650		Replacement of gate valves (Maintenance)	AFF					
651								
652				310 000			-	-
653		Riebeek East						
654		2 x dosing pumps	AFF	20 000				
655		Upgrading/Automation of dosing system	AFF	50 000				
656		Upgrading of settling tanks	AFF	200 000				
657		Upgrading of inlet/headworks of Treatment works	AFF	100 000				
658		1x Edge trimmer	AFF	5 000				
659		Laboratory equipment	AFF	50 000				
660		Tools & Equipment	AFF	5 000				
661				430 000			-	-
662	<u>90/10/65/</u>	JAMES KLEYNHANS						
663		Tools & Equipment	AFF	6 000				
664		Jar Stirrer	AFF	5 000				
665		Wireless telephone system	AFF	10 000				
666								
667				21 000			-	-
668	<u>90/10/70/</u>	WATER RETICULATION						
669		Grahamstown						
670		1 x compaction unit - Bomag	AFF	70 000				
671		1 x Tipper truck	AFF			600 000		
672		Replace 4km asbestos pipe (160 & 110mm) (Maintenance)	AFF					
673		2X LDV's	AFF			150 000		
674		Upgrading of Store rooms	AFF	20 000				

		and rest room					
675		Tools and equipment	AFF	60 000			
676		WSDP Review to opex???	AFF				
677		Water Services Master Plan	AFF	200 000			
678		Water Tanker this year	AFF				
679		Development Of Maintenance Strategy (Professional fees)	AFF				
680				350 000		750 000	-
681		Alicedale					
682		Tools and equipment	AFF	10 000			
683		Replace 0.5km asbestos pipe (160 & 110mm) (Maintenance)	AFF				
684				10 000		-	-
685		Riebeek East					
686		Tools and equipment	AFF	8 000			
687		Replacement of 0.5km asbestos pipe (Maintenance)	AFF				
688							
689				8 000		-	-
690							
691		WATER ADMINISTRATION					
692		DBSA LOAN FUNDED PROJECTS	LOAN	43 000 000			
693							
694		WATER CONSERVATION AND DEMAND MANAGEMENT					
695		Manufacture fitting for 3 Magflows	DWA	90 000			
696		Installation costs Magflow meters	DWA	60 000			
697		Telemetry Upgrade	DWA	275 110			

698		10x Teleloggers	DWA	200 000				
699		Fittings for District meters	DWA	145 000				
700		23x Toolkits	DWA	87 400				
701		ECTC Training, Accomodation & Transport (Opex)	DWA	-				
702		20x Install District meters	DWA	200 000				
703		Water loss investigation @ R750 000/month (Opex)	DWA	-				
704		Night Flow logging	DWA	80 000				
705		Upgrade security fencing @ 5 Reserviors	DWA	020 000	1			
706		Security Radio System	DWA	220 000				
707		10x District Metters	DWA	75 000				
708		Publicity material/marketing (Opex)	DWA	-				
709		School campaign (Opex)	DWA	-				
710		PSP Management	DWA	400 000				
711				852 510	2		-	-
712								
713								
714		TOTAL WATER		646 510	47		900 000	-
715								
716	90/	MIG PROJECTS						
717		Conversion of VIP's to Waterborne sanitation at Lower Makana	MIG	880 000	1		10 000 000	
718		Upgrading of bulk water at James Kleynhans	MIG	275 500	12			
719		Ext. 6 sewer reticulation Phase 2 - stage 2	MIG	000 000	10		10 400 000	

720		Riebeeck East Oxidation Ponds	MIG	860 000	3			
721		Construction of Extension 6 toilets	MIG	-			9 153 550	
725		TOTAL MIG		015 500	28		29 553 550	31 262 600
726		TOTAL CAPITAL BUDGET		124 736 010			122 736 550	44 678 900
FUNDING SOURCES - CAPITAL BUDGET								
			AFF	23 923 500			75 843 000	416 300 ¹³
			GRANTS:					
			MIG	28 030 500			29 553 550	262 600 ³¹
			MSIG				-	-
			NDPG	20 000 000			14 270 000	-
			FMG	30 000				
			DME	6 000 000				
			DBSA LOAN	43 000 000			-	-
			DWA	2 852 510				
			DSRAC	899 500				
				124 736 010			119 666 550	44 678 900