



MUNICIPAL TURNAROUND STRATEGY (MTAS)

2023/24-2025/26

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1. INTRODUCTION

Local Government is a key part of the reconstruction and development effort in our country. The aims of democratizing our society and growing our economy inclusively can only be realized through a responsive, accountable, effective and efficient Local Government system that is part of a Developmental State. The establishment of a South African Developmental State is grounded in the vision of the State and Society working together at all levels to advance social justice, economic growth and development. Developmental Local Government is central to building the developmental state.

Twenty-three years into the new Local Government System there are worrying trends and signs that are undermining the progress and successes achieved thus far. The country faces a great development risk if Local Government fails.

In 2009 the Department of Cooperative Governance and Traditional Affairs (COGTA) commissioned the development of the Local Government Turnaround Strategy (LGTAS), which was approved by Cabinet in December 2009. The Local Government Turnaround Strategy was aimed at counteracting the forces that are undermining our Local Government System, underpinned by the following root causes:

- i. Systemic factors (linked to model of Local Government)
- ii. Policy and legislative factors
- iii. Political factors
- iv. Weaknesses in the accountability systems
- v. Capacity and skills constraints
- vi. Weak intergovernmental support and oversight
- vii. Issues associated with the inter-governmental fiscal system.

In 2010, the Department of Cooperative Governance and Traditional Affairs rolled out the development of turnaround strategies to Municipalities to strengthen the implementation of the objectives of LGTAS and to maximise the results across the Local Government Sphere. In 2019, King Sabata Dalindyebo Municipality approved its first Turnaround Strategy aimed at improving the lives of King Sabata Dalindyebo Residents and progressively meet their social, economic and material needs, thereby restoring community confidence and trust in government.

The validity of the Strategy has since lapsed and a second review was commissioned in 2022/23. This second review highlights some of the residual issues in terms of leadership and governance, financial management and general service delivery within King Sabata Dalindyebo Municipality and further strategize on how to resolve them.

The second review of the Turnaround Strategy presents a 1-year plan aligned to the Municipality's Integrated Development Plan, underpinned by the following fundamental pillars:

- i. Financial recovery
- ii. Service delivery
- iii. Good governance
- iv. Public participation

2. LEGISLATIVE FRAMEWORK

Local Government has several prescriptive statutes and guidelines that regulate the planning and execution within its space. This section provides the highlight of some of the overarching pieces of legislations applicable to the development of Municipal Turnaround Strategy

2.1 The White Paper on Local Government

In order to facilitate the transformation of local government, the Constitution of 1996 mandated national government to enact laws in order to facilitate the new municipal dispensation. With the publication of the White Paper on Local Government (March 1998), the focus on local government shifted from transition to transformation. Since the transformation of local government in 1998, numerous changes have taken place within local government. The new South African Local Government system, the constitutional and legal framework, established Municipalities to contribute towards building a developmental state. According to the White Paper on Local Government (1998:23), developmental local government is primarily "local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives. Municipalities would then be transformed to provide services that meet basic needs of the poor communities in the most affordable manner so as to ensure the maximum social development of an area.

2.2 The Constitution of the Republic of South Africa

In general, the Constitution of a country prescribes on the following amongst others:

- The method by which the various organs of government are to be organised
- The range or powers allocated to each organ of government; and
- The way in which these powers are to be exercised.

Section 2 of the Constitution of the Republic of South Africa of 1996 indicates that the South African Constitution is the supreme law of the Republic, to the extent that any law or conduct inconsistent with it is invalid and the duties imposed by it must be performed. Chapter 2 of the Constitution, which incorporates the Bill of Rights, has had the greatest influence on South Africans. The Bill of Rights is a cornerstone of democracy in South Africa. It enshrines the rights of all people in the country and affirms the democratic values of human dignity, equality and freedom. It is in the South African Constitution that the developmental role that was alluded in the White Paper on Local Government is given impetus. The Constitution obliges local government to take on a development role. It indicates in Section 151(1) that, the local sphere of government as a result, municipalities are obliged to ensure the following:

- Provide a democratic and accountable government for local communities and be responsive to the needs of the local community
- Encourage the involvement of communities and community organisations in the matters of local government
- Ensure the provision of services to communities in a sustainable manner
- Assign clear responsibilities for the management and co-ordination of these administrative tasks.
- Facilitate a culture of public service and accountability amongst its staff. Promote social and economic development and
- Promote a safe and healthy environment.

2.3. Local government Municipal Structures Act

The Local Government: Municipal Structures Act 117 of 1998 is part of a series of legislation which aims to empower local government to fulfil its Constitutional objectives as well as define the structures of local government. The Municipal Structures Act defines a municipality as the structures, political office bearers and administration of the municipality; a geographic area; and the community of the

municipality. In other words, a municipality consists of a municipal institution (political and administrative structures), and the people who live in the local area. In terms of Section 56 of the Municipal Structures Act 117 of 1998, certain duties and powers are placed on the leadership of King Sabata Dalindyebo Local Municipality to ensure that effective and efficient services are delivered to communities and municipal programs are arranged to accommodate local circumstances.

2.4 Local government Municipal Systems Act

The Local Government Municipal Systems Act 32 of 2000 defines how a municipality should provide municipal services to citizens. In terms of Section 731(c) of the Systems Act a municipality should ensure that all members of the local community have access to at least the minimum level of basic municipal services. The organisational structuring of local government is explicitly prescribed in the Municipal Systems Act 32 of 2000 and specifically in Section 51 thereof. Critically, chapter 5 of the Local Government Municipal Structures Act prescribes that all municipalities must prepare Integrated Development Plans (IDPs) to guide the development of their areas. The IDP is a critical strategic document for each municipality. Achievement of its objectives is key. The turnaround strategy is one of the tools that supplements the IDP.

2.5 The Local Government Municipal Finance Management Act

The Local Government Municipal Finance Management Act 56 of 2003 is another important piece of legislation in the development of Municipal Turnaround Strategies. The main purpose of this local government piece of legislation is to secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government and to enable proper and transparent financial management

3. CONTEXTUAL BACKGROUND

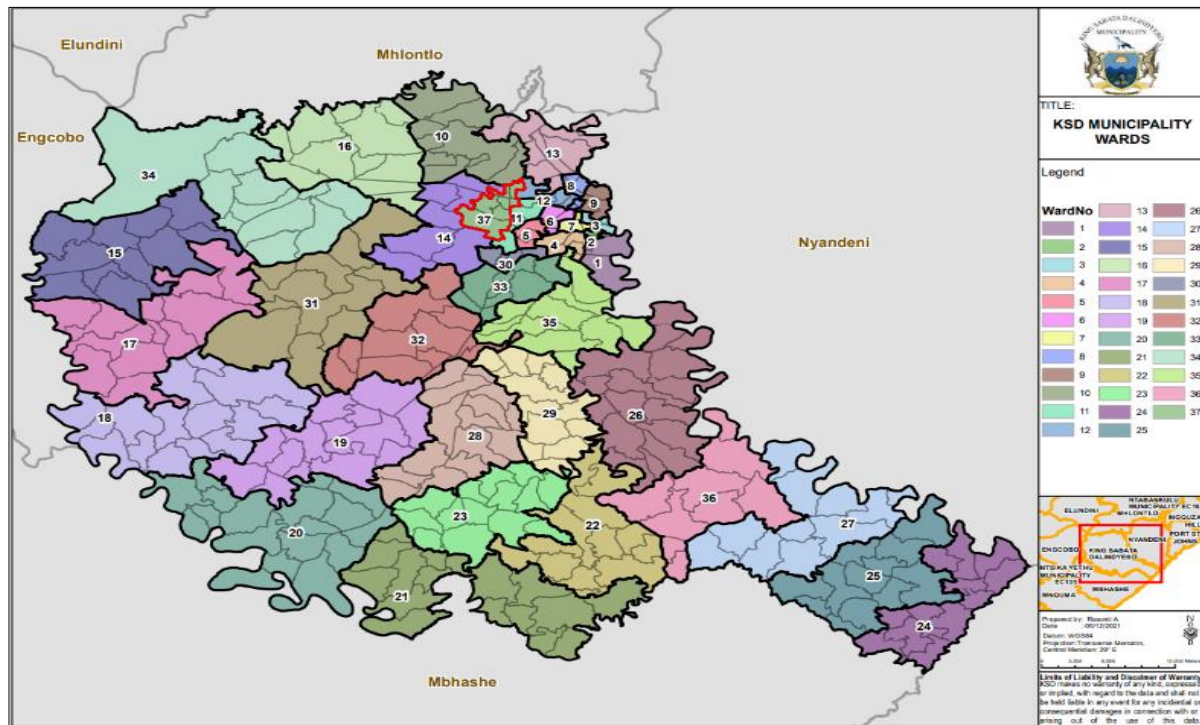
3.1 DEMOGRAPHIC AND SOCIO-ECONOMIC OVERVIEW

3.1.1 Spatial Overview

King Sabata Dalindyebo Municipality (KSDM) is one of the five (5) Local Municipalities located on the Southern portion of the O.R. Tambo District Municipality (ORTDM) in the Eastern Cape Province. The Municipality is considered to be the largest in terms of surface area of the five (5) Local Municipalities within the District, covering an area of approximately 302 700 Hectares or 3 027 Square Kilometres spread over 37 Wards. The Municipality is primarily rural and constitutes of two (2) formal urban conurbations of Mthatha and Mqanduli. It is composed of a range of settlement forms and land use namely, Urban areas, Rural settlements, Privately-owned Farms and Small Holdings. The Municipality is bordered by the following Local Municipalities:

- Nyandeni Local Municipality to the East
- Mhlontlo Local Municipality to the North
- Dr. AB Xuma Local Municipality to the West, and
- Mbhashe Local Municipality to the South

Map 1: KSD Locality



Source: Demarcation Board 2021

King Sabata Dalindyebo Municipality is home to two major (2) towns, Mthatha and Mqanduli in the inland area, which act as main centres for commerce and administrative functions. It has its main offices in Munitata building based in Mthatha servicing both Political and Administrative arms of the Municipality and Satellite offices in Mqanduli. It is also home to major tourism attraction nodes of Coffee Bay and Hole-in-the-Wall along the coastline. The N2 National Road, cuts traverse the town of Mthatha connecting to East London to the South and Kokstad within the KwaZulu Natal Province to the North. The R61 is also a major road which connects to the town of Libode in Nyandeni Local Municipality to the East and the town of Engcobo to the west. Along the coastline, the area of Mapuzi is regarded as an administrative area for Coffee Bay and Mqanduli. Other prominent settlements within the Municipality include Qunu, Bityi, Baziya and Viedgesville. These settlements gained prominence due to their commercial functional support.

The Municipality is connected to neighbouring Municipalities, towns and rural settlements. This is mainly due to the services offered by the town of Mthatha, which is a regional centre. The towns of the KSDM are linked to various towns in neighbouring Municipalities. The following primary and secondary transportation routes traverse through the King Sabata Dalindyebo Local Municipal area:

- N2 (Primary route)
- R61 (Secondary route) which connects the neighbouring town of Libode and Engcobo in the east-west direction
- R349 -Route branching from N2 to Mqanduli (Transport corridor) and further to the coastal node of Coffee Bay

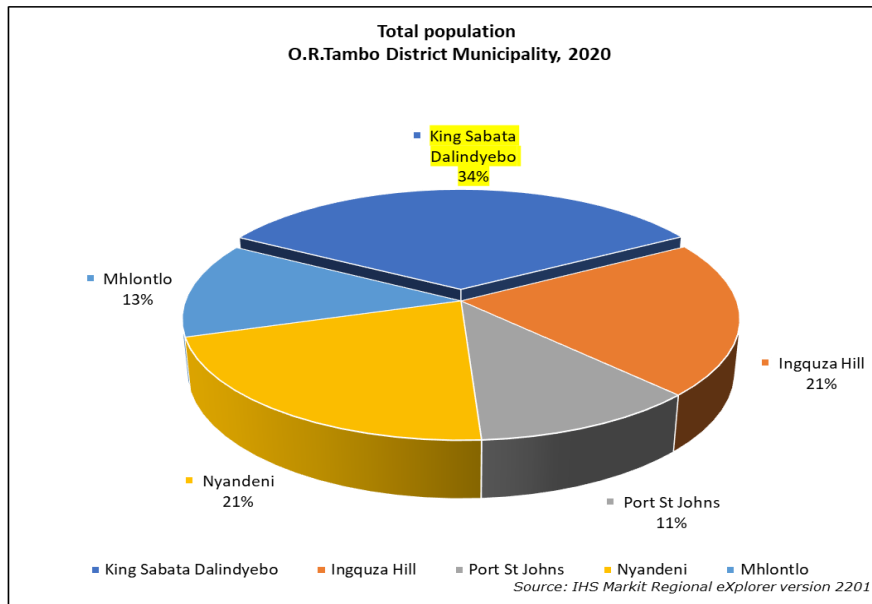
Other further linkages from Mthatha town include East London to the South and Kokstad and Durban to the north. The East London to Durban route is a prominent logistic network, for which Mthatha is located at a pivotal position along the route.

3.1.2 Demographic Overview

a. Population

The total population within the Municipality amounts to 520 000 people. King Sabata Dalindyebo Municipality has the largest population within the O.R. Tambo District Municipality, constituting 34% of the district's overall population. KSD Municipality is ranked the most populous Municipality (relative to its peers in terms of growth) with an average annual growth rate of 1.3% between 2008 and 2018.

Chart 1: O.R. Tambo District Municipality Population, 2020



b. Population by Population Group, Gender and Age

The largest population group within the Municipality is the Black African group, accounting for 99% of the total population. The smallest population group is the White group, accounting for less than 1% of the population distribution in the Municipality. The Black African population group has increased from 2011 to 2016, whilst other population groups indicated a decline in the number of people within the Municipality. This suggests possible outward migration of the Coloured, Asian and White population groups and possible inward migration for the Black African population.

King Sabata Dalindyebo Municipality's male/female split in population was 87.6 males per 100 females in 2019. The King Sabata Dalindyebo Municipality has significantly more females (53.32%) than males, when compared to a typical stable population. This is most probably an area with high male out migration to look for work elsewhere. In total there were 273 000 (53.32%) females and 239 000 (46.68%) males. This is different from the O. R. Tambo District Municipality where the female population counted 808 000 which constitutes 53.35% of the total population of 1.51 million. From the statistics it was also noted that from 2019-2020 there was a significantly larger share of young age working people between 20 and 34 (28.9%), compared to what is estimated in 2023 (26.7%). It is worth noting that the age category of young working age population will decrease over time with the fertility rate in 2023 is estimated to be slightly higher compared to that experienced in 2018.

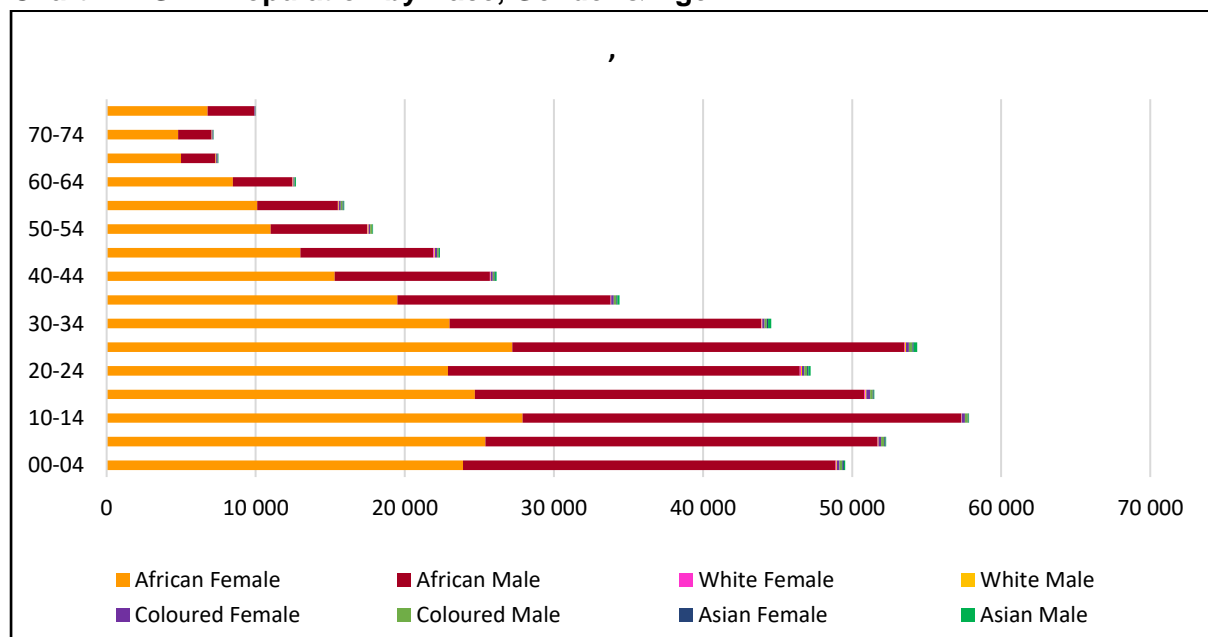
Therefore, there is a different population demographics with the children between the ages of 0 to 14 years projected at (29, 2) which will be significantly smaller in 2023 when compared to 2018 (31.6%). In 2020, the female population for the 20 to 34 years age group amounts to 15.5% of the total female population while the male population group for the same age amounts to 14.9% of the total male population. In 2025, the male working age population at 13.6% does not exceed that of the female population working age population at 14.1%, although both are at a lower level compared to 2020.

Table 1: KSDM Population by Race, Gender & Age

| | African | | White | | Coloured | | Asian | |
|--------------|----------------|----------------|------------|------------|--------------|--------------|------------|--------------|
| | Female | Male | Female | Male | Female | Male | Female | Male |
| 00-04 | 23,900 | 25,000 | 41 | 43 | 169 | 197 | 99 | 100 |
| 05-09 | 25,400 | 26,300 | 28 | 52 | 164 | 220 | 70 | 44 |
| 10-14 | 27,900 | 29,400 | 25 | 33 | 215 | 180 | 57 | 33 |
| 15-19 | 24,700 | 26,100 | 97 | 69 | 244 | 173 | 58 | 56 |
| 20-24 | 22,900 | 23,600 | 76 | 68 | 144 | 201 | 84 | 154 |
| 25-29 | 27,200 | 26,300 | 56 | 60 | 192 | 245 | 82 | 225 |
| 30-34 | 23,000 | 20,900 | 33 | 35 | 161 | 154 | 79 | 224 |
| 35-39 | 19,500 | 14,300 | 24 | 17 | 169 | 177 | 71 | 143 |
| 40-44 | 15,300 | 10,400 | 48 | 30 | 117 | 120 | 33 | 99 |
| 45-49 | 13,000 | 8,900 | 60 | 61 | 137 | 106 | 35 | 51 |
| 50-54 | 11,000 | 6,460 | 45 | 61 | 109 | 137 | 25 | 26 |
| 55-59 | 10,100 | 5,400 | 32 | 48 | 123 | 128 | 68 | 42 |
| 60-64 | 8,460 | 3,990 | 21 | 40 | 42 | 46 | 38 | 64 |
| 65-69 | 4,990 | 2,290 | 15 | 35 | 72 | 40 | 29 | 27 |
| 70-74 | 4,800 | 2,230 | 0 | 8 | 72 | 25 | 9 | 6 |
| 75+ | 6,770 | 3,120 | 10 | 6 | 48 | 22 | 4 | 0 |
| Total | 269,000 | 235,000 | 612 | 667 | 2,180 | 2,170 | 841 | 1,300 |

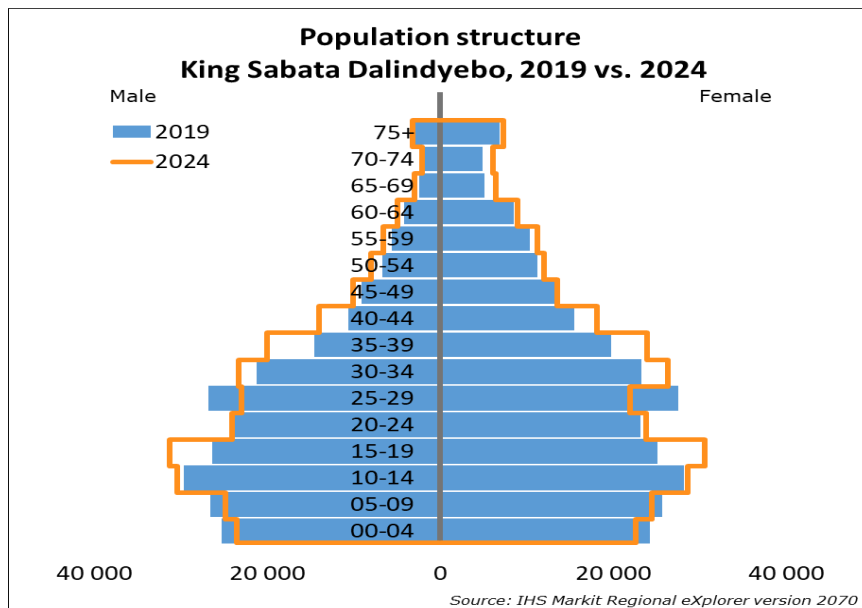
Source: IHS Markit Regional eXplorer version 2020

Chart 2: KSDM Population by Race, Gender & Age



Source: IHS Markit Regional eXplorer version 2020

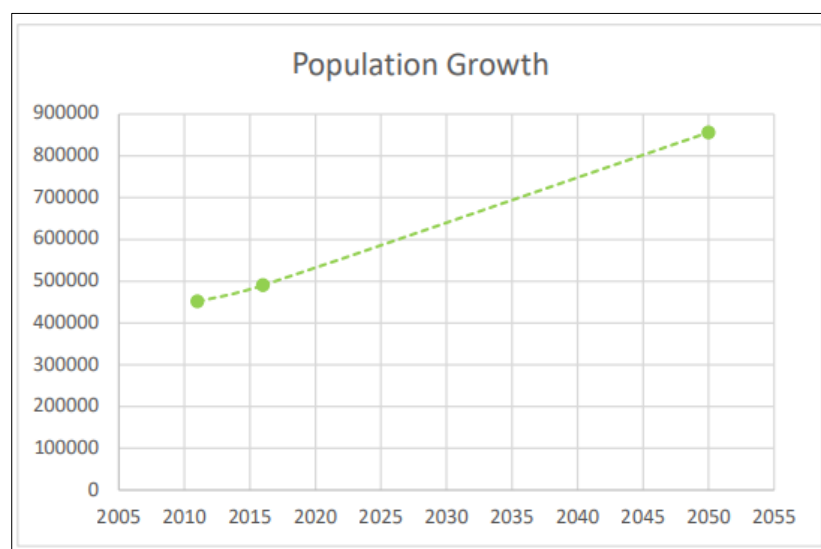
Chart 3: King Sabata Dalindyebo Population Structure



c. Growth Trends and Projections

Based on the data between 2011 and 2016, the Municipality has seen a growth in the Black African population and a decline in other racial groups over that period. The Municipality has also shown an increase of 38 494 people over 5 years. If we consider an annual growth rate of 1.58%, the projected population by 2050 is expected to be 856 217. This population needs to be catered for in terms of employment opportunities, schools, and social infrastructure.

Chart 4: Population Projection to 2050



d. Households

In 2020, the KSD Municipality comprised of 126 000 households. The total number of households within King Sabata Dalindyebo Municipality increased at an average annual rate of 1.23% from 2010 to 2020. A majority of households within KSD Municipality have a size of four (4) people per household, amounting to 73 369 people of the overall population. This is followed by households which have five (5) people. The number of people per household gradually decrease with the increasing household sizes. It must further be noted that there is a total of 30% of the population which lives in a household consisting of 7+ people.

3.1.3 Socio-Economic Overview

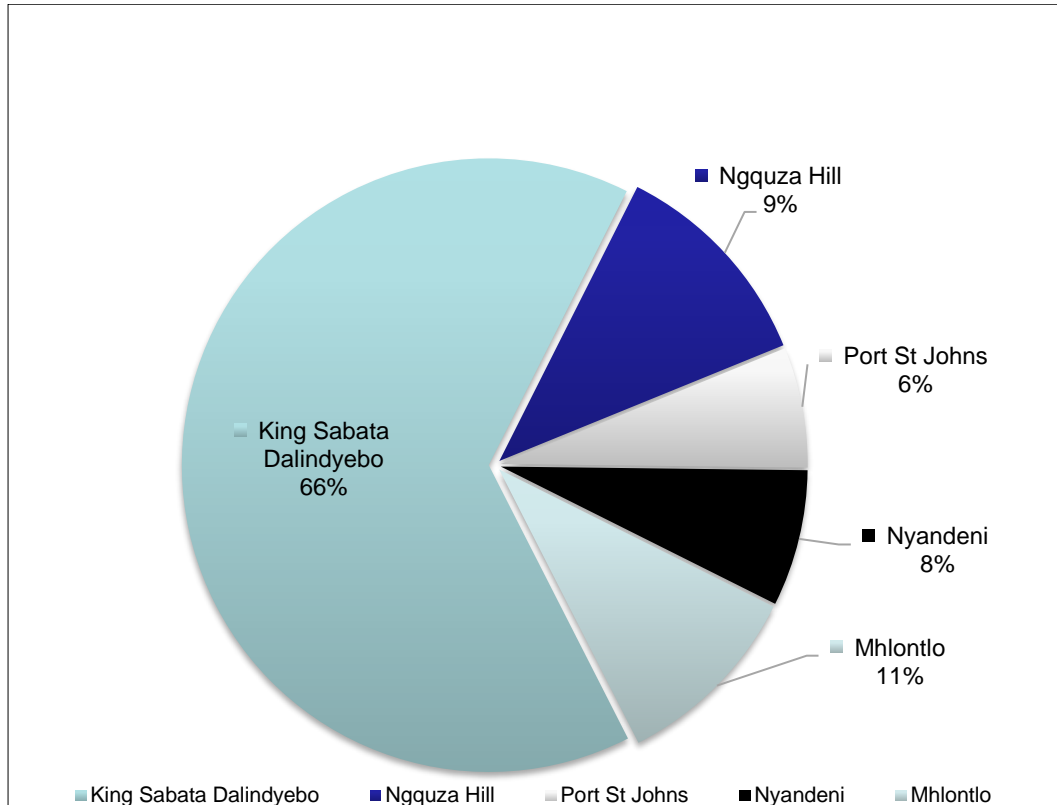
The KSD Municipality is characterised by a large rural population as compared to its urban population, yet the Municipality is highly dependent on the tertiary sector. This tertiary sector is leaning more towards Community Services than in skilled and advanced professions such as banking and finance as with the case with globally competitive economies. KSD's income base shows a variety of income streams where more than 50% of the income is generated within the Municipality through property tax, sale of services and municipal own income.

a. Gross Domestic Product

King Sabata Dalindyebo Municipality had a total Gross Domestic Product (GDP) of R 33 billion equivalent to 66%. In terms of total contribution towards O.R. Tambo District Municipality, the King Sabata Dalindyebo Municipality ranked highest relative to all the regional economies contributing to the O.R. Tambo District Municipality GDP. The KSDM contributes 7.12% to the GDP of Eastern Cape Province and 0.55% the GDP of South Africa which had a total GDP of R 4.87 trillion in 2018 (as measured in nominal or current prices).

Its contribution to the National economy stayed similar in importance from 2008 when it contributed 0.54% to South Africa, but it is lower than the peak of 0.58% in 2012. Just before the lockdown projections, it was anticipated that by 2023, KSD's forecasted GDP will be an estimated R17.6 billion (constant 2010 prices) or 66.0% of the total GDP of O.R. Tambo District Municipality.

Chart 5: KSDLM Economic Contribution to ORTDM GDP



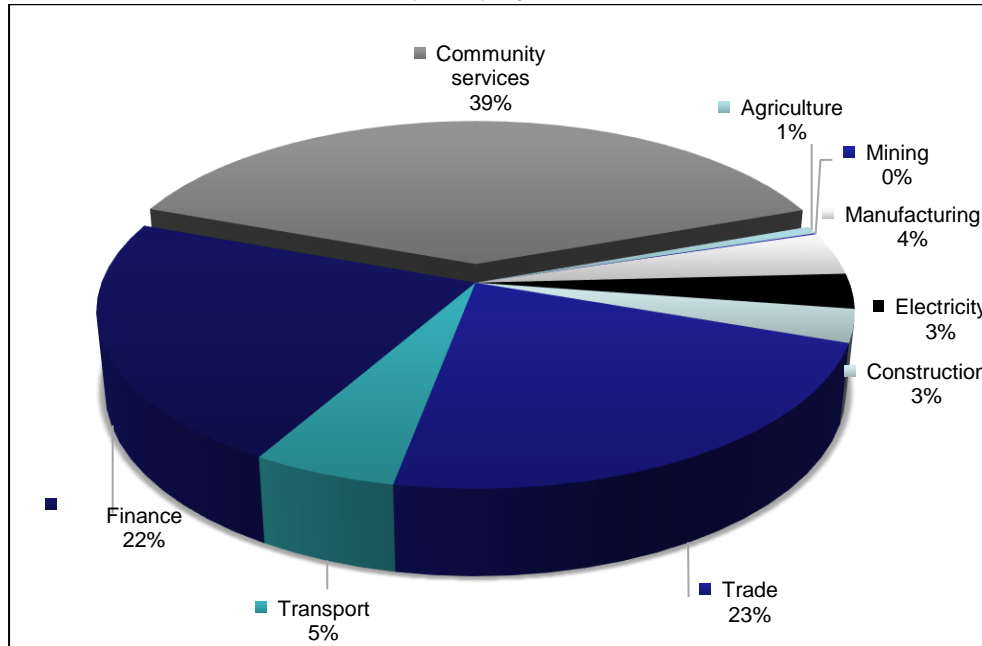
Source: IHS Markit Regional eXplorer version 2020

b. Gross Value Added

In terms of Gross Value Added (GVA), the Community Services Sector, which includes government services, is generally a large contributor towards Gross Value Added in King Sabata Dalindyebo. King Sabata Dalindyebo contributes the most Community Services towards its own GVA, with 62.24%, relative to the other regions within O.R. Tambo District Municipality. The sector that contributes the second most to the Gross Value Added (GVA) of the KSDM is the trade sector at 23%, followed by the finance sector with 22%. The sector that contributes the least to the economy of KSDM is the mining sector with a contribution of R 23.2 million or 0.09% of the total Gross Value Added.

The tertiary sector contributes the most to the Gross Value Added within the KSDM at 87.1%. This is significantly higher than the national economy (68.5%). The secondary sector contributed a total of 12.0% (ranking second), while the primary sector contributed the least at 0.9%. The labour force participation rate increased from 45.86% to 49.60% which is an increase of 3.7 percentage points.

Chart 6: Gross Value Added (GVA) by broad Economic Sector



Source: IHS Markit Regional eXplorer version 2020

c. Personal Income

KSDM had the highest total personal income with R 16 billion which increased from R 7.01 billion recorded in 2008. KSDM has a 0.9% share of the national population, 0.5% share of the total national income and a 0.6% share in the total national retail, this all equates to an IBP index value of 0.0055 relative to South Africa as a whole. O.R Tambo has an IBP of 0.012, where Eastern Cape Province has and IBP index value of 0.089 and South Africa a value of 1 relative to South Africa as a whole. The considerable low index of buying power of the KSD Municipality suggests that the Municipality has access to only a small percentage of the goods and services available in all of the O.R. Tambo District Municipality. Its residents are most likely spending some of their income in neighbouring areas.

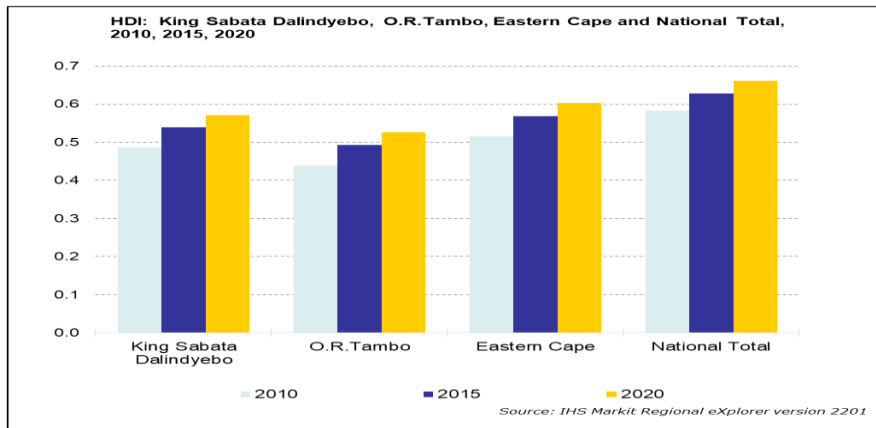
d. Population Density

In 2018, KSD Municipality had a population density of 168 per square kilometre and it ranked highest amongst its peers. In terms of growth, KSD Municipality had an average annual growth in its population density of 1.28% per square kilometre per annum and KSD is slightly below Ingquza Hill Local Municipality in terms of the population density. The population of KSD Municipality mainly made up of the youthful population with the life expectancy having improved over the years.

e. Human Development Index (HDI)

The Human Development Index for KSD is at 0.57 compared to the O.R. Tambo with a HDI of 0.526, 0.602 of Eastern Cape and 0.661 of National Total as a whole.

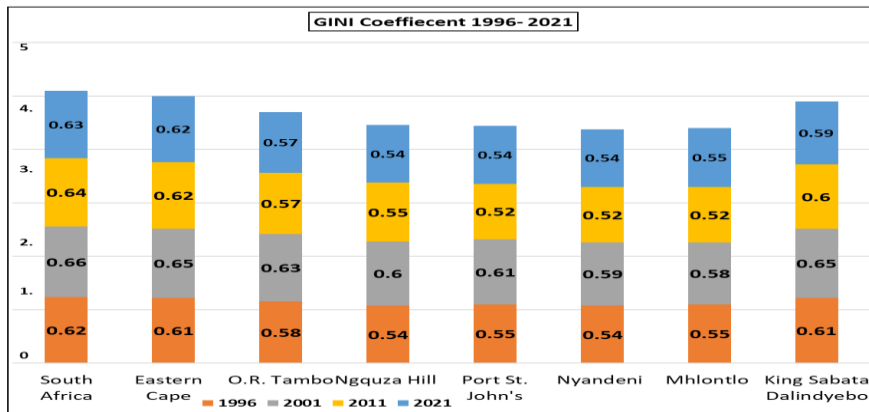
Chart 7: Human Development Index



f. GINI Coefficient

In terms of the Gini coefficient for each of the locals within the O.R. Tambo District Municipality, King Sabata Dalindyebo Municipality has the highest Gini coefficient, with an index value of 0.59 in 2021.

Chart 8: GINI Coefficient

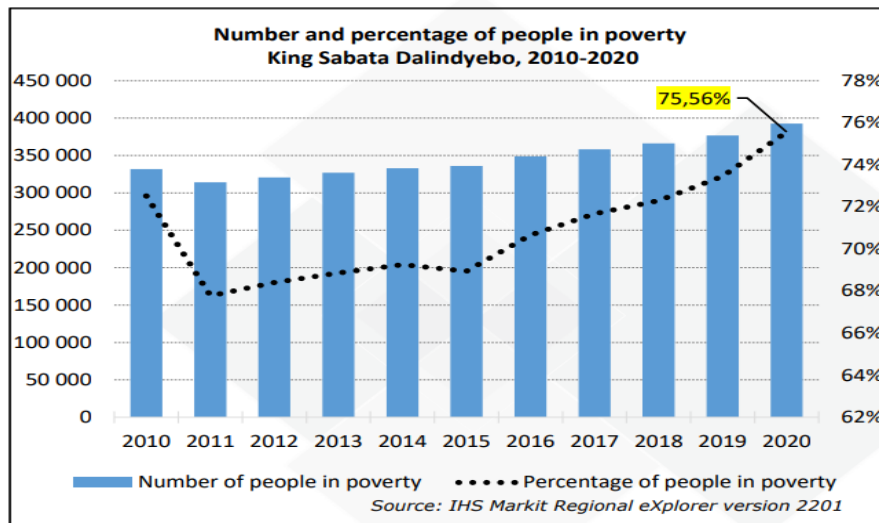


Source: IHS Markit Regional eXplorer version 2201

g. Poverty Rate

In terms of Poverty rate, in 2020, there were 393 000 people living in poverty, which is 18.35% higher than the 332 000 in 2010. The percentage of people living in poverty has increased from 72.52% in 2010 to 75.56% in 2020. The percentage of people living in poverty has increased from 72.52% in 2010 to 75.56% in 2020, which indicates an increase of 3.04 per-centage points.

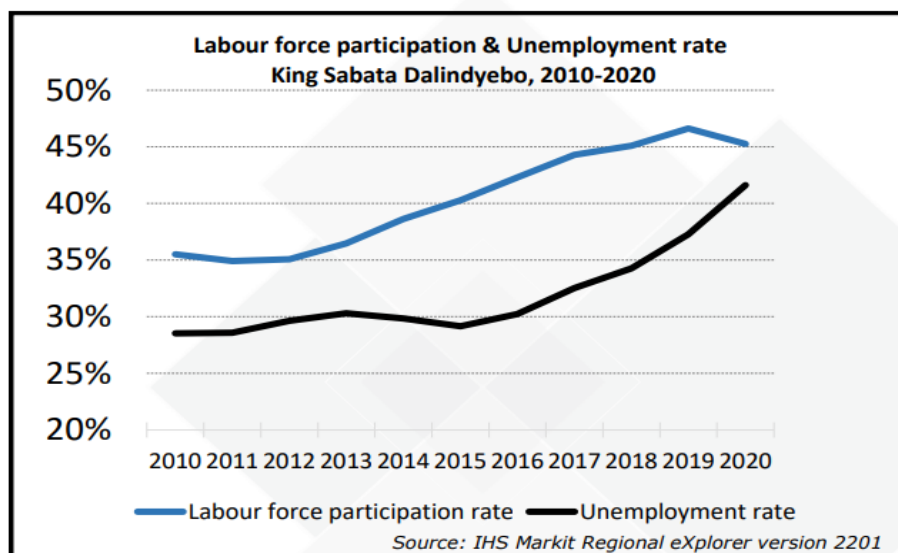
Chart 9: People living in Poverty



h. Labour force Participation and Unemployment Rate

In 2010, the unemployment rate for King Sabata Dalindyebo was 28.5% and increased overtime to 41.6% in 2020. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within King Sabata Dalindyebo Municipality.

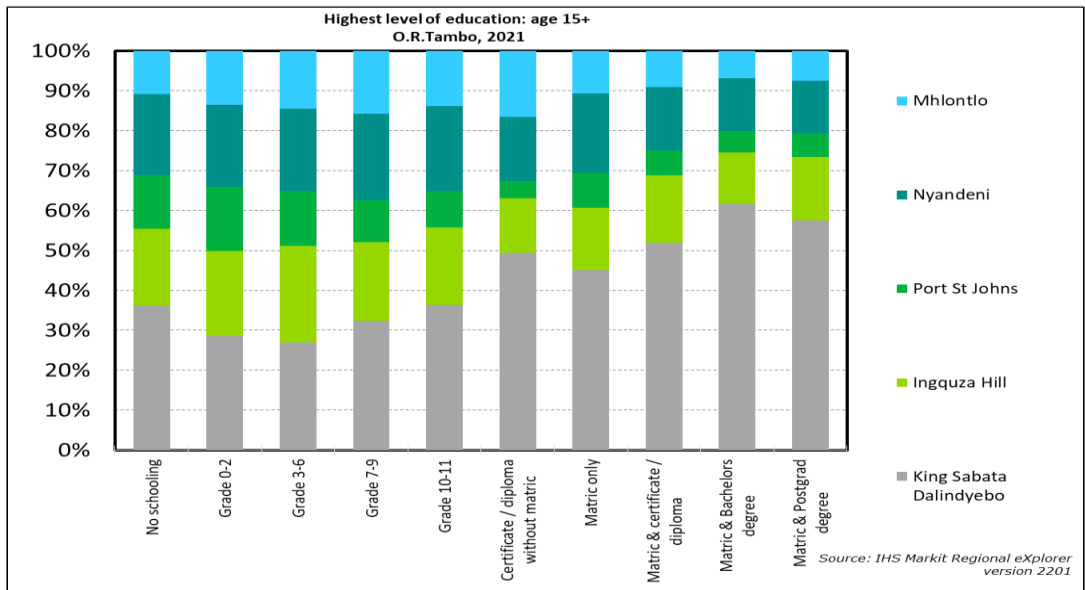
Chart 10: Labour force Participation and Unemployment Rate



i. Education Levels

In terms of education, compared with other Local Municipalities within O.R. Tambo, KSD has the highest % share of educated individuals in all educational levels as per the chart below (in grey).

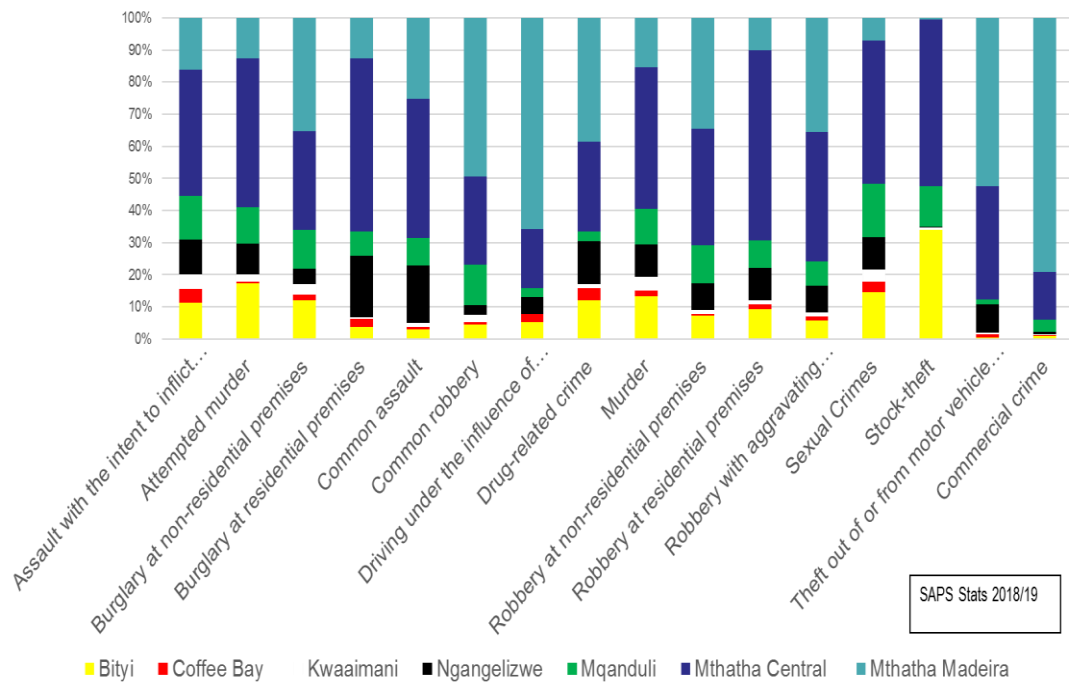
Chart 11: Education Levels



j. Crime Statistics

The rate of crime is a worrying factor in the Municipality, with a potential to undermine the development initiatives in the region. In 2022-23 financial year the Municipality had taken a decisive move to fight and uproot all forms of crime in the Municipal area through an extensive programme of reviewal and implementation of bylaws. The programme is informed and responding to the statistics below:

Chart 12: Crime Statistics - SAPS Stats 2018/19



3.2 SERVICE DELIVERY OVERVIEW

Drawing on the household infrastructure data of a region is of essential value in economic planning and social development. Assessing household infrastructure involves the measurement of five indicators:

- Access to housing
- Access to running water
- Access to proper sanitation
- Access to electricity
- Access to refuse removal

A household is considered 'serviced' if it has access to all five of these basic services. If not, the household is considered to be part of the backlog. The way access to a given service is defined (and how to accurately measure that specific Definition over time) gives rise to some problems in the Municipality.

a. Housing

There is a shortage of formal housing within KSD, especially in Mthatha, considering that the town is an economic regional hub. The Municipality has endorsed an extensive programme for the development of low-income housing for those with an income bracket between R0.00 and R3 500.00, this is seen through projects such as Maydene Farm Ext. 1317, New Brighton 131, Kei Rail 537, New Payne 300, New Payne 200, Ntshabeni 200, Mahlungulu 350, Willow 200, Zidindi 300. The mentioned above projects are being implemented with challenges of poor performance of service providers. The King Sabata Dalindyebo Municipality plans more projects in line with the approved Housing Sector Plan to more potential beneficiaries within the KSDLM to reduce the backlog on housing.

When looking at the formal dwelling unit backlog (number of households not living in a formal dwelling) over time, in 2010 the number of households not living in a formal dwelling were 48 800 within King Sabata Dalindyebo Local Municipality. From 2010 this number increased annually at 1.60% to 57 200 in 2020. The KSDM had noted a total of 46 315 housing backlogs in its Housing Sector Plan (HSP) for the year 2011-2016, with an estimate of 16 385 housing backlogs in urban areas and 44 677 backlogs in its rural areas.

The King Sabata Dalindyebo Municipality has been appointed by the Eastern Cape Department of Human Settlements for the implementation of Informal Settlements Upgrading with fund managers as Housing Development Agency. The municipality has focussed on implementation seven (7) ISUP on areas identified as follows: -

1. KwaTembula – 109 unit.
2. Khayelisha – 09 Units
3. Emakhaphetshwini – 11 Unit
4. KwaSgebenga – 145 Unit
5. KwaMadala -128 Units
6. Zone 14 – 883 Unit
7. Chris Hani- 3436 Unit

The Municipality has appointed consultants for the planning of Informal Settlements Upgrading Programme. There is currently a challenge of contracts non-payments by the fund manager which is Housing Developments Agency (HDA). The municipality is currently in progress of application to the Eastern Cape Department of Human Settlement for being fund manager.

The issue of land is a critical and sensitive one, as such, land usage is paramount to future development. If KSDM is to grow to be a Metro region, there should be firm policies guiding the development of land, to control and manage the trajectory of development. The issue of land claims has had a dire impact on the level of development within the KSD Municipality, particularly in Mthatha. For the Municipality to develop, the issue of land claims should be addressed in a sensitive manner to avoid conflict between the Municipality and the Citizens of the KSDM.

The matter of land claims is delaying housing delivery as two projects have come to a standstill, i.e., Kei Rail and New Brighton. The matter is currently being handled by the Legal section and the municipality is still awaiting the outcome of the judgement in May 2024. There are however precautionary measures that the Municipality is taking to prevent further land grabs such as serving contravention notices to the residents who have encroached onto Municipal land. Illegal land grabs and selling of Municipal land is being attended to and is closely monitored by the Municipal Properties section under Human Settlements and Planning Department.

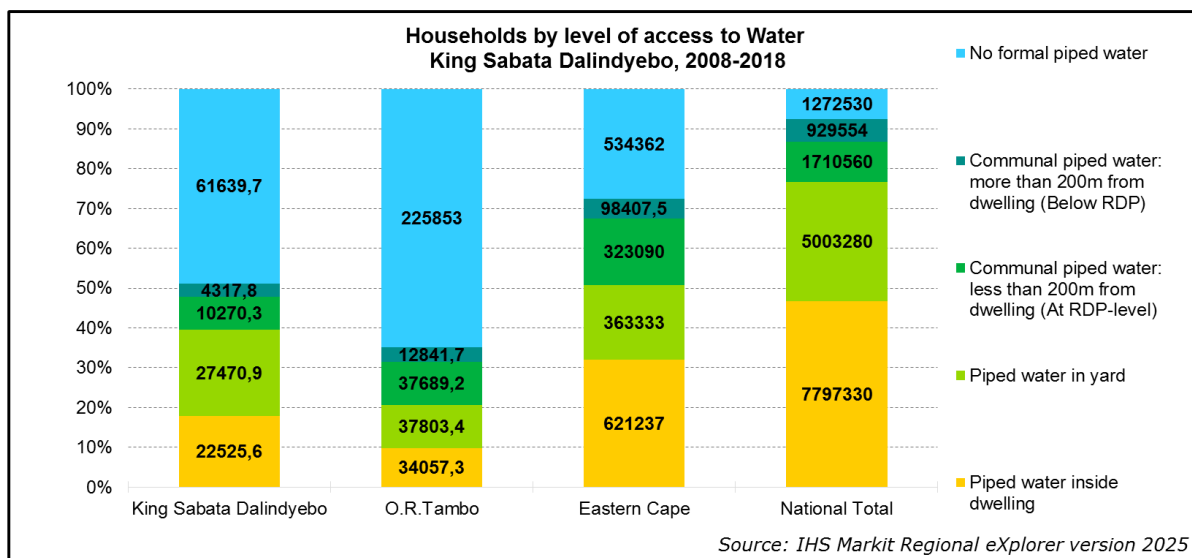
A team has been formed consisting of KSD Human Settlements Planning and officials, working together with the Political Head of the Department to monitor the illegal and criminal acts of encroachment, and illegal selling of Municipal land. Engagement with stakeholders is on-going as the political heads and administrative management are doing their level best to negotiate and engage the community structures.

The development of housing projects should be considerate of the future trajectory of KSD Municipality and be cognisant of increase growth rates. The type of housing development will have a direct impact on land availability for future settlements or the expansion of the economic nodal areas.

b. Water

Access to clean drinking water is one of the key developmental mandates of the National Government and regarded as a fundamental human right. The O.R. Tambo District Municipality is the Water Service Authority, responsible for the provision of water and all related functions to the whole Municipal area. In 2018, King Sabata Dalindyebo Local Municipality had a total number of 22 500 (or 17.85%) households with piped water inside the dwelling, a total of 27 500 (21.76%) households had piped water inside the yard and a total number of 58 200 households had no formal piped water. The areas around Mthatha have the highest number of people with access to piped water although there is a significant number of wards indicating higher levels of no access to piped water.

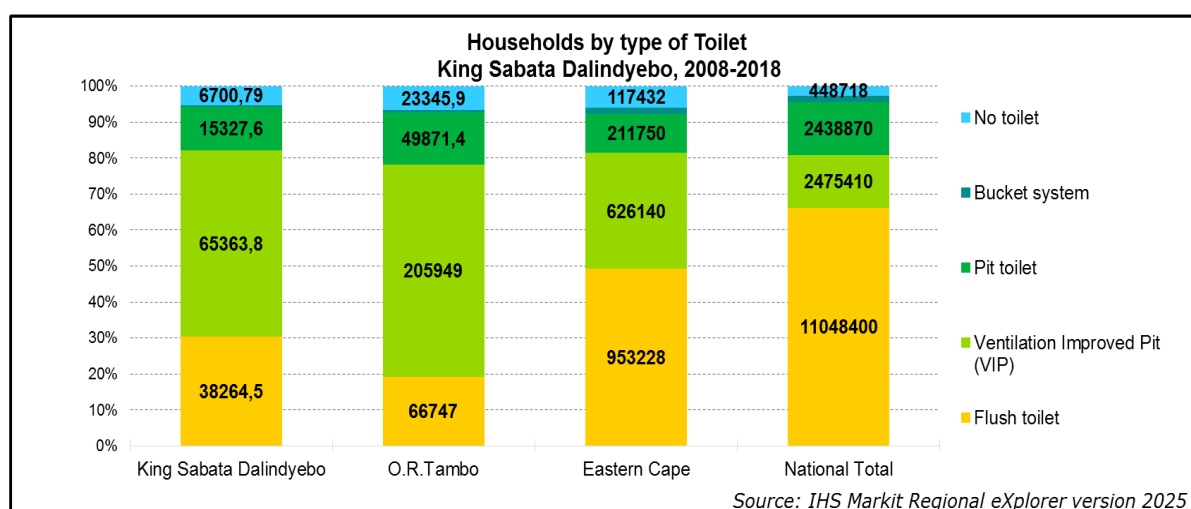
Chart 13: Household levels of Access to Water, 2008-2018



c. Sanitation

The O.R. Tambo District Municipality is responsible for the provision of sanitation services in the whole Municipal area. Residents of KSD Municipality predominantly use pit latrine with ventilation pipe, this population group constitutes for more than 200 000 people. People with flush toilets, which are connected to a public sewer system are 16.9% of the overall population. People using pit latrines without ventilation pipe constitute for 11.8% and those using chemical toilets are 10.6% of the overall population. This is aligned with the predominantly rural nature of the Municipality as only a few people are connected to a Municipal sewerage system, in this case, this is a population which is located in the town of Mthatha.

Chart 14: Access to Sanitation

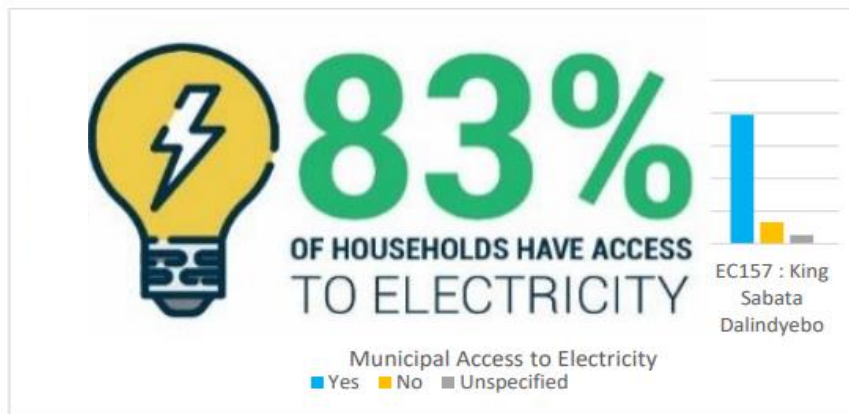


d. Electricity

KSDM has 83% of its households serviced with electricity. This is a similar trend to neighbouring Municipalities of Mhlontlo and Nyandeni, which have percentages of 83% and 82% respectively. Engcobo Municipality shows the highest number of households with electricity at 95% while Mbashe has the lowest number of households with electricity with 62%. This is a positive attribute within the O.R. Tambo District Municipality as it shows that a lot of households have access to electricity. Within KSDM, it is evident that 76% of households have an in-house prepaid meter as a form of access to electricity. There are other sources of electricity such as generator, solar home system and battery although these are in smaller percentages of less than 1% of the total households.

Within KSDM, the majority of people, 84% of the total population uses electricity as the main source of energy for lighting. This is also similar in the neighbouring Municipalities of Mhlontlo and Nyandeni. Candles and Paraffin are the second and third most used sources of energy for lighting, respectively. Similarly, the majority of people within the KSDM uses electricity as the main source of energy for cooking, this group constitutes 73% of the total population. Wood and paraffin are the second and third sources of energy for cooking in the three Local Municipalities within the ORTDM.

Chart 15: Access to Electricity



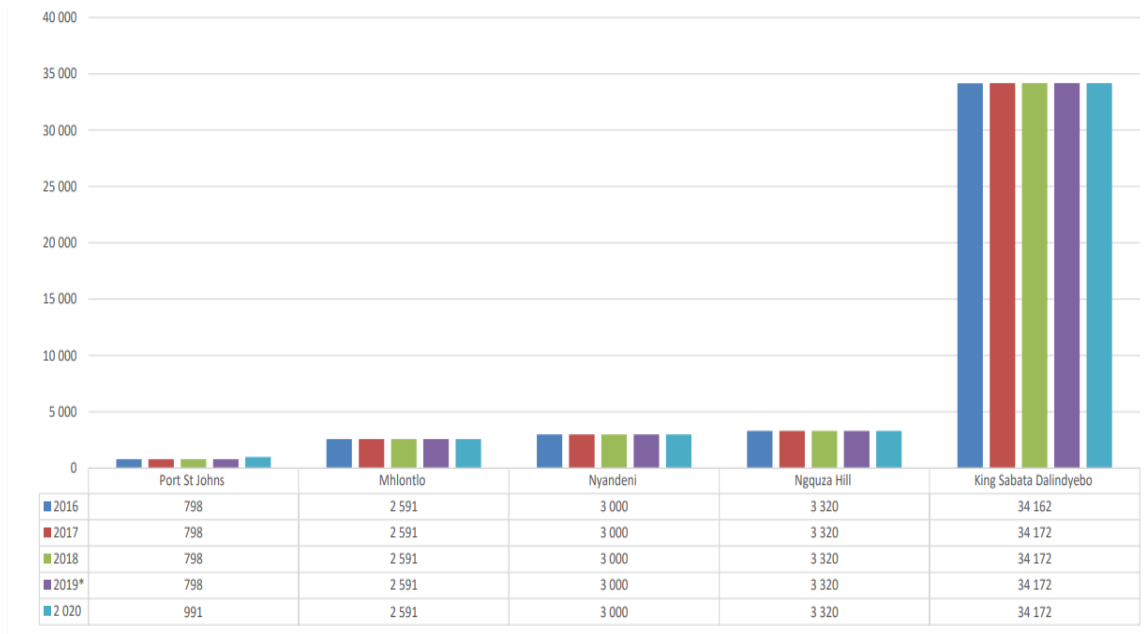
Access to Sanitation- Census Community Survey, 2016

e. Refuse Removal

The Municipality provides solid waste removal services, however, there are some areas that do not have access to waste removal services. For the past eight years, KSDM has recorded the highest number of refuse collected by a Local Authority/Private Company/Community Members at least once a week. In the neighbouring Local Municipalities, the largest number of the population uses their own refuse dumps, this group constitutes of 83 % and 86% of the overall Municipal population in Nyandeni and Mhlontlo respectively.

In 2020, King Sabata Dalindyebo Municipality had a total number of 34 172 households which had their refuse removed weekly by the authority, a total of 1 650 (1.31%) households had their refuse removed less often than weekly by the authority and a total number of 83 200 (65.96%) households which had to remove their refuse personally (own dump).

Chart 16: Number of Consumer unit receiving Solid Waste 2016-2020, ORTDM



Source: IHS Markit Regional eXplorer version 2201

4. FINANCIAL AND NON-FINANCIAL PERFORMANCE OF THE MUNICIPALITY

4.1 Financial Overview

The section below presents the financial overview of the Municipality for 2022/23 financial year:

Table 2: Operating Revenue Report

| EC157 King Sabata Dalindyebo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June | | | | | | | | | | | | | | |
|---|-----|------------------|---------------------|------------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|----------------|--------------------|
| Description | Ref | 2021/22 | Budget Year 2022/23 | | | | | | | | | | | |
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | Q1 Actual | Q2 Actual | Q3 Actual | Q3 Actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | | | | | |
| Property rates | | 276 613 | 298 662 | 298 662 | (378) | 277 486 | (5 888) | (3 630) | (914) | 267 055 | 298 662 | (31 607) | -11% | 298 662 |
| Service charges - electricity revenue | | 505 595 | 554 536 | 554 796 | 42 868 | 135 223 | 118 175 | 123 956 | 144 104 | 521 458 | 554 796 | (33 338) | -6% | 554 796 |
| Service charges - refuse revenue | | 58 882 | 50 824 | 54 296 | (1 597) | 58 657 | (4 428) | (491) | (2 151) | 51 588 | 54 296 | (2 708) | -5% | 54 296 |
| Rental of facilities and equipment | | 18 022 | 18 575 | 19 174 | 1 874 | 4 983 | 5 375 | 6 158 | 5 393 | 21 908 | 19 174 | 2 734 | 14% | 19 174 |
| Interest earned - external investments | | 1 063 | 1 302 | 1 302 | 442 | 568 | 1 153 | 1 339 | 1 406 | 4 466 | 1 302 | 3 164 | 243% | 1 302 |
| Interest earned - outstanding debtors | | 37 895 | 20 662 | 36 662 | 6 120 | 13 650 | 15 704 | 18 086 | 17 421 | 64 861 | 36 662 | 28 199 | 77% | 36 662 |
| Fines, penalties and forfeits | | 5 068 | 7 778 | 8 439 | 357 | 1 232 | 1 438 | 1 197 | 1 480 | 5 347 | 8 439 | (3 092) | -37% | 8 439 |
| Licences and permits | | 987 | 1 272 | 2 002 | 134 | 372 | 146 | 461 | 328 | 1 307 | 2 002 | (695) | -35% | 2 002 |
| Agency services | | 12 789 | 12 116 | 14 716 | 1 040 | 3 119 | 3 266 | 3 438 | 3 027 | 12 849 | 14 716 | (1 867) | -13% | 14 716 |
| Transfers and subsidies - Operational | | 383 774 | 425 596 | 431 671 | 116 817 | 167 121 | 140 663 | 116 019 | 4 531 | 428 334 | 431 671 | (3 338) | -1% | 431 671 |
| Transfers and subsidies - capital | | 123 925 | 229 801 | 319 106 | 4 687 | 28 864 | 26 146 | 16 427 | 70 229 | 141 666 | 319 106 | (177 439) | -56% | 319 106 |
| Other revenue | | 49 658 | 32 754 | 35 977 | 4 941 | 11 918 | 3 699 | 8 406 | 4 903 | 28 926 | 35 977 | (7 051) | -20% | 35 977 |
| Gains | | 85 990 | 564 | 564 | - | - | - | - | 1 597 | 1 597 | 564 | 1 033 | 183% | 564 |
| Total Revenue (excluding capital transfers and contributions) | | 1 560 260 | 1 654 442 | 1 777 367 | 177 305 | 703 194 | 305 450 | 291 365 | 251 353 | 1 551 363 | 1 777 367 | (226 005) | -13% | 1 777 367 |

Comments on Material Revenue Variances

- i. Property Rates reflects a shortfall of thirty-one million six hundred and seven thousand (R31 607 million).
- ii. Electricity Sales show a shortfall of thirty-three million (R33 million).
- iii. Refuse removal shows a shortfall of two million seven hundred thousand (R2.7 million).
- iv. Rental of facilities and equipment shows a surplus of two million seven hundred thousand (R2.7 million).
- v. Licence and permits show a shortfall of six hundred and ninety-five thousand (R0.695 thousand). Collections need to be improved.
- vi. Interest on external investment reflects a surplus of three million one hundred thousand. (R3.1 million).
- vii. Interest on outstanding debtors reflects a surplus of twenty-eight million (R28 m). This is due to increases in arrear debt and low collection rates. Collection levels needs to be improved.
- viii. Fine, penalties and forfeits reflect a shortfall of three million (R3 million). Attempts should be made to improve collection including implementation of the traffic fines management by TRUVERO.
- ix. Agency Services reflects a shortfall of one million eight hundred thousand (R1.8 million). This relates to these services:
 - Motor Vehicle registration Centre
 - Motor Vehicle Testing Centre and
 - Drivers Licence Testing Centre
- x. Attempts should be made to improve revenue collection.
- xi. Other Revenue shows a shortfall of seven million (R7 million).

Table 3: Operating Expenditure Report

| EC157 King Sabata Dalindyebo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June | | | | | | | | | | | | | | |
|---|-----|------------------|---------------------|------------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|-----------------|----------------|--------------------|
| Description | Ref | 2021/22 | Budget Year 2022/23 | | | | | | | | | | | |
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | Q1 Actual | Q2 Actual | Q3 Actual | Q3 Actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | | | | | |
| Expenditure By Type | | | | | | | | | | | | | | |
| Employee related costs | | 541 016 | 556 029 | 534 040 | 44 282 | 135 267 | 138 897 | 135 399 | 141 703 | 551 265 | 534 040 | 17 224 | 3% | 534 040 |
| Remuneration of councillors | | 28 613 | 34 079 | 34 863 | 2 442 | 7 857 | 7 683 | 7 374 | 6 480 | 29 394 | 34 863 | (5 469) | -16% | 34 863 |
| Debt impairment | | 19 888 | 15 000 | 15 000 | 628 | 103 | 3 621 | 748 | 1 474 | 5 946 | 15 000 | (9 054) | -60% | 15 000 |
| Depreciation & asset impairment | | 160 799 | 158 272 | 158 272 | - | 40 525 | 38 777 | 26 171 | 20 877 | 126 350 | 158 272 | (31 923) | -20% | 158 272 |
| Finance charges | | 18 912 | 6 553 | 6 553 | 1 160 | 4 819 | 6 043 | 4 766 | (2 826) | 12 803 | 6 553 | 6 249 | 95% | 6 553 |
| Bulk purchases - electricity | | 387 729 | 452 820 | 452 820 | 49 986 | 136 588 | 68 591 | 77 448 | 95 133 | 377 761 | 452 820 | (75 059) | -17% | 452 820 |
| Inventory consumed | | 30 406 | 20 509 | 30 858 | 1 576 | 8 139 | 5 756 | 5 109 | 9 464 | 28 467 | 30 858 | (2 391) | -8% | 30 858 |
| Contracted services | | 85 981 | 44 801 | 52 529 | 9 323 | 20 057 | 16 350 | 17 982 | 56 293 | 110 682 | 52 529 | 58 153 | 111% | 52 529 |
| Transfers and subsidies | | 37 698 | 500 | 380 | - | 21 | 20 | 223 | 9 452 | 9 715 | 380 | 9 335 | 2457% | 380 |
| Other expenditure | | 188 008 | 125 003 | 135 510 | 14 660 | 31 563 | 49 599 | 37 109 | 35 209 | 153 480 | 135 510 | 17 970 | 13% | 135 510 |
| Losses | | (27) | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 1 499 022 | 1 413 567 | 1 420 826 | 124 057 | 384 939 | 335 337 | 312 329 | 373 258 | 1 405 863 | 1 420 826 | (14 963) | -1% | 1 420 826 |

Comments on Material Expenditure Variances

- i. Employee related costs and remuneration of councillors reflect overspending of seventeen million rand (R17 million), and savings of five million four hundred thousand (R5.4 million) respectively.
- ii. Depreciation reflect savings of thirty-one million (R31 million).
- iii. Bulk purchases savings of seventy-five million nine (R75 million). This is due to the impact of load shedding.
- iv. Debt impairment shows a savings of nine million (R9 million).
- v. Finance charges overspent by six million two hundred thousand (R6.2 million). This is mainly due to interest on overdue accounts.
- vi. Contracted services overspent by net of fifty-eight million (R58 million) due to the following material variances and savings in certain line items: Material overspent items are as follows:

| LEDGER DESCRIPTION | TOTAL BUDGET | TOTAL ACTUAL | VARIANCE | VAR % |
|--------------------------------|------------------|-------------------|---------------------|--------------|
| Legal Fees | 2 144 869 | 20 503 108 | - 18 358 239 | -856% |
| Community Cleaning Project | 1 171 029 | 4 235 387 | - 3 064 358 | -262% |
| Agency Payments- Security Serv | - | 13 869 632 | - 13 869 632 | -100% |
| Electr Infrastr, Mains Cable | 5 353 159 | 23 388 087 | - 18 034 928 | -337% |
| Electr Infrastr, Mains Cable | 324 875 | 12 471 446 | - 12 146 571 | -3739% |
| | 8 993 932 | 74 467 660 | - 65 473 728 | -728% |

- vii. Other expenditure overspent by seventeen million nine hundred thousand (R17.9 m). This is mainly due to overspending of thirty-five million and savings of eighteen million in certain line items of general expenses. The material variances being overspending on the following line items:

| ITEM DESCRIPTION | TOTAL BUDGET | TOTAL ACTUAL | VARIANCE | VAR % |
|---|-------------------|-------------------|---------------------|--------------|
| Council ward committee meeting incentives | 1 087 000 | 10 530 000 | - 9 443 000 | -869% |
| Post Telecommunications | 2 720 000 | 8 105 854 | - 5 385 854 | -198% |
| Municipal Services | 100 000 | 8 409 841 | - 8 309 841 | -8310% |
| Indigent Subsidy | - | 3 007 995 | - 3 007 995 | 100% |
| Hire Charges | 11 209 728 | 7 148 133 | 4 061 595 | 36% |
| Electr Infrastr, Mains Cable | 2 869 792 | 16 348 778 | - 13 478 986 | -470% |
| | 17 986 520 | 53 550 601 | - 35 564 081 | -198% |

Table 4: Capital Expenditure Report

EC157 King Sabata Dalindyebo - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

| Vote Description | Ref | 2021/22 | Budget Year 2022/23 | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| Governance and administration | | – | 2 597 | 4 040 | 1 597 | 1 609 | 4 040 | (2 431) | -60% | 4 040 |
| Executive and council | | – | – | – | – | – | – | – | – | – |
| Finance and administration | | – | 2 597 | 4 040 | 1 597 | 1 609 | 4 040 | (2 431) | -60% | 4 040 |
| Internal audit | | – | – | – | – | – | – | – | – | – |
| Community and public safety | | 74 445 | 116 904 | 178 906 | 2 934 | 23 645 | 178 906 | (155 262) | -87% | 178 906 |
| Community and social services | | 1 896 | 150 | 211 | – | – | 211 | (211) | -100% | 211 |
| Sport and recreation | | – | – | 769 | 151 | 468 | 769 | (301) | -39% | 769 |
| Public safety | | – | 3 000 | 3 000 | – | – | 3 000 | (3 000) | -100% | 3 000 |
| Housing | | 72 549 | 113 754 | 174 926 | 2 783 | 23 177 | 174 926 | (151 750) | -87% | 174 926 |
| Health | | – | – | – | – | – | – | – | – | – |
| Economic and environmental services | | 57 192 | 114 471 | 143 623 | 7 621 | 103 301 | 143 623 | (40 322) | -28% | 143 623 |
| Planning and development | | – | 45 826 | 20 765 | 997 | 7 866 | 20 765 | (12 899) | 0% | 20 765 |
| Road transport | | 57 192 | 68 645 | 122 858 | 6 624 | 95 435 | 122 858 | (27 423) | -22% | 122 858 |
| Environmental protection | | – | – | – | – | – | – | – | – | – |
| Trading services | | 26 949 | 4 945 | 22 518 | 413 | 5 055 | 22 518 | (17 462) | -78% | 22 518 |
| Energy sources | | 26 949 | 3 195 | 21 568 | 413 | 5 055 | 21 568 | (16 512) | -77% | 21 568 |
| Water management | | – | – | – | – | – | – | – | – | – |
| Waste water management | | – | – | – | – | – | – | – | – | – |
| Waste management | | – | 1 750 | 950 | – | – | 950 | (950) | -100% | 950 |
| Other | | – | – | – | – | – | – | – | – | – |
| Total Capital Expenditure - Functional Classification | 3 | 158 585 | 238 918 | 349 087 | 12 566 | 133 610 | 349 087 | (215 477) | -62% | 349 087 |
| Funded by: | | | | | | | | | | |
| National Government | | 47 411 | 97 046 | 97 846 | 6 624 | 95 435 | 97 846 | (2 412) | -2% | 97 846 |
| Provincial Government | | 100 843 | 132 754 | 204 999 | 3 780 | 31 042 | 204 999 | (173 957) | -85% | 204 999 |
| District Municipality | | 10 330 | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | – | – | 11 700 | – | – | 11 700 | (11 700) | -100% | 11 700 |
| Transfers recognised - capital | | 158 585 | 229 801 | 314 546 | 10 405 | 126 477 | 314 546 | (188 068) | -60% | 314 546 |
| Borrowing | 6 | – | – | – | – | – | – | – | – | – |
| Internally generated funds | | – | 9 117 | 26 181 | 2 161 | 7 132 | 26 181 | (19 049) | -73% | 26 181 |
| Total Capital Funding | | 158 585 | 238 918 | 340 727 | 12 566 | 133 610 | 340 727 | (207 117) | -61% | 340 727 |

Comments on Capital Spending

- i. MIG -The spending is at 100% at the end of the Fourth quarter on YTD budget.
- ii. Human Settlements Projects- The spending was at 13% at the end of the Fourth quarter. There has been slight an increase in the spending of Human Settlement projects, as at end of October 2023, for the 1st quarter, the spending is at 25%. This figure will keep increasing and improving as challenges that are faced on sites are being tackled. The reasoning behind the underspending on Human Settlements is due to that two housing projects (New Brighton 131 and Kei Rail 537) that were earmarked for implementation this financial year are still held up with the non- resolution of Land Claims. The two projects combined have a combined budget R 46,274,097.86. The other underspending has been experienced on the Maydene Farm Housing Project due to that the increase on the quantum subsidy was only approved on the 30th of September 2022 and funding was only transferred to the Municipality by the end of October 2022 from the Department of Human Settlements. The contractor was out of site for a period of six months and had to re-establish on site.

4.2 Departmental Revenue and Expenditure Report

Executive and Council

| DESCRIPTION | ANNUAL | | | |
|---|----------------------|----------------------|---------------------|-------------|
| | BUDGET | AMOUNT | VARIANCE | VAR % |
| AREA: 11 - Executive & Council | | | | |
| Revenue | | | | |
| Rent of Facilities and Equipment | 25 000 | 48 506 | - 23 506 | -94% |
| Fines | 97 955 | 87 650 | 10 305 | 11% |
| Licenses and Permits | 2 061 932 | 1 722 766 | 339 166 | 16% |
| Other Revenue | 26 430 | 6 179 | 20 251 | 77% |
| Total Revenue | 2 211 317 | 1 865 101 | 346 216 | 16% |
| Expenditure | | | | |
| Employee Related Costs | 52 253 110 | 50 421 185 | 1 831 925 | 4% |
| Remuneration Of Councillors | 35 058 577 | 29 435 274 | 5 623 303 | 16% |
| General Expenses - Other | 17 297 431 | 38 096 086 | - 20 798 655 | -120% |
| Total Expenditure | 104 609 118 | 117 952 545 | - 13 343 427 | -13% |
| Net Surplus/(Deficit) | - 102 397 801 | - 116 087 444 | 13 689 643 | -13% |

Corporate Services

| DESCRIPTION | ANNUAL | | | |
|---|---------------------|---------------------|--------------------|-------------|
| | BUDGET | AMOUNT | VARIANCE | VAR % |
| AREA: 12 - Corporate Services | | | | |
| Revenue | | | | |
| Rent of Facilities and Equipment | 402 581 | 536 388 | - 133 807 | -33% |
| Grants & Subsidies Received - Operating | 795 090 | 795 090 | - | 0% |
| Total Revenue | 1 197 671 | 1 331 478 | - 133 807 | -11% |
| Expenditure | | | | |
| Employee Related Costs | 44 530 286 | 44 476 522 | 53 764 | 0% |
| General Expenses - Other | 14 947 426 | 17 731 730 | - 2 784 304 | -19% |
| Depreciation - Property, Plant & Equip | 205 044 | 146 866 | 58 178 | 28% |
| Total Expenditure | 59 682 756 | 62 355 118 | - 2 672 362 | -4% |
| Net Surplus/(Deficit) | - 58 485 085 | - 61 023 640 | 2 538 555 | -4% |

Budget and Treasury Office

| DESCRIPTION | ANNUAL | | | |
|--|--------------------|--------------------|---------------------|-------------|
| | BUDGET | AMOUNT | VARIANCE | VAR % |
| AREA: 13 - Finance & Asset Management | | | | |
| Revenue | | | | |
| Property Rates | 307 662 218 | 286 572 888 | 21 089 330 | 7% |
| Rent of Facilities and Equipment | 16 591 646 | 19 207 101 | - 2 615 455 | -16% |
| Interest Earned - External Investments | 1 301 542 | 4 465 512 | - 3 163 970 | -243% |
| Interest Earned - Outstanding Debtors | 36 662 001 | 64 861 452 | - 28 199 451 | -77% |
| Grants & Subsidies Received - Operating | 410 265 000 | 410 723 531 | - 458 531 | 0% |
| Grants & Subsidies Received - Capital | - | 16 370 360 | - 16 370 360 | -100% |
| Other Revenue | 3 642 784 | 2 182 939 | 1 459 845 | 40% |
| Gains \Losses on Disposal Of Property, P | 563 500 | 1 596 899 | - 1 033 399 | -183% |
| Fair Value Adjustment | - | 23 534 342 | - 23 534 342 | -100% |
| Total Revenue | 776 688 691 | 829 515 024 | - 52 826 333 | -7% |
| Expenditure | | | | |
| Employee Related Costs | 55 938 754 | 55 004 495 | 934 259 | 2% |
| General Expenses - Contracted Services | 9 137 284 | 10 822 549 | - 1 685 265 | -18% |
| General Expenses - Grants & Subsidies Pa | - | 3 007 995 | - 3 007 995 | -100% |
| General Expenses - Other | 67 287 813 | 87 015 228 | - 19 727 415 | -29% |
| General Expenses: Grants & Subs - Operat | 2 700 000 | 2 563 677 | 136 323 | 5% |
| Repairs & Maintenance - Municipal Assets | 14 220 251 | 13 168 318 | 1 051 933 | 7% |
| Depreciation - Property, Plant & Equip | 33 458 532 | 21 920 972 | 11 537 560 | 34% |
| Interest Expense - External Borrowings | 6 553 144 | 2 588 224 | 3 964 920 | 61% |
| Contributions To / From Provisions & Res | 13 090 217 | 4 036 017 | 9 054 200 | 69% |
| Total Expenditure | 202 385 995 | 200 127 475 | 2 258 520 | 1% |
| Net Surplus/(Deficit) | 574 302 696 | 629 387 549 | - 55 084 853 | -10% |

Local and Economic Development

| DESCRIPTION | ANNUAL | | | |
|---|---------------------|---------------------|-------------------|-------------|
| | BUDGET | AMOUNT | VARIANCE | VAR % |
| AREA: 14 - Planning, Social & Ec Dev | | | | |
| Revenue | | | | |
| Rent of Facilities and Equipment | 179 646 | 113 536 | 66 110 | 37% |
| Licenses and Permits | 1 284 290 | 634 844 | 649 446 | 51% |
| Grants & Subsidies Received - Operating | 1 750 000 | 1 750 000 | - | 0% |
| Grants & Subsidies Received - Capital | 11 700 000 | - | 11 700 000 | 100% |
| Other Revenue | 85 925 | 25 295 | 60 630 | 71% |
| Total Revenue | 14 999 861 | 2 523 675 | 12 476 186 | 83% |
| Expenditure | | | | |
| Employee Related Costs | 32 197 228 | 30 682 108 | 1 515 120 | 5% |
| General Expenses - Other | 15 304 255 | 9 682 161 | 5 622 094 | 37% |
| Total Expenditure | 47 501 483 | 40 364 269 | 7 137 214 | 15% |
| Net Surplus/(Deficit) | - 32 501 622 | - 37 840 594 | 5 338 972 | -16% |

Human Settlement

| DESCRIPTION | ANNUAL | | | |
|--|--------------------|--------------------|--------------------|-------------|
| | BUDGET | AMOUNT | VARIANCE | VAR % |
| AREA: 15 - Human Settlement | | | | |
| Revenue | | | | |
| Service Charges | 383 250 | 458 517 | - 75 267 | -20% |
| Grants & Subsidies Received - Operating | 197 598 | - | 197 598 | 100% |
| Grants & Subsidies Received - Capital | 174 926 105 | 21 430 426 | 153 495 679 | 88% |
| Other Revenue | 1 857 525 | 2 317 708 | - 460 183 | -25% |
| Total Revenue | 177 364 478 | 24 206 651 | 153 157 827 | 86% |
| Expenditure | | | | |
| Employee Related Costs | 31 468 803 | 31 054 519 | 414 284 | 1% |
| General Expenses - Other | 10 967 001 | 2 542 289 | 8 424 712 | 77% |
| General Expenses: Grants & Subs - Operat | 197 598 | 200 778 | - 3 180 | -2% |
| Total Expenditure | 42 633 402 | 33 797 586 | 8 835 816 | 21% |
| Net Surplus/(Deficit) | 134 731 076 | - 9 590 935 | 144 322 011 | 107% |

Community Services

| DESCRIPTION | ANNUAL | | | |
|--|---------------------|---------------------|--------------------|-------------|
| | BUDGET | AMOUNT | VARIANCE | VAR % |
| AREA: 16 - Community Services | | | | |
| Revenue | | | | |
| Service Charges | 53 984 293 | 50 727 931 | 3 256 362 | 6% |
| Rent of Facilities and Equipment | 1 975 168 | 2 002 852 | - 27 684 | -1% |
| Grants & Subsidies Received - Operating | 5 844 040 | 5 169 397 | 674 643 | 12% |
| Total Revenue | 61 803 501 | 57 900 180 | 3 903 321 | 6% |
| Expenditure | | | | |
| Employee Related Costs | 79 516 040 | 81 901 234 | - 2 385 194 | -3% |
| General Expenses - Contracted Services | 284 704 | 264 000 | 20 704 | 7% |
| General Expenses - Other | 14 610 346 | 21 361 848 | - 6 751 502 | -46% |
| General Expenses: Grants & Subs - Operat | 5 844 040 | 5 699 396 | 144 644 | 2% |
| Repairs & Maintenance - Municipal Assets | 88 738 | 93 874 | - 5 136 | -6% |
| Depreciation - Property, Plant & Equip | 18 275 863 | 15 764 209 | 2 511 654 | 14% |
| Total Expenditure | 118 619 731 | 125 084 561 | - 6 464 830 | -5% |
| Net Surplus/(Deficit) | - 56 816 230 | - 67 184 381 | 10 368 151 | -18% |

Public Safety

| DESCRIPTION | ANNUAL | | | |
|--|----------------------|----------------------|---------------------|-------------|
| | BUDGET | AMOUNT | VARIANCE | VAR % |
| AREA: 17 - Public Safety | | | | |
| Revenue | | | | |
| Service Charges | 11 551 219 | 7 496 041 | 4 055 178 | 35% |
| Fines | 4 000 339 | 1 491 718 | 2 508 621 | 63% |
| Licenses and Permits | 13 081 775 | 11 544 078 | 1 537 697 | 12% |
| Grants & Subsidies Received - Operating | 754 380 | - | 754 380 | 100% |
| Other Revenue | 290 330 | 254 710 | 35 620 | 12% |
| Total Revenue | 29 678 043 | 20 786 547 | 8 891 496 | 30% |
| Expenditure | | | | |
| Employee Related Costs | 136 809 482 | 152 833 659 | - 16 024 177 | -12% |
| General Expenses - Contracted Services | - | 13 869 632 | - 13 869 632 | -100% |
| General Expenses - Other | 7 861 848 | 7 970 432 | - 108 584 | -1% |
| General Expenses: Grants & Subs - Operat | 754 380 | 281 373 | 473 007 | 63% |
| Repairs & Maintenance - Municipal Assets | 822 459 | 264 113 | 558 346 | 68% |
| Total Expenditure | 146 248 169 | 175 219 209 | - 28 971 040 | -20% |
| Net Surplus/(Deficit) | - 116 570 126 | - 154 432 662 | 37 862 536 | -32% |

Technical Services

| DESCRIPTION | ANNUAL | | | |
|--|--------------------|---------------------|-------------------|-------------|
| | BUDGET | AMOUNT | VARIANCE | VAR % |
| AREA: 18 - Infrastructure | | | | |
| Revenue | | | | |
| Service Charges | 562 536 248 | 523 275 495 | 39 260 753 | 7% |
| Fines | - | 118 000 | - 118 000 | -100% |
| Grants & Subsidies Received - Operating | 12 032 130 | 10 267 001 | 1 765 129 | 15% |
| Grants & Subsidies Received - Capital | 132 479 529 | 103 865 476 | 28 614 053 | 22% |
| Other Revenue | 23 034 855 | 8 593 937 | 14 440 918 | 63% |
| Total Revenue | 730 082 762 | 646 119 909 | 83 962 853 | 12% |
| Expenditure | | | | |
| Employee Related Costs | 91 491 963 | 94 528 799 | - 3 036 836 | -3% |
| General Expenses - Bulk Purchases | 452 820 072 | 377 761 200 | 75 058 872 | 17% |
| General Expenses - Other | 22 959 128 | 25 712 670 | - 2 753 542 | -12% |
| General Expenses: Grants & Subs - Operat | 6 723 997 | 7 605 337 | - 881 340 | -13% |
| Repairs & Maintenance - Municipal Assets | 35 917 241 | 79 729 559 | - 43 812 318 | -122% |
| Depreciation - Property, Plant & Equip | 106 332 999 | 88 517 720 | 17 815 279 | 17% |
| Total Expenditure | 716 245 400 | 673 855 285 | 42 390 115 | 6% |
| Net Surplus/(Deficit) | 13 837 362 | - 27 735 376 | 41 572 738 | 300% |

4.3 Municipal Audit opinion

The below reflects the audit opinion received from the Auditor General over three financial years.

| Financial period | Outcome |
|------------------|-------------|
| 2021/22 | Unqualified |
| 2020/21 | Qualified |
| 2019/20 | Qualified |

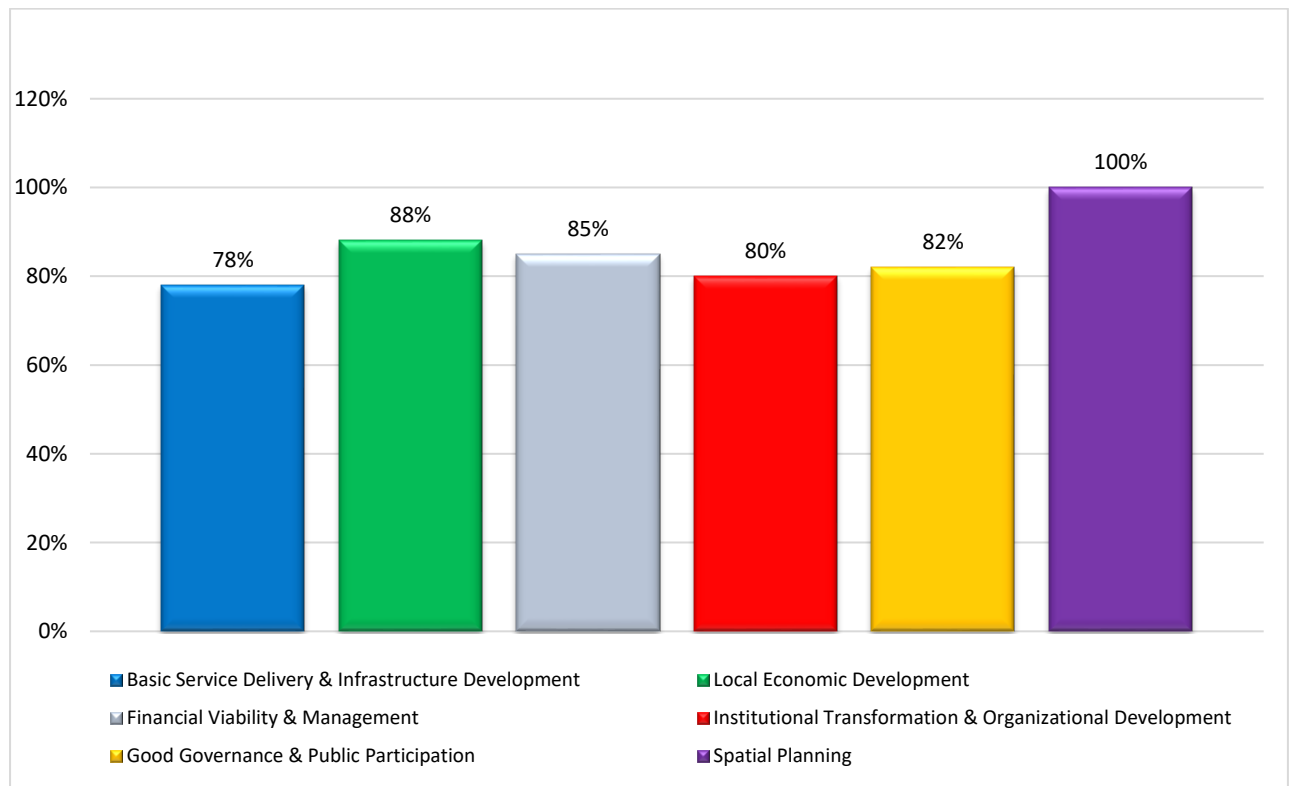
4.4 Non-Financial Overview

The section below presents a summary of the non-financial performance of the Municipality taken from the audited Annual Performance Report of the Municipality for 2022/23 financial year:

Table 5: Target Score per Key Performance Area (KPA)

| KPA NO. | KEY PERFORMANCE AREA | TOTAL # OF TARGETS | # OF TARGETS ACHIEVED | % OF TARGETS ACHIEVED | # OF TARGETS NOT ACHIEVED | % OF TARGETS NOT ACHIEVED |
|---------|---|--------------------|-----------------------|-----------------------|---------------------------|---------------------------|
| 1 | Basic Service Delivery & Infrastructure Development | 37 | 29 | 78% | 8 | 22% |
| 2 | Local Economic Development | 16 | 14 | 88% | 2 | 12% |
| 3 | Financial Viability & Management | 26 | 22 | 85% | 4 | 15% |
| 4 | Institutional Transformation & Organizational Development | 30 | 24 | 80% | 6 | 20% |
| 5 | Good Governance & Public Participation | 73 | 60 | 82% | 13 | 18% |
| 6 | Spatial Planning | 4 | 4 | 100% | 0 | 0% |
| | Total | 186 | 153 | 82% | 33 | 18% |

Chart 17: Target Score per Key Performance Area

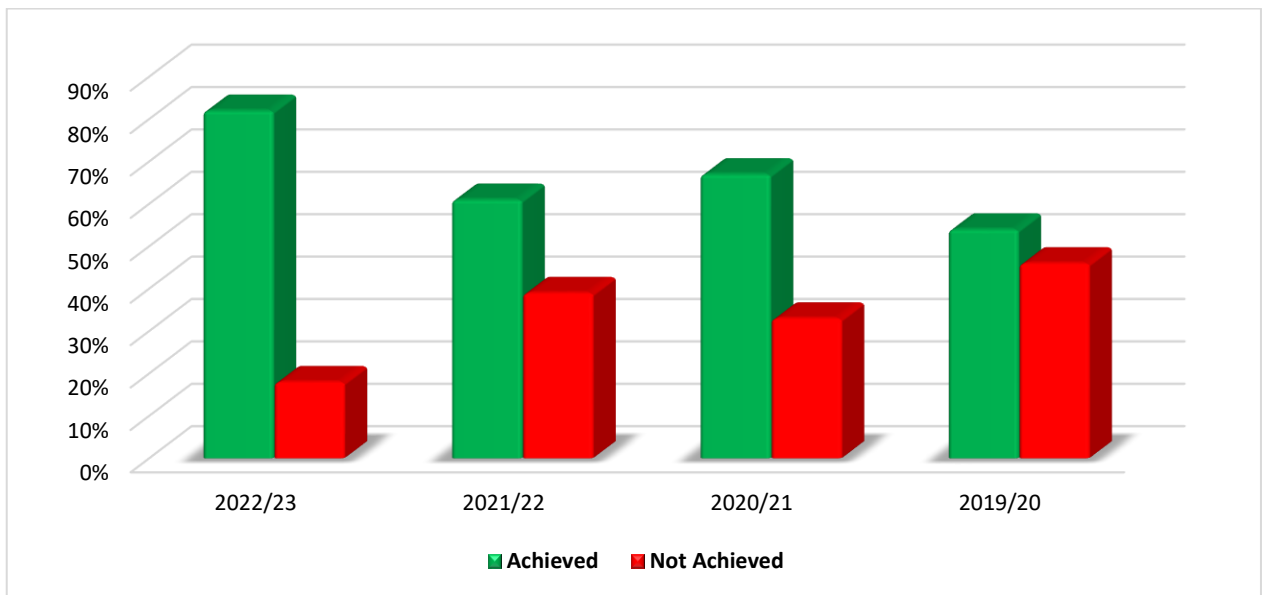


Comparison of 2022/23 Annual Performance with Prior Years

Table 6: % Comparison of 2022/23 Annual Performance with Prior Years

| Performance Results | 2022/23 | 2021/22 | 2020/21 | 2019/20 |
|---------------------|---------|---------|---------|---------|
| Achieved | 82% | 61% | 67.1% | 53.8% |
| Not Achieved | 18% | 39% | 32.9% | 46.2% |

Chart 18: % Comparison of 2022/23 Annual Performance with Prior Years



5. BACKGROUND TO LOCAL GOVERNMENT TURNAROUND STRATEGY (LGTAS)

5.1 Objectives of LGTAS

Five strategic objectives were identified to guide the LGTAS interventions and support framework. These objectives were aimed at restoring the confidence of the majority of our people in our Municipalities, as the primary expression of the developmental state at a local level. These objectives are:

- i. Ensure that municipalities meet the basic service needs of communities
- ii. Build clean, effective, efficient, responsive and accountable local government
- iii. Improve performance and professionalism in municipalities
- iv. Improve national and provincial policy, oversight and support
- v. Strengthen partnerships between local government, communities and civil society

These objectives were identified as the key drivers in order to rebuild and improve the basic requirements for a functional, responsive, effective, efficient, and accountable developmental local government.

5.2 Aims of LGTAS

One of the main aims of the Turnaround Strategy is to renew the vision of developmental local government. To do this the LGTAS seeks to improve the organizational and political performance of municipalities and in turn the improved delivery of services. The goal is to improve the lives of citizens, and progressively meet their social, economic and material needs, thereby restoring community confidence and trust in government.

Implementation of the LGTAS Strategy is premised upon the methodology that there must be a differentiated and targeted support system for local government. Measures are taken to ensure that in those parts of the country, especially rural areas, where severe poverty and underdevelopment sits side by side with weak municipal capacity, there is a dedicated focus to augment municipal capacity with delivery through capable institutions at either provincial or national level. A differentiated support system will therefore be established to manage the support system to be provided by the LGTAS.

The support system was meant to focus on two interrelated streams:

- Institutional measures to facilitate improved delivery of infrastructure and services
- Structural, policy, legislative and capacity building measures over the longer-term

5.3 Factors that Underpin the Implementation of LGTAS

The implementation of LGTAS was underpinned by the following factors:

5.3.1 The impact of uniform regulatory frameworks

Due to the assumption that Municipalities are the same, government introduced uniform requirements, norms and standards, financial regime and service delivery targets. The reality however shows that some of these have placed onerous burden on low-capacity Municipalities. Also, Municipalities have been overregulated or inappropriately regulated without due consideration to cost benefit and risk analysis on different municipalities.

5.3.2 Municipalities focus on compliance

Due to the onerous compliance regime referred to above, many municipalities have tended to focus much of their energies on fulfilling compliance requirements rather than focusing on the critical issues of service delivery and enhancing performance.

5.3.3 Untargeted and ineffective support

The state must improve its capacity to regulate, oversee and support municipalities at all levels. The lack of proper differentiation of municipalities has undermined government's efforts to support municipalities. The state must seek to ensure that all citizens are provided with basic services irrespective of which municipality they live in. This means the state may have to play a more central directive role in the administration of some municipalities in future (e.g. those that may be described as non-viable).

5.3.4 The combination of internal factors with external impacts

The problems in Local Government are a result of both internal factors, those that are within the direct control of municipalities (e.g. financial management, billing systems, human resource management, and external factors. These refer more to the impact

of national policies, unemployment, poverty and recession on municipalities and their populations.

These are factors over which municipalities do not have much control. The internal factors also relate to political issues such as undue political interference in councils which can cause instability in the administration. Further, external factors are also influenced by the way the three spheres of government work together to provide services (e.g. housing, hospitals, roads) within the system of cooperative governance and these are reflected in poor intergovernmental relations (IGR). Communities are often not aware that there are many constraints on service delivery caused by the complexity of coordinating service-related functions across government, and this is an area that demands urgent attention.

The failure to appreciate these realities has led in part to a convergence of pressures that have created dangerous conditions for social instability. The violent attacks against foreign national that swept through the country in 2008 started in informal settlements. Public protests have become common, widespread and are often violent. The majority of these have taken place in urban areas. Thus, the implementation of the LGTAS will be supported by national government concomitantly addressing a range of longer-term and more systemic issues that have contributed to failure or distress within local government. These include:

- **Intergovernmental coordination and support**

The State of Local Government Report highlighted the fragmented nature of the local government capacity building and support measures of national and provincial government.

- **Supervision, monitoring and interventions**

The constitution and legislative frameworks allow for different forms of measures to be taken, including interventions in the case of governance and service delivery failures. But it may be necessary to review current practice and allow for 'early-warning' systems re municipal failure and provide for sharper and more immediate preventative interventions.

- **Incentives and disincentives**

Municipalities have constitutional rights to exercise powers and make decisions within their realm of operations. It would therefore be necessary to look at how incentives

and disincentives are used and built into our fiscal and support frameworks to incentivize change.

In the case of Municipalities that are dysfunctional, a special set of measures based on stronger state intervention must apply to ensure that these Municipalities achieve a basic level of functionality. In the case of Municipalities whose performance is persistently and materially on the borderline of becoming dysfunctional, stronger support measures must incentivize a return to basic functionality. This should involve these Municipalities reorganizing their operations to focus on providing only the most essential services, determined in that context. In these areas, national government and provinces will step up their capacity to involve citizens in service delivery and development to compensate for municipal failure - through increased use of community partnerships and EPWP. These measures should be coordinated with the Rural Development Programme.

In the case of Municipalities that are functional but not performing effectively due to institutional problems, support measures must be linked to incentives to achieve higher levels of performance. High performing municipalities must be encouraged through policy and incentives to do more where they can and to sustain and improve on high performance.

In relation to infrastructure and service delivery facilitation, the interventions in financially vulnerable municipalities will be more direct and include special delivery measures. For municipalities with less vulnerability the focus will be on removing barriers and constraints, and on organising and aligning built environment conditional grants better in order to address informal settlement upgrading, housing and public transport.

Through turnaround strategies, Municipalities will indicate what their needs are and they will have the option of buying into the support measures to ensure that there is proper commitment to utilise support measures to good effect. In cases where municipalities feel that they can accomplish the rationalised functions by themselves then they will be held to account accordingly. If they fail, they will then have to accept obligatory support measures as an opportunity to avoid intervention measures according to the legislation and Constitution.

5.4 Challenges with LGTAS

The State of Local Government Report highlights the rapid progress made by many Municipalities in extending basic services since 2001. It also highlighted many good practices and examples of successful municipalities. It acknowledges the many hard working and dedicated municipal Councillors and officials that continue to serve their communities well. However, the Report also points out that these good practices can be overshadowed by a range of problems and challenges that is placing the local government system in distress. It is important to point out that the problems identified per thematic areas are not applicable equally across the board to all municipalities. They have emerged to varying degrees in different municipalities and all the problems are not applicable to all municipalities. Also, some problem areas may be external to municipalities and require solutions beyond their scope. In order to categorise the assessment findings, key thematic areas were identified to include:

- Service Delivery – this area refers to the delivery of basic services in municipal areas. These are primarily water, sanitation, refuse removal, electricity and roads.
- Spatial conditions – these include geographic considerations such as characteristics of urban areas, conditions in former ‘Homeland’ or ‘Bantustan’ areas (e.g. Ciskei), location of poverty, and types of economies in the area, such as mining or agriculture.
- Governance – this covers elements such as political leadership, institutional organization, administration, capacity and skills, oversight and regulation, monitoring and reporting).
- Financial Management - Municipality budget and income management (e.g. from water, rates, electricity charges. The Intergovernmental Fiscal System distributes grants to municipalities for service delivery. These include the Equitable Share (ES) and the Municipal Infrastructure Grant (MIG).
- LED – Local Economic Development refers to the approach a municipality and region may take to encouraging investment by big business, small local business development, tourist industries or large sector economy management in mining, manufacturing or farming.
- Labour Relations – the way the management of municipalities and the workforce of the municipality organize and cooperate together.

5.5 Core Areas of Concern from Evidence-Based Findings

- There are serious leadership and governance challenges in municipalities including weak responsiveness and accountability to communities
- The financial management of many municipalities is very poor
- Many municipalities are unable to deliver basic services or grow their economies
- The legacy of apartheid spatial development patterns and inequity continues
- There is inadequate human resource capital to ensure professional administrations, and positive relations between labour, management and Councils.

These findings, whether they relate to the external environment or problems of municipalities own making, have fuelled public perception and concern within government that the entire Local Government system is in distress wherein it is seen that:

- Local government is failing the poor
- Local government is not working properly
- Local government is unaccountable to the citizens
- Local government is marred by excessive levels of corruption, fraud, maladministration
- Municipalities are centres of factional conflicts, political infighting and patronage

5.6 Identified Root Cause of Municipal Failures

The root cause of much of municipal failure has been determined as being due to:

- Inappropriate national and provincial government policies, practices and onerous requirements
- Socio-economic conditions prevailing in many municipalities that are not been adequately addressed through macro, micro-economic and industrial policies and plans of the State
- Political parties that are undermining the integrity and functioning of municipal councils through intra and inter-party conflicts and inappropriate interference in councils and administration

- A breakdown of values at a societal level that is breeding unethical behaviour, corruption, culture of non-payment, and lack of accountability
- Communities that are engaging in destructive forms of protest including withholding of payment for local taxes and services
- Those municipalities that are not geared for delivering basic services and are not responsive and accountable enough to residents; including to failure to involve communities in their own development
- Absence of communications resources (people, technology, equipment processes) and no accountability for how and when municipalities communicate to communities.
- These realities have led to many negative responses towards those municipalities that are struggling with complex social and legacy-based issues, or that are failing with performance or governance issues. The Turnaround Strategy is therefore a high-level government-wide response to stem this tide. It is an effort to stabilize local government and put municipalities back on a path of responsive and accountable service delivery.

6. MUNICIPAL TURNAROUND STRATEGY

6.1 PROBLEM STATEMENT

King Sabata Dalindyebo Municipality is afflicted by the following key issues:

- Poor cashflows/ poor state of finances
- Ageing infrastructure
- High electricity backlogs
- Bloated organizational structure
- Repeated disaster prone (floods and heavy rains)
- Underdevelopment
- Dilapidated buildings
- Cleanliness
- Poor coastal management
- Deficiency from the communities
- Poor stakeholder relations

6.2 DEVELOPMENTAL PERFORMANCE AREAS AND OBJECTIVES

6.2.1 Vision and Mission

The Council has endorsed the following Vision and Mission for 2022-2027 Council Term:

Vision

A developmental people centred municipality spearheading radical economic transformation in an environmentally and socially sustainable manner.

Mission

To provide high quality services, socio-economic transformation, safe and sustainable livelihoods based on sound governance and commitment to meaningful public participation and protection of the environment. Shaping KSD to become “a municipality of choice to visit, invest, live and work.

6.2.2 Municipal Values

- People centred

- Innovative
- Transparency
- Accountability
- Integrity
- Honesty
- Openness
- Value for money
- Teamwork
- Cleanliness
- Result oriented

6.2.3 Council Priority Issues

KSD Municipal Council endorsed five priorities to focus on in the current Term. These priorities are contained on the Municipality’s 5-year Integrated Development Plan and have been taken into consideration in the development of this Municipal Turnaround Strategy and are as follows:

1. Basic Services and Infrastructure
2. Local Economic Development
3. Financial Recovery and Performance
4. Human Capital Development and Institutional Capacity
5. Clean Governance, Safe and Secure Environment and Fight against crime and Corruption.

6.2.4 Key Performance Areas

The Council also endorsed six (6) Key Performance Areas to guide the execution of the Municipality’s Performance, which are also aligned to the Provincial and National Department of Cooperative Governance and Traditional Affairs, as follows:

- i. Spatial Planning
- ii. Basic Service Delivery and Infrastructure Development
- iii. Financial Viability and Management
- iv. Local Economic Development
- v. Good Governance and Public Participation
- vi. Municipal Transformation and Institutional Development

6.2.5 Alignment of Priorities, Key Performance Areas, and Objectives

The Integrated Development Plan also documents a list of objectives that have been endorsed by Council to give effect to the implementation of Council priorities and goals. The alignment of Council priorities, Key Performance Areas, and objectives is illustrated on the table below:

| COUNCIL PRIORITIES | KPA NO. | KPA | STRATEGIC GOAL | GOAL STATEMENT | IDP REF. | STRATEGIC OBJECTIVE | STRATEGIES |
|-----------------------------------|---------|---|--|---|----------|--|--|
| Basic Services and Infrastructure | 1 | Spatial Planning | Effective and efficient planning and development-oriented municipality | To develop an integrated spatially equitable municipal area, maximizing the potential benefits of its environmental assets in a sustainable and prosperous manner | 1.1 | Effective and efficient implementation of spatial planning in a compliant manner | <ul style="list-style-type: none"> Develop and implement a land use and spatial planning system |
| Basic Services and Infrastructure | 2 | Basic Service Delivery and Infrastructure Development | Equitable and sustainable provision of municipal infrastructure | To provide sustainable municipal infrastructure and social services, consistently maintaining and improving the needs of the people | 2.1 | Provision and maintenance of basic infrastructure services | <ul style="list-style-type: none"> Construction and maintenance of roads, bridges and stormwater Coordinate and facilitate the implementation of electricity projects. Construction and maintenance of community facilities Implementation of infrastructure maintenance plan Strengthen and Improve Support Service function |

| MUNICIPAL PRIORITIES | KPA NO. | KPA | STRATEGIC GOAL | GOAL STATEMENT | IDP REF. | STRATEGIC OBJECTIVE | STRATEGIES |
|------------------------------------|---------|---|--|--|----------|---|--|
| Basic Services and Infrastructure | 2 | Basic Service Delivery and Infrastructure Development | Equitable and sustainable provision of municipal infrastructure | To provide sustainable municipal infrastructure and social services, consistently maintaining and improving the needs of the people | 2.2 | Provision of social and community services | <ul style="list-style-type: none"> Coordinate the implementation of Integrated Waste Management Plan Efficient and effective development and management of public amenities Rendering quality and excellent service to all communities. Provision of Free Basic Services |
| | | | | | 2.3 | Promote integrated sustainable human settlements | <ul style="list-style-type: none"> Construction of houses |
| | | | | | 2.4 | Coordinate and facilitate economic infrastructure development through Public-Private Partnerships (PPP) | <ul style="list-style-type: none"> Facilitate the provision of economic infrastructure for shared growth |
| Financial Recovery and performance | 3 | Financial Viability and Management | To create a financially viable environment in accordance with relevant Acts towards clean administration | To promote financial sustainability through effective internal controls pertaining to Supply Chain, Asset, Revenue, Budget, and expenditure management | 3.1 | Create sound financial management, Supply Chain and Asset Management environment | <ul style="list-style-type: none"> Improvement of revenue generation Compliance to MFMA provisions and prescripts |

| MUNICIPAL PRIORITIES | KPA NO. | KPA | STRATEGIC GOAL | GOAL STATEMENT | IDP REF. | STRATEGIC OBJECTIVE | STRATEGIES |
|----------------------------|---------|----------------------------|---|--|----------|--|--|
| Local Economic Development | 4 | Local Economic Development | Viable, liveable and sustainable developmental municipality that promotes transformative economic livelihoods | To create and facilitate a conducive environment that builds inclusive local economies, sustainable decent employment and eradicates poverty | 4.1 | Promote Local Economic development through agriculture, tourism, Heritage, oceans economy, SMME development and investment | <ul style="list-style-type: none"> Promote rural economic development through formalized agricultural production. Implementation of SMME development and support program Enhance eco-tourism, oceans economy, heritage, and sports tourism participation Increase investment opportunities through efficient building control Creation of development opportunities |
| | | | | | 4.2 | Creation of sustainable job opportunities and capacitation programmes through internal and external partnerships | <ul style="list-style-type: none"> Provision of conducive environment for job creation |

| MUNICIPAL PRIORITIES | KPA NO. | KPA | STRATEGIC GOAL | GOAL STATEMENT | IDP REF. | STRATEGIC OBJECTIVE | STRATEGIES |
|--|---------|--|--|---|----------|---|---|
| Clean Governance, Safe and Secured Environment and Fight against crime and Corruption. | 5 | Good Governance and Public Participation | To improve public trust and credibility in local governance through public participation | To create an enabling environment for active public participation and an administrative culture characterized by accountability, transparency, and efficiency | 5.1 | To promote sound leadership, good governance, public participation and enabling environment | <ul style="list-style-type: none"> • Conduct awareness campaigns of government programmes. • Compliance to IGR framework and prescripts • Implementation of by-laws and adherence to prescripts • Implementation of Public Participation Policy • Promote accountability and transparency. • Mainstreaming the right and upliftment of the vulnerable groups • Monitoring implementation of Risk Management, Ethics Management, and Anti – Fraud & Corruption Policies and Plans • Evaluate and Monitor implementation of internal controls, risk management and governance |
| | | | | | 5.2 | To promote good governance by providing efficient administrative support | <ul style="list-style-type: none"> • Rendering quality and excellent services to all communities • Improve ICT Governance • Implementation of Council Oversight and Public Participation |

| MUNICIPAL PRIORITIES | KPA NO. | KPA | STRATEGIC GOAL | GOAL STATEMENT | IDP REF. | STRATEGIC OBJECTIVE | STRATEGIES |
|--|---------|--|--|---|----------|--|--|
| Human Capital Development and Institutional Capacity | 6 | Municipal Transformation and Institutional Development | An enabling environment to enhance institutional capacity to promote governance and integrated support services. | To provide professional, efficient, people centered human resources and administrative services for a transformed, equitable and efficient development local system | 6.1 | Enhance organizational performance in order to achieve organizational objectives | <ul style="list-style-type: none"> • Implementation of the Workplace Skills Plan • Develop, review and Implement Policies • Review of organizational structure and adherence to recruitment prescripts • Improve records management • Improve ICT Infrastructure • Improved Information Management System • Implementation of employee wellness programs • Adherence to Occupational Health and Safety (OHS) prescripts • Implementation of Employment Equity Plan • Strengthening sound employer and employee relations • Implementation of the PMS Policy |

6.3 SWOT ANALYSIS

6.3.1 Budget and Treasury Office SWOT Analysis

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|---|---|---|---|
| +26 000 accounts for rates and refuse removal that results in huge amount of revenue that when turned to cash can assist the municipality to improve its Cash Flows | High level of indigence | Developments in Southridge, Efata and increased funding for Human Settlements projects Appointed service providers to deal with litigations and revenue related disputes | High level of indigence Unwillingness by consumers to service their accounts Huge domestic debts |
| The municipality has vacant land which could be used to close the GAP on the capital spending if disposed of | Efforts by trading sections and other departs to improve revenue generation and collection not priorities | Introduction of new revenue base | Disputes on ownership of land / Land Claims issues Unregistered state land Unformalized settlements |
| Contract for the management of traffic fines and related backlogs | Direct income not prioritised | Employment opportunities will result in the decrease in levels of un-employment and payment for services and taxes increase | Slow developments and Land Claims |
| Reviewed policies and procedure manuals in place | Lack of focus by all staff on revenue collection | Implementation of AARTO | Court delays to process traffic offences cases |
| | Revenue collection on long outstanding debts | | Street not named or marked in CBD suburbs and surrounding areas making a challenge to deliver statements and notices. |

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|--|--|---|---|
| Use of co-ordinates on peri urban | Technicians not having GIS devices to locate meters in peri urban areas | Tariffs approved by Nersa | Illegal Electricity connections |
| Customer care service is available 24-hours a day for electricity faults | High debt from households, tempering and illegal reconnection | Debt collector is appointed to handle long outstanding debts | High unemployment rate |
| Meter inspectors conduct meter audit and bring recent information to update both systems. | Data cleansing is still a challenge to delt with on an ongoing basis. | Revenue protection team made up of staff from Technical Services, Public Safety team has been established | Refusal of access in areas such as Mthatha West |
| SV gazetted and s49 notices issued, to be implemented in October for those who have not objected. | 3-year Contract for the current Municipal Valuer about to expire. | | |
| Implementation of revenue recovery plan. Ability to block or disconnect electricity for non-payment. | Slow implementation of targets, revised to focus more on recovering budgeted revenue projections per dept. | | |
| Indigent verification process in place | Physical verification of households still a challenge | | |
| Use of electronic statements emails and sms | Bulk of statements are still sent to P/O | | |

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|--|--|--|---|
| GRAP compliant asset register is compiled | Asset Module not functional in the system | Implementation of a loss control committee | Theft of fuel |
| Tracker system in place | Lack of monitoring of tracker system by departments | Branding of municipal fleet and use of tracker reports to check whereabouts of drivers | Misuse of municipal vehicles |
| Asset Management Policy, Loss Control Policy and Fleet Management Policy in place | Municipal fleet not branded to avoid misuse | Use of tracker system to check whereabouts of drivers by departments | Use of an excel asset register |
| All assets are insured | High maintenance and repairs of fleet | Clean audit outcomes | High Vacancy rate in asset management and fleet section |
| Monthly Bank Reconciliations, Grants Reconciliations, VAT and Investments Reconciliations are compiled monthly and reviewed | Challenges with the system are experienced every month when reports have to be run on the system | | |
| GRAP Financial Statements timeously | | | |

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|---|---|---|--|
| Section 71 and section 52(d) are compiled and submitted | Staff shortages especially on AFS and Audit | Central Supplier Database in use as the main source of suppliers for goods and services | Inherent risk of possible fraud |
| Audit Action plan in place and monitored on a monthly basis | Audit action not fully implemented | Dedicated office assisting SMME on CSD registration and related enquiries. | Inability to exercise adequate contract management due to staff shortages. |
| Improved SCM audit outcomes | Staff shortages | Automated procurement module fully functional. | Late payment of suppliers results in resistance to accept new orders. |
| <p>Systems in place and regularly communicated with departments.</p> <p>Bid committees are in place and fully functional</p> <p>Effective record keeping which result in ease of retrieval for own use and audit purposes</p> | <p>Submission of procurement request at short notice by user departments thus exerting pressure on SCM team to procure in a rush</p> <p>Cashflow challenges</p> | Panel contracts have been introduced and that has reduced SCM deviations significantly | Interference with SCM processes |

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|---|--|--|--|
| <p>Functionality of SCM Module</p> <p>Improved audit outcomes</p> <p>Systems in place and regularly communicated with departments</p> <p>Effective record keeping which result in ease of retrieval for own use and audit purposes</p> <p>Grant funded payments are prioritized to speed up spending thus preventing withholding of funds</p> | <p>Staff shortages</p> <p>Submission of salary inputs after cut-off date thus exerting pressure on Payroll team to process in a rush</p> <p>Submission of invoices at 11th hour for payment processing</p> | <p>Central Supplier database which assists with verification of Vat registration statuses as well as banking details</p> | <p>National Treasury withholding equitable share if UIF and W increases</p> <p>Cashflow challenges which results in late payment of suppliers and third parties thus unhappy suppliers who always escalate to higher offices</p> <p>Incurrence of fruitless and wasteful expenditure as a result of late payments to suppliers and third parties</p> |

6.3.2 Corporate Services SWOT Analysis

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|--|---|--|--|
| 2022 Organogram is in place Internal capacity | Delays in approval and implementation of Policies and By-Laws | Current IDP review Review process of Organisational Structure | Budget limitations to fund filling of vacant positions. |
| Most critical positions filled Acting Positions reduced Vacancy rate reduced | Vacancy rate relatively high (35%) Turnaround time too long in the filling of vacancies due to vetting process | The national and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs | Financial constraints militating against filling of vacancies |
| Leave Management Policy is in place and on review to improve internal controls. Leave System integration into the financial System (Promun) | Lack of management oversight on compliance with HR policy Paper based not electronic | SALGA Main Collective Agreement and SALGA support for enforcement of leave agreements. Use of Electronic Leave Management System (Procurement process in progress) | Lack of commitment towards implementation of internal controls Leave abuse |
| Overtime Management Policy is in place and it is under review Effective Payroll System Introduction of strict internal control measures and replacement of overtime with Shift for cost containment Continuous engagement with departments to reduce overtime | Non-adherence by all parties Late submission of overtime claims Incorrect documentation which affects Audit process | SALGA Main Collective Agreement and SALGA support for enforcement of overtime agreements Introduction of Shifts Redirecting the resources to other service delivery need | Understaffing in departments Overtime a lucrative salary augmentation with a culture of entitlement |

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|---|--|--|--|
| <p>Acting Allowance policy in place</p> <p>Acting Allowance time frames strictly adhered to and given when necessary</p> <p>Circular issued to control acting allowance practice annually</p> | <p>Limited financial resources to fund acting appointments.</p> <p>High vacancy rate in critical positions</p> | <p>Filling of vacant positions in time.</p> <p>Plan for filling of other vacant posts annually to minimize acting appointments</p> | <p>Lack of commitment towards control of acting allowance costs</p> <p>Financial Constraint in filling of vacant posts</p> |
| <p>Workplace Skills Plan HRD Policies in place.</p> <p>Training Committee is in place</p> <p>Panel of Training Providers</p> <p>Partnerships with Centres of Higher Learning (WSU, KSD TVET, DUT, SAMSA, SAMGRA Private Sector)</p> | <p>Ineffective succession planning mechanisms</p> <p>Insufficient budget</p> <p>Lack of measuring return on investment tool on skills programmes</p> <p>Non-alignment of training with IDP</p> | <p>Growth on literacy through AET, career progression and growth in employees participating in the programme</p> <p>Digitalisation of municipal systems and processes</p> <p>Funding avenue/sources like SETAs, Private Sector</p> <p>New Computer Training Centre</p> | <p>Cost of training too high especially travelling and accommodation</p> <p>Advanced Technological changes</p> |
| <p>Employment Equity Plan & Policy in place</p> <p>Employment Equity Forum is in place</p> | <p>Not integrated into the municipal processes.</p> | <p>Potential within the municipality of people with designated groups</p> | <p>Inaccessible building, posing high risk to injuries</p> |

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|--|--|---|---|
| <p>Document management Policy approved by council</p> <p>Training on New document management system has been conducted with departmental PAs as well as clerks</p> <p>Council rules of order in place</p> <p>Schedule for Council and Committee meetings in place</p> <p>Resolution register developed and monitored</p> <p>Standard Operating Procedure and Workflow plan developed</p> <p>Introduction of Digital/Virtual meetings</p> | <p>Limited use of Electronic Document Management System</p> <p>Poor functioning of registry and archives</p> <p>Non-adherence to the Standing Rules of order</p> <p>Non-adherence of the schedule of meetings</p> <p>Poor response on reporting implementation of Council resolutions by Directorates</p> <p>No designated records clerks in place in all departments</p> <p>Lack of space for archives and historical documentation</p> | <p>Microsoft document management system</p> <p>Public Works or KSD unutilised buildings e.g. Enkululekweni complex</p> <p>SALGA and DPLG support and guidance on council rules of order and policies.</p> <p>Provincial CoGTA section 154 support programme</p> | <p>Budget constrains</p> <p>High vacancy rate</p> <p>Poor staff retention</p> <p>Extended implementation of COVID19 regulations resulting in staff shortages due to underlying conditions amongst fulltime staff</p> <p>Non-enforcement of Council Rules and schedule of meetings with its report submission timelines</p> <p>Bad Network connection during virtual meetings affecting quorum</p> |
| <p>ICT office in place</p> <p>Approved policies</p> <p>Governance Framework in place</p> <p>ICT steering committee in place with terms of reference</p> <p>KSD website in place</p> | <p>Weak interface between communications and IT</p> <p>Lack of backup power for telephones</p> <p>Lack of connectivity in certain municipal sites</p> | <p>Direct link to Microsoft.</p> <p>National Policy framework available for guidance</p> <p>Eastern Cape Local Government Information Technology and COGTA</p> <p>Section 154 provincial support programme</p> <p>National Treasury Assistance</p> | <p>Budgetary constraints</p> <p>Inability to fill-in critical positions.</p> <p>Poor staff retention</p> <p>Inability to attract suitably qualified candidates</p> <p>Lack of latest ICT equipment</p> |

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|---|--|--|--|
| <p>Payroll system in place</p> <p>Vending system in place</p> <p>Microsoft Agreement in place</p> <p>Membership of ECLG ICT council</p> <p>Draft Master System Plans in place</p> <p>Integrated municipal buildings infrastructure</p> | <p>Lack of Uninterruptible Power Supply for the Servicer Room</p> <p>Lack of Integration of municipal buildings infrastructure</p> <p>Lack of electronic systems or automation</p> | <p>Strong partnerships with department of communications and other state organisations to develop a smart city strategy</p> | <p>Old infrastructure</p> |
| <p>Council-approved Wellness Strategy and HIV/AIDS Policy</p> <p>Sexual Harassment Policy and Employee Assistance Programme Policies approved by Council</p> <p>Information sharing sessions conducted in all departments</p> <p>Issuing link for vaccination</p> | <p>Unauthorised absenteeism and poor performance</p> <p>Limited office space</p> <p>Indebtedness of our employees</p> | <p>Working in partnership with Department of Health, Non-governmental Organisations and Financial Institutions</p> | <p>Substance Abuse</p> <p>Low staff morale</p> |
| <p>Information sharing sessions on Absence without leave and Substance abuse ongoing.</p> <p>Short-term Counselling in place</p> | | <p>Partnerships with SDA Ricochet, Department of Health (LSA)</p> <p>Partnership with Financial Institutions like Bayport, Lemas and Banks</p> | |

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|---|--|--|--|
| <p>Financial Wellness Programme in place</p> <p>OHS Reps appointed & trained</p> <p>OHS policy in place</p> <p>OHS Officer appointed</p> <p>Revived OHS Committee</p> <p>Serviced fire equipment and first aid boxes in all municipal sites</p> | <p>Non-compliance to OHS Requirements.</p> <p>Lack of clarity on responsibility for building facilities management and maintenance</p> | <p>Structure review process to clarify and clearly demarcate roles</p> <p>The appointment of the Service provider for installation and Servicing of Fire Equipment and First Aid boxes</p> <p>OHS Committee meetings sit on quarterly basis and recommendations made to management</p> | <p>Low productivity</p> <p>Structural integrity of Munitata Head Office Building in doubt</p> <p>Fire hazard</p> <p>Financial constraints prevent acquisition of quality OHS compliant equipment</p> |
| <p>Dynamic physical Wellness Programme</p> | | <p>Local Sport and Recreation bodies.</p> <p>DSRAC</p> <p>O. R. Tambo Wellness Programme</p> | <p>Financial Constraints</p> <p>Space constraints</p> <p>Staff Shortage prevents more employee participation</p> |

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|--|--|---|---|
| <p>Stability in Political and Administrative Spheres</p> <p>Labour Stability</p> | <p>Poor Work Attendance</p> <p>High levels of substance abuse by employees</p> <p>Absence of trust between labour representatives and general employees, between labour representatives and management and between employees and management, between labour representatives themselves and between management themselves</p> | <p>Reviewed Structure</p> | <p>Union divisions</p> |
| <p>Population of the reviewed structure</p> | <p>Absence or disregard of standards and absence of consequences of failure to meet standards,</p> <p>Poor work attendance and high absenteeism</p> <p>Existence of cliques of untouchable employees</p> <p>Unwillingness of Directors, Supervisors of taking disciplinary action against employees</p> | <p>Political and Administration stability</p> | <p>Insufficient budget to deepen training and staff development</p> |

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|---|--|--|---|
| <p>LLF has been resuscitated since 2020 September</p> <p>LLF committees and structures in place</p> <p>LLF training availability with SALGBC</p> <p>Essential Services Agreement draft</p> <p>Essential Services Agreement drafted and waiting for determination from CCMA</p> <p>Establishment of LLF sub-committees to do proper consultation and submit recommendations to the LLF</p> <p>Training of LLF Sub – Committees</p> | <p>Smooth functioning susceptible to external factors</p> <p>Lack of decision-making powers</p> <p>Lack of Independence</p> <p>Lack of training to the entire LLF so that everyone is made aware of the functioning of the LLF</p> | <p>Fully functional LLF</p> <p>Implementation of recommendations</p> <p>Training of LLF members to understand functioning of the LLF</p> | <p>Workplace Instability</p> <p>Intra union issues</p> <p>Manipulation of forum</p> <p>Non implementation of recommendations</p> <p>Less commitment by members</p> <p>Lack of understanding of which items to be discussed in the LLF</p> <p>Lack of understanding of powers and functions of the LLF</p> |

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|---|--|---|--|
| <p>Employee health and wellness strategy is in place</p> <p>Education and training program is in place</p> <p>Employee Job Satisfaction conducted</p> <p>Promotion Policy in place</p> <p>Allowance policy and leave management in place</p> <p>Bonuses payable</p> <p>PMS within built reward system</p> | <p>Job satisfaction survey implementation outstanding</p> <p>Team Building Exercises lacking</p> <p>Succession and retention Strategies not implemented</p> <p>Exit interviews not fully conducted</p> | <p>EOH/DBSA Job Satisfaction Survey report is available</p> | <p>Financial constraints inhibit professionally facilitated team building programmes</p> <p>Financial constraints prevent realisation of full potential of Employee Wellness Programme</p> <p>Unhealthy and dysfunctional organisational culture</p> |
| <p>Strike management plan and committee is in place</p> <p>Picketing rules available</p> <p>Draft Essential Services Agreement</p> | <p>No single centre during strike action</p> <p>Lack of cohesive and coherent action plan during strikes</p> | <p>SALGA support during industrial action.</p> <p>Availability of LLF as consultative structure</p> <p>District Municipality Dispute Resolution Support</p> | <p>Highly politicised work force</p> <p>Non-conclusion of local essential services level agreement</p> <p>Conflicting signals from employer side during strike action</p> |
| <p>Workshop by SALGBC on the Essential Services Agreement Development</p> | | <p>Provincial Cogta department interventions</p> | |

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|---|--|---|--|
| <p>2030 long term vision</p> <p>Vision and Values in IDP</p> <p>Institution has long history and established systems</p> <p>Implementation of Back to Basics</p> <p>Reviewal of Policies and implementation and monitoring</p> <p>Code of Conduct and Collective Agreement Implementation</p> <p>Full staff complement in Senior management level</p> | <p>Vision and values exist on paper only and are not shared and lived all round</p> <p>Need to improve customer service</p> <p>Fragmented organisational efforts</p> <p>Lack of collaboration and cooperation</p> <p>Absence of concept of Teamwork</p> <p>Weak internal communication system</p> <p>Need to improve monitoring</p> <p>No proper work distribution or delegation of duties</p> | <p>Change Management Workshops</p> <p>Teamwork and breaking barriers</p> <p>PMS cascading</p> <p>Smart City and Metro Prospects</p> | <p>Inertia</p> <p>Power of Comfort Zone</p> <p>Uncertainty on shared commitment to culture turnaround</p> <p>Political Instability and Interference</p> <p>Aging Workforce</p> <p>No Succession planning</p> |
| <p>Reviewed HR Policies</p> | <p>High staff turn-over</p> <p>Culture of non-performance</p> <p>Weakness of accountability</p> <p>High level of ill-discipline, misuse of motor vehicles, theft and looting of municipal assets without consequences</p> | <p>Reviewed structure</p> | <p>Lack of union support</p> |

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|--|--|---|---|
| <p>File plan in place and approved</p> <p>Appointment of officials to serve in the Records Management Committee per department</p> <p>Records Management Forum in place</p> <p>approved Institutional policies in place</p> | <p>Slow implementation of Electronic Document Management System</p> <p>Legislative compliance Gaps identified in EDMS</p> <p>Poor functioning of registry and archives due to staff shortage</p> <p>Poor use of approved file plan by departments</p> <p>No designated records clerks in place in all departments</p> <p>Non submission of monthly records to Archives and Registry by departments for filing</p> <p>Non amendment of file plan as it has gaps</p> | <p>Re- introduce Electronic document management system</p> <p>Corrective measures to address compliance issues identified in current EDMS</p> <p>Consider Public works unused buildings for archive space</p> <p>Use students as substitutes for staff shortage</p> | <p>Budget constraints</p> <p>High vacancy rate</p> <p>Poorly trained EDMS end users</p> |
| <p>Approved Customer care policy is available</p> <p>Two call centres are staffed and fully functioning</p> <p>Customer service turnaround plan has been developed</p> <p>Compliant call centre system has been procured</p> | <p>Poorly trained call centre agents/ consultants</p> <p>Inappropriate operational space for both call centres</p> <p>Outdated call centre telephone system</p> <p>Poor management of customer service unit III-disciplined call centre agents with no consequences</p> | <p>Re training and re-skilling of all call centre agents</p> <p>Introduce up to date telephone technology in both call centres</p> <p>Introduce a proper walk-in centre with adequately trained personnel</p> | <p>Budget constraints thus preventing employment of new agents for walk in centre</p> |

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|--|--|--|--|
| <p>Draft Hall management policy is in place</p> <p>Survey on municipal halls in all wards is completed</p> | <p>Poor management of all Municipal halls</p> <p>Vandalism and theft are rife in most municipal halls</p> <p>Poor revenue collection plan for all halls</p> <p>Non-existent marketing plan for all halls</p> <p>Asset verification in rural halls not completed.</p> | <p>Development of Turnaround plan with clear marketing and revenue collection strategies</p> | <p>Resistance from Cllrs to let go off financial management of halls</p> |

6.3.3 Community Services SWOT Analysis

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|--|---|--|---|
| <p>Managerial Positions for Waste Management and Environmental Management filled</p> <p>Integrated Waste Management Plan approved by Council and endorsed by MEC and is currently being reviewed</p> <p>IWMP has expression on the IDP</p> <p>Solid Waste Management by-laws are gazetted</p> <p>Waste Management Officer Designated</p> <p>4 Waste Disposal Facilities with Waste Management Permits (Mthatha Landfill with Permit to Close)</p> <p>Fleet available for refuse removal in billable households and landfill site machinery available</p> <p>Organisational structure revised to meet legislative demands regarding Waste</p> | <p>Critical funded positions not filled (Superintendents, Landfill & Landfill Site Tally Clerks)</p> <p>Overtime and Acting Allowances expenditure exceeds budget</p> <p>Poor Budgeting and Planning due to cashflow challenges</p> <p>Filthiness in Mthatha, Mqanduli and Coffee Bay due to urbanization</p> <p>Solid waste management shift system not meeting the demand for street cleaning and refuse removal</p> <p>Performance Management System not cascaded to the lower levels (Supervisors)</p> <p>Lack of tools and equipment for commercial refuse collection</p> <p>Street bins obsolete and vandalised</p> | <p>COGTA & National Treasury Support on open window to fund specialized waste management vehicles from MIG</p> <p>Partnership with businesses for cleaning and greening</p> <p>Financial Support from DEA, DEDEAT, GIZ, DOE for Environmental & Energy Efficiency related programmes</p> <p>SALGA, GIZ & DBSA Support on Innovation and Best Practises and on Operation Phakisa</p> <p>ORTDM support on cleaning and greening and on provision of ablution facilities</p> <p>EPWP Grant funding from DPW, DEFF and DEDEAT</p> <p>Best Practices and Innovation from other municipalities</p> <p>PMU support for rehabilitation and construction of municipal amenities</p> | <p>Currently servicing a population of more than 1 million</p> <p>Unresolved land claims</p> <p>Non-Formalized establishments in peri urban areas resulting in poor cost recovery</p> <p>Lack of funding for municipal functions</p> <p>Municipal Health Services and Library Services unfunded mandate</p> <p>Cash flow challenges</p> <p>Climate change</p> <p>Lawlessness and lack of ownership of waste generated by waste generators</p> <p>Illegal dumping and environmental pollution in municipal open spaces</p> |

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|--|--|---|--|
| <p>Management Function, Environmental Management, Management of Beaches, Management of Parks and Open Spaces and Climate Change and Energy Efficiency</p> <p>Positions at lower levels filled (100 General Workers positions filled in 2019/20 & 2020/21 financial year</p> <p>Participating in EPWP Environmental & Social Sector Programme</p> | <p>Poor cost recovery on commercial refuse collection</p> <p>By Laws not yet promulgated</p> | <p>Local Radio Stations and social media</p> <p>Developed Cooperatives for cleaning and greening</p> <p>MISA project on Innovative Solutions for Solid Waste Management</p> | <p>High rate of crime, vandalism and theft of municipal infrastructure</p> <p>Service delivery protests</p> <p>State of decay of businesses and underground infrastructure</p> <p>Theft and vandalism of graves in main cemetery</p> |

6.3.4 Public Safety SWOT Analysis

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|---|---|---|--|
| Key Managerial Positions filled (Director, Chief Protection, Chief Law Enforcement, Chief Traffic, Chief Licensing Officer) | Weak coordination of Community Safety | Active Community Structures | Lack of Ward based safety forums |
| Good working relations with Justice, NPA other stakeholders in the security Cluster | Lack of departmental research personnel | Available electronic and press communication mediums (2 Community Radio Stations and SABC, not less than 3 Newspapers) | Stray animals |
| Bylaws and other Critical Policies and Plans developed | Inconsistent implementation of the Community Safety Plan (CSP) | Collaborative Opportunities with International Developmental Organisations on crime prevention and Community Safety – GIZ | Limited Community Participation on Municipal affairs |
| Revived Community Safety Forum | Shortage of personnel | Networking opportunities through SPRINT - Municipal Exchange Programme | Poorly coordinated civic education |
| Adopted Community Safety Plan (CSP) | Incapacitated personnel – lack of specialized training for LEOs, TOs and ACOs | National and Provincial Crime Prevention Strategies | Police invisibility |
| Community Safety well connected to the IDP | Lack of Office Space | | Mushrooming street trading |
| Good working relations with Department of Transport | Shortage of Vehicles and other tools of trade | | Land grabs |
| CCTV Cameras to monitor activity and movement on Municipal Property | Budgetary constraints | | Crime – Lawlessness |
| | Lack of joint planning | | Land claims |
| | Unstable relationships amongst Union members | Illegal structures | |
| | Incapacitated Fire Department | Long ques at MVRA and continuous complaints by communities about the services at MVRA | |

6.3.5 Technical Services SWOT Analysis

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|---|---|--|--|
| <p>Qualified, experienced and long serving employees</p> <p>Enhancement of staff through EPWP and CWP</p> <p>Access to capacity building programmes supported by both MISA and National Treasury</p> | <p>Improper remuneration of scarce skills in line with the job markets</p> <p>Lack of continuous personnel development due to insufficient funds</p> <p>Lower-level municipal employees lack relevant skills</p> <p>Staff shortage on critical positions</p> | <p>ISDG and MISA grant funding</p> | <p>High turnover of trained staff employed leaving the municipality for better offer</p> |
| <p>Yellow fleet in the road division</p> <p>Roads Master plan</p> <p>Road maintenance policy and plans</p> <p>Procured asphalt paving machine to rehabilitate damaged surfaced roads</p> <p>Panel of service providers for infrastructure development</p> | <p>Delays on fleet repairs</p> <p>Potholes on surfaced roads and blocked storm water structures</p> <p>Inadequate budget</p> <p>Limited quantities of material for paving machine</p> <p>Limited budget for maintenance of municipal infrastructure</p> <p>Huge backlog and demand for access roads, community halls and maintenance of gravel roads</p> <p>Dilapidated infrastructure which requires major maintenance</p> | <p>Use of external services providers for fleet services</p> <p>Increased grant from National and provincial Departments in the form of MIG, INEP, OTP and NDPP</p> <p>Construction of alternative or more road networks for traffic to bypass CBD</p> | <p>Claims due to vehicle damages and traffic congestion within CBD</p> <p>Community protests, Vandalism and wilful damage to Municipal infrastructure and cable theft</p> <p>Climate change leading to disaster and damage of infrastructure</p> <p>No secured servitude for alternative roads</p> |

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|---|---|--|--|
| | <p>Unavailability of mechanical workshop</p> <p>Shortage of fleet for day-to-day operations of the department</p> <p>Shortage of funding to address infrastructure backlog</p> | | |
| <p>Electricity Master Plan</p> <p>Experienced electricians</p> <p>Improved high voltage network performance</p> | <p>Aged Electricity infrastructure leading to electrical faults.</p> <p>No control centre to manage and monitor electricity infrastructure</p> <p>Inadequate access control to electricity infrastructure</p> <p>No software for load flow studies, network analysis, design and testing equipment</p> <p>Manual reading of meters and inaccessible areas</p> <p>No clear policies, bylaws, standard procedures and maintenance plan for day-to-day operations</p> <p>Lack of integration between the municipality and traditional leaders on rural settlement developments</p> | <p>Increased business developments leading to revenue collection enhancement</p> <p>Installation of automated metering</p> <p>Additional energy capacity through off grid source</p> | <p>Frequent interruptions of electricity in medium and low voltage networks due to illegal connections</p> <p>Huge demand for public lighting and for grid electricity in both urban and some rural wards.</p> <p>Huge electricity backlog with limited funding.</p> <p>Vandalism, protests and cable theft</p> <p>Loss of major customers Non-payments of rates and loss of potential investment</p> <p>Land invasion leading to poor planning for provision of infrastructure services and also chases away investors</p> <p>Eskom Load shedding resulting to revenue loss and equipment failure</p> |

6.3.6 Human Settlement SWOT Analysis

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|--|--|---|--|
| Skilled personnel | Shortage of technical and administrative housing unit staff | Approved Restructuring zone | Unresolved Land Claims |
| Functional Municipal Planning Tribunal | Shortage of Funds for operations (e.g. GIS infrastructure and execution of housing projects) | Approved PSHDA (Priority Human Settlements & Housing Development Area) | Land invasion ((Mpindweni, Ncambedlana allotment, Mqanduli and Kwa Mpuku) |
| Existing Policies and Standard operating policies | availability of working tools to enhance production (laptops and data devices) | Newly approved housing Projects | High Staff turnover rate |
| Gazetted by Laws and regulatory Frameworks | Weak internal co-ordination | Acquisition of properties from Public Works | Climate Change and Disasters |
| | Staff retention | Support by other spheres of Govt (Department of Public Works) | High Staff turnover rate |
| Standard operating policies | Slow pace of social housing development due to land claims and invasion in identified areas | Nodal Points | High rate of illegal construction and installation of Outdoor advertising signage. |
| Support from funding institutions – MISA; DBSA | None-compliance by developer on Building regulation | GIS Strategy | Land Claims |
| Human Settlements Implementation Status | Non-payment of market related rates | Newly approved housing projects | Land Tenure |
| Priority Precincts -Sprigg Street Precinct; SEZ Precinct etc.) | Working relations with Human settlements (Province) | Acquisition of properties from Public Works | |
| Functional Buildings Plans Committee | | Support by other spheres of Govt (Dept. of Rural Development, Department of Public Works) | |
| Awareness Educational Material | | Human Settlements accreditation | |
| Covid-19 impact on turnaround times | | MISA Support | |
| Land Audit | | | |
| | | | |

6.3.7 Rural and Economic Development SWOT Analysis

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|---|---|--|---|
| <p>Draft policies and bylaws in place</p> <p>Political and Administration will for economic development</p> <p>Investment partners will invest in KSD</p> <p>Key strategic partners that work with KSD</p> <p>Administrative will to achieve the objective and strategies</p> | <p>High vacancy rate at managerial level</p> <p>Inadequate tourism marketing – Innovation</p> <p>Inadequate working tools and office space</p> <p>Policies and bylaws are still at draft stage and unable to enforce them</p> | <p>Good working relations with external government departments for support</p> <p>Small Town Revitalization programme approval and execution in Mqanduli</p> <p>Funding opportunities exist with government Departments (DEDEAT, ECDC, DSDB, DBSA)</p> <p>Tourism attraction Coffee Bay development – revenue generation</p> <p>Airport SEZ development and agricultural opportunities</p> | <p>Multiplicity of business chambers affects coordination of efforts</p> <p>Jobs barometer not being kept</p> <p>Vandalism of Electrical Infrastructure</p> <p>Syndicate that wants protection on projects and services</p> <p>High crime rate in KSD Municipality</p> <p>Non available of land due to land claim</p> |

6.3.8 Executive and Council SWOT Analysis

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|---|--|--|---|
| <p>2020 Council-approved PMS Policy</p> <p>Senior Managers, GMs and Managers Performance Appraisals Agreements signed</p> <p>SDBIP in place</p> <p>Appointment of PMS Manager</p> <p>Performance Committee in place</p> | <p>PMS not fully welcomed at all levels especially Unions who feel it is a witch hunt</p> <p>Culture of unwillingness to be accountable</p> <p>Lack of monitoring and consistency.</p> | <p>SALGA PMS Drive</p> <p>CoGTA support for municipal PMS</p> <p>CoGTA Section 154 support programme</p> <p>Support by Council and Mayoral Committee</p> | <p>Financial constraints militating against performance resources and tools of work.</p> <p>No budget for Performance bonus</p> <p>Lack of buy-in and ownership for PMS</p> |

7. KSD STRATEGIC DIRECTION

7.1 National and Provincial Strategic Guides

| Policy or Strategy | Guiding Principles |
|---|--|
| <p>The National Strategic Vision</p> | <p>The Green Paper on National Strategic Planning of 2009 proposed the National Planning Commission, that will direct the development of a long-term strategic plan, called South Africa Vision 2030. Also proposed national spatial guidelines, and an overarching spatial framework spelling out government’s spatial priorities in order to focus on government action and provide the platform for alignment and coordination. The preparation of the three key products of the planning cycle is proposed namely:</p> <ul style="list-style-type: none"> • long term product (National Strategic Vision) • medium term product (MTSF); and • short term product (Action Programme) <p>These will all set the strategic direction from which all spheres of government should take guidance.</p> |
| <p>Medium Term Strategic Framework (MTSF) (20192024)</p> | <p>The basic thrust of the Medium-Term Strategic Framework 2017 – 2020 is to improve the conditions of life of all South Africans and contribute to building a better Africa and a better world. The MTSF base document is meant to guide planning and resource allocation across all the spheres of government. Informed by the MTSF and, municipalities are expected to adapt their Integrated Development Plans in line with the national medium-term priorities.</p> <p>These strategic priorities set out in the MTSF are as follows:</p> <ul style="list-style-type: none"> • Strategic Priority 1: Speeding up growth and transforming the economy to create decent work and sustainable livelihoods. • Strategic Priority 2: Massive programme to build economic and social infrastructure. • Strategic Priority 3: Comprehensive rural development strategy linked to land and agrarian reform and food security. • Strategic Priority 4: Strengthen the skills and human resource base. • Strategic Priority 5: Improve the health profile of all South Africans. • Strategic Priority 6: Intensify the fight against crime and corruption. • Strategic Priority 7: Build cohesive, caring and sustainable communities. • Strategic Priority 8: Pursuing African advancement and enhanced international cooperation. • Strategic Priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions. <p>Strategic Priority 9: Sustainable Resource Management and Use</p> <p>The MTSF will be the central guide to resource allocation across the three spheres of government. At the same time, a comprehensive review of expenditure patterns of departments should open up possibilities for savings and reprioritisation. In the preparation and interrogation of budgetary submissions, account should be taken of the priorities identified above, including decent jobs, human capital development and rural development.</p> |

| Policy or Strategy | Guiding Principles |
|---|--|
| Government's Programme of Action | <p>The Programme of Action (PoA) is an annual statement of government's priorities for the year. It aims to outline government's major plans for the year ahead. The PoA is informed by the MTSF, the deliberations of the January Cabinet Lekgotla and the President's State of the Nation Address.</p> <p>Four priority interventions</p> <ol style="list-style-type: none"> 1. Massive roll out of infrastructure throughout the country, 2. Massive increase in local production, 3. An employment stimulus to create jobs and support livelihoods, and 4. Rapid expansion of our energy generation capacity. |

7.2 Outcomes-based Approach to Delivery

To give effect to the above priorities, government has embarked on an outcomes-based approach to ensure the delivery/implementation of these priorities. In line with this approach, government has formulated and agreed on twelve key Outcomes, based on the ten MTSF priorities. These Outcomes have been expanded into high-level outputs and activities, which in turn formed the basis of a series of performance agreements between the President and relevant Ministers. While all of the Outcomes can to some extent be supported through the work of local government, Outcome 9 is specifically directed at local government:

A responsive, accountable, effective, and efficient local government system:

- Output 1** : Implement a differentiated approach to municipal financing, planning & support
- Output 2** : Improving access to basic services,
- Output 3** : Implementation of the Community Work Programme,
- Output 4** : Actions supportive of the human settlement outcome,
- Output 5** : Deepen democracy through a refined Ward Committee Model,
- Output 6** : Administrative and financial capability, and
- Output 7** : Single window of coordination.

7.3 Sectoral Strategic Direction

In addition to the above national strategic guidance, certain sector-specific policies and strategies are also of relevance. Some of the most recent are the following:

| Policy or Strategy | Guiding Principles |
|---|--|
| The New Growth Path | <p>This National Policy framework deals specifically with issues such as creating decent work, reducing inequality, and defeating poverty through “a restructuring of the South African economy to improve its performance in terms of labour absorption as well as the composition and rate of growth”. Of practical consequence to local government, are the specific job drivers that have been identified:</p> <ol style="list-style-type: none"> 1. Substantial public investment in infrastructure both to create employment directly, in construction, operation and maintenance as well as the production of inputs, and indirectly by improving efficiency across the economy, 2. Targeting more labour-absorbing activities across the main economic sectors – the agricultural and mining value chains, manufacturing and services, 3. Taking advantage of new opportunities in the knowledge and green economies, 4. Leveraging social capital in the social economy and the public services, a 5. Fostering rural development and regional integration. <p>As a first step, it is proposed that efforts to support employment creation in the following key sectors should be prioritised:</p> <ul style="list-style-type: none"> • Infrastructure, • the agricultural value chain, • the mining value chain, • the green economy, • manufacturing sectors, which are included in IPAP2, and, • Tourism and certain high-level services. |
| Comprehensive Rural Development Programme, 2009 | <p>“The CRDP is focused on enabling rural people to take control of their destiny, with the support from government, and thereby dealing effectively with rural poverty through the optimal use and management of natural resources. This will be achieved through a coordinated and integrated broad-based agrarian transformation as well as the strategic investment in economic and social infrastructure that will benefit the entire rural communities.”</p> <p>To ensure the achievement of rural development objectives, a three-pronged strategy including agrarian transformation, rural development and land reform is proposed:</p> <ul style="list-style-type: none"> • Agrarian Transformation: increased production and the optimal and sustainable use of natural resources; livestock farming and cropping, including the related value chain processes; the establishment and strengthening of rural livelihoods for vibrant local economic development; the use of appropriate technology, modern approaches and indigenous knowledge systems; and food security, dignity and an improved quality of life for each rural household. • Rural development: the establishment of economic and social infrastructure. |

| Policy or Strategy | Guiding Principles |
|--|---|
| | <ul style="list-style-type: none"> Land Reform: Increasing the pace of land redistribution; fast-track the settlement of labour tenant claims, especially in KwaZulu-Natal and Mpumalanga; speeding up the settlement of outstanding land restitution claims; and effective support to all land reform programmes through land planning and information. |
| Comprehensive Plan for the Development of Sustainable Human Settlements ("Breaking New Ground" / BNG), 2004. | <p>BNG defines sustainable human settlements as "well-managed entities in which economic growth and social development are in balance with the carrying capacity of the natural systems on which they depend for their existence and result in sustainable development, wealth creation, poverty alleviation and equity" (p11).</p> <p>The development of sustainable human settlements goes beyond the development of houses, and should also include appropriate social and economic infrastructure, offer a variety of options in appropriate housing solutions to choose from (e.g., different tenure forms), and should contribute to spatial restructuring.</p> |

7.4 The New Economic Growth Path

This framework, aimed at enhancing growth, employment creation and equity, has as its principal target the creation of five million jobs over the next 10 years. Central to the New Growth Path is a massive investment in infrastructure as a critical driver of jobs across the economy. This calls for all spheres of government to prioritise job creation by ensuring that all programmes have an element of job creation. The framework identifies five key areas for large-scale public investment and job creation, i.e., Energy, Transport, Communication, Water, and Housing:

- Regards the infrastructure programme as a trigger to build a local supplier industry for the manufacture of the components for the build-programme,
- Identifies specific measures, particularly changes to procurement policy and regulations, to ensure delivery on its targets, and
- Highlights as risks the fragile global recovery, competition, and collaboration with the new fast-growing economies, and competing domestic interests.

Five other priority areas are identified as key contributors to job creation in partnerships between the State and the private sector, viz.:

- Green Economy: Expansions in construction and the production of technologies for solar, wind and biofuels are supported by the draft Energy and Integrated Resource Plan. Clean manufacturing and environmental services are projected to create 300 000 jobs over the next decade

- **Agriculture:** Jobs will be created by addressing the high input costs and up-scaling processing and export marketing. Support for smallholders will include access to key inputs. Government will explore ways to improve working and living conditions for the country's 660 000 farm workers. The growth path also commits Government to unblocking stalled land transfers, which constrain new investment
- **Mining:** This includes a call for increased mineral extraction, improvements in infrastructure and skills development and beneficiation, which can create large-scale employment. It foresees the establishment of a State-owned mining company concentrating on beneficiation and enhanced resource exploitation in competition with a strong private mining sector
- **Manufacturing:** The focus is on re-industrialisation of the South African economy through innovation, skills development and reduced input costs in the economy. A target of doubling of South Africa's research and development investment to 2% of gross domestic product by 2018 is set
- **Tourism and other High-Level Services:** The framework regards these areas as holding significant employment potential and calls for South Africa to position itself as the higher education hub of the African continent.

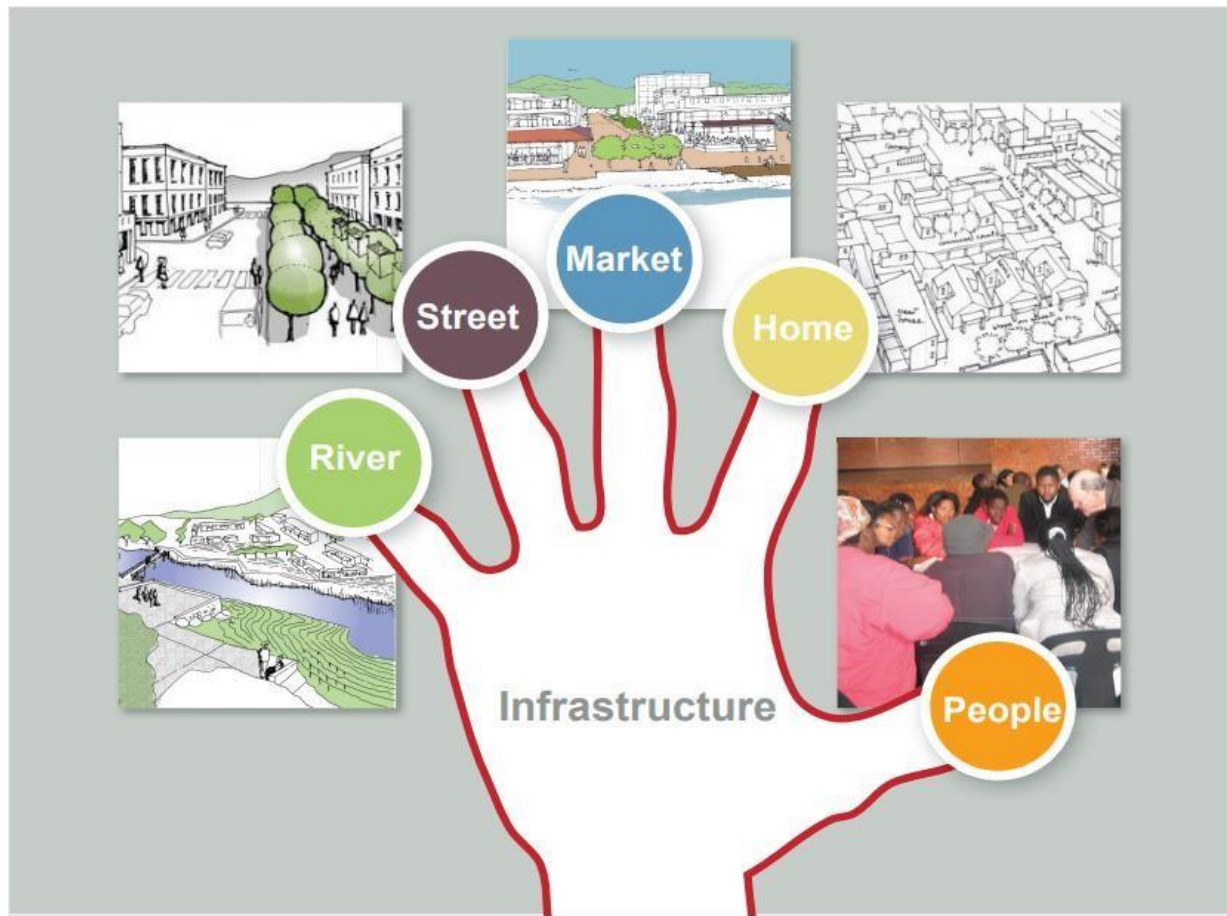
While leaders throughout the world have undertaken unprecedented efforts to achieve these goals, much still needs to be done. This IDP, like all other development plans, presents an opportunity to do so.

7.5 Vision 2030

The commencement of the term was marked with the formulation of several development frameworks. Council adopted long term plan, vision 2030 in 2009. This strategic document frames the long term and sustainable development plan for Mthatha and Mqanduli. The thrust of the plan is encapsulated into 5 thematic areas being: - the River, the Street, the Market, Home and People. All the mentioned thematic areas are underpinned by Infrastructure as the development enabler that cuts across.

Development plans (short and medium term) work in tandem to ensure the achievement of the KSD Vision 2030.

Picture 1: Vision 2030 Thematic Areas



7.6 Alignment Between Municipal IDP and Turnaround Strategy

Integrated development planning is a process whereby municipalities prepare strategic development plans for a five-year period. IDPs are the main platforms through which sustainable provision of service delivery could be achieved. They intend to promote coordination between local, provincial and national government. Once adopted by Council, these plans should inform planning, decision making, budgeting, land management, promotion of local economic development, and institutional transformation in a consultative systematic and strategic manner. The main objective of developing an IDP is the promotion of developmental local government, through the following:

- Institutionalising performance management to ensure meaningful, effective, and efficient delivery (monitoring, evaluation, and review), speed up service delivery through making more effective use of scarce resources

- Enabling the alignment and direction of financial and institutional resources towards agreed policy objectives and programmes
- Ensure alignment of local government activities with other spheres of development planning through the promotion of intergovernmental co-ordination.

7.6.1. Status of the IDP

The IDP is a legal document that must be approved by the Council. According to Section 26 of the MSA the Municipal Spatial Development Framework (MSDF) must be aligned to the IDP. All other spatial plans must be aligned with the MSDF. Therefore, no spatial plan of the municipality may contradict the MSDF or the IDP. Section 35(2) of the MSA, indicates that a spatial development framework contained in the Integrated Development Plan prevails over a plan defined in section 1 of the Physical Planning Act, 1991 (Act No. 125 of 1991). Section 1 of the Physical Planning Act defines 'plan' as a national plan, a regional development plan, a regional structure plan or an urban structure plan:

- Assist the municipality to focus on environmentally sustainable development strategies and delivery
- Assist in the development of a holistic strategy for local economic development and job creation in the context of a strong poverty alleviation focus
- Strengthen democracy and institutional transformation
- Attracting additional funds from private investors and sector departments as the IDP indicates a developmental direction.

A critical concept in the development of an IDP is ensuring that integration takes place. The IDP process and development of plans amounts to an advantage to ensure alignment of all the plans with the IDP. This will ensure that consolidated and integrated sectoral programmes will be developed and that aspects, both horizontally and vertically, ranging from spatial, economic, environmental, and social impacts are completely connected. The IDP also aims to:

- Create a higher level of focus and thereby improve the strategic nature of the document
- Align this strategic document with the limited financial and human resources

- Align the IDP with the activities of the municipality's departments and other social partners in other spheres of government, and,
- Align the IDP with the various sector and management plans of the municipality.

7.6 Institutional Arrangements

A joint effort between the different role players is imperative in order for fair and just decisions to be reached. The review and implementation of the Municipal Turnaround Strategy will be driven by the existing governance structures Political (Council and Council Committees) and Administratively (Management Committee and Departmental Committees). Institutional arrangements are based on the following principles:

- Public Participation has to be institutionalized to ensure that all residents have an equal right to participate
- Structural participation must specify the participants, who they represent, issues to be taken forward, organizational mechanisms and the effects of the participation
- The Municipal Council approves the Process Plan and for the purposes of the MTAS Process will undertake the overall management and co-ordination of the planning process which includes ensuring that:
 - All relevant actors and procedures for the Public Consultation and participation are applied
 - The planning events are undertaken in accordance with the time scheduled
 - The Planning process is related to the real burning issues in the Municipality
 - It is a strategic and implementation orientated process
 - Ensure that the Municipal Turnaround Strategy is linked to the Municipal IDP and all annual business plans, budget, and land use management decisions

8. KSD TURNAROUND STRATEGY PILLARS

KSD Turnaround Strategy is centred around four pillars, all linked to the vision of the Municipality of spearheading radical economic transformation. These pillars are the basis for the development of the Turnaround Strategy Implementation Plan and are as follows:

- I. Financial recovery
- II. Service delivery
- III. Good governance
- IV. Public participation

9. TURNAROUND STRATEGY IMPLEMENTATION PLAN

9.1 Budget and Treasury Office

| DIVISION | ISSUE | BACKGROUND | ACTION | RESPONSIBLE PERSON | ACCOUNTABLE PERSON | TIMELINE |
|----------------------------------|---|--|--|----------------------------------|-------------------------|-----------|
| Revenue division | To improve debt collection to the norm of 95% | 93% debt collected | Improved revenue collection to 95% by June 2024 | GM: Revenue and Budgeting | Chief Financial Officer | June 2024 |
| Revenue division | Reviewed financial recovery plan | Adopted financial recovery plan and implementation | Review, implement and report on financial recovery plan by June 2024 | GM: Revenue and Budgeting | Chief Financial Officer | June 2024 |
| Revenue division | To provide indigent subsidy to qualifying indigent households | 22189 indigent beneficiaries Provision of free basic services to indigent house holds | Provide free basic services to qualifying indigent households in line with indigent policy and register by June 2024 | GM: Revenue and Budgeting | Chief Financial Officer | June 2024 |
| Supply chain management Division | To implement cost containment policy | Cost containment policy in place and implemented | Implementation of cost containment policy by June 2024 | GM: Supply Chain and Expenditure | Chief Financial Officer | June 2024 |
| Supply chain management division | To implement supply chain management processes | Updated 2022/23 Contract register | Ensure contract register is updated on a regular basis by June 2024 | GM: Supply Chain and Expenditure | Chief Financial Officer | June 2024 |
| Supply chain management division | Develop, monitor and report on the implementation of procurement plan | 2022/23 procurement plan Developed procurement plan | Develop, monitor and report on the implementation of procurement plan by June 2024 | GM: Supply Chain and Expenditure | Chief Financial Officer | June 2024 |

| DIVISION | ISSUE | BACKGROUND | ACTION | RESPONSIBLE PERSON | ACCOUNTABLE PERSON | TIMELINE |
|-----------------|---|--|---|-----------------------------------|---------------------------|-----------------|
| Budget division | To align budget and IDP to mSCOA requirements | 2023/24 IDP, budget and PMS process plan | Develop and monitor IDP, budget and PMS 2024/25 process plan by June 2024 | GM: Revenue and Budgeting | Chief Financial Officer | June 2024 |
| Budget division | Budget related policies reviewed in 2022/2023 | Improve internal controls for clean administration for the communities of KSD by 2024 for continuous implementation of policies, systems and legislation | Ensure all budget related policies are reviewed and implemented | GM: Revenue and Budgeting | Chief Financial Officer | June 2024 |
| Assets division | Management of Municipal asset | 2021/22 asset register Grap compliant asset register | Ensure maintenance of GRAP compliant asset register on monthly basis by June 2024 | GM: Accounts and Asset Management | Chief Financial Officer | June 2024 |

9.2 Corporate Services

| DIVISION | ISSUE | BACKGROUND | ACTION | RESPONSIBLE PERSON | ACCOUNTABLE PERSON | TIMELINE |
|----------------------------|---|---|---|--------------------------------|------------------------------|--------------------------|
| Organisational Support | Office space | Lack of sufficient office space | The vacant outside office spaces should be renovated for office space | GM: Organisational Support | Director: Corporate Services | June 2024 |
| Integrated Human Resources | Staff shortage | High rate of staff shortage | Critical posts to be budgeted and filled | GM: Integrated Human Resources | Director: Corporate Services | 12 Months (30 June 2024) |
| Integrated Human Resources | Compliance with Human Resource policies | Non-compliance of departments in HR policies which leads to audit queries especially on leave and overtime worked | Quarterly information sharing will be conducted on Human Resource policies relating to work attendance, leave and overtime | GM: Integrated Human Resources | Director: Corporate Services | Quarterly |
| Integrated Human Resources | Leave Management | High level of absenteeism for non-reporting / unauthorised absence. | Quarterly information sharing will be conducted on Human Resource policies relating to work attendance, leave and overtime. Disciplinary process to be carried out | GM: Integrated Human Resources | Director: Corporate Services | Quarterly |
| Organisational Support | Business Continuity | Dilapidated ICT infrastructure threatens business continuity | Source funding for ICT Infrastructure | GM: Organisational Support | Director: Corporate Services | June 2024 |
| Organisational Support | Knowledge Management | Non implementation of records management system | Facilitation of workshop on importance of records management Implementation of file plan | GM: Organisational Support | Director: Corporate Services | Quarterly |

| DIVISION | ISSUE | BACKGROUND | ACTION | RESPONSIBLE PERSON | ACCOUNTABLE PERSON | TIMELINE |
|------------------------|---------------|-------------------------------|---|---|---|-----------|
| Organisational Support | Customer Care | High rate of customer queries | <p>Improve service delivery and infrastructure maintenance</p> <p>Develop a Social media application for monitoring and responding to reports</p> | <p>GM: Electrical Services</p> <p>GM: Organisational Support</p> <p>GM: Office of the Mayor</p> | <p>Director: Corporate Services</p> <p>Director: Technical Services</p> <p>Director: Corporate Services</p> <p>Chief Operations Officer</p> | June 2024 |

9.3 Community Services

| DIVISION | ISSUE | BACKGROUND | ACTION | RESPONSIBLE PERSON | ACCOUNTABLE PERSON | TIMELINE |
|------------------------|---|--|--|--------------------|-----------------------------|-----------|
| Solid Waste Management | Refuse Removal | Refuse removal is collected in 537 streets in billed households once per week | Provide Concrete Street litter bins | GM: Solid Waste | Director Community Services | June 2024 |
| Solid Waste Management | Refuse Removal | 24 refuse removal points are cleared once per week in peri urban areas and Makhenkesi (Mqanduli) | Clearing of 24 refuse removal points using TLB and 2 Tipper | GM: Solid Waste | Director Community Services | June 2024 |
| Solid Waste Management | Illegal dumping Site Hotspots | 14 Illegal Dumping Site Cleared | Clearing of 14 Illegal Dumping Sites using TLB & 2 Tipper Trucks | GM: Solid Waste | Director Community Services | June 2024 |
| Solid Waste Management | Landfill site management and compliance | 02 Landfill Sites are Maintained | Management and maintenance of 02 Landfill Sites | GM: Solid Waste | Director Community Services | June 2024 |
| Solid Waste Management | Improve cost recovery on commercial refuse collection | 28 new refuse collection contracts | Signing of new refuse collection contract | GM: Solid Waste | Director Community Services | June 2024 |
| Solid Waste Management | Increase capacity in street cleaning | 2 Shift system is used for street cleaning with at least 26 General Workers cleaning per street | Increase no of street cleaners in main streets and entrances in Mthatha & Mqanduli | GM: Solid Waste | Director Community Services | June 2024 |

| DIVISION | ISSUE | BACKGROUND | ACTION | RESPONSIBLE PERSON | ACCOUNTABLE PERSON | TIMELINE |
|--|------------------------------------|--|---|--|-----------------------------|-----------------|
| Municipal Health Services | Improve Animal Welfare | Mqanduli Pound has been fenced | Fencing and provision of pound infrastructure in Mqanduli | GM: Environmental Management and Amenities | Director Community Services | June 2024 |
| Environmental Quality Management & Amenities | Environmental Education | Stakeholder engagements conducted at ward level | Conduct Stakeholder engagement and public participation | GM: Solid Waste | Director Community Services | June 2024 |
| Environmental Quality Management & Amenities | No formal service for garden waste | Garden waste services are informal rendered through 4ton cage truck only Mthatha General Hospital paying for the service | Provision of garden waste services in all urban wards | GM: Solid Waste | Director Community Services | June 2024 |
| Environmental Quality Management & Amenities | Coastal Cleaning & Coastal Safety | 43 Lifeguards appointed for a period of 24 months for coastal safety | Provision of Coastal Cleaning & Coastal Safety | GM: Environmental Management and Amenities | Director Community Services | June 2024 |
| Environmental Quality Management & Amenities | Maintenance of sport facilities | 2 Sports Facilities maintained quarterly. (Mthatha and Rotary Stadium) | Management and Maintenance of Sport Facilities | GM: Environmental Management and Amenities | Director Community Services | June 2024 |

| DIVISION | ISSUE | BACKGROUND | ACTION | RESPONSIBLE PERSON | ACCOUNTABLE PERSON | TIMELINE |
|--|--|---|---|---|-----------------------------|-----------------|
| Environmental Quality Management & Amenities | Beautification and greening of open spaces | 4 parks beautified (Queens and Mqanduli) | Provision of General Horticultural maintenance for Parks & Public Open Spaces | GM: Environmental Management and Amenities | Director Community Services | June 2024 |
| Environmental Quality Management & Amenities | Maintenance of Cemeteries | 03 Cemeteries maintained quarterly. (Northcrest, Sutton & Mqanduli) | Provision of General Horticultural maintenance for Cemeteries | GM: Environmental Management and Amenities | Director Community Services | June 2024 |
| Community Services | Implementation and enforcement of By-Laws | 1 By-Law has been gazetted | Promulgation and Gazetting of By-Laws | GM: Environmental Management and Amenities GM: Solid Waste | Director Community Services | December 2023 |

9.4 Public Safety and Traffic Management

| DIVISION | ISSUE | BACKGROUND | ACTION | RESPONSIBLE PERSON | ACCOUNTABLE PERSON | TIMELINE |
|--|-----------------------------|--|---|--------------------------|------------------------|--------------|
| Transport Services | Efficiency of the DLTC | <p>The infrastructure at the DLTC is aged</p> <p>Loss of revenue as there is no bulk licensing arrangements for Car dealers.</p> <p>Load-shedding</p> <p>Congestion at DLTC centres</p> | <p>Revamp old and dilapidated infrastructure</p> <p>Bulk licensing arrangements</p> <p>Ensure car dealers are prioritized</p> <p>Ensure all centres are fully backed up by a generator</p> <p>Decentralization of Licensing function through construction of DLTC in Mqanduli</p> | GM: Transport Services | Director Public Safety | By June 2024 |
| Protection Services (Emergency Services) | Efficiency of Fire Services | <p>Fire fighters are forced to work in hazardous environment due to insufficient fire equipment such as breathing apparatus and personal protective clothing such as bunker trousers, fire jackets, helmets, heat shield.</p> <p>Shortage of staff</p> | <p>Urgent purchase of persona protective equipment and uniform</p> <p>Fill critical vacancies that were budgeted but not filled</p> | Head Protection Services | Director Public Safety | By June 2024 |

| DIVISION | ISSUE | BACKGROUND | ACTION | RESPONSIBLE PERSON | ACCOUNTABLE PERSON | TIMELINE |
|---------------------|---------------------------------------|--|--|---------------------------|---------------------------|-----------------|
| Transport Services | Efficiency of Traffic section | <p>Traffic Officers visibility due to shortage of members</p> <p>Traffic congestions in CBD</p> <p>Shortage of motor vehicles. (We are in possession of a mere three (03) vehicles and one (01) breakdown)</p> | <p>Filling of vacancies especially those of supervisory roles. Mqanduli has got no supervisor all together.</p> <p>Implementation of Parking Management system</p> <p>Purchase of Municipal Fleet including (01) Bus and (01) towing truck</p> | GM: Transport Services | Director Public Safety | By June 2024 |
| Protection Services | Efficiency of Law Enforcement section | <p>Nonadherence to Municipal bylaws. (Street trading is proving to be the major problem.) The Municipal Bylaws were declared invalid and inconsistent with Business Act by Mthatha High Court.</p> <p>Severe Staff Shortages and incapacitated personnel due to minimal budget</p> | <p>Inspection of permits for street traders continues. Development of street trading bylaw, which is a competence of RED must be accelerated.</p> <p>Filling of vacancies for law enforcement officers</p> | Head Protection Services | Director Public Safety | By June 2024 |

| DIVISION | ISSUE | BACKGROUND | ACTION | RESPONSIBLE PERSON | ACCOUNTABLE PERSON | TIMELINE |
|---------------------|--------------------------------------|---|--|--------------------------|------------------------|--------------|
| Protection Services | Efficiency of Access Control section | <p>Training of internal personnel is hindered by budget constraints.</p> <p>Shortage of staff leads to some sites being left unguarded which then leads to vandalism of municipal assets.</p> <p>litigations due to enforcement of law to transgressors</p> | <p>Budget for training of personnel must be made available so as to increase its capacity to guard municipal sites.</p> <p>Immediate Filling of posts. Installation of CCTV cameras.</p> <p>Development of Standard Operating Procedures and training to SOP's</p> | Head Protection Services | Director Public Safety | By June 2024 |

9.5 Technical Services

| DIVISION | ISSUE | BACKGROUND | ACTION | RESPONSIBLE PERSON | ACCOUNTABLE PERSON | TIMELINE |
|----------------------------|--|--|---|---|------------------------------|------------------------|
| Technical Services | More sponsors/funders to assist in allocation of funds in the department | Inadequate budget to fund infrastructure projects | Department to maintain relations with partnerships i.e., DBSA, MISA, DMRE etc. | GM: Electrical Services | Director: Technical Services | 2023/2024 to 2024/2025 |
| Electricity, PMU and Roads | Shortage of vehicles for Project Managers and Meter Inspectors to enable them to visit sites and conduct meter inspections and plant to maintain roads | Shortage and regular breakdown of fleet | To procure more vehicles and plant | GM: Electrical Services / Manager: PMU | Director: Technical Services | 2023/2024 |
| Electricity and Roads | Budget allocation for roads maintenance and electricity repairs | Inadequate funding for maintenance program (Roads and Electricity) | <p>More budget must be allocated for maintenance of roads and electricity infrastructure – getting same budget allocation in every year cause the department to fail.</p> <p>Budget for electricity maintenance be increased from R27m to R60m, BTO and Infrastructure should invite a joint Standing Committee to resolve the issue of Budget allocation</p> <p>Split of Budget planning for rural roads and urban roads to be at least 60/40 not 90/10.</p> | GM: Electrical Services Manager: Roads | Director: Technical Services | 2023/2024 |

| | | | | | | |
|--|--|--|--|--|--|--|
| | | | Department to seek budget proposals from Presidential Office through Presidential intervention Program and seek SLAs from Department of Transport and Public Works | | | |
|--|--|--|--|--|--|--|

9.6 Human Settlements

| DIVISION | ISSUE | BACKGROUND | ACTION | RESPONSIBLE PERSON | ACCOUNTABLE PERSON | TIMELINE |
|----------------------------------|--|---|--|---|-----------------------------|-----------|
| Spatial Planning and Properties/ | Coordination of enforcement issues | Inadequate awareness of Municipality Policy | To create forum that will sit monthly or bi- monthly meetings to discuss and share information on recent issuing of licenses | GM: Spatial Planning and Properties | Director: Human Settlements | Dec 2023 |
| Spatial Planning and Properties/ | Digital Land Development applications submission | Lack of digital application system | Upload all development applications on our online portal for processing | GM: Spatial Planning and Properties/ SPLUMA Administrator | Director: Human Settlements | June 2024 |
| Spatial Planning and Properties/ | Form stakeholder compliance platform - forum | Inadequate awareness by community | To engage ward committees/Cllrs on development compliance | Development Control Officer | Director: Human Settlements | June 2024 |
| Spatial Planning and Properties/ | Dealing and attending to public enquiries | Provision of customer care complaints managements. | To train incoming intern on customer service | Development Control Officer | Director: Human Settlements | June 2024 |
| Spatial Planning and Properties/ | Identified revenue loss based | Loss of revenue on lease hold as illegal occupation of lease hold properties. | Programme to Dispose/ lease land twice a year Procurement of a web-based Property Management System | GM: Spatial Planning and Properties | Director: Human Settlements | June 2024 |
| Spatial Planning and Properties/ | Institutional Capability enhancement | Limited capacitation on management of municipality projects. | Hands on Monitoring programme with MISA | GM: Spatial Planning and Properties | Director: Human Settlements | June 2024 |

| | | | | | | |
|-------------------------------------|-----------------|---|--|-------------------------------------|--|-----------|
| Spatial Planning and Properties/ | Future Planning | Delays on implementation and completing of Spatial planning projects. | Proclamation of Coffee Bay Town Investment attraction (Durham Street Development; Viedgesville logistics hub) Mqanduli middle income housing, Parking garages). Social housing | GM: Spatial Planning and Properties | Director: Human Settlements | June 2024 |
| Housing, building & outdoor advert. | Housing | None -compliance of Human Settlements accreditation. | Appoint GM, Manager and Technicians | GM: Integrated Human Resources | Director: Human Settlements Director Corporate Services | June 2024 |

9.7 Rural Economic Development

| DIVISION | ISSUE | BACKGROUND | ACTION | RESPONSIBLE PERSON | ACCOUNTABLE PERSON | TIMELINE |
|-------------------------------|---|--|--|---------------------------------------|--------------------|---------------|
| Rural Development | Agricultural Development | Poorly developed agricultural sector with weak value chains due to structural development issues in the Eastern Cape and KSD in particular | To facilitate the Cannabis initiative in Mqanduli | Agricultural Development Officer | Director RED | 30 June 2025 |
| | | | Activation of packhouses and creation of value chain | | | 31 March 2025 |
| | | | To resuscitate Mqanduli RED hub and KFPM | | | 30 June 2025 |
| | | | To capacitate 700 Youth to train famers in KSD over 3 years | | | 30 June 2026 |
| Rural Development | Forestry development | | Support of Beekeeping & or Groundnut initiative | Forestry Development Officer | Director RED | 30 June 2024 |
| Business and SMME Development | Enterprise development | | Engagement of SMMEs and Cooperatives for awareness Utilization of Kei Fresh Produce market for Farmers and Hawker support | Manager Business and SMME Development | Director RED | 30 June 2025 |
| Tourism development | Tourism development and creative industries | | Exploitation of available tourism assets and products like Mthatha Dam Conference Centre, Mvezo, Wonkumntu etc. Promote vibrant activities in Coffee Bay/Hole-in-the Wall | Manager Tourism | Director RED | 30 June 2027 |

9.8 COO TURNAROUND STRATEGY

| DIVISION | ISSUE | BACKGROUND | ACTION | RESPONSIBLE PERSON | ACCOUNTABLE PERSON | TIMELINE |
|---------------------------------------|--|---|--|--|--------------------------|---------------------------|
| Office of the Executive Mayor and PMS | Councillor Performance Management | Poor understanding of Performance Management | Training of Councillors in Institutional PMS be undertaken annually | GM Executive Mayor's Office GM Speakers Office Manager PMS | Chief Operations Officer | June 2024 |
| Office of the Speaker | Councillor Skills Development | Proportional allocation of skills development budget between Councillors and officials. | Allocation of budget for Councillor Skills Development for implementation in the 2023/2024 | GM Speaker's Office | Chief Operations Officer | March Each Financial Year |
| Office of the Speaker | Committee Secretarial Support | Relocation of Section 79 Committee Secretariat function to Committees Section under Corporate Services. | Relocation of Committee Secretariate function in the 1 st Quarter 2023/2024. | GM Speaker's Office | Chief Operations Officer | 30 September 2023 |
| Office of the Speaker | Improved of Councillor Support and Welfare | | Relocation of the Councillor support and Welfare function to Manager Council Support | GM Speaker's Office | Chief Operations Officer | June 2024 |
| Office of the Chief Whip | Functional Whippery | Adherence to the institutional calendar on Whippery sittings | Inclusion of Whippery meetings in the Institutional Calander | GM Speaker's Office | Chief Operations Officer | June 2024 |

| | | | | | | |
|-------------------|--|--|---|---|--------------------------|-----------|
| All divisions | Policy and By-law preparation and coordination framework | There is no clear coordination framework for policy formulation and Bylaw Formulation leading to respective departments being and different stages at a given period | Finalize the preparation of policy guideline and By-law formulation guidelines. | All | Chief Operations Officer | June 2024 |
| Communications | Website management | Poor website management is poor due to lack of skills to manage the website | Improve communication systems (ICT, Training, Website) | Head of Communication | Chief Operations Officer | June 2024 |
| Legal Services | Efficiency of the Legal Services Office | The office is not running efficiently. The manager has resigned, and the staff are not working optimally | Appoint Legal Services Manager | Head legal Services | Chief Operations Officer | June 2024 |
| Political Offices | High costs of hiring | The offices of the principals rely of hiring costs as their allocated vehicles are often defective | Reduce hiring costs and S & T costs by at least 30% Purchase a vehicle for the principals in 2023/24 | General Manager Speaker's Office and General Manager Executive Mayor's Office | Chief Operations Officer | June 2024 |
| PMO | Smart City Strategy | | Finalise Smart City Strategy | ICT and Sentech | Chief Operations Officer | June 2024 |
| PMO | PMO Establishment | | | Manager Operations | Chief Operations Officer | June 2024 |
| PMO | Vision 2050 formulation | Vision 2030 is in place and is being implemented | | Manager Operations | Chief Operations Officer | June 2024 |

10. CONCLUSION

As discussed above, the document presents the turnaround strategy for King Sabata Dalindyebo Municipality for the 2023/24 financial year. It has highlighted the background to the National Framework of the Local Government Turnaround strategy, identified the main challenges that are bottlenecks for the development of King Sabata Dalindyebo Municipality. The SWOT analysis was presented with a view to strengthen the weaknesses and maximizes the opportunities. The strategic thrust of King Sabata Dalindyebo Municipality was discussed leading to the proposed Turnaround Strategy Implementation Plan.