



Ikwezi Local Municipality

Integrated Development Plan 2014-2017 (Final 2016/17)



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Arise and Deliver



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FOREWORD FROM THE MAYOR:

The Integrated Development Plan is the Municipality's five-year strategic plan. This year we are going toward the last review of our five year Plan. There have been many high-lights and achievements since 2012 but of course there have also been challenges along the way.

Some of the positive initiatives that will benefit the community of Ikwezi in future include:

- The creation of sustainable Tourism;
- The revitalization of the railway in Klipplaat;
- Jansenville water intervention project - Ikwezi Bulk Water Supply;
- Renewable energy and energy efficiency technologies;
- Skills Development Programme aimed at training young people within the Ikwezi Municipality on renewable energy and energy efficiency technologies;
- Job creation through the Community Works Programme and the Expanded Public Works Programme

We can't talk of our achievements in isolation without touching on the challenges that we have faced during the past financial year. The challenges were twofold and the one impacted on the other namely skills shortages and severe financial constraints. Seventy-five percent of the Top Management posts are vacant and the fact that the municipality has not had a permanent Chief Financial Officer, Technical Director or Municipal Manager for a number of years has severely impacted on service delivery and financial management.

With the upcoming Local Government Election on the 3rd of August 2016, Ikwezi Municipality will be disestablished together with Bavians and Camdeboo municipalities. A new, larger municipality (Dr. Beyer's Naude Local Municipality) will be established with 24 Councillors. The political and administrative seat will be situated in Graaff-Reinet.

Accordingly we, as Ikwezi Council, will hand over the reins to the Dr. Beyer's Naude municipal Council and wish them every success for their term of office.

While, like every municipality across South Africa, the municipality has faced employment challenge but we can proudly say that we have made strides in reducing unemployment amongst the residents and youth in the area.

I also take this opportunity to thank the administration and Councillors for their dedication and perseverance during the good and in tiring times.

Regards,

Sizwe Mngwevu

Ikwezi Mayor

OVERVIEW: IKWEZI LOCAL MUNICIPALITY

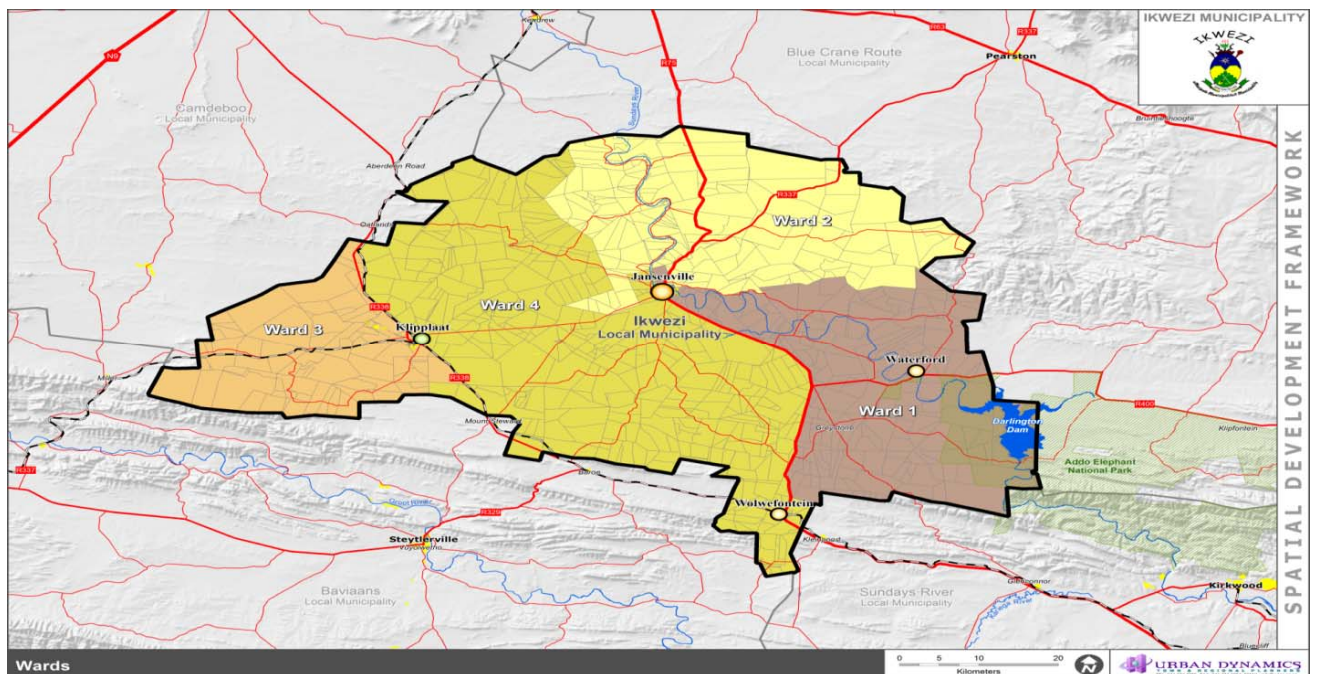
Ikwezi Local Municipality is situated in the Eastern Cape and is one of nine local municipalities established within the Sarah Baartman District Municipality Area. The Municipal area comprises 456 272ha and is characterised by large rural areas with very low population densities and a number of relatively small urban nodes. Jansenville (main town and administrative centre) and Klipplaat are the biggest urban areas, with smaller rural settlements, i.e. Waterford and Wolwefontein. It is estimated that the Ikwezi Municipality has a population of 10 537 (Census 2011).

The municipal area is mainly flat and includes the upper reaches of the Sunday's River. Nama-karoo biome is prominent in the North with Subtropical thicket in the East. The two towns are steeped in history dating back to the 19th century and have a number of buildings of interest and heritage sites that need to be preserved

GEOGRAPHIC DESCRIPTION

The following map represents the geographic location of Ikwezi Municipality and its four wards.

Map no. 1



Ikwezi Local Municipality falls within the jurisdiction of the Sarah Baartman District Municipality. The municipality is abutted by the boundaries of Blue Crane Route (East), Camdeboo (North) and Baviaans (West) municipal areas.

In 2011, the extent of Ikwezi municipality covered an area of four thousand and five hundred and sixty two square kilometres (4,562.72km²) which was delimited into four wards with a total of seven councillors. The municipality has a population of 10 537 occupying an estimated 2 915 households with an average household size is 3.6 inhabitants.

The physical area is characterized by vast rural hinterland, comprising of privately owned farms where most of the agricultural activities take place. The economy is based on social services and government spending, with strong roots in the agriculture sector. The primary urban area is Jansenville; Klipplaat is a secondary service centre; Waterford a small rural node and Wolwefontein a tiny railway settlement.

The largest concentration of people is found in Jansenville, which is made up of Ward 1, 2 and the rural hinterland surrounding it. Nodes and settlements include

- WARD 1 consists of a portion of Mauritius, Waterford, Jansenville West and East, including the CDB area, 7de Laan and a portion of Holland.
- WARD 2 consists of a portion of Mauritius, Diep Kloof, Phumlani, Borchards, Draai, Brickfields and a portion of Holland.
- WARD 3 consists of Princevale, Wongalethu and Klipplaat Central.
- WARD 4 consists of Klipplaat Town, Dan Sandi View and Wolwefontein

The key economic drivers of the District and the Ikwezi Municipality are the administrative functions of larger towns and the agricultural sector.

Ikwezi Local Municipality Vision and Mission

The Ikwezi Local Municipality have developed a community driven vision and mission statement, to provide strategic direction for all planning and service delivery activities in the Municipality.

IKWEZI VISION AND MISSION STATEMENT

Ikwezi Local Municipality had adopted the following vision and mission;

VISION:

We strive to be an economically self-sustainable and socially responsive municipality, committed to improve the quality of life of Ikwezi residents.

MISSION:

- We believe our primary responsibility is with the residents of Ikwezi by providing quality services promoting and deepening democracy, stimulate socio-economic development and promote active citizenship, whilst recognizing the value and mutual benefits of networking and strategic partnership.



VALUES

Ikwezi Municipality identified a set of core values that bind everyone in the institution. They are:

- Integrity/ Trust
- Innovation / Fun
- Accountability
- Excellence

PRIORITIES, OBJECTIVES AND STRATEGIES.

3.2.1.2 PRIORITIES, OBJECTIVES AND STRATEGIES.

Based on the situational analysis and prompted by the needs of the community of Ikwezi, the municipality will continue its focus on the five priorities to guide the allocation of scarce resources

Ikwezi Municipality has identified development priorities as follows:

- Rural Economic Development and Investment
- Infrastructure investment
- Institutional Growth and Development
- Human Development (building the people of Ikwezi)
- Social Transformation

To conform to the alignment of budget allocations of the various Organs of State investing in the municipality, the Strategic Objectives are informed by the Outcome approach as indicated in the table below:-

Objectives	Priorities
Create decent employment through inclusive economic growth	Rural Economic Development and Investment
Support the development of active, equitable and sustainable rural communities contributing towards food security for all	Rural Economic Development and Investment
Facilitate sustainable human settlements and improve the quality of household life	Infrastructure investment
Strive to create responsive, accountable, effective and efficient Local Government Systems	Institutional Growth and Development
Contribute to an efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.	Human Development (building the people of Ikwezi)
Create conditions to enhance social cohesion	Social Transformation

As part of the SDF prioritisation and spatial visioning process, the following SDF Key Issues were identified which supports the IDP priorities and Municipal vision.

TOWN	SDF KEY ISSUES
Jansenville	<ul style="list-style-type: none"> - Upgrade bulk water supply and water quality. - Improve and expand Mohair industry including wool factory. - Improve retail facilities, i.e. petrol filling station and shopping centre. - Address housing back log and inadequate housing provision. - Research and market with respect to the Aloe industry. - Provide multi-media centre. - Improve FET College and health facilities. - Expansion of commonage and manage communal grazing. - Provide adequate church facilities. - Facilitate expansion of industrial areas.
Klipplaat	<ul style="list-style-type: none"> - Revival of railway line and rail industry. - Improve access to Klipplaat with specific reference to R337 and R338. - Improve commercial facilities i.e shopping and petrol filling station. - Support and expand Mohair textile facility on hardwood farm ground. - Establish multipurpose and youth centre, including provision of swimming pool and upgrading of parks. - Revitalisation and renovation of Klipfontein Dam. - Make provision for expansion of commonage and communal grazing.
Wolwefontein	<ul style="list-style-type: none"> - Provision of land for commonage expansion. - Provide housing.
Waterford	<ul style="list-style-type: none"> - Improve Sports Field.

Table : SDF Issues

The situation analysis and strategy formulation for the Spatial Development Framework will be guided by the Ward based priorities, IDP priorities, objectives and strategies and issues identified as part of the SDF prioritization process.

Based on the situational analysis and prompted by the needs of the community of Ikwezi, the municipality will continue its focus on the five priorities to guide the allocation of scarce resources

Ikwezi Municipality has identified development priorities as follows:

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- Social Transformation

CHAPTER ONE

1. 5-YEAR INTEGRATED DEVELOPMENT PLANNING: 2013/14 TO 2016/2017

1.1. IDP PROCESS 2016/17 PLANNING CYCLE

The Integrated Development Plan (IDP) is a five-year plan that may be reviewed annually in accordance with the monitoring and evaluation of existing performance and changing circumstances. It is the strategic planning tool for driving developmental local government and enabled the Municipality to identify its priorities and develop strategies to guide development projects over the short to medium term. The planning process did not fully adhere to some of the phases in the planning cycle. A strategy will be formulated after August 2016 to facilitate the consultative process with external stakeholders and communities to discuss the impact of the amalgamation and implementation of projects for during 2016/17.

The integrated development planning methodology adopted by Ikwezi Local Municipality comprises five interrelated phases namely;

- Analysis
- Strategies
- Projects
- Integration
- Approval

The analysis phase aims to assess the existing level of development within the municipality through analysis of the prevailing environment and impact thereof (and assumptions) of the inhabitants in the municipality. The analysis process also facilitates the identification and analysis of the environmental challenges facing the municipality and allows the municipality to mitigate these challenges. Based on the foregoing analysis, priorities were derived to enable the municipality to channel fiscal allocations to areas of identified needs.

Unfortunately Ikwezi municipality has been faced with serious challenges during 2015, most of which still prevail. Most key strategic positions were vacant including the post of the IDP Manager. Officials from various institutions were seconded or deployed to assist Ikwezi, some for long periods and others for a day or two a week, and this has also impacted on the situation. In addition an enormous amount of institutional knowledge has been lost and as a result some of the planning activities that were scheduled for in 2015, as per the adopted Process Plan, had not occurred. IDP Representative Forum Meetings were not held and community consultation also suffered as a result.

The municipality tried to get the planning back on track and an Ikwezi Budget and IDP Steering Committee meeting was held in March 2016 and an amended Action Plan was adopted. Despite these efforts the municipality was not in a position to table the Draft IDP under review for 2016/17 by 31 March 2016.

Currently an Acting Municipal Manager is seconded from Sarah Baartman District Municipality for three days a week (Tuesday to Thursday). The Engineer and CFO stationed in Camdeboo have also been assigned to oversee operational issues at Ikwezi from time to time. In addition the municipality, with the support of ECCoGTA and SBDM will facilitate priority alignment between objectives, strategies and projects. These initiatives will go a long way to ensure the finalization of the Final IDP for implementation by 1 July 2016.

1.1.2 FRAMEWORK GUIDE FOR CREDIBLE IDP's

A Credible IDP Framework Guide has been developed by the Department of Cooperative Governance. The objective of the framework guide is to provide a standardized reference point for municipalities with respect to their key service delivery, governance and management obligations. The framework also serves as an enabling tool for the drafting of the IDP and facilitates compliance with the Municipal Systems Act.

The framework outlines six key focus areas namely:-

- Spatial Development Framework
- Service Delivery
- Financial Viability
- Local Economic Development
- Good Governance and Public Participation
- Institutional Arrangements

Cognizance will also be taken of the Revised IDP Framework Guide.

1.1.3 IDP PROCESS PLAN FOR THE 2015/16 PLANNING CYCLE

The Process plan was adopted by Council in August 2015. The Budget and IDP Steering Committee met on 22 March 2016 to consider and amend the Process Plan.

The Process Plan outlines the path to be undertaken during the 2016/2017 planning cycle and furthermore identified the establishment of the following mechanisms for public participation in the planning process.

- Ikwezi IDP Representative Forum.
- Ikwezi IDP Steering Committee
- Ward Committees
- Review Ward Planning and Outreaches
- Community Development Workers Programme

IKWEZI IDP REPRESENTATIVE FORUM

The Ikwezi IDP Representative Forum is established to ensure that there is representation of the various organized groups within the municipal area. The IDP Representative Forum is a mechanism established to enable discussion, negotiation and decision-making between key stakeholders within the municipal area and the municipality as an institution. The Representative Forum is chaired by the Mayor.

Ikwezi IDP Representative Forum meetings were not convened during the 2015/16 financial year.

IKWEZI IDP STEERING COMMITTEE

The Senior Management of the Municipality meets prior to IDP Representative Forum meetings to look at the technical and strategic aspects that need to be lifted for decisions during the Representative Forum debates and any other Strategic Sessions. The Political leadership also attends Steering Committee Meetings especially when priority issues are considered for the development of Strategic Objectives. A Steering Committee Meeting was held in March 2016.

WARD COMMITTEES

Prior to 2011 Ikwezi was a plenary municipality without a ward participatory system, which effectively meant that Ikwezi did not have any demarcated wards. This changed in 2011 when Ikwezi municipality was established as a new plenary municipality with a ward participatory system. Four Ward Committees had been established, each consisting of ten members and chaired by the Ward Councillor listed in the table below.

Table 70: Chairpersons of ward committees

Ward Councillors	Ward Number
Katie Hendricks	1
Asanda Mboneni	2
Lundi Ntame	3
Margaret Bonaparte	4

The municipality has successfully supported the ward committees with office space and basic operational equipment. All of the Ward Committee Members received training in 2013/14 financial year

The main purpose of the ward committee system is to enhance participatory democracy in local government and to make recommendations on matters affecting their wards through the Ward Councillor. Ward committees play a critical role in local planning initiatives by:-

Creating a formal communication channel and promoting co-operative partnerships between the community and the municipality;

Mobilizing the community to participate in the IDP and budget processes.

Ward Committees are also the custodians of the Ward Plans, especially tracking the implementation of projects and monitoring and evaluating the outcome.

Ikwezi ward based planning meetings did not take place during 2015/16.

IKWEZI REVIEW OF WSB & OUTREACH PROGRAMME

For the IDP Review process 2015/16 the municipality undertook sessions in wards to review the ward based priorities determined in 2014/15.

Community engagement sessions took place later than anticipated but nevertheless had been conducted in the entire area in respect of the 2015/16 planning cycle. With these efforts the municipality has increased community participation and created an opportunity for the community to express their views and identify their needs. These ward outreaches will also improve the communities control over planning.

The outcome of the municipality's belated engagement session with the communities in March 2015 for the IDP 2015/16 cycle is summarised in the table below. It is concluded that ward needs have not changed drastically over the year and Council will also consider the determinations made hereunder, during the Final IDP under review for the 2016/17 financial year.

Ward 1	Waterford	Ward 2	Ward 3	Ward 4
Water quality		Water – Phumlani & Venterville		Water connection – all houses
	Sanitation	Sanitation, School	Fencing of sewerage ponds	Sanitation
Internal streets (paving)	Provincial Gravel Road	Internal roads	Paving	
Storm water management				
Rectification of Houses	Housing	Rectification of houses in Veneter	Rectification of old houses – roofing	Rectification of roofs

		Brick making project		Work creation & sustainable livelihoods
		Fencing heritage sites	Fencing and cleaning of heritage sites	
Sport and Recreation (Sport field)		Sport facilities		Sport and Recreation (Sport field)
Parks		Parks and swimming pool		
		Upgrade electricity		Electricity – street lights
	Electricity		Bank facilities	Bank facilities
	FBS	Grazing land (Proefplaas)		Land for emerging farmers
Refurbish old infrastructure		Refurbish old infrastructure		

Table 71: Reviewed Ward Based Needs 2015/16

Under the prevailing circumstances the municipality has not conducted ward outreaches, nor reported on the performance of implemented projects during the 2015/16 cycle. A Draft IDP was not tabled and accordingly comments could not be considered before final adoption of the 2016/17 IDP in June 2016.

The municipality will use the reviewed ward based priorities to prioritise projects within the financial means at the disposal of the municipality. The allocation of funding will be guided by the settlement pattern and hierarchy afforded to level 1 (primary node); 2 (secondary node) and 3 (rural nodes) settlements.

COMMUNITY DEVELOPMENT WORKERS

Community Development Workers were introduced with the primary aim of assisting local communities in accessing government services. Four Community Development Workers, one per ward, are deployed in Ikwezi Municipality to bring government closer to the people.

The CDWs have an important role to play in supporting ward committees by:

Ensuring that ward committees and civil society are informed on government support initiatives and services.

Providing technical support (compiling reports and documents for example) to ward committees, to monitor community projects and heighten the municipality's accountability within communities.

It was recognized that the collaboration between the municipality and CDWs need to be approached within clearly defined terms of reference and formalized accordingly. The Municipal Manager of Ikwezi Municipality has signed a Memorandum of Understanding with Cogta. The CogtaEC is working closely with the Municipality to ensure that CDW's execute their duties efficiently.

1.1.4 IDP ASSESSMENT FINDINGS 2012/13 TO 2015/16

Ikwezi Municipality's Final IDP under review for 2015/16 was assessed in August 2015 and although the high overall rating was maintained, KPA 2 (Service Delivery) contained some shortcomings identified by the Service Delivery Sub-commissions which proved difficult to address due to key vacant infrastructure posts. (Director and PMU). Ikwezi regressed from a high in 2014 to a medium in the 2015 Assessment in respect of the Finance KPA. Likewise the gaps identified in the KPA for Financial Planning also posed a challenge due to vacancies (Chief Financial Officer) and the loss of institutional memory. The IDP Assessment findings in respect of the 2012/13 to 2015/2016 financial years are reflected hereunder:-

IKWEZI LOCAL MUNICIPALITY							
KPAs	KPA 1 SDF	KPA 2 SERVICE DEL.	KPA 3 FINANCE	KPA 4 LED	KPA 5 GOOD GOV.	KPA 6 INSTITU= TIONAL	OVERALL SCORE
2012/13	High	High	High	High	High	High	High
2013/14	High	Med.	Med.	High	High	High	High
2014/15	High	High	High	High	High	High	High
2015/16	High	High	Med.	High	High	High	High

MEC COMMENTS

The findings identified by the MEC during the 2015 Assessment, raised as concerns by the various Commissions, were consolidated and listed as challenges. For the purpose of the 2016/17 IDP under review it was decided to consolidate these challenges within individual Chapters dealing with respective KPAs. Therefore the MEC Comments that have a direct bearing on KPA 5 - Good Governance and Public Participation will be discussed in that section.

Where possible the MEC comments were addressed and the remedial recommendations implemented either by the various departments within the institution or with the support of Sector and Provincial Departments. The main areas of concern were raised around coordinated planning, the audit function and complaints management.

1.1.5 COMMUNICATION AND PUBLIC PARTICIPATION

The communication function resorts in the office of the Municipal Manager. Sarah Baartman Municipality developed a district-wide Communication Strategy which was localized by Ikwezi and tabled to council during 2010. The action plan in the Communications Strategy is reviewed annually and was adopted by Council in 2010. The strategy is intended to improve public participation in the local government affairs of the municipality

The Ikwezi Local Communicator's Forum was established but has since floundered. It is likely that a uniform Communication Strategy and Action Plan will be considered after amalgamation in August 2016.

Ikwezi Local Municipality participates in the Sarah Baartman District Communicator's Forum, which is held quarterly. At these meetings reports are submitted and challenges discussed that affect the Ikwezi area.

The following methods are used to raise public awareness with regard to municipal affairs.

- Imbizo's / Road shows
- Political Outreaches
- Library
- Notice boards
- Sarah Baartman News
- Ward Committees submit monthly reports of meetings to Council.

The quarterly Ikwezi Chronicle is no longer being published.

Ikwezi Local Municipality has developed a website. The purpose of the site is to widen public participation and enhance legal compliance as prescribed by Section 21B (1) of the Municipal Systems Act. Currently the website is out of commission.

IT Interns were contracted by Ikwezi Municipality for a period of two years. External support is also rendered by a local service provider.

- The location and safety conditions of the current server room are not up to standard and alternative options must be found.
- Develop a uniform IT Policy for the three amalgamating municipalities.

1.1.5.1 BARRIERS WITH REGARD TO IMPLEMENTATION OF PUBLIC PARTICIPATION CAMPAIGNS

Ideally the municipality would like to establish a Unit with dedicated staff to deal with public participation but financial constraints dictate that multifunctional staff utilization be applied to perform this function. Despite the low population density, the vastness of the area makes it difficult to engage and communicate effectively with the farming communities.

CHAPTER TWO

2.1 EXTERNAL & INTERNAL SITUATIONAL ANALYSIS – IKWEZI AREA

The analysis phase aims to assess the existing level of development within the Municipality through the study of the prevailing environment, the impact thereof on the inhabitants of the area and by taking cognizance of community perceptions and ultimately their needs. It also makes provision for the identification and analysis of the environmental challenges facing Ikwezi and allows the Municipality to effectively mitigate challenges.

The analysis phase is the cornerstone of the IDP as it informs the ensuing phases. Likewise municipal planning, budgeting, decision making and service delivery are orchestrated through the IDP, therefore it is critical for the analysis phase to provide an accurate understanding of the prevailing situation to guide the development of a credible Strategic Plan

This section provides an analysis of the external and internal dimensions hereunder, which have a direct impact on development in Ikwezi Local Municipality.

2.2 DEMOGRAPHIC ANALYSIS

The demographic profile in the study area is made up of both urban and rural dynamics. During the life-span of the current five year IDP, various data sources were used progressively during each planning review process, ranging from StatsSA Census 2001, Community Survey 2007 and ultimately updated by the StatsSA Census 2011.

2.2.1 POPULATION AND POPULATION DENSITY

According to the 2011 Population Census conducted by Statistics South Africa the total population of the Eastern Cape Province is 6 562 053 people and the total population of the Sarah Baartman District is 450 584. As indicated by the statistical information above, Ikwezi accounts for 2.3% of the Sarah Baartman District and 0.16% of the Eastern Cape Provincial population. Geographically Ikwezi makes up 7.8% of the District municipality's landmass, with a low population density of 2.3 per km², which is much lower than the District average of 7.7 persons per km².

Table 1: Population and extent of Area km² - EC, CDM and ILM

StatsSA 2011	Province of the Eastern Cape	Sarah Baartman District Municipality	Ikwezi Local Municipality
Total Population	6 562 053	450 584	10 537
Area km ²	168 966 km ²	58 243.3 km ²	4562.72 km ²

Source: StatsSA 2011

2.2.2 POPULATION GROWTH RATE

The population of Ikwezi has increased by approximately 170 people over the past 10 years. This is reflective of a 0.2% average population growth rate per annum from 2001 to 2011. The slow population growth rate can possibly be attributed to a relatively stable migration trend, with limited outward movement in search of employment in Graaff Reinet and Port Elizabeth. The average population growth rate experienced throughout the Sarah Baartman District over the same period is much higher, at 1.6% per annum.

Table 2: Population Growth Rate and Projections per Ward

Population Growth over time		2001	2011	% Growth / Decline 2001 to 2011	% Growth / Decline p.a.
Ikwezi Population		10 367	10 537	1.6	0.16
	Population	Household	Household size	Growth rate 1.1% 2014-22	Growth rate 2% 2014-22
Period	2011	2011	2011	2022	2022
Ward 1	2 468	675	3.7	272	494
Ward 2	4 044	1 086	3.7	445	809
Ward 3	1 565	491	3.2	172	313
Ward 4	2 460	662	3.7	271	492
Ikwezi Area	10 537	2 915	3.6	1 159	2 107

Source: StatsSA

The table above specifies the growth rate and population projections for the next ten years. Planning will consider these population projections as it crafts its long-term vision and these will inform key strategic decisions to suit future development requirements.

The following key observations are noted:

- The 2011 Census Stats SA indicates a total population of 10 537, for the Ikwezi municipal area, comprising of 2 915 households.
- It is estimated that the population will grow in line with the National average of 1.1% between 2014 and 2022.
- The estimated population growth will result in an increase of approximately 1 159 persons over a 10 year planning horizon

2.2.3 AGE DISTRIBUTION

Roughly 6 409 or 61% of the population in Ikwezi Local Municipality are under the age of 35 and 31% of these are younger than 15 years of age. Approximately 7% of the population in the municipality area are over the age of 64. The potential working age population consisting of inhabitants falling within the age bracket of 15 to 64 accounts for 62%. The overall dependency ratio for the entire municipal area is 61.4% or 61:100 (rounded off).

Table 3: Ikwezi Age distribution

DEMOGRAPHICS	IKWEZI AREA (STATSSA 2001)	IKWEZI AREA (STATSSA 2011)		GROWTH % p.a.
Ikwezi Total Population	10 367	10 537	170	0.16
Age distribution				
0-14	3 301	3 274	31.1%	-0.08
15-64	6 336	6 529	62.0%	0.30
65+	733	734	7.0	0.01

Source: StatsSA

The high number of young people requires intergovernmental planning efforts to jointly focus on providing sport and recreation facilities in addition to access to improved education choices. Sport in particular plays an important part in youth development and relevant role-players should form partnerships to promote sport initiatives and youth programmes in Ikwezi. The high number of children could also be an indication of a dependency on child support grants.

Table 4: Sarah Baartman District-wide Age distribution

DEMOGRAPHICS	SARAH BAARTMAN DM (STATSSA 1996)	SARAH BAARTMAN DM (STATSSA 2001)	SARAH BAARTMAN DM (STATSSA 2011)	Growth rate 2001-11 p.a.
Sarah Baartman Total Population	370 159	388 206	450 584	1.6
Age distribution	1996	2001	2011	
0-14	114 875	110 724	122 602	
15-64	227 485	251 548	296 436	
65+	23 266	25 935	31 546	

Source: StatsSA

At Sarah Baartman District level the dependency trend is slightly lower with only 24.2% of the population under the age of 15 and inhabitants over 64 years of age level pegging at 7%. The total working-age population in Ikwezi is 62% which is close on 4% lower than the 65.8% living in the Sarah Baartman District area.

2.2.4 GENDER DISTRIBUTION

In total males constitute 48% of the population and females 52%. This closely resembles the gender breakdown found in District where 49% of the population are male and 51% female. Municipal planning takes cognizance of the gender distribution in the Municipality and the Special Programmes Unit has established Ikwezi Women's Forum. Municipality initiatives consider the mainstreaming of previously disadvantaged groups as a priority in all development activities.

Table 5: Ikwezi Gender Ratio

DEMOGRAPHICS	IKWEZI AREA (STATSSA 2001)	IKWEZI AREA (STATSSA 2011)	%	GROWTH % p.a.
Gender	10 370	10 537		
Male	4 926	5 055	48.0	0.26
Female	5 444	5 482	52.0	0.07

Source: StatsSA

Table 5: Sarah Baartman District-wide Gender

DEMOGRAPHICS	SARAH BAARTMAN DM (STATSSA 1996)	SARAH BAARTMAN DM (STATSSA 2001)	SARAH BAARTMAN DM (STATSSA 2011)	Dependency
Gender	370 159	388 206	450 584	
Male	179 102	185 919	220 246	96 : 100
Female	191 057	202 287	230 338	51.1%

Source: StatsSA

2.2.5 GENDER OF HEAD OF HOUSEHOLD

According to StatsSA an 8.9% increase has occurred, from 32.5% to 41.4%, in respect of female headed households between 2001 and 2011. The increase is relatively high considering that the population growth rate has been very low over a 10 year period and the male to female sex ratio has remained almost unchanged. This could be reflective of males migrating in search of employment opportunities outside of the municipal area or the occurrence of single mothers deciding to create a basis for their young with the option of marriage later in life.

Table 7: Ikwezi Age Distribution of Head of Household Gender

DEMOGRAPHICS	IKWEZI AREA (STATSSA 2001)	IKWEZI AREA (STATSSA 2011)	%	GROWTH % p.a.
Head of Household: Gender	2 754	2 915		
Male	1 860	1 708	58.6	-0.82
Female	894	1 207	41.4	3.5

Source: StatsSA

Female headed households are also increasing over time and planning must take this into account as the table below suggests that this is a district-wide phenomenon, especially safety features in house designs and high mast lighting and communication must be considered.

Table 8: Sarah Baartman District-wide Head of Household Gender

DEMOGRAPHICS	SARAH BAARTMAN DM (STATSSA 1996)	SARAH BAARTMAN DM (STATSSA 2001)	SARAH BAARTMAN DM (STATSSA 2011)	%
Head of Household Total: Gender	83 291	100 308	125 632	
% Female headed HH	29.6	34.9	38.5	
Female	24 657	34 967	48 313	3.8

Source: StatsSA

2.2.6 MARITAL STATUS 2011

Statistical information indicates that 32.8% of the population are married.

Table 9: Distribution of the population by marital status 2011

	Married	Never Married	Widow /er	Divorced	Total
Ikwezi	3 465	6 542	404	127	10 538

Source: StatsSA

2.2.7 LANGUAGE AND RACIAL DISTRIBUTION

The largest segment (68.5% - StatsSA 2011) of the population in Ikwezi speaks Afrikaans, followed by 25.4% communicating in IsiXhosa. Business, private and public institutions should attempt to render services in the languages most commonly spoken in the area. Stats 2011 also indicates that the majority of the population (93.9%) living in Ikwezi, were born in the Eastern Cape. South Africans of Colour account for 55% of the population, followed by 37% Black South Africans.

Table 10: Ikwezi Population Grouping

DEMOGRAPHICS	IKWEZI AREA (STATSSA 2001)	IKWEZI AREA (STATSSA 2011)	%
Language	10 369	10 538	100
Afrikaans	7144	7215	68.5
English	129	274	2.6
IsiXhosa	3081	2673	25.4
Other	15	330	3.1
Population Grouping	10 370	10 538	

Black	3 826	3 916	37.2
Coloured	5 603	5 757	54.6
White	941	796	7.6
Indian/Asian	0	21	0.2
Other	0	48	0.5

Source: StatsSA

This population grouping trend is not reflected at the District level, where Black South Africans constitute 53.3% of the total district population.

The municipality must consider the diverse cultural groups existing and languages spoken within the municipality, in all decision making processes and equity quotas.

2.2.8 DISABILITY

In the 2011 Census, questions on disability were replaced by General health and functioning questions. Due to change in question, 2011 results are not comparable with previous Censuses 1996 and 2001 and for this reason a comparative analysis will not be done.

Table 11: Ikwezi Population Grouping

IKWEZI	Hearing	Seeing	Walking	Remembering	Self-care
No difficulty	9240	8480	9173	9108	8313
Some difficulty	333	1021	292	342	185
A lot of difficulty	64	166	103	127	82
Cannot do at all	22	15	90	79	303

Source: StatsSA

The most predominant disability found in the Municipal area is people suffering from some form of sight disability, affecting 11.4% of the population. A further 4.7% of the inhabitants are afflicted by a walking or climbing disability and 5.5% find it difficult to take care of themselves. Currently there is a structure in place "Disabled Forum" however it is not functioning as effective as envisaged. As a result of the poor functioning of the organisation, disabled people as a special interest group remain largely marginalized with regard to development dialogues and access to provincial programmes.

2.3 SOCIO-ECONOMIC ANALYSIS

The Ikwezi Local Municipality is characterised by poor socio economic conditions. The low economic growth rate coupled with low income leads to low affordability levels. On average the level of services compare relatively well with that of the district and the level of vulnerability in the Ikwezi area has decreased slightly between 2001 and 2011.

2.3.1 EMPLOYMENT STATUS

The Ikwezi Local Municipality is characterised by a lack of sustainable employment and a high percentage of people in the area are not economically active. This in turn translates into high poverty levels and limited disposable income. In 2001 only 28.8% of the working-age population were employed. This situation has steadily improved and in 2011, 40.9% of the population between the ages of 15 and 64 were employed. However, the unemployment rate is still too high and could impact negatively on the municipality as low affordability levels generally result in poor payment rates for services.

Table 12: Ikwezi distribution of the population aged between 15 and 64 years by employment status

SOCIO ECONOMIC ANALYSIS	IKWEZI AREA (STATSSA 1996)	IKWEZI AREA (STATSSA 2001)	IKWEZI (STATSSA 2011)		%	GROWTH % p.a.
Labour status						
Employed	2 083	1 791	2642			
Unemployed	833	1253	580			
Unemployment Rate	28.6%	41.2%	18.0%			

Source: StatsSA

Table 13: Sarah Baartman District-wide population aged between 15 and 64 years by employment status

SOCIO ECONOMIC ANALYSIS	SARAH BAARTMAN DM (STATSSA 1996)	SARAH BAARTMAN DM (STATSSA 2001)	SARAH BAARTMAN MD (STATSSA 2011)		%	GROWTH % p.a.
Labour status						
Employed	89 953	94 650	120 176			
Unemployed	35 452	51 996	39 766			159942
Unemployment Rate	28,3	35,5	24,9			

Source: StatsSA

StatsSA indicates that in Ikwezi the labour absorption rate equates to 40.9% and the Unemployment rate is approximately 18%. The unemployment rate in Sarah Baartman is just over 7% higher but cognisance must be taken that the average household income in Ikwezi is R31 587.00 lower than the R76 250.00 received in Sarah Baartman. A further 49.9% were either classified as not economically active or as discouraged work-seekers in 2011. The overall dependency ratio has decreased from 64:100 in 2001 to 61.4 persons per hundred population of working age in 2011. StatsSA 2011 also concludes that the youth unemployment rate, in Ikwezi was reduced from 51.1% in 2001 to 22.7% in 2011.

Income levels within the Municipal area are very low considering that 59.1% of the economically active population do not generate an income. The remaining 25.4% are employed with only 9.3% earning an income of more than R1601.00 per month. Municipal planning needs to focus strongly on local economic development and job creation initiatives, which will enable the community to generate higher income levels.

The following table summarises the unemployment and poverty situation in the municipality,

Table 14: Poverty Indicators 2011

Year	Unemployed (15-64)	Discouraged Work-seekers	Household Annual income < R19691	Absence of household income
2001	19.7%		61.8%	16.2%
2011	9.0%	7.3%	43.7%	10.8%

2.3.2 Employment Sectors

In 2011 only 14.9% of the total population of Ikwezi were employed in the formal sector, a further 6.4% in the informal sector and a smaller segment (4.7%) worked in private households. Based the community survey conducted in 2007 it is concluded that the community and public sector continues to account for the majority of specified jobs and is still closely followed by the agriculture sector. The first

mentioned sector is an unlikely base for employment expansion. The wholesale and retail trade and manufacturing sector was the third and fourth highest employer, but it is also doubtful whether these sectors will expand significantly as commercial and business activities are confined to the urban centre of Jansenville.

Table 15: Employment Sector

SOCIO ECONOMIC ANALYSIS	IKWEZI AREA (STATSSA 2011)	%
Employment Sectors	10 537	
In the formal sector	1568	14.9
In the informal sector	674	6.4
Private household	496	4.7
Do not know	26	0.2
Not applicable	7773	73.8

Source: StatsSA

The employment sector also continues to use elementary occupations, followed by craft and related workers, plant and machine operators, service shop market and sales workers, and clerks. A smaller segment of the employment sector is made up of professionals, technicians and senior managers.

This dominance of elementary occupations is indicative of the low skills base in the area. As a result there is a shortage of skilled artisans, engineers, project managers, business management and technical skills in agriculture and environmental management. Statistics South Africa 2011 reflects that the unemployment rate in Ikwezi is 18.3%, which is 6.6% lower than the unemployment rate rampant in Sarah Baartman District.

2.3.3 INCOME LEVELS

StatsSA 2011 reflects that poverty levels are high with 35% of the population not receiving any income and a further 21% earn less than R801 per month, therefore technically falling under the poverty line. This is exacerbated by the fact that the labour force participation rate is only 50.1%. The population lack buying power which makes it difficult to exploit local economic development opportunities and the situation implies a high dependency on social grants. Interventions must be created and expedited to support poor communities.

The potential economic active working-age force accounts for 62% of the total population which reinforces the need to boost the economy and stimulate job growth.

Table 16: Income Category

SOCIO ECONOMIC ANALYSIS	IKWEZI AREA (STATSSA 2011)	%	IKWEZI AREA (STATSSA 2011)	%	
Individual Income			Household Income		
No income	3655	34.7	No income	314	10.8
R 1 - R 400	1431	13.6	R 1 - R 4800	133	4.6
R 401 - R 800	742	7.0	R 4801 - R 9600	270	9.3
R 801 - R 1 600	2156	20.5	R 9601 - R 19 600	871	29.9
R 1 601 - R 3 200	369	3.5	R 19 601 - R 38 200	650	22.3
R 3 201 - R 6 400	238	2.3	R 38 201 - R 76 400	324	11.1
R 6 401 - R 12 800	227	2.2	R 76 401 - R 153 800	181	6.2
R 12 801 - R 25 600	111	1.1	R 153 801 - R 307 600	130	4.5
R 25 601 - R 51 200	17	0.2	R 307 601 - R 614 400	31	1.1

R 51 201 - R 102 400	5	0.0	R 614 001 - R 1 228 800	5	0.2
R 102 401 - R 204 800	7	0.1	R 1 228 801 - R 2 457 600	3	0.1
R 204 801 or more	1	0.0	R 2 457 601 or more	2	0.1
Unspecified	1408	13.4	Unspecified	-	-
Not applicable	169	1.6		2915	100.0

Source: StatsSA

Census 2011 determined that the households in the Eastern Cape received an average annual income of R64 539 which was the second lowest of all the Provinces. Sarah Baartman District fared much better by comparison with the average household income in 2011 growing to R76 250, which notably, is above the Eastern Cape average. Although Ikwezi's household income is way below the average earned in Sarah Baartman, it has increased by R11 098 from R33 565.00 in 2001 to R44 663.00 in 2011.

Table ...: Distribution of average household income – 2001 and 2011

Municipality	2001	2011
Sarah Baartman	39 757	76 250
Ikwezi	33 565	44 663

Source: Statistics South Africa: 2011

2.3.4 POVERTY LEVELS

Increasing levels of absolute poverty have been recorded in the Eastern Cape and 74% of the people of the Eastern Cape live below the poverty line of R800 or less a month. Poverty levels in the Sarah Baartman District are substantially lower than the Provincial norm, at 59.5%. Poverty levels within Ikwezi Local Municipality are 71.3% which is much higher than the District norm. High poverty levels imply a high dependency on social assistance in the form of grants. Municipal planning needs to focus strongly on poverty alleviation mechanisms.

The distribution of income within the municipal area has worsened between 1996 and 2007 from 0,57% to 0,66%. The percentage of people in poverty has increased from 48% in 1996 to 56% in 2007 representing a total population of 5 837 people living in poverty.

The very small population of the area obviously means that limited employment can be created by supplying local markets. An exception is fresh food produce (because of long distances from suppliers).

The main advantage of the small population is that not much employment needs to be created to significantly address the unemployment problem.

2.3.5 DEPENDENCY ON SOCIAL GRANTS

There is a high level of dependency on social grants, which include the following:-

- ⇒ Child support grant
- ⇒ Old age pension
- ⇒ Disability grant
- ⇒ Care dependency grant

The high proportion of dependent youth in the Municipality implies a higher burden on the economically active population. Given that a high percentage of the potential working age population are not employed, this dependency shifts to organs of state. Planning must try to reduce the high

unemployment rate that exists in Ikwezi and at the same time facilitate effective and efficient social services to the inhabitants of Ikwezi. Departments such as Home Affairs, Social Development, Health and Education must coordinate their efforts to bring about faster and better services to the people who need it most.

2.3.6 EDUCATION

In 2011 the academic achievements in Ikwezi was lower than Sarah Baartman District as a whole: the percentage of twenty years and older with pass rates in Matric or higher is 20.9% in Ikwezi as compared to 28.7% for the District.

Table ...: Sarah Baartman District-wide population aged 20 years and older by highest level of education attained

	SARAH BAARTMAN DM (STATSSA)	SARAH BAARTMAN DM (STATSSA)	SARAH BAARTMAN MD (STATSSA)	%
	1996	2001	2011	
Grade 12/ Std 10	24 324	35 577	56 665	
Higher	13 028	15 565	23 037	
Total	206 643	236 429	277 825	

Ikwezi Local Municipality is characterized by low education and literacy levels. The StatsSA indicates that in 2011, 12.6% of the population over 19 years of age has not received any schooling, while 23.9% had some form of primary school education. Only 15.5% of the population has attained grade 12. A further 5.4% of the population has attained a higher qualification.

Table ...: Distribution of the population aged 20 years and older by highest level of education attained

DEMOGRAPHICS	IKWEZI AREA (STATSSA)	IKWEZI AREA (STATSSA)	IKWEZI AREA (STATSSA)	%
	1996	2001	2011	
Age distribution				
No schooling	1 457	1 333	787	12.6
Some primary	1 347	1 524	1 496	23.9
Complete primary	522	528	517	8.3
Some secondary	1 474	1 684	2 146	34.3
Std 10/Grade 12	424	660	966	15.5
Higher	245	291	338	5.4
TOTAL	5 469	6 022	6 249	
Distribution of the population aged 5-24 years by school attendance				
	1996	2001	2011	
Attending	2 908	2 644	2 484	
Not Attending	1 393	1 485	1 178	
TOTAL	4 301	4 129	3 662	

The Statistics South Africa Census of 2011 revealed that 67.8% of the Municipality's population between the ages of 5 and 24 years are attending some form of educational institution.

Table 16: Education Facilities

LOCATION	PRIMARY SCHOOL	SECONDARY SCHOOL
Jansenville	Jansenville (Ward 2)	Jansenville (Ward 1)
Jansenville		Gcinubuzwe Combined (Ward 2)
Klipplaat	Hobson Khanyisa (ward 3)	Klipplaat (ward 4)
Klipplaat	Brandovale (ward 3)	
Waterford (Farm school)	Toekomst Primary	
Wolwefontein	Wolwefontein Primary	
TOTAL	5	3

Eight educational facilities are located in Ikwezi. There appears to be an adequate number of education facilities in the municipal area which suggests that the pass rate will not necessarily improve with the provision of additional schools.

2.4. SPATIAL ANALYSIS: IKWEZI LOCAL

MUNICIPALITY

The Local Government: Municipal Systems Act makes provision for the revision of the Spatial Development Framework (SDF). The Ikwezi Spatial Development Framework (2006/2007) was reviewed in June 2013 and adopted by Council.

For ease of reference it was decided to summarise and lift issues of importance from the SDF 2013 and Biodiversity Sector Plan 2014 to enable readers of the IDP to get an overview of the development dimensions that must be considered when planning.

2.4.1 LEGAL STATUS AND POLICY FRAMEWORK

The Spatial Development Framework is a statutory plan, which reflects the spatial values, principles and proposals according to the future development policies and direction envisaged by the communities residing within the municipality. This spatial reflection of the IDP represents an important social compact which should be paramount in assessing where development should be permitted, or not permitted, in any area of the municipality.

2.4.2 SDF METHODOLOGY AND ALIGNMENT

SDF METHODOLOGY

The principles for strategic planning, land use management, rural development and urban restructuring as documented in the listed National, Provincial and Local Policies, Plans and legislative directives below were taken into account when the Ikwezi SDF was developed

- NSDP Growth and Development Objectives
- NSDP Principles
- DFA Principles
- SPLUMB Development Principles
- CDM SDF 2006 and
- SDFs of adjoining local municipalities

Although the CDM SDF was under review in 2014, it is expected that the spatial rationale and land use management proposals of the 2006 SDF will significantly change to be aligned with the PSDP, but the fundamental principles are still valid for the purposes of formulating Municipal SDF's.

The Ikwezi SDF methodology is based on the National Guidelines for the Development of Spatial Development Framework (NGDSDF) (Version 8): Department of Rural Development & Land Reform. The spatial vision, principles and goals are guided by and aligned with various National, Provincial and Local informants. Key Provincial Spatial planning informants are the Provincial Growth and Development Plan (PGDP) and the Provincial Spatial Development Plan (PSDP) as these guidelines outline the development vision for the Province, including spatial development principles and objectives for implementation on Provincial, District and Local levels.

SDF ALIGNMENT

The Department of Local Government and Traditional Affairs, with the assistance of UN-Habitat, undertook the Review of the Eastern Cape Provincial Spatial Development Plan (ECPSDP) in 2010. The Review considered issues such as clustering of opportunities in nodes and development corridors to achieve areas of shared impact. It also takes into account the environmental potential, and characteristics, economic attributes, migration trends and the impact of climate change on development.

The Provincial Spatial Development Plan links implementation to the seven (7) pillars outlined hereunder. The Ikwezi SDF visioning, analysis and implementation strategies are also based on these pillars, to ensure alignment and integration

- Pillar 1 : Environment
- Pillar 2 : Human Settlement
- Pillar 3 : Rural development
- Pillar 4 : Infrastructure
- Pillar 5 : Economic development
- Pillar 6 : Human resource development
- Pillar 7 : Governance

The PSDP highlights key spatial development issues which ultimately inform the approach to managing spatial development. The premise of this approach is to ensure the optimal arrangement of settlements in space where access to services and/or resources provided in a settlement is equitably in balance with the level of services and/or resources provided there. The following principles of spatial management are adopted for Ikwezi.

- Focus of investment in existing rural settlements, villages and towns according to available resources and development priorities
- Reinforce development nodes and development areas through channels of opportunity and bulk infrastructure
- Focus on economic upliftment and employment creation through LED, Agriculture, SMME's and industrial programmes.
-

The Ikwezi IDP identified priorities and strategic objectives to alleviate job creation, sustainable employment and infrastructure development and maintenance. These are:

- Priority 1 : Local Economic Development and Creation of jobs
- Priority 2 : Rural Economic Development
- Priority 3 : Infrastructure Development

- Priority 4 : Institutional Development
- Priority 5 : Community Empowerment and Skills Development

2.4.3 STUDY AREA - IKWEZI LOCAL MUNICIPAL AREA

The Ikwezi Local Municipality is situated in the Eastern Province and is one of 9 Local Municipalities located within the Sarah Baartman District Municipal area. The Municipal area comprises 456 272ha and is characterised by large rural areas with very low population densities and two relatively small urban nodes. Jansenville (main town and administrative centre) and Klipplaar are urban areas, with smaller rural settlements, i.e. Waterford and Wolwefontein.

The Ikwezi Municipal area comprises of a diverse mix of land uses, urban areas and rural nodes. The main land uses include:-

- Addo Elephant National Park and Darlington Dam including the rural node of Waterford towards the east.
- Large commercial stock farms and conservation areas.
- Urban settlements of Jansenville and Klipplaar and the rural settlements of Wolwefontein.

The majority of the population is located within the urban areas, given the possibilities for job opportunities in these areas.

2.4.3.1 SETTLEMENT PATTERN AND HIERARCHY

PRIMARY NODE	JANSENVILLE	
A larger urban area with strong administrative financial and residential functions and components. Infrastructure is relatively well developed with supporting social facilities and amenities. Future growth and investment should generally be prioritized in this node, based on growth potential and potential to support local economic development.		
SECONDARY NODE	KLPPLAAT	-
This node has a smaller administrative, financial and service function although it supports a strong residential component; service delivery to the surrounding rural areas plays a lesser role. Investment and development of this node should be carefully considered and aimed at the provision of basic services and infrastructure to its residents.		
RURAL NODE	WOLWEFONTEIN WATERFORD	-
A very small population component with little or no services. Rural nodes can fulfil an important function in rural upliftment and livelihood areas. Future expansion in the rural areas should be confined to these nodes, but should be carefully assessed and investigated prior to large scale investment.		

Table 1 : Nodes

2.4.3.2 KEY TRANSPORTATION CORRIDORS

Key transportation and accessibility corridors in the study area include:

- R75 between Wolwefontein, Jansenville and Graaff-Reinet
- R337 road link between Jansenville and Klipplaar

-
- R400 between Jansenville and Waterford

The study area is easily accessible and provides the gateway to the western and northern portions of the Eastern Cape from the Nelson Mandela Bay Metro.

2.4.3.3 Spatial Vision

Based on the Ikwezi Municipality vision, IDP priorities, objectives and strategies, the Spatial Development Framework vision for the Ikwezi Municipality incorporates key principles relating to the following:

- Ensure that all planning and development is based on the principles of integration and sustainability to ensure socio economic upliftment of the relevant communities within Ikwezi Municipality.
- Provision of land for the expansion of residential areas and non-residential land uses to ensure economic growth and upliftment.
- Support and promote expansion of commonages and land reform within the greater Ikwezi.

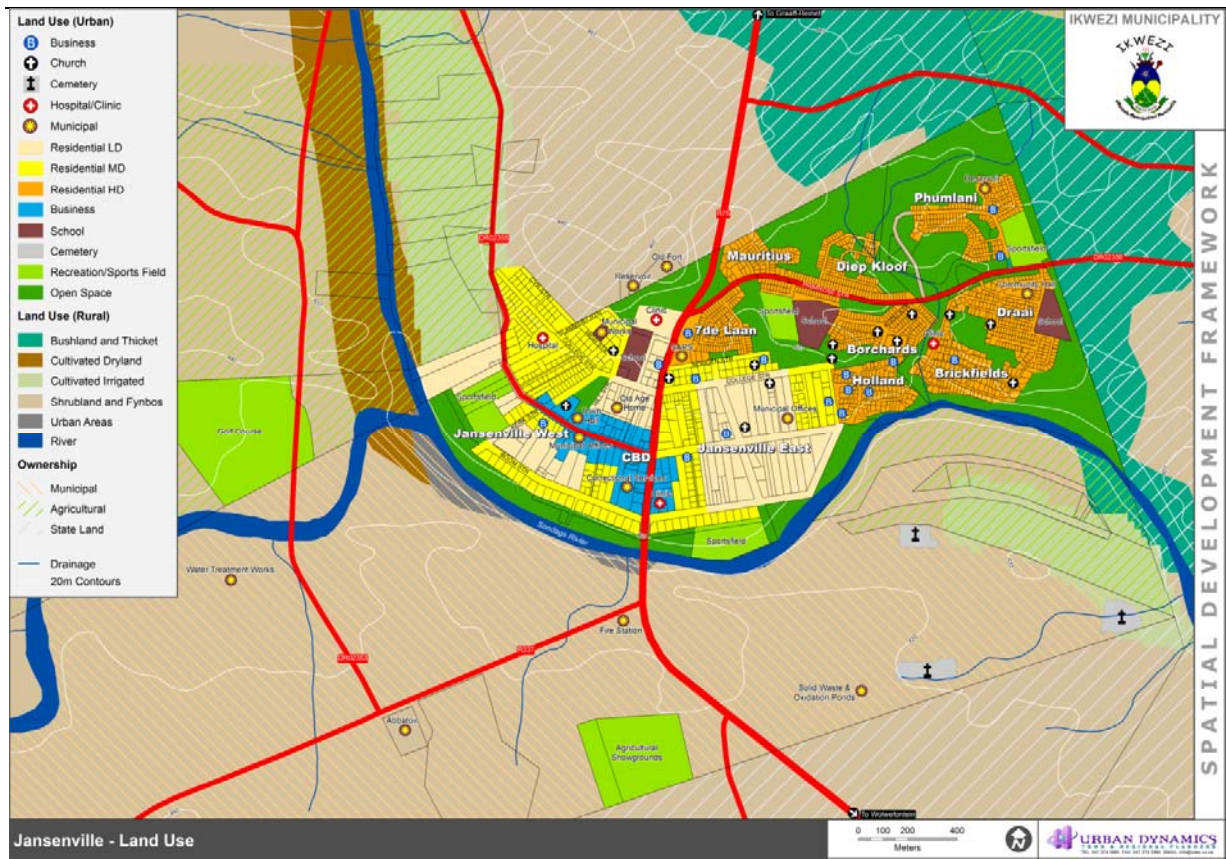
The spatial analysis of the study area represents an overall spatial picture of the Municipality, the current situation, patterns and trends within the Municipality and quantifies specific needs and capacities.

2.5 SPATIAL ANALYSIS - IKWEZI LOCAL MUNICIPAL AREA

2.5.1 JANSENVILLE EXISTING SPATIAL FORM

The Jansenville urban area serves as the administrative and economic centre of the Ikwezi area. The existing spatial form of Jansenville is dominated by four distinct spatial features. The Sundays River forms the southern border of the town, the R75 passes through the town in a north–south direction, a secondary road dissects Jansenville West and another provides access to Mauritius, Borchards, Phumlani and Draai. These spatial factors have created the suburbs of Ward 1 and 2, each with its own unique character. These distinct environs are typical of the historically distorted spatial patterns created through separate development.

The residential component comprises of approximately 289 sites in the lower density area (less than 10 units per hectare) and approximately 970 residential sites at densities above 10 units per hectare.

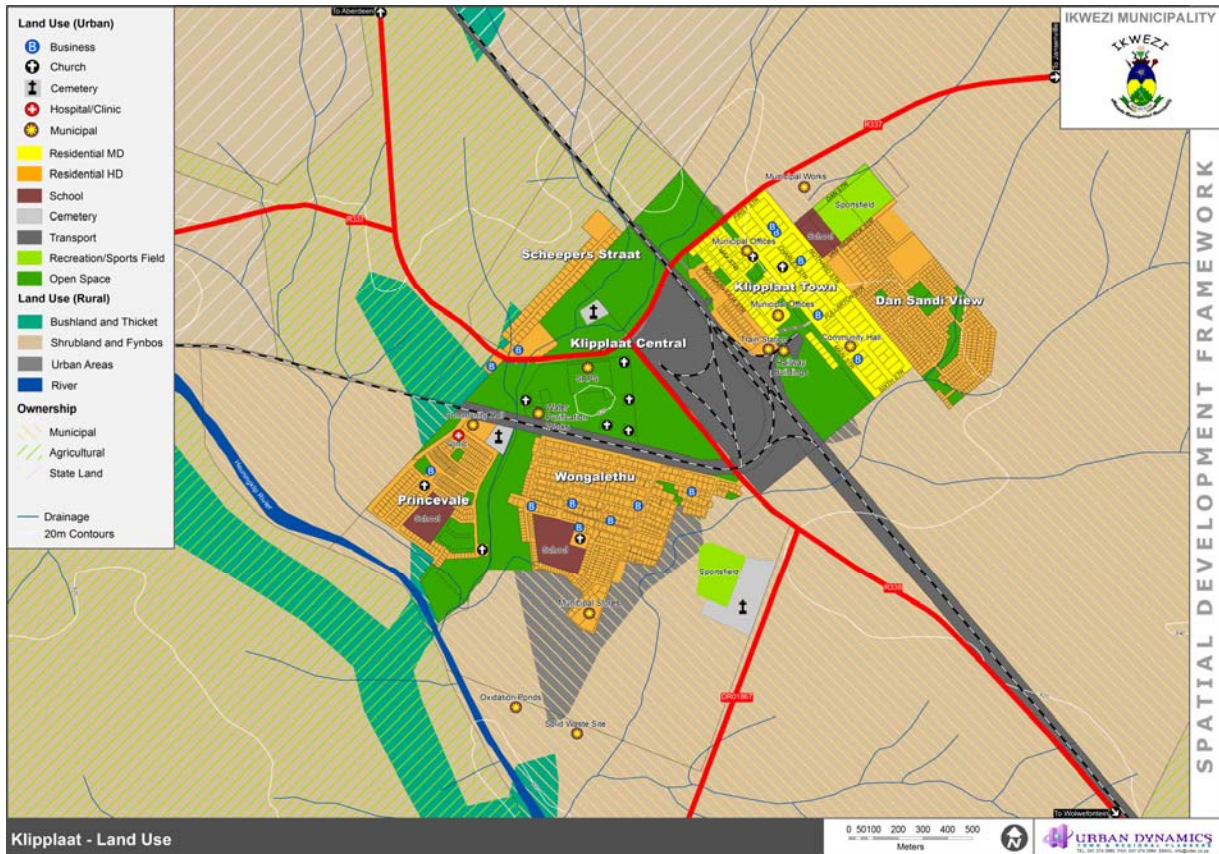


2.5.2. KLIPPLAAT EXISTING SPATIAL FORM

The spatial form of Klipplaats is dominated by railway lines, shunting yards and works. Together the three secondary roads provide access to PE via Baroe, Jansenville and Aberdeen. The railway lines also divide Klipplaats into distinct ward based suburbs.

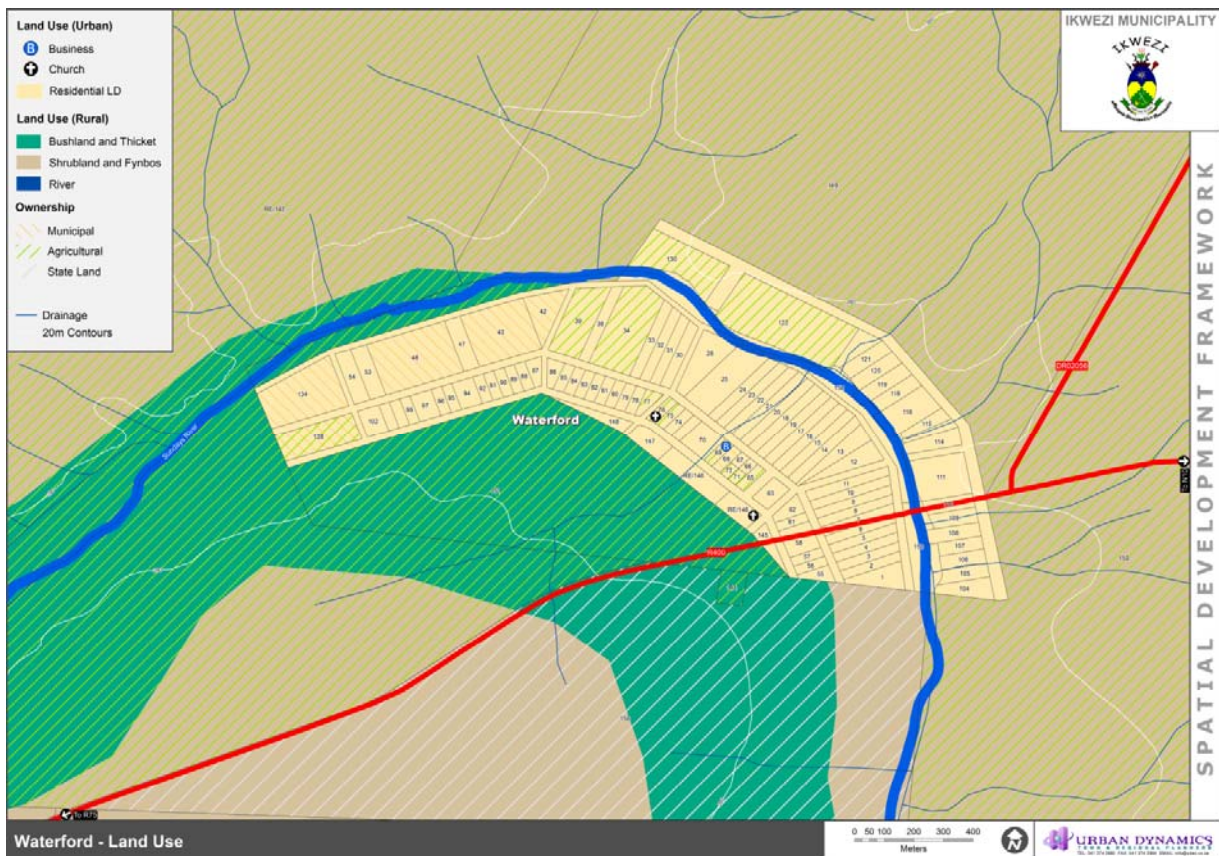
The town is bordered to the east and west by a drainage system which forms the primary component of the towns open space system and drains into the Heuningklip River flowing to the south of Klipplaats.

The town comprises of approximately 1 165 residential sites at a density of >10 units per hectare.



2.5.3 WATERFORD EXISTING SPATIAL FORM

Waterford is located south east of Jansenville, near to the Darlington Dam. The Sundays River forms the northern boundary of the node and various erven have been surveyed on its banks. The node is bordered in the south by the R400 which provides access to Darlington Dam. Access to the plots is provided from a single access road which feeds from the R400. The majority of the properties are privately owned and approximately 70% of the plots in Waterford are vacant. The decline in the agricultural based economy and depopulation of the rural area has led to the demise of this node. All that remains of the once thriving rural node is a few inhabited residential houses, the majority of which is located to the west of the Dutch Reform Church. The church is a prominent old building and is still in a functional state of repair.



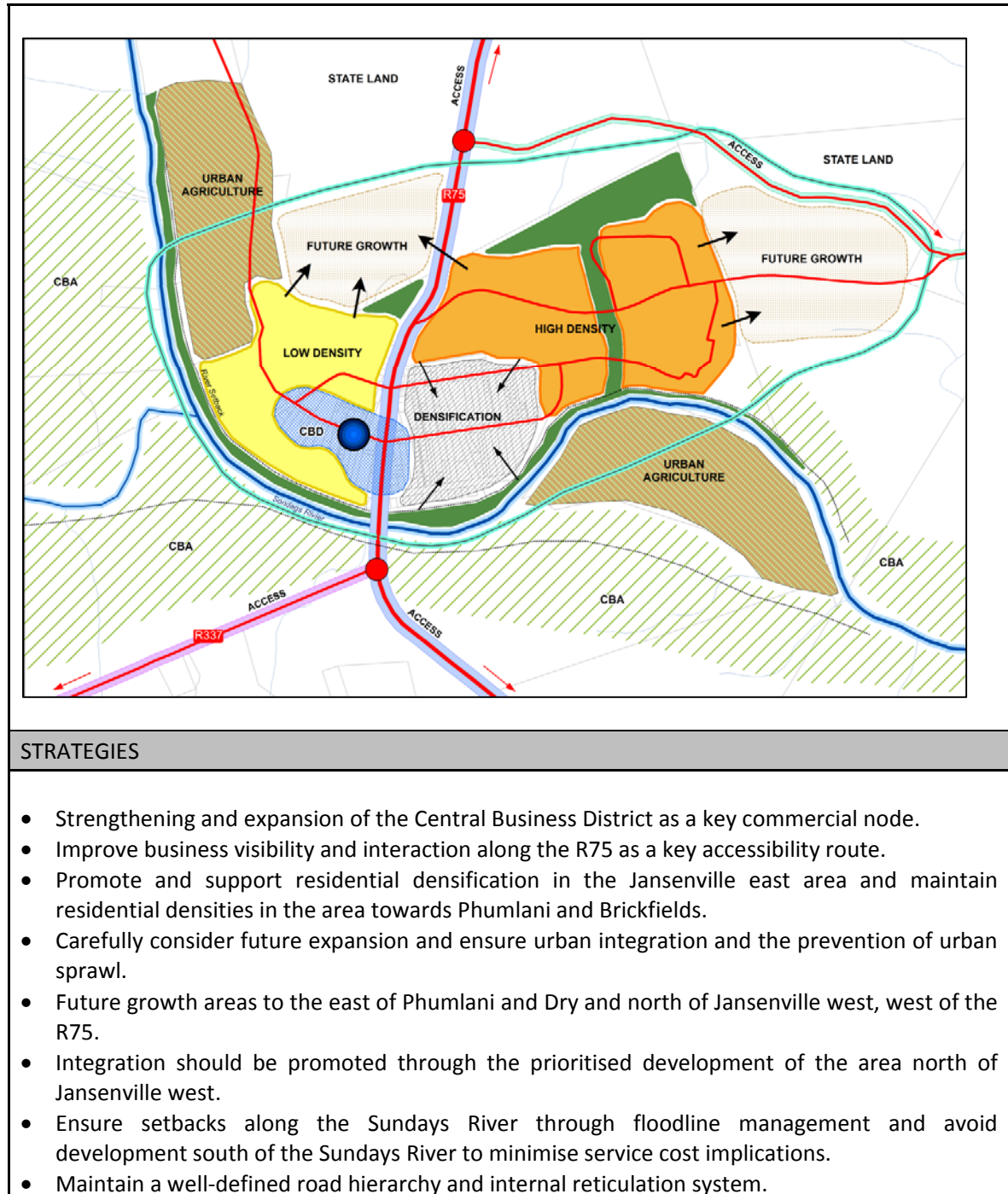
2.5.4 LAND OWNERSHIP

A basic analysis was conducted for larger land parcels in and around the urban areas to determine land ownership and generally noted that very little land is available in and around the main urban areas within Ikwezi and owned by the Municipality. Therefore, the general objective is that future development (expansion of existing towns) will have to take place on land currently owned by private individuals. This implies lengthy land acquisition processes and the numerous difficulties associated with private land acquisition. The Spatial Development Framework's objective is to identify land for future expansion, based on the creation of well-designed and integrated urban settlements. This is done notwithstanding land ownership. *Diagrams are provided in the SDF that gives an indication of land owned by the Municipality, privately owned or state owned land can found in the Chapter 3 paragraph 3.5 of the SDF*

2.6 CONCEPTUAL FRAMEWORK - IKWEZI LOCAL MUNICIPAL AREA

2.6.1 JANSEVILLE CONCEPTUAL FRAMEWORK

The Conceptual Framework is a broad outline and possible development pattern for the Ikwezi nodal settlements and rural area. The Conceptual Framework is based on input through the analysis, meeting the development goals and objectives, taking into account the normative principles and the structuring elements.



- The identification of various municipal owned land for institutional purposes should be accessed and used for non-residential community and support facilities.

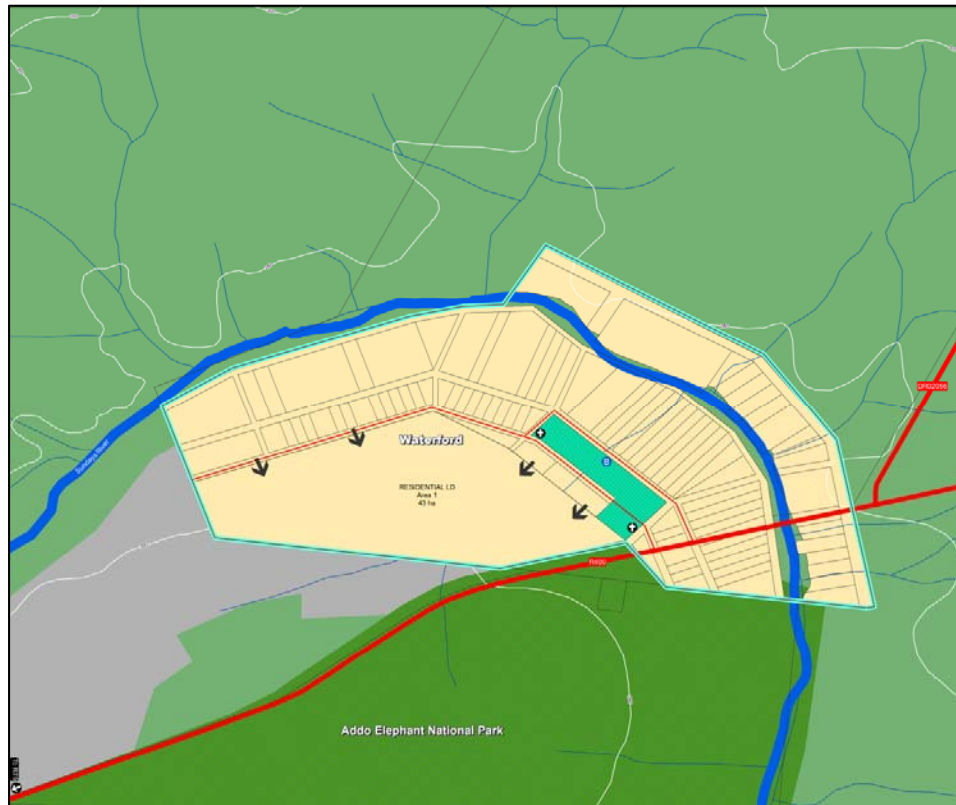
2.6.2. KLIPPLAAT CONCEPTUAL FRAMEWORK



STRATEGIES

- Maintain upgrade and promote main access corridors, i.e. R338, R337 and existing rail infrastructure as key catalysts for future economic development and support.
- Promote integration of Klipplaat town, Wongalethu and Princeville areas through special development initiatives through release of Spoornet land and precincts.
- Strengthen urban growth and revitalisation through establishment of business node in Klipplaat town and Wongalethu, these on main access routes and nodal points.
- Promote densification and revitalisation in the Klipplaat town area.
- Possible infill development and densification towards SAPS and lower precincts areas.
- Protect and preserve open space systems, critical biodiversity areas and heritage resources.
- Maintain the urban edge and carefully consider future residential expansion, north of Dan Sandy.

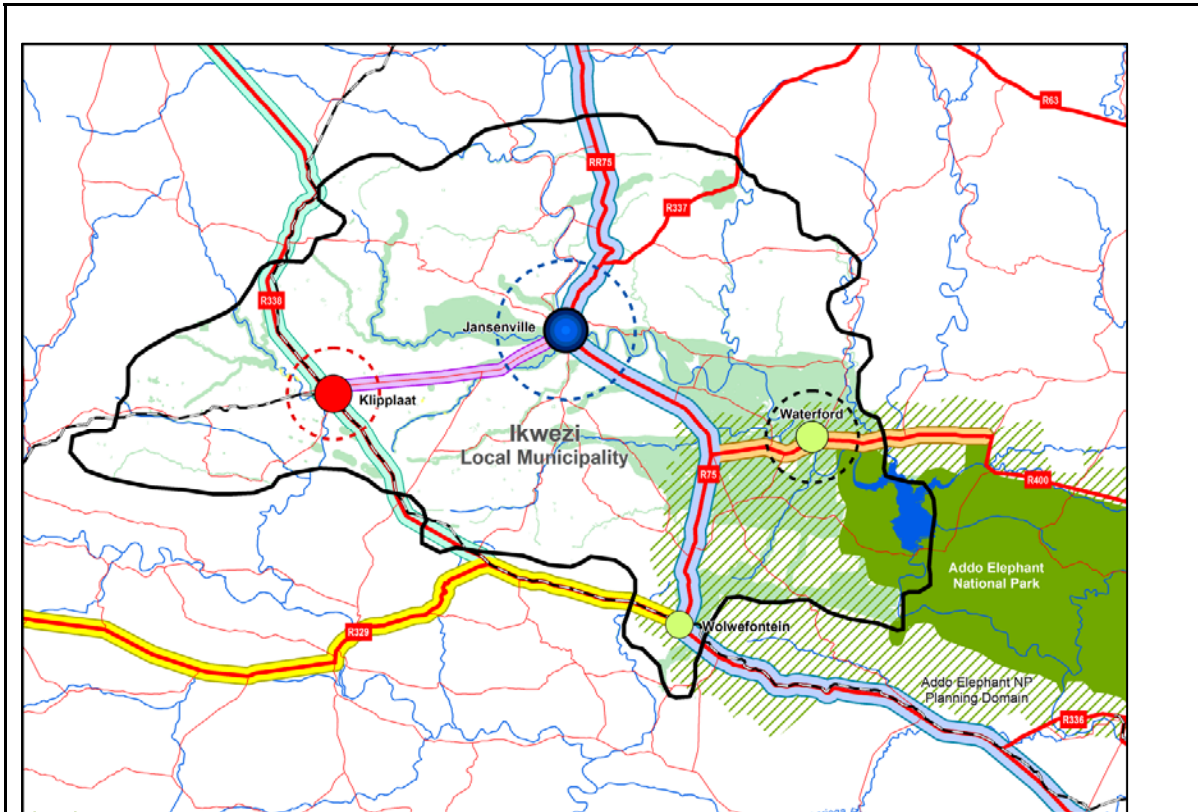
2.6.3 WATERFORD CONCEPTUAL FRAMEWORK



STRATEGIES

- Acknowledge Waterford as a rural node and possible gateway to western portion of the AENP.
- Strengthen and preserve the rural character and promote densification of larger rural residential units.
- Waterford to serve as residential component of possible larger expansion of commonages and land redistribution.
- Development implementation subject to AENP support.

2.6.4 RURAL AREAS CONCEPTUAL FRAMEWORK



STRATEGIES

- Acknowledge Jansenville as the primary urban node within the study area, with Klipplaas being a secondary node and Waterford and Wolwefontein being smaller rural nodes.
- Support development and investment within these nodes and contain urban development within the urban edges as identified.
- Support the R75 as a key access and tourism corridor and the Klipplaas Jansenville link as a strategic corridor between the municipality's primary and secondary urban nodes.
- Promote the R338 Baroe link for tourism purposes.
- Acknowledge and support expansion of Addo Elephant National Park and Waterford access corridor and gateway.
- Support expansion and implementation of the Land Redistribution and Land Reform programmes, with emphasis on expansion of commonages and communal farming possibilities.
- Ensure environmental protection and integrity of critical biodiversity and Addo Park expansion footprint.
- Support LED initiatives and rural livelihood.

2.7 LAND USE MANAGEMENT SYSTEM

2.7.1. LAND USE ASSESSMENT

As indicated in Section 26(e) of the Municipal Systems Act, the SDF is required to: “include the provisions of basic guidelines for a land use management system (LUMS) for the municipality”

PSDP contains important guideline for Municipal land use management and Municipal land use planning. The SDF planning process should aim to establish sustainable settlements and ensure the sustainable utilisation of services and social facilities. Sustainability refers to the ongoing economic viability and desirable utilisation of space, by the communities within specific nodes, towns, villages or areas. Future development should be assessed and planned according to basic sustainability principles. Functional integration of urban areas can be achieved through the location of different activities that compliment and promote the multi-purpose utilisation of certain areas and relates to the availability, accessibility and convenience of certain facilities and services on a day to day basis. It must reduce the need to travel and promote the development of diverse land use patterns, accessible to the residents of a specific area. To promote accessibility within walking distance thresholds are important for the location of non-residential land uses and social facilities. Planning areas were defined that a reasonable walking distance is 2km or 30 minutes from a specific area or central business district so that the majority of local daily needs for any inhabitant should be within a reasonable walking distance of the home.

2.7.2. LAND USE MANAGEMENT POLICY

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

- Settlement Hierarchy and Nodal Development
- Densification and Nodal Development
- Urban Edge
- Human Settlements : Housing
- Human Settlements : Community Facilities
- Human Settlements : Business
- Rural Development : PSDP Framework
- Rural Development : Non-Agricultural Land Use
- Tourism and Resort Development
- Renewable Energy
- Rural Development : Subdivision of Agricultural Land
- Rural Development : Small Scale Farming

The Biodiversity Sector Plan also includes a set of Land Use Guidelines for land-use planning and decision-making, and guidelines for the sound management of land and water use.

By applying the recommendations provided in the BSP, sustainable development will be promoted. This will be achieved through the effective protection and management of biodiversity in the region, as required in Section 41(a) of the Biodiversity Act (10 of 2004), including in terms of the National Environmental Management Act (107 of 1998).

2.7.3 Management Guidelines for Land and Water Resources

The land use management guidelines for areas classified as Critical Biodiversity Areas; Ecological Support Areas and Other Natural Areas have been included in *Chapter 4 of the SDF* and can be used by all parties involved in land-use planning and decision-making.

	FORMAL PROTECTED AREAS	CRITICAL BIODIVERSITY AREAS	ECOLOGICAL SUPPORT AREAS	OTHER NATURAL AREAS	NO NATURAL AREAS REMAINING
<i>Desired Management Objective</i>	Maintain natural land. Rehabilitate degraded to natural or near natural and manage for no further degradation.		Maintain ecological processes	Sustainable Management within general rural land-use principles	Sustainable Management within general rural land-use principles. Favoured areas for development.

Development initiatives must take stock of the referencing to classified areas in and around the nodes mentioned hereunder:-

Jansenville

Land adjacent to the Sunday's River is classified as Critical Biodiversity Areas with Ecological Support Areas. Measures must be implemented to conserve and where possible restore the natural habitat.

Klipplaat

A buffer zone, classified as a Critical Biodiversity Area, is sited around the Heuningklip River and should be safe-guarded.

Land to the north of Klipplaat is classified as Critical Biodiversity Areas, with Ecological Support Areas. Measures should be taken to conserve and restore the natural habitat in this zone. Those areas designated as Other Natural Areas are suitable for sustainable development and further urban expansion.

Waterford

The majority of Waterford is surrounded by Critical Biodiversity Areas to the north, while in the south the Addo Elephant National Park is located. To the south-west of the town, land is classified as No Natural Areas Remaining, which can be targeted for sustainable development.

The whole of Waterford is included in the Planning Domain for the expansion of Addo Elephant Park, indicated by the Critical Biodiversity Areas. Consultation between SANParks and the municipality must be held to ensure that strategies for the node are developed to ensure appropriate socio-economic development e.g. housing and poverty alleviation initiatives.

Rural

A high proportion of the subtropical thicket found in the east of Ikwezi is environmentally degraded, due to overgrazing by small stock.

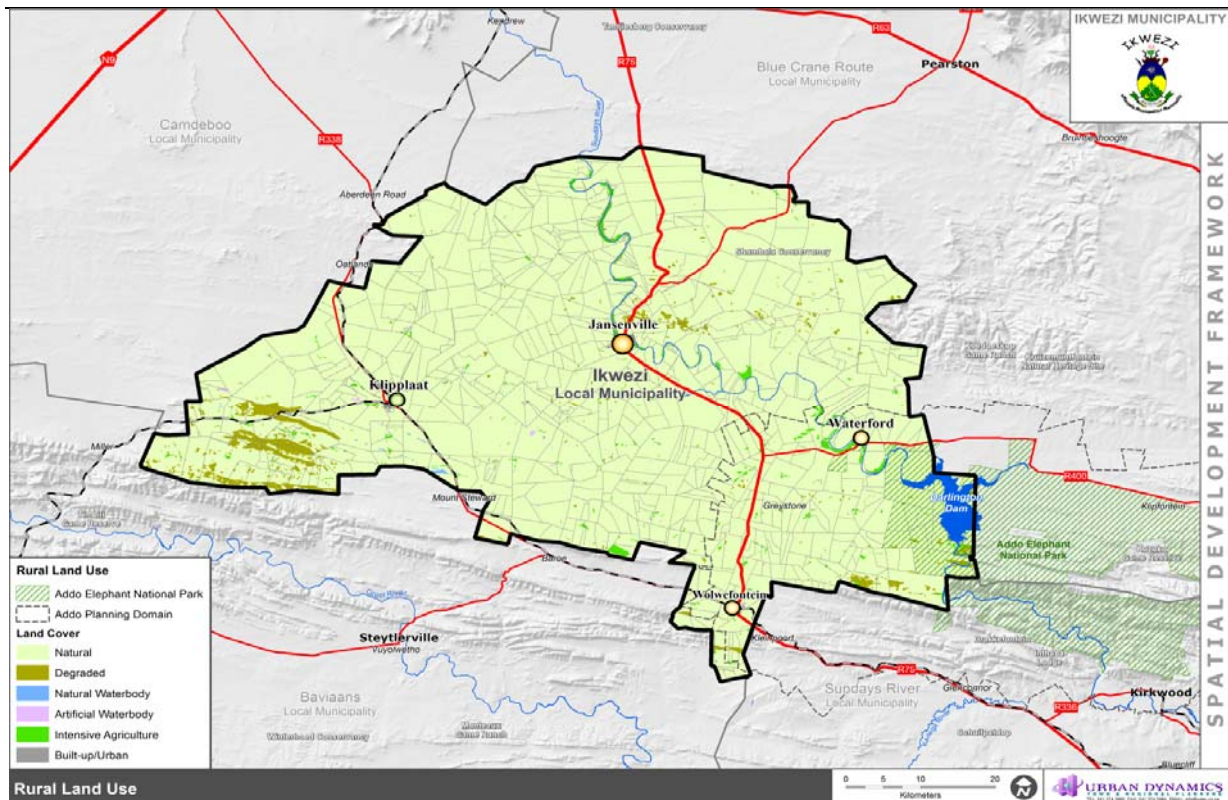
Biodiversity conservation principles should be considered that seek to facilitate biodiversity conservation as the primary land management objective.

2.7.4 Land Cover and Levels of Transformation and Degradation

Land cover and levels of environmental transformation and degradation provides background to rural land use, rural land use potential and historical impacts. The table indicates that approximately 95.7% of the study area comprises natural vegetation, wetlands and near natural areas. Given the high level of development along Ikwezi, this percentage is relatively high. Degraded and transformed areas are limited to 2.3% and 1.9%, respectively. Translated to hectares, approximately 8 000ha, within the study area, have been transformed through intensive agriculture plantations, urban and infrastructure development.

LAND COVER CATEGORY	HA	%
Natural (to near-natural) areas Includes natural vegetation and wetlands (natural water bodies)	436 868.6	95.7%
Degraded areas Includes medium to high alien infestation, overgrazed, areas with dongas and barren rock due to erosion. Note that degraded areas fall within Critical Biodiversity Areas, Ecological Support Areas and Other Natural Areas (ONA)	10 569.5	2.3%
Transformed Intensive agriculture (cultivated areas) and urban and infrastructure (includes dams)	8 834.4	1.9%
<i>TOTAL</i>	456 272.5	100%

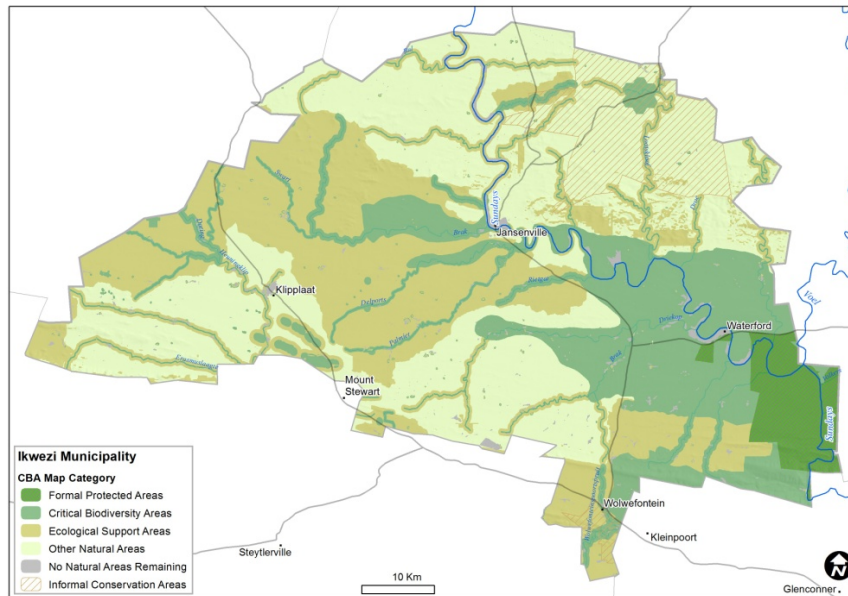
Table 2 : Land Cover and Levels of Degradation



2.8 ENVIRONMENTAL OVERVIEW AND ANALYSIS

The Ikwezi Municipality Biodiversity Sector Plan (BSP) provides an environmental overview of the municipality. The Biodiversity Sector Plan represents the biodiversity informant for all multi-sectoral planning procedures, such as the Integrated Development Plan and Spatial Development Framework. It is intended to support land-use planning and decision-making in order to achieve the sustainable development agenda. The BSP is comprised of a relatively fine-scale Critical Biodiversity Areas (CBA) Map, mapped at a scale of 1:20 000 (Skowno and Holness, 2014). The BSP also includes an explanatory handbook (with a biodiversity profile) and the various maps used to prepare the CBA Map (e.g. vegetation, rivers, wetlands and land cover).

The Critical Biodiversity Areas (CBA) has refined the spatial accuracy of the Eastern Cape Biodiversity Conservation Plan's (ECBCP) CBA Map (Berliner and Desmet, 2007), including the Subtropical Thicket Ecosystem Programme (STEP) Map (Cowling et al., 2003). In other words, it is a more accurate spatial representation of important biodiversity areas in the Ikwezi Municipality and therefore supersedes the aforementioned maps. The CBA Map divides the landscape into Protected Areas, Critical Biodiversity Areas, Ecological Support Areas, Other Natural Areas and No Natural Areas Remaining. The first three categories represent the biodiversity priority areas, which should be maintained in a natural to near natural state, with low intensity developments possible. The remaining two categories are not considered biodiversity priority areas, and can be targeted for sustainable development. The land-use guidelines are specified for Critical Biodiversity Areas and Ecological Support Areas, while the general land use management guidelines are specified for Critical Biodiversity Areas, Ecological Support Areas and Other Natural Areas.



The new, relatively fine-scale Critical Biodiversity Areas (CBA) Map for the Municipality (1:20 000) (Skowno and Holness, 2014).

The Biodiversity Sector Plan (BSP) is intended to support land-use planning and decision-making in areas identified as biodiversity priorities and to help inform the planning and management tools that municipalities are required to develop. By applying the recommendations provided in the BSP, sustainable development will be promoted and achieved through the effective protection and management of biodiversity in the region.

2.8.1 Agriculture Potential

The land capability map is a tool that should enable the user the best long-term utilisation of the land. The Land Capability Index was prepared by the Directorate Agriculture Land Resource Management (2002).

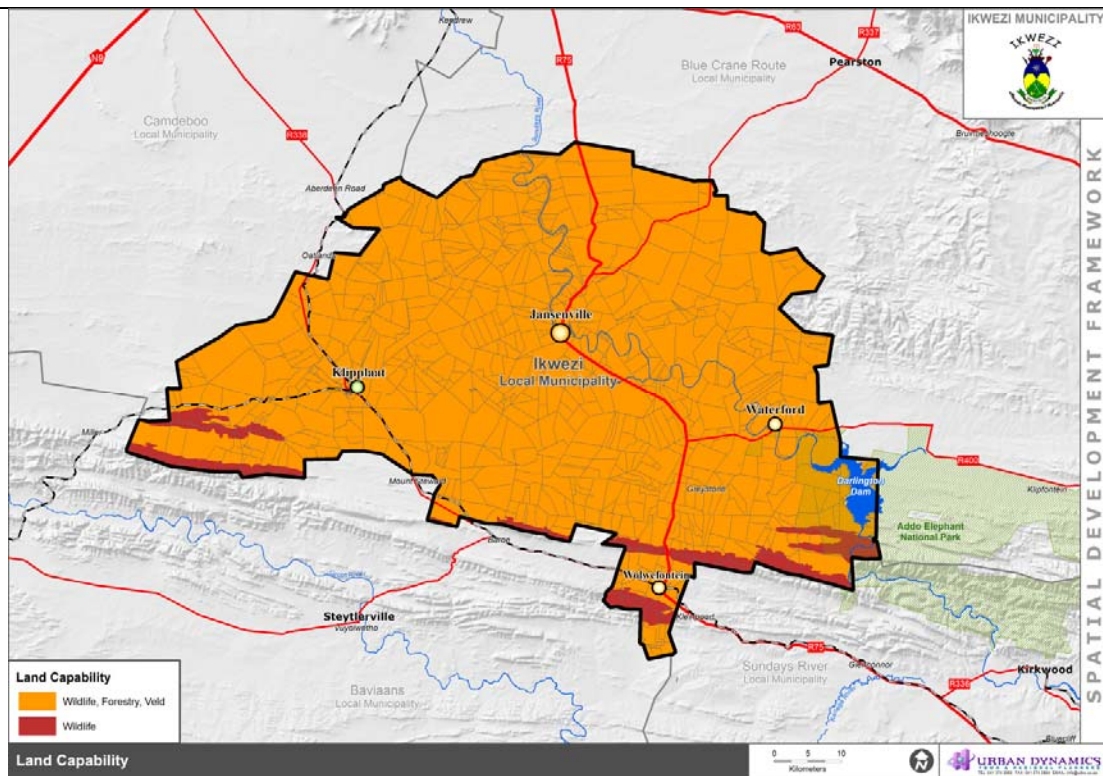


Figure 1 : Land Capability (Department of Agriculture, 2002)

CAPABILITY CLASS	DESCRIPTION
Class 7 : Wildlife Forestry and Veld	<ul style="list-style-type: none"> • Land in Class VII has very severe limitations that makes it unsuited to cultivation and that restrict its use largely to grazing, woodland or wildlife. • Restrictions are more severe than those for Class VI because of one or more continuing limitations that cannot be corrected, such as:- <ul style="list-style-type: none"> - Very steep slopes; Erosion; Shallow soil; Stones; Wet soil; Salts or sodicity; Unfavourable climate. • Physical conditions are such that it is impractical to apply such pasture or range improvements as seeding, liming and fertilizing. • Depending on soil characteristics and climate, land in Class VII may be well or poorly suited to woodland. • In unusual instances some occurrences may be used for special crops under unusual management practices.
Class 8 : Wildlife	<ul style="list-style-type: none"> • Land in Class VIII have limitations that preclude its use for commercial plant production and restrict its use to recreation, wildlife, water supply or aesthetic purposes. • Limitations that cannot be corrected may result from the effects of one or more of:- <ul style="list-style-type: none"> Erosion or erosion hazard; Severe climate; Wet soil; Stones; Low water-holding capacity; Salinity or sodicity. • Land in Class VIII cannot be expected to return significant on-site benefits from management for crops, grasses or trees, although benefits from wildlife use, watershed protection or recreation may be possible. • Badlands, rock outcrop, sandy beaches, river wash, mine tailings and other nearly barren lands are included in Class VIII.

Table 3 : Land Capability (Department of Agriculture, 2002)

2.8.2. Environment and Biodiversity

The findings of the Biodiversity Sector Plan has been aligned and incorporated into the SDF, at the same time acknowledging the Eastern Cape Biodiversity Plan, STEP and others.

Spatial planning and land-use management decisions must, by law, take into account the biodiversity of an area and ensure sustainable development. To enable this, scientists have researched Ikwezi's biodiversity to determine the spatial arrangement of plants, animals, rivers, wetlands and their interactions and functioning. Based on this information, areas have been categorised and prioritised according to their biodiversity importance.

2.8.2.1 Biodiversity Profile

The vegetation types of the Ikwezi Municipality fall within three of the nine biome types of South Africa, namely Nama Karoo, Albany Thicket and Fynbos, as well as an Azonal Vegetation type that is botanically different from these biomes.

Approximately half of the municipal landscape is comprised of the Succulent Karoo biome (Nama Karoo). It is recognized as a global biodiversity hotspot and is part of the only arid hotspot in the world. Biodiversity hotspots are areas of high species diversity that are also under serious threat of extinction. The flora is characteristically succulent.

The socio-economic importance of the Thicket vegetation cannot be underestimated. For example, the aloe sap industry, horticulture, the medicinal plant trade, game reserves and ecotourism all rely on Thicket vegetation. Thicket also has the ability to act as a 'carbon sink', ultimately reducing the impacts of global climate change through fixing carbon as part of its plant material.

Our rich biodiversity provides for nature-based community initiatives that support poverty alleviation by creating jobs in industries such as eco-tourism.

2.8.2.1 Protected and Conservation Areas

Protected Areas are the core areas in the network of biodiversity areas and are vital in supporting ecological sustainability and enhancing resilience to climate change. Protected Areas within the region can be divided into two main categories, namely formal Protected Areas and Conservation Areas.

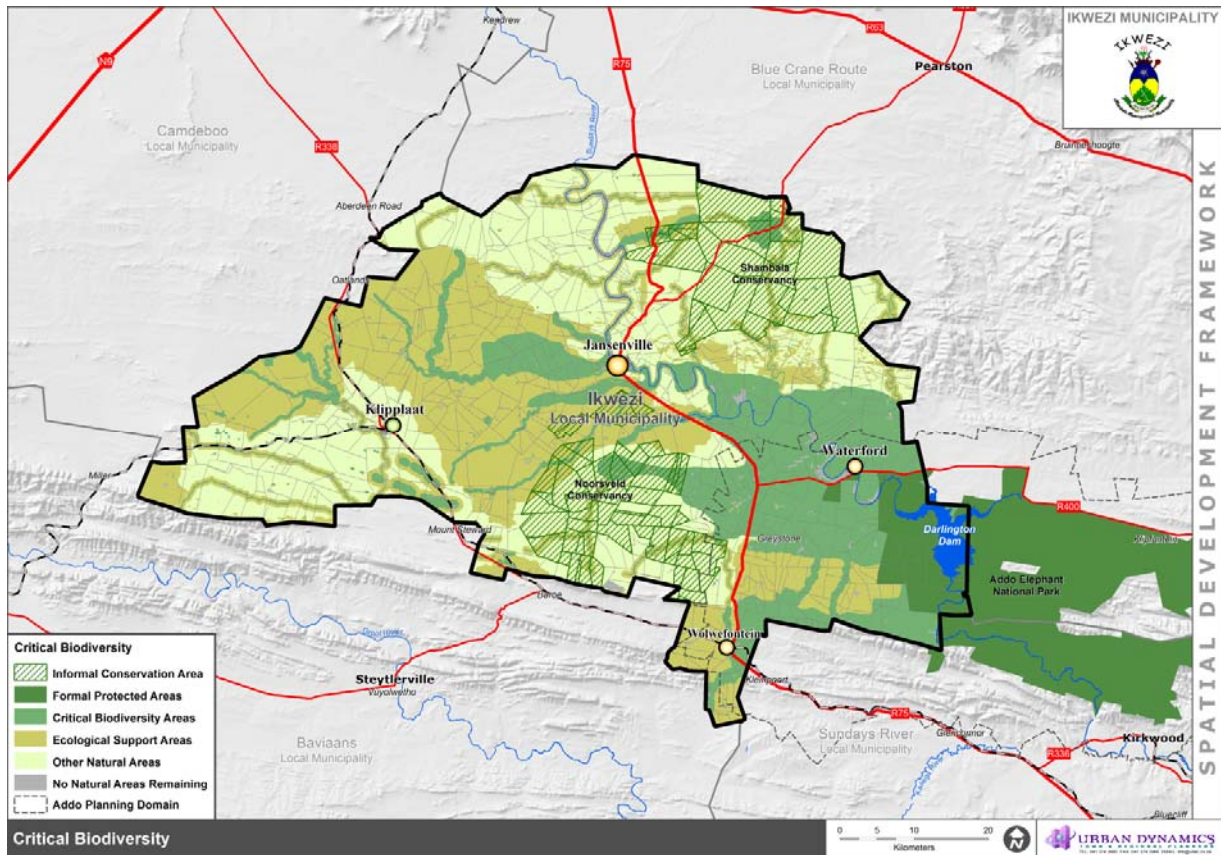
AREA (Ha) & PERCENTAGE (%)	VALUE	
Size of Municipality	456 272.5 ha	
Formal PA	19 084.3 ha	Protected Areas are formally protected by and gazetted in terms of the National Environmental Management: Protected Areas Act (NEMPAA) 57 of 2003. The Addo Elephant National Parks (managed by SANParks).
Percentage PA	4.2 %	
Informal CA	40 755 ha	Conservation Areas (CA) are areas of land not formally protected by and gazetted in terms of the NEMPAA, but informally

		protected by the current landowners and users, and managed at least partly for biodiversity conservation
Percentage CA	8.9 %	

Table 4 : Protected Areas (PA) and Conservation Areas (CA)

Conservation

The Biodiversity Sector Plan should guide all decisions on development in the urban and rural areas.



IKWEZI	AREA (HA)	PERCENTAGE (%)
Urban Areas (ECBCP)	765.65	0.2
Bushland & Thicket	53709.81	11.8
Cultivated Dryland	1280.03	0.3
Cultivated Irrigated	1259.41	0.3
Grassland and Grazing	64.17	0.01
Shrubland and Fynbos	343427.00	75.3
Waterbodies & Wetlands	169.09	0.03
STEP Protected Areas	39545.22	8.7

Addo (SANPARKS)	16051.43	3.5
Total	456271.81	100%

2.9 CLIMATE AND CLIMATE CHANGE

2.9.1. Climate

The Ikwezi Municipality falls the area above the Winterberg Escarpment and the Karoo that is characterised by hot summers and cold winters. The average maximum daily temperatures range from 20° C in June to 32° C in January with an average of 18° C. A maximum temperature of 47° C has been recorded to date. The average daily minimum temperatures range from 0° C in May, June and July to 11° C in January. Several sub-zero temperatures are likely between middle May and the beginning of September. A minimum temperature of -4.5° C has been recorded to date. Winter cold is mainly the result of cold nights when radiation cooling of the dry air results in widespread frost.

Maximum rainfall is experienced in summer. The annual rainfall ranges between 163mm to 522mm with a 29 year average of 280mm per annum. Rain falls mainly in the summer months between October and April and monthly averages range from 9mm in June/July to 42mm in March.

2.9.2 Climate Change

Climate Change refers to the ongoing progression of changes in the earth's general weather conditions as a result of the continual average rise in the temperature of the earth's surface, commonly referred to as Global Warming. This phenomenon is based on various contributing factors including the increase in Greenhouse Gases.

In the Eastern Cape, predictions suggest higher temperatures, increased unpredictability of rainfall regimes, more intense rainfall (flooding), longer dry spells (drought periods), increased storm events and sea level rise. A study by Hewitson and Crane (2006) suggests increased summer rainfall in the interior and eastern parts of South Africa.

Climate change can therefore have a significant impact; see below, on Ikwezi Local Municipality and its management of land use and scarce resources

- Change in rainfall patterns and average rainfall
- Change in level of fluctuation of general climate patterns and tendencies
- Increase in flood severity and draught occurrence
- Change in ecosystems and desertification
- Impact on bulk water supply resources and agricultural industry

Sector planning and general strategy formulation can indirectly mitigate against the impact of Climate Change. This includes strategies relating to Renewable Energy, Green Management Practices and Environmental Sustainability.

Climate change also highlights the importance of protecting our water resources from over-abstraction, degradation and the spread of invasive alien plants (which use more water than indigenous plants). A fynbos catchment area can lose up to 68% of its water yield due to a dense cover of invasive alien plants.

2.9.3 Soil

The Ikwezi municipal area is dominated by shallow soils on hard or weathering rock known as lithosols and freely drained structure less soils.

2.10 LAND REFORM PROGRAMME

The Department of Rural Development has compiled an Area Based Plan for the Sarah Baartman District Municipal Area (2008). An Area Based Plan essentially is a sector plan that seeks to address land related issues at a municipal level which is intended to form part of the Integrated Development Plan (IDP), informing the Spatial Development Framework (SDF) and Land Use Management System (LUMS). Fundamentally the Plan seeks to integrate Land Reform into the municipal planning process wherein identified projects are supported during and post implementation phases to ensure sustainability.

The prime purpose of the country's land reform programme is to address the skewed land ownership patterns. The key objectives of the land reform programmes are:

- Redistribution of 30% of white owned land by 2014 for sustainable agricultural development.
- Provision of tenure security to create socio-economic opportunities for those who have less formal forms of tenure.
- Provision of land for sustainable human settlements, industrial and economic development.
- Provision of efficient state land management that supports development.
- Provision of efficient land use and land administration services.
- Settlement of all outstanding land claims and implementation of restitution.
- Development of programmes for empowerment of women, children, disabled, People Living with Aids, youth and the aged within DRD & LR mandate.

The Land Reform Programme is anchored on three key programmes, namely: restitution, redistribution and tenure reform. These were developed to promote land acquisition, restore land rights lost through dispossession and achieve tenure upgrade respectively.

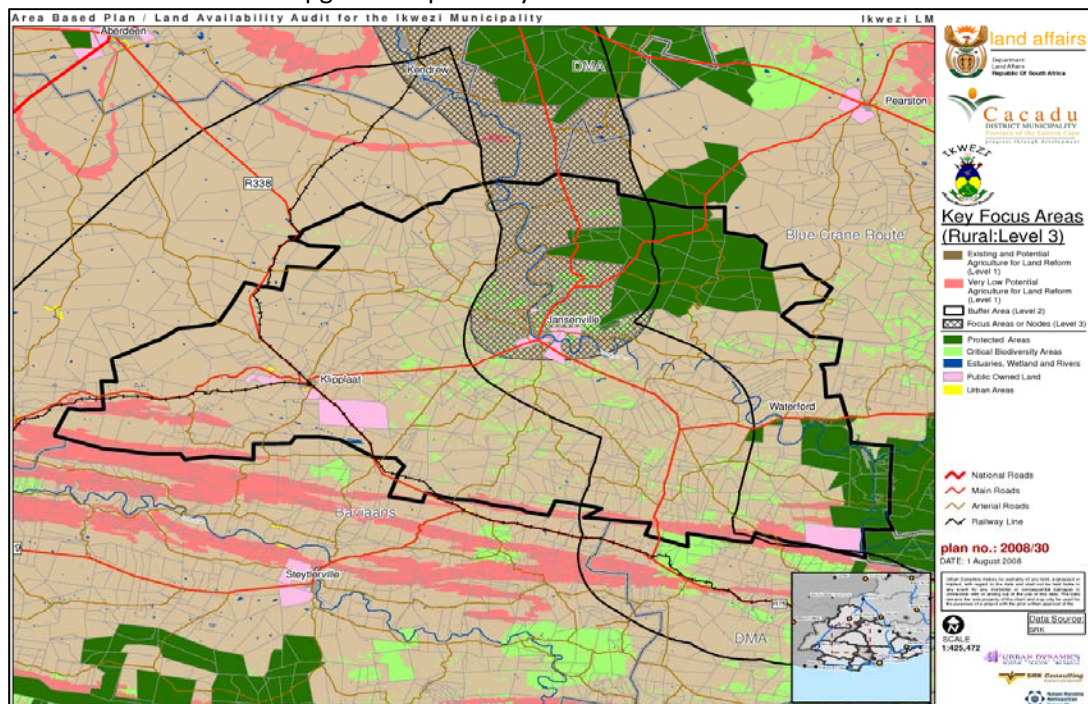


Figure 2 : Area Based Plan & Land Reform

❖ Ikwezi LM Key Focus Area

FOCUS AREA	NODE	GENERAL BACKGROUND	RELEVANT COMMODITY ORGANIZATIONS
5	Graaff-Reinet and Jansenville	<ul style="list-style-type: none"> • Area is indicated as a line along the R75 road that links the two towns • The focus area is fairly large for farming is based on extensive animal husbandry which requires large areas of land. • Area is well known for extensive goat and sheep farming • The towns Graaff-Reinet and Jansenville are well established with well-established support industries for goat and sheep farming. • The area is some distance from the market (Port Elizabeth) for the farm products. This however is the nature for extensive farming areas. • The focus area is following the main route between the two towns and Port Elizabeth. 	<ul style="list-style-type: none"> • East Cape Agricultural Coop • East Cape Game Management • Chicory Producers Organisation • National Wool Growers Organisation • Red Meat Producers Organisation • Boere Kooperasie Beperk (BKB) • SA Mohair Growers Organisation • Wool South Africa • Ooskaap Volstruis Producente Organisasie

Table 5 : Ikwezi LM Key focus Area

The Sarah Baartman Area Base Plan identified key focus areas with respect to land reform which is indicated in the table and supporting figure. Ikwezi is therefore identified as a key focus area for land reform as per the Area Base Plan.

2.10.1 Area Based Plan and Land Reform

In addition and in support of land reform in the District, the Sarah Baartman Land Audit & Area Based Plan makes specific recommendations towards land reform and land reform corridors in the District. A key component of the Area Based Plan is the identification of key focus areas within which land reform should be developed and further explored.

The area based plan identified various levels of key focus areas to address land reform targets in the district. The determination of focus areas is a key component in the government role out for accelerated land reform process.

Determination of focus areas were informed by four main determines:

- Physical criteria for determination of focus areas.
- PLAS programme guidelines such as settlement along main corridors and consideration of the nodal development concept.
- Enterprise concentration, infrastructure and available support systems.
- Expansion of Municipal commonages.

2.10.2 Status of Land Reform Programme

MUNICIPALITY	GRANTS/ BENEFICIARIES	LAND PRICE IN R	TOTAL PROJECT COST IN R	TOTAL EXP TO DATE IN R	GRANT APPROVED IN R	HA	% HA OF TOTAL	% GRANT APPROVED PER MUNICIPALITY	A G A B I N
Ikwezi	72	2,030,000	1,950,000	2,041,817	2,061,000	4,310	5.12	1.34	2
Sarah Baartman Total	8,853	373,129,684	252,064,950	130,636,078	153,767,909	84,208	100.00	100.00	1

Table 6 : Status of Land Reform Programme (Source : DLA CAPEX July 2008)

2.10.3 Restitution Status

MUNICIPALITY	URBAN		RURAL		TOTAL		GAZETTED	NON- COMPLIANCE	REFERRED BACK	REGISTRY	RESEARCH	SETTLED	SETTLEMENT PHASE	VALIDATED	NO STATUS ASSIGNED	
	CLAIMS	AREA (HA)	CLAIMS	AREA (HA)	CLAIMS	AREA (HA)										
Ikwezi	19	1243.28	5	6118.62	24	7361.90										
DM TOTAL	371	1726.58138	135	58199.21125	506	59925.79	211	21	5	31	57	77	3	100	1	

Table 7 : Restitution Status (Source : DLA & Land Claims Commissioner 2007)

2.10.4 Land Reform Projects

The following table outlines the current and past land reform projects as per the Department of Rural Development & Land Reform.

MD & REGISTRA TION DIVISION	PROJECT	FARM NAME(S)	GRA NT	PHASE	HA
Jansenvill e	Noorsdoring Farm	Noorsdoring (De Brakke River 149/R, 2,3 and farms 109/R,1 & Fair View Outspan 150 & Riet Gat 151/2	PLAS	Approv ed	2 392.0
Jansenvill e	Dan Dyeli Family Trust	Vergenoegd 112/R & J'ville Erven 397 - 399, 401 - 407, 477 (Zoetfontein)	LRA D	Approv ed/Halt ed	462.6
Jansenvill e	Delportskraal (Jansenville Comm)	Remainder of the farm Delportkraal No.146/0 FARM 139/1&2, Farm	COM	Approv ed/Halt ed	934.1

MD & REGISTRATION DIVISION	PROJECT	FARM NAME(S)	GRANT	PHASE	HA
Jansenville	Groenleegte	Groenleegte 164/6	PLAS	in Process	880.45
Jansenville	Tannies	Tannies 226/2[R] & De Draay 227/1,2,3,4 & Farm 236	PLAS	Price negotiation	3242.40
Jansenville	DIE MEENT (Restit claim)			Restitution Claim	609.84
Jansenville	Gwebushe Family CC (Perdevlei) (Bushavlei)	Erven 342, 340, 341, 339, 352, 351, 350 & Rem of Erf 348, Perdevlei	LRA D	Transferred	46.6
Jansenville	Klipfontein	Klipfontein 194/11,20,22, BoschRug 123/R, Pampoenkraal 128/4,5, Platkraal 129/R,1, Newklip 130, Kalkgat, 198/9,11.	PLAS	Transferred	2179.37
Jansenville	Klipplaat Commonage	Elandsfontein (Hardwood)	COM	Transferred	4263.9
Jansenville	Ngqeza Family Trust	Delports River No 290	PLAS	Transferred	2006
Jansenville	Phambili L Stock Farmers Association	Newlands (Steijnsrust, Breede Laagte, Bosch Rug, New Klip, Zwartrivier, Klipfontein)	PLAS	Transferred	2274
Jansenville	Uitkoms Farming		PLAS	Transferred	5453.0
Jansenville	Waterford (Group 1)	Wayside	PLAS	Transferred	3619.0
Jansenville	Karoo Vlake	Strydoms Laagte	COM	Transferred	5096

Table 8 : Land Reform Status (Department of Rural Development & Land Reform, 2014)

CHAPTER THREE KPA 2: SERVICE DELIVERY AND INFRASTRUCTURE PLANNING

Service delivery is divided into three groups, namely infrastructure services; community services; and community facilities. Service delivery falls within the functional area of a number of different organs of state and business, but all impact on the lives of the community and for this reason all known development initiatives are incorporated into this Chapter.

It must be acknowledged that before any future development is undertaken or levels of basic service determined, consideration must be given to the settlement and hierarchy expansion options (SDF 2013) outlined below in respect of the various nodes in Ikwezi.

NODES	SETTEMENTS	EXPANSION OPTIONS
Primary	Jansenville	Future growth and investment should generally be prioritized in this node, based on growth potential and potential to support local economic development.
Secondary	Klipplaat	Investment and development of this node should be carefully considered and aimed at the provision of basic services and infrastructure to its residents
Rural	Waterford & Wolwefontein	Future expansion in the rural areas should be confined to these nodes, but should be carefully assessed and investigated prior to large scale investment.

The Conceptual Framework also gives a reflection of a broad outline and possible development patterns and strategies for the nodal settlements in the Ikwezi area. Relevant maps can be found in the SDF - Chapter Two Clause number 2.2.

3.1 INFRASTRUCTURE MASTER PLAN

The Master Plan for future infrastructure needs of the Municipality is based on the 3 year MIG Capital Plan. The Master Plan is outdated and must be reviewed to determine a realistic reflection of the current infrastructure development backlogs.

Table 25: Backlog Overview

DEVELOPMENTAL NEED	BACKLOG R	CURRENT OBLIGATIONS (OPERATION / MAINTENANCE)	TOTAL	AVAILABLE FUNDING TO ADDRESS DEV. NEEDS	INTERNAL REVENUE
Water & sanitation.	17,909,764	R 361,790	R 18,271,554	R 6,000,000	R 361,790
Electricity	25,000,000	R 224,285	R25,224,285	R 6,224,285	R 224,285
Housing	39,525,000	0	R39,525,000	0	0
Roads & storm water	98,000,000	R 216,120	R 98,216,120	R 4,500,000	R 216,120
TOTAL	202,584,764	R 802,195	R181,236,959	R16,724,285	R802,195

3.2 ASSET REGISTER

Ikwezi municipality conducted a comprehensive asset assessment in 2011 as reflected in the table below.

Table 26: Asset Register

WATER	Number of Assets	Ave Replacement Value ('000)	Equivalent Expected Useful Life	Ave Residual Value (%)	Ave O&M %	Replacement Vale (model) ('000)	Annual Depreciation ('000)
Water treatment works (Total MI/day)	36	1, 0 00	28	40%	0.24%	36, 000	771
Water treatment plants (filtering & dosing)	1	150	15	0%	0.40%	150	10
Dams	1	20, 000	100	60%	0.60%	20, 000	80
Reservoirs	11	3, 300	38	30%	0.24%	36, 300	669
Pump stations	1	1, 000	22	30%	0.44%	1, 000	32
Boreholes	12	150	30	30%	5.70%	1, 800	42
Bulk pipeline (km)	25	550	60	20%	0.44%	13, 750	183

WATER	Number of Assets	Ave Replacement Value ('000)	Equivalent Expected Useful Life	Ave Residual Value (%)	Ave O&M %	Replacement Vale (model) ('000)	Annual Depreciation ('000)
Reticulation (km)	510	280	60	20%	0.44%	142, 800	1, 904
TOTAL						251, 800	3, 691
SANITATION							
Sewage treatment works (Total Ml/day)	1	1 500	28	40%	1.40%	1, 500	32
Pump Stations	6	1 000	22	30%	0.44%	6, 000	191
Bulk pipelines (km)		550	60	20%	0.44%	-	-
Reticulation (km)	600	280	60	20%	0.44%	168, 000	2, 240
TOTAL						175, 500	2, 463
ROADS							
Paved road (km)	107	1 600	35	40%	2.00%	171, 200	2, 934
Unpaved road (km)	642	200	15	40%	2.00%	128, 400	5, 136
TOTAL						299, 600	8, 070
Grand Total						726, 900	14, 225

The above table indicates that an amount of R7, 868 540 per year is required for operation and management of water, sanitation and road maintenance. The above also gives an indication of the needed future capital investment requirements with the average residual value of between 20%-30%.

The Improving Asset Management incentive is a new provisions in the Municipal Infrastructure Grant (2016 DoRB) that allows funds to be spent on refurbishment and this will go a long way to enable the municipality to use the asset management system to prioritise the maintenance and investment needed for their infrastructure.

In addition, National Treasury is assisting the three amalgamating municipalities, through the Municipal Finance Improvement Programme (Phase II), to develop an Integrated Infrastructure and Asset Management System. National Treasury appointed EMS Advisory to conduct the exercise which started in March 2016 and the report must be finalised by the 3rd of August 2016.

Through this programme Ikwezi municipality will undergo a full scale asset register process (starting from scratch) from 2008/09 to date. Assets include infrastructure, moveable assets intangible, investment properties and heritage assets. The project has been complicated due to the lack of supporting document for Infrastructure projects. ECCoGTA was approached for assist with copies of the supporting documents (MIG project documents).

3.3 WATER AND SANITATION

The Ikwezi Local Municipality is the Water Services Authority (WSA) and the Water Service Provider (WSP) for its area of jurisdiction and therefore responsible for the planning and provision of water and

sanitation services. However the municipality does not implement all projects in-house, water projects such as the RBIG Water Supply Scheme is sourced out to **Amathole Water** through a Service Level Agreement.

Water services are supplied to Klipplaat, Jansenville, Waterford and Wolwefontein. The municipality obtains water from ground and surface water sources. The municipality installed rainwater tanks at all of the dwellings in the four nodes to improve the provision of potable water. Houses of farmworkers were not included in the original project.

Ikwezi municipality adopted a Water Service Development Plan in 2007/2008, which is outdated and must be reviewed. Some information contained in this section has been updated by the StatsSA Census 2011, local knowledge and the Acting Director Technical Services. Reference was also drawn from the Feasibility Study for Jansenville Regional Water Supply Scheme 2014 (Regional Bulk Infrastructure Grant) Draft Revision 01.

The Water Service Development Plan (2007) reflects that 100% of the consumer (households and institutions) are served with un-metered erven connections. This has since improved. The Municipality is implementing a water conservation and demand management programme. Implementation includes the rehabilitation of reservoirs', installation of bulk meters (control measure to detect water losses), social facilitation, calibration and automation of borehole analysis.

The municipality (WSA) has started with the installation of bulk metres from the outlet of the sources to the storage inlet on its water supply line (except for boreholes to the reservoirs in Jansenville). Currently the problem is between the storage outlet and the distribution line as a measuring device has not been installed at household connection points. A leak detection programme has been implement in both towns.

In the past Department of Water Affairs invested funding to implement a retro fitting project and initiative to fix water leaks. The municipality conducted house to house investigations to address faults - in this way social facilitation was initiated to make homeowners conscious of water conservation and the need to report leakages. A Water Loss Assessment was also conducted for Jansenville which indicated excessive water losses due to household leaks.

Most of the existing reticulation pipe network consists of old asbestos pipes, which account for substantial water losses as a result of leaks.

Currently a flat rate is applied for all water services and this has a detrimental effect on cost recovery efforts.

3.3.1 WATER PROVISION

The municipality has a population of 10 537 occupying an estimated 2 915 households and 42% of these households receive piped water directly to the dwelling and a further 53% access piped water from within their yards. At least 90% of the households in each of the four wards receive piped water directly in the dwelling or yard.

Table 10: Water Provision

BASIC SERVICE / INFRASTRUCTURE						
Water – Source of water	Ward	Ward	Ward	Ward 4	Grand Total	%

	1	2	3			
Water scheme operated by municipality or other WSP	388	981	199	418	1986	68.1
Borehole	187	63	29	172	451	15.5
Spring	3	4	-	1	7	0.2
Rain tank	62	28	229	40	359	12.3
Dam/stagnant water	12	6	5	12	34	1.2
River/stream	7	1	-	-	9	0.3
Water vendor	1	-	1	-	2	0.1
Water Tanker	9	5	21	17	52	1.8
Other	7	-	7	2	15	0.5
Households	675	1086	491	662	2915	
Water – Access to piped water	Ward 1	Ward 2	Ward 3	Ward 4	Grand Total	%
Household	389	261	185	393	1228	42.1
In yard	226	812	288	220	1546	53.0
Community stand <200 m	24	1	9	5	40	1.4
Community Stand >200m	17	3	1	15	37	1.3
No access to piped (tap) water	19	8	7	29	64	2.2
Households	675	1086	491	662	2915	100

Jansenville Water Provision

In Jansenville, bulk water supply is derived from nine boreholes, situated on the outskirts of the town, of which only five are presently being used. The water is pumped and stored in three reservoirs in town and one in Phumlani. In the reservoirs the water is treated with chlorine and reticulated throughout the residential areas. The quality of the ground water source is monitored and treated to improve the quality.

During 2013/14 the municipality began installing water meters and to date 97 (business and households) were fitted with meters. This will enable regular readings for billing and to detect and limit water losses resulting from leaks. At present (2015/16) an amount of R3.39m was available for ACIP funding of which 100% had been spent. The project involves the refurbishment of pump stations in the Ikwezi area and installation of smart water meters. Some 500 households in Jansenville have water meters, although consumers are not being billed for domestic consumption.

The Department of Water Affairs budgeted R43m to implement the most viable recommendations or options proposed in the Feasibility Study over the next few years. The 2nd Phase (implementation of recommendations) of the Jansenville water intervention project commenced in 2014. The findings of the Feasibility Study were presented to Council together with various options for consideration. On face value the Klipfontein Scheme offers the most promising prospect of success, of the possible four options considered.

This project to secure a permanent water source for Jansenville, has been registered with the DW&S. The project is at the design stage. The Department of Water Affairs allocated R12 615 000m (RBIG) to the Ikwezi Bulk Water Supply project in the 2016/17 financial year.

Amathole Water is managing the project. The agreement needs to be reviewed as the project can be managed by the municipality after amalgamation in August 2016.

RECOMMENDATIONS

- That the implementation of the RBIG project be transferred from Amathole Water to Ikwezi /Dr. Beyer's Naude Local Municipality.

The bulk water is insufficient, especially during the summer months and school terms. The reservoir pipeline feeding Phumlani has been equipped with a booster pump to increase the pressure so that the water can reach the higher laying houses. The demand on the reservoir reserves' are high and the water gets depleted, which negatively affects consumers.

Communal Water House (Ward 1)

The construction of the Communal Water House in Jansenville was completed in 2009. The initiative is a German-SA demonstration project aimed at improving the rural life by advanced grey water treatment technology, including water and sanitation recycling. This is cost effective as water is scarce in this area and the facility is able to recycle it up to three times.

This innovative facility is progressive and will also serve as a supplementary "back-up" system for the conventional water services.

Klipplaat Water Provision

Klipplaat's main supply of water is the Klipfontein Dam. There are also three boreholes that are used in emergencies or as a backup system. Sustainable abstraction from the Klipfontein Dam and the three boreholes equates to 3117kl/day and water source for Klipplaat is sufficient.



Water reticulation is only provided in the urban areas of Ikwezi. Drought is a problem from time to time, which leads to the imposition of limited water restrictions resulting in reservoirs being closed at night and reopened in the morning. In 2015/16 the municipality commenced with the installation of water meters in Dan Sandi. It is estimated that about 100 of the household have been equipped with domestic water meters and this initiative must be intensified. Five bulk water meters have also been installed in Klipplaat. A further 2m ACIP funding has been allocated to install water meters in Klipplaat during 2016/17.

RECOMMENDATIONS

- Investigate billing for water provision so as to enhance revenue income.
- Domestic water meters for the installation in Klipplaat to be budgeted for in 2016/17
- Investigation the readiness of the Water and Sanitation Components to deliver basic services.

Waterford, Wolwefontein and Rural Hinterland Water Provision

Rainwater tanks provide potable water to Waterford and Wolwefontein. The storage capacity of the water tanks are not always sufficient during summer months. Water tankers are used from time to time when the water supply become depleted.



Roughly 29% of the inhabitants source their water from boreholes, rainwater tanks and dams. The rural hinterland is not serviced and due to the dispersed farming settlement patterns it is concluded that the majority of inhabitants living in the rural hinterland make use of boreholes, water tanks, springs and dams.

Water Quality

Zone meters and consumption meters in businesses were installed in 2014/2015 financial year in order to ensure cost recovery when the water treatment plant (purification system) in Jansenville has been constructed and the water quality improves.

The two boreholes at Kruitwater (class C4 water) are only used in emergencies as the water is unsuitable for consumption. The quality of the water for reticulation from the usable boreholes in Jansenville is treated with Chlorine dosing.

The following Blue and Green Drop Assessment results are reflected hereunder:-

Assessment	2009	2010	2011	2015
Blue drop	Failed	6.50%	26.55%	
Green drop	Failed	-	0.00%	

Operational monitoring must be improved and information must be uploaded on the Blue Drop System.

Institutional Capacity of the Water Services Authority

At the time of tabling the Final 2016/17 IDP, the post of the Director for Technical Services was vacant. The Camdeboo Local Municipality has deployed their Director Technical and Infrastructure Services to assist Ikwezi as acting Director Technical Services.

The Acting Director Technical Service and his team have conducted a preliminary investigation on the status quo of service delivery in the Ikwezi municipal area. Some of the findings are listed below:-

Challenges and solutions have been identified include:

- Shortage of trained operational and maintenance staff
- Dedicated staff must be assigned to attend to Waterford and Wolwefontein.
- Regular dosing of chemicals must be monitored.
- Chemical stock must be increased.
- Operational monitoring must be normalised and blue drop must be reported upon.
- Water consumption versus water supply must be determined and water balance ascertained.
- A survey must be carried out to determine the status around households and businesses equipped with water meters and develop a plan to install water meters throughout the entire area.
- Smart meters is one option that has to be considered to regulate billing and cost recovery.

The WSA adopted Water By-Laws in 2008. A review process of by-laws is due in partnership with Sarah Baartman District Municipality.

3.3.2 WARD NEEDS: WATER

When ward based planning was conducted in the Ikwezi area, the following water needs were expressed. With the support received from DWA most of these needs are or have been addressed.

Table 28: Water Ward Needs

GEOGRAPHICAL AREA	Ward Needs
Ward 1	Pipes to yard connections are breaking due to wear and tear between the pipe and the tap.
Ward 1	Water shortages and quality.
Ward 3 and 4	No water during the night during drought.
Ward 2	Water tank contamination and water quality. Access to water in high laying houses.

Source: Ikwezi Local Municipality – CBP

3.3.3 SANITATION SERVICES

The municipality has a population of 10 537 occupying an estimated 2 915 households and 83.5% of these households have access to a flush toilet, of which 69% is connected to the sewerage system and 14.5% to a septic tanks system. The WSP (ILM) supplies water and sanitation services to, Jansenville, Klipplaat, Waterford and Wolwefontein.

SANITATION SERVICES								
Toilet facilities								
Sanitation Services	Ward 1	Ward 2	Ward 3	Ward 4	2011 Total	%	2001 Total	Growt h %

								p.a.
Flush toilets	292	1007	404	308	2014	69.0	477	32.2
Flush septic tank	208	41	50	126	424	14.5	306	3.9
Chemical	-	-	1	1	2	0.1	0	
VIP	13	2	-	4	19	0.7	139	-8.6
Pit latrines without ventilation	28	10	2	49	90	3.1	72	2.5
Bucket latrine	54	5	8	43	109	3.7	1 326	-9.2
None	71	21	24	125	241	8.3	415	-4.2
Other	9	-	3	7	18	0.6	0	
	675	1086	491	662	2915	100.0		

Source: StatsSA 2001 / 2011

The level of improvement of flush toilets shows a positive growth of 32.2% p.a. over a period of 10 years (2001 to 2011). The number of bucket latrines reflects a negative growth of -9.2% p.a. over the same period which in effect means that bucket toilets have been reduced by 91.8% from 48.5% in 2001 to 3.7% in 2011.

Sanitation Provision

No formal sanitation service is offered in the rural hinterlands, as these are privately owned farms. Other rural nodes in need of proper sanitation include Waterford and Wolwefontein.

There is a Waste Water Treatment Works in operation to deal with the outflow of water-borne sewerage systems in Jansenville and it is of the oxidation pond design. The Department of Water Affairs allocated R2.7m (2014/15) to refurbish the Waste Water Treatment Works, by installing above ground sewer pump sets at the three sewer pump stations in Jansenville, as well as the repair to the final evaporation pond.

The status quo census figures of StatsSA 2011 for sanitation have improved significantly in Jansenville and Klipplaat. The bulk infrastructure has been upgraded and all of the households in Klipplaat and Jansenville are connected the main sewer.

Ikwezi municipality has not developed a Trade Effluent Policy. Recently the abattoir, located on the way to Klipplaat, reopened but only operates one day a week (Wednesday).

Klipplaat Sanitation Provision

There is a Waste Water Treatment Works in operation to deal with the outflow of water-borne sewerage systems in Klipplaat and it is of the oxidation pond design.

The oxidation pond in Klipplaat poses a health hazard as it is closer than 300 metres from Wongalethu residential area, where it should be in excess of +500 metres. Measures were put in place to upgrade the Waste Water Treatment Works in Klipplaat (Ward 3) and a service provider was appointed in September 2011. The EIA was expected to take about 18 months followed by the construction of the project. An amount of R4 601 900.00 had been budgeted for in the 2014/15 financial year to continue with the upgrading of the Waste Water Treatment Works in Klipplaat.

Based on the Acting Technical Services Director's March 2016 Preliminary Report, the WWTW in Klipplaat has halted due to cash flow constraints. The project is registered on the MIG data base but

has stopped as the contractor and the service provider (Consultant) have not been paid. A further R6 003 100.00 MIG funding is allocated for the upgrading of the Klipplaat Waste Water Treatment Works Project in the 2016/17 financial year.

Waterford, Wolwefontein and Rural Hinterland Water Provision

No formal sanitation service is offered in the rural hinterlands, as these are privately owned farms. Other rural nodes in need of proper sanitation include Waterford and Wolwefontein.

Areas of prioritised intervention

- Upgrade / expand capacity of the sewerage treatment plant at Klipplaat;
- Alternative technology for sanitation at Waterford and Wolwefontein;

Operational and Maintenance Plan

The Municipality does not have a Water and Sanitation Operation and Maintenance Plan in place. The allocation made in the Operation Budget for 2015/16 was inadequate and efforts should be made to meet the norms set by National Treasury.

3.3.3.1 IDP ASSESSMENT COMMENTS 2015: WATER AND SANITATION

In the IDP Assessment conducted in 2015, the following areas were marked for further attention:

Water and Sanitation:	Action Plan: Findings of the IDP Assessment 2015
Reflect on the status quo analysis of the operations and maintenance plan iro Water and Sanitation. Develop and approve an O&M Plan	
Determine the need for a Trade Effluent Policy in Ikwezi.	

3.3.3.2 WARD NEEDS 2014: SANITATION

Ward based planning was conducted throughout Ikwezi and the following sanitation needs were expressed.

Table 32: Sanitation Ward Needs 2014

GEOGRAPHICAL AREA	Ward Needs	
Ward 4	Upgrade sewerage system	Connect to main sewer line. Pursue with CDM and DoHS
Waterford	Upgrade Pit latrines	Upgrade sanitation system
Wolwefontein	Upgrade sewerage system (still use a bucket system)	Provision of proper sanitation.

Source: Ikwezi Local Municipality 2014 CBP

As reflected in the table below the water and sanitation component is totally understaffed and some posts, at an operational level, are vacant. The sanitation component in Jansenville does not have any

general workers. The water and sanitation employees report to the Senior Foreman for Electricity, Water and Sanitation. The water component has a shortage of plumbers and process controllers in both Jansenville and Klipplaat.

POST	NO. OF POSTS	FILLED	VACANT
Foreman Water & Sanitation	01	01	00
• Driver Jansenville Water	01	01	00
• Driver Jansenville Sanitation	01	00	01
• Process Controllers J&K Sanitation	02	00	02
• GWorker Klipplaat Sanitation	02	02	00
• GWorker Jansenville Sanitation	04	00	04
• Process Controllers J&K Water	02	00	02
• Plumbers J&K Water	02	00	02
• General Workers Water J&K	09	08	01
TOTAL	24	12	12

3.4 ROADS AND STORM WATER

The provision and maintenance of roads spans the functional areas of the Department of Roads and Public Works, the District Municipality and Ikwezi Local Municipality. The Department of Roads and Public Works is responsible for the maintenance of the Proclaimed Provincial roads, including Provincial gravel roads.

The R75 Provincial tarred road is the primary transportation route traversing the municipal area and provides access to the coastal and inland (Karoo) areas. It links Jansenville with Nelson Mandela Metro and Graaff Reinet.

The Ikwezi municipality is guided by the Integrated Transport Plan developed by Sarah Baartman District Municipality, as required under National Land Transport Transition Act, 22 of 2000. The District-Wide Infrastructure Forum is convened by Sarah Baartman District Municipality.

In 2015/16 a roads project was registered on the MIG data base. A further R1 950 000.00 MIG funding has been allocated for the paving of roads and storm water at Phumlani (Jansenville) in the 2016/17 financial year. An additional R1m has been allocated for the Expanded Public Works Programme in respect of the 2016/17 financial year.

The R338 provides access to Aberdeen and Baroe from Klipplaat and the R400 links the R75 with the N10 and Riebeeck East via Waterford. This access road also provides access to the northern extent of the Addo Elephant National Park. Both these gravel roads are in a poor condition. The R337 road which provides access between the two urban centres of the municipality has been upgraded and tarred.

The construction and maintenance of municipal access roads and streets is performed by Ikwezi Municipality, who are also responsible for ensuring that storm-water drainage is effectively managed. Internal tarred and gravel access roads throughout the area are in a poor state of repair due to aging and lack of maintenance. The Roads and Storm water component of the Infrastructure Department is understaffed which contributes to the condition of the municipal road network. The maintenance of roads infrastructure fall under Engineering Services and the Technician post is currently vacant.

Table 33: Status of roads and storm water 2015/16

AREA	STATUS OF MUNICIPAL ROADS
Ward 1	Tarred roads are in poor condition – Potholes
Waterford	This gravel access road (R400) is in poor condition.
Ward 2	Gravel roads are in a poor condition. The storm water system needs to be upgraded.
Ward 3	The main road is tarred and not in a bad condition. The rest of the town's gravel roads are in a very poor condition. The storm water system needs upgrading.
Ward 4	All streets are gravel roads and in very poor to dangerous condition. There is no proper storm water infrastructure.
Wolwefontein	Poor condition

The Municipality does not have a Storm water /Pavement Management Plan and roads infrastructure and maintenance is carried out as-and-when required.

3.4.1 WARD NEEDS 2014: ROADS AND STORM WATER

Ward based planning was conducted throughout Ikwezi and the following road needs were expressed.

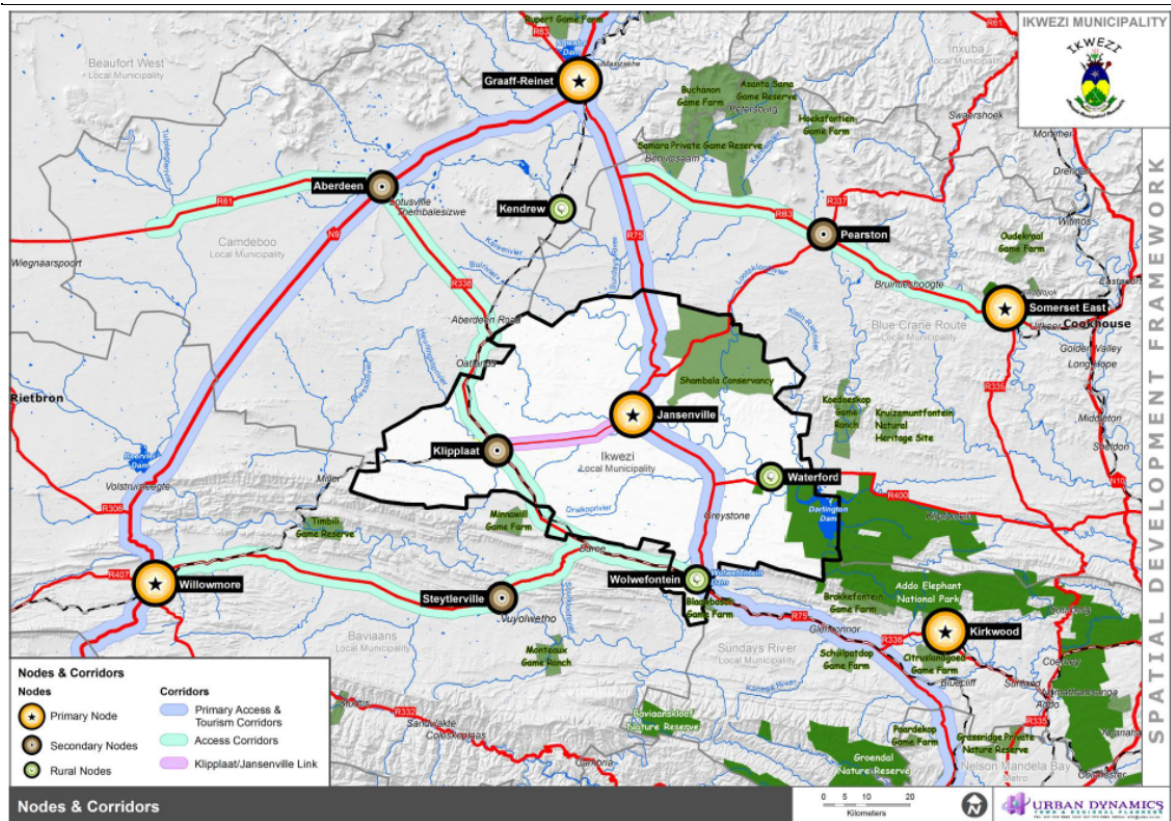
Table 34: Roads and Storm water Ward Needs 2014

GEOGRAPHICAL AREA	Ward Needs	
Ward 1	Water control	
Ward 2	Phumlani water control	

Source: Ikwezi Local Municipality 2014 CBP

Areas of prioritised intervention

- Develop a storm water / pavement management system;
- Negotiate with SBDM/DR&T for funding to develop a Pavement Management System;
- Develop a road maintenance plan - ILM/SBDM/DR&T;
- Source funding for the resurfacing of streets including plant ;
- Facilitate the improvement of road infrastructure (Integrated Infrastructure Investment Plan).



MAP 7: Settlement nodes and linkages

AIR TRANSPORT; LANDING STRIPS; RAIL AND ROADS

Rail

Mainline from PE to the north passes through Klipplaat, where it joins a branch line from Calitzdorp. At Klipplaat there is a railway line intersection with railway connections to PE, Graaff Reinet to Middelburg and Willowmore to Oudtshoorn. Initiatives are still being pursued to revitalize the Rail network at Klipplaat as a tourist destination.

Airstrips

There is an airstrip at Jansenville (Ikwezi).

Public Transport

As part of the SDF, a land use assessment for the urban areas was done based on the various principles of sustainability which involves defining planning areas in terms of reasonable walking distance, i.e. 2km or 30 minutes from a specific area or central business district. Fundamental to the concept is the notion that the majority of local daily needs for any inhabitant should be within a reasonable walking distance of the home. Both urban centres comply with these principles.

The demand supply situation does not warrant the need for formal taxi organisations to operate in the area. Informal taxi services are rendered by private vehicle owners as a means of income. For obvious reasons there are no taxi ranks in Ikwezi. Likewise there is no public transport and the municipality does not have a budget for transport facilities.

Bus Shelters

There are three bus shelters for passengers. The one is at the entrance to Jansenville from Port Elizabeth on the R75 and the other at the T-junction on the corner of the R337 to Klipplaat and the R75.

Weigh Bridge Management

The closest weigh bridge management centre is situated outside Port Elizabeth and it is doubtful if Ikwezi would warrant a Weigh Bridge Management service. Graaff Reinet would be more suited in terms of Infrastructure and location once the amalgamation has been formalised.

3.5 ELECTRICITY AND ENERGY

Ikwezi is the licensed distributor of electricity in Jansenville and buys in bulk for distribution within its approved area of supply. Eskom renders services in Klipplaat, Wolwefontein and the rural areas.

Table 09: Energy for Lighting

BASIC SERVICE / INFRASTRUCTURE	Ward 1	Ward 2	Ward 3	Ward 4	Grand Total	%
Electricity for Lighting						
Electricity	563	1016	453	548	2581	88.5
Gas	-	2	-	1	4	0.1
Paraffin	43	14	4	54	115	3.9
Candles (not a valid option)	57	46	27	49	179	6.1
Solar	9	2	3	5	19	0.7
None	3	5	4	5	17	0.6
Grand Total	675	1086	491	662	2915	100.0

Source: StatsSA

Access to electricity has improved from 71.8% in 2001 to 88.5% in 2011. The dependency on paraffin and candles make up for 10% of the households within Ikwezi. From the total number of 2 915 households in the municipal area, 2 581 households or 88.5% have access to electricity and of these 19% is located in ward 1, 35% in ward 2, 15.5% in ward 3 and 19% in ward 4. There are 294 or 10% of the total number of 2 915 households in the municipal area, using candles as an energy source and of these 3.4% is located in ward 1, 2.1% in ward 2, 1.1% in ward 3 and 3.5% in ward 4.

The Municipality is the Service Provider for electricity and distributes power to the whole of Jansenville. There are 1613 households that receive electricity directly from the municipality. The bulk of the meters are of the prepaid type while 45% are of the conventional credit **meters**. Meters are read on a regular basis.

The Jansenville Sub-station was upgraded in 2010/11 at a cost of approximately R6m. Reticulation has recently been completed as part of the upgrade of the Jansenville system at a cost of a further R6m. Ikwezi Municipality upgraded the Mini Sub-stations and network that are located in the Jansenville area, and DoE allocated R3.2m for this purpose in the 2014/15 financial year. An additional R6m is still required.

The supply agreements entered into by Ikwezi municipalities with Eskom, stipulates a notified maximum demand allocation per month, which is inadequate in winter months. Consumption above the allotted maximum demand results in penalties with disastrous financial consequences.

Funding efforts must be intensified to enable the municipality to request Eskom to upgrade the maximum demand from one (1) MVA to (two) 2 MVA in the next 5 year planning cycle. The estimated cost to increase the maximum demand is R1.2million.

Eighteen high mast lights have been erected in Jansenville. By February 2014 the equivalent number was installed throughout Klipplaat at a cost of R1.9m.

Institutional Capacity of the Electricity Department

The electrical department is very understaffed. Currently the department exists of only one appointed electrician, one semi-skilled electrician and two general workers. The electrician is permanently on stand-by for after hour emergencies and when he is on leave or sick the institution is without that expertise.

Engineering service sub-directorate	NO. OF POSTS	FILLED	VACANT
Senior Foreman Water, Sanitation & Elec.	01	01	00
Foreman Klipplaat	01	01	00
• Driver	01	01	00
Foreman Electricity	01	01	00
• Electrician	01	00	01
• Artisan	01	00	01
• General Workers	03	03	00
TOTAL	09	07	02

Maintenance, tools and equipment of the Electricity Department

The medium voltage infrastructure needs urgent maintenance, especially oil lead on transformers. Some of the transformers are very old and will have to be refurbished or replaced.

Standby transformers needed for standby processes are 100KVA, 200KVA, 315KVA and 500KVA. Currently there are none in stock. The supply and delivery period for distribution transformers are 12 to 16 weeks after a purchase order has been placed.

The following tools and equipment are urgently required namely, ladders, overalls, safety boots, hardhats, safety gloves, belts to work from heights and drilling machines, chainsaws and general hand tools.

Daily maintenance is being hampered by the lack of materials and cash flow problems.

Corrective measures to minimize Electricity losses

Faulty or bypassed meters (currently 44) need to be replaced and conventional meters inspected for evaluation and corrected when necessary.

The Finance Department to make available the monthly Alarm Report to the Electricity Department.

Notices must be made available to report faulty or tampered meters to the municipality.

The following must be metered where possible:-

Street and high-mast lights.

Conventional meters to be installed at municipal buildings and all pump stations (water and sewerage)

Calculate the consumption for 11 hours over 30 day of the streetlights that are supplied directly from the low voltage overhead power lines

Investigate the electricity situation in Jansenville with the view of enhancing revenue income.

FREE BASIC ELECTRICITY

Approximately 37 % of the households in Ikwezi benefited from Indigent Policy Assistance in 2015/16.

Waterford, Wolwefontein and Rural Hinterland Electricity Provision

Eskom renders services in Klipplaat, Wolwefontein and the rural areas. The majority of households in Waterford do not have access to electricity.

The transformer at Waterford has to be upgraded to supply the 20 household with electricity. The municipality has from their transformer supplied four houses in Waterford. The majority of houses in Waterford still need power and funding must be secured for this purpose. The housing project at Waterford (60 units) has been put on hold until the necessary bulk infrastructure is in place to ensure basic services.

The majority of the backlogs are found in Waterford and Wolwefontein. The railway houses in Wolwefontein receive electricity via ESKOM and the community have requested to be serviced by the municipality as it was alleged that ESKOM tariffs were high.

Table 37: Electricity Supply in the various wards

GEOGRAPHICAL AREA	SUPPLY	STREET LIGHTING
Ward 1 & 2	99% Full Connection (Ikwezi municipality is the provider)	High Mast lights and Street lights
Waterford	Only the hall, church, shop and 1 residence is connected.	No street lights
Ward 3 & 4	ESKOM is the provider	High Mast lights
Wolwefontein	Only 12 Houses are not connected	No Street Lights

3.5.1 Alternative energy – solar technology Farm

The Municipality is involved in alternative energy sources, which are envisaged to position Ikwezi as a leading municipality in the development of Renewable Energy. A feasibility study was conducted by NASTEP (New Age Solar Technology Environmental Projects), who advised on the most relevant technological option. As the Ikwezi solar project is sized to 5 GWh/a, the plant will generate electricity for approximately 5 500 homes (1.1MWh/per household). The capital investment requirement is estimated at R500m for land and infrastructure. A site of 10 ha will be required for the programme.

The feasibility study concluded that grants and subsidies will be fundamental to the facilitation of the growth of solar energy generation in South Africa. The project fits with the current National and ESKOM policies and is thus moving towards zero/low carbon emissions and renewable energy solutions.

The PV solar plant would occupy a significant area and unless it is well shielded, it is likely to be a prominent visual feature. It would combine the physical features of the large solar fitted with a small substation with a gas that is considered benign. Environmental consideration should be given nonetheless. The feasibility study confirms that the project is feasible.

An Independent Power Producer (IPP) was appointed in 2009. The IPP has submitted an application for a license from NERSA to commence with the project.

The Ikwezi Municipality, University of Fort Hare, Energy & Water SETA and Uhuru Development project cooperative initiated a skills development program aimed at training young people within the Ikwezi Municipality on renewable energy and Energy Efficiency technologies. The parties signed agreements on Friday 06 February 2015 in East London. In the agreements, the Energy & Water SETA will assist in raising funds for the project while the University and Uhuru Development project cooperative will implement the project within Ikwezi municipality.

A huge investment (R250m) is needed to get this project off the ground.

3.5.2 WARD NEEDS 2014: ELECTRICITY AND ENERGY

Ward based planning was conducted throughout Ikwezi and the following energy needs were expressed.

Table 38: Electricity and Energy Ward Needs 2014

GEOGRAPHICAL AREA	Ward Needs	
Waterford	Lack of access to electricity and no street lights	Install transformer to enable reticulation to houses and provide street lights
Waterford	Not benefitting from FBE	Consider alternative FBE (Paraffin)
Wolwefontein	Electricity.	Provision of electricity

Source: Ikwezi Local Municipality 2014 CBP

Ensure the following minimum requirements:

- Community awareness campaign to save energy and to stimulate payment for utilized services;
- Strict implementation of Credit Control Policy;
- Review the tariff structure;
- Electricity audit per area, including billing and payment rate;
- Review and update FBS indigent register (Ward Councillor to verify status);
- Address interim need of Waterford FBE (paraffin and candles);
- Apply By-law dealing with tampering and illegal connections;
- Finance to deal with the above.

3.6 HOUSING AND SETTLEMENT ANALYSIS

StatsSA 2011 reflects that the majority of Ikwezi's population reside in a formal dwelling (92.5%) and that 52.6% own their homes.

Table 12: Dwelling type and Tenure status

BASIC SERVICE / INFRASTRUCTURE	IKWEZI AREA (STATSSA 2001)	IKWEZI AREA (STATSSA 2011)	%	GROWTH % p.a.
Total number of households				
Dwelling Type	2 760	2 915		
House or brick structure on a separate stand.	2509	2696	92.5	0.75
Mud/Traditional Dwelling	35	7	0.2	-8.00
Flat in block of flats	25	14	0.5	-4.40
Town/cluster/semi-detached house	-	72	2.5	
House/Flat in back yard	88	47	1.6	-4.66
Informal shack in yard	57	50	1.7	-1.23
Informal shack not in back yard (informal settlement)	25	12	0.4	-5.20
Room/flatlet not in back yard on shared property	6	3	0.1	-5.00
Caravan or tent	6	3	0.1	-5.00
Private ship/boat/Other	9	11	0.4	2.22
Tenure Status	2 758	2915		
Owned and fully paid off	1463	1394	47.8	-0.47
Owned but not yet paid off	39	141	4.8	26.15
Rented	488	573	19.7	1.74
Occupied rent-free	759	645	22.1	-1.50
Other	0	162	5.6	
Not applicable	9			

Source: StatsSA

The number of traditional dwellings significantly decreased, by -80%, over the last ten years (2001 to 2011). There has also been a significant decline in both the number of informal shacks in the yard and those not in the back yard since 2001. This implies that the potential for spontaneous development of informal settlements are limited and that the housing demand is more than likely determined by backlogs rather than pressure from urban influx. The high number of rent-free occupation could signify that there is a still a growing need to address the provision of housing for farm workers.

3.6.1 HOUSING SECTOR PLAN

Ikwezi Municipality adopted a Housing Sector Plan 2011 to 2016.

The provision of formal housing for low and middle income residents is a core function of provincial and national government, with local municipalities being implementing agents. Ikwezi Municipality must as part of its IDP take all reasonable steps within the framework of national and provincial housing legislation to ensure that the inhabitants within its area have access to adequate housing on a progressive basis. The Municipality must therefore set housing delivery goals for its area and identify and designate land for housing development.

In the past it was noted that the IDP indicated uncertainty of the exact housing backlog within the municipality and therefore it is recommended that the determination of credible housing backlogs must be prioritized and linked to beneficiaries' according to the need on the ground and statistical analysis of demographic and related trends

3.6.2 Housing Demand

The SDF reviewed in 2013 took stock of the latest Housing Sector Plan (2011-2016), which contains an analysed synopsis of the housing demand, existing supply and future needs and therefore the SDF information hereunder will be used in 2014 to form a uniform data base for the Housing Section, including the determination of future land requirements for housing development

The following tables outline:

- Housing delivery status (houses completed or currently under construction for each of the urban nodes)
- Existing housing projects (new units currently under construction)
- Proposed housing projects (regarded as the existing demand to accommodate backlogs)
- Estimated land demand for housing development up to 2022 (proposed housing projects, incorporating proposed population growth at 1.1% per annum)

❖ Housing Delivery Status (2011)

TOWN	HOUSES COMPLETED OR UNDER CONSTRUCTION
Jansenville	164
Jansenville PH 2	185
Jansenville – 350 sites	212
Klipplaat – 250 sites	250
Klipplaat	407
Total	1218

Table 9 : Housing Delivery Status (2011)

❖ Existing Housing Projects (New Units)

TOWN	PROJECT NAME	UNITS
Klipplaat	Klipplaat 418	481
Klipplaat	Klipplaat 250	118
Jansenville	Jansenville 350	253
	<i>Total</i>	852

Table 10 : Existing Housing Projects (New Units)

❖ Proposed Housing Projects (Current Demand)

TOWN	PROJECT NAME	UNITS
Waterford	Waterford 150	150

Jansenville	Jansenville 500	500
Jansenville	Jansenville Venter	65
<i>Total</i>		<i>715</i>

Table 11 : Proposed Housing Projects (Current Demand)

❖ Land Demand for Housing Development (2014 – 2022)

WARD	AREA	POPULATION 2011	POPULATION 2022	ADDITIONAL HOUSEHOLDS 2022	CURRENT DEMAND (PROPOSED HOUSING PROJECTS) 2014	DEMAND 2022	REQUIREMEN TS @ 30
1	Jansenville, Waterford, Farms	2468	2784	77	(JV) 500 (Venter)65 (Waterford)65	1	23
2	Phumlani	4044	4561	147	-	147	5
3	Wongalethu, Farms	1565	1765	61	-	61	2
4	Klipplaat, Dan Sandi, Wolwefontein, Farms	2460	2775	88	-	88	3
<i>Total</i>		<i>10537</i>	<i>11885</i>	<i>373</i>	<i>715</i>	<i>1003</i>	<i>33</i>

Table 12 : Housing and Land Demand

The following observations are made:

- 2 070 Greenfield housing units have been completed or are currently under construction. This represents a relatively large proportion of accommodation within the community.
- It is estimated that the current demand for subsidised housing totals 715 units.
- Based on an average density of approximately 30 units per hectare, the demand (2022) will require approximately 33ha of land for Greenfield development purposes.

3.6.3 Housing Delivery and Strategic Programme

The Ikwezi Housing Sector Plan (2011-2016) analysed housing demand and the housing process within the Ikwezi Municipality in detail and proposes a strategic programme for improved housing delivery.

STRATEGIC GOALS	OBJECTIVES
<i>To declare demand</i>	Prepare for (methodology and process steps) and undertake Housing Consumer Education / awareness and the Housing voice in the next IDP planning cycle
	Install, train staff and implement Housing Needs Register
	Engage social welfare / SPU to cater for child headed households and orphans
<i>Scaled up delivery of subsidised housing</i>	Undertake annual Strategic planning that includes an environment analysis to inform strategic priorities
	Credible project pipeline: <ul style="list-style-type: none"> - Install project tracking tool - Train staff on the use thereof - Collect and input all the information from the relevant sources including importantly sections in the municipality, the district and the ECDoHS - All the additional projects or changes in status and

	<p>information of existing entered and quarterly report for management and council. Informed annual review reports.</p> <ul style="list-style-type: none"> - To plan new projects against sustainability criteria - To submit project applications to the Province for funding approval and technical support
	<p>Land and land packaging:</p> <ul style="list-style-type: none"> - Undertake a land audit and feasibilities studies to establish land pipeline for housing development - Secure Land, Municipal, state (undertake feasibilities and prepare business plans for identified land on offer from Provincial Government), land reform - Package land, town planning etc.
	<p>Infrastructure: Initiate processes to prioritise and align infrastructure development to housing delivery programme</p>
	<p>ISRHDP Programme: Use results of the housing voice and Housing Needs Register exercise to inform the development of a ISRHDP programme that delivers the relevant supply in terms of basic infrastructure, top structure and tenure</p>
	<p>Farmworker Housing Programme: Use results of the housing voice and Housing Needs Register exercise to inform the development of a farmworker housing programme that delivers the relevant supply in terms of basic infrastructure, top structure and appropriate tenure alternatives</p>
	<p>Project development and management:</p> <ul style="list-style-type: none"> - To package projects, top structure, procurement of contractors and construction implementation. This needs to place high priority on rectification and blocked projects - To provide for project management of current running and rectification projects to ensure good quality and timely delivery
<i>To build a suitably structured housing unit to meet the requirements of the municipal housing delivery mandate</i>	<ul style="list-style-type: none"> - Organisation structure and development, current structure not suitable - Develop and implement systems, policies, processes, procedures, documents and forms - Resource the housing unit
<i>To formalise the required institutional structures to support the Municipality in meeting its housing delivery targets</i>	Strengthen internal and external partnerships required by the municipality to plan, facilitate, and where relevant implement, the necessary housing development to meet the demand in the area

Table 13 : Strategic Programme

STRATEGIES		Housing			
Department Objectives	Programme / Project description	Location/ Ward	Annual Target 2015/16	Indicators / portfolio of evidence	Total Annual budget allocation 2015/16

Running Project	Klipplaat 418(210)	Klipplaat			R3.9 Million
Rectification	Klipplaat Dube 34	Klipplaat			R 2 434 842.02
Rectification	Venter 64(42)				R 4 205 645.75

3.6.4 WARD NEEDS 2014: HOUSING

Ward based planning was conducted throughout Ikwezi and the following housing needs were expressed.

Table 46: Housing Ward Needs 2014 and 2013

GEOGRAPHICAL AREA	Ward Needs	
Ward 1	Some people who qualify for houses have not benefitted	Investigate housing demand.
Waterford	RDP Housing project approved but not materialized	Project put on hold pending bulk infrastructure installation.
Ward 4	Asbestos roofing must be replaced and approximately 50 housing units damaged by a tornado.	Replace asbestos roofing of old RDP Houses and repair remaining 50 RDP housing units (tornado damage)
Wolwefontein	Renting houses from Spoornet - poor quality	Assistance to obtain free housing from the government

Source: Ikwezi Local Municipality 2014 CBP

3.7 COMMUNITY SERVICES

The municipality does not have an Environmental Management Officer and the Parks and Cemetery section in Jansenville and Klipplaat do not have any staff (general workers). The Refuse component in both towns are operating with only 50% of the required staff capacity, as per the noted organogram.

	NO. OF POSTS	FILLED	VACANT
Manager Comm Dev sub directorate	1	0	01
Librarians	2	2	0
Fire officer	1	1	0
SRA& Culture Officer	01	00	01
Environmental Management Officer	01	00	01
Parks and Cemetery Foreman	01	01	00
• Refuse driver JVille Supervisor	01	01	00
-GW parks	02	00	02

-GW Refuse	15	08	07
• Refuse driver KPlaat	01	01	00
-GW Parks	02	00	02
-GW Refuse	04	02	02
TOTAL	32	17	15

It is hoped that the amalgamation will improve the situation around environmental issues in Ikwezi as it is anticipated that Environmental Management expertise exists in Camdeboo and or Bavians.

3.7.1 SOLID WASTE MANAGEMENT

According to the Statistics South Africa 2011, 79% of households in Ikwezi have access to a weekly refuse removal service as reflected in table below. The Ikwezi Local Municipality collects domestic refuse from the urban areas in Jansenville and Klipplaat on a weekly basis and commercial solid waste twice a week. Waterford and Wolwefontein are serviced every two weeks. Collected waste is transported to solid waste sites. No management is being performed at these sites and they are not registered.

This service is not rendered in rural areas and approximately 16.8% of households are disposing waste on site by either burying or burning. The sparse settlement density and per capita waste generated are normally low therefore the environmental impact should not be significant, especially if managed appropriately.

Table 11: Refuse Removal Services

Solid Waste Removal								
Refuse Removal Services	Ward 1	Ward 2	Ward 3	Ward 4	2011 Total	%	2001 Total	Growth % p.a.
Removed by local authority/private company at least once a week	448	1021	448	388	2304	79.0	1 826	2.62
Removed by local authority/private company less often	15	6	-	3	24	0.8	0	
Communal refuse dump	7	-	6	16	28	1.0	8	25.00
Own refuse dump	180	34	35	241	490	16.8	881	-4.44
No rubbish disposal	17	26	2	10	55	1.9	22	15.00
Other	8	-	1	4	14	0.5		
Grand Total	675	1086	491	662	2915	100.0	2737	

Source: StatsSA

In 2011, 79% of households had access to a weekly refuse removal service as opposed to only 66.7% in 2001. This is further substantiated by the fact that individual or own disposal have decreased from 32.2% in 2001 to 16.8% in 2011.

3.7.2 INTEGRATED WASTE MANAGEMENT PLAN

Ikwezi municipality is responsible for waste management which includes street sweeping, collection, transportation and the disposal of solid waste. In 2008, CDM appointed KV3 Engineers to compile IWMP's for each of the nine LMs in the district. The Plan consisted of two phases, the first being a status quo assessment and the second identified objectives with alternate recommendations.

From the Status Quo and Needs Analysis study in the IWMP, certain needs pertaining to the waste disposal service in the Ikwezi Municipality were identified that requires attention. These needs are summarised below:

- There are no waste minimization strategies that have been developed. These need to be addressed and implemented.
- The waste collection services should be extended to include all areas which are not currently being serviced.
- The new developments that are taking place in the Ikwezi Municipality must also be included for the provision of a waste collection and disposal service.
- It is essential that in conjunction with the Town Planning Department that future residential and business area expansion are catered for in terms of refuse removal. This will allow the Municipality to, at an early stage, determine the possible costs involved and therefore will be able to adjust their budget accordingly. This will allow the Municipality to service the new areas when they are developed.
- There is illegal disposal of waste at various sites in the municipality. The illegal disposal should be addressed in order to manage and minimize the illegal activities pertaining to waste disposal.
- The Jansenville and Klipplaat landfill sites should be permitted in terms of section 20(1) of the Environment Conservation Amendment Act, Act 50 of 2003 and be upgraded to include i.e. proper fencing and a guard house with ablution facilities.
- Proper access control and record-keeping of incoming waste streams do not occur at the entrance to the landfill sites.
- Garden refuse are disposed of at the disposal facilities with no processing of the garden waste. The exact volumes of garden refuse needs to be determined (entrance control at disposal facilities) to determine the feasibility of composting garden refuse.
- The Ikwezi Municipality has a few vehicles that are old and in poor condition that are due for replacement. Municipal waste records should be kept and maintained for informed future decision-making purposes and to comply with the Government's Waste Information System requirements.
- A medical waste stream management strategy should be formulated to deal with this component, and with the intention of ensuring compliance with SANS 0228.
- To provide a cost effective waste management service, the payment of service tariffs should be improved and the tariff structure should be investigated to be viable and should be standardized.
- The number of domestic, commercial and industrial service points should be determined to ensure that the generators of waste pay for the waste they generate. This can also be an incentive for businesses to minimize their waste streams and will allow for the objective to render a complete service to all communities in the municipal area.
- A Detailed financial investigation should be done by the Municipality

Street cleansing (litter management, sweeping, and cleaning of ablution facilities) is rendered in Jansenville and Klipplaat once per week. This service is not provided in Waterford and Wolwefontein.

The waste infrastructure is inadequate. Only one tractor in Klipplaat is in working order and the refuse truck which was used for the collection of refuse was stolen a few years ago. There is only one remaining refuse truck meant for Jansenville which is now also servicing Klipplaat. There is a high demand on the refuse truck and the running costs between Jansenville and Klipplaat are costly.

Waste receptacles: The Ikwezi Municipality utilises a black bin system for all the households in the municipal area. We utilize 240ml bins (not wheelie bins) for commercial use.

Municipal by-laws pertaining to waste: The Ikwezi Municipality has a set of by-laws pertaining to cleansing services. By-laws were compiled by the Sarah Baartman District Municipality for the nine Local Municipalities, which were then adapted to suit local conditions for adoption. The By-laws comprehensively address the issue of waste removal and set out fines for specific contraventions.

3.7.3 LEGISLATIVE COMPLIANCE - LANDFILL SITES

There is a waste disposal site in Jansenville and one in Klipplaat, both are un-licensed and do not comply with legislated requirements and operate without the necessary DEDEAT permit. Permit conditions pertain to the design, construction, monitoring, closure and rehabilitation of a waste disposal site. Measures have been put in place to assist the municipality to comply with legislative prescripts. Towards this end Aurecon was appointed in 2011 to assist the municipality with compliance issues including an Environmental Impact Assessment that will ultimately enable both landfill sites to qualify for the necessary permits. A further 250,000.00 (own funding) in respect of each landfill site has been set aside in 2014/13. DEA has budgeted a further R20m (shared amongst 11 municipalities) from September 2013 to October 2014 to create jobs for youth in waste.

Currently the landfill site at Jansenville does not adhere to normal norms and standard that are expected to be enforced at solid waste disposal sites. Landfill sites are not adequately fenced. There is a lack of control and dumping takes place randomly anywhere in the vicinity of the landfill site. The Site in Jansenville does not have an erf number.

Areas of prioritized intervention

- Address the shortage of equipment.
- Pursue the licensing of landfill sites.

3.7.4 AIR QUALITY

The National Environmental Management: Air Quality Management Act (No. 39 of 2004) requires local municipalities to monitor ambient air quality within its area of jurisdiction. From an environmental perspective the importance of appointing a permanent air quality officer to regularly monitor air pollution in highly developed areas with heavy industrial emissions is acknowledged. However, in Ikwezi there is almost no industrial economy and a concern around the air quality is limited to external risks that could be caused by the transportation of hazardous chemicals along the R75. This situation does not warrant the appointment of a permanent air quality officer thus the municipality is looking at a more sustainable solution like partnering with the Sarah Baartman District Municipality and DEA to monitor the air quality in Ikwezi.

An Air Quality Management Plan (AQMP) is a recognised tool in terms of national policy and legislation for the management of air quality in order to protect human health and the environment. The objectives to be met by the implementation of the AQMP are:-

- To ensure sustainable implementation of air quality standards throughout the municipal area.
- To promote a clean and healthy environment for all citizens;
- To minimize the negative impacts of air pollution on health and the environment; and
- To ensure provision of sustainable air quality management support and services to all stakeholders within the District.

Air Quality Management Plan Development

The AQMP must be in line with the requirements of the National Environmental Management: Air Quality Management Act, No. 39 of 2004, and seek to;

- Advise on the municipality’s responsibilities and related consequences in terms of Chapter 3 of the National Environmental Management Act to the extent that that Chapter is applicable;
- Identify and analyse key pollutants in the municipality, its sources and impacts, including past, ongoing and planned activities;
- Identification of sources for which the implementation of emission reduction measures in the short-term is justified (offenders falling outside permissible emission standards);
- Identify measures and options to improve air quality in the municipality;
- Address the effects of emissions from industrial sources, residential applications and any other source;
- Determine emission standards at the municipal level.
- Provide for institutional arrangements and planning matters;

IDP ASSESSMENT COMMENTS 2015: ENVIRONMENTAL MANAGEMENT

In the IDP Assessment conducted in 2015, the following areas were marked for further attention:

Environmental Management	Findings of the IDP Assessment 2015
	Create a functional environmental unit/ official to implement environmental plans and programmes.
	Develop environmental by-laws and ensure enforcement.
	Give evidence of attempting to develop environment planning tools such as SOER, EMFs, aquatic ecosystem, ecological infrastructure, wetlands bioregional plans and associated EMPs.

3.7.5 DISASTER MANAGEMENT

Sarah Baartman District Municipality has a fully equipped satellite District Management Office in Jansenville. Disaster Management is a District power and function that has been delegated to the respective local municipalities in the district (including Ikwezi) by agreement and formalized by a Service Level Agreement (SLA). The function continues to be financed by Sarah Baartman through the SLA. As part of the SLA the District Municipality is intending to recruit approximately 20 volunteers and **a full time Disaster Management Officer was appointed** on 3 September 2014

The Mayor and the Disaster Management Officer have held discussions with the community to facilitate the establishment of the Ikwezi Municipal Disaster Management Advisory Forum. The first meeting of this Forum was held on 18 February 2014 and was chaired by Sarah Baartman DM.

The aim of the Disaster Management Act, No. 57 of 2002, and the Disaster Management Framework, is to minimise the effects of hazards on local communities by ensuring co-ordinate efforts to manage risks. This plan has been designed around the identified risks, highlighted during the Risk Assessment process. A Disaster Management Plan outlines the key institutions and programming components relative to deal effectively with disaster management and emergency responses.

Partnerships have been established with Provincial Government, District and Non-governmental Organisations with a responsibility or capacity to render disaster management services.

In terms of Ikwezi the following risks should be considered:

- Tornado
- Epidemics like cholera due to quality of water
- Foot and mouth disease
- Household fires
- Transport-related (motor vehicle accidents)
- Hazardous spills
- Drought
- Floods

A complete Risk Assessment Report is not available.

The most common disaster that occurs in the area is floods and protracted drought. Tornado's are fairly common in Klipplaat.

3.7.6 FIRE SERVICES

Ikwezi operates a firefighting service that provides fire fighting, fire preventing, and road rescue services. This service is rendered within a very large area including the rural hinterland that extends as far as Wolwefontein, Waterford and Miller. The service and personnel is funded by Sarah Baartman District Municipality and Ikwezi Municipality. The SLA has been entered into between Sarah Baartman and Ikwezi and the funding component is regulated by an annual built-in escalation or yearly top-up. There is a fire station in Jansenville run by the Senior Fire Officer. Three fire fighters have been appointed and commenced duty in April 2014 on a three year contract basis as from 2015/2016. Ikwezi Municipality will be taking over the remuneration of the said incumbents. They have undergone the Fire Fighter 1, Fire Fighter 2 as well as BAA training. There are 2 additional fire fighter officers' vacant posts on the organizational structure, but a third one needs to be added.

Ikwezi fire services are equipped with the following resources:-

- One medium pumper with a capacity of 4000ltrs and fully equipped with the Jaws of Life.
- One fire trailer and
- The light deliver van skid unit is out of commission due to an accident. The municipality is therefore urgently in need of a small response vehicle.
- A Satellite Station for the Klipplaat unit is required.
- Construction of a Fire Station at the main centre in Jansenville. Estimated cost is R5m

The equipment used for firefighting is very expensive and according to the Fire Service Act the operational area should be isolated and enclosed. Further planning should take cognizance of this.

IDP ASSESSMENT COMMENTS 2015: DISASTER MANAGEMENT / EMERGENCIES AND FIRE SERVICES AND AGRICULTURE SERVICES

In the IDP Assessment conducted in 2015, the following areas were marked for further attention:

Disaster Management and Fire Services	Action Plan: Findings of the IDP Assessment 2015
Develop, adopt and implement Fire services tariffs.	
AGRICULTURE SERVICE DELIVERY INDICATORS	
Quantify Livestock	
Indicate backlog in terms/ of agricultural infrastructure	
Give projections in terms of required agricultural infrastructure	

3.7.6 POUNDS AND TRAFFIC SERVICES

POUNDS

The Municipal does not have a pound. A need has been identified and the municipality should identify suitable land for a pound.

TRAFFIC SERVICES

Ikwezi municipality does not operate a traffic service. A fully functional motor vehicle test centre is located in Jansenville but is currently not operational. Law enforcement duties are often linked to traffic services and the municipality should consider the cost effectiveness of reopening the test centre and possibly combining it with the law enforcement arm of the municipal functions. This could be a lucrative revenue source and should be further investigated.

Ikwezi does delivery an agency service for licensing (NATIS) on behalf of the Provincial Department.

3.7.7 COMMUNITY SAFETY

The 1996 Constitution introduced a fundamental change to the role played by municipalities in the management of crime and safety in South Africa, by requiring of them to provide a safe and healthy environment for the communities within their areas of jurisdiction. The South African Police Service Act as amended made provision for the establishment of municipal police services and community police forums. The Community Safety Forum is in Place and functional, it comprised of all relevant stakeholders.

Three Police stations and one Magistrate Court (Jansenville) operate within the jurisdiction of Ikwezi Local Municipality. These are situated in Jansenville, Klipplaat and Wolwefontein, which covers the rural / farm areas. The statistics show that crime levels are relatively low within Ikwezi Local Municipality.

Table 7: Crime Statistics for Ikwezi Area 2014/15 to 2015/16

CRIME CATEGORY	Assault GBH		Burglary Residential		Stock theft		Drug related crime		Neglect and ill-treatment of children	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Area										

		5			4			5		
IKWEZI:										
Jansenville	29	26	18	17	32	26	66	36	0	1
Klipplaat	60	51	17	14	20	25	14	8	1	0
Wolwefontein	1	5	1	4	11	8	2	3	0	0

Source: Crime Stats SAP 2015

It is clear from the table above that less crime occurred in 2015 than in 2014.

The crime statistics indicates that drug related crimes and the occurrence GBH, are prevalent. It is possible that some of these crimes are influenced by social ills found in the area and social cohesion, support interventions and family / community values must be promoted.

Overall crime is showing a downward trend in Klipplaat although sexual crimes and drug related crime are on the rise. The occurrence of GBH continue to take place in the double digits.

WARD NEEDS 2014: COMMUNITY SAFETY

Ward based planning was conducted throughout Ikwezi and the following community safety needs were expressed.

Table 49: Community Safety Ward Needs 2014

GEOGRAPHICAL AREA	Ward Needs
Ward 1and 2	Improved safety and security
Ward 3 and 4	SAPS to improve its corporate image Private area to report sexual crimes in confidentiality

Source: Ikwezi Local Municipality 2014 CBP

The municipality has embarked on an initiative to start working closely with the Department of Safety and Liaison. The basic aim is to put all the necessary mechanisms in place to ensure that community members are safe. The establishment of Ikwezi Community Safety Forum in 2013 emanates from the identification of ward needs during the Community/ Ward Based Planning in 2014, as specified in the table above. Street committees were also established in all of the wards and the Department of Safety and Liaison committed funding in 2013/ 14 to capacitate the Street Committees.

Areas of prioritised intervention

- Increase visibility of Police
- Strengthen relationship between the inhabitants of Ikwezi and the SAPS.

3.7.8 PRIMARY HEALTH CARE

Primary Health care is provided by the Provincial Department of Health. There is a hospital and two clinics in Jansenville and one clinic operating in Klipplaat. A Clinic in Kwazamukucinga in Ward 2 has been

renovated. A mobile unit visits Waterford, Wolwefontein, Kleinpoort and the rural areas once a month. Shortage of Ambulances to service Klipplaat remains a concern. A private Doctor consults in Jansenville every Thursday. There is one state Doctor at the Hospital and one in the Clinic.

Table 50: Health Care Facilities

GEOGRAPHICAL AREA	FACILITY		
	HOSPITAL	CLINIC	
Jansenville West	1		
Klipplaat		1 (Shell building but no furniture and equipment) 1 Wongalethu (Fully Functional)	Need more staff.
Jansenville Central		1	
Ward 2 – Brickfields		1 Kwazamukucinga	Vacant clinic in Ward 2 was operationalized on 28 January 2013.
Wolwefontein			A sister visits the area once a month
Waterford		Empty Building	Sister visit once a month with a Mobile Clinic

(Source: Ikwezi Municipality CBP 2014)

WARD NEEDS 2014: HEALTH CARE

Ward based planning was conducted throughout Ikwezi and the following health care needs were expressed.

Table 51: Health Care Ward Needs 2014

GEOGRAPHICAL AREA	Ward Needs	
Ward 4	Non-availability of a 24-hour PHC facility and insufficient number of staff. (Long waiting queues)	Appoint additional nursing staff and extend as a 24-hour PHC facility
Ward 4	Only one ambulance to serve Klipplaat; also used to take referrals to Uitenhage	Procure a van or an additional ambulance.
Ward 3	Clinic services	Staff and Operationalize the vacant Clinic in Ward 3.

Source: Ikwezi Local Municipality 2014 CBP

3.7.9 MUNICIPAL HEALTH SERVICES

Municipal health service is a district function. Sarah Baartman District Municipality is therefore responsible for water quality monitoring; food control; waste management monitoring; health surveillance of premises; surveillance and prevention of communicable disease, excluding immunizations; vector control; environmental pollution control; disposal of the dead; chemical safety but excludes port health, malaria control and the control of substances. The findings of water quality in 2015/16 must be obtained from SBDM.

3.8 COMMUNITY FACILITIES

Inadequate social service facilities exist within the previously marginalised urban areas and rural nodes of Ikwezi. The clustering of social services is seen as an answer to alleviate these constraints and provide communities with a full range of amenities. The development of multi-purpose community development centres, consisting of health, welfare services, education and training and sports and recreation will contribute towards social cohesion.

3.8.1 SPORT AND RECREATION FACILITIES

The provision of sports and recreational facilities is directly associated with the development of a healthy society. Sports, in particular, contribute to youth development and social cohesion.

The sport facilities in Jansenville and Klipplaat are not up to standard and therefore not conducive for the promotion of sport in general. The communities have also elevated sport and recreation as ward priorities. The high number of youth within the community warrant that specific attention be given to the development of sport and recreation initiatives by the Municipality and the Provincial Department of Arts, Culture, Sport and Recreation.

Consideration must be given to rehabilitate the existing sports facilities i.e. re-surfacing or using astro turf. Efforts must be made in 2016/17 to revive the Ikwezi Sports Council so that more pressure can be applied to keep the focus on this important social programme.

Sports facilities are within easy reach of the urban community although the majority are in need of maintenance and rehabilitation.

Table 52: Sports Facilities

Settlement	Facilities	Condition	Maintenance budget
Jansenville	3 x Sport fields	Sport field adjacent to the CWH needs to be resurfaced.	
Klipplaat	2 x Sport fields		
Waterford	None		
Wolwefontein	None		

WARD NEEDS 2014: SPORT AND RECREATION

Ward based planning was conducted throughout Ikwezi and the following sport and recreation needs were expressed.

Table 53: Sport and recreation Ward Needs 2014

GEOGRAPHICAL AREA	Ward Needs	
Ward 1	Sports field is covered in rocky soil.	Resurface the sport field adjacent to the Water House.
Ward 2	Under-utilization of Sports field	Rehabilitation of the existing land into a fully-fledged sport complex & play park.
Ward 4	Sports field	Develop a sport field adjacent to the High school

Source: Ikwezi Local Municipality 2014 CBP

Areas of prioritized intervention

- Upgrade/rehabilitate and maintain sport facilities (DSRAC/MIG/ILM);
- Facilitate the development of sport and recreational infrastructure (DSRAC/MIG/ILM)

3.8.2 COMMUNITY HALLS

The planning of the Thusong Centre is progressing well and the service provider presented the technical design stage and draft plan to Council. The proposed budget is R6m, which by all indications is insufficient. OTP has commissioned aerial photographs and the process is starting to take shape. The initiative has seemingly come to nought as funding has not been secured to implement the project.

There are six community halls within the Municipal area as tabled below. Most of these facilities require renovation and or maintenance. In the past some of these facilities were vandalized and damaged which resulted in additional and unnecessary maintenance costs that could have been utilized on more pressing issues. It is anticipated that the situation will improve as Ikwezi has established four Ward Committees and these members, as custodians of municipality assets, will be campaigning for the protection thereof.

Table 54: Community Halls

Settlement	Community Hall	Condition
Jansenville	Town hall in Jansenville	Good
	Popoyi Mejane	Fair

Klipplaat	Town hall	Needs attention
	Princevale	Partially satisfactory
	Wongalethu	Poor condition
Waterford	Community Centre	In good condition Officially opened in March 2011.

Areas of prioritized intervention

- Develop a MTEF community hall maintenance plan and budget;
- Development utilization plan to maximize effective use (Corporate service)

3.8.3 LIBRARIES

Library service is a provincial competency that is performed on an agency basis by Ikwezi local municipality through a Service Level Agreement entered into between Sarah Baartman District Municipality and DRAC. The process is further managed through a Business Plan to access CAPEX funding. The two librarians are employed by Ikwezi Local Municipality. There is a library in Jansenville and one in Klipplaat. A library service is available at Toekomst Farm School, some distance from Waterford, but no librarian to operate it.

The synergy between the power / function and funding and ultimately the responsible organ of state must be clarified and adjusted if necessary.

Areas of prioritized intervention

- Formalize the Business Plan to access CAPEX funding for 2016/17 financial year.
- Ensure that a SLA is formalized, taking into account the amalgamation that will become a reality in August 2016.

3.8.4 CEMETERIES

Table 55: Death rate for Ikwezi

Death rate per 1000	17,25 per 1000 for the period 2005 – 2010	16,6 per 1000 for the period 2010 – 2015	16,2 per 1000 for the period 2015 – 2020
Number of deaths per year	196	188	184
Deaths for total period	1174	942	919
Daily deaths	0.54	0.52	0.50

The Reviewed SDF 2014 indicates that there is no land available, closer to the existing suburbs, in Jansenville for cemetery purposes. The current capacity of the cemetery outside of Jansenville can be increased as there is sufficient space around the existing cemetery for the expansion purposes. This cemetery was fenced in 2012 but the fence has deteriorated over the years and in some places no longer exist. **It must be investigated whether the cemetery is still operating within the demarcated boundary.**

There are three cemeteries located in Ward 3 namely Klipplaat Central, one in Princevale and the other east of Wongalethu, adjacent to the sports field. Geo-technical, town planning and environmental processes (EIA) must be completed before a cemetery can be extended or proclaimed.

Upgrade and maintenance of cemeteries	CCS 2.1	Upgrading of road to cemetery	1,2,3,4	MIG	100 000
	CCS 2.3	Establishment process for new cemetery	1,2,3,4	CDM	(260 000 feasibility study was completed) R1.1m would be needed to establish the new cemetery.

In Waterford there is an old cemetery (no longer in use) that is located inside the Dutch Reform Church property. The community makes use of the cemetery located on the outskirts of Jansenville.

In Wolwefontein there is no land available for the cemetery. The only piece of land that is currently being used by the community was donated to them by the farm owners. The cemetery is almost full.

Areas of prioritized intervention

- Municipal cemeteries to be fenced and maintained;
- Municipality to intervene by negotiating with Transnet for a piece of land for Wolwefontein Community.
- Look at options to expand current capacity of the existing cemetery outside Jansenville. (LUMS and Environmental Impact Assessment where necessary); and
- Roads to graveyards need to be maintained

CHAPTER FOUR

4 KPA 3: FINANCIAL PLANNING AND BUDGET ANALYSIS

There are several sector plans and programmes that should be part of the Integrated Development Plan. The following strategies, sector plans and programmes together with a brief summary are reflected below:

4.1 FINANCIAL PLAN

The Financial Plan is segmented into five (5) sections:

- Introduction
- Financial System
- Budget Process

-
- Financial Principles and Policies
 - Operating and Capital Budgets

4.1.1. INTRODUCTION

The Systems Act requires a municipality to include a Financial Plan, including a 3 year budget, in the Integrated Development Plan (IDP). In essence the Financial Plan is a medium term strategic framework on how the municipality plans to deliver services, within its financial means.

The Ikwezi Municipality's Medium Term Revenue and Expenditure Framework (MTREF) materially complies with the latest budget regulations as well as the requirements of the National Treasury (MFMA Circulars 48, 51, 54, 55, 58, 59, 66, 67, 70 and 72. During the drafting of the Ikwezi Budget, the 2014/15 Community priorities were considered, based on the assumption that ward needs had not changed drastically, as CBP did not take place during 2015/16 in preparation for the 2016/17 budget and planning cycle.

Over the past few financial years Ikwezi Municipality's financial management deteriorated which resulted in the municipality declaring a serious financial crisis. Despite financial recovery efforts the municipality was unable to stabilise its financial management during 2015/16.

4.1.2 FINANCIAL SYSTEM

This Financial Plan provides an outline of the financial system, the municipal budget process, financial principles and policies, and the operating and capital budgets of the Ikwezi Municipality. Municipal finance must follow certain practices and conventions set out by the accounting profession and provincial government legislation. This includes the practice of GRAP accounting and the use of capital reserves and self-funding utilities, which remain a challenge as Ikwezi Municipality has a low revenue base and is highly dependent on grant funding which makes it virtually impossible to fund internal capital projects from its own reserves. These terms are discussed below to provide readers of the Financial Plan with a general understanding of municipal finance and the roles and responsibilities of the parties involved.

The Financial Plan includes budget projections for the next three (3) years in line with Section 26(h) of the Municipal Systems Act and Treasury Regulations.

4.2 Budget and Treasury Office

The Budget and Treasury Office is short staffed. There has not been a Chief Financial Officer in that post for some time.

The Budget and Treasury Office has the following objectives:

- Implementation of MFMA
- Implementation of the Property Rates Act
- Management of the Budget Process
- Performance of the Treasury Function
- Management of Municipal Revenue
- Establishment of a Supply Chain Management Unit
- Maintenance of Internal Financial Control
- Production of Financial Performance Reports

- To enhance the Financial Viability of the Municipality
- To achieve a Clean Audit Report by 2016

4.3 Information and Communication Technology

The ICT Software used by Ikwezi Municipality is summarised in the Table below:

Company	Programme/ Software	Application / Operating
Bytes Technology	SAMRAS	Application System interfacing with the following below:
		Consolidated Billing <ol style="list-style-type: none"> 1. Receipting 2. Accounts 3. Debt Collection 4. General Ledger. 5. Cashbook
		Consolidated Expenditure <ol style="list-style-type: none"> 1. Creditors 2. Stores 3. Assets 4. Supply Chain Management 5. General Ledger 6. Main Ledger 7. Trail Balance
		Payroll <ol style="list-style-type: none"> 1. Payroll 2. Cash Focus 3. Third Parties 4. SARS 5. Human Resource <ol style="list-style-type: none"> 2.1 Leave 2.2 Equity
Bytes Technology	SAMRAS	Caseware
SYNTEL	Vending	Pre-paid Electricity
Deeds Office website	Title Deeds	Extracting Title Deed information electronically
ABSA Bank	Internet Banking Business Integrator	Electronic payment <ul style="list-style-type: none"> • Creditors, Salaries
SITA	eNatis	Motor Vehicle Registration
Microsoft	MS Office 2010	Word; Excel; PowerPoint; Adobe; Publisher
Nuance	PDF Converter Professional	PDF
Esat	Antivirus Protection	Internet and point security
SARS	Easy File	PAYE – IRP5's

The audit of the ICT infrastructure that was done through the intervention program by ECCoGTA will be updated through the National Treasury initiative in 2016 to develop an Integrated Infrastructure and Asset Management System.

4.4 Valuation Roll

Ikwezi has a General Valuation Roll for the financial years July 2012 to June 2016 as prescribed by the Local Government Municipal Property Rates Act 2004 (Act 6 of 2004).

Supplementary valuations were not prepared during the 2015/16 financial year but application was made to CoGTA for a 2 year extension, which was granted. However the Grant Letter must still be signed by the MEC to formalize the extension.

4.5 Supply Chain Management

The Ikwezi Municipality has a Supply Chain Management Unit as reflected in the Financial Services Organogram.

The Supply Chain Management Policy used by Sarah Baartman District Municipality (SBDM) was adjusted to suite the conditions in Ikwezi and adopted by Council. The policy is reviewed annually. The municipality also developed a Contract Management System to be institutionalized and implemented by the Ikwezi Municipality in 2015/16. The Policy has been reviewed within the 2015/16 financial year and adopted by Council with an additional clause in compliance with Circular 81, pertaining to central registration to central data base.

The Supply Chain Management (SCM) is not running smoothly within the Ikwezi Municipality and measures were put in place to enforce compliance and practices in accordance with the MFMA, SCM Regulations, MFMA Circulars and the ikwezi Municipality SCM Policy.

The **municipality's Risk Management Register** is in place, however it is outdated and must be reviewed as a matter of urgency.

The following three (3) Bid Committees needs to be re-established as per MFMA and Supply Chain Regulations:

- Specification Bid Committee
- Evaluation Bid Committee
- Adjudication Bid Committee (Sec 56 manager are members of this Committee)

All Section 56 Managers are required to be represented on the Adjudication Bid Committee, which creates a problem for the municipality, as only one section 56 post is filled, being that of the Director for Economic Development and Community Services.

Due to the financial constraints faced by Ikwezi municipality during the 2015/16 financial year it is highly unlikely that any tenders were processed.

4.6 Audit Outcomes

The following table reflects the four (4) year audit outcomes for the preceding financial years.

2014/2015	2013/2014	2012/2013	2011/2012
Disclaimer	Disclaimer	Disclaimer	Disclaimer

▪ **Annual Financial Statements Process and Preparation Plan**

Every year an Annual Financial Statement (AFS) process and preparation plan is prepared which sets out the roles and responsibilities of the various staff and service providers in order to ensure timely submission of AFS to the Auditor General. In addition to this, an Audit Action plan is prepared every year after the audit report is received and this action plan sets out the planned mechanisms that Management plans to implement to address all the audit findings of the previous year.

An Action Plan in response to the AG queries was not developed during 2015/16 and it is highly probable that the problems highlighted were not attended to and will have to be addressed in 2016/17 financial year.

National Treasury has appointed a service provider in 2015/16 to compile a new Asset Register, which will include the assets of the amalgamating municipalities.

Document & Records Management (filing) and the Audit File

The Auditor General highlighted deficiencies in Ikwezi Municipality's document and records management in 2014/15 and the position will improve once the amalgamation takes place.

4.8 REVENUE MANAGEMENT

The municipality approved its Revenue Enhancement Strategy in conjunction with a service provider that successfully secured the funding from ECCoGTA in 2013. Implementation was factored into the 2014/15 MTEF Budget cycle.

The Ikwezi Municipality had a financial recovery plan in place to try and mitigate serious cash flow problems. However the prolonged absence of a permanent CFO and senior staff has undermined these efforts. It will be necessary to develop a new Financial Recovery Plan after amalgamation to improve collection levels and revenue management.

Overview of IDP

The 2012/13 to 2016/17 IDP sets out the development vision for the municipality, identifies dedicated projects to be undertaken over the life span of the IDP (5 years) and is reviewed annually. The 2016/17 review is the final review of the current cycle.

The Budget is informed by the IDP and the SDBIP is the annual implementing tool of the IDP and Budget. However the lack of community consultation in the run-up to the budget is a serious omission that will require heightened engagement in 2016/17 financial year.

Overview of Budget Assumptions

Budgets are prepared in an environment of uncertainty, to prepare meaningful budgets assumptions need to be made about internal and external factors that could influence the budget.

Internal and External factors

The economic slowdown has had a negative impact on the creation of employment which in turn leads to people defaulting more often on their municipal accounts.

The Consumer Price in South Africa went up 6.2% year-on-year in January 2016 accelerating for the fourth straight month and reaching the highest since August 2014.

There is no real growth in the municipal area, with the number of people, as well as the number of households, remaining fairly consistent.

The Amalgamation is also contributing to the uncertainty.

4.11 General inflation outlook and its impact on the municipal activities

General inflation (CPI) was reportedly estimated at 6.2% in January 2016. This of course lends to expectations that municipal tariffs should increase by more or less the same percentage.

▪ Rates, tariffs charges and timing for revenue collection

There is an increase in tariffs above CPI forecast, mainly as a result of the effect of the electricity increases. Other increases set at about **6.6%**, is in order not to reduce maintenance programs, but even these programs are affected negatively due to the increase in bulk charges and the cap on an increase in electricity tariffs set by NERSA.

Furthermore the municipality should carefully consider affordability of tariff increases, especially as it relates to domestic consumers while considering the level of services versus the associated cost. The table below contains proposed tariff increases.

Summary of Increases:

	2016/2017	2017/2018	2018/2019
<i>Headline Inflation Forecast</i>	6.60%	6.20%	5.90%
<i>Tariff Increase (Excluding Electricity)</i>	6.60%	6.20%	5.90%
<i>Tariff Increase Electricity as per circular 79, NERSA has not issued guideline:</i>			
<i>Prepaid - Domestic: Indigent Average</i>	9.40%	9.40%	9.40%
<i>Prepaid - Domestic: Standard Average</i>	9.40%	9.40%	9.40%
<i>Commercial Prepaid</i>	9.40%	9.40%	9.40%
<i>Commercial - Conventional</i>	9.40%	9.40%	9.40%
<i>Eskom Bulk Tariff Increase</i>	9.40%	9.40%	9.40%
<i>Salary Increase Cost of Living Adjustment</i>	7.60%	7.20%	7.20%

Ikwezi Budget 2016/17

The Ikwezi Municipality bill consumers on a monthly bases, for services rendered, as per norms and standards of revenue management.

In general terms, the timing rates, tariffs and charges are based on the following:

Description	Comments
Rates and annual charges	Annual and monthly billing July. Interim billing throughout the year as required. Revenue foregone recognized in July
Consumption	Monthly billing. Ongoing prepayment meters. Seasonal fluctuations
Service Charges	Generally steady state throughout the financial year with seasonal fluctuations

Collection rates for each revenue source and customer type

The policy on indigent support and social rebates is attended to assist many households who would normally struggle to pay their accounts receive free or subsidised basic services thereby keeping them free of the burden of municipal debt.

However, there will always be an element of the total amount billed that will remain uncollected. The municipality is the same as any other business in this regard. Adequate provision has to be made in the budget for any bad debts based on assumptions on collection rates. Provision has been made to set aside 1.4% of the operating expenditure for this purpose.

The average collection rate in March 2016 for all municipal debtors' accounts excluding rates was 44.6%. Billed rates versus collection for the same period is 54%.

4.12 FREE BASIC SERVICES AND INDIGANT SUPPORT POLICY

The criteria for supporting free or subsidised basic services are set out in the Ikwezi Indigent Support Policy. The Policy was adopted in June 2014 and the most recent review of the Policy. The Policy provides free basic services to households that fall below an affordability threshold set at a monthly household income of R2408.00.

The Indigent Steering Committee (ISC) was not functional during 2015/16 and the Indigent Register was updated during 2014.

FREE BASIC SERVICES UNIT

The municipality does not have a fully-fledged **Free Basic Services Unit** that focuses solely on Indigent support due to the small size of the municipality and the amount of work required to operate the Free Basic Service function. Ikwezi Municipality does however have staff in place to carry out the various functions associated with free basic services. This function is part of their daily tasks and is executed by various levels of staff to ensure that the functions are executed.

AMALGAMATION ALLOCATIONS: DOR BILL 2016

Boundary changes will see the total number of local municipalities in the Sarah Baartman District reduced from 9 to 7. All formula-based allocations published in the 2016 Division of Revenue Bill, including for the local government equitable share, is based on the new municipal boundaries as the demarcation will be in effect for the majority of the 2016/17 municipal financial year.

The equitable share provides funding for municipalities to deliver free basic services to poor households and subsidises the governance costs provided in the institutional component and other core services for those municipalities that have the least potential to cover these costs from their own revenues. Over the 2016 MTEF period, the local government equitable share also includes a separate allocation for *special support for councillor remuneration and ward committees* as outlined in the table below.

EQUITABLE SHARE FORULA ALLOCATION (101)	2016/2017	2017/2018	2018/2019
	R	R	R

Equitable Share Formula	79 083 000	72 687 000	77 546 000
Support of Cllr. Remuneration and Ward Committees	5 158 000	5 409 000	5 674 000
Equitable Share Total	R84 241 000	78 096 000	83 220 000
FORMULA ALLOCATION: BASIC SERVICES COMPONENT	Per poor HH		
o Energy	70.97		
o Water	107.31		
o Sanitation	85.24		
o Refuse	71.45		
TOTAL	R334.97		

Dor Bill 2016

Basic services component (DOR Bill 2016)

This component helps municipalities provide the above mentioned free basic services to households that fall below an affordability threshold, which is set at a monthly household income of R2 300 per month (in 2011) to determine the affordability threshold.

The basic services component allocation to each municipality is calculated by multiplying the monthly subsidy per household by the updated number of households below the affordability threshold in each municipal area.

4.12.1 FREE BASIC SERVICES EXPENDITURE / BUDGET

The budget for Ikwezi of the Equitable Share portion in 2016/17 equates to R19 959 220.00 which is 25.2% of the consolidated (amalgamation) Equitable Share Formula allocation. Eskom provides free basic electricity in Klipplaat and Wolwefontein. In 2015/16 approximately 1 074 households in Ikwezi benefitted from Indigent Policy Assistance as set out in the table below. WHAT IS THE VALUE OF FBS PER HOUSEHOLD FOR THE SERVICES HEREUNDER.

IKWEZI EQUITABLE SHARE FORMULA ALLOCATION	2016/2017 R	2017/2018 R	2018/2019 R
Equitable Share Formula	19 959 220	18 503 285	19 717 315
Support of Cllr. Remuneration and Ward Committees			
Equitable Share Total			
IKWEZI FORMULA ALLOCATION: BASIC SERVICES COMPONENT	Per poor HH		
o Electricity Prepaid 50 Kw per month			
o Water 10Kl per month			
o Sanitation Jansenville R52-00 flat rate			
o Sanitation Klipplaat R94-00 flat rate			
o Refuse R61.00 per month			

4.9 BUDGET PROCESS 2016/2017

The budget planning process was overshadowed by many problems. The post of CFO has been vacant for a long period of time. An Acting CFO was seconded by ECCoGTA to Ikwezi from July 2015 to 15 February 2016. Currently the CFO employed at Camdeboo Municipality has been overseeing the financial operations at Ikwezi. Due to a host of problems including cash flow constraints, staff shortages, protesting personnel and fragmented continuity at Management level, the budget process, like the IDP Process, was not adhered to.

Overview of Budget Funding

Sections 18 and 19 of the MFMA include the following requirements:

- An annual budget may only be funded from:
 - Realistically anticipated revenues to be collected;
 - Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
 - borrowed funds, but only for the capital budget referred to in section 17(2).

Revenue projections must be realistic taking into account:

- 1) Projected revenue for the current year based on collection levels to date; and
- 2) Actual revenue collected in previous financial years.

A municipality may spend money on a capital project only if the sources of funding is available and has not been committed for other purposes.

Achievement of this requirement in totality effectively means that a Council has "balanced" its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows. In the 2015/16 financial year the municipality was not able to balance its budget.

▪ A credible budget

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

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

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

Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget. The municipality did not table or adopt a draft 2016/17 budget.

Unfortunately the achievement and objectives raise above were not met in 2015/16 and the current 2016/17 budget is not cash funded due to serious financial constraints.

- **Long term financial planning**

The municipality's financial position is not sound and this budget attempts to create a road map to financial recovery by 2017. Long term borrowing is limited and the cash position does not allow an environment where council will be able to maintain and service long term borrowing.

The municipality must continue exercising strict financial management and ensuring cash flow meets the requirements.

- **Sales of assets**

The municipality is in the process of reviewing its land and asset holdings as part of its long term financial strategy. A municipal building was sold to a private buyer, in February 2016.

National Treasury is assisting the three amalgamating municipalities, through the Municipal Finance Improvement Programme (Phase II), to develop an Integrated Infrastructure and Asset Management System. National treasury appointed EMS Advisory as the service provider to conduct the exercise which started in March 2016 and the report must be finalised by the 3rd of August 2016. The project is almost complete with the exception of the valuation of movable assets and source documents for infrastructure projects.

Through the programme Ikwezi municipality will undergo a full scale asset register process (starting from scratch) from 2008/09 to date. Assets includes infrastructure, moveable assets intangible, investment properties and heritage assets. The project has been complicated due to the lack of supporting document for Infrastructure projects. CoGTA was approached for assist with copies of the supporting documents (project documents). This is also compounded by the lack of source document for movable assets, destroyed during a hail storm, and a Valuator had to be appointed to determine the value of these assets.

The exercise also determined that some of the Heritage sites are register in a Trust, therefore not register in the name of the municipality.

- **Borrowing**

The MFMA prescribes the conditions within municipalities may borrow through either short or long term debt

The Act stipulates that short term debt can be used to meet immediate cash flow needs but that it must be fully repaid within the financial year in which it was incurred. Long term debt can only be incurred for capital expenditure or to re-finance existing long term debt. Proposals to incur long term debt must go through a public consultation process.

The cash flow projections will determine the likely need to borrow short term. It is projected that short term borrowing will be required over the MTREF period.

Based on the measures of affordability, the municipality has made no budgeted provisions for new borrowing for capital expenditure over the MTREF.

4.10 National Context: The Medium Term Budget Review 2016

Despite signs of overall global recovery, the South African economy remains subdued. The fact that the National Treasury outlook of 1.3% growth declined to a meagre 0.7%, indicates that the risk of a recession is still prevalent.

The weaker outlook is as a result of lower commodity prices, higher borrowing costs, drought and diminished business and consumer confidence. Constrained electricity supply continues to limit growth and deter fixed investment. Exchange rate depreciation is contributing to a higher inflation outlook during 2016.

Job creation remains one of the most pressing concerns in the economy. The unemployment rate stood at 25.5% in the third quarter of 2015. Together with high inflation, the unemployment growth will impact heavily on the ability of municipalities generate and collect revenue on services. Therefore it is critical for municipalities to review how they conduct their business.

General inflation outlook and influence of municipality

Fiscal constraints mean that transfers to municipalities will grow more slowly going forward, than they have in the past. Accordingly, the municipality must renew their focus on core service delivery functions and reduce costs without adversely affecting basic services. Furthermore Ikwezi municipality must ensure that efficiency gains, eradication of non-priority spending (cost containment measures) and the reprioritization of expenditure relating to core infrastructure continue to inform the planning framework.

The state of the economy will have an adverse effect on the consumers. As a result municipalities' revenue and cash flow is expected to remain under pressure during 2016/17.

The notion of "doing more with less" can further be supported by municipal approaches that ensure:

- Spatial strategies align public spending and unlock public and private investment
- Focus on catalytic interventions that also promote inclusion and desegregation
- Provide clear signals to private sector

Municipal revenues and cash flows remained under pressure in 2015/16 and the municipality must adopt a conservative approach in 2016/17 when projecting their expected revenues and cash receipts

The following should also be taken into account:

1. Municipality's IDP
2. Internal operational needs
3. Budget Basis
4. Amalgamation (Ikwezi, Cameboo and Ikwezi) in August 2016.

Operating Budget

The Operating Budget, includes the provision for services like water, electricity, refuse collection, sanitation and others. These services include employment cost and bulk purchases as a major portion of the expenditure.

Expenditure

The total operating budget decreased from **R53 364 868** in 2015/2016 to **R 51,340,257** in 2016/17. The overall decline of 3.7% can be attributed to the following expenditure items:

Expenditure Budget by Type

Operating Expenditure Budget by Type	Budget 2016/2017	Budget 2017/2018	Budget 2018/2019
Employee related costs	R 20,736,866	R 22,229,921	R 23,830,475
Remuneration of councillors	R 2,145,630	R 2,300,115	R 2,465,724
Debt impairment	R 712,576	R 756,756	R 801,405
Depreciation & asset impairment	R 4,480,518	R 4,758,311	R 5,039,051
Finance charges	R 104,701	R 111,193	R 117,753
Bulk purchases	R 6,914,133	R 7,564,061	R 8,275,083
Other materials			
Contracted services	R 6,209,185	R 6,636,195	R 7,193,529
Transfers and grants	R 0	R 0	R 0
Other expenditure	R 10,036,648	R 10,411,999	R 11,023,078
Loss on disposal of PPE			
Total Operating Expenditure Budget by Type	R 51,340,257	R 54,768,551	R 58,746,098

Diagram 1: Expenditure by type

In this budget our operation and maintenance expenditure is R585 243.00 which equates to 1,3% of operating expenditure and the pressure on this type of expenditure is increasing every year.

Creditors Turnover Rate

All of the creditors are not paid within 30 days from receipt of invoice, causing disputes on unpaid supplier creditors. The situation is serious as some of the creditors have not been paid for over 120 days.

Expenditure Budget by Vote

Operating Expenditure Budget by Vote	Budget 2016/2017	Budget 2017/2018	Budget 2018/2019
Vote 1 - EXECUTIVE AND COUNCIL	R 7,756,369	R 8,277,313	R 8,821,742
Vote 2 - BUDGET AND TREASURY OFFICE	R 9,052,669	R 9,694,329	R 10,485,289
Vote 3 - CORPORATE SERVICES	R 6,573,672	R 7,010,149	R 7,464,036
Vote 4 - PLANNING AND DEVELOPMENT	R 3,942,709	R 3,969,536	R 4,241,342
Vote 5 - PUBLIC SAFETY	R 903,533	R 967,467	R 1,035,578
Vote 6 - COMMUNITY AND SOCIAL SERVICES	R 965,963	R	R 1,108,215

		1,034,756	
Vote 7 - SPORT AND RECREATION	R 87,527	R 93,829	R 100,585
Vote 9 - WASTE MANAGEMENT	R 3,263,562	R 3,486,475	R 3,720,846
Vote 10 - ROAD TRANSPORT	R 2,791,266	R 2,973,422	R 3,161,531
Vote 11 - WASTE WATER MANAGEMENT	R 3,672,421	R 3,918,121	R 4,174,389
Vote 12 – WATER	R 3,345,905	R 3,570,487	R 3,805,026
Vote 13 – ELECTRICITY	R 8,984,661	R 9,772,667	R 10,627,520
Total Operating Expenditure Budget by Vote	R 51,340,257	R 54,768,551	R 58,746,099

COUNCILLORS' ALLOWANCES AND EMPLOYEE BENEFITS

The Ikwezi municipality has seven (07) councillors, which includes a fulltime mayor. In the 2015/16 financial year the councillor allowances were determined at a grade 2 municipality.

EQUITABLE SHARE FORMULA ALLOCATION (101)	2016/2017 R	2017/2018 R	2018/2019 R
Equitable Share Formula	79 083 000	72 687 000	77 546 000
Support of Cllr. Remuneration and Ward Committees	5 158 000	5 409 000	5 674 000
Equitable Share Total	R84 241 000	78 096 000	83 220 000

DOR Bill 2016

Special support for councillor remuneration and ward committees

Over the 2016 MTEF period, the local government equitable share also includes a separate allocation for *special support for councillor remuneration and ward committees*.

The level of support for each municipality is allocated based the gazette *Maximum Upper Limits of Remuneration for Public Office Bearers Act* which classifies municipal councils into six grades based on their total income and population size. Special support is provided to the lowest three grades of municipal councils. A subsidy of 90 per cent of the gazetted maximum remuneration for a part-time councillor is provided for every councillor in grade 1 municipalities, 80 per cent for grade 2 and 70 per cent for grade 3 municipalities.

Division of Revenue Bill appendices.

All data used in these calculations was updated to take account of new demarcations and councillor numbers. The new grades for municipalities affected by boundary re-determinations will only be confirmed once the new municipalities have been formally established. For 2016/17 allocations, it was assumed that the grade of a new municipality would be equal to the highest grade of the existing municipalities being merged to form the new municipality.

The following tables set out the stipend for Ward Committee Members, budgeted allowances for Councillors Allowances, and employee benefits budgeted for the 2016/2017 financial year:

IKWEZI UPPER LIMITS			
Operating Expenditure	Budget 2016/2017	Budget 2017/2018	Budget 2018/2019
Employee related costs	R 20 736 866	R 22 229 921	R 23 830 475
Remuneration of councillors (7)	R 2 145 630	R 2 300 115	R 2 465 724

Table: Summary of Councillor Allowances and employee benefits

Remuneration of councillors accounts for 10.75% of the equitable share. The remuneration of councillors and employee related costs make up 44.6 % of the operational budget.

Number of ward committee members

In addition to this support for councillor remuneration, each local municipality in grades 1 to 3 receives an allocation to **provide stipends of R500 per month to 10 ward committee members** of each ward.

POSITION	NUMBER	STIPEND	TOTAL PACKAGE
Ward Committee Members	40	R500.00	20 000.00
Total	40	R500.00	R20 000.00

Table: Ward Committee Members

The ability of the municipality to deliver quality services is dependent on its staff and the ability to provide services to the Ikwezi Municipality population at a viable level. Over the past year or two the municipality has been operating without a permanent Municipal Manager and most of its Senior Management. The only Directorate that has a Senior Manager is Economic Development and Community Services. The majority of the sub-directorates and sections are short staffed.

The Amalgamation proposals that started in 2014/2015 set limitations on any new appointments and it is expected that when the Dr. Beyer's Naude Local Municipality is established in August 2016 staff related matters will be considered holistically and addressed. Currently the CFO employed at Camdeboo Municipality is deployed to oversee the financial operations at Ikwezi from time to time due the absence of a fulltime CFO at the municipality.

Revenue

Total Operating Revenue decreased from R64 763 917 in 2015/2016 to **R45,513,741** in 2016/17, which represents a decline of 29.7%.

Table 2 below gives a breakdown of the major sources of revenue for the budget period 1 July 2016 to 30 June 2017.

INCOME BUDGET BY SOURCE

Income Budget by Source	Budget 2016/2017	Budget 2017/2018	Budget 2018/2019
Property rates	1,946,458	2,067,138	2,189,099
Property rates - penalties & collection charges	367,109	389,870	412,872
Service charges - electricity revenue	8,679,419	9,495,284	10,387,841
Service charges - water revenue	3,376,114	3,585,433	3,796,973
Service charges - sanitation revenue	1,817,843	1,930,549	2,044,452

Service charges - refuse revenue	1,528,559	1,623,330	1,719,107
Rental of facilities and equipment	116,940	124,190	131,517
Interest earned - external investments	51,544	54,740	57,970
Interest earned - outstanding debtors	911,213	967,708	1,024,803
Licences and permits	33,899	36,001	38,125
Agency services	733,556	779,037	825,000
Transfers recognised – operational	24,283,287	27,564,577	29,270,212
Other revenue	1,667,800	1,771,203	1,875,704
Total Income Budget by Source	45,513,741	50,389,060	53,773,674

Revenue Sources

Operating Income Budget by Vote

Operating Income Budget by Vote	Budget 2016/2017	Budget 2017/2018	Budget 2018/2019
EXECUTIVE AND COUNCIL	R 48,353,690	R 64,147,786	R 32,226,102
BUDGET AND TREASURY OFFICE	R 2,313,567	R 2,457,008	R 2,601,971
WASTE MANAGEMENT	R 1,749,481	R 1,857,949	R 1,967,568
WASTE WATER MANAGEMENT	R 2,051,750	R 2,178,958	R 2,307,517
WATER	R 3,605,949	R 3,829,518	R 4,055,460
ELECTRICITY	R 8,881,449	R 9,709,841	R 10,615,056
Total Operating Income Budget by Vote	R 66,955,886	R 84,181,060	R 53,773,674

Capital Budget

The municipality's performance against its budget is a very important tool when determining the status of service delivery. It is therefore crucial to properly budget for the coming year in order to ensure viable and sustainable service delivery.

The post of the Director for Infrastructure & Engineering has been vacant for a number of years, which has resulted in many constraints around the implementation of capital projects and the absence of a permanent Municipal Manager has also contributed the situation.

Expenditure on Allocations and Grant Programmes

National and Provincial Government provide funding to assist the municipality to achieve its developmental and service delivery goals. In addition, the Constitution requires all spheres of government to assist each other to achieve goals set at National or Provincial level. Local economic development and employment opportunities are high on the agenda of the national government, and the municipality, within its own financial means as well as revenue received from government grants and subsidies, aims to assist as far as possible in achieving these goals.

	2016/2017	2017/2018	2018/2019
Library subsidy EC Prov Govt		0	0
Equitable Share	19,959,220	18,503,285	19,717,315
Financial Management Grant	1,940,757	2,113,150	2,294,430

Municipal System Improvement Grant	0	0	0
Municipal Infrastructure Grant	8,827,146	6,025,380	6,309,845
MIG: PMU	490,397	273,881	286,811
MIG: LED	490,397	273,881	286,811
Expanded Public Works Programme Incentive	1,027,516	0	0
EC Prov Govt - Mun Support and Governance/Municipal Finance			
Spatial Development Framework			
SBDM FIRE SUBSIDY	375,000	375,000	375,000
DWAF - WWWW ACIP1516 Sanitation			
DWAF -W ATER CONSERVATION/METERS	2 000 000		
EC ROADS & PUBLIC WORKS: PARKS JV & KLIPPLAAT			
Regional bulk infrastructure grant(Ikwezi bulk water supply)	12,615,000	33,792,000	0

The capital budget increased from R16 072 749 in 2015/16 to R21 442 146 in 2016/17. The municipality is not in a position to counter-fund capital projects. External funding has however increased to soften the blow on the capital spent. The following is a breakdown of the funding sources:

IKWEZI CAPITAL BUDGET BY PROJECTS (CAPITAL EXPENDITURE)	Budget 2016/2017	Budget 2017/2018	Budget 2018/2019
UPGRADE WW TREATMENT WORKS KLP	2,824,046		
CONSTRUCTION OF ROADS	6,003,100		
IKWEZI BULK WATER SUPPLY	12,615,000	33,792,000	
DWAF			
DWAF - WWWW ACIP1415 SANITATION	0	0	0
DWAF - WATER CONSERVATION / METERS	0	0	0
TOTAL CAPITAL	21,442,146	33,792,000	0

Table 3: Capital Funding sources

IDP ASSESSMENT COMMENTS 2015: FINANCIAL PLANNING

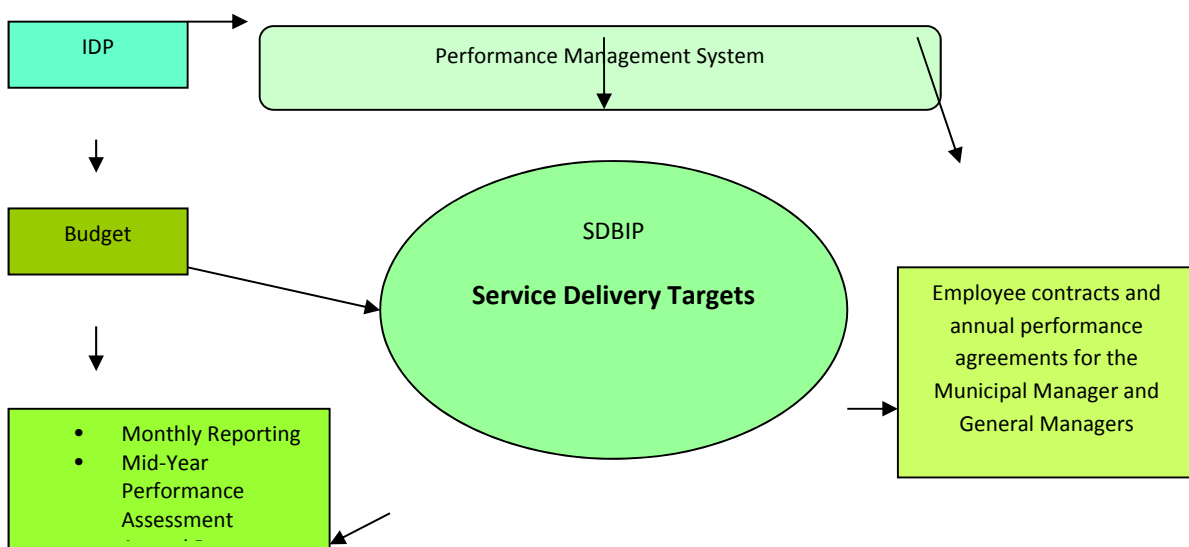
In the IDP Assessment conducted in 2015, the following areas were marked for further attention:

Financial Planning and Budget Analysis	Findings of the IDP Assessment 2015
Expenditure: Reflect on the percentage of Municipality's last year's capital budget actually spent including (i) the percentage spent in the past two financial years. (ii) a table showing audited results for each year.	
Indicate the % of expenditure on grants usage (MIG, MSIG, etc.)	
Revenue Management: Give a reflection on the percentage of budgeted income that was realised in the past two years, per category.	
Indicate the debtors' turnover rate.	

Indicate the creditors' turnover rate.
Internal Controls: Indicate whether the municipality has an effective internal control system in place.
Summarise progress made to address issues raised in the Audit Report.
Alignment: Include / submit the Draft SDBIP in the IDP.
Indication whether the SDBIP talks to IDP strategic objectives and budget.
Supply Chain: Reflect on the turn-over rate of the procurement process.

SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

The SDBIP marries the Performance Management System (as required under the Municipal Systems Act) with the operating and capital budgets and the IDP. Thus the strategic direction mapped out in the IDP is matched with the financial resources and delivery of services as specified in the PMS. The requirement for a SDBIP is stated in the Municipal Finance Management Act (Act No 56 of 2003), Section 69.3(a) and is the responsibility of the Municipal Manager. See the following diagram.



The SDBIP allows the budget to be implemented fully as it identifies:

- The Strategic Imperative – Through links with the IDP
- The Financial Imperative – Through links with the budget
- The Performance Imperative – Through links with the PMS.

The National Treasury Circular 13 describes in detail the approach to SDBIP's. Basically there is a high level SDBIP for the purpose of high level monitoring by stakeholders, backed by full detail all the way to the individual employee. Starting from top (the Municipal Manager) all staff operates under KPI's within the identified KPA's. In effect the SDBIP becomes the implementation tool for the budget and the basis for non-financial monitoring.

At the highest level, every vote could be aligned to an IDP strategy and some KPI's. These then form the basis of future monthly and in-year reporting.

The SDBIP talk to IDP strategic objectives and budget and there is a clear reflection of Provincial and National allocations in the IDP.

The SDBIP includes monthly cash flows of expenditure and is used as the basis for budget monitoring.

The 2015/16 SDBIP is a separate document that accompanies the 2015/2016 MTREF Budget document, while the top layer of the SDBIP is included in the Strategic Plan section of the IDP.

▪ **Funding compliance**

The budget is not cash funded and funding levels are unacceptable low.

1.1 OVERVIEW OF BUDGET RELATED POLICIES

• **FINANCIAL PRINCIPLES AND POLICIES**

The Ikwezi Municipality have implemented the prescribed statutory policies and they are reviewed on an annual basis. The Financial Policies and By-Laws of the Municipality is to provide sound, secure and fraud free management of financial services. The detailed adopted / draft Policies and By-Laws are not included in this budget documentation. However they are available at the Council offices, for viewing as well as on the website

- *Asset Management Policy(Draft)*
- *Budget Policy(Draft)*
- *Cash Management and Payment of Creditors Policy (adopted)*
- *Cash Receipt and Banking Policy*
- *Cost Estimation Policy*
- *Credit Control and Debt Collection (Adopted)*
- *Revenue By-Law draft*
- *Financial Framework Policy(Draft)*
- *Investment Policy(adopted)*
- *Rates Policy(Adopted)*
- *Rates By-Law(to be drafted)*
- *Risk Management Policy(draft)*
- *Roles and Responsibilities and the Delegation of Powers Policy(Draft)*
- *Standing Rules and Order(adopted)*
- *Tariff By-Law(Draft)*
- *Rewards, Gifts and Favours Policy(Draft)*
- *Recruitment Policy(Review)*
- *Supply Chain Management Policy(Adopted)*
- *Fraud Prevention Policy(adopted)*
- *Indigent Policy(adopted)*
- *Accounting Policies(draft)*

-
- *Capital Infrastructure Investment Policy(draft)*
 - *Fruitless Wasteful Expenditure Policy(Draft)*
 - *Borrowing Policy(draft)*
 - *Funding and Reserve Policy(draft)*
 - *Long-Term Financial Planning Policy(draft)*
 - *EPWP Policy (adopted)*. This Policy seeks to promote initiatives focusing on job creation for the local community.

At the Council meeting that took place on the 14th of June 2016 all of the budget related Policies were approved without any amendments.

OPERATING AND CAPITAL BUDGETS

The projected forecasted expenditure and revenue for the three (3) relevant years are reflected in the following Tables A1 to A10, as well as Tables SA4 to SA6, that reflects that the consolidated IDP strategic objectives, and budget for revenue, operating and capital expenditure, are linked with the Consolidated MTREF Budget.

CHAPTER FIVE

5 KPA 4: LOCAL ECONOMIC DEVELOPMENT ANALYSIS

5.1 STRATEGIC ALIGNMENT

5.1.1 Provincial Spatial Economic Development Strategy (PSEDS)

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

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

The following critical threats are identified in the PSEDS:

- ***Agriculture and Land Reform***
 - Loss of productive commercial agricultural land to residential development
 - Loss of land with agricultural potential in poor rural areas
 - Land reform resulting in a loss of productive commercial agriculture
 - Municipal rates on agricultural land
 - Provision of adequate water supplies
- ***Tourism***
 - Safety and Security
 - Land invasion and illegal activities affecting tourism assets
- ***Industry***
 - Reliability of services

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

5.1.2 CACADU (SARAH BAARTMAN) ECONOMIC GROWTH AND DEVELOPMENT STRATEGY

The Cacadu (Sarah Baartman) Economic Growth and development Strategy was adopted by Council in 2006 and it is reviewed annually. The strategy is engineered around 7 core strategies, which is aligned to the five pillars of Ikwezi's Local Economic Strategy

- | | | |
|--|---|--|
| Increasing Agricultural Income | - | <i>Pillar 1 – Sector Focus</i> |
| Investing in natural capital | - | <i>Pillar 2 – Infrastructure</i> |
| Broadening economic participation | - | <i>Pillar 3 - Business Support Initiatives</i> |
| | - | <i>Pillar 4 - Skills Development</i> |
| | - | <i>Pillar 5 – Poverty Alleviation</i> |

Developing the skills base
Improving connectivity and utility infrastructure
Regenerating core towns
Building local and Regional networks

5.1.3 IKWEZI LOCAL ECONOMIC STRATEGY

During 2008, Africa Inform Management Consulting was appointed to develop a joint LED Strategy for Ikwezi and Baviaans Local Municipalities to enable both to implement an effective LED strategy. Amongst the secondary data sources utilised to develop the LED strategy were:

- Thina Sinako Competitive Advantage Assessment (2005)
- (Cacadu) Sarah Baartman District Socio-economic Profile (ECSECC. 2006)
- (Cacadu) Sarah Baartman Growth and Development Strategy (2006)
- The District and Local Municipal IDP
- Ikwezi Tourism Sector Plan

The LED Strategy for Ikwezi was adopted by Council in 2010 and was work-shopped extensively to reach an informed decision on the most appropriate options or model put forward for consideration.

The Strategy reflects high unemployment and poverty levels in the Municipality that translates into low affordability levels which in turn manifest in low levels of investment and under-utilization of development opportunities.

Municipality together with the National and Provincial Government have come up with short-medium term interventions to address the high rate of unemployment through programmes such as Community Works Programme, Small Towns Revitalisation Programme, Sakhisizwe EPWP, Fish Harvesting Project and Paving of internal roads.

Ikwezi has no industrial economy and there is a high dependency on agriculture activities. Commercial and business development in the area is confined to the urban centres of Jansenville. More substantial commercial and business activities take place in Port Elizabeth and Graaff Reinet resulting in the outflow of potential income.

Economic growth is constrained by

- Slow growth rate
- High illiteracy, poverty and unemployment rate

Competitive and comparative advantages

Location quotient 2013

- A specific regional economy has a comparative advantage over other regional economies if it can more efficiently produce the same goods.
- The location quotient is one way of measuring this comparative advantage by taking into account production and employment.
- If the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector.
- This is because the share of that sector of the specified regional economy is greater than the same sector in the national economy.
- The location quotient is usually computed by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy.

Competitive advantage

- The combination of factors that people, local resources / local economy may have in place putting them in a unique position within a region, national or international economy
- It is based on sectors that have ability to combine to form competencies to compete in specific markets on the basis of cost and production.
- Natural resources can form part of an area's competitive advantage

Ikwezi Municipality does not fare so well upon analysis of its competitive advantage although this does not mean that the municipality lacks strengths over and above the comparative advantage it shares with the neighbouring municipal areas. Thina Sinako compiled a Competitive Advantage Assessment for the Ikwezi area in 2009 and these findings form the basis of the SWOT analysis hereunder, which attempts to put the municipality's competitive and comparative advantage into perspective.

SWOT ANALYSIS	Competitive advantage of the area relates to those aspects which compete on cost, quality, and/or availability with that which other localities can offer. Comparative advantages are those natural endowments which give the area an advantage.
Strengths	<ul style="list-style-type: none"> • Agricultural know-how does exist within the communities due to their exposure and experience within the agricultural sector. • The close proximity of the Addo Elephant National Park may be of a potential benefit to Ikwezi. A possible entry point into the Addo Elephant National Park via the settlement of Waterford may provide positive economic spin-offs. • Mohair and Angora goats are prevalent within the area. • The natural resources of Ikwezi are in the form of good veld and soils. The Noorsveld (Cactus euphobia) in Jansenville is indigenous and could be exploited. • Game farming exists within the area. • Communal land exists at Klipplaat. • Rich Gypsum deposits in Klipplaat
Weaknesses	<ul style="list-style-type: none"> • Most products that are produced locally (e.g. mohair) are distributed outside of Ikwezi for processing. • Transport costs are high due to the vast distances between settlements within Ikwezi. • Low rainfall. • The dependent syndrome of local people (e.g. state grants) • Ageing Infrastructure
Opportunities	<ul style="list-style-type: none"> • The Mohair industry. • Under-utilized land. • Aloes and cactuses. • The proximity of Addo Elephant National Park. • Green Energy by converting natural sunlight to solar energy. • Tourism Opportunity (Peace and Tranquillity). • Reopening of the dysfunctional Railway line.
Threats	<ul style="list-style-type: none"> • Seasonal water shortages. • The high cost of produce for local people, due to transportation costs, etc. • Global Economic decline. • The migration of skilled people to bigger cities and the impact of HIV and Aids. • Inadequate financial assistance to support projects.

Strategic Implications

To maintain the strategic nature of the IDP it was decided not to belabour the content of the Strategy and only to focus on the key issues hereunder that informed the strategic interventions (5 strategic pillars) necessary to enhance local economic growth in the Ikwezi area.

- The population profile is that of small urban-based populations, and therefore an urban-focused strategy is needed.
- Despite the above the economy is largely driven by the agricultural sector. Interventions will have to focus on town-level opportunities which can benefit the agricultural sector.
- Public sector will need to play a leading role.
- The elements of an LED strategy are already in place. Existing LED planning and activities are correctly focused on income/employment growth.

-
- The refinement of the strategy must be focus on increasing the scale, pace and impact of existing interventions.
 - Ensure that old and new community ventures are empowered through training and mentorship, and are supported to ensure sustainability;
 - Strengthen LED planning and implementation functions: and
 - Address land water and electricity availability and improve the road infrastructure

Strategic Pillars

Five Strategic Pillars have been identified to enable the LED Strategy to achieve the objective of uplifting the economy and reducing poverty in Ikwezi.

Pillar 1 – Sector Focus

The following sectors are regarded as priorities for the allocation of resources:

- Tourism
- Agriculture
- Small-scale Manufacturing
- Mining
- Construction

The strategy should focus on those aspects of each sector which will have the greatest impact on local economic development in the Ikwezi area.

Pillar 2 – Infrastructure Development

Infrastructure plays a critical role in promoting economic growth through enhancing productivity, improving competitiveness, reducing poverty, linking people and organisations through telecommunications and contributing to environmental sustainability. The following strategic infrastructure must be in place in order to develop the priority sectors as identified above:

Transport network -The road from Jansenville to Klipplaat has been tarred and more investment is underway to improve the economy of the area.

Water & sanitation - The quality of water has improved and the investment in the RBIG project will contribute to the water quality in Jansenville.

Derelict infrastructure - Plans to revitalise railway station/ network are underway. SLA with IDC has been signed.

Pillar 3 - Business Support Initiatives

The municipality has fully fledged SMME office which provides support to all SMMEs throughout Ikwezi area on a daily basis. Such services include:

- On-site business advice and support
- Business plan development
- Cooperative registration
- Business counselling
- Mentorship services
- Linkage with National Youth Development Agency
- Facilitate training for SMMEs in various areas
- Facilitate access to finance
- Facilitate access to markets

Khanya Aiccd assisted the municipality to develop a SMME Strategy, which was table to Council during 2011. The strategy is intended to create an enabling environment within the Ikwezi area to successfully

support community based SMME's and is dealt with in more detail below. The Partnership Agreement with NYDA has lapsed and was not renewed. During the Agreement period some constraints were experienced with the functionality of this initiative. Despite the constraints the initiative was good.

Pillar 4 - Skills Development

Competent personnel in the municipalities must have the ability to deal with a complex set of regulatory requirement and also to support members of the community that are often unable to fully exploit the potential benefits of investment as a result of limited skills.

Skills development must, therefore, address both the municipal and private sectors.

Pillar 5 – Poverty Alleviation

Although poverty alleviation is not always associated with local economic development, in the case of the Ikwezi, the potential to make a significant impact through poverty alleviation projects is so great that it is considered a pillar in the LED Strategy. These projects will bring relief to beneficiaries and create spin-offs which are likely to contribute to the development of the local economy

The extent of poverty in the municipality has been used to motivate and lobby for increased public sector spending in the area. Ikwezi municipality has been identified as one of the Pilot sites to implement the Anti-Poverty Strategy by province and the EPWP (Sakhisizwe) and CWP have improved the quality of life for many people throughout Ikwezi municipality.

Strategic Approach

Based on the above, the overall approach to local economic development should be to increase public-sector spending in the area, which in turn would be a catalyst for private-sector investment. Furthermore, the focus of public-sector spending on social infrastructure will have direct economic spin-offs. It is therefore imperative that the Ikwezi and Baviaans municipalities forge strong intergovernmental relationships in order to maximize the potential input into the region. The municipality has developed an Investment and Incentive Policy and was tabled to Council as a draft.

The focus of the Policy can be broadly summed in two aims. The first is to encourage endogenous growth in the area through incentives targeted at existing businesses while the second is to encourage the entry of outside business to the area through inducements to start up operations in the Ikwezi area. More elaborately, this incentive policy seeks to:

- Draw new “first time” business activity to the area (with a particular focus on activities that help tap into the region’s underutilised work force.
- Encourage reinvestment by current businesses to expand and maintain their current operations.
- Provide specific incentives for market participants seeking to use local resources and those engaging in skills development.

5.1.4 LED INSTITUTIONAL CAPACITY

Institutional capacity is critical factor when driving any Local Economic Development strategy or initiative. It is at a local level where households, small, medium and larger companies, government, public sector institutions like hospitals, police stations, schools, universities, policy makers and community structures interact most directly and intensively. The capacity to facilitate, stimulate and enhance this interaction requires different levels of skills and resources from Ikwezi municipality. The Municipality has prioritised the appointment of the necessary internal capacity and budget allocation (within the context of creating sustainable employment) to implement, monitor, evaluate and review the LED Strategy on an ongoing basis.

The Local Economic Development Sub-directorate resorts under the Economic Development and Community Services Department. The LED component consists of four posts, one Tourism Practitioner and an Agricultural Specialist are filled. The LED Managers post is vacant and the SMME Practitioner has resigned and this will leave a void.

DIRECTORATE: ECONOMIC DEV AND COMMUNITY SERVICES DEPARTMENT	Number of Posts	Filled	Vacant
Director	01	01	00
LED Sub-directorate			
Manager LED	01	00	01
Tourism Practitioner	01	01	00
Agricultural Specialist	01	01	00
SMME Practitioner	01	00	01
TOTAL	05	03	02

Areas of prioritized intervention

- Strengthen SMME's;
- Create heritage site awareness
- Facilitate and support tourism development.
- Creation of sustainable jobs through Industrial Development

IKWEZI LED PARTNERSHIP

LED activity is dominated by the public sector without systematic engagement with the local business sector. The fact that Ikwezi does not have a Business Chamber hinders closer cooperation and interaction with the local business sector. There is municipal support for project development although business support activities are linked to project development activities.

Ikwezi Local Tourism Organization (ILTO) is registered as a Section 21 Company and is functional. The municipality is represented on the ILTO. Ikwezi municipality has built up a partnership with Mohair SA, Sarah Baartman DM; Mohair Empowerment Trust & SAMIL whom are the principal, funders supporting the Goat and Mohair Initiative.

SMALL TOWNS REVITALISATION

The municipality was one of the pilots for Small Towns Revitalisation in 2014/2015 and a town beautification project was undertaken in Jansenville.

5.2 SECTORAL OVERVIEW

Based on existing economic activity, market opportunities and present resources, the sectors offering the most potential in Ikwezi include:

- ⇒ ***Agriculture (small-stock farming and to a lesser degree game ranching)***
- ⇒ ***Tourism (scenery, wildlife, cultural heritage)***
- ⇒ ***Trade and Business Services***
- ⇒ ***SMME***

5.2.1 AGRICULTURE

The agricultural sector has shown employment growth in the recent past, and could provide opportunities for further development.

The sector is presently dominated by a few hundred large-area commercial farms. These farmers specialize in mohair, sheep and to a lesser degree game. There has been a trend away from small-stock farming to game-farming in the Karoo over the last two decades; however this is not reflective in Ikwezi, where less than an estimated 10% of the land area is devoted to game farming/hunting.

A clear support programme for the agricultural sector should be developed together with the Department of Agriculture and Agricultural Union/Forums in the area.

The municipality has appointed an Agricultural specialist to prioritise land-based activities from a municipal perspective.

There is some activity around urban agriculture (e.g. vegetable tunnels, pigs and poultry).

Existing LED projects in the agricultural sector include:

- Ikwezi Goat and Mohair Initiative
- Hardwood farm
- One Stop Shop. (Project stopped due to court case around the site)
 - Natural Fibre Beneficiation Hub
- Fresh and Delicious Egg Production project
- Klipplaat Hydroponic Tunnels
- Feedlot Project
- Abafazi Phambili Poultry project
- Uitkomst Farm
- Waterford Garden project

Various opportunities have been identified:

- Wool and Mohair Beneficiation. This is part of the Mohair Summit initiative.
- Agave Americana: research by CSIR/ECDC
- Karoo Sausage and biltong. (Identified stage)
- Mohair Village Industry (Business Plan stage)
- Abattoir (goat meat)(Hardwood Farm) (Feasibility study done in 2009/10)
- Tanning (Hardwood Farm) (Feasibility study done by SBDM based on Klein Poort model)
- Emerging farmer mohair, sheep and game enterprises (based on land acquisition)
- Commercial exploitation of Noorsveld Cactus euphorbia (indigenous around Jansenville), aloes. (Identification stage)
- Prickly pears and harvesting of other natural products. (Identification stage)
- Fish-farming in Darlington Dam. This project is currently up and running. Ikwezi is working in partnership with Addo Elephant Park and Dept. of Agriculture.

All these projects need to be subjected to preliminary scoping, and prioritized according to employment potential and viability not only as far as it relates to primary production but also downstream activities (processing etc.).

Agricultural Potential

The table below illustrates aspects relating to the suitability and / or potential of agricultural development within Ikwezi.

Table 64: Agricultural Potential

Rainfall	Soils	Irrigation	Land Cover	Suitability / Potential
<p>< 300mm over the plain.</p> <p>400mm or more in the hills.</p> <p>The area is classified as arid with small occurrences of semi-arid in the hills.</p> <p>65% of the rain falls in summer (Oct – Mar).</p> <p>A drop in rainfall occurs in midsummer (Dec – Jan).</p>	<p>Soils are shallow: <300mm.</p> <p>Low lands: 300 – 600mm.</p> <p>Topsoil textures vary from loamy sand to sandy clay loam.</p> <p>Clay pan soils with impeded internal drainage in deeper soil areas.</p>	<p>Large areas suitable or marginally suitable for irrigation should water be available.</p> <p>Due to lack of water, irrigation is severely limited to isolated occurrences.</p>	<p>Predominantly Karoo shrub land with areas of thicket.</p>	<p>Crops – Irrigation:</p> <ul style="list-style-type: none"> • Sugar beet, oranges, olives (large areas suitable or marginally suitable). • Cotton (substantial areas are marginally suitable). • Stone fruit (substantial areas suitable or marginally suitable). <p>Crops – Rain Fed:</p> <ul style="list-style-type: none"> • Aloe (all areas are suitable). <p>Livestock / Game:</p> <ul style="list-style-type: none"> • Boer goat, mutton, wool, mohair, game ranching, ostrich farming (all areas suitable). • Beef (all areas suitable except the south eastern area).

5.2.1.1 LIVESTOCK FARMING

Adequate grazing makes the area in Ikwezi suitable for livestock and game farming and the AgriDIS (2006) reports the production capabilities of the municipal area as follows:

- Angora; Boer goats, beef cattle (except in the south eastern area); mutton and wool. Goat, sheep, and to a lesser degree game farming, are the most predominant.

Much of this farming is commercial livestock farming.

5.2.1.2 CROP FARMING

Ikwezi falls within a low rainfall area that does not have high potential soils and the AgriDIS (2006) reports the listed production capabilities below as:

- Cotton, stone fruit and citrus.

These potential crop products will require irrigation, which limits the area's potential. The Darlington Dam, located in SE Ikwezi is connected to Gariep-Fish River Transfer Scheme (through the De Mistkraal Weir) and supplies the citrus farms of Sunday's River. The land adjacent to Darlington on the Ikwezi side has poor soils and is due to be incorporated into the Greater Addo Elephant Park. So irrigation here is unlikely.

In the nineteenth century the banks of the Sunday's River in Jansenville were cultivated as food gardens.

IDP ASSESSMENT COMMENTS 2015: AGRICULTURE SERVICES

In the IDP Assessment conducted in 2015, the following areas were marked for further attention:

Agriculture Service Delivery Indicators	Findings of the IDP Assessment 2015
Livestock has been identified but not quantified.	
Backlog in terms/ of agricultural infrastructure unknown	
Lack of projections in terms of required agricultural infrastructure	

5.2.1.3 COMMONAGE UTILISATION

In Ikwezi there are two groups of emerging small-stock farmers: the *Zingisa Farmers Club* have 43 members owning 749 animals, which graze on the Jansenville commonage (309ha, which is heavily over-grazed); and the *Phambili Agriculture Co-op* in Klipplaat which grazes goats on the commonage and at Hardwood Farm. There have been discussions regarding the use of the Angora Goat Experimental Farm at Jansenville (2128 ha) by emerging farmers. Over-grazing has resulted in considerable environmental degradation on the urban (Jansenville and Klipplaat) commonages.

Reportedly there is limited liaison between emerging and commercial farmers in the area.

5.2.1.4 LAND REDISTRIBUTION

The land redistribution process in the areas has been proceeding very slowly. An option to be considered is the extension of municipal commonages and identification of state-owned land for development.

The management of the land redistribution is a key tool in facilitating the entry of previously marginalized people into the economy and increasing economic activity in the region. Alternative legislation is being considered in 2016 which seeks to speed up land access.

5.2.1.5 FORESTRY

The National government ASGISA programme has identified forestry development as a key pillar to achieving economic growth. Due to the low rainfall in the area, forestry development is not viable. The municipality does however; pursue town beautification projects whenever possible.

5.2.2 TOURISM OVERVIEW

Ikwezi has tourism potential as it lies between the Addo Elephant Park and the Baviaans Wilderness Area. One possibility for Ikwezi to benefit from increasing tourism income is the construction of a western gate to Addo Elephant Park at Waterford, thereby providing a possible tourism corridor between Addo and Baviaans. This is a major initiative with potential spinoffs and the municipality must focus on facilitating longer-term projects like the Western Gate Addo access.

Neighbouring Baviaans has benefitted from the increasing popularity of the Baviaanskloof Reserve, however, Ikwezi is half-way on route to the jewel of the Karoo and mid-way between two great nature reserves and the municipality must capitalise on this. Another competitive advantage is that the ECPTA's Mohair Meander passes through Ikwezi on the R75, from Uitenhage to Graaff-Reinet.

When Baviaans, Camdeboo and Ikwezi municipalities merge in August 2016, the new municipality (Dr. Beyer's Naude local Municipality) will be able to create much more awareness and promote the diverse beauty and natural features in a coordinated manner that will benefit all the towns as a gateway to the natural wonders of the Karoo. The Tourism Sector Plan (RTSP) prepared by Kyle Business Projects in 2010 will be considered when Dr. Beyer's Naude Local Municipality has been established.

Existing LED activities in the tourism sector include:

- Upgrade of tourism offices
- Database of tourism enterprises
- Road signage
- Marketing information
- Town beautification
- Vocational training for tourism enterprises
- Monument

5.2.2.1 RESPONSIVE TOURISM SECTOR PLAN (RTSP)

A comprehensive Responsible Tourism Sector Plan (RTSP) was prepared by Kyle Business Projects and adopted by Council in 2010. Hereunder is only a summary of the detailed strategy for the development of tourism in Ikwezi.

Ikwezi Tourism Vision is defined as follows:

"To offer the full potential of tourism in the Ikwezi area by promoting Karoo farm stays and responsible nature based tourism experiences in the area for the benefit of all".

The growth and development strategy must be aimed at achieving the vision of the sector. The accommodation and the attraction sectors currently offer the main products. The Ikwezi tourism product focuses predominantly on nature based and heritage tourism activities, events and attractions. It reflects the variances between west (Karoo) and east (Noorsveld), tranquillity, remoteness, natural experience, natural rural agrarian- environment, angora farming resources and cultural heritage such as buildings, monuments / memorials.

The identification of the target niche markets are:

- ⇒ Eco-tourism
- ⇒ Agri-tourism
- ⇒ Safari tourism (Hunting and game viewing)
- ⇒ Cultural tourism

The primary market is South Africans who take their annual holidays within the Republic and this is followed by overseas tourists.

Tourism attractions in Ikwezi are divided, and analysed, into the following four main elements namely natural, built, cultural and social attractions.

NATURAL

As part of RTSP a tourism sector-specific Strategic Environmental Assessment (SEA) was undertaken to promote sustainability. It focuses on the opportunities and constraints that the environment provides

to ensure that the proposed policies or plans do not occur at the expense of the resources on which they depend. Some of the key findings for tourism in Ikwezi are listed below:-

- Ikwezi comprises Arid Thicket vegetation (predominantly degraded) types in the east and Nama Karoo in the West and 54% of the Ikwezi area is classified as degraded with the largest area of ecosystems classified as critically endangered in the Eastern Cape.
- Ikwezi contains 63% of the world's distribution of Critically Endangered Sundays Noorsveld, 90% of which is classified as degraded, similarly, 67% of the world distribution of Endangered Sundays Spekboomveld of which 82% is degraded.
- Eastern Cape Biodiversity Conservation Plan recommends the only permissible land use for the endangered Noorsveld as Conservation, game farming and controlled communal livestock farming as the only land use types suitable for most of the remaining Ikwezi.
- Expansion of Addo Elephant National Park into the Ikwezi area could attract tourists and promote low density conservation based eco-tourism (game farming) and ecosystem restoration.
- Efforts must address the quantity and quality of the water supply.
- Farm stays could be developed capitalizing on combinations of the Mohair and Game Industries, 270 million year old fossils' of mammal-like reptiles between Klipplaat and Jansenville, finding elusive nocturnal mammals and endemic Karoo bird species, Daalkop Meteorite Impact Crater and responsible recreational activities.

The environment is a key element of the tourism product offered in Ikwezi, and it is critical that this natural resource is appropriately managed and protected.

It has been calculated that by mid-century, between 25% and 40% of sub-Saharan animal species will face the threat of extinction, with SA Fynbos and Karoo ecosystems being the most vulnerable. As Ikwezi is a primarily a nature based tourism area the impact of climate change must be closely monitored.

BUILT, CULTURAL AND SOCIAL ATTRACTIONS

- Improvement of skills levels to satisfy the needs of the tourism industry;
- Improved conservation of local heritage and resources
- Improved environmental awareness of the local community
- Improved sense of cultural identity
- Negative affect is petty crime and begging, specifically targeting tourism and at tourist sites.

Tourist attractions include Historical Buildings and Cultural Heritage Sites in the Ikwezi area as indicated in the table hereunder:

Jansenville	Klipplaat
Sid Fourie House Museum WW1 and II memorial	SA War Memorial
Monument to the Fallen Heroes	Old Jail Cells
Dutch Reformed Church	Old Steam Engine
SA War Fort	Police Station building
Queen Victoria Bluegum Tree	
SAWAS Memorial Hospital	

Ikwezi LM should create a forum for the promotion of potential SMME opportunities in the tourism sector to emerging entrepreneurs and also to link these entrepreneurs to potential sources of assistance, through existing support agencies such as SEDA

Ikwezi has only a small selection of accommodation available which includes town-based guest houses, B&Bs, guest farms and lodges. The old Hotel in Klipplaat was also refurbished in 2015/16 and this will contribute to drawing tourists and increase the competitive advantage of the area.

The RSTP calculates that a total of tourist bed nights sold per annum over 2007/8 was 2 550. The limited demand may be due to the relative location of Ikwezi between Graaff-Reinet and Addo.

In a rural area like Ikwezi the critical mass of tourists will determine the number of job opportunities created as employment in the tourism industry is driven by market growth which in turn is driven by product development and marketing. Training efforts must focus on developing key basic tourism focused skills such as customer service skills.

SHORT-TERM TOURISM ACTIONS

- **Promote development of the identified tourism development areas with potential**
 - NE of Jansenville – eco-tourism, wildlife, recreations
 - Around Waterford – eco-tourism, wildlife, recreations
 - West of Klipplaat – Karoo landscape, nature, wildlife
 - Between Jansenville and Klipplaat – palaeo-tourism (fossils) and nature;
- Identify and promote the loop Jansenville (R329) Klipplaat, (R338) Wolwefontein, (R75) Jansenville as the principal tourism route in the area
- Facilitate development of tourism products within identified nodes

Tourism activities in the Municipality are currently limited, despite the scenic beauty of the natural environment and there is a lack of access to and information on tourist attractions. In this regard, Jansenville should serve as a staging area and Tourism Information Centres in order to attract tourists to the local area.

It is also important to link Ikwezi's tourism potential to established tourism routes such as the Mohair Meander which is a tourism project developed by the Mohair Association.

Tourism growth is constrained by:

- Lack of tourism promotion and signage
- Lack of agreement on the management of heritage resources
- Lack of funds

Opportunities in tourism

- It is labour intensive and there is a readily available labour market.
- Tourism has the potential to stimulate economic development

The projected economic impact of tourism is calculated using the international simulated Tourism Satellite Accounting (TSA) system developed by the World Travel & Tourism Council / Accenture, in conformance with the conceptual structure of the WTO/UN TSA. Current TSA multipliers are calculated from the WTTC / Accenture 2007 Report on South Africa. From this base, the economic impact of tourism in the Ikwezi Local Municipality has been calculated over the forecast period 2007 to 2016, and is shown in **Error! Reference source not found.**

The potential growth of these economic contributions is also calculated, in four scenarios:

-
1. Expected natural growth in demand – this growth is driven by the anticipated growth in tourism demand in the Eastern Cape (i.e. the baseline);
 2. Impact of additional 1% growth in demand;
 3. Impact of additional 3% growth in demand;
 4. Impact of additional 5% growth in demand.

From the model it is calculated that tourism currently contributes as follows to the local economy of Ikwezi:

- R0.56m in direct tourism spend;
- R1.4m contribution to the GDP by the tourism economy;
- R2.1m total economic activity generated by tourism (i.e. total demand);
- supports 4 jobs in the tourism industry;
- supports a total of 9 jobs in the tourism economy (including the tourism industry);
- supports the equivalent of 1 SMME.

In this data, the employment levels are calculated from the total direct tourism spend, and the average direct spend required to support one job – derived from the WTTC / Accenture TSA data for 2007. This data indicates that in South Africa it requires on average R147,000.00 direct tourism expenditure to create 1 job within the tourism industry, and on average R164,000.00 to create 1 job in the tourism economy. In the Ikwezi Local Municipality it is believed that the cost of creating a job could be as much as 40% lower, and so the number of jobs in the tourism industry could be as high as 7, and in the tourism economy about 15.

	2007 Y -1	2008 Y1	2009 Y2	2010 Y3	2011 Y4	2012 Y5	2013 Y6	2014 Y7	2015 Y8	2016 Y9
Total Direct Expenditure by Tourists into the Tourism Industry (Rm)										
Natural Growth	0.561	0.605	0.652	0.702	0.757	0.817	0.881	0.951	1.026	1.108
+ 1%	0.561	0.610	0.664	0.723	0.787	0.856	0.933	1.016	1.107	1.207
+ 3%	0.561	0.622	0.689	0.764	0.848	0.941	1.044	1.158	1.286	1.428
+ 5%	0.561	0.633	0.715	0.808	0.913	1.031	1.165	1.317	1.489	1.684
Total Contribution of the Tourism Economy to the Ikwezi Local Municipality GDP (Rm)										
Natural Growth	1.427	1.537	1.656	1.785	1.925	2.076	2.240	2.417	2.609	2.817
+ 1%	1.427	1.552	1.688	1.837	2.000	2.177	2.371	2.583	2.815	3.068
+ 3%	1.427	1.581	1.753	1.944	2.155	2.391	2.653	2.945	3.269	3.630
+ 5%	1.427	1.611	1.819	2.054	2.320	2.621	2.963	3.349	3.786	4.281
Total Economic Activity (Total Demand) Generated by the Tourism Economy (Rm)										
Natural Growth	2.123	2.288	2.465	2.657	2.865	3.090	3.334	3.598	3.883	4.193
+ 1%	2.123	2.310	2.513	2.734	2.976	3.241	3.529	3.845	4.189	4.566
+ 3%	2.123	2.353	2.609	2.893	3.208	3.559	3.949	4.383	4.865	5.402
+ 5%	2.123	2.397	2.707	3.057	3.453	3.902	4.409	4.984	5.635	6.372
Net contribution by the Tourism Industry to employment in the Ikwezi Local Municipality (# of jobs)										
Natural Growth	4	4	4	4	4	4	4	4	5	5
+ 1%	4	4	4	4	4	5	5	5	5	5
+ 3%	4	4	4	5	5	5	5	5	6	6
+ 5%	4	4	5	5	5	5	6	6	7	7
Total contribution by the Tourism Economy to employment in the Ikwezi Local Municipality (# of jobs)										
Natural Growth	9	9	9	10	10	10	10	10	10	10
+ 1%	9	9	10	10	10	10	11	11	11	11
+ 3%	9	10	10	10	11	11	12	12	13	14
+ 5%	9	10	10	11	12	12	13	14	15	16
Net contribution to SMME creation in the Ikwezi Local Municipality (# of SMMEs)										
Natural Growth	1	1	1	1	1	1	1	1	1	1
+ 1%	1	1	1	1	1	1	1	1	1	1
+ 3%	1	1	1	1	1	1	1	1	1	1
+ 5%	1	1	1	1	1	1	1	1	1	1

The projected economic contribution of tourism to the Ikwezi Local Municipality for the forecast period 2007 to 2016. Key parameters which are calculated include the total direct expenditure by tourists, the total contribution of the tourism economy, the total economic activity generated by tourism, net contribution by the tourism industry to jobs, the total contribution of the tourism economy (including the tourism industry) to jobs, and the net contribution to SMME creation.

5.2.2.2 IKWEZI LOCAL TOURISM ORGANISATION

Ikwezi Local Tourism Organization is registered as a Section 21 Company and is functional. The organization has completed the refurbishment of the SA War Fort at Jansenville (1899-1902 Anglo Boer War). SBDM committed funding to the ILTO to compile a tourism brochure and to develop the Ikwezi Tourism website. Additional funding was secured from SBDM for the Tourism Centre in Ikwezi 2015/16.

5.2.2.3 IKWEZI INTERNATIONAL MOHAIR SUMMIT

Ikwezi municipality has built up a partnership with Mohair SA, DRDAR, DEDEA and Sarah Baartman DM. These are the principal funders that supported the success of the Ikwezi International Mohair Summit. Delegates (tourists) from all over the world visited when the International Mohair Summit was held from the 30th October to the 02nd of November 2013. A Group of 14 tour leaders (operators) from the Netherlands and Belgium visited the Mohair Summit to determine the feasibility of arranging tours for the next Summit. Lots of Domestic tourists also visit the International Mohair Museum. Website has

been updated to attract visitors and brochures distributed by Brochure Management, to 21 destinations to attract tourist to the event.

The next Mohair Summit is planned for 2016 and is likely to take place in Port Elizabeth.

5.2.2.4 NATURE RESERVE

The section of the Addo Elephant National Park around the Darlington Dam, in the East of Ikwezi is a protected area.

5.3 SMALL MEDIUM AND MICRO-ENTERPRISE DEVELOPMENT

Thina Sinako assisted the municipality to develop an SMME Strategy, which was tabled to Council during 2011. The proposals and strategy is intended to create an enabling environment within the Ikwezi area to successfully support community based SMME's.

The Strategy centres around two projects namely the Community Based Economic Development (CBED), which focuses on partnership learning and planning and secondly the Community Based Enterprise Support Services (CBESS), which looks at the implementation of a SMME development and market system. The section below summarises the following four proposals of the SMME Support Strategy and System:

An Ikwezi SMME Incubator: High Priority.

The model provides the core support services to SMME's in an environment that nurtures small start-up businesses through their first few years in business

- Mentoring and coaching to SMMEs. A key aspect is that support is provided on a regular and ongoing basis, which differs significantly to once off training.
- Office Support Services. Provides physical office support that small businesses need, yet may not be able to provide for themselves during their initial start-up.
- Provide Tender Development Support.
- Linkages to other Business support structures. One stop shop for SMME that want to access other support services and networks and agencies such as SEDA, NYDA, etc.
- SMME database and information. Keeping statistics and information on the various projects and small businesses in the area.

Key Requirements and Actions for Incubator implementation:

Action	Time	Responsible	Status
Appointment of a LED / SMME officer to run the incubator.	After August 2016	Ikwezi	Amalgamation options
Training of the SMME officer in supporting SMME's.	After August 2016	Khanya, Ikwezi, SMME Officer, SEDA And NYDA	Amalgamation options
Provision of physical infrastructure – building and resources.	May 2011	Ikwezi	Complete
Developing operating systems and monitoring processes.	September 2011	Ikwezi, Khanya, SMME Officer	Ongoing
Building relationships with other key role-players who provide SMME related services.	October 2011	SMME Officer	Ongoing
Optional: Create Incubator Business Plan			

for sending out for additional funding or resources if required.			
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Various organisations are involved in small scale economic development projects in the Ikwezi area and will benefit from a forum to enable collaboration of these resources and skills that the different institutions have to offer to maximise its use for new ventures. It is proposed that such a Forum should be constituted by the ground staff and implementers who work on projects on a regular basis.

Ikwezi has established its own Business Forum which meet quarterly. In addition a leadership group has been established consisting of 10 people who meet monthly.

The role of the Business Forum is to:

- Create a space where the key institutions can share information about their own current and new projects, and ask for help where required.
- Allow other role players to offer resources or assistance where appropriate and required.
- Share lessons learnt and have a forum for discussing best practices for development projects.
- A non-decision making forum. Once the SMME support centre is in place, it is suggested that the LED / SMME manager be appointed to handle the administrative functions of the forum.

The main concept behind the Forum is that it is very orientated towards on the ground implementation issues with local institutional staff

Key Requirement and Actions for the Business Forum

Table 65: Implementation timetable SMME forum

Action	Time	Responsible	Status
Hold regular monthly meetings	Ongoing	Ikwezi	Ongoing
Depending on outcome of evaluation – constitute the forum and invite key implementing agencies.	Monthly	Ikwezi, Khanya	Ongoing
Develop internet based project tracking system	In place	Ikwezi	Ongoing

An Entrepreneurship campaign: - Medium Priority.

A campaign was embarked upon to create awareness within the community of their own ability and responsibility for economic and livelihood security.

Table 66: Key Actions for Implementation – Entrepreneurship

Action	Time	Responsible	Status
Design campaign through workshops with key role players	Completed	Ikwezi, NYDA, COMSEC	Ongoing
Develop Campaign budget, and seek funding and partners	Funding secured and partners identified	Ikwezi	Ongoing
Develop monitoring process to evaluate impact, potentially through research partners	Ongoing	Ikwezi,	Ongoing

A Development Trust is created to support SMME creation and incubation. – Medium Priority

Ikwezi Development Trust

PPC is a company mining cement in Klipplaat. As part of an agreement entered into with PPC dividends are paid every six months and managed by the Board of Trustees. The Board identifies projects that will benefit the community, particularly those living in Klipplaat. The dividends have not been received since 2014. Recently the Executive Members of PPC visited the municipality to kick start the dividends initiative and pledged to pay over the arrears. They showed an interest to assist with the construction of a Youth Centre and Brickmaking project in Klipplaat.

A Development Trust is proposed for the Ikwezi area that operates as an independent organisation to finance and support SMME development. Similar to a Development Agency, yet on a smaller scale, the Development Trust provides a locally managed vehicle for creating and sustaining small businesses.

The role of the Development Trust is proposed as follows:

- Seek funding and support to build a Trust Fund through which local projects can be financed.
- Provide a legal entity that can own and operate start up initiatives during their first few years to ensure success, and later have a staggered transfer to staff or local entrepreneurs.
- Provide a legal entity that can own assets given to community development projects.
- Provide a mechanism whereby local projects that receive funding or support through the State that are successful can contribute back into the community by paying money into the Trust fund.

5.3.1 Actions and Strategies for implementing the Development Trust

Table 67: Implementation Plan: Development Trust

Action	Time	Responsible	Status
Decision to create Development Trust	2011	Ikwezi	Complete – Through PPC process
Develop Business Plan and investigate legal structure	2011	Ikwezi	Complete
Implement Trust Fund and identify new Trustees	2016/17	Ikwezi and PPC	Ongoing
Develop operating procedures and seek partners and funding	2016/17	Ikwezi and PPC	Ongoing

There is very little informal trading taking place in Ikwezi on a daily basis and this sector needs to be supported through the SMME Strategy. However, at the end of the month the urban centre of Jansenville takes on a carnival atmosphere with hawkers selling vegetables' and drum-braai's selling boerewors rolls and chicken.

SMME development is constrained by

- Lack of technical skills to manage the business.
- Access to micro-credit

Ikwezi LM business survey findings

The 10 SMMEs, drawn from Klipplaat and Jansenville, were selected for this survey which is a small sample of the actual SMMEs that exist. The sample of SMMEs used were selected from a database which was informed by the following criteria:

- identified SMMEs with the potential to grow and be self-sustainable;
- high levels of commitment displayed amongst SMME members; and
- The municipality has assisted some of these SMMEs directly or indirectly.

The SMMEs are active in different economic sectors ranging from poultry production, sewing and services, crafts and nursery, digital printing, brickmaking, vegetable tunnels, farming and mohair.

10% of these businesses are employing between 11 to 50 people, 50% employ between 6 to 10 people and 40% employ between 1 to 5 people.

20% of the participants intended expanding their businesses within the municipality, 50% outside the municipality and other 30% outside the country. 50% of the participants reported that their business experience difficulties in finding qualified people while the other 50% felt they did not experience any difficulties.

The five most important factors that hinder local businesses from expanding include

- Poor infrastructure (water and electricity supply, fencing, wind breakers)
- Water and electricity costs
- Lack of finance
- Fertilizer costs
- Lack of abattoir
- Transport
- Feeding costs

Measures that the municipal could take to support SMMs to thrive and grow include

- Financial support
- Training
- Buildings and Land
- Electricity
- Quality service delivery
- Quality water
- Equipment and machinery
- Marketing
- Security
- Settlement of Eskom debt
- Renovation of houses located in farms
- Fencing for subdivision

Source: Ikwezi Business survey 2016

5.3.2 SMALL SCALE MINING

Gypsum is presently mined in Ikwezi by Pretoria Portland Cement. There are unexploited marginal deposits of uranium, rutile (titanium oxide), phosphates and slate. The mining potential of the area deserves thorough scrutiny, but the prevailing wisdom is that this may not yield much.

5.3.3 TRADE AND BUSINESS SERVICES

The urban areas serve as local service centres that require well planned physical development to support the growth of the trade sector and the tourism industry.

Trade and Business Services are constrained by

- Lack of market access.
- Lack of investment
- Under-investment in human capital

Other sectors/projects that have been identified as having developmental potential include:

- Trade (e.g. Jansenville shopping mall and 24 hour petrol station; drycleaners etc.)
- Building maintenance/upgrade/new construction.
- The establishment of a vocational training school linked to existing (and future) Economic activities.
- Small business hives and hawker facilities
- Welding (linked to groundwater extraction etc.)
- Brickmaking projects in Ikwezi municipal areas

LED activity is dominated by the public sector without systematic engagement with the local business sector. Such engagement is hindered as Ikwezi does not have a business chamber. There is municipal support for project development although business support activities tend to be limited and unlinked to project development activities. LED initiatives must be aimed at stimulating, supporting and increasing all economic activities within the municipal area.

In addition the municipalities must strengthen their relationships with institutions such as ECDC, IDC, National Empowerment Fund, etc., in an effort to increase their activities and presence in the area.

Small Business Investment	Area	Funder	Amount 2016/2017
Nombande Mag & Tyre Services	Jansenville	SBDM	R100 000
Ikwezi Master Production	Jansenville	SBDM	R320 000

5.4 MANUFACTURING

The manufacturing sector is very small in the area. But it is, significantly, non-zero. The small towns of the area could be suitable for manufacturing growth, because of: Relative proximity to the Metropole
Relatively good infrastructure manufacturing entrepreneurs valuing the lifestyle of Karoo small towns.

It is therefore important to identify the existing small manufacturing enterprises in the area and evaluate their potential for improved support and employment expansion. Examples include: Ikhala shoe factory (Jansenville) supplying leather uppers to Grasshopper Shop. Incidentally this project was suspended but will be resuscitated in 2016/17. Ikwezi municipality is awaiting a Business Plan to paint the building and to lubricate the machinery before commencement of this project. This project will be funded by the balance of the Mohair Summit Funding.

Other projects under consideration include:

- A solar energy farm
- Manufacturing concrete pavers

Priority: *Local Economic Development*

The communities identified Local Economic Development as the highest priority issue.

Areas of prioritized intervention:

- Strengthen SMME's;
- Create heritage site awareness
- Facilitate and support tourism development.
- Creation of Sustainable jobs through Industrial Development.
- Ostrich Project is fully operational
- Klipplaat Hydroponic Tunnels
- Feedlot Project
- Agro-processing

Existing agro-processing activities include:

- Abattoir in Jansenville. The abattoir, on the way to Klipplaat, slaughters every Wednesday

Various opportunities have been identified:

- Wool and Mohair Beneficiation
- Natural Fibre Beneficiation Hub
- Agave Americana: research by CSIR/ECDC
- Skin Tannery and Craft

CHAPTER SIX

6 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The Ikwezi Municipality is a Category B Municipality (local municipality) with a plenary executive system combined with a ward participatory system, as defined in Chapter 1 of the Local Government: Municipal Structures Act No. 117 of 1998. The Political and Administrative seat is situated in Jansenville.

On the 3th of August 2016, Ikwezi, Bavians and Camdeboo Municipalities will be amalgamated to form a new category B local municipality, which will be called Dr. Beyer's Naude. The Political and Administrative seat will be situated in Graaff Reinet.

6.1 POLITICAL GOVERNANCE

The Ikwezi Municipal Council consist of seven Councillors, four of which were directly elected to represent a specific ward and the remaining three, to represent parties proportionally in the council. After the Local Government elections in 2011, one councillor was proportionally elected to serve on the Sarah Baartman District Council to represent Ikwezi municipality. The political and executive authority is vested in the council. After the 2011 Local Government Elections, the Honourable mayor became a full time public office bearer and the term of office will end with the next Local Government Elections, scheduled for the 3rd of August 2016. Council prioritises developmental needs that must be addressed to improve the quality of life, of the citizens living in Ikwezi Local Municipality.

The new Dr. Beyer's Naude Local Municipality will have 27 Councillors, fourteen of which will be directly elected to represent a specific ward and the remaining thirteen, will represent parties proportionally in the council. The new Mayor will be a full time public office bearer.

Ordinary meetings of Council take place at least once in three months and are open to the public with the exception of special meetings. Special Council Meetings are only convened when important issues arise that require urgent and immediate attention, subject to the Council's Standing Rules of Order. The incoming Council will adopt new Standing Rules of Order that will apply to the new Council. Eight Council meetings (Ordinary and Special) were held in 2015/2016.

The Accounting Officer (Acting Municipal Manager) and Section 56 managers attend Council and Portfolio Committee meetings to represent the municipality's administration and to account on the implementation of the IDP through the Service Delivery and Budget Implementation Plan (SDBIP) and budget. However one of the most serious challenges facing the municipality is that it has not had a permanent municipal manager since 2014.

The Municipal Manager appointed at the Camdeboo municipality will become the Municipal Manager of the Dr. Beyer's Naude Municipality during the transitional period, after the 2016 Local Government Elections.

WARD COMMITTEES

With the Local Government Elections undertaken in 2011, Ikwezi municipality was delimited into four wards. Four ward Committees had been established, each consisting of ten members and chaired by the Ward Councillor listed in the table below.

Table 70: Chairpersons of ward committees

Ward Councillors	Ward Number
Katie Hendricks	1
Asanda Mboneni	2
Lundi Ntame	3

Margaret Bonaparte	4
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The municipality has successfully supported the Ward Committees with office space and basic operational equipment. All of the Ward Committee Members received training in 2013/14 financial year.

In addition each of the four wards have a dedicated Community Development Workers to support the ward. The interaction and functionality between the CDWs, Ward Committee Members and Councillors were not as robust as it could have been in 2015/16 and it is an area that needs to be improved upon after the Local Government Elections in 2016

During the drafting of the Ikwezi 2016/17 IDP under review, the 2014/15 Community priorities were considered, based on the assumption that ward needs had not changed drastically, as Ward Based Planning did not take place during 2015/16 in preparation for the 2016/17 budget and planning cycle. Fortunately the Sarah Baartman Mayoral Outreach, took place in April 2016 and alignment of priority areas were discussed with the communities.

The configuration of wards will be affected by the demarcation and the new Dr. Beyers Naude municipality will no doubt be looking at a process of formulating new Ward Committees during the transitional period, as a matter of urgency.

6.2 INTER-GOVERNMENTAL RELATIONS

The establishment of mandatory Local Municipality level IGR structures are not regulated therefore it is very difficult to enforce the participation of sector departments. In the past the municipality had called upon OTP and CoGTA to intervene in an attempt to improve the participation of sector departments in IDP Representative Forum meetings. Despite the strides made this issue remains a challenge.

However inter-government engagements were seriously compromised during the development of the 2016/17 planning cycle. The Ikwezi Municipality faced many challenge during 2015/16 and the Process Plan was not effectively implemented most importantly the Ikwezi Integrated Development Planning Representative Forum meetings were not convened. Contributing factors can be attributed to vacant key strategic posts, some for long periods of time. The municipality has been operating without a Municipal Manager, a Chief Financial Officer and Director for Technical Services and the IDP Manager's post is also currently vacant.

Ikwezi Municipality does however participates in District IGR structures which assist with integration. In addition, the Acting Municipal Manager and Honourable Mayor are included in the composition of the District Municipal Manager and Mayor Forum's.

More success has been achieved with **local government co-operation** and the **Regional Cluster** consisting of Sundays River Valley, Baviaans, Camdeboo and Ikwezi municipalities' established to **manage cooperation with matters relating to Bulk Water Schemes, Local Economic Development and Tourism.**

Service Level Agreements have been entered into where services are provided by the municipality on behalf of sector departments. Service Level Agreements formulizes matters of mutual interest and have

been entered into between Ikwezi Municipality, DSRAC, Department of Roads and Public Works and Sarah Baartman District Municipality respectively

Areas of prioritized intervention

- Ensure that funding allocations for projects, in the Annual Performance Plans of Sector Departments, located in a municipal space are conveyed to the municipal when APPs are approved. (MFMA adherence).
- Service Level Agreements must be made available to the Dr. Beyers Naude Municipality.

6.3 PARTNERSHIPS AND STRATEGIC RELATIONSHIPS

Ikwezi municipality has established a number of strategic partnerships to enhance technological advancement, lobby for funding and to broaden possibilities of innovation and facilitate learning. These partnerships include:

- Rural and Urban Livelihoods (Ruliv) – Ruliv provides agency support in Ikwezi by mobilising human, technical and financial resources.
- Industrial Development Corporation – IDC has shown interest in economic development initiatives around Ikwezi, such as the “Sarah Baartman – Ikwezi Goat and Mohair Initiative” and Solar and Wind Technology Farm Project.
- PPC – through Corporate Social Investment, PPC is currently investing in the Goat and Mohair Initiative (Hardwood Farm Component) and the promotion of Youth.
- GTZ
- University of Potsdam (Germany) – the German Ministry of Education appointed the University of Potsdam to pilot the Communal Water House Project in the Republic of South Africa. Ikwezi partnered with the Department of Science and Technology in this novel Grey Water Recycling Project. The Community Bath House has been constructed and is in use in Ward 1.
- Through Ikwezi – Sarah Baartman Goat and Mohair Initiative in partnership with Mohair South Africa has been established. Ikwezi Local Municipality is training five local people in farming over a period of three years. Ikwezi Local Municipality together with Mohair South Africa will launch a shearer’s training programme in the new financial year.
- NDA-Funding Klipplaat hydroponics tunnels
- NYDA

6.3.1 TRADITIONAL LEADERSHIP - PARTNERSHIPS

Traditional Authorities do not exist in the Sarah Baartman area and therefore not represented in the Ikwezi Council.

6.4 MAINSTREAMING OF SPECIAL GROUPS AND CROSS CUTTING ISSUES

Community Works Programme (CWP)

Policies that Government has put in place to create decent work will take time to reach the marginalized areas. To overcome the time-lapse the CWP has been designed as a complementary strategy. The programme is intended to supplement unemployed individual’s existing livelihood and offers a basic income through work.

It is designed to provide an employment safety net to the unemployed, to work for a specific number of days, ideally 8 days a month for 8 hours and be paid a stipend of R60 per day. The following key anchor sectors have been identified:

- Food security (homestead gardens for vulnerable families)
- Social Welfare (Community care)
- Construction
- Skills development

Ikwezi municipality has been identified as one of the Pilot sites to implement the Anti-Poverty Strategy by province.

An amount of R13 424 054.00 has been secured by CoGTA to ensure that continued funding is available to support this initiative, which will continue to take place in the Dr. Beyers Naude municipal area (including Ikwezi) during 2016/17.

Successes have been achieved through the EPWP and Community Works Programme as special groups are targeted. The CWP programme in particular is continuing to add value to the people's lives in the area. During 2015/16 financial year 842 of the residents benefitted from the Community Works Programme.

Expanded Public Works Programme Integrated Grant for Municipalities

This grant promotes the use of labour-intensive methods in delivering municipal infrastructure and services. It is allocated through a formula based on past performance, which creates an incentive for municipalities. The formula has an extra weighting to give bigger allocations to poor, rural municipalities.

The EPWP allocation for 2016/2017 is R1 027 516.00

6.4.1 MAINSTREAMING

Although the Special Programmes Unit is responsible for coordinating the development dimensions of special programmes, it does not have sufficient funding or human resources to accomplish mainstreaming outputs on its own. Mainstreaming efforts are therefore aimed at establishing a more integrative mind-set in each municipal department to make this approach effective. Departmental work-stream processes are required to orientate their planning toward municipal performance targets of achieving SPU outcomes, especially to measure:

Number of jobs created.

- Number of initiative undertaken to ensure youth development
- Number of activities developed to assist vulnerable groups.
- Number of activities embarked upon to assist poor households
- Number of collaborative efforts supported to deal with the challenge of HIV/ AIDS.
- Number of opportunities created to facilitate spatial integration.
- Number of opportunities or financial contributions to enhance social cohesion.

Municipal Departments are aware how and to what their respective Department's projects/programmes and operations can contribute to mainstreaming, therefore each municipal Department is responsible to contribute to the following issues:-

- Job creation;
- Youth development;
- Promoting social security / safely net for vulnerable groups i.e. women; people with special needs; elderly and poor households.

-
- Mainstreaming of people affected by HIV/Aids; and
 - Promoting social cohesion.

Area of intervention

Lobby for funding in promote the programmes of the SPU.

Each Department to set targets with regard to the above.

SDBIP must set Institutional targets in this respect.

6.4.2 PROMOTION OF SPECIAL GROUPS

Together with youth development, the importance of integrating SPU development initiatives into the mainstream of municipal policies and programmes are acknowledged. Similar processes will be followed with other marginalized interest groups (including women, HIV/Aids and people with special needs).

As a rule Ikwezi municipality is involved in supporting marginalised groups but at the time of drafting the IDP under review for 2016/17 it was difficult to determine progress made in respect of the structures that were established to promote special groups, as there responsible officer (SPU Officer) is no longer in the post, pending a dispute ruling by the Commission for Conciliation Mediation and Arbitration.

The following structures were established and are being coordinated in the Office of the Mayor:-

- Ikwezi Youth Council
- Ikwezi Women Forum
- Ikwezi Elderly Person Forum
- Local AIDS Council
- Ikwezi Sport Council
- Ikwezi Religious Forum
- Disabled Forum

The Department of Recreation, Sport, Art and Culture, in collaboration with Ikwezi municipality, has budgeted R68 000.00 in the 2015/16 financial year to host the Ezakwantu Cultural Festival, which embraces all of the special groups.

DBSA has appointed a disabled intern, for a year term, to gain work experience and the appointee is currently assisting the library.

6.4.3 YOUTH

Population under the age of 20 make up 39.5% of the population of Ikwezi, which emphasizes the need to develop social infrastructure like recreation and sport amenities. Youth under the age of 35 years of age, equates to 61% of the population

The Youth Development Forum was launched on December 2011. Ikwezi municipality has engaged the local youth and their main priority issues are included below:

- Lack of job opportunities and unemployment
- Teenage Pregnancy & HIV / AIDS
- Education, training and skill Development

The Youth's Agenda is incorporated into the IDP. The Youth Council and Ikwezi LM embarked on a drive to train young people on various skills associated with journalism (photographing, story writing, editing and identification / collection of newsworthy items). To gain practical exposure the participants send

their input to the *Sarah Baartman News* to be considered for publication. A photo club has been established through this initiative. To gain experience and public exposure the participants also send their input to the *Sarah Baartman NEWS*.

Companies like *PPC* have invested in the economic future of the Ikwezi area and through their social responsibility programme are planning to construct a Youth Centre in Klipplaat. This initiative is likely to receive more attention in the 2016/17 financial year and the Youth Centre will be equipped with computers and also serve as a Skills Outlet.

6.4.3.1 IKWEZI YOUTH POLICY AND YOUTH COUNCIL

The Ikwezi Draft Youth Policy was adopted by Council in January 2013. A process of engagement and interaction was undertaken to stimulate debate around the Draft Policy before considering adoption. As proposed in the Youth Policy a Youth Development Forum was established which serves as a broad consultative structure to monitor the implementation of the Ikwezi Youth Policy.

The Chairperson of the Youth Council has recently taken up employment in Port Elizabeth, which permits less time to apply to Council affairs. The Forum has therefore lost some momentum and plans are in place to look at options to strengthen the Council.

The Policy aims to integrate youth development into the mainstream of local government policies, programmes and budgets.

COPORATE SOCIAL INVESTMENT –

- Aiding old age home
- Feeding scheme
- SMME partnership with big contractors

6.4.5 HIV/Aids and Local Aids Council

The SBDM socio-economic profile suggests that the prevalence of HIV/AIDS have increase from 160 (1996) to 1 068 (2007). The percentage of people infected by HIV rose by 2.7%.

Unit	2001	2006 / 2007
Sarah Baartman	16.5	19.0 (2004)
Ikwezi	7.55%	10.25%

Table 72: HIV/AIDS Prevalence (Annual Ante-natal Survey-DoH)

There are different CBO's supporting households affected by HIV/AIDS, these include:

- Masiphilisane Aids Group
- Love life and Ikamva Support Group
- Hospice

Currently the municipality interacts with these CBOs through the Local Aids Council, which is made up of different stakeholders and interest groups. The Local Aids Council is chaired by the Mayor of Ikwezi and the SPU Officer also coordinates activities to ensure proper functionality of the Council, which meets quarterly to discuss progress in terms of its programmes. The Council must be strengthened and a Plan of Action is being developed to heighten the momentum.

Currently (2013/14) a Non-Governmental Organization is, in consultation with Ikwezi Municipality, running a soup kitchen to provide HIV/Aids patients with something to eat prior to taking their medication.

If the national trend is applied as a local indicator then awareness must be raised based on following most vulnerable age groups

Age group (years)	<20	20-24	25-29	30-34	35-39	40+
2006 prevalence %	13.7	28.0	38.7	37.0	29.6	21.3

Table 14: HIV/AIDS by Age Group (Source: National HIV/AIDS Survey – 2005)

The following observations are made:

- The number of people with HIV has been increasing with an alarming rate, meaning that there is a high number of people being infected with HIV every year over the period 2003 to 2014
- High level of infection can be attributed to the fact that most of the sexually active people do not use preventative measures
- Inadequate awareness campaigns on HIV/AIDS

Areas of prioritised intervention

Development of a Plan of Action to improve the functionality of the Local AIDS Council

Support Local AIDS Council

LAC to facilitate an integrated support approach

- Intensify awareness programmes especially at primary school upwards

6.4.6 WOMAN GROUP

A number of organisations, including Department of Social Development and DSRAC, have invested in the woman living in the Ikwezi area. A sewing women's group were supported by DSRAC in Jansenville and Klipplaat. There are also chicken and community garden projects that women are actively engaged in. It is necessary to monitor implemented projects more regularly to render guidance and put corrective measures in place timeously to enable sustainable projects.

The Woman's Forum have identified a weaving and spinning project. Ikwezi is world renowned for its high quality Mohair. Due to the lack of a manufacturing plant the raw mohair is exported to bigger cities like Port Elizabeth and transformed into scarves; blankets; carpets, socks and the like, resulting in the loss of home grown jobs.

The benefits of a niche market could create employment for woman and supply the tourism trade. With the provision of equipment and the necessary training this initiative could develop into sustainable employment with growth potential.

6.4.7 RELIGIOUS FORUM

The Ikwezi Religious Forum was launched on the 9th December 2011 is still active. The municipality is assisting the forum with a meeting venue in Klipplaat, but it lacks adequate furniture. The members of

the Forum contribute to the welfare of the community, particularly with visits to the sick and elderly in Ikwezi.

6.4.8 IKWEZI ELDERLY PERSON FORUM

Approximately 7% of the inhabitants in Ikwezi are older than years 64 of age. Strong partnerships have been forged with the Department of Social Development and DSRAC. The elderly are trained in sport and one of the elderly ladies in Ikwezi is the Provincial champion in running.

There is an Old Age Home and two Day-Care Centres in Jansenville and two Day-Care Centres in Klipplaat. The Day-care Centre's provides the elderly with the opportunity to socialise with their peers, exposes them to stimulation and a light meal. The Department of Social Develop is playing an important role in the management of these facilities.

One of the biggest challenges is the unavailability of funding to take the elderly on day trips to Port Elizabeth and or Graaff Reinet. After amalgamation efforts must be intensified to secure funding to action this initiative.

6.5 AUDIT AND REPORTING

Ikwezi Municipality does not have a functional Audit Committee and Internal Audit Unit.

The audit opinion over the period 2011/2012 to 2014/2015 financial year shows that Ikwezi has received a disclaimer year on year.

6.5.1 AUDIT COMMITTEE

A new Audit Committee was established in 2014, consisting of Dr. R. Ortliep, Prof. Rosenberg, J. le Roux and Vincent Madwayi. V. Madwayi resigned during 2015 (relocated) and sadly Dr. Ortliep passed away in 2016. The last Audit Committee meeting was held on the 26th of August 2014.

A detailed Audit Action Plan was developed to deal with the 2013/14 outcomes and progress was monitored by Management and the Oversight Committee, on a monthly basis to ensure that improvement measures were effective. An Audit Action Plan for 2014/2015 was not developed and this could negatively impact financial management as problems identified have probably not been corrected in the 2015/16 financial year.

In the IDP Assessment conducted in 2015, the following areas were marked for further attention:

Good Governance and Public Participation	Action Plan: Findings of the IDP Assessment 2015
Indicate whether the audit committee has a framework to regularly audit the implementation of the IDP.	
Give evidence that the Municipality affords comments from the AG reports due consideration, by putting in place adequate corrective measures	
Indicate if there is an Audit Action Plan to deal with issues raised by the AG? Provide a summary of key issues/issues of emphases	

6.5.2 INTERNAL AUDIT UNIT

Each municipality must have an internal audit unit, which must advise the Accounting Officer and report to the audit committee on matters, amongst other things, on a wide range of financial management. The internal audit function may be outsourced if the municipality requires assistance to develop its internal capacity and Council has appointed an Internal Auditor with effect from 01 July 2011.

The internal audit function was outsourced to KPMG but this appointment has since lapsed. An Intern was appointed in 2011 during the KPMG phase and trained by them. The intern now runs the Internal Audit Unit singlehandedly but is also called upon to perform other finance tasks, so strictly speaking the Internal Audit Unit is not functional.

It is likely that the situation around the Internal Audit Unit will improve in 2016/2017 with the disestablishment of the three municipalities and the establishment of the Dr. Beyer's Naude Local Municipality.

6.5.3 OVERSIGHT COMMITTEE (ANNUAL PERFORMANCE REPORT FOR 2014/15)

The 2014/15 Annual Performance Report was adopted on the 30th March 2016.

There are three Portfolio Committees that have been established in terms of Section 79 of the Local Government Municipal Structures Act, (Act 117 of 1998) to serve the following portfolios:-

- | | |
|---|----------------|
| ⇒ Finance and Administration | Cllr Hendricks |
| ⇒ Strategic Planning | Cllr Ntame |
| ⇒ Infrastructure and Community Services | Cllr Mboneni |

The National Treasury may issue guidelines on the functioning and composition of any public accounts or oversight committee established by the council to assist it to consider the Annual Report. The Council's Oversight Committee has been established in accordance with section 129 of the MFMA and is composed of the following members.

Portfolio	Member
Cllr Ntame	Chairperson
Cllr J Lewis	Member
Cllr Mboneni	Member

6.6 PROMOTION OF GOOD GOVERNANCE POLICIES

The following plans have been developed to promote accountability and transparency.

- Fraud Prevention Plan
- Supply Chain Management Policy

6.6.1 Fraud Prevention Plan

The anti-Fraud and Corruption Strategy was approved by Council during 2009 and has not been reviewed since then.

The objective of the Strategy is to:

- Encourage a culture ethical behaviours of all stakeholders;
 - Create a culture which is intolerant to fraud and corruption;
- Improve accountability, efficiency and effective administration;
- Improve the application of systems, policies, procedures and regulations;
- Put in place correct measures to prevent reoccurrences of fraud and corruption;
 - Prevent, deter, detect and investigate fraud and corruption;
- Encourage all employees and stakeholder to strive toward the prevention and detection of fraud and to report any potential fraud that may impact on the Municipality.
 - Take appropriate action against fraudsters, e.g. prosecution, disciplinary action, recovery of losses, etcetera; and
 - Apply sanctions, including redress in respect of financial losses.

The Plan is also intended to assist in the investigation of fraud and corruption therefore it details the necessary steps to deal with fraud and to maintain ethical conduct within the Institution.

To deal with alleged irregularities, CoGTA undertook a Forensic Investigation during and the Investigation Report was finalised in July 2015 and tabled for discussion at a meeting called by the MEC for CoGTA. Corrective steps were taken to deal with some of the findings in the Report.

Complaints & Fraud Management:

Ikwezi is a very small rural municipality (less than 3 000 households) that does not warrant a complicated institutionalised complaint system, therefore simplified methods are applied to manage complaints.

There is a Complaints Register in the PMU Office at Jansenville and Klipplaat. The Forman assigns received complaints to the appropriate section and the complainant is required to sign the Complaint Form when the problem has been fixed. There is also a complaint box in the Administrative offices of Jansenville and Klipplaat. On average of about 20 complaints are received per month, most of which are service related.

After the LG Elections in 2016 Ikwezi will be incorporated into a much larger geographical area with many widely dispersed rural towns, therefore it will be necessary for a more effective integrated complaint system to be developed and implemented.

In the IDP Assessment conducted in 2015, the following areas were marked for further attention:

Good Governance and Public Participation	Action Plan: IDP Assessment 2015
	Indicate whether the relations between the Ward Committee and the ward community are cordial or not.
	State the extent to which the municipal IDP is informed by the ward based plans
	Indicate how Inter Governmental Relations structures are used to facilitate inter-governmental dialogue with relevant national and provincial sector department. Indicate Existing programs.
	Complaints & Fraud Management: Indicate on the existence of an institutionalised complaint management system. Provide the complaint management system used

CHAPTER SEVEN

7 KPA 6: INSTITUTIONAL ANALYSIS

For any future planning to be realistic in 2016/17, it is firstly necessary to consider the institutional environment within the prevailing context impacting on the municipality. The second is the consequences that the amalgamation will have on Ikwezi after the Local Government Elections on the 3rd of August 2016. Each will be dealt with separately:

Current situation in Ikwezi Local Municipality

The municipality has faced many challenges over the past three years, both internally and externally, which has adversely affected the stability of the institution and slowed down service delivery.

The administrative structure (**organogram noted by Council in 2014**) of the institution consists of four Departments, namely the Office of the Municipal Manager, Economic Development and Community Services; Finance and Administration; and lastly Technical and Engineering Services. Three of four of these key strategic positions have been vacant for an extended period of time. The currently Acting Municipal Manager has been seconded by Sarah Baartman District Municipality and is stationed at Jansenville from Tuesdays to Thursday as an interim measure. The CFO and Technical Director have been deployed by Camdeboo Municipality to oversee activities in Ikwezi from time to time.

The various institutional functions dealt with by the municipality's Financial and Administrative Department is often tightly time-lined and highly regulated. The Administrative component is responsible for the overall Administration, Council Support and Human Resource Management, which combined are the pivot on which the organisation depends to create an enabling work environment for the service delivery components to perform the municipality's mandatory powers and functions. This post is vacant.

In general there is sense of discontent and staff morale is low, possibly as a result of the uncertainty brought about by the turmoil that the institution has and is undergoing including the cash flow crisis leading to delayed salary payments.

Amalgamation Process 2016: Establishment of a new municipality

For the 2011 Local Government Elections all of the nine local municipalities, established within the jurisdiction of (erstwhile Cacadu) Sarah Baartman District Municipality, were delimited into wards. The geographical area making up the jurisdiction of Baviaans and Ikwezi Local Municipalities were both delimited into four wards and seven wards in respect of Camdeboo.

On the 27th of August 2015 the Demarcation Board issued a notice in the Provincial Gazette of the intention to re-determine the municipal boundaries of Baviaans, Camdeboo and Ikwezi by amalgamating their municipal areas and to determine the municipal boundary of a new category B municipality. The New Municipality (Dr. Beyer's Naude LM) will have fourteen wards. Ikwezi will amalgamate with Baviaans and Camdeboo after the Local Government Election scheduled for the 3rd of August 2016.

According to the 2011 Population Census conducted by Statistics South Africa the targeted municipalities had a combined population of 79 291 occupying an estimated 19 925 households. Dr. Beyer's Naude municipality accounts for 1.76% of the inhabitants living in the Sarah Baartman District and covers an area of twenty eight thousand six hundred and fifty two square kilometres (28 652km²).

Various work-streams have been formed consisting of staff of the three municipalities, Sarah Baartman DM, Cogta and Provincial Treasury. Each work-stream looks at a functional area for example; Planning;

Finance and Budget; Institutional Arrangements and Technical Issues. The work-streams are convened by Sarah Baartman District Municipality. Work-streams report to the Technical Change Management Committee who in turn report to the Political Change Management Committee.

These structures have been established to determine the status quo existing in each municipality and to make recommendations and find solutions to ensure a seamless amalgamation.

Priority areas.

- Findings of Work-streams must be made available to inform the IDP of the Dr. Beyer's Naude Local Municipality.

7.1 POWER AND FUNCTIONS

An important objective imposed on the municipality by the Constitution, is the promotion of democratic and accountable government for local communities.

Functions / powers are assigned to municipalities in terms of sections 156 and 229 of the Constitution and may be divided between the District municipality and the local municipalities established within its area of jurisdiction. Section 84(a) to (p) of the Structures Act defines the functions and the powers that are assigned to District Municipalities. The Minister may authorize (under certain circumstances) a local municipality to perform a district function and power and the Member of the Executive Council for local government may (under certain circumstances) adjust specified functions and powers between the district and a local municipality in its area. The table below gives a reflection of powers and function assigned to Ikwezi Municipality in terms of the Constitution and those devolutions and / or adjusted by the Minister and/or MEC for Local Government in terms of the Structures Act.

Function	Performing	Budgeted for: Yes/No
Air pollution	No	No
Building regulations	Yes	Yes
Child Care facilities	No	No
Electricity reticulation	Yes	Yes
Fire Fighting	Yes	Yes
Local Tourism	Yes	Yes
Municipal airports	No	No
Municipal Planning	Yes	Yes
Municipal Health Services	No	No
Municipal Public Transport	No	No
Storm water	Yes	Yes
Trading regulations	Yes	No
Water (potable)	Yes	Yes
Sanitation	Yes	Yes
Water Service Authority and Provider	Yes	Yes
Schedule 5 part b		
Amusement facilities	No	No
Billboards and the display of adverts in public places	Yes	Yes
Cemeteries, Crematoria and funeral parlours	Yes	Yes
Cleansing	Yes	Yes
Control of public nuisances	Yes	Yes

Function	Performing	Budgeted for: Yes/No
Control of undertakings that sell liquor to the public	Yes	Yes
Facilities for the accommodation, care and burial of animals	No	No
Fencing and fences	No	No
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	No	No
Local amenities	Yes	Yes
Local sport facilities	Yes	Yes
Markets	No	No
Municipal abattoirs	Yes	Yes
Municipal parks and recreation	Yes	Yes
Municipal roads	Yes	Yes
Noise pollution		
Pounds	No.	No
Public places		
Refuse removal, refuse dumps and solid waste disposal	Yes	Yes
Street trading	Yes	Yes
Street lighting	Yes	Yes
Traffic and parking	Yes (Provision not made on the organogram)	Yes

7.1.1 BY-LAWS

Section 12 of the Local Government Municipal System Act, 2002 outlines the legislative procedures to be followed to introduce a draft by-law in the Council. In terms of section 15 of the foregoing Act, the municipality's main administrative centre must compile all its by-laws in the Municipal Code.

The following by-laws have been promulgated including developed Draft by-laws, as listed hereunder.

IKWEZI ADOPTED BY-LAWS	IKWEZI ADOPTED BY-LAWS	IKWEZI DRAFT BY-LAWS
Outdoor Advertising & Signage	Liquor Trading Hours	
Community Fire Services	Outdoor advertising and signage	DRAFT Funeral Parlours, Cemeteries and Crematoria By-law.
Electricity Supply	Public Amenities	
Fences and Fencing by-laws	Solid Waste Disposal	
Impoundment of Animals	Street Trading	
Storm water Management	Water Supply and Sanitation Services	
Standing Rules and Order of Council.		

Priority areas.

- Municipal Code to be updated and the existing By-laws must be made available to the relevant section of the Dr. Beyer's Naude Local Municipality. By-laws will have to be reviewed and, where necessary, rationalised by the superseding municipality. (Section 15 of the Local Government: Municipal Structures Act 117 of 1998)

7.2 IKWEZI INSTITUTIONAL DEVELOPMENT

7.2.1 OFFICE ACCOMMODATION

The administrative and political seat is situated in Jansenville with a satellite administrative unit located in Klipplaat. There is a lack of sufficient office space in Jansenville for the entire staff component resulting in the Infrastructure Directorate being accommodated in a separate locality. At the main Administrative Office, staff members are in some cases required to share office space, creating cramped working conditions. The Economic Development and Community Services; Strategic Department has recently been re-located to new office accommodation.

The municipality has upgraded and refurbished the Jansenville Town Hall and this development will go a long way to facilitate the establishment of a more centralised administrative centre, in the short-term, and address some of the existing fragmentation challenges.

Priority areas

- Repairs of construction defects and any necessary upgrades required to municipal offices to be evaluated after amalgamation. The main office building urgently needs to be refurbished.
- Investigate the improvement of security of Klipplaat municipal office and Klipplaat & Jansenville Stores.

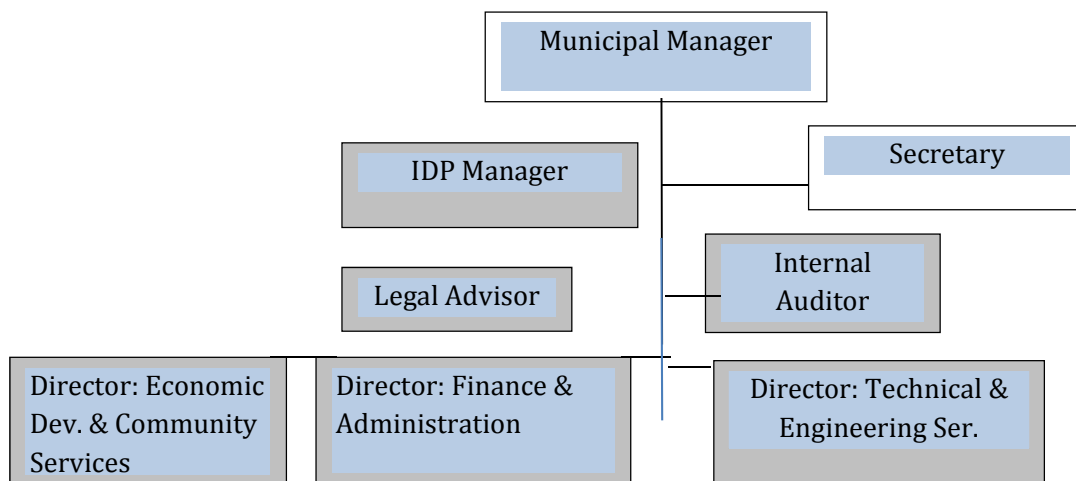
7.3 IKWEZI ORGANISATIONAL OVERVIEW

7.3.1 ORGANISATIONAL STRUCTURE

The Local Government Municipal Planning and Performance Management Regulation, 2001 directs that the municipality's integrated development plan must identify the institutional framework, which must include an organogram, required for the implementation of the Integrated Development Plan and to address internal transformation needs. The latest Organogram for Ikwezi Municipality went to Council for **noting** during December 2014. The organogram was thereafter finalized with the assistance of CoGTA, but not implement due to the amalgamation moratorium placed on the filling of posts.

A broad outline of the organizational structure of the municipality is reflected below

Figure 16: Ikwezi Organizational Structure



In addition to the Office of the Mayor, the Municipality's organizational structure comprises 143 positions, which are divided into the following Departments.

- ⇒ Office of the Municipal Manager
 - Internal Audit
- ⇒ Director: Economic Development and Community Services
- ⇒ Director: Finance and Administration
- ⇒ Technical and Engineering Services

The summary below reflects the total number of posts on the organogram finalised in 2015, those filled with incumbents and positions which remain vacant, per department.

Department	No. of posts	Filled posts	Vacant posts
OFFICE OF THE MAYOR			
SPU Officer	01	00	01 CCMA

Personal Assistant	01	01	00
	02	01	01
OFFICE OF THE MUNICIPAL MANAGER			
Municipal Manager	01	00	01
PA	01	00	01
Legal Advisor	01	00	01
Manager IDP	01	00	01
Internal Auditor	01	01	00
	05	01	04
DIRECTORATE: ECONOMIC DEV AND COMMUNITY SERVICES DEPARTMENT			
Director	01	01	00
Personal Assistant	01	00	01
	02	01	01
LED Sub-directorate			
Manager LED	01	00	01
Agricultural Specialist	01	01	00
Tourism Practitioner	01	01	00
SMME Practitioner	01	00	01
	04	02	02
Comm Dev sub directorate			
Manager Community Services	01	00	01
Librarians	02	02	00
Fire officer	01	01	00
Platoon Commander JVille	02	00	02
Fire Fighters JV	02	00	02
Asst. Fire Fighter JV	01	00	01
Platoon Commander KPlaat	01	00	01
Fire Fighters KPlaat	01	00	01
Asst .Fire Fighter KPlaat	01	00	01
SRA& Culture Officer	01	00	01
Environmental Management Officer	01	00	01
Parks and Cemetery Foreman	01	01	00
• Refuse driver JVille Supervisor	01	01	00
-GW parks	02	00	02
-GW Refuse	15	08	07
• Refuse driver KPlaat	01	01	00
-GW Parks	02	00	02
-GW Refuse	04	02	02
	41	16	25
FINANCE AND ADMINISTRATION			
Revenue and Expenditure			
CFO	01	00	01
PA	01	00	01
Unit Manager Klipplaat	01	00	01
Administration Sub-directorate			

Manager Administration	01	01	00
Admin / Housing officer	01	00	01
Systems Administrator	01	00	01
IT Technician	01	00	01
Council Support			
Principal Committee Clerk	01	00	01
Committee Clerk	01	00	01
Archives			
Senior Archives Registry Clerk	01	01	00
Switchboard/Receptionist	01	01	00
Amenities			
Caretaker	01	00	01
Cleaners/Messengers	08	01	07
Security Officers	08	02	06
	28	06	22
HR Division			
Manager HR	01	00	01
HR Practitioner	01	01	00
Labour Relations Officer	01	00	01
Skills Development Officer	01	00	01
	04	01	03
Supply Chain Management			
Manager Supply Chain Mngt	01	00	01
Asset and fleet officer	01	00	01
Clerk demand acquisitions logistics	01	00	01
Storekeepers (Klipplaat)	02	02	00
Procurement Practitioner	01	01	00
Supply Chain Administrator	01	01	00
	07	04	03
Chief Acc Exp & Rev & data	01	00	01
Accountants Revenue	01	01	00
• Senior Debtors Control	01	00	01
• Senior Credit Control	01	00	01
-Senior Clerk Revenue	01	01	00
-Data Capturers (Meter Reader)	02	00	02
-Cashiers	02	02	00
Accountants Expenditure	01	01	00
• Senior Clerk Salaries	01	01	00
• Clerk Creditors	01	01	00
	12	07	05
Directorate Technical Services and Engineering			
Director Technical Services	01	00	01
Administrative officer	01	01	00
Project Management Division			
PMU Technician Manager	01	00	01

• Institutional Social Dev. Officer	01	00	01
	04	01	03
Engineering service sub directorate			
Engineering Technician	01	00	01
Senior Foreman	01	01	00
Foreman klipplaat	01	01	00
• Driver	01	01	00
Foreman Electricity	01	01	00
• Electrician	01	00	01
• Artisan	01	00	01
• General Workers	03	03	00
Foreman Water & Sanitaion	01	01	00
• Driver JVille Water	01	01	00
• Driver JVille Sanitation	01	00	01
• Process Controllers J&K Sanitation	02	00	02
• GWorker KPlaat Sanitation	02	02	00
• GWorker JVille Sanitation	04	00	04
• Process Controllers J&K Water	02	00	02
• Plumbers J&K Water	02	00	02
• General Workers Water J&K	09	08	01
	34	19	15
TOTAL	143	59	84

The organogram reflects that 59 (41% of the total posts on the organogram) posts are filled.

In addition to the posts on the organogram the municipality employed workers on a two year contract covering a range of different occupations namely: General Workers; Fire- fighters; Administrative Support; IT technicians; Security; Caretakers and Cleaners. Some of the contracts have or are coming to an end and the contractual details must be addressed as a matter of urgency. There are also a number of temporary workers, being paid on a month to month basis. A total of ninety five workers are being paid by the municipality.

One of the key 2014 targets linked to Outcome 9 is that the municipality's top management posts must be filled with competent and qualified incumbents. The current position reflects the status of senior and middle management and in the table hereunder.

Top Management	Appointment Status	Comments
Municipal Manager	VACANT – Appealing	Acting MM seconded by SBDM
Director Finance and Administration	Vacant	Extended period
Director Technical Services and Engineering	Vacant	Extended period
Director Economic Dev. and Community Services	Filled	
Middle Management	Appointment Status	Comments
IDP Manager (IDP)	Vacant	

Community Development Manager	Vacant	
Manager Administration	Filled	

- Findings of Work-streams must be made available to inform the IDP of the Beyer's Naude Local Municipality.

SOURCED OUT FUNCTIONS

The RBIG water project at Jansenville has been registered with the DW&S and is at the design stage. Amathole Water is managing the project and consideration should be given to review the agreement as the project can be managed by the municipality, especially considering that the amalgamation with Baviaans and Camdeboo will boost the overall capacity.

SBDM appointed A to A Kopano to assist Ikwezi municipality to draw-up the Financial Statements for the 2014/15 financial year.

7.4 INSTITUTIONAL (HR) POLICY DEVELOPMENT

During the 2011 financial year, the Department of Local Government and Traditional Affairs assisted Ikwezi municipality to draft a Human Resource Plan. The Draft HRP underwent several amendments and was work-shopped with the staff in 2015/16. ECCoGTA has indicated that assistance will be rendered in 2016/17 to draw-up a Human Resource Plan for Dr. Beyer's Naude Municipality after the amalgamation

Human Resource Policies are developed to create a regulatory framework that standardises personnel issues, not prescribed through legislation or which supports or complies with a legal imperative. The policies in column 1 will only be reviewed in 2016/17 after amalgamation as to create uniformity of application after the 2016 Local Government Elections. The ECCoGTA has assisted the municipality to review the policies listed in column 2.

Column ONE Ikwezi To be Reviewed	Column TWO OCA Policies Developed
1. Induction policy	
2. Absenteeism and employee leave policy	<ul style="list-style-type: none"> ✓ Draft Leave policy ✓ Draft Leave Procedure ✓ Leave Reconciliation Form ✓ Application for Leave form ✓ Application for encashment
3. Career opportunities, succession planning and rapid progression	
4. Training and development policy	
5. Study assistance (bursary) policy	
6. Policy on legal indemnification of employees	
7. Private work policy	<ul style="list-style-type: none"> ✓ Private work and Declaration of Interest policy

	✓ Application form
8. Smoking control policy	✓ Smoking Policy
9. Substance abuse policy	✓ Alcohol and Drug Policy
10. Workplace policy on HIV/AIDS	✓ HIV/AIDS Policy ✓ HIV/AIDS Programme
11. Workplace safety policy	✓ Health and Safety Policy
12. Rainy day policy & regulation policy on working of employees during extreme weather conditions	✓ Bad Weather Inaccessibility Policy
13. Sexual harassment policy	
14. Recruitment, selection, appointment, promotion, demotion, transfer and relocation policy	✓ Recruitment and selection policy
15. Relocation policy	✓ Relocation Policy
16. Employee remuneration policy	✓ Remuneration policy
17. Allowances (overtime, acting, standby etc)	
18. Subsistence and travelling allowance policy	
19. Employment equity policy	
20. Conditions of service	Collective agreement
21. Disciplinary procedures	Collective agreement
22. Vehicle policy	
23. Performance Management policy	
24. Staff accommodation policy	
25. Retention policy and scarce skills allowance	

*A list of Finance and Good Governance Policies drafted, reviewed and or to be drafted or reviewed and adopted by Council can also be found under KPA 4 Finance.

7.4.1 RECRUITMENT AND SELECTION POLICY

The municipality invests capital and time to build the capacity of recruited personnel. It often happens that these trained and now experienced staff members resign and get appointed at larger better paying municipalities. In a small, rural municipality like Ikwezi, the effect can be devastating both at a strategic and operational level. This has prompted the municipality to develop the following two strategies to try and circumvent some these effects.

The Recruitment and Selection Policy was adopted by Council on 30 July 2009 and it has been reviewed with the assistance of CoGTA during the support phase in 2015/16. The aim of the Policy is to guide management and the Human Resource Department to recruit and choose the best candidate for the job.

As a result of the Amalgamation initiative, limitations were set on any new recruitment efforts. When the Dr. Beyer's Naude Local Municipality is established it is expected that the shortage of staff will be addressed.

7.4.2 RETENTION POLICY (SCARCE SKILLS)

Ikwezi has adopted the following strategies to enhance the retention of staff:-

- Identified targeted skills (scarce and valued skills) to be retained

- Recruitment to be guided by clear core competencies required to retain scarce and valued skills
- Expose new staff to an induction process
- Reward high performers and value creators within Ikwezi Municipality.
- Provide growth opportunities and skills development. (Career-pathing)
- Conduct exit interviews and analyze reasons to inform evolving retention interventions.

Every Department as outlined in the organogram have become a casualty of the lack or loss of scarce and critical skills. The most severe effect has been in the leadership echelon, middle management and technical expertise at all levels. Resignations have increased over the past few months.

7.4.3 SUCCESSION POLICY

The policy is outdated and was reviewed with the assistance of DLGTA during the support phase. Ikwezi municipality Succession Plan, acknowledges key positions and seeks to identify potential talent from within the institution, to groom such employees in a systematic way to fill key positions. The policy further aims to create a well-trained cadre that are experienced and motivated to step up to the plate when needed. The Policy was work-shopped with the staff on the 30th of September 2015.

One of the biggest problems faced by small rural municipalities like Ikwezi is to compete with larger municipalities to attract and keep qualified staff. Staff with potential are trained and as soon as they gain sufficient experience they leave for greener pastures.

7.4.4 CODE OF CONDUCT FOR COUNCILLORS AND EMPLOYEES: LOCAL LABOUR FORUM

The Local Labour Forum have been active in 2015/16 due to various employment grievances. The most serious was the late payment of salaries which resulted in strike action. Management meets with the LLF and mutual solutions are strived for. A number of officials were dismissed and lodged disputes with the SALGBA.

7.5 EMPLOYMENT EQUITY PLAN

A five-year Employment Equity Plan was developed for the period 1st of July 2014 to the 30th of June 2017, as prescribed by the Employment Equity Act, No. 55 of 1998.

The table below depicts the Equity profile in Ikwezi municipality as at 30 June 2015. (2014/2015)

Table 73: Ikwezi Equity Profile

Occupational levels	Male			Female			Total
	A	C	W	A	C	W	
Top management	1	0	0	0	0	0	1
Senior management	1	0	0	1	1	0	3
Prof. qualified & experienced specialist & mid-management	3	0	2	0	1	0	6
Skilled technical & academically qualified workers, junior management, supervisors, foremen & superintendents	4	3	1	8	0	0	16
Semi-skilled and discretionary decision making	8	4	1	13	4	0	30
Unskilled and defined decision making	15	14	0	0	2	0	31
TOTAL PERMANENT	32	21	4	22	8	0	87

Temp employees	18	8	0	3	2	0	29
GRAND TOTAL	50	29	0	25	10	0	116

The Municipality's Employment Equity Report is reviewed annually and was submitted to the Department of Labour in December 2015.

Areas of prioritized intervention

The annual review for the 2015/16 Employment Equity Plan, for the period 1 July 2015 to 30 June 2016 to be submitted to the Department of Labour.

Consider the development of a Plan of Action to manage the impact of the amalgamation on a consolidated Employment Equity Plan for the new municipality.

7.6 SKILLS DEVELOPMENT AND TRAINING

All skills development activities are managed in term of the annual Workplace Skills Plan, as required by the Local Government SETA (LGSETA). The plan aims to address the skills shortage within the municipality. The Annual Workplace Skills Plan was submitted by April 2016, which included training milestones achievements in 2015/16 and the training programme for 2016/17.

During the 2015/16 financial year, 21 officials benefitted from various learning innovations, at an estimated cost of R640 000.00.

A Skills Audit was undertaken whereby workers completed job analysis questionnaires, which were used to draw-up job descriptions. Job descriptions have been completed for all employees in 2015/16.

7.6.1 SKILLS ENHANCEMENT

Ikwezi municipality is supporting the utilization of interns to enhance their internal human resource capacity, as outlined below:-

- 15 unemployed youth were employed on the Youth for Waste Programme (Dept of Environmental Affairs).
- 10 NYS (Public Works) unemployed youth utilised in various municipal Departments
- 15 youth are taking part in the NARYSEC Programme, sponsored by Rural Development
- 01 worker underwent ABET with the support of Dept. of Education.

7.7 PERFORMANCE MANAGEMENT

Performance Management in Local Government begins essentially with the need to ensure the realization of the IDP and the continued improvement in the standards of performance through the following:

- Increased accountability and transparency.
- Provision of early warning signals highlighting underperformance.
- Continual assessment of the performance of the Municipality so as to assess areas requiring improvement.
- Creation of a culture of performance of the Municipality amongst all officials.

The legal framework for Performance Management is prescribed in the legislation mentioned below:

- The Municipal Systems Act (Section 38 of Act no. 32/2000)

- The Municipal Planning and Performance Management Regulations (2001).
- The Municipal Finance Management Act (56/2003).
- The Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (2006).

The Municipality developed a Performance Management System/Framework in 2013/14. The Sarah Baartman District Municipality has undertaken to assist Ikwezi with PMS related activities. Currently the PMS function resort under the Office of the Municipal Manager but it lacks a dedicated official to drive the process.

Challenge

- Operational implementation through the electronic PMS of Sarah Baartman District Municipality.
- Consider the appointment of a PMS Practitioner or alternatively combine this function with another post.
- Performance Management has not been cascaded below the levels of Section 56 manager.

Institutionalizing of performance management.

- High staff turnover at Municipal Manager and Section 56 managers impact negatively on the functionality of the PMS (too few assessments, lack of portfolio of evidence)
- Lack of PMS administrative capacity
- E-system is not functioning effectively
- Municipal officials and the political leadership do not fully understand the PMS
- No clear alignment between IDP, SDBIP, Budget and Institutional PMS
- Linkages between individual performance and the achievement of the institution's objectives are unclear.

IDP ASSESSMENT COMMENTS 2015: INSTITUTIONAL ARRANGEMENTS

In the IDP Assessment conducted in 2015, the following areas were marked for further attention:

Institutional Arrangements	Action Plan: Findings of the IDP Assessment 2015
	Indicate whether the municipality has a functional and effective M&E system/Unit
	Indicate whether all employees have job descriptions and / or those that don't have.
	Indicate if there any contract workers in your municipality? If so indicate departments and the duration of the contract
	Give a reflection in the IDP of adherence to the Code of Conduct for both Councillors and employees? And/ or the plans to address this.
	Reflect in IDP of the existence and functionality of the local labour forum.
	Give a reflection in IDP on critical and scarce skills that are a challenge to the municipality



EC103 Ikwezi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
Revenue By Source											
Property rates	2	1,392	1,594	1,723	1,826	1,826	1,826	1,826	1,946	2,067	2,189
Property rates - penalties & collection charges		189	231	328	219	344	344	344	367	390	413
Service charges - electricity revenue	2	6,090	6,595	5,867	10,198	7,934	7,934	7,934	8,679	9,218	9,761
Service charges - water revenue	2	1,256	1,238	1,359	3,167	3,167	3,167	3,167	3,376	3,585	3,797
Service charges - sanitation revenue	2	1,530	1,515	1,562	1,691	1,705	1,705	1,705	1,818	1,931	2,044
Service charges - refuse revenue	2	1,197	1,281	1,367	1,433	1,434	1,434	1,434	1,529	1,623	1,719
Service charges – other					-						
Rental of facilities and equipment		9	20	86	73	110	110	110	117	124	132
Interest earned - external investments		117	61	44	48	48	48	48	52	55	58
Interest earned - outstanding debtors		609	723	1,316	678	855	855	855	911	968	1,025
Dividends received											
Fines											
Licences and permits		205	126	109	32	32	32	32	34	36	38
Agency services					688	688	688	688	734	779	825
Transfers recognised – operational		18,094	23,878	23,961	26,344	26,903	26,903	26,402	24,283	25,789	27,310
Other revenue	2	513	1,045	2,169	2,293	1,965	1,965	2,386	1,668	1,771	1,876
Gains on disposal of PPE		6									
Total Revenue (excluding capital transfers and contributions)		31,209	38,307	39,892	48,691	47,010	47,010	46,930	45,514	48,336	51,187
Expenditure By Type											
Employee related costs	2	17,737	17,843	21,477	22,295	19,080	19,080	19,080	20,737	22,023	23,322
Remuneration of councillors		1,479	1,593	1,726	1,994	1,994	1,994	1,994	2,146	2,279	2,413
Debt impairment	3	2,974	8,183	6,153	668	668	668	668	713	757	801
Depreciation & asset impairment	2	2,711	3,868	4,260	4,203	4,203	4,203	4,203	4,481	4,758	5,039
Finance charges		141	616	28	98	98	98	98	105	111	118
Bulk purchases	2	5,613	5,880	5,933	6,320	6,320	6,320	6,320	6,914	7,343	7,776
Other materials	8										
Contracted services		2,711	-	-	5,253	5,844	5,844	5,844	6,209	6,594	6,983
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	12,115	16,150	18,981	12,533	11,297	11,297	11,297	10,037	10,659	11,288

Loss on disposal of PPE											
Total Expenditure		45,481	54,135	58,558	53,365	49,505	49,505	49,505	51,340	54,523	57,740
Surplus/(Deficit)		(14,273)	(15,827)	(18,666)	(4,674)	(2,495)	(2,495)	(2,575)	(5,827)	(6,188)	(6,553)
Transfers recognised – capital		12,391	13,167	10,061	16,073	15,924	15,924	16,004	21,442	22,772	24,115
Contributions recognised – capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(1,882)	(2,660)	(8,605)	11,399	13,430	13,430	13,430	15,616	16,584	17,562
Taxation											
Surplus/(Deficit) after taxation		(1,882)	(2,660)	(8,605)	11,399	13,430	13,430	13,430	15,616	16,584	17,562
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(1,882)	(2,660)	(8,605)	11,399	13,430	13,430	13,430	15,616	16,584	17,562
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(1,882)	(2,660)	(8,605)	11,399	13,430	13,430	13,430	15,616	16,584	17,562

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method
8. All materials not part of 'bulk' e.g. road making materials, pipe, cable etc.

check balance	-	-	-	-0	-1	-1		1	1	1
Total revenue	43,600	51,474	49,953	64,764	62,935	62,935	62,935	66,956	71,107	75,302