

2018-2019

REVIEW

INTEGRATED DEVELOPMENT PLAN



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GLOSSARY OF TERMS	
ABET	Adult Based Education and Training
ABSA	Amalgamated Banks of South Africa
AIDS	Acquired Immune Deficiency Syndrome
ASGISA	Accelerated and Shared Growth Initiative for South Africa
CASP	Comprehensive Agriculture Support Programme
CBO	Community Based Organization
CHDM	Chris Hani District Municipality
CHARTO	Chris Hani Regional Tourism Organisation
CPF	Community Policing Forum
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DEAT	Department of Environment and Tourism (Also known as DEA)
DFA	Development Facilitation Act No 67 of 1995
DLA	Department of Land Affairs
DLGH	Department of Local Government
DM	District Municipality
DME	Department of Mineral and Energy
DoALR	Department of Agriculture, Land Reform & Agrarian Transformation
DoE	Department of Education
DoH	Department of Health
DH	Department of Housing
DoSD	Department of Social Development
DoRT	Department of Roads and Transport
DPLG	Department of Provincial and Local Government (National)
DPW	Department of Public Works
DSAC	Department of Sport, Arts & Culture
DWAF	Department of Water Affairs and Forestry
ECA	Environmental Conservation Act
EIA	Environmental Impact Assessment
ES	Equitable Share (grant)
FBS	Faith Basic Services
ECDC	Eastern Cape Development Corporation



ECPGDS	Eastern Cape Provincial Growth & Development Strategy
EXCO	Executive Committee
GP	Gross Geographic Product
GIS	Geographical Information System
GTZ	German Technical Cooperation
GVA	Gross Value Added
HDI	Human Development Index
HIV	Human Immune Deficiency Virus
HR	Human Resource
IDC	Independent Development Corporation
IDP	Integrated Development Plan
IDT	Independent Development Trust
ICT	Information Communication & Technology
ITP	Integrated Transportation Plan
IWMP	Integrated Waste Management Plan
LDO	Land Development Objectives
LED	Local Economic Development
MEC	Member of the Executive Committee
MIG	Municipal Infrastructure Grant
MFMA	Municipal Finance Management Act
MSIG	Municipal Support & Institutional Grant
MSyA	Municipal Systems Act, 2000
MStA	Municipal Structures Act, 1998
NDC	National Development Corporation
NEMA	National Environmental Management Act
NER	National Electrification Regulator
NGO	Non-Governmental Organizations
NSS	National Sanitation Strategy
PATA	Promotion of Administrative Justice Act
PMS	Performance Management System
PPP	Public Private Partnership
RDP	Reconstruction and Development Programme
REDs	Regional Electricity Distributors



RTP	Responsible Tourism Planning
SMME	Small Medium and Micron Enterprises
SoE	State Owned Enterprises
SoR	State of Environment Report
SADC	Southern African Development Community
SALGA	South African Local Government Association
SANDF	South African National Defence Force
SAPS	South African Police Service
SGB	School Governing Body
SMME	Small, Medium and Micro Enterprises
STDs	Sexual Transmitted Diseases
TB	Tuberculosis
VAT	Value Added Tax
VIP	Ventilated Improved Pit (dry sanitation facility)
WSDP	Water Services Development Plan



## FOREWORD BY MAYOR



Local government in South Africa has traversed a long way since post-apartheid. A series of changes within local government has taken place, which had an effect on local government capacity. Notably, local government in South Africa has a packed set of responsibilities conferred on them by the constitution of RSA and various pieces of legislation.

A transformed and developmental system of local government will ultimately need to function as a truly accountable, effective and efficient sphere of government. It should play a key role in the war against poverty and in the active promotion of social

and economic upliftment of our communities. These objectives require that local government has the requisite capabilities to perform its powers and functions effectively.

This is our five year IDP 2017-2022 for the new leadership as mandated by the people of our municipality who voted for the ANC to lead. Our obligation is to make sure that we deliver services to our people and execute our mandates democratically.

Lastly, our municipality is guided by our strategic document, the IDP, which must be reviewed annually to be in line with the aspirations and wishes of our communities. The IDP is a developmental tool or a vehicle for development, for anything we wish for should be in the IDP. To achieve our vision, our set goals and our achievements, the IDP should be the blue print of our actions.

We must elevate our council, our administration, our workforce to a level of achieving goals by promoting participation and transformation. Our strategic focus should be to develop and acquire the art, the ability of doing more with less that is in our disposal.

### CHALLENGES

Whilst the municipality has recorded tremendous successes in the reporting year, challenges hereunder still persists, and the municipality is continuously endeavouring to tackle these in various ways:

- On the electricity, roll out to Gubenxe, Maxongo, Thembelihle and Mthingwevu farm have not yet been reached.
- Housing development in Khowa Old Location and Polar Park still remains.
- Mud schools are still in existence in Hota, Mbewula, Mgwalana, Gubenxa and Lusindiso Junior Secondary Schools.
- Upgrading of the railway line in Khowa, as well as the air strip.

Development of T. 35 (Ncora) and T.40 (to Indwe) in order that Sakhisizwe is connected to the economic activities in Ncora and Indwe respectively. The development of farm and rural roads is another hot spot for the municipality.

### PUBLIC PARTICIPATION

Public participation is ensured through the following methods in line with legislation:

- IDP road shows
- Ward Committee Meetings, Community meetings and 9 ward based meetings



- ❖ Inter-governmental fora: Budget Steering meeting
- ❖ Petitions response through Community Meetings
- A response: Walk-ins
- War rooms: dealing directly with issues raised by other sector departments to address them.

The municipality took the following initiatives to improve service delivery:

- ❖ A partnership with the Gwede Mantashe Foundation on behalf of Sakhisizwe in order for them to develop a master plan which will inform the approach towards developing Sakhisizwe; and
- ❖ Socio - Economic profiling which was done at ward level.

Together with Sakhisizwe Communities we strongly believe that we can build a better and prosperous municipality through the involvement of a range of stakeholders that stand to benefit the future generation. Those stakeholders range from but not limited to private sector, non-governmental organizations, Community based organization, labour and other interested parties.

  
COUNCILLOR S. NYAZI  
MAYOR



## MUNICIPAL MANAGER'S OVERVIEW



The Sakhisizwe Local Municipality IDP for Financial Year 2017/22 has been compiled in accordance with Section 46 of the Local Government Systems Act, No 32 of 2000, Section 127(2) of the Local Government Municipal Finance Management Act, No 56 of 2003 as well as accompanying circulars, templates and guidelines.

The Council developed its Integrated Development Plan for the 2017/2022 financial year and retained the following cardinal strategic focus areas:

### Service Delivery

- To eradicate backlogs in order to improve access to services and ensure proper operations and maintenance

### Local Economic Development

- To create an enabling environment which promotes the development of the local economy and facilitates job creation

### Financial Viability

- To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems

### Good Governance

- To promote a culture of public participation and good governance

### Municipal Institutional Development and Transformation

- To improve organizational cohesion and effectiveness

In the year under review, the municipality intensified its basic services delivery programmes and rolled out a number of high impact projects including housing projects through the Department of Human Settlements, electricity projects through Eskom, waste management projects with the assistance of the Chris Hani District Municipality and Department of Economic Development Environment and Tourism, and social projects, such as a new library with the assistance of the Department of Sports Recreation Arts and Culture.

Sakhisizwe has transferred the responsibility for water and sanitation to the District Municipality, but it remains committed to providing support to ensure a sustainable service. The financial position of the municipality remains stable, despite having lost the water and sanitation services.

The year 2015/2016 witnessed a tremendous improvement in the running of the municipality both politically and administratively. I want to state categorically that the hard work and dedication by both the management team and the political leadership has paid good results. For the first time the municipality has received an unqualified audit opinion.

The attainment of an unqualified audit opinion demonstrates an emphasis on strong leadership and sound financial management. It emphasizes commitment and dedication which is due partly to the management team as well as Sakhisizwe Municipal staff.



I want to conclude with the note that efficiency, effectiveness, and financial management prudence remain the key priority for good governance and administration in the municipality in order to achieve improved service delivery and general good governance.

.....  
D. M. THABANE  
MUNICIPAL MANAGER

## VISION

*To be a financially sustainable and socio-economically transformed municipality by 2030.*

## MISSION

*"We will provide quality sustainable service delivery, through prudent financial management and collaboration with our communities."*

## CORE VALUES

### Diligence

Self-driven public representative and management team committed to serving the people assentive in representing the interests of Salindawe inhabitants

### Promptness

Responding to matters of public and citizens interests within reasonable time including acknowledging and keeping people informed process

### Integrity

Transparency, honesty, good democracy ethics, impartial of matters of public good and interest and building a public service that transcends political and social boundaries

### Accountability

Responsible, taking ownership, discipline, efficient and instilling a culture of a sound development paradigm

### Participative

Building a reciprocal relationship between management and all internal stakeholders, between council and administration, between local and regional level, and between the municipality and its citizens

### Responsive

Building a customer friendly municipal environment, creating a proactive, flexible, creative and quality, consistent service delivery environment

**"SUSTAINABILITY THROUGH UNITY"**



## CHAPTER 1: EXECUTIVE SUMMARY

### 1.1 INTRODUCTION

The Sakhisizwe Local Municipality is a Category B municipality (Area: 2 355km<sup>2</sup>) situated within the Chris Hani District in the Eastern Cape Province. It is bordered by the Joe Gqabi District to the north, Intsika Yethu to the south, Engcobo to the east, and Emalaheni to the west. The municipality is the smallest of six in the district, making up 6% of its geographical area. Sakhisizwe is an isiXhosa name meaning 'we are building the nation'. The main Cities or Towns in the Sakhisizwe Local Municipality are Cala and Khowa. The main Economic Sectors are Community services, agriculture, and trade.

**Map 1: Locality Map**



### 1.2 OBJECTIVES OF THIS REVIEW

The main objectives of this review are to:

- Comply with legal requirements in terms of LG MSA of 2000
- Update our planning information and integrate ward based planning
- Improve credibility of our IDP document
- Address the concerns and comments made by MEC on our previous document so that we may achieve a credible plan
- Correct and prevent recurrence of the issues relating to the alignment of Planning, Governance and Performance Management processes raised as concerns to the Auditor General (AG) in our annual reports



## 1.2 THE DEVELOPMENT CHALLENGES

Sakhisizwe Municipality is a local municipality that can be categorised as a B4 (largely rural with a low economic and revenue base). It is still struggling to emerge from the establishment phase of local government largely due to past internal instability and poor administrative capacity. The resultant situation from such instability manifest in the existence of high service backlogs, poorly structured and underperforming local economy.

However, the last year or so has seen marked improvements in political stability (public participation and governance processes) and steady growth in administrative capacity (the top structure of the organization has been fully laid and there are noticeable investments in infrastructure development fleet and so on).

The promise to a better future remains an elusive goal for many households and peoples who are trapped into a vicious cycle of poverty and unemployment. It remains a commitment of this council to lay a solid foundation for better life for all and to direct our development trajectory toward improved economic development, better service delivery and marked reduction in poverty and unemployment.

### 1.3.1 Basic Infrastructure & Service Delivery

Our analysis shows that we continue to lag behind with provision of basic and other required services and run a strategic risk of not meeting our goals if this situation is not turned around, however it is encouraging to notice that rapid progress is being made to effect this turn around. We are convinced about Chris Hani District's commitment to fast track our community's access to water & sanitation acceptable progress is made in this area. Our own competency on the functions run directly by us is severely affected by staff shortages, especially at senior levels. This is due to, among others, brain drain and better socio-economic profiles offered by our competitor employers.

Our backlogs are water, sanitation, Electricity, Refuse, Road network. There are also other challenges such as poor accessibility of facilities and quality outputs affecting Education, Health, Public Transport, Social Development and Safety & Security. These challenges militate against our strength to better the lives of our people.

### 1.3.2 Economic Development and Environment

Sakhisizwe has an underperforming local economy unable to deal with strategic challenges such as poverty, unemployment and low revenue base. An LED strategy has been developed to institutionalise responses of the municipality to LED.

However, our interaction with the said LED strategy revealed that it is inadequate to effectively perform what it is supposed to do. It is narrow, fails to consider critical issues, and has no implementation plan with clearly defined outcomes, targets, and timeframes. It also fails to take into account the current organogram and its directives towards the organogram. We recommend that this document be reviewed and aligned. GDP is estimated at about R463 million while unemployment remain as high as 36%.

Key sectors with potential but currently under performing and needing focused interventions include Agriculture, forestry, Manufacturing and Tourism. While we acknowledge that ours is a small economy it is appreciated that it currently shows a better tress index of diversification at 79,7 compared to the of the region at 65,5. Our comparative advantage is in community services, agriculture and trade sectors.

### 1.3.3 Municipal Institutional Development & Transformation

We are still unable to perform all are expected mandate in terms of assigned powers and functions due to administrative and other capacity constraints. Our council is an executive system and administration is managed through 6 key administrative departments including that of the office of the municipal manager. However, we are constantly innovating to ensure greater participation by our



communities in all aspects of our decision making. We have resolved to promote community participation and local democracy by implementing ward planning during 2017 through to 2022.

In terms of transformation, we are still largely male dominated in our management and administration. This is partly due to our poor scarce skills staff retention which leaves us with few options on who we employ and retain.

#### 1.3.4 Good Governance

Sakhisizwe Local Municipality is politically and administratively stable. The Municipality has just been pronounced as one of viable municipalities who need **not** be merged with other supposedly better performing municipality. This is in testament of the commitment of the executive to push forward for a better local government.

The findings of the Auditor General do not necessary indicate poor governance and administration, but point to poor audit education and inadequate systems. This is usually a secondary consequence resulting from in capacity. IGR is existent with sector departments taking place. However, this needs to be strengthened. This is a co-operation environment that requires other sectors to take IGR seriously.

#### 1.3.5 Financial Viability

As a municipality, we are defined by national treasury as a weak low capacity organization. Our current systems of financial control as found by auditor general reports of the last 2 years are evidently showing signs of improvement. We however remain weak in our main operation areas namely:

- (a) Revenue Enhancement
- (b) Debt Collection
- (c) Supply chain management
- (d) Expenditure management

We have resolved to pay specific attention to the following critical areas of our turnaround strategy:

- AG queries
- Debt collection
- Audit education
- Systems development and financial controls
- Revenue enhancement

### 1.4 DEVELOPMENT PRIORITIES FOR 2017/2022

The following are key priorities and strategic development goals of SLM in 2017/2022

#### 1) Service Delivery

- **Strategic Goal:** Eradicate backlogs in order to improve access to basic infrastructure and services and ensure proper operations and maintenance by 2022
- **Intended outcome:** Sustainable delivery of improved services to all households (in line with the term of council, 2017 – 2022)

#### 2) Local Economic Development

- **Strategic Goal:** Create an enabling environment that promotes the development of the local economy and facilitate job creation
- **Intended outcome:** Improved municipal economic viability (in line with term of council, 2017 – 2022).

#### 3) Financial Viability

- **Strategic Goal:**  
To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems
- **Intended outcome:** Improved financial management and accountability (in line with terms of council, 2017 – 2022)

#### 4) Good Governance & Public Participation

- **Strategic Goal:** Promote a culture of public participation and good governance.
- **Intended outcome:** Entrenched culture of accountability and clean governance (in line with term of council, 2017 - 2022).





## 5) Municipal Institutional Development & Transformation

- **Strategic Goal:** Improve organizational cohesion and effectiveness.
- **Intended Outcome:** Improved organizational stability and sustainability (in line with the term of council, 2017 – 2022)
- Ensure a fully functional, responsible, accountable and responsive administration by 2022.

## 6) Spatial Planning and Land Use management

- **Strategic Goal:** Improve overall use and management of land and environment
- **Intended Outcome:** Sustainable planning and use of Land resource and care for the environment

### 1.5 PLANNING FOR THE FUTURE

This IDP review has not amended the agreed vision and mission of the municipal council ever since it was amended in Mountain Shadow at our Strategic Plan.

The document also provides a detailed list of programmes and projects to be implemented in attempting to reverse the development challenge outlined above. It further provides a framework for ensuring smooth integration, alignment and synergy in the implementation of this IDP's intention. It concludes with the outline of the processes followed in approving this IDP review for implementation.

#### 1.5.1 Pre-Planning

In terms of the Municipal Systems Act, Chapter 5, Part 3, a Municipal Council must review its integrated development plan annually in accordance with its performance measurements in section 41; and to the extent that changing circumstances so demand and may amend its integrated development plan in accordance with a prescribed process plan.

Further, the Local government Municipal Finance Management Act 56 of 2003 provides for the Mayor/Speaker of the municipality to:

- Co-ordinate the process for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies.
- Ensure that tabled budget and revisions of the integrated development and budget related policies are mutually consistent and credible.

Sakhisizwe council adopted its process plan for the review of the IDP 2018/2019 by 31st August 2017.

#### 1.5.1 Organisational Arrangements

The following arrangements have been set in place to institutionalize community/ stakeholder participation and also to enable the municipality to manage the drafting of the IDP Review. Through these platforms, municipal stakeholders will be empowered to contribute, influence and inform decision making relating to municipal affairs and general issues relating to service delivery and planning.

#### 1.5.2 IDP Steering Committee

The IDP steering committee comprising largely of internal senior management is tasked to:

- Provide technical and advisory support to the IDP Manager and drafting team
- Perform daily planning activities including the preparation and facilitation of events; documentation of outputs and making recommendation to the IDP Manager and the Municipal Council and Mayor
- Commission in depth studies when necessary
- Act as the secretariat for the IDP Representative Forum.

IDP Steering Committee work sessions and meetings may, from time to time be arranged by the IDP manager or his/her delegate in order to implement this process plan. Ideally, these sessions would precede the representative forum workshops.

#### 1.5.3 IDP Representative Forum

The IDP representative forum forms the main platform for broad consultations and debates on issues and policy recommendations. It is chaired by the Mayor and composed of representatives across our stakeholder community including but not limited to the following institutions or interest groups:







ROLE PLAYERS	ROLES AND RESPONSIBILITIES
	<p>Local authority / District / Sector / Provincial / National Government &amp; Councils and Administrations. These clusters are chaired by councilors B Ntsere, N Stofie and M Makhohliso, respectively.</p>
District Municipality	<ul style="list-style-type: none"> <li>Provide support and guidance on IDP Review process</li> <li>Assist municipalities to achieve the target dates</li> <li>Interact with service providers to ensure that a quality product is provided</li> <li>Assist with workshops</li> <li>Project Management and Implementation Support Services</li> <li>Ensure that clusters achieve integrated planning</li> <li>Ensure that an uniform reporting mechanism is devised</li> </ul>
Sector Departments	<ul style="list-style-type: none"> <li>Ensure the participation of Senior personnel in the IDP review process</li> <li>Horizontal alignment of programme and strategic plans within the clusters</li> <li>Provide technical support and information to the planning process</li> <li>Contribute relevant information to support the review process within the clusters</li> <li>Incorporate district and local municipal projects into departments planning within the clusters</li> </ul>
National & provincial governments	<ul style="list-style-type: none"> <li>Monitor and evaluate the preparation and implementation process</li> <li>Provide training and capacity building support to the local municipality – CoGTA guide for credible IDPs</li> <li>Operational support programmes so that over-lapping does not occur</li> <li>Provide technical guidance and monitor compliance with provincial policy and legal framework</li> </ul>
Stakeholder Communities	<ul style="list-style-type: none"> <li>Input and influence plans and decision making</li> </ul>

### 1.7 COMMUNITY PARTICIPATION STRATEGY

ISSUE	PARTICIPATION MECHANISM & PLANNING EVENTS
Planning participation	<ul style="list-style-type: none"> <li>Use of workshops &amp; Community Based Plans</li> </ul>
Attendance at all meetings, workshops etc	<ul style="list-style-type: none"> <li>Inter-Departmental sector dialogues between Khosi and Council and/or conferences</li> <li>Support with transportation through the use of a taxi</li> <li>Use of all available media (radio, mobile, sms, social media, etc) to inform the community on the importance of community and municipal services and social events, etc</li> </ul>
Effective communication	<ul style="list-style-type: none"> <li>Meetings shall largely run in IsiXhosa and this is done to allow the majority of participants to input meaningfully without restrictions of language</li> </ul>
Approval & Comments on the document	<ul style="list-style-type: none"> <li>Use of ward level Mayoral Offices and Road show forums regarding the Budget and IDP Review 2017/2022 to the communities</li> </ul>

### 1.8 ACTIVITY PROCESS PLAN

The following table is attached and illustrates the IDP review action programme and also gives an indication to the planning activities that will be undertaken in a calendar format.

**"SUSTAINABILITY THROUGH UNITY"**



2018/2019 SAKHISIZWE LOCAL MUNICIPALITY IDP & BUDGET-FM PROCESS PLAN			
	ACTIVITIES	TIMEFRAME	RES DE
<b>A</b>	<b>Preparation phase / Pre-planning</b>		
A1	District Planners Coordinating Forum- IDP/PMS Managers Session for Alignment of IDP Process Plans	10 July 2017	IPED
A2	Audit Committee meeting	27 July 2017	MM
A3	Signing of Performance Agreements by HOD's	31 July 2017	MM
A4	Management Meeting looking into the IDP Framework & IDP/Budget Process Plan	21 <sup>st</sup> August 2017	MM
A5	Council Approval of Framework Plan & Process Plans (IDP & Budget)	29 August 2017	MM
A6	Submission of APR and AFS to AG & Treasury	31 <sup>st</sup> August 2017	IPED
A7	Standing Committee	01- 06 September 2017	IPED
A8	16/17 Annual Performance Assessment	07 September 2017	
A9	Advertise Adopted IDP/Budget Process Plan	08 September 2017	IPED
A10	MPAC Committee	14 September 2017	MM
A11	Technical IGR Meeting	19 September 2017	MM
A12	Executive committee Meeting	21 September 2017	MM
A13	Ordinary Council meeting	28 September 2017	MM
<b>B+C</b>	<b>Analysis Phase / Monitoring and evaluation</b>		
BC1	Assess implementation progress (HODs to present action plans for existing projects and planned completion dates for projects, aligning expenditure with progress), impact of new information/unexpected events, evaluation of achievement with regard to objectives, strategies and projects (per programme), overview of funding available per cluster (both from savings as well as new funding from operating budget and from external funds), possible implications on programmes of additional sector information.	July - October 2017	All Depts. Championed by HOD's
BC2	1 <sup>st</sup> Quarter Institutional Performance Report to Mayor	13 October 2017	MM
BC3	Risk management committee meeting	17 October 2017	IPED
BC4	Budget Steering Committee	18 October 2017	BTO
BC5	Audit Committee & Performance Committee	19 October 2017	MM
BC6	IDP/Budget/PMS Rep	24 October 2017	MM
BC7	AGSA Audit meeting	08 November 2017	MM
BC8	IDP/PMS/Budget Steering Committee meeting to review implementation progress and report on gaps identified during the analysis phase Standing Committee	10 November 2017	MM
BC9	Standing Committees	14-17 November 2017	IPED
BC10	MPAC Meeting	22 November 2017	MM
BC11	IDP/PMS Managers Session	22 November 2017	IPED
BC12	District Mayors Forum	23 November 2017	MM
BC13	Technical IGR Meeting	24 November 2017	MM
BC14	IDP/PMS/Budget Rep Forum meeting - discuss Sakhisizwe LM priorities	24 November 2017	IPED
BC15	EXCO. Committee Meeting	28 November 2017	MM
BC16	Annual Report Roadshows	30 Nov- 06 December 2017	MM



STRIVE FOR EXCELLENCE THROUGH INTEGRITY



**2018/2019 SAKHISIZWE LOCAL MUNICIPALITY IDP & BUDGET-F&S PROCESS PLAN**

	ACTIVITIES	TIMEFRAME	RES DE
BC17	Council Meeting	07 December 2017	MM
BC18	Quarter 2 Performance reporting HOD's to MM (Oct - Dec)	10 January 2018	HOD's & MM
D	<b>Strategiss Phase / Refined objectives, strategies, programmes and projects phase</b>		
D1	Performance Audit (Draft Annual Report)	12 January 2018	MM
D2	Internal Audit /Risk Committee Meeting	16 January 2018	BTO
D3	Budget Steering Chaired by Port Cllr to consider Adjustment Budget	17 January 2018	MM
D4	Mid- Year Performance Report to Mayor	19 January 2018	MM
D5	IDP/Budget Steering Committee to approve draft budget allocations (IDP/ Budget link)	16 January 2018	IPED/BTO
D6	Audit & MPAC Committee Meeting	23 January 2018	
D7	Mid- Year Performance Assessments of HOD's	25 January 2018	MM
D8	EXCO. Committee Meeting	26 January 2018	MM
D9	Council Meeting (Final 2016/17 Annual Report & Mid - Year Report)	30 January 2018	MM
D10	IDP/Budget/PMS Steering committee	08 February 2018	IPED
D11	Budget Steering Committee =Adjustment Budget	06 February 2018	BTO
D12	Standing Committees	13-16 February 2018	MM
D13	Technical IGR	15 February 2018	MM
D14	EXCO. Meeting	19 February 2018	MM
D15	Institutional Strategic planning session. Adopt proposed overall direction of the 2017-2022 IDP - agree on main themes and key strategic objectives and key financial issues. Refine objectives, strategies, programmes and draft projects as necessary for MTEF period	21-23 February 2018	IPED/MM
D16	Council Meeting Adopting Adjusted Budget	28 February 2018	MM
D17	Identify operating impacts (including staff issues) of proposed projects and ensure that these are included in the operating budget submissions	01-30-March-2018	IPED /BTO / Corporate Services
D18	Budget Steering Committee (Chaired by Portfolio Cllr)	06 March 2018	MM
D19	IDP Rep Forum	13 March 2018	IPED
D20	EXCO Committee Meeting	20 March 2018	MM
D21	Draft IDP and Draft Budget published. Advertise for public comment (21 days)	27 March 2018	IPED
D22	CHDM Council approval of the 2018-2019 Draft IDP & Budget & Submission of Recommendations from Performance Evaluation Panel	28 March 2018	MM
D23	IDP/Budget road shows - public hearings	09-13 April 2018	MM/IPED/B TO
D24	Quarter 3 Performance reporting by HOD's (Jan - March))	16 April 2018	HOD's & MM
D25	Risk Committee	17 April 2018	MM
D26	3 <sup>rd</sup> Quarter Institutional Report to Mayor	14 April 2018	MM
D27	Departmental SDBIP Engagements	23-26 April 2018	MM
D28	Audit Committee	24 April 2018	MM
E	<b>Reviewed IDP document (integration/programms, financial and operational plan)</b>		
E1	Incorporate relevant comments to the Draft final reviewed IDP	April - May 2018	IPED
E2	IDP/Budget Steering Committee meeting (implementation and operational plan)	02 May 2018	IPED
E3	IDP/PMS Managers Session	03 May 2018	IPED



2018/2019 SAKHISIZWE LOCAL MUNICIPALITY IDP & BUDGET-PM PROCESS PLAN			
	ACTIVITIES	TIMEFRAME	RES DE
E4	Standing Committee	08-22 May 2018	MM
E5	Technical IGR	09 May 2018	MM
E6	IDP Rep Forum	15 May 2018	IPED
E7	Municipal Wide SDBIP Engagement	17 May 2018	MM
E8	Technical IGR	17 May 2018	MM
E9	Submit draft SDBIP within 14 days after approval of the budget EXCO Meeting	23 May 2018	MM
<b>F Approval phase</b>			
F1	Sakhisizwe LM Council & Approval of Final 2017-2018 IDP & Budget	28 May 2018	MM
F2	DIMAFO	29 May 2018	MM
F3	MPAC ( 3 <sup>rd</sup> Quarterly report & Sec 52 d)	08 June 2018	MM
F4	Submission of SDBIP to the Mayor for Approval within 14 days	11 June 2018	MM
F5	Exco. meeting	14 June 2018	MM
F6	Stakeholders Engagement on IDP & Budget	15 June 2018	MM
F7	Signing of MM and Section 56 Managers Performance Agreements	16 June 2018	MM
F8	SDBIP Approved and Performance Agreements signed	19 June 2018	MM
F9	Council Meeting Approves SDBIP 2017/218 within 28 days after budget	28 June 2018	Mayor
F10	Quarter 4 Performance reporting (April - June))	10 July 2018	HOD's & MM
<b>G Performance Management System</b>			
G1	Publicize SDBIP and Performance Agreements no later than 14 days after approval	12 July 2018	MM

### 1.9 MECHANISMS AND PROCEDURES FOR ALIGNMENT

The IDP Manager will be responsible for ensuring smooth coordination of the municipal IDP development and its alignment with the district IDP review through the use of workshops and bilateral discussions with affected sector departments. Inter-departmental Forum will be utilized as a mechanism for alignment of programmes and projects.

PHASE	ALIGNMENT ON CROSS CUTTING ISSUES	WITH WHOM
2. Process Plan + Situation Analysis	<ul style="list-style-type: none"> <li>IDP &amp; Budget process activity plans</li> <li>Sector Department planning &amp; Municipal IDP inputs</li> </ul>	<ul style="list-style-type: none"> <li>BTO &amp; IPED</li> <li>Affected Departments</li> </ul> Gov
2. Strategies	<ul style="list-style-type: none"> <li>Technical input on objectives and goals of programmes</li> <li>Local and wide strategic debates</li> </ul>	<ul style="list-style-type: none"> <li>Affected Departments</li> </ul> Gov
3. Projects	<ul style="list-style-type: none"> <li>Technical input on projects</li> <li>Input on budgets</li> <li>Cross cutting projects e.g. HIV/Aids</li> </ul>	<ul style="list-style-type: none"> <li>Affected Departments</li> </ul> Gov
4. Integration & Alignment	<ul style="list-style-type: none"> <li>Technical input</li> <li>Sector alignment &amp; integration</li> </ul>	<ul style="list-style-type: none"> <li>Affected Departments</li> </ul> Gov
5. Approval	<ul style="list-style-type: none"> <li>Submission; Comments on revised IDP's</li> </ul>	<ul style="list-style-type: none"> <li>Affected &amp; interested parties</li> </ul>



## 1.10 MAIN LEGISLATION AND POLICY FRAMEWORK

The Sakhisizwe Municipality's IDP formulation and implementation processes will be bound by the following legislation and policy framework.

### 1.10.1 Legislation framework

- Constitution: 1996
- Development Facilitation Act 96 of 1995
- White paper on Local government of 1998
- Municipal Structures Act 117 of 1998
- Municipal Systems Act 32 of 2000 + Its regulations of Aug 2001
- Municipal Finance Management Act: 2003
- Municipal Property Rates Act: 2004
- All other laws governing and regulating development in South Africa

### 1.10.2 Policy Framework

- LG White paper of 1997
- National Planning & Performance Management circulars by CoGTA, National Treasury etc
- National Development plan 2030 of Nov 2012
- National LG Turn Around Strategy for LG - 2009
- Eastern Cape Provincial Growth & Development Plan (PGDP)
- Eastern Cape Spatial Development Plan
- Credible IDP guide by CoGTA
- District Municipal Strategic Plans (IDP, SDF, LED etc)
- Municipal STRATPLAN 2017 report
- Any other applicable policies not mentioned directly

## 1.11 DEMOGRAPHIC DYNAMICS

Demographics is broadly defined as the study of population dynamics which is significantly influenced by a wide array of factors such as birth and death rates, migration patterns, age, race, gender, life expectancy etc. The importance of understanding demographics as a decisive factor in shaping our current socio-economic reality is therefore critical for governments, economists and politicians alike.







### 2.1.3 District Locality: Chris Hani District

Sakhisizwe is an isiXhosa name meaning 'we are building the nation'. Sakhisizwe is a category B4 type with largely rural (61%) and low revenue base) situated within the Chris Hani District (see figure below) of the Eastern Cape Province. It is made up of the main town of Cala and Khowa as well as the surrounding rural villages and farms



Map 2.1.3: Showing District Locality

### 2.1.4 Municipal Locality: Sakhisizwe Local Municipality

Sakhisizwe Local Municipality is classified in terms of the Municipal Structures Act as a Category B municipality, falling under the Chris Hani District in the Eastern Cape Province.

The Sakhisizwe Local Municipal Area consists of 9 Wards as reflected in the **Map 2.1.4** below. The main administrative centre is located in Cala (Ward 5). Khowa (Ward 1) serves as a secondary administrative centre with some offices like Budget and Treasury located there

Map 2.1.4: Showing Municipal Locality

Sakhisizwe Municipality is still struggling to emerge from the establishment phase of local government largely due to a huge apartheid legacy, past internal instability and poor administrative capacity. The resultant situation from such legacy manifests in the existence of high service backlogs, poorly structured and underperforming local economy.



Grand Apartheid segregated South Africa into three kinds of social, economic and politico-administrative spaces: the major urban areas, which were a preserve of white people; fertile commercial farming regions and associated small rural towns, also a preserve of white South Africans; and, barren, economically unviable so-called homelands, reserved for South Africa's black majority population.

The result is enduring underdevelopment with its social, economic, and cultural manifestations: poverty, gross income inequality compared to urban areas, chronic unemployment, and cultural backwardness.

- ❑ Unequal distribution of assets, skewed distribution of income and employment opportunities amongst citizens, inequality in access to social services, high level of illiteracy and social backwardness.
- ❑ Segregated planning approaches and scattered residential and farming settlements without viable economic and social linkages to the more economically active areas of the country.
- ❑ Under-utilisation and/or unsustainable use of natural resources. Poor or lack of access to socio-economic infrastructure and services, public amenities and government services (e.g. industrial parks lying idle especially in the former homeland areas).
- ❑ Poor access to water and/or water sources for both household and agricultural development
- ❑ Low literacy, skills levels and migratory labour practices.

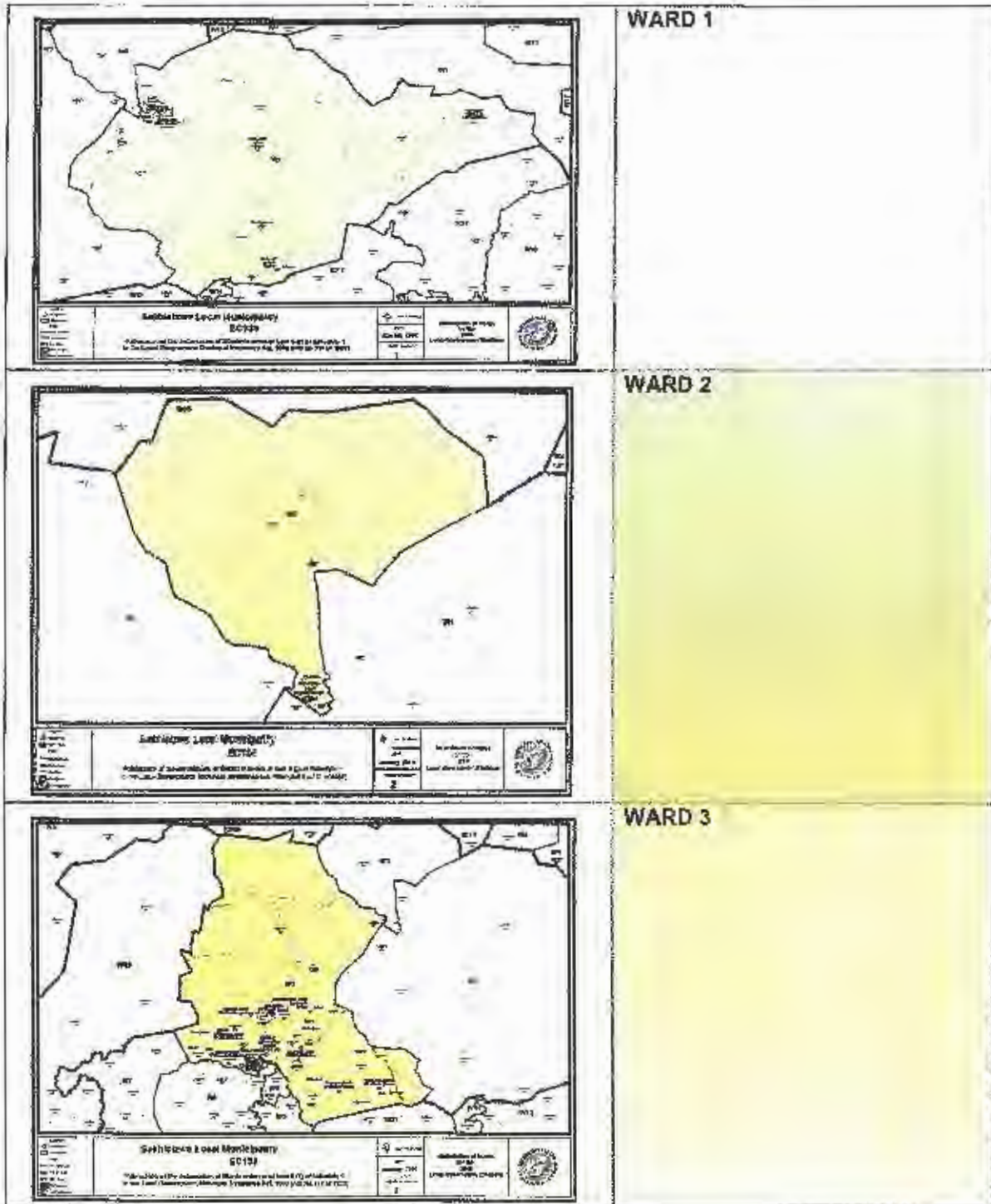
However, considerable gains have been achieved in certain areas of Municipality's interventions, more needs to be done in especially the areas of obtaining a clean audit, expanding basic services, fighting the scourge of poverty, inequality and HIV/AIDS among our people, and those will be elaborated further below in the plan.



## 2.1.5 Ward Based Locality

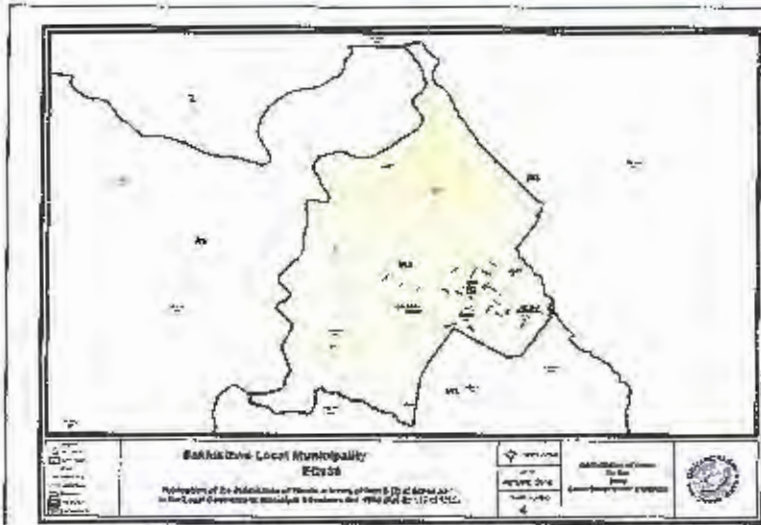
The Sakhisizwe Local Municipal Area consists of 9 Wards as reflected in the *Map 2.1.4* above. The main administrative centre is located in Cala (Ward 5). Khowa (Ward 1) serves as a secondary administrative centre with some offices like Budget and Treasury located there. Maps below will reflect locality of the Sakhisizwe Local Municipality in terms of each Ward:

**\*GIVE BACKGROUND REGARDING WARDS AND WARD COMMITTEES\***

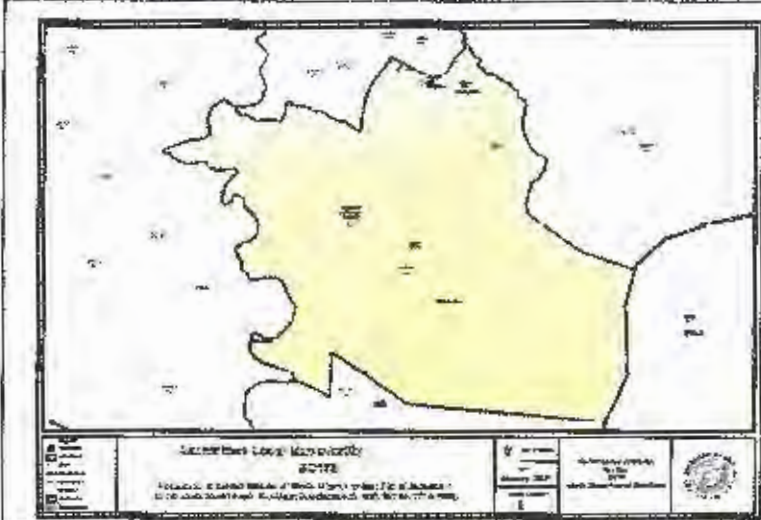


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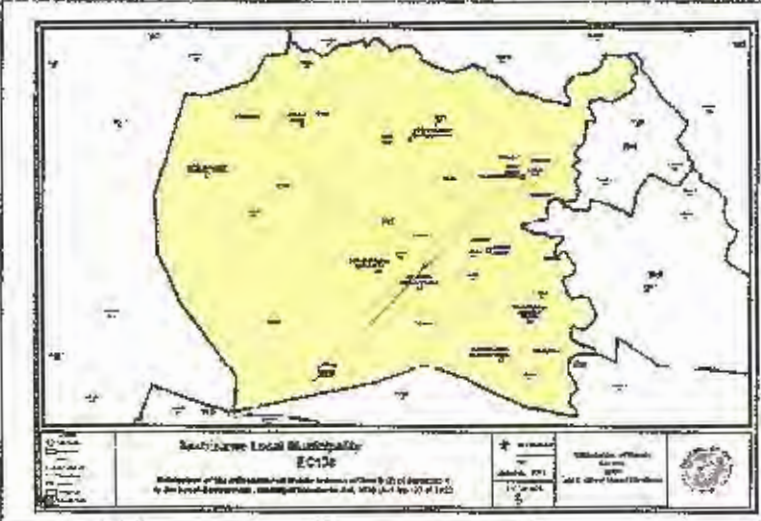




WARD 4



WARD 5



WARD 6



"SUSTAINABILITY THROUGH UNITY"





## 2.2 DEMOGRAPHIC PROFILE

"Demographics", or "population characteristics", includes analysis of the population of a region. Distributions of values within a demographic variable, and across households, as well as trends over time are of interest.

In this section, an overview is provided of the demography of the Sakhisizwe Local Municipality and all its neighbouring regions, Chris Hani District Municipality, Eastern Cape Province and South Africa as a whole.

### 2.2.1 TOTAL POPULATION

Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income.

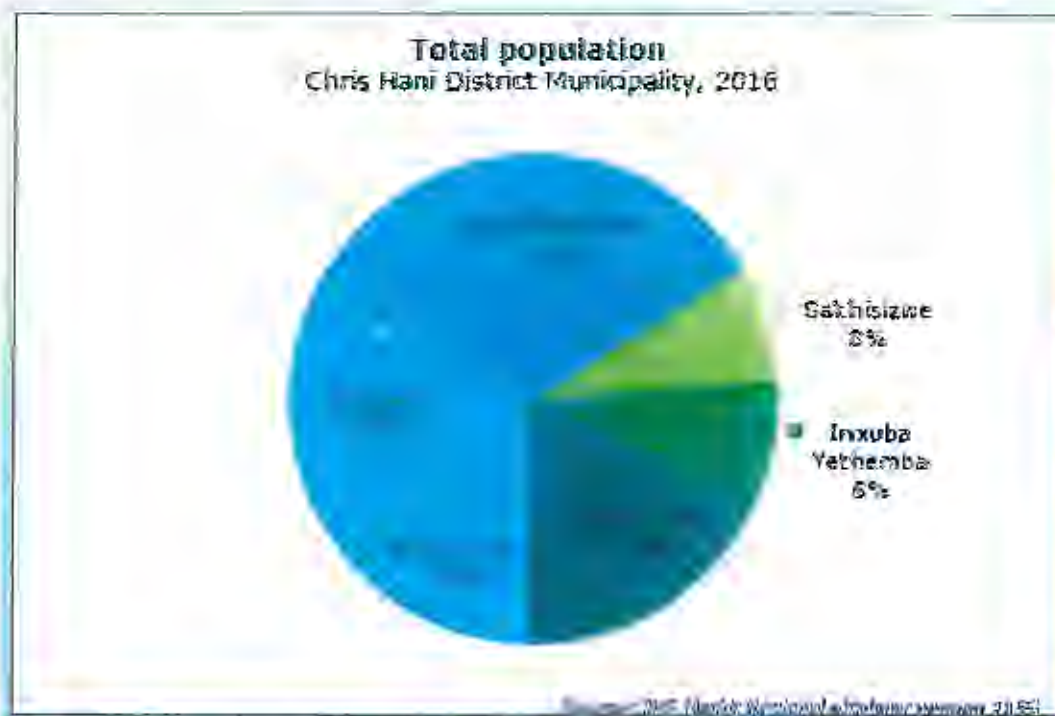
The total population of ( 64 500) people, the Sakhisizwe Local Municipality makes up ( 0.1%) of South Africa's total population in 2016. Compared to Chris Hani's average annual growth rate (0.46%), the growth rate in Sakhisizwe's population at -0.24% was significant lower than that of the district municipality.

**TABLE 2.2.1. TOTAL POPULATION - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 (NUMBERS PERCENTAGE)**

Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national	
2006	66,100	804,000	6,450,000	47,800,000	8.2%	1.02%	0.14%
2007	65,300	802,000	6,470,000	48,400,000	8.1%	1.01%	0.13%
2008	64,500	803,000	6,500,000	49,100,000	8.0%	0.99%	0.13%
2009	63,900	806,000	6,540,000	49,800,000	7.9%	0.98%	0.13%
2010	63,500	810,000	6,600,000	50,700,000	7.8%	0.96%	0.13%
2011	63,500	813,000	6,650,000	51,500,000	7.8%	0.95%	0.12%
2012	63,400	816,000	6,710,000	52,400,000	7.8%	0.95%	0.12%
2013	63,600	821,000	6,780,000	53,200,000	7.7%	0.94%	0.12%
2014	63,800	827,000	6,850,000	54,100,000	7.7%	0.93%	0.12%
2015	64,100	834,000	6,930,000	54,900,000	7.7%	0.93%	0.12%
2016	64,500	841,000	7,010,000	55,700,000	7.7%	0.92%	0.12%
Average Annual growth 2006-2016							
	-0.24%		0.46%		0.83%		1.54%

**CHART 2.2.1. TOTAL POPULATION - SAKHISIZWE AND THE REST OF CHRIS HANI, 2016 [PERCENTAGE]**





When compared to other regions, Sakhisizwe Local Municipality accounts for a total population of 64,500, or 7.7% of the total population in Chris Hani District Municipality ranking as the most populous local municipality in 2016. Sakhisizwe decreased in importance from ranking fifth in 2006 to sixth in 2016. In terms of its share Sakhisizwe Local Municipality was slightly smaller in 2016 (7.7%) compared to what it was in 2006 (8.2%). When looking at the average annual growth rate, it is noted that Sakhisizwe ranked lowest (relative to its peers in terms of growth) with an average annual growth rate of -0.2% between 2006 and 2016, *Source: ECSECC 2017.*

**2.2.1.1 Population Projections**

Research as per the Eastern Cape Socio Economic Consultative Council revealed that the present age-gender structure and the present fertility, mortality and migration rates, Sakhisizwe's population is projected to grow at an average annual rate of 0.7% from 64 500 in 2016 to 66 700 in 2021.

When looking at the population projection of Sakhisizwe Local Municipality shows an estimated average annual growth rate of 0.7% between 2016 and 2021. The average annual growth rate in the population over the projection period for Chris Hani District Municipality, Eastern Cape Province and South Africa is 0.9%, 1.0% and 1.4% respectively. The Eastern Cape Province is estimated to have an average growth rate of 1.0% which is very similar than that of the Sakhisizwe Local Municipality. South Africa as a whole is estimated to have an average annual growth rate of 1.4% which is very similar than that of Sakhisizwe's projected growth rate.



**TABLE 2.2.1.1 POPULATION PROJECTIONS - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016-2021 (NUMBERS PERCENTAGE)**

Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
2016	64,500	841,000	7,010,000	55,700,000	7.7%	0.92%
2017	64,900	849,000	7,080,000	56,500,000	7.6%	0.92%
2018	65,400	857,000	7,160,000	57,400,000	7.6%	0.91%
2019	65,800	865,000	7,240,000	58,100,000	7.6%	0.91%
2020	66,300	872,000	7,310,000	58,900,000	7.6%	0.91%
2021	66,700	880,000	7,380,000	59,600,000	7.6%	0.90%
Average Annual growth						
2016-2021	0.67%	0.90%	1.05%	1.37%		

Source: iHS Markt Regional Explorer version 1156

### 2.2.1.2 Projected Population Structure

The population pyramid reflects a projected change in the structure of the population from 2016 and 2021. The differences can be explained as follows:

- In 2016, there is a significantly larger share of young working age people between 20 and 34 (26.7%), compared to what is estimated in 2021 (25.0%). This age category of young working age population will decrease over time.
- The fertility rate in 2021 is estimated to be slightly higher compared to that experienced in 2016.
- The share of children between the ages of 0 to 14 years is projected to be significant smaller (31.9%) in 2021 when compared to 2016 (33.5%).

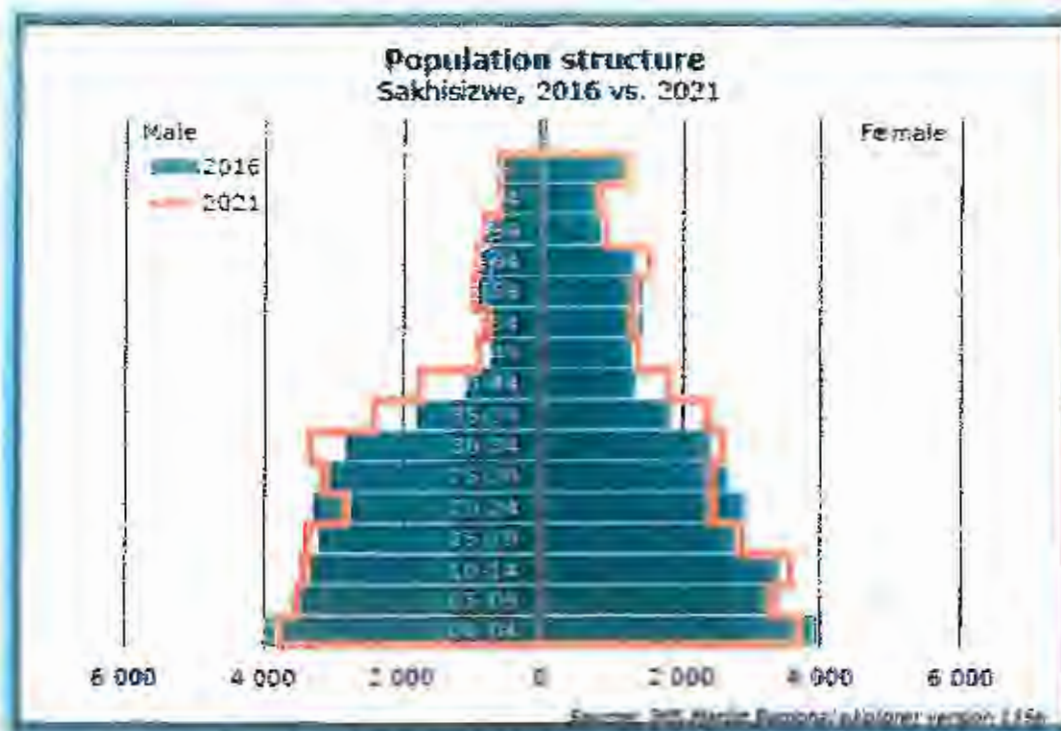
In 2016, the female population for the 20 to 34 years age group amounts to 12.4% of the total female population while the male population group for the same age amounts to 14.4% of the total male population. In 2021, the male working age population at 13.8% still exceeds that of the female population working age population at 11.2%, although both are at a lower level compared to 2016.







**CHART 2.2.1.2 POPULATION PYRAMID - SAKHISIZWE LOCAL MUNICIPALITY, 2016 VS. 2021 [PERCENTAGE]**



**2.2.2 POPULATION BY GROUP, GENDER, AND AGE**

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

**2.2.2.1 Population by Gender**

Sakhisizwe Local Municipality's male/female split in population was 95.8 males per 100 females in 2016. The Sakhisizwe Local Municipality appears to be a fairly stable population with the share of female population (51.08%) being very similar to the national average of (51.07%). In total there were 33 000 (51.08%) females and 31 600 (48.92%) males. This is different from Chris Hani District Municipality as a whole where the female population counted 437 000 which constitutes 51.88% of the total population of 842 000.



**TABLE 2.2.2.1 POPULATION BY GENDER - SAKHISIZWE AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2016 (NUMBER).**

MUNICIPALITY	MALE	FEMALE	TOTAL
Sakhisizwe	31,600	33,000	64,500
Inxuba Yethemba	33,900	35,900	69,800
Intsika Yethu	74,200	79,000	153,000
Emalahleni	60,400	64,500	125,000
Engcobo	75,000	85,000	160,000
Enoch Mgijima	130,000	139,000	269,000
<b>Chris Hani</b>	<b>405,000</b>	<b>437,000</b>	<b>841,000</b>

Source: IHS Markit Regional eXplorer version 1156

In 2016, the Sakhisizwe Local Municipality's population consisted of 97.98% African (63 200), 1.03% White (661), 0.77% Coloured (498) and 0.23% Asian (147) people.

The largest share of population is within the babies and kids (0-14 years) age category with a total number of 21 600 or 33.5% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share of 26.5%, followed by the teenagers and youth (15-24 years) age category with 12 100 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 4 720 people, as reflected in the population pyramids below.

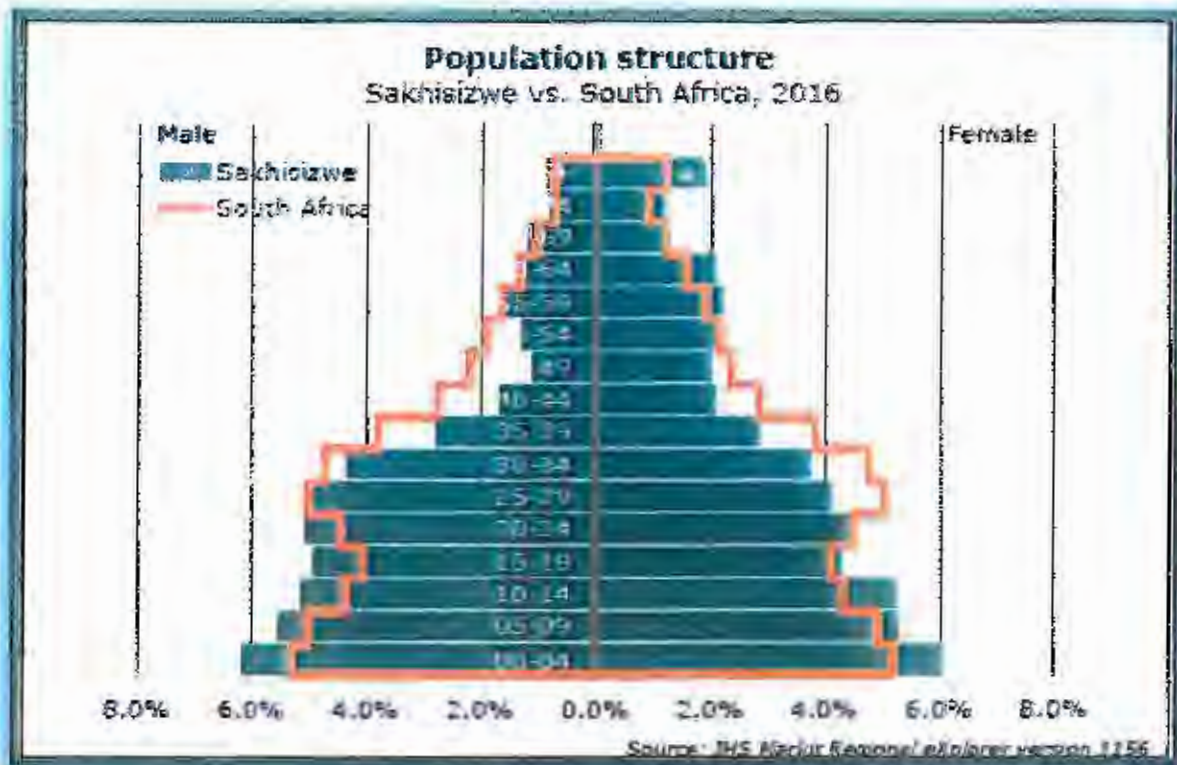
**TABLE 22.222 POPULATION BY POPULATION GROUP, GENDER AND AGE - SAKHISIZWE LOCAL MUNICIPALITY, 2016 (NUMBER).**

	FEMALE	MALE	FEMALE	MALE
00-04	3,830	3,940	32	11
05-09	3,360	3,500	25	40
10-14	3,350	3,300	26	13
15-19	2,730	3,160	13	15
20-24	2,860	3,240	14	6
25-29	2,610	3,100	19	34
30-34	2,360	2,770	28	17
35-39	1,800	1,740	26	35
40-44	1,300	1,040	25	30
45-49	1,260	678	18	7
50-54	1,380	803	32	24
55-59	1,370	995	28	31
60-64	1,310	812	15	24
65-69	815	748	15	18
70-74	751	520	12	12
75+	1,220	565	9	9

Source: IHS Markit Regional eXplorer version 1156



CHART 2222-2. POPULATION PYRAMID - SAKHISIZWE LOCAL MUNICIPALITY VS. SOUTH AFRICA, 2016  
[PERCENTAGE]



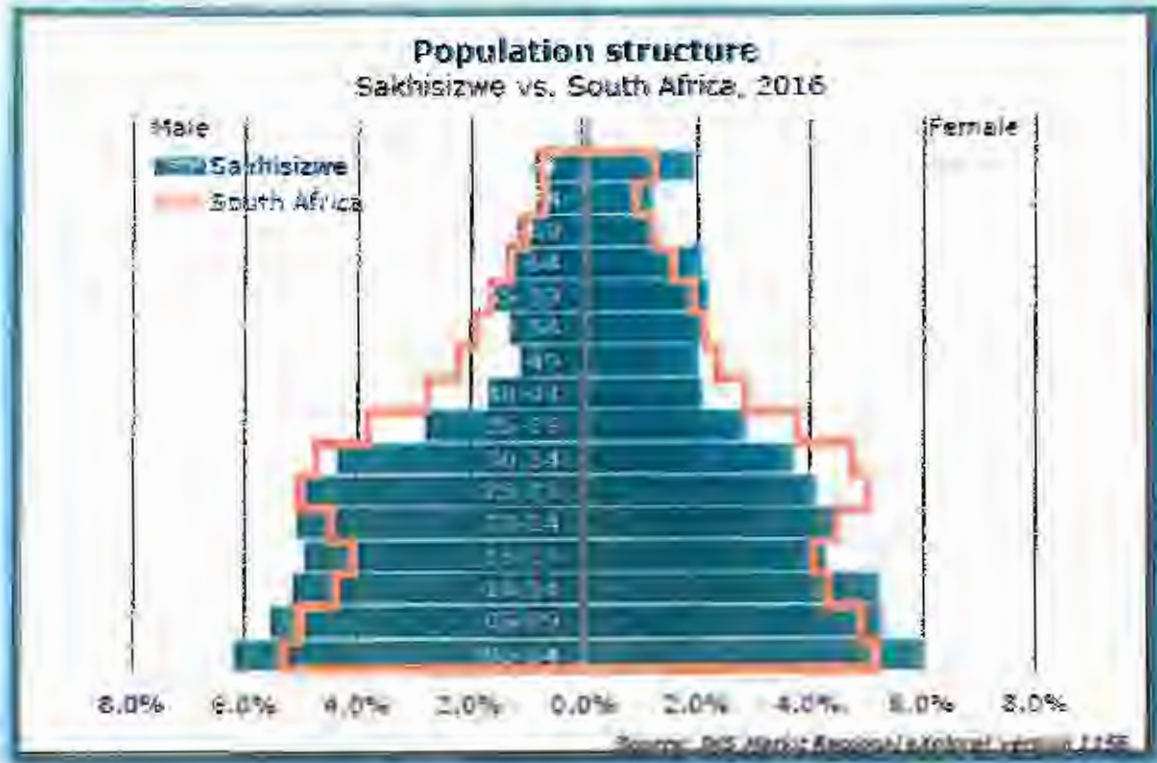
By comparing the population pyramid of the Sakhisizwe Local Municipality with the national age structure, the most significant differences are:

- There is a significant smaller share of young working age people - aged 20 to 34 (26.7%) - in Sakhisizwe, compared to the national picture (28.6%).
- Fertility in Sakhisizwe is significantly higher compared to South Africa as a whole.
- Spatial policies changed since 1994.
- The share of children between the ages of 0 to 14 years is significantly larger (33.5%) in Sakhisizwe compared to South Africa (29.2%). Demand for expenditure on schooling as percentage of total budget within Sakhisizwe Local Municipality will therefore be higher than that of South Africa.





**CHART 2222-3. POPULATION PYRAMID - SAKHISIZWE LOCAL MUNICIPALITY VS. SOUTH AFRICA, 2016 [PERCENTAGE]**



Comparing the 2006 with the 2016 population pyramid for Sakhisizwe Local Municipality, interesting differences are visible:

- In 2006, there were a significant smaller share of young working age people - aged 20 to 34 (22.0%) - compared to 2016 (26.7%).
- Fertility in 2006 was slightly lower compared to that of 2016.
- The share of children between the ages of 0 to 14 years is significantly larger in 2006 (36.4%) compared to 2016 (33.5%).
- Life expectancy is increasing.

In 2016, the female population for the 20 to 34 years age group amounted to 10.7% of the total female population while the male population group for the same age amounted to 11.2% of the total male population. In 2006 the male working age population at 14.4% still exceeds that of the female population working age population at 12.4%.

**2.2.3 Households By Population Groups**

A household is categorise according to population group, the population group to which the head of the household belongs, is used. If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa.

In 2016, the Sakhisizwe Local Municipality comprised of 16 800 households. This equates to an average annual growth rate of 0.68% in the number of households from 2006 to 2016. With an average annual growth rate of -0.24% in the total population, the average household size in the Sakhisizwe Local Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2006 decreased from approximately 4.2 individuals per household to 3.8 persons per household in 2016.



**TABLE 223.1. NUMBER OF HOUSEHOLDS - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 (NUMBER PERCENTAGE)**

	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
2006	15,700	195,000	1,570,000	13,000,000	8.0%	1.00%	0.12%
2007	15,700	198,000	1,590,000	13,100,000	8.0%	0.99%	0.12%
2008	15,900	203,000	1,620,000	13,400,000	7.8%	0.98%	0.12%
2009	16,200	209,000	1,670,000	13,700,000	7.7%	0.97%	0.12%
2010	16,200	211,000	1,680,000	13,900,000	7.7%	0.96%	0.12%
2011	16,200	213,000	1,700,000	14,200,000	7.6%	0.96%	0.11%
2012	16,300	215,000	1,720,000	14,500,000	7.6%	0.95%	0.11%
2013	16,400	216,000	1,730,000	14,700,000	7.6%	0.95%	0.11%
2014	16,400	216,000	1,740,000	15,000,000	7.6%	0.94%	0.11%
2015	16,600	219,000	1,770,000	15,400,000	7.6%	0.94%	0.11%
2016	16,800	222,000	1,790,000	15,800,000	7.6%	0.94%	0.11%

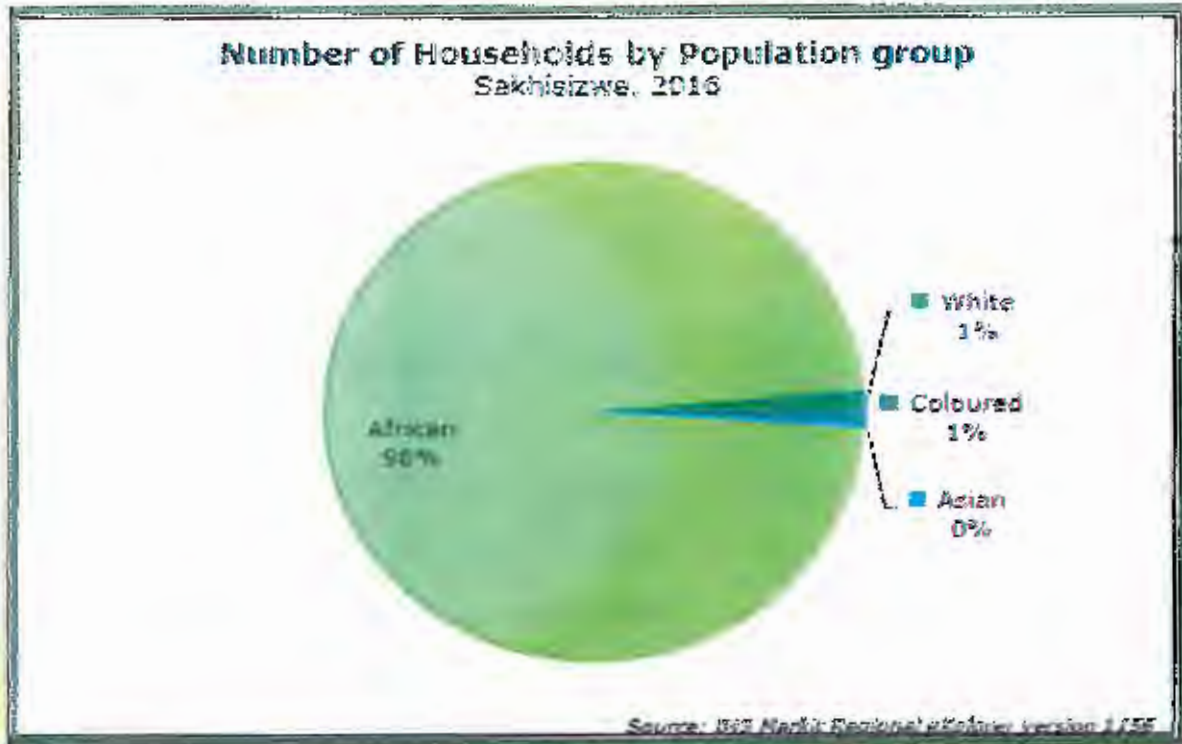
Source: IHS Markit Regional Explorer version 1156

Relative to the district municipality, the Sakhisizwe Local Municipality had a lower average annual growth rate of 0.68% from 2006 to 2016. In contrast, the province had an average annual growth rate of 1.32% from 2006. South Africa as a whole had a total of 15.8 million households, with a growth rate of 1.97%, thus growing at a higher rate than the Sakhisizwe.

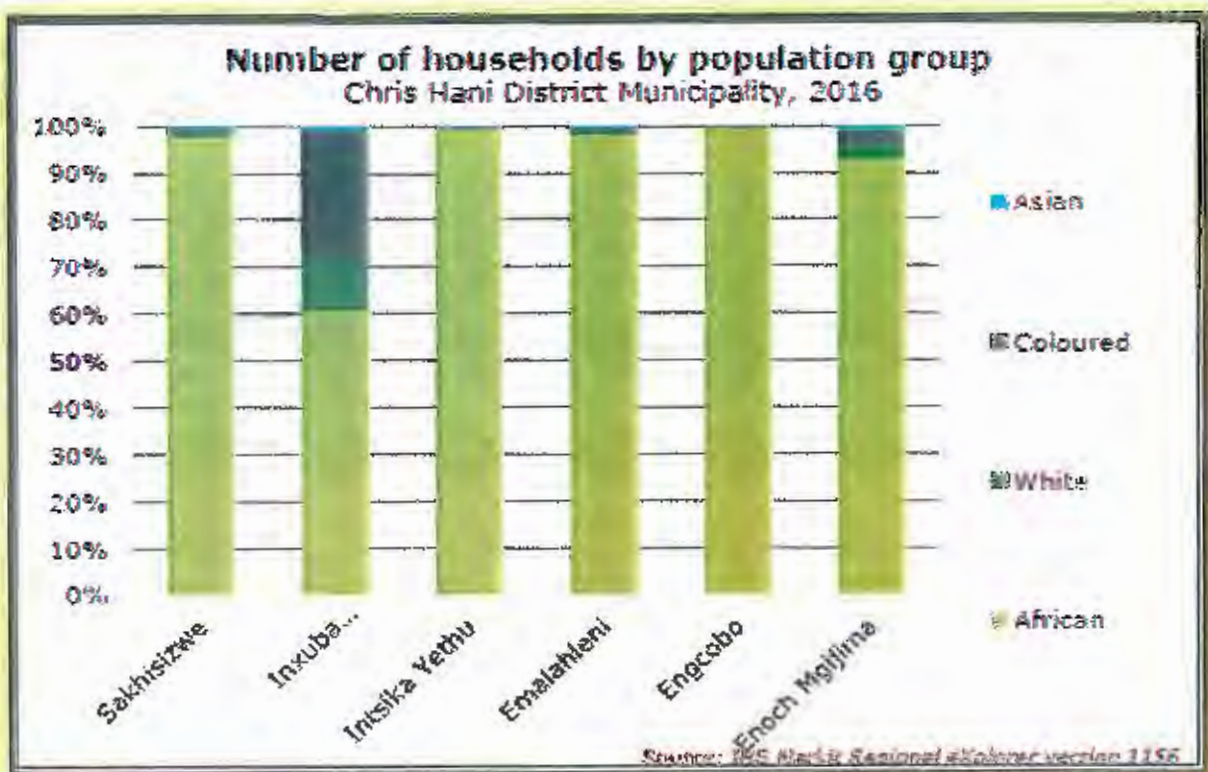
The composition of the households by population group consists of 97.6% which is ascribed to the African population group with the largest amount of households by population group. The White population group had a total composition of 1.3% (ranking second). The Coloured population group had a total composition of 0.7% of the total households. The smallest population group by households is the Asian population group with only 0.4% in 2016.

The growth in the number of African headed households was on average 0.70% per annum between 2006 and 2016, which translates in the number of households increasing by 1 100 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2006 and 2016 at 13.26%. The average annual growth rate in the number of households for all the other population groups has increased with 0.85%, as reflected in a Pie and Bar Chart below.

**CHART 223.1 . NUMBER OF HOUSEHOLDS BY POPULATION GROUP - SAKHISIZWE LOCAL MUNICIPALITY, 2016 [PERCENTAGE]**



**CHART 223-2 NUMBER OF HOUSEHOLDS BY POPULATION GROUP - SAKHISIZWE LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2016 [PERCENTAGE]**  
2.2.4 HIV+ AND AIDS ESTIMATES



HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. ARV treatment can also prolong the lifespan of people that are HIV+. In the absence of any treatment, people diagnosed with HIV live for approximately 10 years before reaching the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely.

The HIV+ estimates are calculated by using the prevalence rates from the HIV/AIDS model built by the Actuarial Society of Southern Africa (ASSA-2008). These rates are used as base rates on a provincial level. IHS slightly adjusted the provincial ASSA-2008 data to more accurately reflect the national HIV Prevalence rate per population group as used in the national demographic models. The ASSA model in turn uses the prevalence rates from various primary data sets, in particular the HIV/AIDS surveys conducted by the Department of Health and the Antenatal clinic surveys. Their rates are further adjusted for over-reporting and then smoothed.

**TABLE 224.1 NUMBER OF HIV+ PEOPLE - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 (NUMBER AND PERCENTAGE)**

	SAKHISIZWE	CHRIS HANI	EASTERN CAPE	NATIONAL TOTAL	SAKHISIZWE	CHRIS HANI	NATIONAL TOTAL
2006	6,430	76,500	622,000	5,320,000	8.4%	1.03%	0.12%
2007	6,460	77,600	626,000	5,370,000	8.3%	1.03%	0.12%
2008	6,460	78,600	631,000	5,400,000	8.2%	1.02%	0.12%
2009	6,450	79,600	643,000	5,480,000	8.1%	1.00%	0.12%
2010	6,530	81,300	660,000	5,590,000	8.0%	0.99%	0.12%
2011	6,670	83,400	676,000	5,680,000	8.0%	0.99%	0.12%
2012	6,880	86,400	691,000	5,760,000	8.0%	1.00%	0.12%
2013	7,050	88,800	712,000	5,880,000	7.9%	0.99%	0.12%
2014	7,270	91,800	736,000	6,010,000	7.9%	0.99%	0.12%
2015	7,490	94,900	760,000	6,130,000	7.9%	0.98%	0.12%
2016	7,720	98,100	786,000	6,280,000	7.9%	0.98%	0.12%

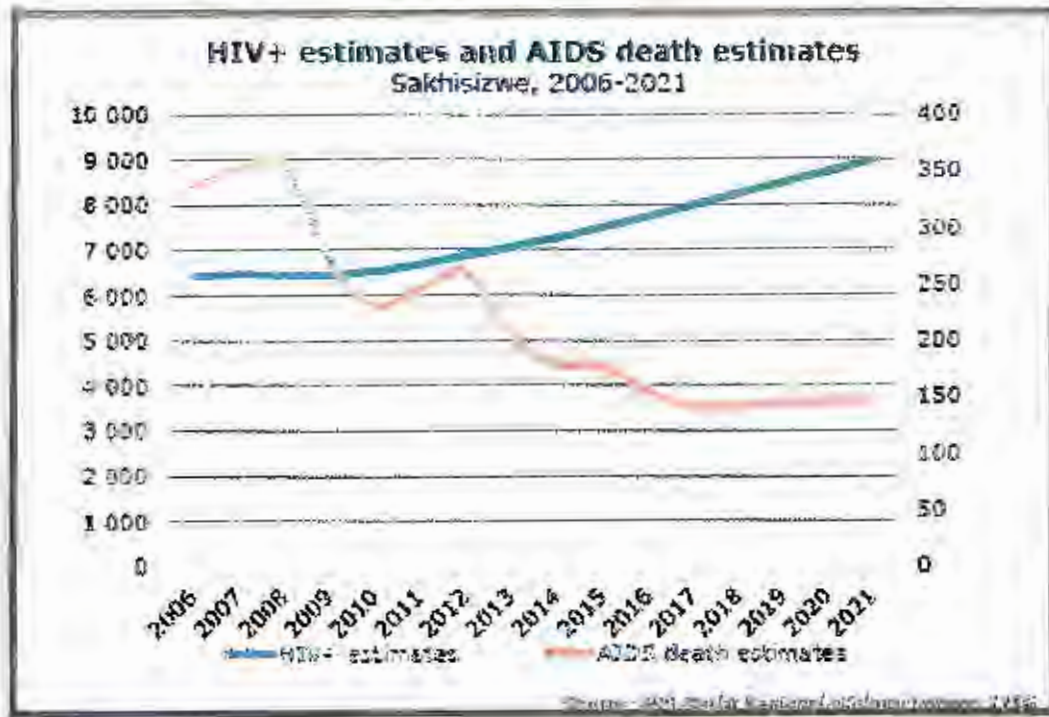
Source: IHS Merkit Regional Explorer version 1156

In 2016, 7 720 people in the Sakhisizwe Local Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.85% since 2006, and in 2016 represented 11.97% of the local municipality's total population. Chris Hani District Municipality had an average annual growth rate of 2.51% from 2006 to 2016 in the number of people infected with HIV, which is higher than that of the Sakhisizwe Local Municipality. The number of infections in Eastern Cape Province increased from 622,000 in 2006 to 786,000 in 2016. When looking at South Africa as a whole it can be seen that the number of people that are infected increased from 2006 to 2016 with an average annual growth rate of 1.67%.





**CHART 224-1. AIDS PROFILE AND FORECAST - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2021 [NUMBERS]**



Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 336 in 2006 and 156 for 2016. This number denotes a decrease from 2006 to 2016 with a high average annual rate of -7.42% (or -181 people). For the year 2016, they represented 0.24% of the total population of the entire local municipality.

**2.3 ECONOMIC PROFILE**

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

**2.3.1 Gross Domestic Product by Region (GDP-R)**

The GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.





**TABLE 2.3.1-1 GROSS DOMESTIC PRODUCT (GDP) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 (R BILLIONS, CURRENT PRICES)**

Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of District Municipality	Sakhisizwe as % of Province	Sakhisizwe as % of National	
2006	0.7	10.8	142.2	1,839.4	6.6%	0.50%	0.04%
2007	0.9	12.9	168.2	2,109.5	6.7%	0.51%	0.04%
2008	0.9	13.5	174.1	2,369.1	6.7%	0.52%	0.04%
2009	1.0	15.1	191.2	2,507.7	6.7%	0.53%	0.04%
2010	1.1	16.8	211.6	2,748.0	6.7%	0.53%	0.04%
2011	1.2	18.1	226.1	3,023.7	6.7%	0.54%	0.04%
2012	1.3	20.2	252.2	3,253.9	6.6%	0.53%	0.04%
2013	1.4	21.7	273.2	3,539.8	6.6%	0.52%	0.04%
2014	1.5	23.3	293.9	3,807.7	6.5%	0.51%	0.04%
2015	1.6	25.0	315.6	4,049.8	6.5%	0.51%	0.04%
2016	1.7	26.7	337.8	4,338.9	6.4%	0.51%	0.04%

Source: IHS Markit Regional eXplorer version 1156

With a GDP of R 1.72 billion in 2016 (up from R 715 million in 2006), the Sakhisizwe Local Municipality contributed 6.44% to the Chris Hani District Municipality GDP of R 26.7 billion in 2016 increasing the share of the Chris Hani from 6.60% in 2006. The Sakhisizwe Local Municipality contributes 0.51% to the GDP of Eastern Cape Province and 0.04% the GDP of South Africa which had a total GDP of R 4.34 trillion in 2016 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2006 when it contributed 0.04% to South Africa, but it is lower than the peak of 0.04% in 2012.

**TABLE 2.3.1-2 GROSS DOMESTIC PRODUCT (GDP) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 (ANNUAL PERCENTAGE CHANGE, CONSTANT 2010 PRICES)**

Sakhisizwe	Chris Hani	Eastern Cape	National Total
2006	3.7%	3.5%	5.3%
2007	6.2%	5.2%	5.4%
2008	3.0%	4.2%	3.2%
2009	0.3%	0.7%	-1.0%
2010	1.1%	1.5%	2.4%
2011	3.7%	3.6%	3.7%
2012	0.1%	1.2%	2.0%
2013	-0.8%	0.6%	1.4%
2014	0.0%	0.9%	1.1%
2015	0.8%	1.0%	0.7%
2016	-0.3%	0.0%	0.2%
Average Annual growth 2006-2016+	1.41%	1.88%	1.89%
			2.12%

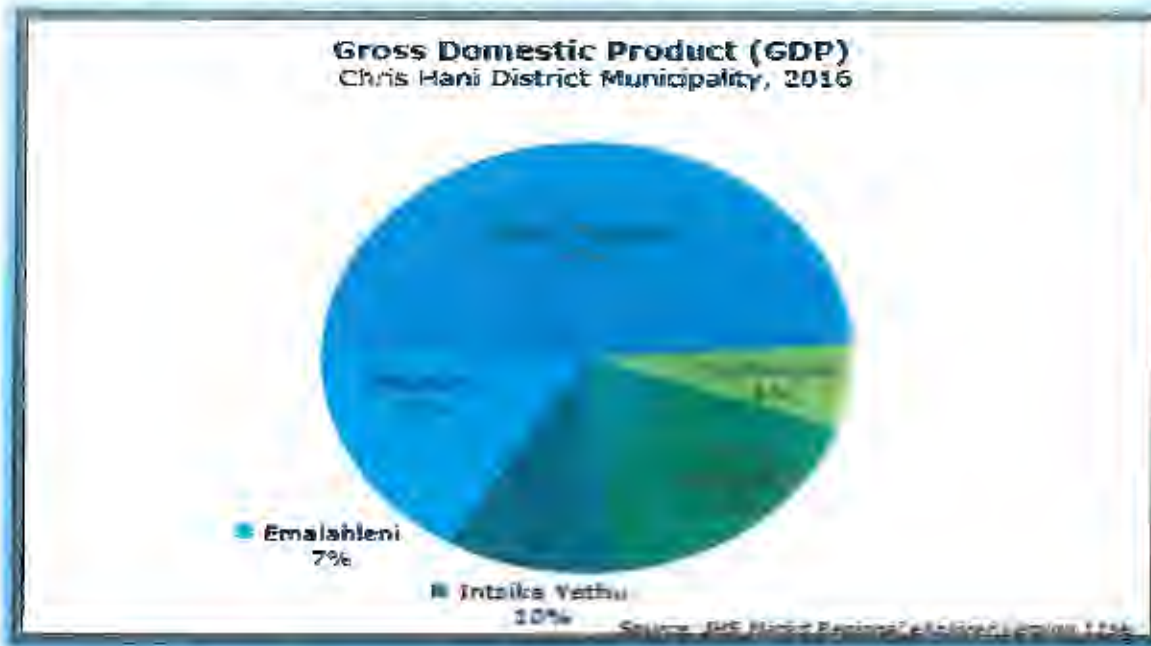
Source: IHS Markit Regional eXplorer version 1156

In 2016, the Sakhisizwe Local Municipality achieved an annual growth rate of -0.26% which is a slightly lower GDP growth than the Eastern Cape Province's 0.25%, but is lower than that of South Africa, where the 2016 GDP growth rate was 0.26%. Contrary to the short-term growth rate of 2016, the longer-term average growth rate for Sakhisizwe (1.41%) is significant lower than that of South Africa (2.12%). The economic growth in Sakhisizwe peaked in 2007 at 6.20%.





**CHART 231-1. GROSS DOMESTIC PRODUCT (GDP) - SAKHISIZWE LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2016 [PERCENTAGE]**



The Sakhisizwe Local Municipality had a total GDP of R 1.72 billion and in terms of total contribution towards Chris Hani District Municipality the Sakhisizwe Local Municipality ranked lowest relative to all the regional economies to total Chris Hani District Municipality GDP. This ranking in terms of size compared to other regions of Sakhisizwe remained the same since 2006. In terms of its share, it was in 2016 (6.4%) slightly smaller compared to what it was in 2006 (6.8%). For the period 2006 to 2016, the average annual growth rate of 1.4% of Sakhisizwe was the third relative to its peers in terms of growth in constant 2010 prices.

**TABLE 231-3. GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN CHRIS HANI DISTRICT MUNICIPALITY, 2006 TO 2016, SHARE AND GROWTH**

2016 (Current prices)	Share of local municipality	2006 (Constant prices)	2016 (Constant prices)	Average Annual growth
Sakhisizwe	1.72	6.44%	1.01	1.41%
Inxuba Yethemba	4.78	17.93%	2.03	4.88%
Intsika Yethu	2.72	10.19%	1.73	0.58%
Emalahleni	1.84	6.89%	1.11	1.10%
Engcobo	2.81	10.54%	1.75	0.93%
Enoch Mgijima	12.80	48.01%	7.38	1.61%

Source: IHS Markit Regional Explorer version 1156

Sakhisizwe Municipality has the third highest average economic growth (AAG) 1.48% within the Chris Hani District Municipality as indicated in the table above.

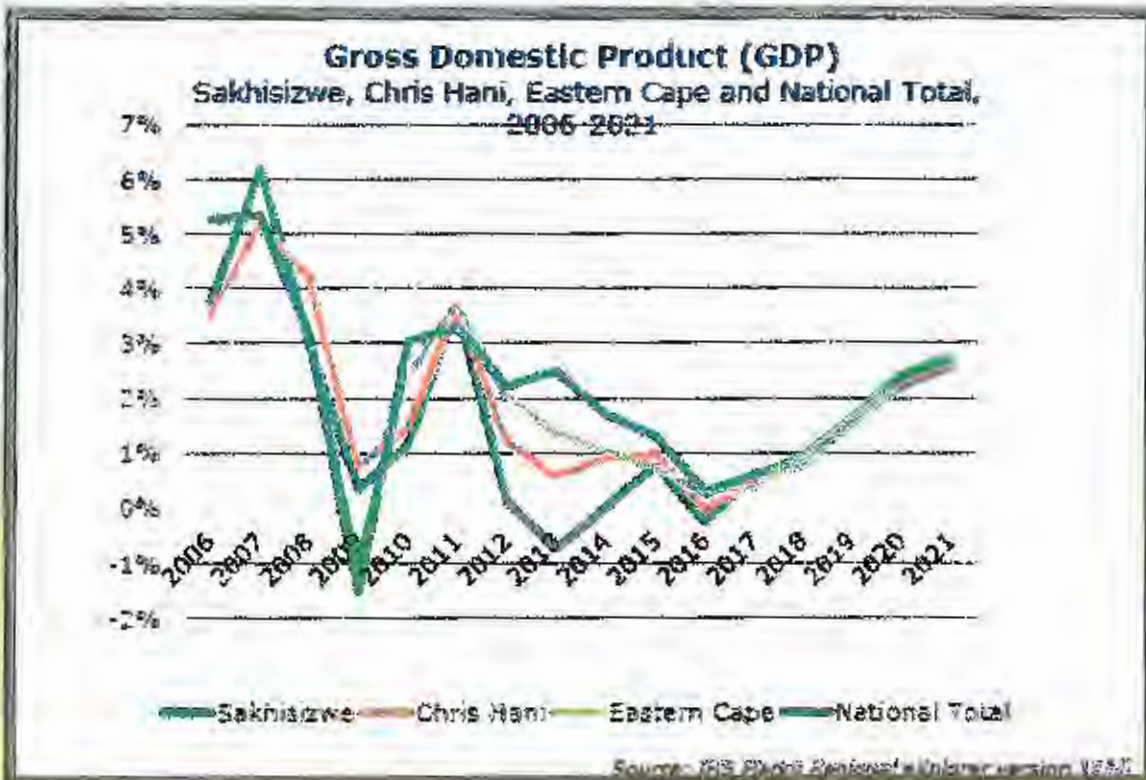
Inxuba Yethemba had the highest average annual economic growth, averaging 4.88% between 2006 and 2016, when compared to the rest of the regions within Chris Hani District Municipality. The Enoch Mgijima local municipality had the second highest average annual growth rate of 1.61%. Intsika Yethu local municipality had the lowest average annual growth rate of 0.58% between 2006 and 2016.



### 2.3.1.1 Economic Growth Forecast

It is expected that Sakhisizwe Local Municipality will grow at an average annual rate of 1.52% from 2016 to 2021. The average annual growth rate in the GDP of Chris Hani District Municipality and Eastern Cape Province is expected to be 1.55% and 1.62% respectively. South Africa is forecasted to grow at an average annual growth rate of 1.61%, which is higher than that of the Sakhisizwe Local Municipality.

**CHART 2311-1. GROSS DOMESTIC PRODUCT (GDP) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2021 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]**



In 2021, Sakhisizwe's forecasted GDP will be an estimated R 1.26 billion (constant 2010 prices) or 6.4% of the total GDP of Chris Hani District Municipality. The ranking in terms of size of the Sakhisizwe Local Municipality will remain the same between 2016 and 2021, with a contribution to the Chris Hani District Municipality GDP of 6.4% in 2021 compared to the 6.4% in 2016. At a 1.52% average annual GDP growth rate between 2016 and 2021, Sakhisizwe ranked the third compared to the other regional economies.

**TABLE 2.3.1.1 GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN CHRIS HANI DISTRICT MUNICIPALITY, 2006 TO 2021, SHARE AND GROWTH**

	2021 (Current prices)	Share of district municipality	2006 (Constant prices)	2021 (Constant prices)	Average Annual growth
Sakhisizwe	2.40	12.30%	1.01	1.26	1.45%
Inxuba Yethemba	6.76	34.63%	2.03	3.57	3.86%
Intsika Yethu	3.83	19.60%	1.73	1.99	0.93%
Emalahleni	2.53	12.94%	1.11	1.31	1.13%
Engcobo	3.93	20.12%	1.75	2.07	1.13%
Enoch Mgijima	17.83	91.34%	7.38	9.32	1.56%

Source: IHS Markit Regional Explorer version 1156



### 2.3.2 GROSS VALUE ADDED REGION (GVA-R)

The Sakhisizwe Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy. The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Sakhisizwe Local Municipality.

**TABLE 232-1. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2016 (R BILLIONS, CURRENT PRICES)**

	SLM	Chris Han:	Eastern Cape	National (Total)	Sakhisizwe as % of district municipality	SLM as % of province	SLM as % of national
Agriculture	0.0	0.7	5.9	94.4	6.6%	0.83%	0.05%
Mining	0.0	0.0	0.5	306.2	24.8%	2.08%	0.00%
Manufacturing	0.0	1.2	36.3	517.4	3.8%	0.13%	0.01%
Electricity	0.0	0.4	6.2	144.1	5.9%	0.39%	0.02%
Construction	0.1	1.1	13.2	154.3	7.6%	0.66%	0.08%
Trade	0.3	5.5	61.5	589.7	6.3%	0.56%	0.06%
Transport	0.1	1.9	27.5	389.2	6.2%	0.44%	0.03%
Finance	0.2	3.9	60.5	781.7	5.0%	0.32%	0.02%
Community services	0.7	9.5	89.7	894.1	7.4%	0.78%	0.08%
<b>Total</b>	<b>1.6</b>	<b>24.3</b>	<b>301.2</b>	<b>3,071.2</b>	<b>6.5%</b>	<b>0.52%</b>	<b>0.04%</b>

Source: IHS Markit Regional Explorer version 1156

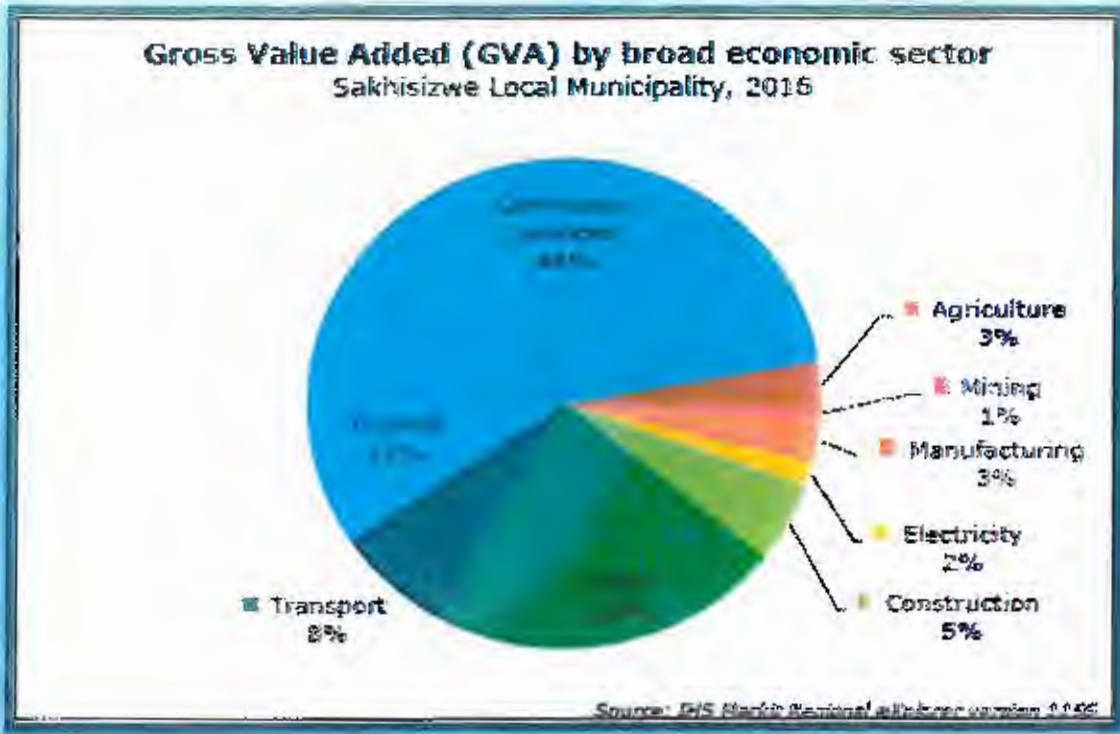
In 2016, the community services sector is the largest within Sakhisizwe Local Municipality accounting for R 698 million or 44.4% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Sakhisizwe Local Municipality is the trade sector at 22.0%, followed by the finance sector with 12.3%. The sector that contributes the least to the economy of Sakhisizwe Local Municipality is the mining sector with a contribution of R 9.45 million or 0.60% of the total GVA.

The community sector, which includes the government services, is generally a large contributor towards GVA. When looking at all the regions within the Chris Han District Municipality, it is clear that the Enoch Mgijima contributes the most community services towards its own GVA, with 44.73%, relative to the other regions within Chris Han District Municipality. The Enoch Mgijima contributed R 11.7 billion or 48.25% to the GVA of Chris Han District Municipality. The region within Chris Han District Municipality that contributes the most to the GVA of the Chris Han District Municipality was the Sakhisizwe with a total of R 1.57 billion or 6.47%.

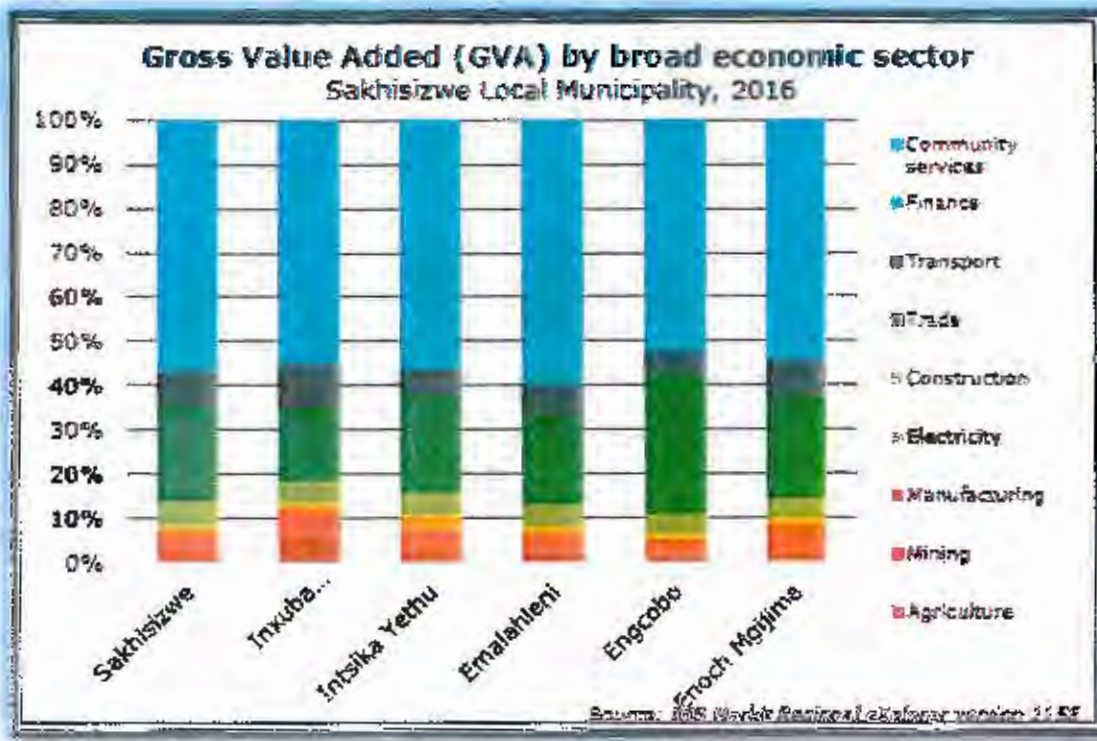




**CHART 2321-1 GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2016 [PERCENTAGE COMPOSITION]**



**CHART 2321-2 GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO AND ENOCH MGIJIMA, 2016 [PERCENTAGE COMPOSITION]**



### 2.3.2.1 Historical Economic Growth

The sector with the highest average annual growth (AAG) between 2006 and 2016 is the construction sector with Sakhisizwe Municipality recorded at 3.66%. The industry with the second highest average annual growth rate is the finance sector averaging at 2.81% per year. The electricity sector had an average annual growth rate of -3.79%, while the mining sector had the lowest average annual growth of -5.74%. Overall a negative growth existed for all the industries in 2016 with an annual growth rate of -0.23% since 2015.

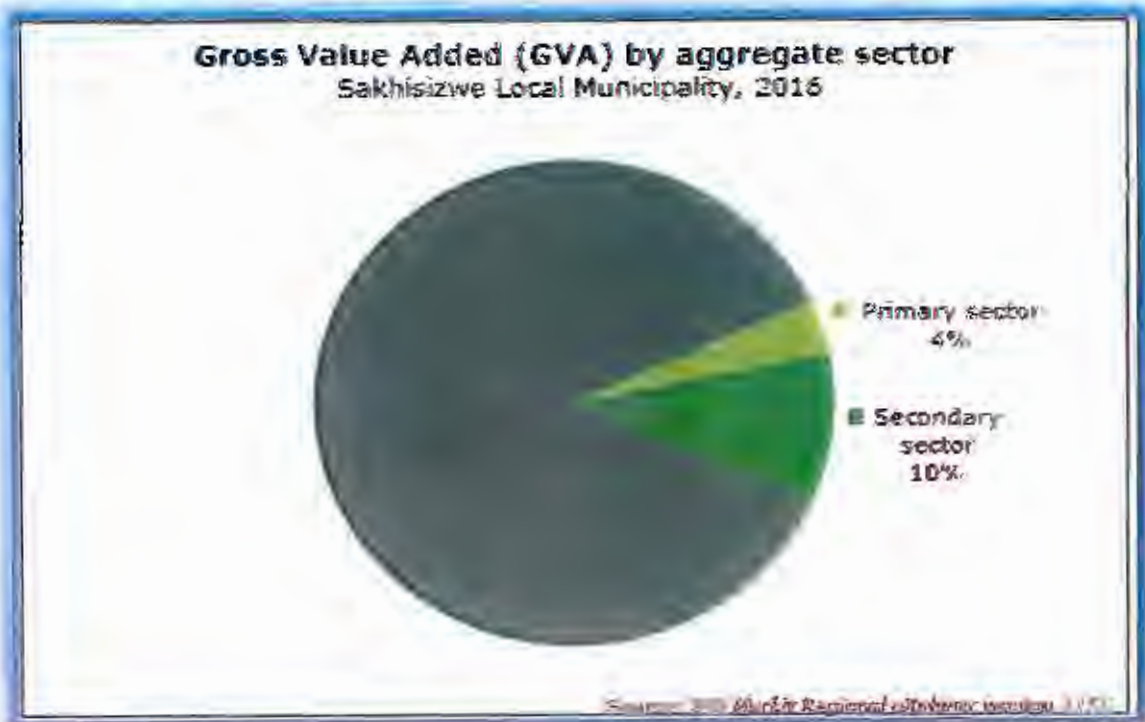
**TABLE 2321-1. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2006, 2011 AND 2016 (R MILLIONS, 2010 CONSTANT PRICES)**

	2006	2011	2016	Average Annual growth
Agriculture	25.4	32.7	29.6	1.54%
Mining	16.0	11.6	8.9	-5.74%
Manufacturing	32.4	33.2	32.6	0.06%
Electricity	13.4	13.8	9.1	-3.79%
Construction	37.8	49.8	54.1	3.66%
Trade	191.3	218.3	235.5	2.10%
Transport	68.0	74.5	78.6	1.46%
Finance	102.3	121.4	135.0	2.81%
gCommunity services	453.0	526.3	495.8	0.91%
<b>Total Industries</b>	<b>939.7</b>	<b>1,061.5</b>	<b>1,079.3</b>	<b>1.39%</b>

Source: IHS Markit Regional Explorer version 1156

The tertiary sector contributes the most to the Gross Value Added within the Sakhisizwe Local Municipality at 86.3%. This is significantly higher than the national economy (68.6%). The secondary sector contributed a total of 10.0% (ranking second), while the primary sector contributed the least at 3.7%.

**CHART 2321-1. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2016 [PERCENTAGE]**



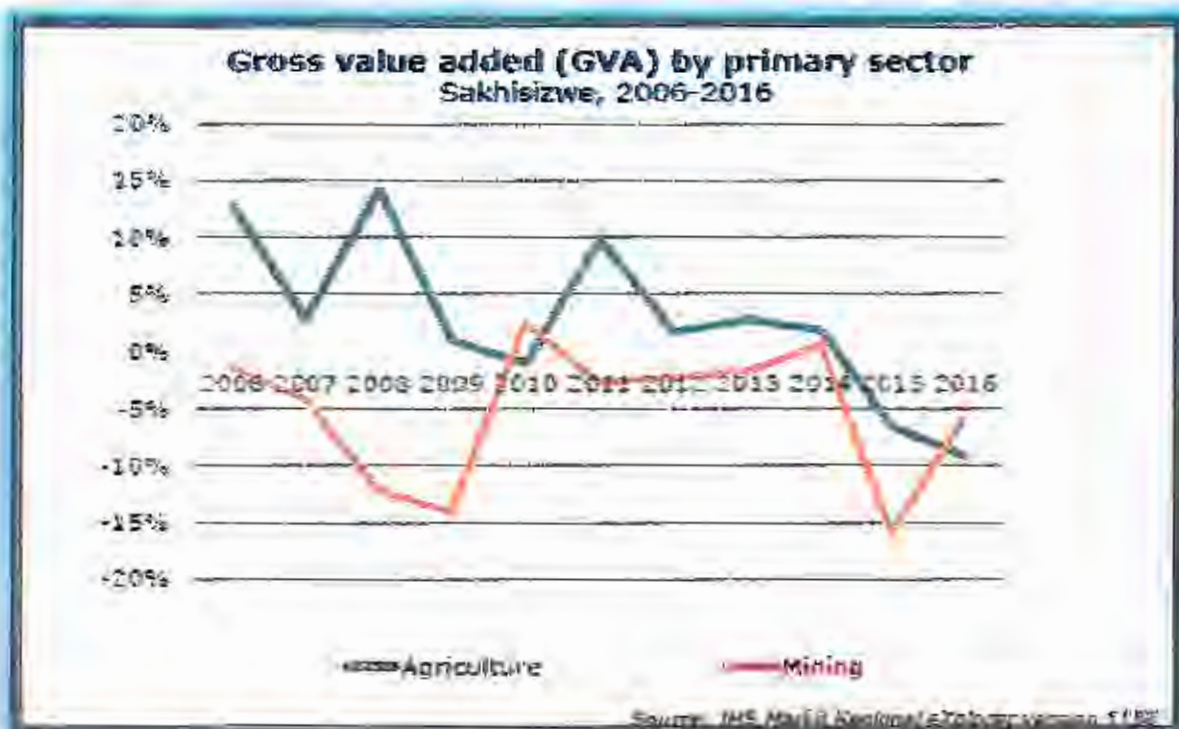
### 2.3.2.1. Gross Value Added By Sector

#### A. Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both of these sectors in Sakhisizwe Local Municipality from 2006 to 2016.

Between 2006 and 2016, the agriculture sector experienced the highest positive growth in 2008 with an average growth rate of 14.2%. The mining sector reached its highest point of growth of 2.5% in 2010. The agricultural sector experienced the lowest growth for the period during 2016 at -9.2%, while the mining sector reaching its lowest point of growth in 2015 at -15.9%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

**CHART 2321-2 GROSS VALUE ADDED (GVA) BY PRIMARY SECTOR - SAKHISIZWE, 2006-2016 [ANNUAL PERCENTAGE CHANGE]**



#### B. Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Sakhisizwe Local Municipality from 2006 to 2016.

Between 2006 and 2016, the manufacturing sector experienced the highest positive growth in 2007 with a growth rate of 7.2%. It is evident for the construction sector that the highest positive growth rate also existed in 2007 and it experienced a growth rate of 13.4% which is higher than that of the manufacturing sector. The manufacturing sector experienced its lowest growth in 2010 of -8.1%, while construction sector reached its lowest point of growth in 2010 with -2.6% growth rate. The electricity sector experienced the highest growth in 2007 at 6.0%, while it recorded the lowest growth of -15.3% in 2014.





**CHART 2321.3 GROSS VALUE ADDED (GVA) BY SECONDARY SECTOR - SAKHISIZWE, 2006-2016 [ANNUAL PERCENTAGE CHANGE]**

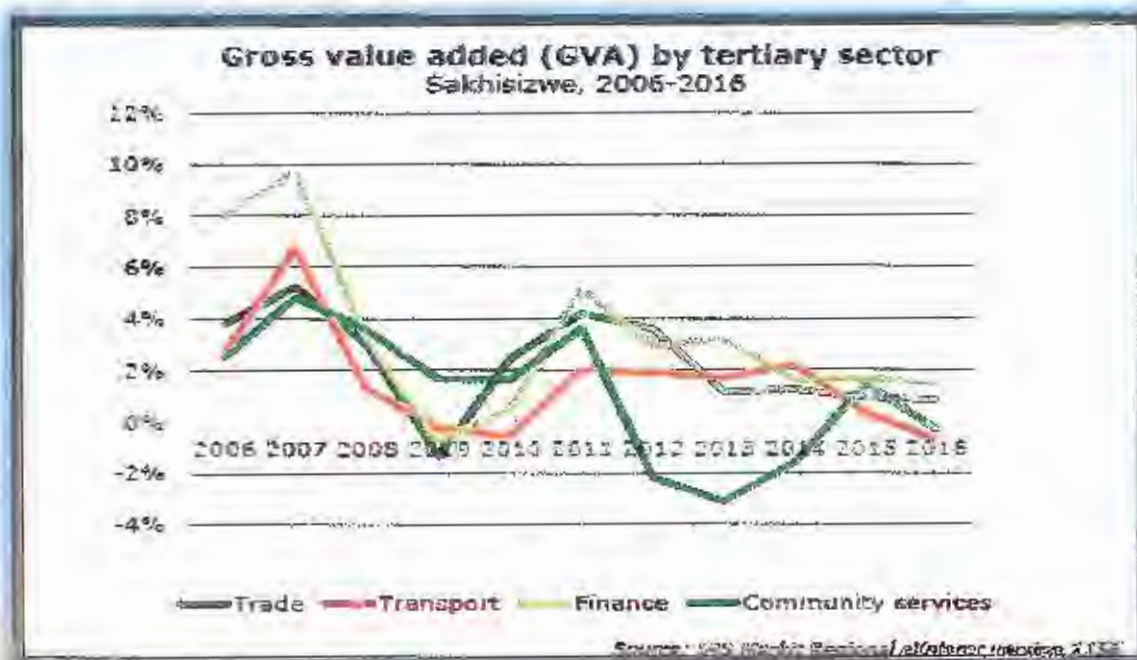


**C. Tertiary Sector**

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in Sakhisizwe Local Municipality from 2006 to 2016.

The trade sector experienced the highest positive growth in 2007 with a growth rate of 5.2%. It is evident for the transport sector that the highest positive growth rate also existed in 2007 at 6.8% which is higher than that of the manufacturing sector. The finance sector experienced the highest growth rate in 2007 when it grew by 9.7% and recorded the lowest growth rate in 2009 at -0.8%. The Trade sector also had the lowest growth rate in 2009 at -1.4%. The community services sector, which largely consists of government, experienced its highest positive growth in 2007 with 4.8% and the lowest growth rate in 2013 with -3.1%.

**CHART 2321.4 GROSS VALUE ADDED (GVA) BY TERTIARY SECTOR - SAKHISIZWE, 2006-2016 [ANNUAL PERCENTAGE CHANGE]**







### 2.3.2.2 SECTOR GROWTH FORECAST

The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow rapidly in the national economy (e.g. finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2010) so the emphasis moves from historical growth rates to national-level industry growth rates.

**TABLE 2.3.2.2-1. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2016-2021 (R MILLIONS, CONSTANT 2010 PRICES)**

	2016	2017	2018	2019	2020	2021	Average Annual growth
Agriculture	29.6	31.8	32.4	33.3	34.2	35.1	3.51%
Mining	8.9	9.2	9.3	9.5	9.6	9.7	1.77%
Manufacturing	32.6	32.5	32.9	33.4	34.2	35.1	1.46%
Electricity	9.1	9.0	8.9	9.1	9.3	9.6	0.99%
Construction	54.1	54.7	55.7	56.8	58.4	60.7	2.33%
Trade	235.5	238.5	240.0	245.1	252.6	261.1	2.06%
Transport	78.6	79.2	80.3	81.6	83.9	86.5	1.92%
Finance	135.0	135.0	137.0	139.9	143.6	147.8	1.82%
Community services	495.8	500.4	498.4	502.2	508.1	516.9	0.84%
<b>Total Industries</b>	<b>1,079.3</b>	<b>1,088.3</b>	<b>1,095.1</b>	<b>1,110.7</b>	<b>1,134.0</b>	<b>1,162.4</b>	<b>1.50%</b>

Source: IHS Markit Regional eXplorer version 1156

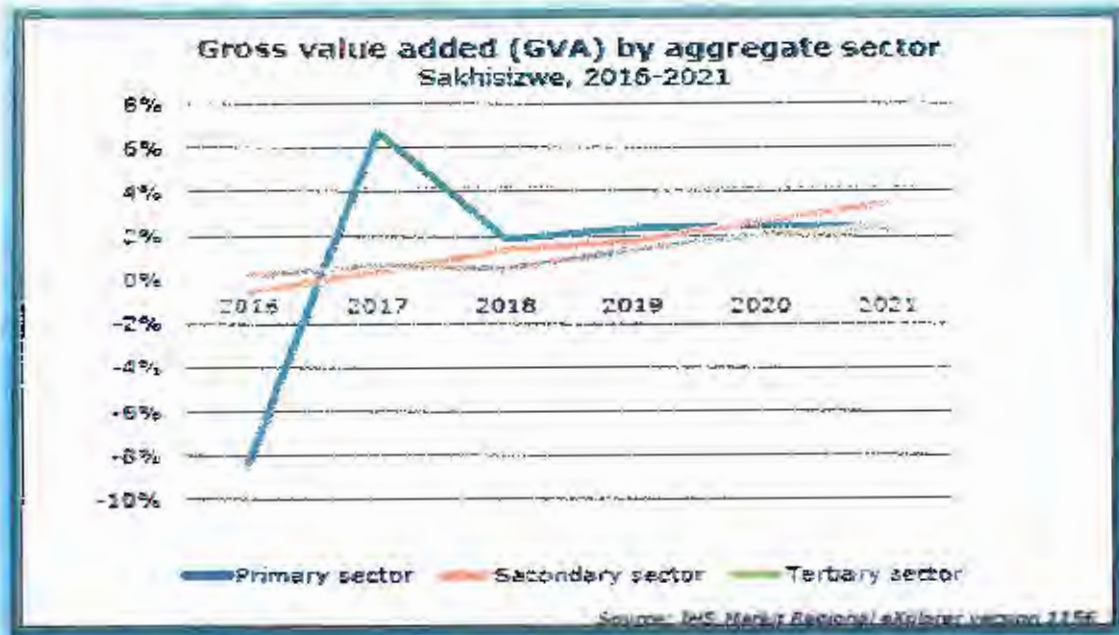
The agriculture sector is expected to grow fastest at an average of 3.51% annually from R 29.6 million in Sakhisizwe Local Municipality to R 35.1 million in 2021. The community services sector is estimated to be the largest sector within the Sakhisizwe Local Municipality in 2021, with a total share of 44.5% of the total GVA (as measured in current prices), growing at an average annual rate of 0.8%. The sector that is estimated to grow the slowest is the community services sector with an average annual growth rate of 0.84%.

The Primary sector is expected to grow at an average annual rate of 3.12% between 2016 and 2021, with the Secondary sector growing at 1.91% on average annually. The Tertiary sector is expected to grow at an average annual rate of 1.38% for the same period.

Based on the typical profile of a developing country, we can expect faster growth in the secondary and tertiary sectors when compared to the primary sector. Also remember that the agricultural sector is prone to very high volatility as a result of uncertain weather conditions, pests and other natural causes - and the forecasts presented here is merely a long-term trend rather than trying to forecast the unpredictable weather conditions.



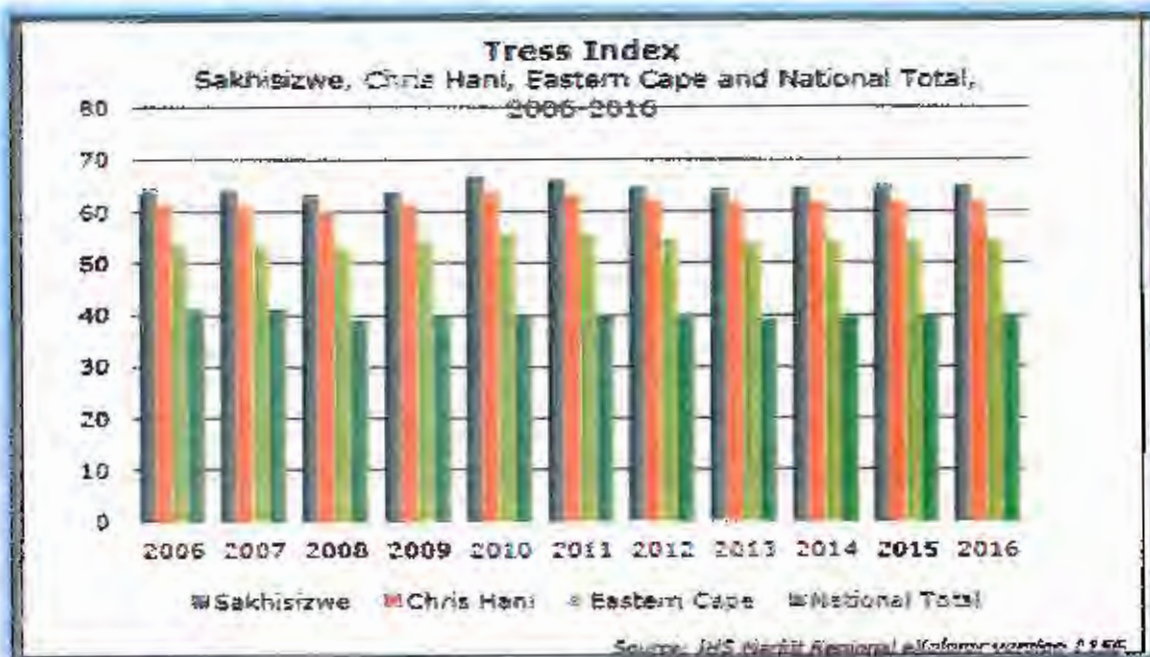
**CHART 232-1 GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2016-2021 [ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]**



### 2.3.3 TRESS INDEX-CONCENTRATION OF ECONOMY

The Tress index measures the degree of concentration of an area's economy on a sector basis. A Tress index value of 0 means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 100 means that only one economic sector makes up the whole GVA of the region.

**CHART 233-1 TRESS INDEX - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER]**



In 2016, Sakhisizwe's Tress Index was estimated at 64.9 which are higher than the 61.7 of the district municipality and higher than the 61.7 of the province. This implies that - on average - Sakhisizwe Local Municipality is less diversified in terms of its economic activity spread than the province's economy as a whole.



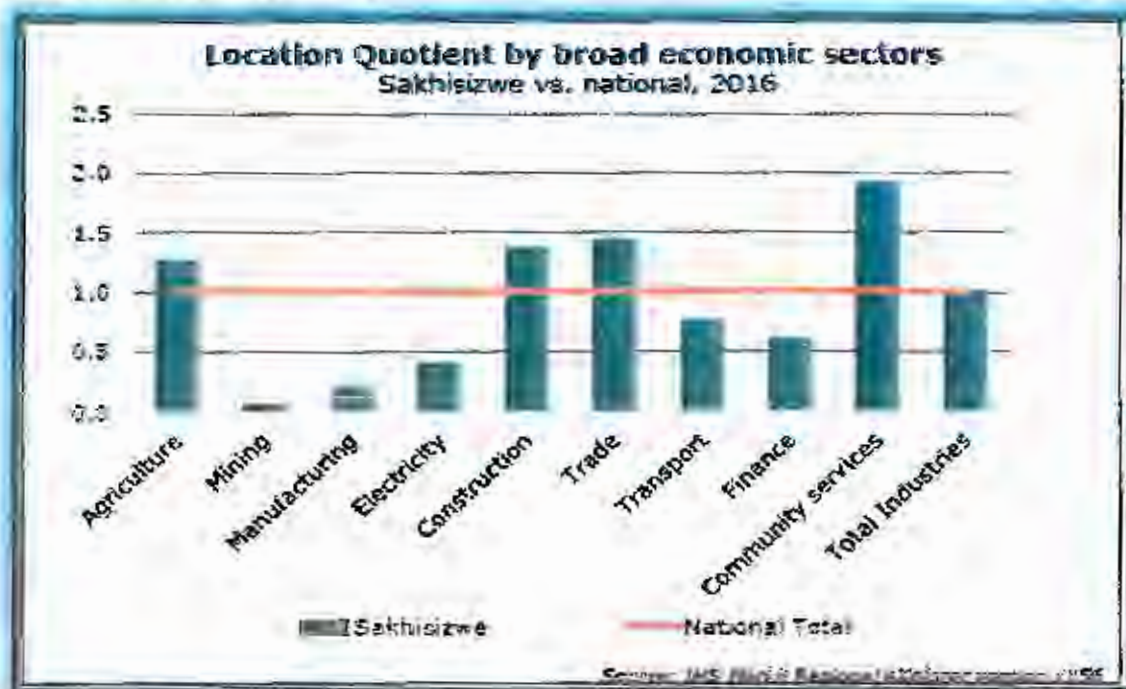


### 2.3.4 LOCATION QUOTIENT

This is defined as a specific regional economy has a comparative advantage over other regional economies if it can more efficiently produce the same good. The location quotient is one way of measuring this comparative advantage, (ECSECC 2017).

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.

**CHART 2.3.4-1 LOCATION QUOTIENT BY BROAD ECONOMIC SECTORS - SAKHISIZWE LOCAL MUNICIPALITY AND SOUTH AFRICA, 2016 [NUMBER]**



For 2016 Sakhisizwe Local Municipality has a very large comparative advantage in the community services sector. The trade sector has a comparative advantage. The construction also has a comparative advantage when comparing it to the South Africa economy as a whole, although less prominent. The Sakhisizwe Local Municipality has a comparative disadvantage when it comes to the mining and manufacturing sector which has a very large comparative disadvantage. In general mining is a very concentrated economic sector. Unfortunately the Sakhisizwe Local Municipality area currently does not have a lot of mining activity, with an LQ of only 0.076.

### 2.4 LABOUR PROFILE

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.



**TABLE 2.4.1-1 WORKING AGE POPULATION IN SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006 AND 2016 (NUMBER)**

AGE	Sakhisizwe		Chris Hani		Eastern Cape		National Total	
	2006	2016	2006	2016	2006	2016	2006	2016
15-19	8,970	5,950	108,000	74,800	803,000	634,000	5,290,000	4,550,000
20-24	6,750	6,180	77,000	78,100	701,000	894,000	5,280,000	5,000,000
25-29	4,840	5,840	56,800	74,200	530,000	684,000	4,550,000	5,620,000
30-34	2,930	5,220	36,900	62,200	355,000	589,000	3,570,000	5,300,000
35-39	2,400	3,640	30,900	49,300	288,000	438,000	2,930,000	4,240,000
40-44	2,550	2,420	32,800	33,200	288,000	298,000	2,610,000	3,120,000
45-49	2,810	2,010	34,700	28,800	286,000	247,000	2,290,000	2,530,000
50-54	2,540	2,270	30,800	31,300	241,000	249,000	1,880,000	2,260,000
55-59	1,880	2,460	26,300	33,400	205,000	249,000	1,520,000	1,990,000
60-64	1,840	2,190	25,000	28,600	171,000	207,000	1,170,000	1,610,000

Source: IHS Markit Regional eXplorer version 1156

The working age population in Sakhisizwe in 2016 was 38 200, increasing at an average annual rate of 0.18% since 2006. For the same period the working age population for Chris Hani District Municipality increased at 0.69% annually, while that of Eastern Cape Province increased at 1.04% annually. South Africa's working age population has increased annually by 1.55% from 31.1 million in 2006 to 36.2 million in 2016.

In theory, a higher or increasing population dividend is supposed to provide additional stimulus to economic growth. People of working age tend to uphold higher consumption patterns (Final Consumption Expenditure, FCE), and a more dense concentration of working age people is supposed to decrease dependency ratios - given that the additional labour which is offered to the market, is absorbed.

#### 2.4.1 Economically Active Population

The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population, (ECSCC:2017).

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



**TABLE 2.4.1-1. ECONOMICALLY ACTIVE POPULATION (EAP) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 (NUMBER, PERCENTAGE)**

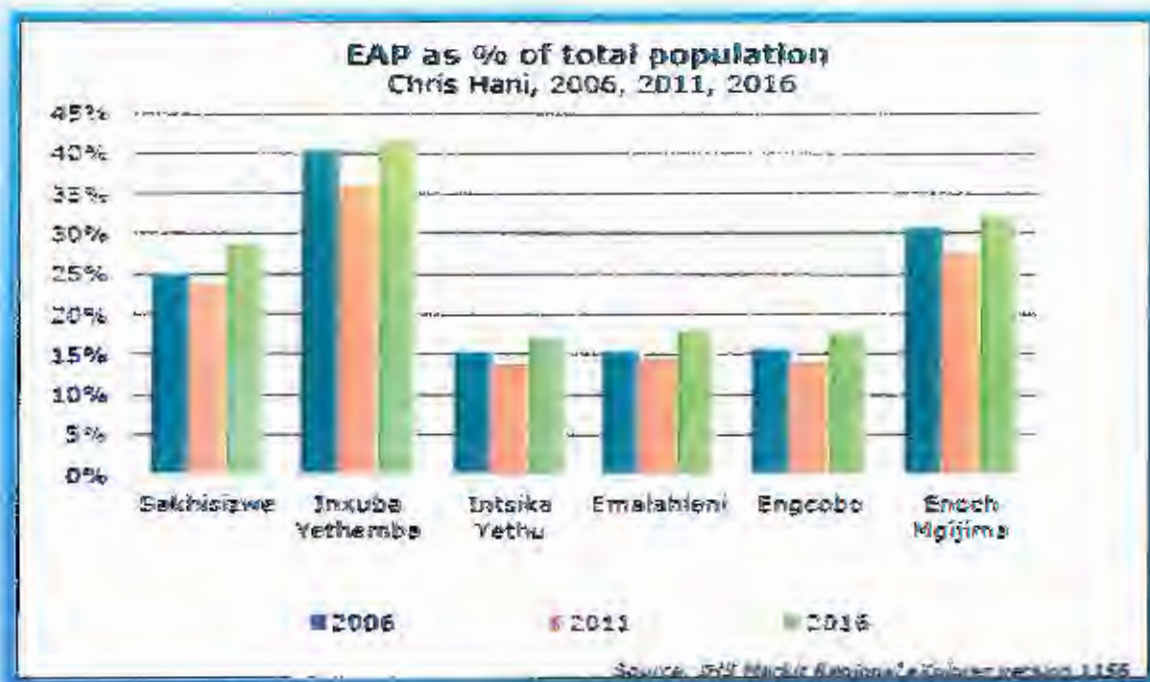
Sakhisizwe	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
2006	16,400	183,000	1,840,000	17,500,000	9.0%	0.89%	0.09%
2007	16,400	183,000	1,850,000	18,000,000	9.0%	0.89%	0.09%
2008	16,200	182,000	1,840,000	18,400,000	8.9%	0.88%	0.09%
2009	15,700	177,000	1,790,000	18,300,000	8.9%	0.88%	0.09%
2010	15,100	170,000	1,730,000	18,100,000	8.9%	0.87%	0.08%
2011	15,100	170,000	1,740,000	18,300,000	8.9%	0.87%	0.08%
2012	15,300	173,000	1,770,000	18,700,000	8.9%	0.87%	0.08%
2013	16,100	182,000	1,840,000	19,300,000	8.8%	0.87%	0.08%
2014	17,100	195,000	1,940,000	20,100,000	8.8%	0.88%	0.08%
2015	17,900	204,000	2,000,000	20,800,000	8.8%	0.89%	0.09%
2016	18,400	210,000	2,060,000	21,300,000	8.8%	0.90%	0.09%
Average Annual growth							
2006-2016	1.16%	1.40%	1.12%	1.97%			

Source: IHS Markit Regional Explorer version 1156

Sakhisizwe Local Municipality's EAP was 18 400 in 2016, which is 28.54% of its total population of 64 500, and roughly 8.76% of the total EAP of the Chris Hani District Municipality. From 2006 to 2016, the average annual increase in the EAP in the Sakhisizwe Local Municipality was 1.16%, which is 0.235 percentage points lower than the growth in the EAP of Chris Hani's for the same period.



CHART 2.4.1-1 EAP AS % OF TOTAL POPULATION - SAKHISIZWE AND THE REST OF



**CHRIS HANI, 2006, 2011, 2016 [PERCENTAGE]**

In 2006, 24.8% of the total population in Sakhisizwe Local Municipality were classified as economically active which increased to 28.5% in 2016. Compared to the other regions in Chris Hani District Municipality, Inxuba Yethemba local municipality had the highest EAP as a percentage of the total population within its own region relative to the other regions. On the other hand, Intsika Yethu local municipality had the lowest EAP with 17.2% people classified as economically active population in 2016.

**2.4.1.1 Labour Force Participation Rate**

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

**TABLE 2411-1. THE LABOUR FORCE PARTICIPATION RATE - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [PERCENTAGE]**

	Sakhisizwe	Chris Hani	Eastern Cape	National Total
2006	43.7%	39.9%	47.6%	56.4%
2007	43.8%	39.7%	47.3%	57.0%
2008	43.5%	39.1%	46.5%	57.4%
2009	42.2%	37.7%	44.9%	56.2%
2010	40.6%	36.0%	42.9%	54.5%
2011	40.6%	35.7%	42.6%	54.3%
2012	41.1%	36.2%	43.1%	54.7%
2013	43.0%	38.0%	44.4%	55.7%
2014	45.5%	40.3%	46.2%	57.1%
2015	47.2%	41.8%	47.3%	58.1%
2016	48.2%	42.7%	47.9%	58.8%

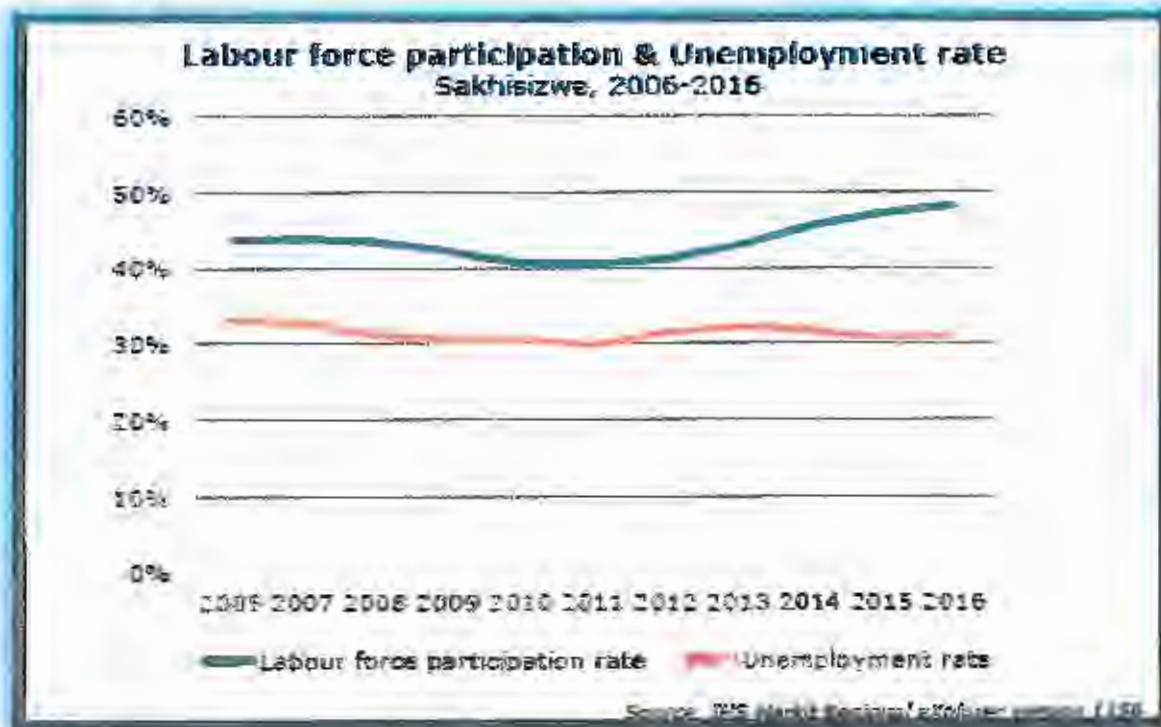
Source: IHS Markit Regional Explorer version 1155





The Sakhisizwe Local Municipality's labour force participation rate increased from 43.73% to 48.22% which is an increase of 4.5 percentage points. The Chris Hani District Municipality increased from 39.86% to 42.73%, Eastern Cape Province increased from 47.58% to 47.93% and South Africa increased from 56.37% to 58.77% from 2006 to 2016. The Sakhisizwe Local Municipality labour force participation rate exhibited a higher percentage point change compared to the Eastern Cape Province from 2006 to 2016. The Sakhisizwe Local Municipality had a lower labour force participation rate when compared to South Africa in 2016.

**CHART 2411-1. THE LABOUR FORCE PARTICIPATION RATE - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [PERCENTAGE]**

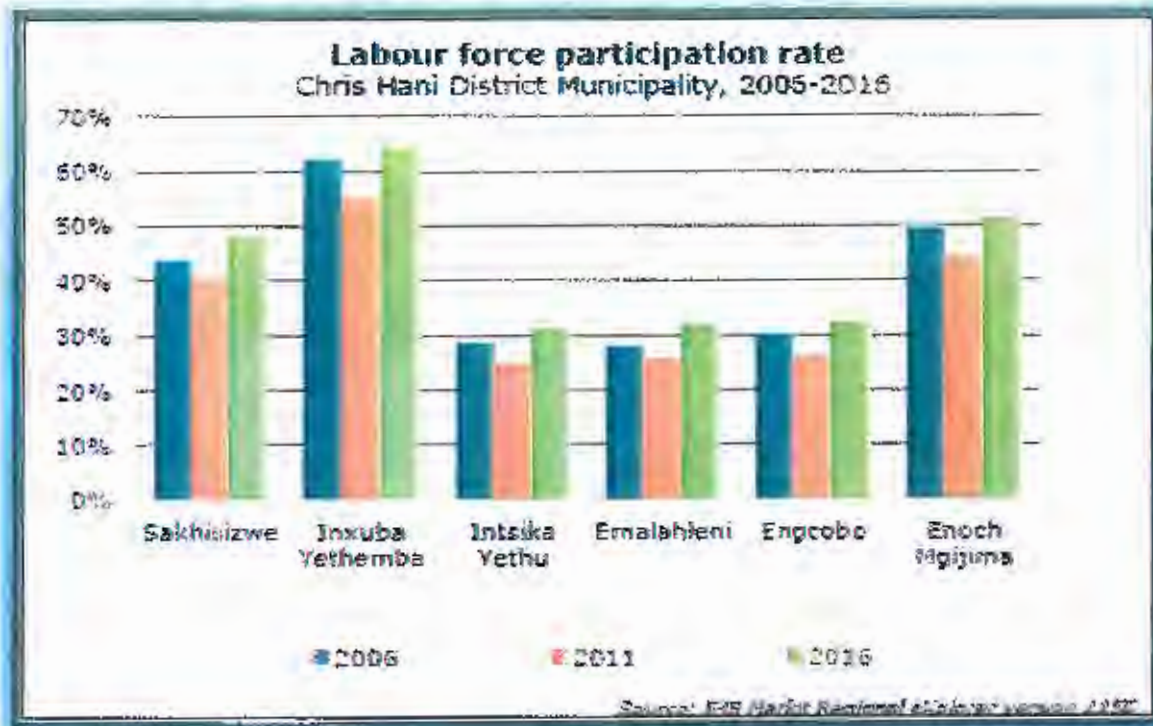


In 2016 the labour force participation rate for Sakhisizwe was at 48.2% which is slightly higher when compared to the 43.7% in 2006. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2006, the unemployment rate for Sakhisizwe was 33.2% and decreased overtime to 30.8% in 2016. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Sakhisizwe Local Municipality.

Inxuba Yethemba local municipality had the highest labour force participation rate with 64.3% in 2016 increasing from 62.1% in 2006. Intsika Yethu local municipality had the lowest labour force participation rate of 31.2% in 2016, this increased from 28.5% in 2006.



CHART 2411-2 THE LABOUR FORCE PARTICIPATION RATE - SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGOBO AND ENOCH MGIJIMA, 2006, 2011 AND 2016 [PERCENTAGE]



#### 2.4.2 Total Employment

Total employment consists of two parts: employment in the formal sector, and employment in the informal sector

TABLE 242-1 TOTAL EMPLOYMENT - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBERS]

	Sakhisizwe	Chris Hani	Eastern Cape	National Total
2006	9,670	120,000	1,330,000	13,000,000
2007	9,780	121,000	1,350,000	13,500,000
2008	9,910	123,000	1,350,000	14,100,000
2009	9,670	120,000	1,320,000	14,000,000
2010	9,280	115,000	1,260,000	13,600,000
2011	9,360	115,000	1,260,000	13,800,000
2012	9,240	115,000	1,270,000	14,000,000
2013	9,550	119,000	1,310,000	14,500,000
2014	10,300	128,000	1,370,000	15,100,000
2015	10,900	136,000	1,430,000	15,500,000
2016	11,200	140,000	1,460,000	15,700,000
Average Annual growth				
2006-2016	1.49%	1.57%	0.91%	1.89%

Source: IHS Market Regional eXplorer version 1156

In 2016, Sakhisizwe employed 11 200 people which is 8.02% of the total employment in Chris Hani District Municipality (140 000), 0.77% of total employment in Eastern Cape Province (1.46 million), and 0.07% of the total employment of 15.7 million in South Africa. Employment within Sakhisizwe increased annually at an average rate of 1.49% from 2006 to 2016. The Sakhisizwe Local Municipality average annual employment growth rate of 1.49% exceeds the average annual labour force growth rate of 1.16% resulting in unemployment decreasing from 33.17% in 2006 to 30.85% in 2016 in the local municipality.







**TABLE 242-2. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - SAKHISIZWE AND THE REST OF CHRIS HANI, 2016 (NUMBERS)**

	Sakhisi zwe	Inxuba Yethemb a	Intsika Yethu	Emalahl eni	Engcobo	Enoch Mgijima	Total Chris Hani
Agriculture	1 270	3 140	909	699	365	4 620	11 006
Mining	11	5	14	11	18	64	122
Manufactu ring	259	1 160	736	420	607	3 300	6 490
Electricity	63	66	38	43	30	224	464
Constructi on	2 020	2 770	2 400	1 570	2 130	7 040	17 926
Trade	2 290	3 650	3 110	2 050	3 350	14 000	28 412
Transport	242	1 240	587	315	481	2 330	5 194
Finance	755	1 910	1 130	709	1 210	6 240	11 951
Communit y services	3 400	7 700	4 910	3 010	5 040	21 300	45 377
Household s	899	2 100	1 170	846	809	6 940	12 761
<b>Total</b>	<b>11 200</b>	<b>23 700</b>	<b>15 000</b>	<b>9 680</b>	<b>14 000</b>	<b>66 000</b>	<b>139 701</b>

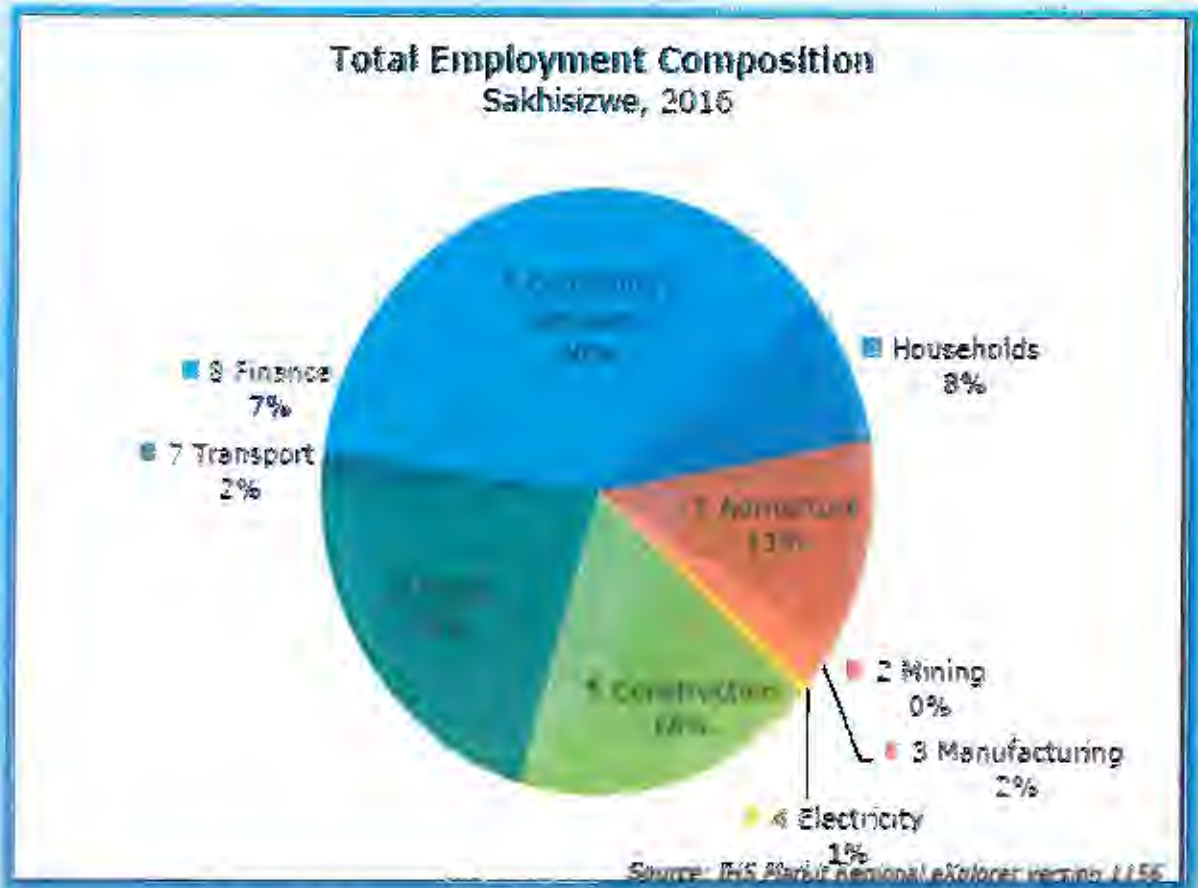
Source: IHS Markit Regional eXplorer version 1156

Sakhisizwe Local Municipality employs a total number of 11 200 people within its local municipality. The local municipality that employs the highest number of people relative to the other regions within Chris Hani District Municipality is Enoch Mgijima local municipality with a total number of 66 000. The local municipality that employs the lowest number of people relative to the other regions within Chris Hani District Municipality is Emalahleni local municipality with a total number of 9 680 employed people.

In Sakhisizwe Local Municipality the economic sectors that recorded the largest number of employment in 2016 were the community services sector with a total of 3 400 employed people or 30.3% of total employment in the local municipality. The trade sector with a total of 2 290 (20.5%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 10.9 (0.1%) is the sector that employs the least number of people in Sakhisizwe Local Municipality, followed by the electricity sector with 62.5 (0.6%) people employed.



**CHART 241-1. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2016 [PERCENTAGE]**



### 2.4.3 Formal and Informal Employment

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

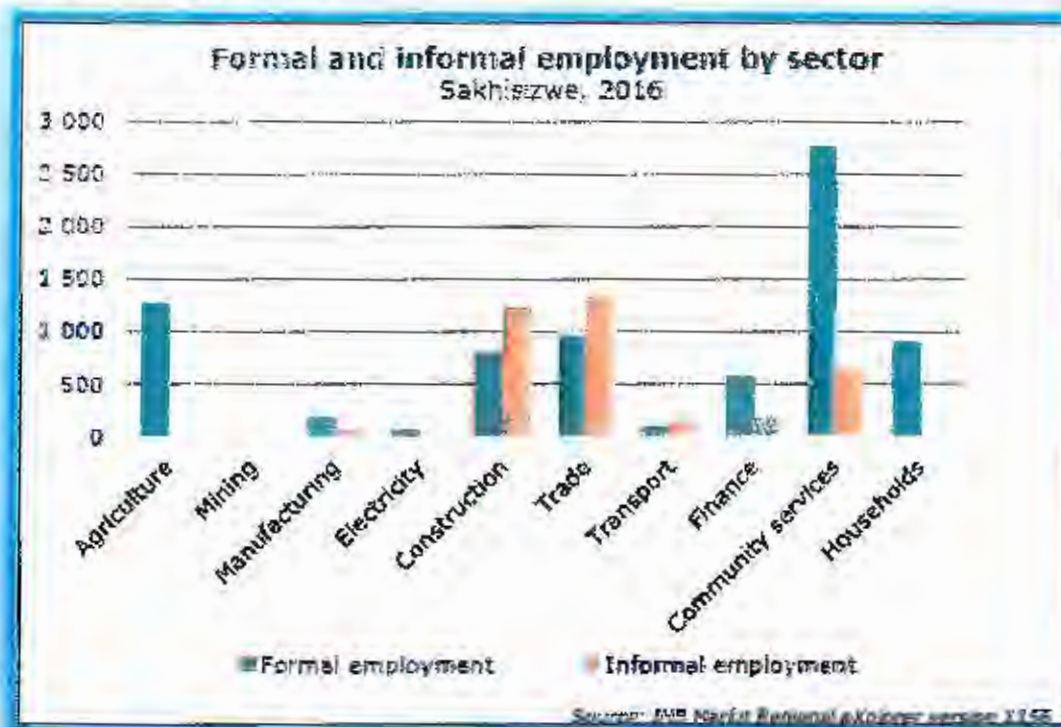
Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formally employed people in Sakhisizwe Local Municipality counted 7 590 in 2016, which is about 67.75% of total employment, while the number of people employed in the informal sector counted 3 610 or 32.25% of the total employment. Informal employment in Sakhisizwe increased from 2 990 in 2006 to an estimated 3 610 in 2016.





**CHART 243-1 FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2016 (NUMBERS)**



In 2016 the Trade sector recorded the highest number of informally employed, with a total of 1 340 employees or 37.03% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The In 2016 the Trade sector recorded the highest number of informally employed, with a total of 1 340 employees or 37.03% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors.

**TABLE 243-1 FORMAL AND INFORMAL EMPLOYMENT BY BRDAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2016 (NUMBERS)**

	Formal employment	Informal employment
Agriculture	1,270	N/A
Mining	11	N/A
Manufacturing	189	71
Electricity	63	N/A
Construction	788	1,230
Trade	953	1,340
Transport	90	152
Finance	571	184
Community services	2,760	640
Households	899	N/A

*Source: IHS Markit Regional eXplorer version 1156*

The informal sector is vital for the areas with very high unemployment and very low labour participation rates. Unemployed people see participating in the informal sector as a survival strategy. The most desirable situation would be to get a stable formal job. But because the formal economy is not growing fast enough to generate adequate jobs, the informal sector is used as a survival mechanism.



#### 2.4.4 Unemployment

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

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

- "Without work", i.e. not in paid employment or self-employment;
- "Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
- "Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

**TABLE 244-1 UNEMPLOYMENT (OFFICIAL DEFINITION) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 (NUMBER PERCENTAGE)**

	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
2006	5,440	59,800	512,000	4,510,000	9.1%	1.06%	0.12%
2007	5,380	58,700	503,000	4,460,000	9.2%	1.07%	0.12%
2008	5,050	55,800	488,000	4,350,000	9.1%	1.04%	0.12%
2009	4,820	53,600	483,000	4,370,000	9.0%	1.00%	0.11%
2010	4,630	51,700	480,000	4,490,000	9.0%	0.96%	0.10%
2011	4,510	50,400	485,000	4,570,000	8.9%	0.93%	0.10%
2012	4,820	54,000	508,000	4,690,000	8.9%	0.95%	0.10%
2013	5,180	58,200	542,000	4,850,000	8.9%	0.96%	0.11%
2014	5,410	61,100	569,000	5,060,000	8.9%	0.95%	0.11%
2015	5,500	62,400	583,000	5,290,000	8.8%	0.94%	0.10%
2016	5,680	64,800	603,000	5,600,000	8.8%	0.94%	0.10%
<b>Average Annual growth</b>							
2006-2016	0.43%	0.81%	1.65%	2.19%			

Source: IHS Markit Regional eXplorer version 1156

In 2016, there were a total number of 5 680 people unemployed in Sakhisizwe, which is an increase of 238 from 5 440 in 2006. The total number of unemployed people within Sakhisizwe constitutes 8.76% of the total number of unemployed people in Chris Hani District Municipality. The Sakhisizwe Local Municipality experienced an average annual increase of 0.43% in the number of unemployed people, which is better than that of the Chris Hani District Municipality which had an average annual increase in unemployment of 0.81%.



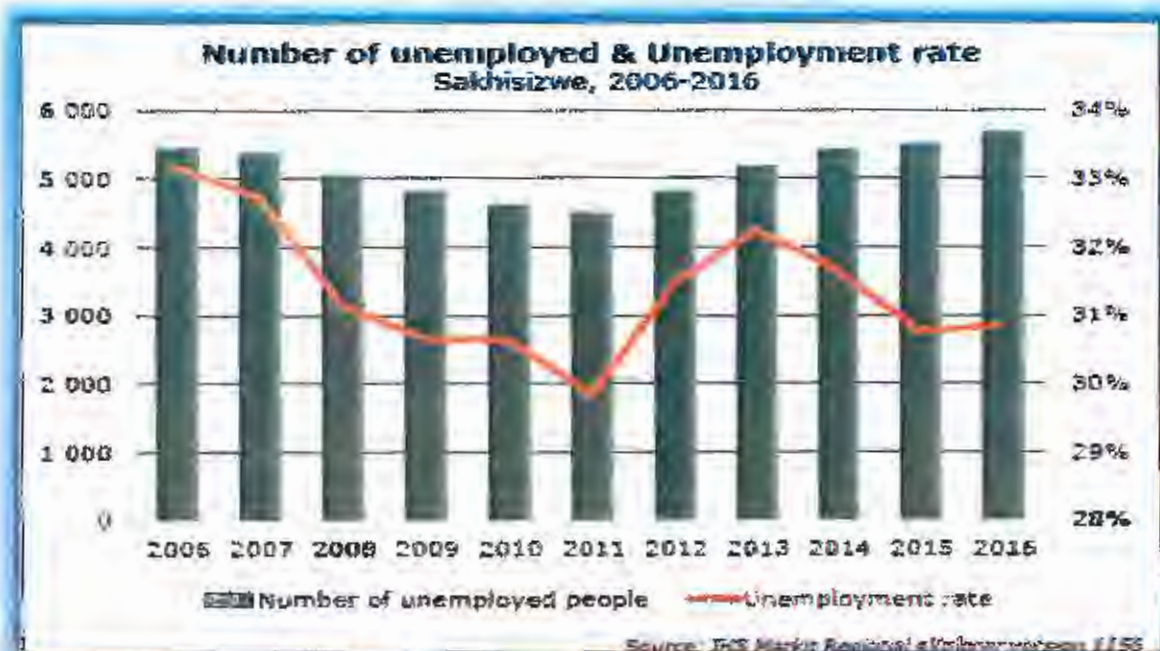
**TABLE 244-2. UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [PERCENTAGE]**

	Sakhisizwe	Chris Hani	Eastern Cape	National Total
2006	33.2%	32.7%	27.8%	25.8%
2007	32.7%	32.0%	27.2%	24.8%
2008	31.1%	30.6%	26.6%	23.6%
2009	30.7%	30.3%	26.9%	23.8%
2010	30.6%	30.4%	27.7%	24.8%
2011	29.8%	29.7%	27.9%	24.9%
2012	31.5%	31.2%	28.7%	25.0%
2013	32.2%	32.0%	29.4%	25.1%
2014	31.7%	31.4%	29.4%	25.1%
2015	30.8%	30.7%	29.1%	25.5%
2016	30.8%	30.8%	29.3%	26.3%

Source: IHS Markit Regional eXplorer version 1156

In 2016, the unemployment rate in Sakhisizwe Local Municipality (based on the official definition of unemployment) was 30.85%, which is a decrease of -2.32 percentage points. The unemployment rate in Sakhisizwe Local Municipality is higher than that of Chris Hani. Comparing to the Eastern Cape Province it can be seen that the unemployment rate for Sakhisizwe Local Municipality was higher than that of Eastern Cape which was 29.34%. The unemployment rate for South Africa was 26.33% in 2016, which is a increase of -0.563 percentage points from 25.77% in 2006.

**CHART 244-1. UNEMPLOYMENT AND UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [NUMBER PERCENTAGE]**

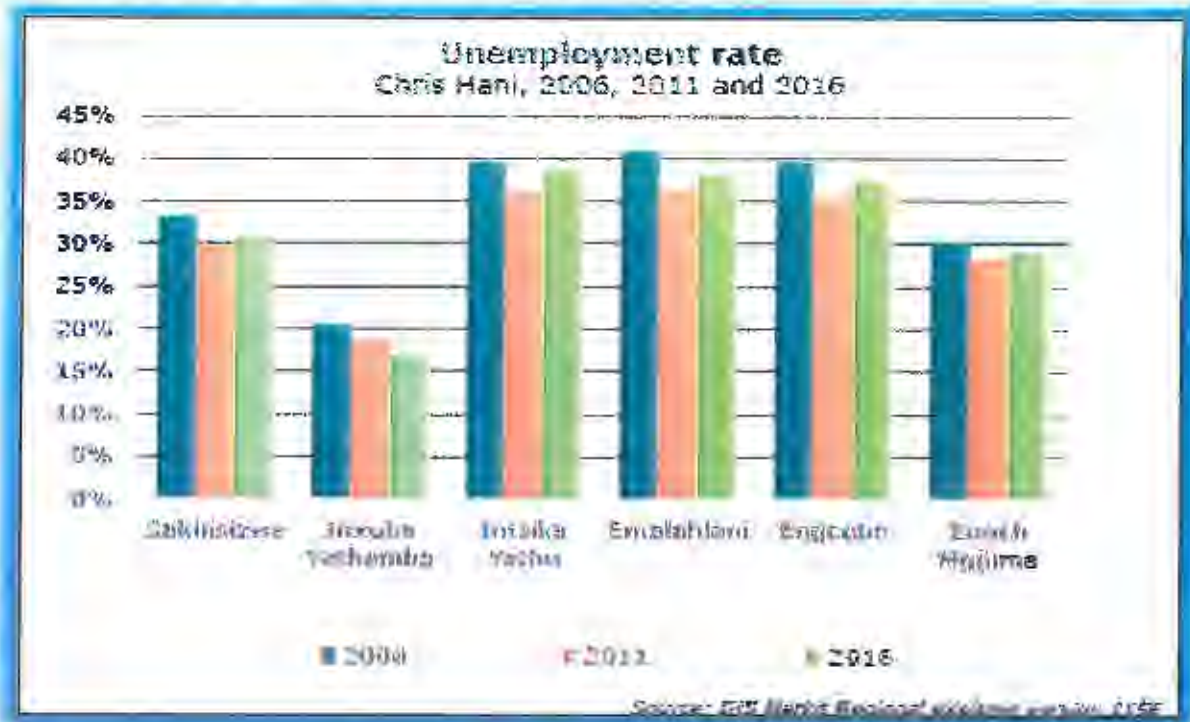


When comparing unemployment rates among regions within Chris Hani District Municipality, Intsika Yethu local municipality has indicated the highest unemployment rate of 38.6%, which has decreased from 39.6% in 2006. It can be seen that the Inxuba Yethemba local municipality had the lowest unemployment rate of 18.8% in 2016, this decreased from 20.4% in 2006.





**CHART 244-2. UNEMPLOYMENT RATE - SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO AND ENOCH MGIJIMA, 2006, 2011 AND 2016 (PERCENTAGE)**



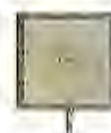
## 2.5 HOUSEHOLD INCOME AND EXPENDITURE

In a growing economy among which production factors are increasing, most of the household incomes are spent on purchasing goods and services. Therefore, the measuring of the income and expenditure of households is a major indicator of a number of economic trends. It is also a good marker of growth as well as consumer tendencies.

### 2.5.1 Number of Households By income Category

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution.

Income categories start at R0 - R2,400 per annum and go up to R2,400,000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take into account inflation creep: over time, movement of households "up" the brackets is natural, even if they are not earning any more in real terms.



**TABLE 251-1 HOUSEHOLDS BY INCOME CATEGORY - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [NUMBER PERCENTAGE]**

	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
0-2400	2	25	206	1,880	7.8%	0.96%	0.10%
2400-6000	34	443	3,800	33,300	7.7%	0.90%	0.10%
6000-12000	363	4,620	38,400	314,000	7.9%	0.95%	0.12%
12000-18000	709	9,310	76,400	624,000	7.6%	0.93%	0.11%
18000-30000	2,130	27,600	220,000	1,720,000	7.7%	0.97%	0.12%
30000-42000	2,340	30,300	231,000	1,730,000	7.7%	1.01%	0.14%
42000-54000	2,110	27,300	204,000	1,520,000	7.7%	1.04%	0.14%
54000-72000	2,240	29,500	217,000	1,630,000	7.6%	1.03%	0.14%
72000-96000	1,890	25,100	185,000	1,490,000	7.5%	1.02%	0.13%
96000-132000	1,510	20,400	156,000	1,390,000	7.4%	0.87%	0.11%
132000-192000	1,180	16,100	133,000	1,320,000	7.3%	0.89%	0.09%
192000-360000	1,150	15,800	150,000	1,690,000	7.3%	0.77%	0.07%
360000-600000	607	8,100	88,200	1,090,000	7.5%	0.69%	0.06%
600000-1200000	379	5,000	59,000	785,000	7.6%	0.64%	0.05%
1200000-2400000	109	1,460	17,600	238,000	7.5%	0.62%	0.05%
2400000+	14	209	2,670	39,100	6.7%	0.52%	0.04%
<b>Total</b>	<b>16,800</b>	<b>221,000</b>	<b>1,780,000</b>	<b>15,600,000</b>	<b>7.6%</b>	<b>0.84%</b>	<b>0.11%</b>

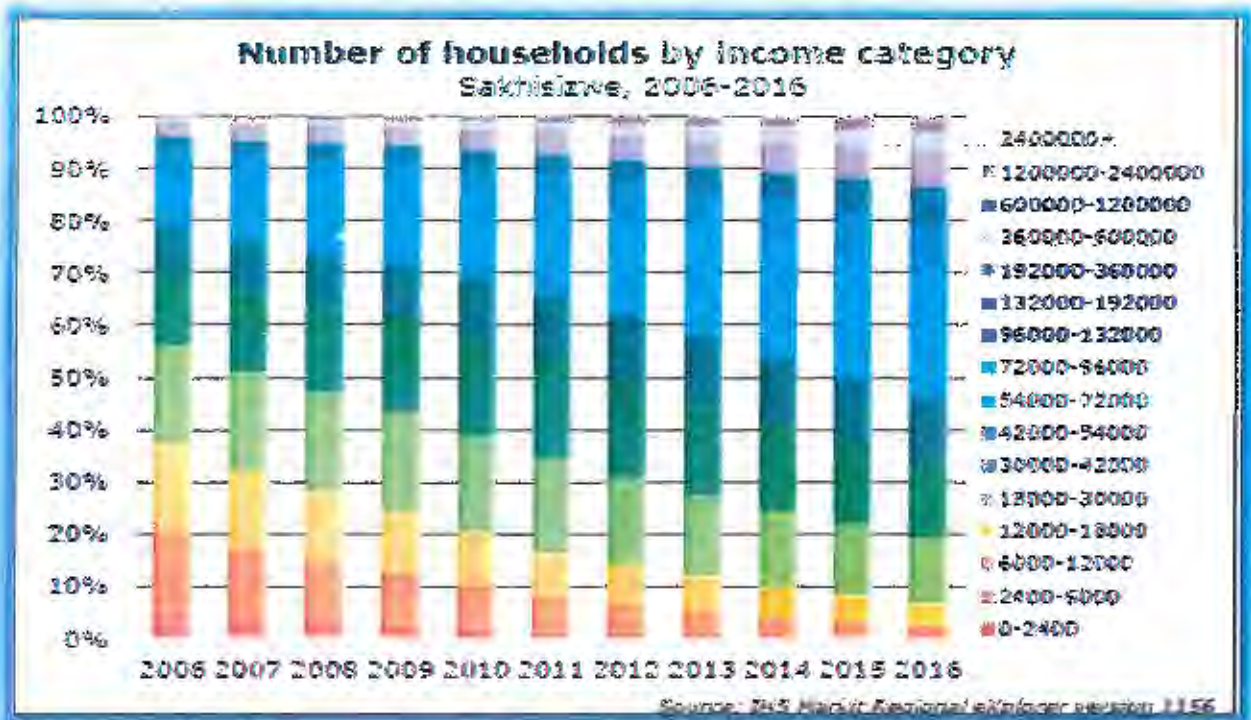
Source: IHS Markit Regional eXplorer version 1156

It was estimated that in 2016 19.33% of all the households in the Sakhisizwe Local Municipality, were living on R30,000 or less per annum. In comparison with 2006's 56.18%, the number is more than half.

The 30000-42000 income category has the highest number of households with a total number of 2 340, followed by the 54000-72000 income category with 2 240 households. Only 2 households fall within the 0-2400 income category.



**CHART 251-1 HOUSEHOLDS BY INCOME BRACKET - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [PERCENTAGE]**



For the period 2006 to 2016 the number of households earning more than R30,000 per annum has increased from 43.84% to 80.67%. It can be seen that the number of households with income equal to or lower than R6,000 per year has decreased by a significant amount.

### 2.5.2 Annual Total Personal Income

Annual total personal income is the sum of the total personal income for all households in a specific region. The definition of income is the same as used in the income brackets (Number of Households by Income Category), also including the income tax. For this variable, current prices are used, meaning that inflation has not been taken into account, (ECSCC: 2017).

**TABLE 252-1. ANNUAL TOTAL PERSONAL INCOME - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL (CURRENT PRICES, R BILLIONS)**

	Sakhisizwe	Chris Hani	Eastern Cape	National Total
2006	0.8	10.2	106.6	1,259.4
2007	0.9	11.6	121.0	1,432.2
2008	1.0	13.0	134.0	1,587.9
2009	1.1	14.0	143.3	1,695.1
2010	1.1	15.0	154.3	1,843.3
2011	1.2	16.4	168.2	2,033.0
2012	1.4	18.2	187.5	2,226.5
2013	1.5	20.1	204.6	2,414.5
2014	1.7	22.1	220.0	2,596.7
2015	1.8	24.5	239.4	2,783.4
2016	2.1	27.6	264.5	2,995.4
Average Annual growth				
2006-2016	9.93%	10.46%	9.52%	9.05%

Source: IHS Markit Regional eXplorer version 1156





Sakhisizwe Local Municipality recorded an average annual growth rate of 9.93% (from R 796 million to R 2.05 billion) from 2006 to 2016, which is less than Chris Hani's (10.46%), but more than Eastern Cape Province's (9.52%) average annual growth rates. South Africa had an average annual growth rate of 9.05% (from R 1.26 trillion to R 3 trillion) which is less than the growth rate in Sakhisizwe Local Municipality.

**CHART 252-1 ANNUAL TOTAL PERSONAL INCOME BY POPULATION GROUP - SAKHISIZWE AND THE REST OF CHRIS HANI [CURRENT PRICES, R BILLIONS]**



The total personal income of Sakhisizwe Local Municipality amounted to approximately R 2.05 billion in 2016. The African population group earned R 1.89 billion, or 91.97% of total personal income, while the White population group earned R 128 million, or 6.23% of the total personal income. The Coloured and the Asian population groups only had a share of 1.09% and 0.71% of total personal income respectively.

**TABLE 252-2. ANNUAL TOTAL PERSONAL INCOME - SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO AND ENOCH MGIJIMA [CURRENT PRICES, R BILLIONS]**

	Sakhisizwe	Inxuba Yethemba	Intsika Yethu	Emalahleni	Engcobo	Enoch Mgijima
2006	0.80	1.46	1.50	1.11	1.45	3.89
2007	0.90	1.67	1.69	1.26	1.65	4.44
2008	1.00	1.86	1.88	1.42	1.84	4.96
2009	1.07	1.98	2.03	1.54	1.98	5.36
2010	1.15	2.14	2.17	1.68	2.12	5.80
2011	1.25	2.33	2.33	1.79	2.30	6.36
2012	1.38	2.64	2.57	1.98	2.54	7.12
2013	1.51	2.97	2.82	2.18	2.79	7.84
2014	1.65	3.30	3.08	2.40	3.05	8.59
2015	1.83	3.61	3.45	2.69	3.40	9.52
2016	2.05	3.86	3.90	3.05	3.85	10.91
Average Annual growth						
2006-2016	9.93%	10.21%	10.03%	10.60%	10.22%	10.87%

Source: IHS Markit Regional Explorer version 1156

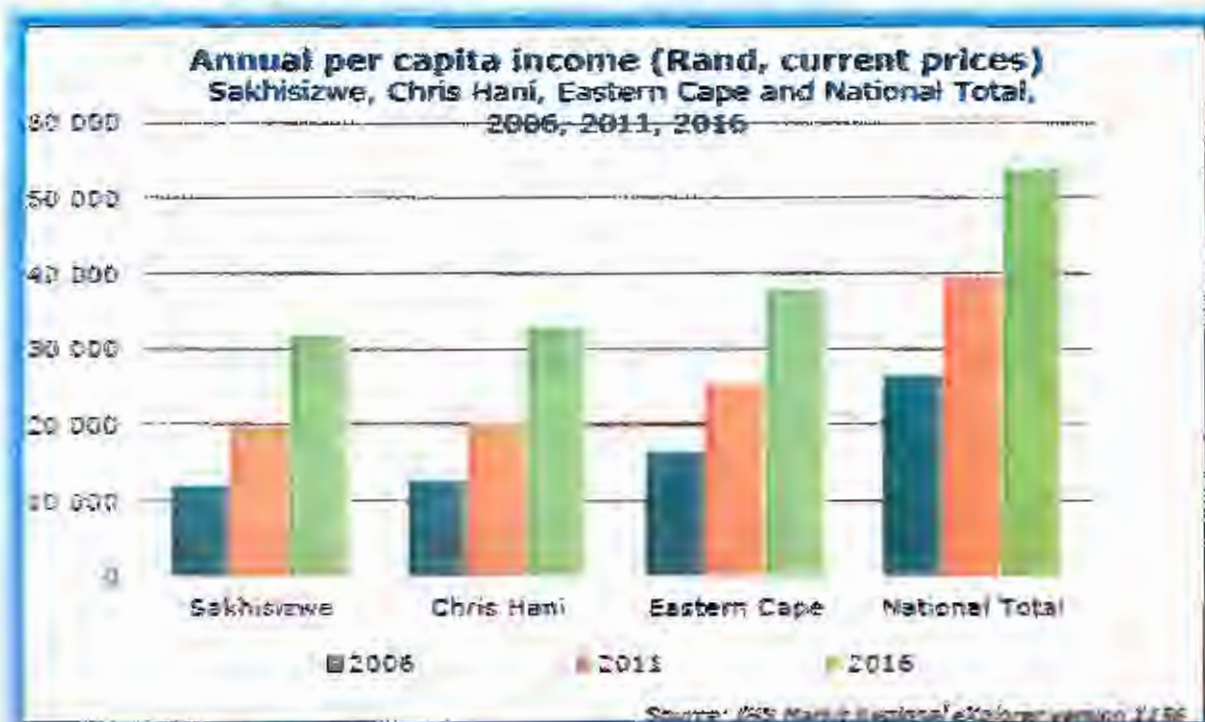


When looking at the annual total personal income for the regions within Chris Hani District Municipality it can be seen that the Enoch Mgijima local municipality had the highest total personal income with R 10.9 billion which increased from R 3.89 billion recorded in 2006. It can be seen that the Sakhisizwe local municipality had the lowest total personal income of R 2.05 billion in 2016, this increased from R 796 million in 2006.

### 2.5.3 Annual Per Capita Income

Per capita income refers to the income per person. Thus, it takes the total personal income per annum and divides it equally among the population. Per capita income is often used as a measure of wealth particularly when comparing economies or population groups. Rising per capita income usually indicates a likely swell in demand for consumption.

**CHART 253-1 PER CAPITA INCOME - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [RAND, CURRENT PRICES]**



The per capita income in Sakhisizwe Local Municipality is R 31,800 and is lower than both the Eastern Cape (R 37,800) and of the Chris Hani District Municipality (R 32,800) per capita income. The per capita income for Sakhisizwe Local Municipality (R 31,800) is lower than that of the South Africa as a whole which is R 53,800.

**TABLE 253-1. PER CAPITA INCOME BY POPULATION GROUP - SAKHISIZWE AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2016 [RAND, CURRENT PRICES]**

African	
Sakhisizwe	29,800
Inxuba Yethemba	37,900
Intsika Yethu	25,100
Emalahleni	23,400
Engcobo	24,000
Enoch Mgijima	34,500

Source: IHS Markit Regional eXplorer version 1156

Inxuba Yethemba local municipality has the highest per capita income with a total of R 55,300, Enoch Mgijima local municipality had the second highest per capita income at R 40,500, whereas Engcobo local municipality had the lowest per capita income at R 24,000. In Sakhisizwe Local Municipality, the African population group has the highest per capita income, with R 29,800, relative to the other population groups. Some of the population groups - where there are less than 1,000 people living in the area were excluded from the analysis.



#### 2.5.4 Index of Buying Power-(IBP)

The Index of Buying Power (IBP) is a measure of a region's overall capacity to absorb products and/or services. The index is useful when comparing two regions in terms of their capacity to buy products. Values range from 0 to 1 (where the national index equals 1), and can be interpreted as the percentage of national buying power attributable to the specific region. Regions' buying power usually depends on three factors: the size of the population; the ability of the population to spend (measured by total income); and the willingness of the population to spend (measured by total retail sales).

**TABLE 254-1. INDEX OF BUYING POWER - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 (NUMBER)**

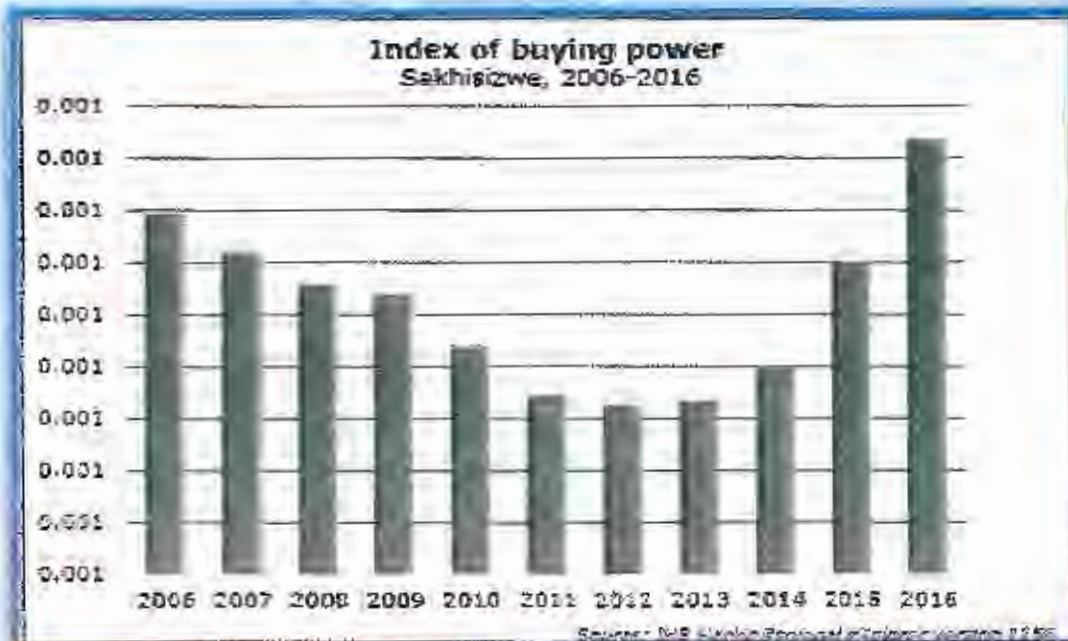
	Sakhisizwe	Chris Hani	Eastern Cape	National Total
Population	64,521	841,493	7,006,876	55,724,934
Population - share of national total	0.1%	1.5%	12.6%	100.0%
Income	2,052	27,618	264,506	2,995,448
Income - share of national total	0.1%	0.9%	8.8%	100.0%
Retail	638,480	8,469,255	79,545,670	926,561,000
Retail - share of national total	0.1%	0.9%	8.6%	100.0%
Index	0.00	0.01	0.09	1.00

Source: IHS Markit Regional Explorer version 1156

Sakhisizwe Local Municipality has a 0.1% share of the national population, 0.1% share of the total national income and a 0.1% share in the total national retail, this all equates to an IBP index value of 0.00073 relative to South Africa as a whole. Chris Hani has an IBP of 0.0096, were Eastern Cape Province has and IBP index value of 0.091 and South Africa a value of 1 relative to South Africa as a whole.

The considerable low Index of buying power of the Sakhisizwe Local Municipality suggests that the local municipality has access to only a small percentage of the goods and services available in all of the Chris Hani District Municipality. Its residents are most likely spending some of their income in neighbouring areas.

**CHART 254-1. INDEX OF BUYING POWER SAKHISIZWE LOCAL MUNICIPALITY, 2006-**



## 2016 [INDEX VALUE]

Between 2006 and 2016, the index of buying power within Sakhisizwe Local Municipality increased to its highest level in 2016 (0.0007335) from its lowest in 2012 (0.0006824). Although the buying power within Sakhisizwe Local Municipality is relatively small compared to other regions, the IBP increased at an average annual growth rate of 0.20%.

## 2.6 HUMAN DEVELOPMENT

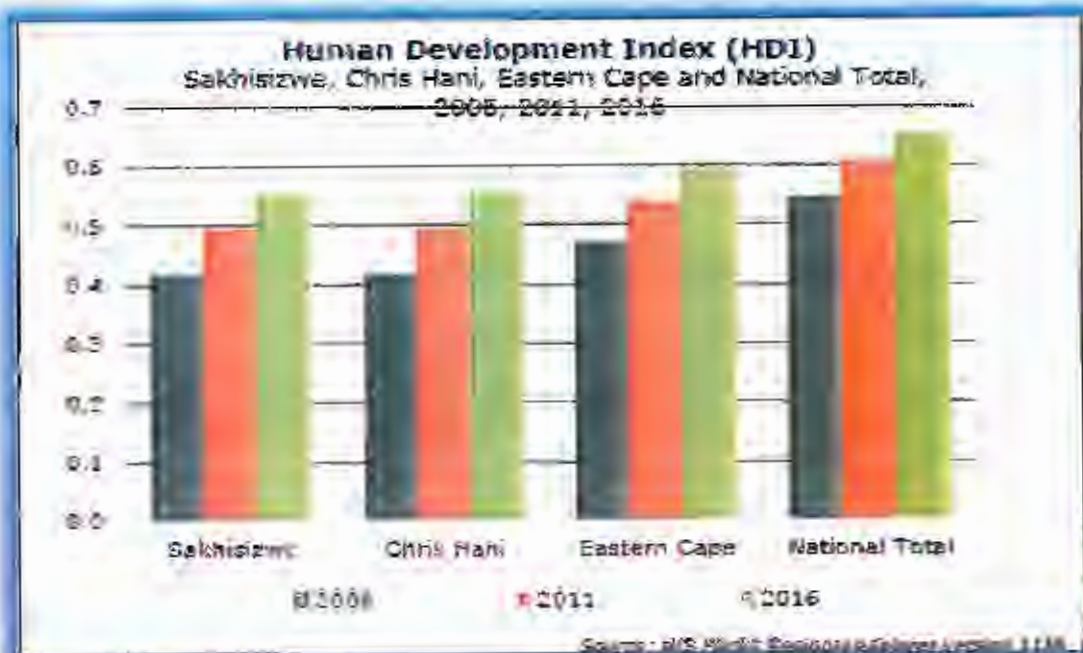
Indicators of development, like the Human Development Index (HDI), Gini Coefficient (Income inequality), poverty and the poverty gap, and education, are used to estimate the level of development of a given region in South Africa relative to the rest of the country.

Another indicator that is widely used is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those things that determine the quality of life, including food, clothing, shelter and safe drinking water. More than that, other "intangibles" is also included such as the opportunity to learn, and the privilege to enjoy the respect of fellow citizens. Curbing poverty and alleviating the effects thereof should be a premise in the compilation of all policies that aspire towards a better life for all.

### 2.6.1 Human Development Index (HDI)

The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions. HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. In order to gauge a decent standard of living, we make use of GDP per capita. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.

**CHART 261-1 HUMAN DEVELOPMENT INDEX (HDI) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006, 2011, 2016 [NUMBER]**



In 2016 Sakhisizwe Local Municipality had an HDI of 0.554 compared to the Chris Hani with a HDI of 0.559, 0.596 of Eastern Cape and 0.653 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2016 when compared to Sakhisizwe Local Municipality which translates to worse human development for Sakhisizwe Local Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.79% and this increase is lower than that of Sakhisizwe Local Municipality (2.87%).





**CHART 261-2 HUMAN DEVELOPMENT INDEX (HDI) - SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO AND ENOCH MGLUMA, 2016 [NUMBER]**

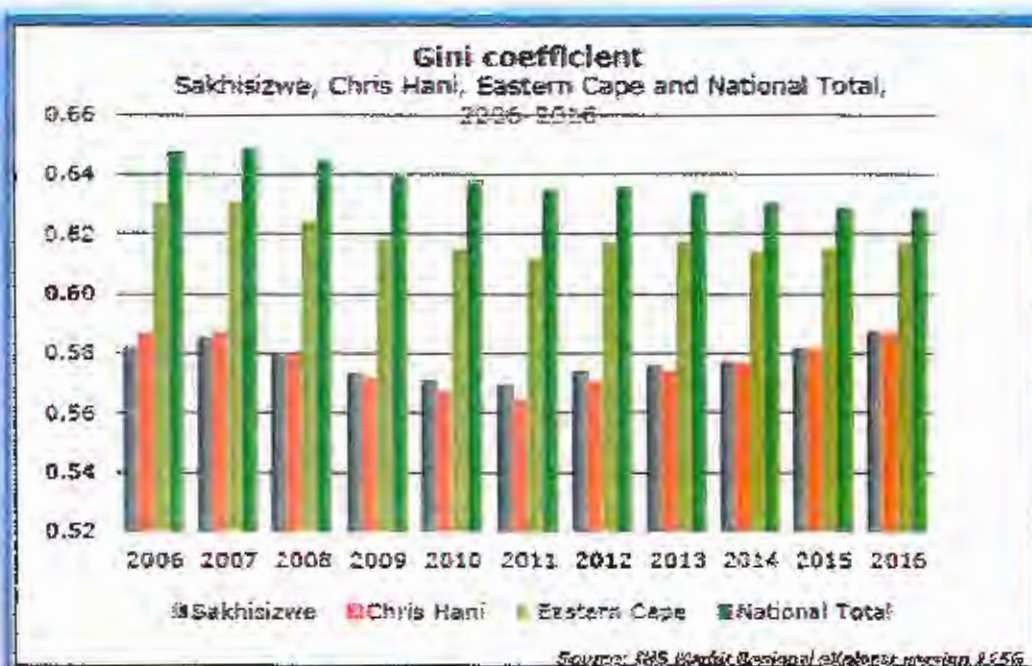


In terms of the HDI for each the regions within the Chris Hani District Municipality, Inxuba Yethemba local municipality has the highest HDI, with an index value of 0.63. The lowest can be observed in the Engcoco local municipality with an index value of 0.505.

### 2.6.2 Gini Coefficient

Gini Coefficient is a summary statistic of income inequality, it varies from 0-1. If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high and low income earners within the population. In contrast, if the Gini coefficient equals 1, income is completely inequitable, i.e. one individual in the population is earning all the income and the rest has no income. Generally this coefficient lies in the range between 0.25 and 0.70, (ECSECC:2017).

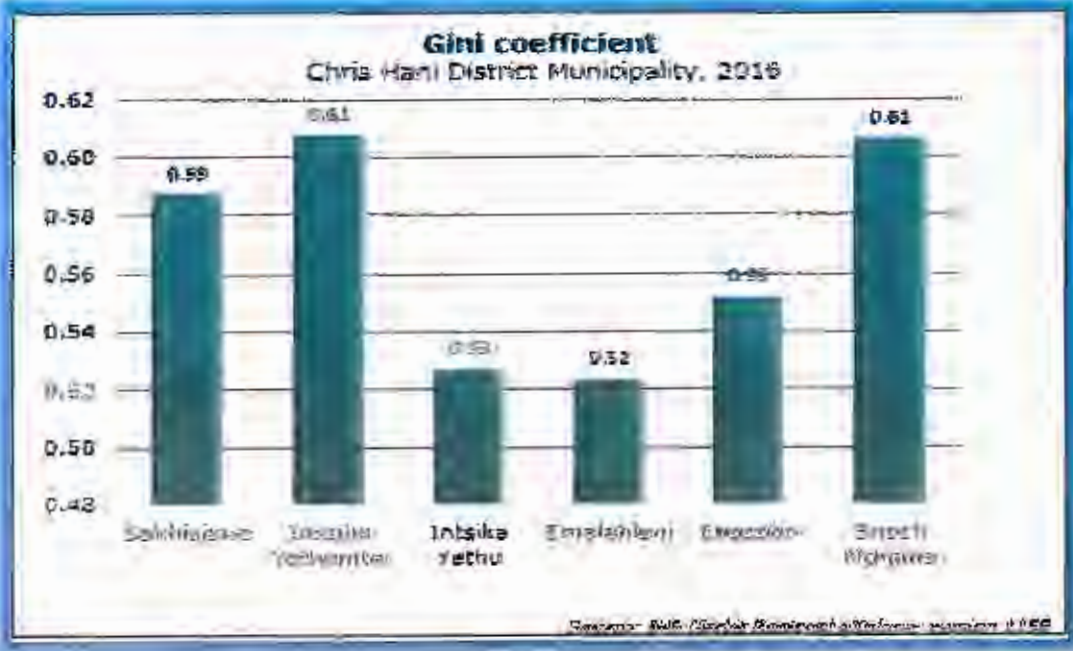
**CHART 262-1. GINI COEFFICIENT - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER]**



In 2016, the Gini coefficient in Sakhisizwe Local Municipality was at 0.587, which reflects a marginal increase in the number over the ten-year period from 2006 to 2016. The Chris Hani District Municipality and the Eastern Cape Province had a Gini coefficient of 0.587 and 0.617 respectively. When Sakhisizwe Local Municipality is contrasted against the entire South Africa, it can be seen that Sakhisizwe has a more equal income distribution with a lower Gini coefficient compared to the South African coefficient of 0.628 in 2016. This has been the case for the entire 10 year history.

In terms of the Gini coefficient for each of the regions within the Chris Hani District Municipality, Inxuba Yethemba local municipality has the highest Gini coefficient, with an index value of 0.607. The lowest Gini coefficient can be observed in the Emalahleni local municipality with an index value of 0.523.

**CHART 262-2. GINI COEFFICIENT - SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCQOBO AND ENOCH MGLJIMA, 2016 [NUMBER]**



**2.6.3 Poverty Levels**

The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other. This variable measures the number of individuals living below that particular level of consumption for the given area, and is balanced directly to the official upper poverty rate as measured by StatsSA.

In 2016, there were 42 600 people living in poverty, using the upper poverty line definition, across Sakhisizwe Local Municipality - this is 14.00% lower than the 49 500 in 2006. The percentage of people living in poverty has decreased from 74.92% in 2006 to 66.01% in 2016, which indicates a decrease of 8.91 percentage points.



Local Strategic Objective For 2018/19 Financial Year	Key Intervention Area	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsibility
Strict adherence of SCM policy	<b>Supply Chain Management</b>	Enforce strict adherence to the SCM policy and regulations.  Implementation and strict adherence to the institutional procurement plan.	100% of compliance to SCM policy and regulations.  % Implementation of the Institutional Procurement Plan by 2018/19	Work-shopping of SCM Policy to all relevant stakeholders	Supplier day	No Irregular expenditure	Strict adherence to SCM policy	CFO
Credible and GRAP compliant Asset management	<b>Review and update of the Asset Management policy</b>	Credible and GRAP compliance asset management and reporting.	Number of material audit issues corrected	Verification of asset register	Update Fixed Asset Register	Asset Disposal	Credible and GRAP compliant Asset management	CFO
To ensure credible financial reporting commensurate to the relevant legislation and financial reporting standards by 2019 and	<b>Budgeting and Reporting</b>	Compliance with MFMA, MSCOA and budget reporting regulations	Percentage compliance with the MFMA and MSCOA requirements	100%	100%	100%	100%	CFO

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Local Strategic Objective For 2018/19 Financial Year beyond.	Key Intervention Area	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsibility

**7.2. Community Services & Social Needs**

**7.2.1. Five-year priorities**

- Refuse Removal and Collection
- Waste Management
- Traffic Services
- Pounds
- Cemeteries
- Public Amenities

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Local Strategic Objective For 2018/19 Financial Year	Key Intervention Area	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsibility
To provide effective, efficient and economical refuse collection and removal service to all communities	<b>REFUSE COLLECTION AND REMOVAL</b>	Community Education and Awareness Campaign  Distribution of Refuse Bins  Shift System should be implemented	Cleanliness of the towns	Meetings of informing the communities	Distribution of Refuse bins	Implementation of Shift System	Evaluation of the progress done	Community Services Director
To provide effective, efficient and economical Waste Management services to all communities	<b>WASTE MANAGEMENT</b>	To regulate the recyclers at refuse landfill sites	Approved Integrated Waste Management Plan	Implementation of the Plan Landfill sites licences	Operations of the Land Fill sites	Implementation of the Plan	Implementation of the Plan	
		Installation of traffic parking metres (outsourced)	Revenue generation of R 5 000 a month	R15 000	R15 000	R15 000	R15 000	Traffic Superintendent



Local Strategic Objective For 2018/19 Financial Year	Key Intervention Area	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsibility
Full revival of proper Pounds  Minimizing of stray animals	<b>POUNDS</b>	<ul style="list-style-type: none"> <li>To reduce accidents that caused by stray animals</li> <li>To generate revenue</li> <li>To keep the towns clean</li> </ul>	Reduction of accidents by 10%	Recommend the Council to reconsider re opening of pounds	Recommend fencing and provision of security  Development of Pound Policy	Community Awareness Programme	Fencing of Commonages and Kraals  Intensify pounding of stray animals	Community Services Director
To enhance revenue generation and development of communities	<b>PUBLIC AMENITIES</b>  (Community Halls, Public Toilets, Sport Fields, Libraries, Recreational Facilities )	<ul style="list-style-type: none"> <li>Conduct Awareness Programme</li> <li>Collection of revenue from hiring of community halls.</li> <li>Collection of revenue from public toilets</li> <li>Construct, Maintain and Fence playgrounds to all Wards</li> </ul>	Conducted Awareness Programme in all Wards  R2 000 monthly collection  R5 000, 00 a month	2  R6 000  Convert manual payment to electronic payment  Provision of a	2  R6 000  R5 000	2  R6 000  R5 000	3  R6 000  R5 000	Community Services Director

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Local Strategic Objective For 2018/19 Financial Year	Key Intervention Area	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsibility
		to be funded by MIG		security for the public toilets				

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### 7.3. Corporate Services

#### 7.3.1. Five-year priorities

- Human Resource Planning
- Council Resolutions
- Employment Equity Plan
- Labour Relations
- Occupational Health and Safety
- Attendance Management System
- Performance Management System
- Records Management
- Fleet Management
- Skills Development

Local Strategic Objective for 2018/19 Financial Year	Key Intervention Area	Strategy To Achieve The Objective	Key Performance Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsibility
1.Reviewal of HR plan	-Adoption of HR plan	-Submission of inputs by all departments	-Filling of budgeted vacant positions	Implementatio n of HR Plan		Reviewal of HR Plan	Adoption of HR Plan	Corporate services
2.100%implem entation of council resolution	Implementatio n of council resolution register	Council resolution register must be a standing item to standing committee meetings	Number of council resolutions implemented	Implementatio n of council, resolutions	Implement ation of council, resolutions	Implemen tation of council, resolutions	Implemen tation of council, resolutions	Corporate services



Local Strategic Objective For 2018/19 Financial Year	Key Intervention Area	Strategy To Achieve The Objective	Key Strategic Performance Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsibility
3. Review employment equity plan	<b>Adoption of employment equity plan</b>	Reviewal and implementation of employment equity plan	Reviewed employment equity plan adopted by the Council	Reviewed employment equity plan adopted by Council	Reviewed employment equity plan adopted by Council	Reviewed employment equity plan adopted by Council	Reviewed employment equity plan adopted by Council	Corporate services
4. 12 Local labour forum (LLF) meetings a year	<b>Labour relations</b>	Effective and sound labour relations	Number of LLF meetings	Three LLF meeting	Three LLF meeting	Three LLF meeting	Three LLF meetings	Corporate services
5.8 Health and safety reports submitted to standing committee by end of year	<b>Occupational health and safety</b>	Create sound and healthy working environment	No of reports submitted to standing committee	2	2	2	2	Corporate services
6. Procurement Biometric attendance system	<b>Management of attendance of employees</b>	Implementation of biometric system	Procured biometric system	consultation with labour relations	Specification	Advertisement	Installation	Corporate services

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Local Strategic Objective For 2018/19 Financial Year	Key Intervention Area	Strategy To Achieve The Objective	Key Performance Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsibility
7.To ensure high level of productivity for the realisation of municipal mandate	<b>Employee performance management</b>	Cascading of performance management to levels below s54 AND 56 managers	% of employees below section 54 and 56 with signed performance agreement	100%	100%	100%	100%	Corporate services
8.To ensure adequate safe guarding of the Institutional records	<b>Registry</b>	Effective implementation of archives act and records management	Procured and implementation of records management system	Implementation of records management procedure manual	Implementation of records management procedure manual	Implementation of records management procedure manual	Implementation of records management procedure manual	Corporate Services
9.To ensure efficient and economical use of the municipal fleet management policy	<b>Fleet management</b>	Reviewal of the implementation and monitoring of the fleet management policy	Number of fleet management reports, Fuel consumption and maintenance costs report and compassion of	1	1	1	1	Corporate services

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Local Strategic Objective For 2018/19 Financial Year	Key Intervention Area	Strategy To Achieve The Objective	Key Strategic Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsibility
			fleet					
10.To ensure an adequate skilled and competent human resource capacity for realisation of the municipal mandate	<b>Skills Development</b>	Review and implementation of WSP	Reviewed WSP adopted by the council	Training needs analysis	Skills Audit Questioner	Implementation of WSP	Submission of WSP	Corporate services
11. Wellness Program	<b>Health &amp; Safety</b>	Development and implementation of an intergraded wellness program	An approved and resourced integrated wellness program	Development of concept document	Consult with unions	Agree on quick wins e.g.: wellness day supports by medical aids	Implementation of identified priority wellness program	Corporate Services

"SUSTAINABILITY THROUGH UNITS"





#### 7.4. Integrated Planning and Economic Development

##### 7.4.1. Five-year Priorities

- Integrated development Planning
- Land Use Management
- Human Settlements
- Tourism
- Local Economic Development

Local Strategic Objective For 2018/19 Financial Year	Key Intervention Area	Strategy To Achieve The Objective	Key Performance Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsibility
To ensure compliant integrated planning, implementation and monitoring commensurate to the development needs of communities by 2018/2019 and beyond	<b>Integrated development planning, implementation and Monitoring and Evaluation</b>	Development and review of a credible Integrated Development Plan	Credible IDP adopted by Council by May 2019	Adopted IDP process 2019/2020 by Council	IDP situational analysis 2019/2020	Adopted Draft IDP 2019/2020 by Council	Credible 2019/2020 IDP adopted by Council	IPED DIRECTOR
		Development, implementation, monitoring and reporting of SDBIP	Credible SDBIP approved by Mayor per MFMA	N/A	N/A	Draft 2019/2020 SDBIP adopted by council	Credible 2019/2020 SDBIP approved by Mayor per MFMA	

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Local Strategic Objective For 2018/19 Financial Year	Key Intervention Area	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsibility
To ensure radical local economic transformation through support of local business within the confines of applicable legislation by 2022 and beyond.	<b>Land Use Management</b>	Formalization of all informal settlement (Elliot and Cala)	Number of formalised erven	Procurement processes – Appointment of Conveyancer's	Formalised erven – 20	Formalise d erven – 20	Formalise d erven – 20 and final SG Approval	IPED DIRECTOR
		Conduct Municipal Land Audit	Municipal Land Audit	Development of TOR's and Procurement processes	Draft Report on Elliot Land Audit	Draft Report on Cala Audit	Finalised and Approved Municipal Land Audit by Council	IPED DIRECTOR
		Compliance of building standards and regulations	Turnaround time for approval building plans	Approval of plans within 60 days of receipt	Approval of plans within 60days of receipt	Approval of plans within 60 days of receipt	Approval of plans within 60 days of receipt	IPED DIRECTOR
			Number of building inspections	100% of approved building plans	100% of approved building	100% of approved	100% of approved	

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Local Strategic Objective For 2018/19 Financial Year	Key Intervention Area	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsibility
			conducted by 2022		plans	building plans	building plans	

Local Strategic Objective For 2018/19 Financial Year	Key Intervention Area	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsibility
	<b>Human Settlements</b>	Review and Implementation of Housing Sector Plan	A reviewed Housing Sector Plan (Middle Income Housing)	Development of TOR's and Procurement processes	Situational Analysis Report to MM	Draft Sector Plan submitted to Council	Final Housing Sector Plan adopted by Council	IPED DIRECTOR
			Number of programmes implemented as per the Housing Sector Plan	1	1	1	1	

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Local Strategic Objective For 2018/19 Financial Year	Key Intervention Area	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI) Linked to The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsibility
Ensure promotion of Local Economic Development in Sakhisizwe by 2022	Tourism	Review and Implementation of Tourism Sector Plan	A reviewed Tourism Sector Plan	Development of TOR's and Procurement processes	Situational Analysis Report to MM	Draft Sector Plan submitted to Council	Final Tourism Sector Plan adopted by Council	IPED DIRECTOR
			Number of programmes implemented as per plan (Revitalisation of Thompson Dam and beautification of towns)	Status on the report on the Revitalisation of the Thompson Dam from CHDM	1 Beautification project - Phase 1	1 Beautification project - Phase 2	1 Beautification project - Completed	
	LED	Review and Implementation of LED Strategy	A reviewed LED Strategy	Development of TOR's and Procurement	Situational Analysis Report to MM	Draft Sector Plan submitted	Final LED Sector Plan adopted	IPED DIRECTOR

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Local Strategic Objective For 2018/19 Financial Year	Key Intervention Area	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsibility
				nt processes		to Council	by Council	
			Number of programmes implemented as per plan (1*Shearing Shed and 1* Dipping Tank)	Development of TOR's and Procurement processes	Phase 1- Implementation of 1*Shearing Shed (Ward 9 and 1* Dipping Tank (Ward 7):	Phase 2- Implementation of 1*Shearing Shed (Ward 9 and 1* Dipping Tank (Ward 7):	Phase 3- Implementation of 1*Shearing Shed (Ward 9 and 1* Dipping Tank (Ward 7):	
			Capacitation of SMMEs and Cooperatives	Assessment Report on the needs analysis of the existing SMME's and Coops	5 SMME's and Corps capacitated/Trained	5 SMME's and Corps capacitated/Trained	5 SMME's and Corps capacitated/Trained	

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## 7.5. Technical Services

### 7.5.1. Five-year Priorities

- Roads Infrastructure
- Electricity

Local Strategic Objective For 2018/19 Financial Year	Key Intervention Area	Strategy To Achieve The Objective	Key Strategic Performance Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsibility	
To ensure an improved road network infrastructure within SLM and surroundings by 2022 and beyond	Roads	Re-gravelling of 12 km access roads	No of km re-gravelled	2 km	4 km	3 km	3 km	TECHNICAL DIRECTOR	
		Blading of 27km access road	No of km bladed	5km	7km	5km	10km	TECHNICAL DIRECTOR	
		Development of roads audit	Road audit developed	N/A	3WARDS	3WARDS	3WARDS	TECHNICAL DIRECTOR	
		Assessment of Plant Condition	Report on condition of Yellow Fleet	Submission of plant assessment report to Council					TECHNICAL DIRECTOR
		Recruitment of Plant Mechanic	Contracted Mechanic						TECHNICAL DIRECTOR

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Local Strategic Objective For 2018/19 Financial Year	Key Intervention Area	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI) linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsibility
To ensure efficient provision of reliable electrification to households and our communities by 2022 and beyond.	<b>Electricity</b>	Installation of street lights in Elliot and Cala Unit	Number of street lights installed by 30 June 2019.	Procurement processes	20	20	20	TECHNICAL DIRECTOR
		Maintenance of street lights Elliot Unit.	Number of street lights maintained by 30 June 2019	Procurement	10	15	15	TECHNICAL DIRECTOR
		Maintenance existing High Masts for both Units	Number of High Mast maintained	3	3	3	4	TECHNICAL DIRECTOR

## 7.6. Office of the Municipal Manager

### 7.6.1. Five-year Priorities

- Council Oversight
- Management Oversight
- Assurance Oversight
- Policy Development

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Local Objective (2018/19 Year)	Strategic For Financial Area	Key Intervention Area	Strategy To Achieve The Objective	Key Performance Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsible person
Effective and efficient council oversight function	Council Oversight	<ul style="list-style-type: none"> <li>Adherence to the Council-Calendar</li> <li>Strategic Manager to co-ordinate municipal events.</li> <li>Combined programmes of Councillors to be submitted to the Speaker's Office</li> <li>War room sittings to be incorporated in the municipal calendar</li> </ul>	<ul style="list-style-type: none"> <li>Number of council meetings coordinated by 2022</li> </ul>	1 Council meeting by the end of first quarter 2018/2019	1 Council meeting by the end of second quarter 2018/2019	1 Council meeting by the end of third quarter 2018/2019	1 Council meeting by the end of fourth quarter 2018/2019	MM	
			<ul style="list-style-type: none"> <li>Number of EXCO meetings coordinated by 2022</li> </ul>	1 EXCO meeting by the end of first quarter 2018/2019	1 EXCO meeting by the end of second quarter 2018/2019	1 EXCO meeting by the end of third quarter 2018/2019	1 EXCO meeting by the end of fourth quarter 2018/2019	Mayor	
<ul style="list-style-type: none"> <li>Number of STANCO meetings coordinated by 2022</li> </ul>			3 STANCO meeting by the end of first quarter 2018/2019	3 STANCO meeting by the end of second quarter 2018/2019	3 STANCO meeting by the end of third quarter 2018/2019	3 STANCO meeting by the end of fourth quarter 2018/2019	Mayor		
Consistent sitting and effective standing committees									

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Local Objective 2018/19 Year	Strategic For Financial	Key Intervention Area	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsible Person
Effective and efficient rules and ethics committee			<ul style="list-style-type: none"> <li>To revive, strengthen and ensure sittings of the rules and ethics committee</li> <li>To confirm establishment of Council Resolution</li> </ul>	<ul style="list-style-type: none"> <li>Number of Rules and Ethics Committee meetings by 2018/2019</li> </ul>	1 Rules and Ethics meeting by the end of first quarter 2018/2019	1 Rules and Ethics meeting by the end of second quarter 2018/2019	1 Rules and Ethics meeting by the end of third quarter 2018/2019	1 Rules and Ethics meeting by the end of fourth quarter 2018/2019	<b>SPEAKE R</b>
Effective and efficient council oversight function.		<b>Council Oversight</b>	<ul style="list-style-type: none"> <li>A permanent scribe (co-ordinator) be allocated to MPAC committee</li> <li>Adherence to Council Calendar</li> <li>Ms Tumana to be allocated as the committee scribe.</li> <li>MPAC must craft an annual plan to ensure coordinated sittings to be facilitated by secretary.</li> </ul>	<ul style="list-style-type: none"> <li>Number of MPAC meetings coordinated by 2022</li> </ul>	1 MPAC meeting by end of first quarter 2018/2019	1 MPAC meeting by end of second quarter 2018/2019	1 MPAC meeting by end of third quarter 2018/2019	1 MPAC meeting by end of fourth quarter 2018/2019	<b>MM</b>

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Local Objective 2018/19 Year	Strategic For Financial	Key Intervention Area	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI) Linked To The Strategy	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Responsible Person
Effective and efficient Management system		<b>Management Oversight</b>	<ul style="list-style-type: none"> <li>Adherence to Council Calendar</li> <li>PMS report, risk report and action plan should be standing items on management meetings.</li> <li>Council resolution implementation register.</li> </ul>	<ul style="list-style-type: none"> <li>Number of MANCO meetings coordinated by 2018/2019</li> </ul>	3 MANCO meetings by the end of first quarter 2018/2019	3 MANCO meetings by the end of second quarter 2018/2019	3 MANCO meetings by the end of third quarter 2018/2019	3 MANCO meetings by the end of fourth quarter 2018/2019	MM
Consistent sitting of audit committee		<b>Assurance Oversight</b>	<ul style="list-style-type: none"> <li>Council to consider recruitment of an additional member on improvement of financial state of municipality</li> </ul>	Number of Audit Committee meetings coordinated by 2018/2019.	Audit Committee meetings by the end of first quarter 2018/2019	Audit Committee meetings by the end of first quarter 2018/2019	Audit Committee meetings by the end of first quarter 2018/2019	Audit Committee meetings by the end of first quarter 2018/2019	MM
To ensure review and implementation of the municipal policies, strategies and plans		<b>Policy approval</b>	<ul style="list-style-type: none"> <li>MM's office policies, strategies and plans reviewed in fourth quarter</li> </ul>	Number of municipal Managers policies, strategies and plans approved by end 2018-2019				15 Policies to be reviewed by the end of fourth quarter 2018/2019	MM

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## POINT D WAY FORWARD

### Implementation of Resolutions

The Strategic Plan will inform the Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP), and Performance Scorecards of all departments and employees. These will be aligned to Local Government Key Performance Areas (KPA's) namely:

- Service Delivery and Infrastructure Development
- Local Economic Development
- Public Participation and Good Governance
- Institutional Development and Transformation
- Municipal Financial Viability

### Communication, Monitoring and Evaluation

The Office of the Municipal Manager will ensure that the 2018/19 Strategic Plan is communicated throughout the municipality. This Office will ensure that monitoring and evaluation of strategic objectives are undertaken. Councillors, management and employees shall be advised of the progress with the implementation of the Strategic Plan on a quarterly basis.

### Closing Remarks

The Honourable Speaker, Cllr Faku, thanked all participants for valuable and meaningful deliberations throughout the workshop. She highlighted, in particular, the attendance of the Constituents Office, Traditional Leadership, Youth Council and Trade Unions. She also thanked the Break the Chains Development Services facilitators for their professional approach and valuable input. Lastly she wished everyone a safe trip back home.







**CHAPTER 6: IMPLEMENTATION PLAN INTEGRATION & ALIGNMENT**

This section outlines how the municipality will ensure alignment and integration of sector plans, PMS, SDBIP, BUDGET and IDP implementation plan. It highlights existing plans and gaps for attention by relevant line functions.

**2.1 Sector Plans**

This IDP recognizes all existing sector plans and ensures that their implementation budgets, timelines and projects are in support of the reviewed development objectives.

**2.1.1 Integration and alignment with other spheres of government**

SPHERE	PROGRAMMES & GUIDELINES	SAKHISIZWE RESPONSES
National	Legislation & Policies	Process Plan recognizes the list that informs our IDP approach
	National Spatial Development Perspective	Resolved to revise its SDF to incorporate objectives of NSDP
	Millennium Development Goals	Have set target for water & sanitation backlogs - which must be facilitated with Chris Hani DM
	National Development Plan 2030	To integrate the priorities identified for our areas within the plan
	National LED Framework	Will utilize the framework as guide in its current process of formulating LED Strategy
	National framework for municipal turn around strategies 2009	Our approach in this IDP is informed by the suggested key points in the National Municipal Turn-around strategy. We shall develop our own in Sakhisizwe
	National KPAs	Incorporated and mainstreamed into adopted KPAs + form part of PMS
Province	Provincial Growth & Development Strategy	Have identified key strategic localized projects in response to the EC Provincial 24 PRIORITIES Have also taken into account the new priorities like Rural development which came after the April 2009 elections
	Provincial Spatial Development Framework	Have adopted the hierarchy principle in determination of nodal areas
Sector Departments	5 Year plans	Have acknowledged all key projects that are budgeted and confirmed for implementation in 2017/18 within Sakhisizwe areas. Formal letters of confirmation of commitments to be issued by Mayor as part of lobbying departments to act on their commitments - 2017/18 onwards
District	IDP Framework	Informs our Process Plan activity schedule
	CHDM plans	Integrate our priorities within the designed strategies for the district in its strategic plans (IDP, WSDP, LED, SDF etc)
	Water services Development Plan	Informed by our target priorities for meeting millennium goals - lobby DM to implement
	Disaster Management Plan	Informs our localized firefighting responses - work closely at operational level
	Occupational Health and Safety plan	Decided to use the DM plan to modify and customize for our application

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SPHERE	PROGRAMMES & GUIDELINES	SAKHISIZWE RESPONSES
	Waste Management Plan	Informs our localized refuse collection strategies - work closely at operational level
	LED Strategy	Key district commitments relating to the DM Economic summit to be reinforced by our revised LED strategy

### 2.1.2 Alignment of Sakhisizwe IDP with EC PDGS development targets

EC Provincial Growth and Development Strategy 2009 - 2014	Alignment of Sakhisizwe IDP with EC PDGS
To maintain an economic growth rate of between 5% and 8% per annum	Increase GDP by 10% by 2017-2018
- To halve the unemployment rate by 2022	Reduce unemployment by 20% by 2017 - 2018
- To reduce, by 60% and 80%, the number of households living below poverty line by 2022	Create at least 250 additional jobs by 2017 - 2018
- To reduce, by between 60% and 80%, the proportion of people from hunger by 2022	Support at least 2 cooperatives to support 20 beneficiaries by 2017 - 2018
- To establish food self-sufficiency in the province by 2017 - 2018	Support at least 5 families per annum with ploughing support (tractor time)
- To ensure universal primary education by 2022, with all children proceeding to the first exit point in a secondary school	Promote and support early childhood development
- To improve the literacy rate in the province by 50% by 2017 - 2018	Promote improvements in school enrolments
- To provide clean water to all in the province by 2017 -2018	To reduce the percentage of households without access to basic levels of water supply to within 10%
- To eliminate sanitation problems by 2017 - 2018	To reduce the percentage of households without access to basic levels of sanitation service to within 5% by June 2017 - 2018

### 2.1.3 Integration & Alignment of internal sector plans / policies

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**2.1.4 Cala town bulk water and sewer master plan**

Master Plan (as adopted by the Council in March 2012) for the upgrading of the water and sewer infrastructure in Cala Town has been commissioned by Sakhisizwe Municipality, Water Services Provider for the town.

The Water and Sewer Master plan for Cala was last updated in 2005. Since the 2005 update there have been a number of water and sewer infrastructure develops in town and in addition, Sakhisizwe has now formally taken over the water services provision function from Chris Hari DM, the Water Services Authority.

**2.1.5 Maintenance plan**

Sakhisizwe Local Municipality has implemented numerous projects in recent years to improve the local electricity supply to its municipal area and the users within the area. The municipality wishes not to have the newly built infrastructure go to waste and be left unmaintained (Master Plan as adopted by the Council March 2012).

The electrical department needs to be well equipped to perform the maintenance and hence needs the proper equipped staff to implement the plan.

- Outlay of infrastructure:
- MV Overhead/Underground Network
- LV Overhead/Underground Network
- LV Street Lighting
- LV High Mast Lighting
- Service Connections/ Meters

**2.1.6 Special Programmes**

The municipality has adopted a comprehensive special programme action plan which will be largely comprised of the following programmes.

ITEM	AMOUNT
Capacity Building SPU Co-ordinator	R30,000
Stationery and running Costs	R25,000
Women's Forum	R85,850
Elderly Forum	R116,500
Disability Forum	R70,750
Youth Council	R330,250
Mayor's Cup	R250,000
Special Programmes Strategy	R200,000
Children Advisory Forum	R30,000
<b>TOTAL</b>	<b>R1,038,100</b>





### 3.4 Legal context for municipal PMS

The municipal systems act 32 of 2000 calls for all municipalities to establish and implement performance management systems. In its chapter six, the act prescribes for all municipalities to:

- develop a performance management system
- set targets, monitor and review performance based on indicators linked to their integrated development plan (IDP)
- publish an annual report on performance for the councillors, staff, the public and other spheres of government
- incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government
- conduct an internal audit on performance before tabling the report.
- have their annual performance report audited by the Auditor-General
- involve the community in setting indicators and targets and reviewing municipal performance

In August 2001 regulations on municipal planning and performance management were published by Department of Provincial and Local Government (DPLG) to further explain the requirements of the act.

The regulations provide minimum requirements for a municipal performance management system and prescribe a set of seven national key performance indicators that must be measured and reported to national government by all municipalities annually. According to the regulations a municipal PMS must ensure that it:

- complies with all the requirements set out in the Municipal Systems Act;
- demonstrates how it is to operate and be managed from the planning stage up to the stages of performance and reporting;
- clarifies the roles and responsibilities of each role-player, including the local community, in the functioning of the system;
- clarifies the processes of implementing the system within the framework of the integrated development planning process;
- determines the frequency of reporting and the lines of accountability for performance;
- relates to the municipality's employee performance management processes;
- provides for the procedure by which the system is linked to the municipality's integrated development planning processes;

The regulations also prescribe that municipalities must monitor their performance and report on these national indicators (in addition to their local level indicators):

- a) the percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- b) the percentage of households earning less than R1100 per month with access to free basic services;
- c) the percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan;
- d) the number of jobs created through municipality's local economic development initiatives including capital projects
- e) the number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;
- f) the percentage of a municipality's budget actually spent on implementing its workplace skills plan; and
- g) financial viability as expressed by the following ratios:

(i) 
$$A = \frac{B - C}{D}$$

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Where - "A" represents debt coverage  
 "B" represents total operating revenue received  
 "C" represents operating grants  
 "D" represents debt service payments (i.e. interest plus redemption) due within the financial year;

$$(ii) \quad A = \frac{B}{C}$$

Where - "A" represents outstanding service debtors to revenue  
 "B" represents total outstanding service debtors  
 "C" represents annual revenue actually received for services;

$$(iii) \quad A = \frac{B + C}{D}$$

Where - "A" represents cost coverage  
 "B" represents all available cash at a particular time  
 "C" represents investments  
 "D" represents monthly fixed operating expenditure.

In terms of section 53 of the Municipal Finance Management Act (MFMA) 2003, the mayor of a municipality must take reasonable steps to ensure that the annual performance agreements of the municipal manager and all senior managers are linked to the measurable performance objectives approved with the budget and to the service delivery and budget implementation plan; and are concluded in accordance with section 57(2) of the Municipal Systems Act.

Coupled with the MSA: 2000, the MFMA: 2003 provide for the development of a mid-term budget and performance assessment of the municipality. The development of the mid-year budget and performance assessment report should give an indication on the progress made by the municipality for the past six months. The MFMA requires that the accounting officer of the municipality take into account the performance of the municipality against the performance expectations set by senior managers and their departments.

The legislative framework referred to above provides a solid case for the implementation of Sakhisizwe performance management systems in local municipalities.

### 3.5 Other benefits for establishing PMS

For Sakhisizwe LM, the rationale for establishing PMS goes much deeper than the mere partial fulfilment of the legislative requirements. The following are other benefits for implementing a PMS.

#### 3.5.1 Increased accountability

The performance management system should aim to provide a mechanism for ensuring increased accountability between:

- The residents of the Sakhisizwe Local and the municipal council,
- The political and administrative components of the municipality,
- Each department and the executive office.

#### 3.5.2 Learning and improvement

While ensuring that accountability is maximised, the performance management system must also provide a mechanism for learning and improvement. It should allow for the municipality to know which approaches are having the desired impact, and enable the municipality to improve delivery. It should form the basis for monitoring, evaluating and improving the Integrated Development Plan.

#### 3.5.3 Early warning signals

The performance management system should provide Managers, the Municipal Manager, Standing Committees and the Executive Committee with early warning of non-performance of the full implementation of the Integrated Development Plan. It is important that the

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system ensures decision-makers are timeously informed of possible non-performance, so that they can facilitate pro-active intervention, if necessary.

#### 3.5.4 Effective decision-making

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

The functions listed above are not exhaustive, but summarise the intended benefits of the performance management system to be developed and implemented. These intended functions should be used to evaluate the performance management system periodically.

#### 3.6 Principles guiding PMS implementation

This policy provides for implementation of a comprehensive Sakhisizwe PMS based on the following set of guiding principles:

- ◊ UNIFORMITY - System must apply uniformly to all affected
- ◊ DEVELOPMENTAL - Must be developmental in nature, not punitive. Therefore, must focus on outcomes or development impact achievements rather than short term individual benefits like earning bonuses
- ◊ EQUITY OF RIGHT -Must balance organisational needs and employee rights
- ◊ PERFORMANCE CONTRACTS -Must provide for signing of performance contracts by section 57 managers
- ◊ PMS MODEL -Must identify suitable model commensurate with existing organisational capacity, constraints & LG legal context.
- ◊ EARLY WARNING -Must promote use as an early warning system
- ◊ TRANSPARENCY – Must provide for effective participation of affected parties in arriving at final targeted performance commitments (setting of targets to be discussed and agreed with those the people / units whose performance will be managed)
- ◊ DEMOCRATIC - Must provide for involvement of key stakeholders in the processes of PM planning, monitoring, review, reporting and auditing

#### 3.7 Institutional arrangements

##### 3.7.1 PMS Co-ordination

For purposes of coordinating PMS activities inside the municipality the policy provides for the delegation of authority to the corporate services manager to be the PMS coordinator. In terms of the envisaged role the PMS coordinator shall:

- ◊ Facilitate PMS communication
- ◊ Coordinate daily liaison
- ◊ Issue memos inviting inputs and reports from managers
- ◊ Facilitate implementation (monitoring & measurements of KPIs, reviews, report consolidation & submission, liaison with PMS audit committee etc)

##### 3.7.2 PMS Audit function

For purposes of meeting legal requirements for the appointment of an independent audit committee to audit PM reports, the policy provides for:

- ◊ Maintaining current status quo whereby the district PM Audit committee also audits reports of the local municipality via an agreement with the district
- ◊ Creation of internal audit function to look at municipal PM reports prior to them being forwarded to the audit committee
- ◊ The extension of the terms of reference of the current audit structure which currently audits financial statements only to also incorporate the task of auditing performance reports of the municipality
- ◊ Preparation and submission of PM reports to be audited at least twice a year. This will happen during the months of January and June of each year. In this instance the policy suggests that the second report be an annual report to prevent duplication.

##### 3.7.3 Public participation

For purposes of ensuring effective participation by all relevant stakeholders in the PM processes, the policy provides for the recognition and use of the same structures set for the IDP. In terms of this policy, public participation for the planning of PMS takes place during IDP formulation which must cater for the formulation of:

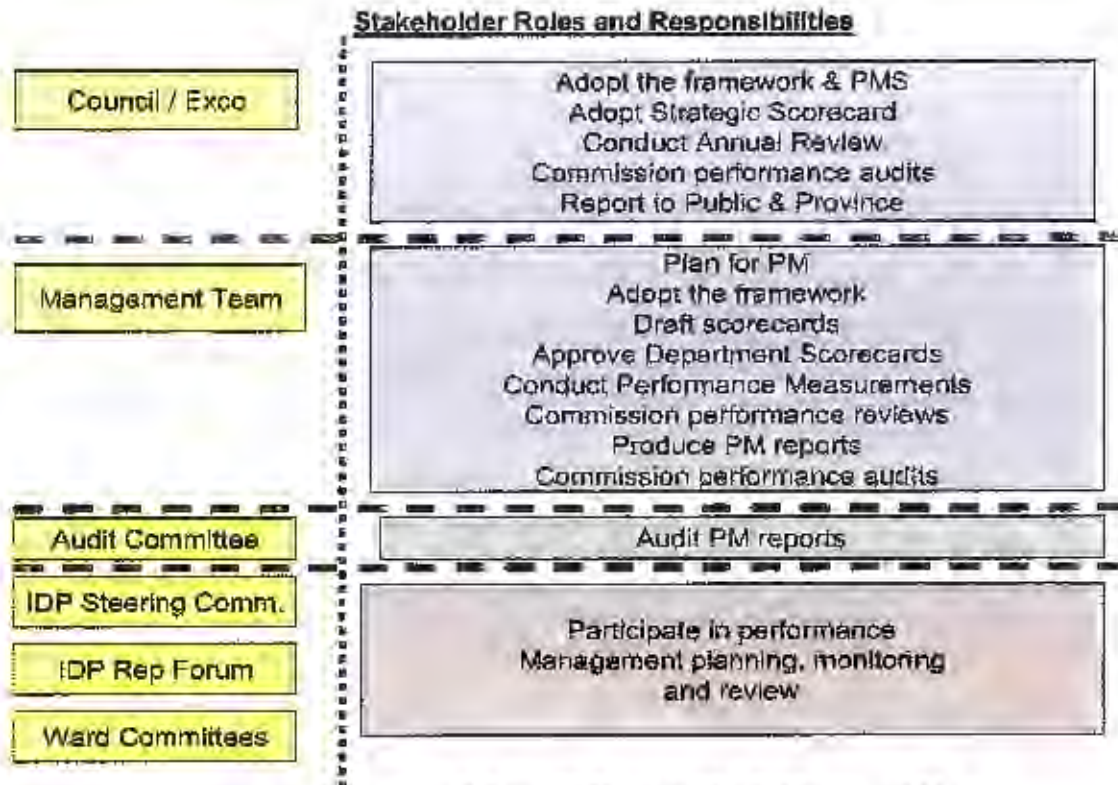
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- ◊ Key development priorities agreed for each year
- ◊ Development objectives
- ◊ Key development targets agreed

Therefore, IDP steering committee and Representative forums will serve as main key platforms for public and broader stakeholder participation.

### 3.7.4 Stakeholder Roles and Responsibilities

The following figure outlines the key roles and responsibilities to be discharged by the various role players in the process.



## 3.8 PMS model for Sakhisizwe LM

### 3.8.1 What is a model?

A model for performance management provides simplified mechanisms for understanding how better to organise and roll-out the various aspects of performance that should be measured, reported on and managed. It also provides a useful tool to predict and project future scenarios so that current decision-making could influence the desired future.

### 3.8.2 Why is a model important for PM?

Models have proved useful in performance management for the following reasons. They provide:

**Balance:** A good model will ensure balance in how the organisation measures and manages its performance. It should not bias performance measurement by relying on one facet of performance, but represent a multi-perspective holistic assessment of municipal performance.

**Simplicity:** A good model should organise simply, what would otherwise be a long list of indicators attempting to comprehensively cover performance, into a set of categories sufficiently covering all key areas of performance. Models differ most significantly in what they assert are the key aspects of performance.

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**Mapping of Inter-relationships:** A good model will map out the inter-relationships between different areas of performance. These inter-relationships relate to the extent to which poor performance in one category would lead to poor performance in other related areas and the converse. These inter-relationships help in both the planning stage and the review stage, particularly in the diagnosis of causes of poor performance.

**Alignment of resources to strategy:** A good model will align the processes of performance management to the Integrated Development Plan & budgeting processes of the organisation. It will ensure that the Integrated Development Plan is translated into performance plans that will be monitored and reviewed. The categories of key performance areas provided by a model should relate directly to the identified priority areas of the Integrated Development Plan.

International experience in both the private and public sectors has shown that traditional approaches to measuring performance that tends to be heavily reliant on financial measures are severely lacking. These approaches tended to over-emphasise financial efficiency over other equally important variables of performance measurement and thereby providing a skewed perspective of the organisation's performance, particularly for a municipal organisation.

However, with recent developments in performance measurement literature in both the public and private sector, it has become well accepted that in order to assess an organisation's performance, a balanced view is required, incorporating a multi-perspective assessment of how the organisation is performing as seen by differing categories of stakeholders.

### 3.8.3 The Municipal Scorecard model

In terms of this policy the municipal scorecard model is to be used as a preferred model for the municipality. This model provides a modified version of the balanced scorecard model which has been adapted to SA local government legislation environment. It is also based on four key perspectives outlined later in this section.

The choice of this model is based on the strengths that it is:

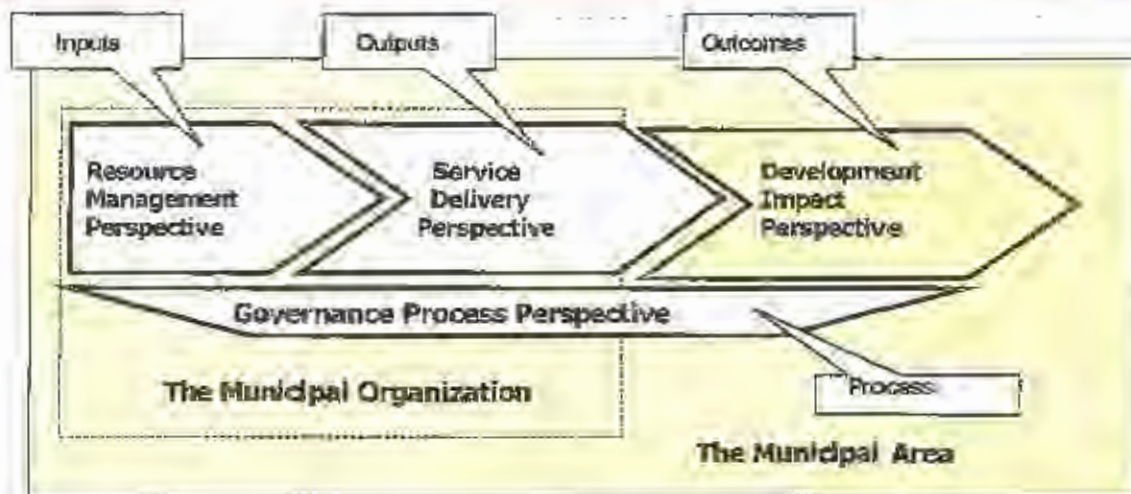
- Tightly aligned to the strategic planning (IDP) and Budget processes
- Directly relevant to the notions of developmental local government and co-operative governance
- Fits neatly with the envisaged legal process of managing performance in a municipal organisation in SA.
- A balanced view of performance based on inputs, outputs, outcomes and processes
- A simple portrayal of municipal performance, where inter-relationships can be mapped
- Has been adopted as the recommended model for municipalities by the South African Local Government Association (SALGA) because of its simplicity and relevance to local government environment.

The Municipal Scorecard is based on four key perspectives, outlined in the figure below:

#### Municipal Scorecard Model

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**The Development Impact Perspective:** In this perspective the municipality will need to assess whether the desired development impact in the municipal area is being achieved. This perspective will constitute the development priorities for the municipal area and indicators that tell us whether the desired development outcomes are being achieved. It will be difficult to isolate development outcomes for which the municipality is solely accountable. It is expected that the development priorities and indicators, will often lie within the shared accountability of the municipality, other spheres of government and civil society. The measurement of developmental outcomes in the municipal area will be useful in telling us whether our policies and strategies are having the desired development impact.

**The Service Delivery Perspective:** This perspective should tell us how a municipality is performing with respect to the delivery of services and products. This relates to the output of the municipality as a whole.

**The Resource Management Perspective:** This perspective should tell us how a municipality is performing with respect to the management of its resources:

- Budget & other financial Resources
- Human Resources
- Systems & Information
- Organisational Infrastructure (enabling equipment)

This relates to the inputs of the municipality as a whole.

**Governance Process Perspective:** This perspective should tell us how a municipality is performing with respect to its engagement and relationship with its stakeholders in the process of governance. This perspective should include, amongst others:

- Public participation
- Intergovernmental relations
- Customer care relations
- Citizen satisfaction
- Access to Information
- Communication strategies

This relates to the governance processes of the municipality as a whole.

#### DEFINITION OF CONCEPTS USED IN THE SCORECARDS

**Objectives:** are statements about what a service wants to achieve.

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**Indicators:** are measures that tell us whether we are making progress towards achieving our objectives.

**A baseline measure:** is the value of the indicator before the start of the programme or prior to the period over which performance is to be reviewed.

**A target:** is the value of the indicator that we want to achieve by a specified time.

**The measurement source and frequency:** should indicate where the data emanates from, and how frequently it can be measured and reported. This information will assist the auditing process.

These have been used as the basis of the plans for the strategic and service scorecards.

**CRITERIA ADOPTED TO GUIDE SELECTION OF SUITABLE INDICATORS**

**Focused and Specific:** Is the indicator selected clear, focused and not stated in an ambiguous way?

**Measurable:** Does the indicator have defined unit of measurement? Note that this unit must also be used in determining the target.

**Valid and Relevant:** Validity is the degree to which an indicator measures what it is intended to be measured. Is the indicator relevant to the objective of the performance being measured?

**Reliable:** Reliability is the degree to which repeated measures, under exactly the same conditions will produce the same result. How reliable is your indicator?

**Simple:** Good indicators will be simple, easy to communicate. A composite indicator would try to measure a series of performance dimensions at the same time, this may confuse. Where possible avoid using complex or composite indicators.

**Minimize perverse consequences:** Poorly chosen indicators, while they may have noble intentions, can have perverse consequences in the behaviours it incentives. Choose indicators that will incentives behaviour that is desired and not unintended results.

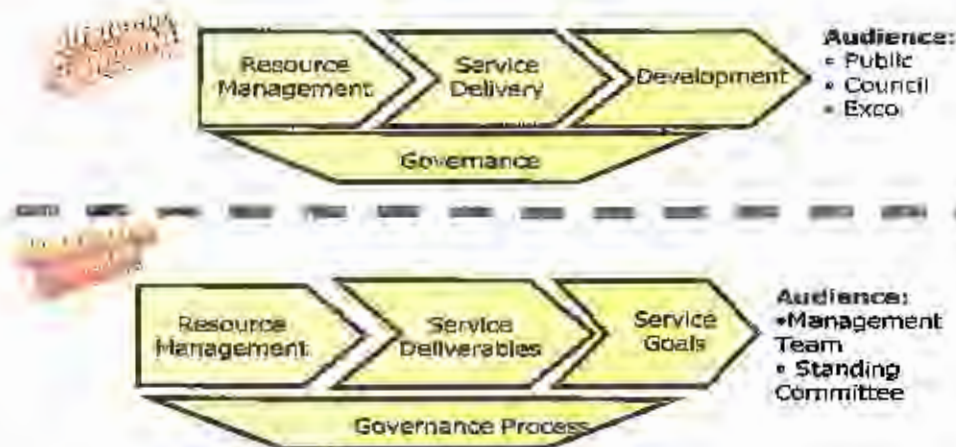
**Data Availability:** Good indicators will also rely on data that is, or intended to be, available on a regular basis. Be careful of choosing indicators that will not have data to be measured against.

**3.8.4 Levels of scorecards in a municipal scorecard model**

There are two levels of scorecards recommended in the municipal scorecard model. These include the strategic and the services outcome scorecards as depicted in the figure below.

Levels of scorecard example





**The Strategic Scorecard:** The strategic scorecard will provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. The Municipal Manager and Managers of Departments will use it after review as a basis for reporting to the Executive Committee, Council and the public. In terms of this policy this scorecard is to be reported to Executive Committee quarterly, to Council six-monthly and the public annually for review.

**Service Scorecards:** The service scorecards will capture the performance of each defined service (can be a directorate or department line-function). Unlike the strategic scorecard, which reflects on the strategic priorities of the municipality, a service scorecard will provide a comprehensive picture of the performance of that service. It will consist of objectives, indicators and targets derived from the service plan and service strategies. It will be crucial that service scorecards should not duplicate current reporting, but be integrated to form a core component and simplify all regular reporting from departments to the Municipal Manager and Standing Committees.

Service Scorecards will be comprised of the following components:

- Service Outcomes, which set out the developmental outcomes that the service is to impact on,
- Service Deliverables, which set out the products and services that the service will deliver,
- Resource Management, which sets out how the service will manage its Human and Financial resources, Information and Organisational Infrastructure
- Stakeholder Relations, which sets out how the service will improve its relationship with its key stakeholders

Performance in the form of a service scorecard will be reported to the Municipal Manager and relevant Standing Committee for review. The policy provides for the reporting in terms of this level of scorecard to be undertaken at least monthly. The policy assumes that the reporting on this level scorecard will be preceded by internal departmental reporting (reports from unit managers and supervisors to be consolidated by the head of departments) which is expected to happen more regularly than monthly intervals and would ideally inform the monthly management reports.

The policy suggests that municipal scorecard formats be designed to reinforce aggregation of information and alignment with service delivery budget and implementation plans (SDBIPs).

### 3.9 Monitoring and measurement of indicators

For each indicator the scorecard require a responsible official, usually the respective line manager, to be designated by name. While this official is not necessarily fully accountable

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for performance on this indicator, he/she has the responsibility for conducting measurements of that indicator, analyzing information and reporting results for reviews.

Analysis requires that line managers compare current performance with targets, past performance and possibly the performance of other municipalities, where data is available, to determine whether or not performance is poor. They should also analyse the reasons for performance levels and suggest corrective action where necessary.

Municipal-wide outcome indicators and satisfaction surveys may need to be co-ordinated centrally. It is recommendable that the PMS coordinator be tasked with this responsibility. An effort should also be made to undertake regular (annually) surveys in order to provide data for indicators organizationally and for the different service scorecards:

#### 4. Performance reporting and auditing

The following figure outlines the envisaged PM reporting processes and lines of authority.



**Performance reporting:** As indicated in the above diagram reporting will commence from the internal department (weekly and chaired by HoD) then cascade to management (receive monthly management reports and chaired by municipal manager), thereafter, a bi-monthly report will be tabled to EXCO by management. This report will move be consolidated with comments of EXCO into a quarterly report to be tabled to council. At least two six-monthly reports will be forwarded for auditing by the audit committee during January and June of each year.

At the end of the year, an annual performance report will be produced and summarized for public reporting by the mayor via Imbizos and by the manager to auditor general and PDLGH&TA.

**Quality Control:** All auditing should comply with Section 14 of the Municipal Planning and Performance Management Regulations (2001). Managers responsible for line functions should undertake quality control of the information gathered and presented in the scorecard.

**Co-ordination:** The performance management coordinator is required by the framework to co-ordinate and ensures good quality of reporting and reviews. It is his or her role to ensure conformity to reporting formats and check the reliability of reported information, where possible or when asked to do so by EXCO / council.

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**Performance Investigations:** This policy provides for the Executive Committee or Audit Committee when deemed necessary to can commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis. Performance investigations could cover assessment of:

- The reliability of reported information
- The extent of performance gaps from targets
- The reasons for performance gaps
- Corrective action and improvement strategies
- Validity of evidence material submitted in support of claims

While the internal audit function may be used to conduct these investigations, it is preferable that external service providers, preferably academic institutions/practitioners, who are experts in the area to be audited, should be used. Clear terms of reference will need to be adopted by the Executive Committee, should such a need for investigation arise

**Audit Committee:** As indicated earlier the municipality will make use of the district committee via a service level agreement. This facility will be complemented by the internal audit function which shall have been made by extending the current terms of reference for the existing audit committee currently responsible for financial statements to also cater for auditing of PM reports at least twice per annum.

#### 5 Performance reviews

Performance reviews must be conducted at various intervals and levels of authority in order to determine as to the progress made against committed performance targets. Every review session must be documented and evidence material filed in case it is called by senior level reviews or the audit committee. Prior to reviews taking place by the Management Team, Executive Committee and Council, performance reporting will need to be tracked and coordinated. The Performance Management coordinator is responsible for this process.

It will also be useful to provide an overall analysis of municipal performance with respect to the strategic scorecards and department scorecards, at least for quarterly and annual reviews. Such an analysis could pick up trends in performance over time and over all departments. It is proposed that the Performance Management Coordinator be responsible for this.

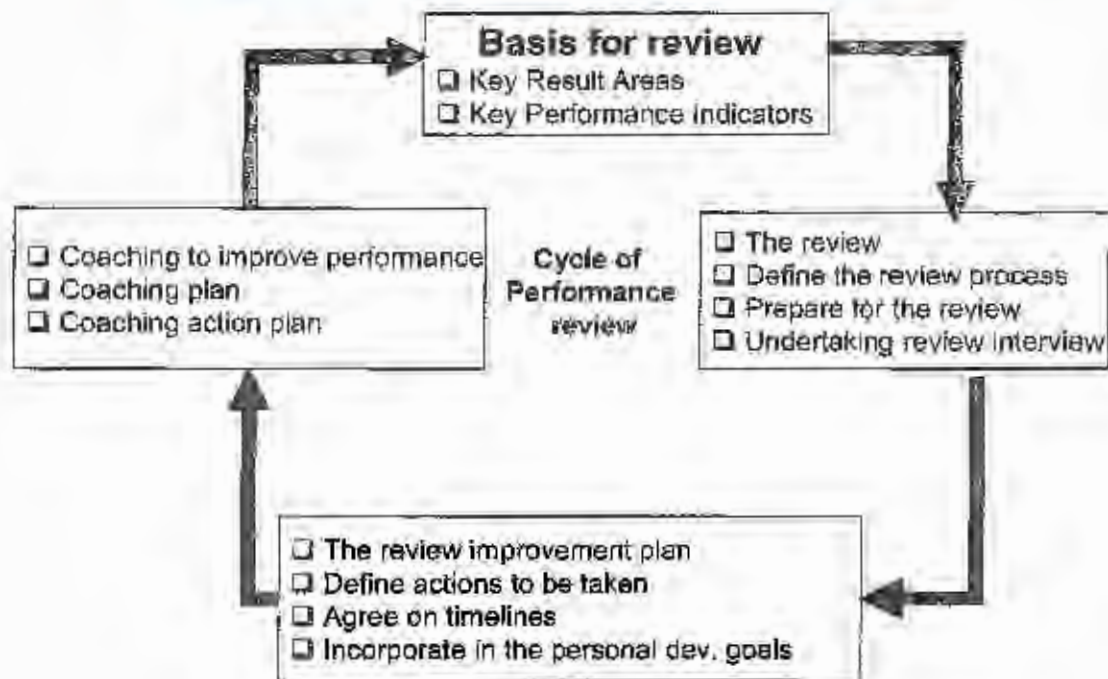
##### 5.1.1 How should reviews be conducted?

The following figure provides a guideline for setting-up a review process.

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## PROPOSED REVIEW PROCESS



The review process should involve the following guideline steps:

1. Prepare for the review
  - Set appointments and schedule interview sessions
  - Produce and circulate scorecard templates (FORMS)
  - Commission self-appraisals
2. Conduct review interviews
3. Discuss and agree on improvement plan
4. Feedback review outcomes to those concerned

During the review, the reviewing person / committee or structure must ensure the following things happen:

- ◊ Confirm what is expected of employee / department being reviewed
- ◊ Encourage those reviewed to feel comfortable and create conducive atmosphere for discussing issues frankly and fairly
- ◊ Fairly and equitably measure performance of individual / department.
- ◊ Agree on the final determination of performance achieved
- ◊ Identify strengths and areas of improvement
- ◊ Give feedback in terms of the reward/ recognition of good performance / excellence or the steps to be taken to address poor performance
- ◊ Align individual performance behaviour with organizational performance goals (IDP vision)
- ◊ Incorporate lessons of the previous year's performance into the following year's performance (Learning curve) by jointly developing a Performance Improvement Plan with the manager concerned
- ◊ Agree on a performance improvement plan

If the review session is to lead to the determination of salary progressions and bonuses in the case of individual management reviews, then the following rules should apply;

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- 1) Determination of final scores will be based on the scoring model which uses a rating scale of 1 – 5 combined with point system
- 2) The employee will be allowed during the review to provide evidence to his /her claims should this be necessary
- 3) An aggregate score should be determined after adding all KPA scores achieved in the review
- 4) The decision of the audit committee ON SCORES is final
- 5) A manager can only qualify for a bonus portion when he/ she has achieved a minimum of level 3 overall score
  - a. A score of 251 – 300 will qualify for 50% of bonus possible
  - b. A score of 301 – 350 will qualify for 60% of bonus possible
  - c. A score of 351 – 400 will qualify for 75% of bonus possible
  - d. A score of 401 – 450 will qualify for 90% of bonus possible
  - e. A score of 451 – 500 will qualify for 100% of bonus possible

### Combining points & rating on a scale with 5 levels

Points	Rating	Meaning
451-500	5	outstanding performance
351-450	4	commendable performance
251-350	3	satisfactory performance
151-250	2	marginal performance
0-150	1	unsatisfactory performance



## EXPLANATION OF LEVELS

- Level 5:** Outstanding performance: Performance far exceeds the standard expected of a member at this level. The incumbent has achieved exceptional results against all performance criteria agreed and has maintained this all year round.
- Level 4:** Performance significantly above expectations. Significantly higher than expected. Incumbent has achieved exceptional results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
- Level 3:** Fully effective. Performance fully meets the standard expected in all areas of the job. Incumbent has achieved results against all significant performance criteria and indicators and incumbent has achieved results significantly above expectation in one or two less significant areas.
- Level 2:** Performance is below standard required for the job in key areas (judge per weight etc). Incumbent has achieved adequate results against many key but not all others during the course of the year.
- Level 1:** Performance does not meet the standard expected for the job. The incumbent has not met one or more fundamental requirements and / or is achieved results that are below expectation in most result areas.



### 5.1.2 Suggested levels of reviews

**Section 56 Management Reviews:** It is intended that a review committee comprising of the municipal manager, a standing committee councilor of that department and an independent auditor who must be a member of the audit committee review their performance of a section 56 manager at least every second month, using his/her personal contract scorecard. Managers will be reviewed on their overall annual performance during the period 01 July and 30 July of every year to conclude the year ended 30 June and to determine salary progression moves and bonuses.

**Departmental Reviews:** It is intended that departments review their performance at least monthly, using their department scorecards and SDBIPs. Decision-makers should be immediately warned of any emerging failures to service delivery to ensure that they can intervene if necessary. It is important that departments use these reviews as a platform to reflect on their goals and programmes and whether these are being achieved. Minutes of these reviews should be forwarded to the performance management coordinator. Changes in indicators and targets may be proposed at this meeting but can only be approved by the relevant standing committee, in consultation with the Performance Management Coordinator.

**Management Team Reviews:** Departments have to report on their performance in the department scorecard format to the Municipal Manager and the Managers of departments every month. These reviews must also provide for section 56 managers to report on their individual scorecards to the municipal manager. In order to avoid duplication of reporting efforts the SDBIPs must also be reported at these platforms. Additional indicators that occur in the departmental scorecard & SDBIP should also be reviewed. The formulation of the process of review will be coordinated by the proposed performance management coordinator.

The Management Team will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, the Management Team can endorse these, for approval by the relevant standing Committee. The Management Team can delegate tasks to the performance management coordinator in developing an analysis of performance prior to Management Team reviews.

**Standing Committee Reviews:** Each Standing Committee is required to review the performance of their respective departments against their department scorecard every second month. The Standing Committee should appraise the performance targets. Where targets are not being met, the Standing Committee should ensure that the reasons for poor performance are satisfactory and sufficient, and the corrective strategies proposed are sufficient to address the reasons for poor performance. Changes in indicators and targets that do not appear in the strategic scorecard may be proposed to and can only be approved by the relevant Standing Committee, in consultation with the IDP manager and Performance Management Coordinator (Strategic Planning Manager). Changes in indicators and targets that fall within the strategic scorecard will need to be approved by the EXCO / Council.

**Executive Committee Reviews:** On a quarterly basis, the Executive Committee is tasked to engage in an intensive review of municipal performance against both the department scorecards and the strategic scorecard, as reported by the Municipal Manager. This must also incorporate reviews based on SDBIPs in order to avoid duplication of reporting processes.

Many of the indicators in the strategic scorecard will only be measurable on an annual basis. The quarterly reviews should thus culminate in a comprehensive annual review of performance in terms of both scorecards.

The review should reflect on the performance of services and the strategic scorecard. The Executive Committee will need to ensure that targets committed to in the strategic scorecard are being met, where they are not, that satisfactory and sufficient reasons are

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provided and that the corrective action being proposed is sufficient to address the reasons for poor performance.

The review should also focus on reviewing the systematic compliance to the performance management system, by departments, Standing Committees and the Municipal Manager.

**Incentives for Excellent Performance:** It is the intention of the PMS framework that the Executive Committee not only pay attention to poor performance but also to good performance. It is expected of the Executive Committee to acknowledge good performance, where departments have successfully met targets in their department scorecards.

**Council Reviews:** At least annually, the Executive Committee is required to report to Council on municipal performance. This reporting takes place using the strategic scorecard in an annual report. The Municipal Systems Act requires that the annual report should at least constitute a performance report (the strategic scorecard), financial statements and an audit report.

**Public Reviews:** The Municipal Systems Act requires the public to be given the opportunity to review municipal performance. Therefore in addition to the annual report mentioned above, user-friendly citizens' report is intended to be produced as part of our PMS for public consumption. The citizens' report has not yet been produced at our municipality but it is envisaged to be a simple, easily readable and attractive document that translates the strategic scorecard for public consumption.

It is envisaged also that a public campaign shall be annually embarked on to involve citizens in the review of municipal performance. Such a campaign could involve the following methodologies:

- ◊ Ward committees would be reported to (once systems are developed fully) and submit their review of the municipality to council. The performance management team should be used to summarize this input.
- ◊ Various forms of media including radio, newspapers and billboards would be used to convey the citizens' report. The public should be invited to submit comment via telephone, fax, email and public hearings to be held in a variety of locations.

The public reviews are planned to be concluded by a review by the Integrated Development Plan Representative Forum or Mayoral Imbizos.

### 5.1.3 Evaluation and improvement of the municipal PMS

The Municipal Systems Act requires the Sakhisizwe Local Municipality to annually evaluate its performance management system. At the end of the planning year cycle as part of the annual review of the municipality's IDP, the council must always evaluate:

- The adherence of the performance management system to the Municipal Systems Act.
- The fulfilment of the objectives for a performance management system captured earlier in this document.
- The adherence of the performance management system to the principles captured earlier in this and those subscribed to in terms of the Batho Pele white paper discussed under section 3 of this document.
- Opportunities for improvement and a proposed action plan for areas to be revised.

The process of implementing a performance management system in Sakhisizwe LM is viewed as a learning process, where we are continuously improving the way the system works to fulfil the objectives of the system and address the emerging challenges from a constantly changing environment.

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**DEVELOPMENT PROJECTS TO BE IMPLEMENTED 2017/2018 -2019/2020**

**5.1.4 Summary of capital projects to be implemented in 2017/2018**

Project Description	Funding	Sub-Total	Total
Ward 2 Sport field	MIG	R12,500,000	
Qokolo to Kopitjje Access Road Phase 3	MIG	R2,000,000	
Kuthule Access Road	MIG	R5,000,000	
Khowa Town Residential Roads	MIG	R2,000,000	
California Construction of Road & Stormwater	MIG	R5,000,000	
Manzana Access Road	MIG	R2,000,000	
<b>Total Capital Expenditure funded by MIG</b>			
INEP - Gubenxa & Maxongo	INEP	R2,000,000	
<b>Total Capital Expenditure funded by INEP</b>			
Office Furniture and Equipment	Own Funds	R200,000	
Computer Equipment	Own Funds	R150,000	
Landfill-sites	Own Funds	R1,000,000	
<b>Total Capital Expenditure funded by Own Funds</b>			<b>R1,350,000</b>
<b>TOTAL CAPITAL EXPENDITURE</b>			<b>R31,850,000</b>

Apart from capital road projects, the Sakhisizwe LM plans to perform the following road maintenance in wards:

Project Name	Ward	Comments
10km Access roads	1	Blading of roads
10km Access roads	2	Blading of roads
10km Access roads	3	Blading of roads
10km Access roads	4	Blading of roads
10km Access roads	5	Blading of roads
10km Access roads	6	Blading of roads
10km Access roads	7	Blading of roads
10km Access roads	8	Blading of roads
10km Access roads	9	Blading of roads





5.1.5 The 3-year capital projects to be funded by Chris Hani DM in Sakhisizwe LM (2016/17 up to 2019/20)

**Municipal Infrastructure Grant**

Project	17/18	18/19	19/20
Upgrading of the Khowa Waste Water Treatment Works	R 3,578,265	-	-
Cluster 4 waterbacklog(Wards 6,7,& 4)	-	R 2,908,889	-
Mihingwevu Water Supply Scheme	R 16,368,745	-	R 1,937,000
Upper Lufutha Interim Water Supply	R 5,166,980	R 12,117,825	-
Upper Lufutha Ext (Mbodlana) Interim Water Supply	R 5,000,000	-	-
<b>Total</b>	<b>R 30,113,990</b>	<b>R 15,026,714</b>	<b>R 1,937,000</b>

**Water Service Infrastructure Grant**

Project	17/18	18/19	19/20
Cluster 4 Water Backlog	-	-	R 14,000,000
Cluster 4 (Lower Langanci, Upper Indwana, Upper Mnxé) -Phase 2	R 96,000	R 8,316,046	R 450,000
Khowa: Polar Park Water Services - Phase 4	R6,000,000	R 1,500,000	-
Gubenxa and Maxongo's Hoek Interim Water Supply	-	R 5,000,000	R 7,500,000
Refurbishment of Cala Bulk Water	-	R 2,500,000	R 2,500,000
Water Conservation Management Khowa Old Location	-	R 2,500,000	R 2,500,000
<b>Total</b>	<b>R 6,096,000</b>	<b>R 19,816,046</b>	<b>R 26,950,000</b>

5.1.6 Department of Roads & Public Works

The Department of Roads and Public Works has committed to perform maintenance for 15km tarred surface and 689km gravel surface roads in Sakhisizwe LM. Roads camps will be based in Cala and Khowa.

The status of their In-house personnel at the road camps are as follows:

Section	Sub-Section	Worm Bodies	No per structure	No of vacancies
In-house Maintenance	Management	1	5	4
In-house Maintenance	Mechanical	0	2	2
In-house Maintenance	Gravel Team	11	24	13
In-house Maintenance	Surface Team	2	11	9
<b>TOTAL</b>		<b>14</b>	<b>42</b>	<b>28</b>
<b>Current Workforce Capacity</b>				<b>33%</b>

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**Caiz Camp**

Age	Rank	Warm Bodies	No structure per	No vacancies of
50	Snr Road Worker	4	19	15
55	General Worker			
37	General Worker			
31	General Worker			
<b>TOTAL</b>		<b>4</b>	<b>19</b>	<b>15</b>

**Khowa Camp**

Age	Rank	Warm Bodies	No structure per	No vacancies of
64	Foreman	10	23	13
54	Roads Foreman			
57	Snr Driver Operator			
57	Snr Driver Operator			
62	Snr Driver Operator			
58	Gen Work II			
41	Snr Roads Worker			
32	General Assistant			
48	Snr Roads Worker			
46	Artisan Production			
<b>TOTAL</b>		<b>10</b>	<b>23</b>	<b>13</b>

**EPWP PROJECTS FOR 2017/18**

Project Name	Beneficiaries	Budget	Comment
Household Programme	1 212	R10,168,256	12 Months
Overseers	37	R1,665,000	12 Months
APTCoD	9	R712,800	36 Months
NYS	8	R259,200	18 Months
Bailey Bridge	1	R3,241,070	
EPWP	285	R1,117,000	
<b>TOTAL</b>	<b>1 266</b>	<b>R17,161,326</b>	

**5.1.7 Department of Human Settlements**

The Department of Human Settlements has the following housing initiatives in Sakhisizwe LM:

Wards	Project Name	No of Units	Budget	Contractor	Status
1, 3 & 6	Cala Ward 4 (1,3&6) - 2662 (1393 units) rural	1 393	R 192,456,880	Mahiri	Turnkey contractor is on site
8 & 9	Cala Ward 2 (8&9) - 2693 (1409) rural	1 409	R 151,118,291	Quantum Leap	Turnkey contractor is on site
1, 3 & 6	Cala Ward 4 (1,3&6) - 2662 (1269 units) rural phase 2-CRO's	1 269	R 194,756,754	Mosegedi & Associates	CRO is recently contracted and to establish site
8 & 9	Cala Ward 2 (8&9) - 2693 (1284) rural phase 2-CRO's	1 284	R 216,764,446	Vukani Construction	CRO is busy with beneficiary Admin & site establishment

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### 5.1.8 Department of Agriculture and Agrarian Reform

The Department of Agriculture and Agrarian Reform has the following service delivery programmes in Sakhisizwe LM for 2017/18:

Programme	Admin Area	Ward	Allocated Budget	Deliverables
Land care	Imbumba	7,8,9	R394,500	Fencing, Gabion Structures, Production Inputs
	Xhalanga	3,4,5,6	R400,000	Fencing, Gabion Structures, Production Inputs
Siyazondla	9 Wards	1,2,3,4,5,6,7, 8,9	R225,000	Production inputs( Animal feed, seeds, seedlings, fertilizers)
Siyakhula	8 Wards	1,2,3,5,6,7,8,9 4 excluded it's in town, doesn't want to participate, no land	R3,660,800	Production inputs( Maize, seeds, fertilizers, chemicals)
Ministerial	Gubenxa Valley	1	R2,480,000	20ha fruit development
<b>TOTAL BUDGET</b>			<b>R7,160,300</b>	

#### Breakdown of budget per Ward:

##### Land care Programme

Ward	Programme	Project Name	Enterprise	Allocated Budget
3	Land care	Xhalanga		R400,000
8	Land care	Imbumba		R394,500
<b>TOTAL</b>				<b>R794,500</b>

##### Siyazondla Programme

Ward	Programme	Project Name	Enterprise	Allocated Budget
1	Siyazondla	6 Projects	Poultry, Pigs, Vegetables	R25,000
2	Siyazondla	6 Projects	Poultry, Pigs, Vegetables	R25,000
3	Siyazondla	6 Projects	Poultry, Pigs, Vegetables	R25,000
4	Siyazondla	6 Projects	Poultry, Pigs, Vegetables	R25,000
5	Siyazondla	6 Projects	Poultry, Pigs, Vegetables	R25,000
6	Siyazondla	6 Projects	Poultry, Pigs, Vegetables	R25,000
7	Siyazondla	6 Projects	Poultry, Pigs, Vegetables	R25,000
8	Siyazondla	6 Projects	Poultry, Pigs,	R25,000

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## SAKHISIZWE MUNICIPALITY MIG CAPITAL PROJECT 2018/2019:

MIS For ID	Project Name	Project Code	Y	B	Project Type	Total Project Cost	Registered MIG funds	Expected Expenditure as at 31 June 2017	Total planned expenditure as MIG for 2016/17	Total planned expenditure on MIG for 2017/18	Total planned expenditure on MIG for 2018/19
2657 06	R/EC/14157/17/18	Qokolo to Kopitjie Access Road Phase 3	Y	B	Roads	##### ##	R 14,139,728.40		R 2,600,000.00	R 2,000,000.00	R 1,608,950.00
253 327	R/EC/14012/18/18	Kuthule access Roads	Y	B	Roads	R 8,196,944.00	R 8,196,944.00		R 2,000,000.00	R 5,000,000.00	R 2,500,000.00
181 531	Awaits Project Administrator	Khowa Town Residential Roads	Y	B	Roads	##### ##	R 19,242,360.00		R 3,000,000.00	R 2,000,000.00	R 1,608,950.00
253 303	R/EC/14011/16/18	Carlifonia Constructi on of Stormwat er Infrastruct ure	Y	B	Roads	##### ##	R 20,492,360.00		R 2,000,000.00	R 5,000,000.00	R 4,000,000.00
	To Be registered	Refurbish ment of Gubenxe Communit	Y	B	Roads	R 0.00	R 0.00		R 2,000,000.00	R 2,000,000.00	R 2,300,000.00

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## SAKHISIZWE MUNICIPALITY MIS CAPITAL PROJECT 2018/2019:

MIS No.	Project Name	Project Title	IP Y	MP P	Project Type	Project Cost	Registered MIS Funds	Expected Expenditure	Total planned expenditure	Total planned	Total planned
		y Hall									
262 394	EC2016021	Constructi on of Ward 2 Sports field	y	P	Sport s				R 1,450,000.00	R 12,500,000 .00	R 4,000,000 .00
										R 28,500,000 .00	R 18,700,00 0.00
		PMU 5%								R 1,547,400. 00	R 964,100.0 0
									R 18,550,000.00	R 30,948,000 .00	R 19,282,00 0.00

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