



INGQUZA HILL LOCAL MUNICIPALITY

DRAFT INTEGRATED DEVELOPMENT PLAN 2026/2027 FINANCIAL YEAR.

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A: ABBREVIATION OF KEY TERMS

AG	:	Auditor General of South Africa
COGTA	:	Department of Cooperative Governance and Traditional Affairs
CPI	:	Consumer Price Index
DLTC	:	Drivers' Licensing and Testing Center
DMP	:	Disaster Management Plan
DMRE	:	Department of Mineral Resources and Energy
DORA	:	Division of Revenue Act
DORB	:	Division of Revenue Bill
ECPTA	:	Eastern Cape Parks and Tourism Agency
EMF	:	Ingquza Hill Environmental Management Forum
GVA	:	Gross Value Added
IDP	:	Integrated Development Plan
IHLM	:	Ingquza Hill Local Municipality
LED	:	Local Economic Development
MEC	:	Member of the Executive Committee
MFMA	:	Municipal Finance Management Act No.56 of 2003
MPRA	:	Municipal Property Rates Act No.6 of 2004
MSA	:	Municipal Structures Act, Act No. 117 of 1998
MSA	:	Municipal Systems Act, 32 of 2000
MTREF	:	Medium Term Revenue and Expenditure Framework
NDP	:	National Development Plan
PPPFA	:	Preferential Procurement Policy Framework Act No 5 of 2000
SCM	:	Supply Chain Management
SDBIP	:	Service Delivery Budget and Implementation Plan
SDF	:	Spatial Development Framework
SPLUMA	:	Spatial Planning and Land Use Management Act, 16 of 2013

B: MAYOR'S FOREWORD

In line with the provisions of the Municipal Systems Act, Act No. 32 of 2000, the municipality continues to review the IDP annually to ensure it remains responsive to the changing socio-economic conditions and developmental priorities of our communities. The review process is carried out through various municipal structures, including IDP Technical Committees and Representative Forums, where government departments, sector stakeholders, traditional leadership, business formations, and civil society organizations contribute to strengthening and enriching the document.

The municipality is also guided by the Municipal Finance Management Act (MFMA), Act 56 of 2003, particularly Section 24(2), which requires municipalities to adopt budgets before the start of each financial year. The IDP, therefore, remains closely linked to the municipal budget and the Service Delivery and Budget Implementation Plan (SDBIP), ensuring that municipal programs are adequately funded and effectively implemented.

As the Ingquza Hill Local Municipality, we pride ourselves on maintaining compliance with all legislative requirements governing municipal planning and governance. We further ensure that our communities remain at the center of development by continuously consulting them through IDP and Budget Roadshows, EXCO Outreach Programs, and public consultation meetings held across all wards of the municipality.

These engagements provide communities with an opportunity to assess municipal performance, monitor project progress, and influence future planning and development priorities. The municipality remains committed to transparency, accountability, and participatory governance as we continue striving to improve service delivery and the living conditions of our people.

Despite the persistent socioeconomic challenges facing our municipality, including high unemployment, poverty, infrastructure backlogs, and limited revenue-generating capacity, we remain committed to sustainable development and economic growth. As a predominantly rural municipality, we continue to advocate for investment in agriculture, tourism, ocean economy initiatives, infrastructure development, youth empowerment, and women's development programs.

The municipality also acknowledges the growing demand for basic services, limited financial resources, and overreliance on national and provincial grant allocations. We therefore appeal to our communities to continue working with the municipality to protect municipal

infrastructure, support revenue-enhancement initiatives, and participate meaningfully in development programs.

Our administration remains dedicated to strengthening local economic development, attracting investment, mobilizing donor funding, and improving municipal revenue streams to enhance service delivery and accelerate development throughout the municipality.

According to Statistics South Africa, Ingquza Hill Local Municipality continues to serve a growing population with diverse needs and expectations. Therefore, it is critical that our planning processes remain inclusive, realistic, and development-oriented so that no community is left behind.

As we move forward, we reaffirm our commitment to building a responsive, accountable, and developmental local government that prioritizes the needs of the people. Together, through unity, dedication, and active citizen participation, we can realize our vision of a better, more prosperous Ingquza Hill Municipality for all.

I would like to thank all stakeholders, including councilors, officials, traditional leaders, sector departments, community organizations, and residents, who continue to contribute positively to the development and success of our municipality.

Cllr. PN Pepping
Mayor: Ingquza Hill Local Municipality

C: EXECUTIVE SUMMARY

An Integrated Development Plan (IDP) adopted by Council is the principal strategic planning instrument that guides and informs all planning and development, as well as all decisions about planning, management, and development in the municipality, with a focus on building a more inclusive developmental local government that translates Provincial and Local Government imperatives. The 2026/27 IDP is a caring and livable municipal perspective, with a specific emphasis on aligning the Municipal Vision, strategy, and implementation.

The IDP binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency with national or provincial legislation. A municipality must give effect to its IDP and conduct its affairs in a manner consistent with it. The IDP is not only a local government program but also the delivery plan for an entire government within a particular local space. The 2026/27 IDP is prepared against the backdrop of the objective of addressing poverty, inequality, and unemployment in the country. This plan is the culmination of rigorous engagement with a wide range of stakeholders and will pave the way for integrated development in the Ingquza Hill Local Municipality.

Although many municipalities face financial constraints, this IDP brings together innovative ideas and empirical methods to make the most of scarce resources. As the Head of Administration, as set out in section 55 of the Municipal Systems Act, 2000, it will remain my duty to deliver on the strategic goals and provincial strategic outcomes over the next few years, with a view to better promoting a good life for all inhabitants of the Ingquza Hill Local Municipality. As the municipal administration, it is our responsibility to fulfill tasks assigned to us by the Council, primarily by creating an enabling environment that supports local economic development and by designing systems that will accelerate service delivery as efficiently and sustainably as possible. Sound municipal administration processes, systems, and procedures are central to institutional transformation and organizational development. Emphasis will be placed on identifying new growth paths and areas and on rapidly responding to matters requiring urgent intervention.

The IDP has been informed of the need to adapt to the changing circumstances and imperatives facing society's political, social, economic, environmental, and technological landscape. The Ingquza Hill LM Municipality's response to the developmental mandate shall focus on implementing alternative, sustainable planning models to enhance functionality. I am very confident that, despite the challenges the municipality faces due to high levels of unemployment and poverty, the region remains a haven with the potential for investment and economic growth, and ultimately brings hope to our communities through prosperity, employment, and economic opportunities on the horizon. It is therefore a great honor to present this Draft Integrated Development Plan, and I note that, as the Accounting Officer, I am responsible for the overall execution of this strategic document. The monitoring and implementation of this blueprint, as adopted by the council to fast-track development in this district, remains my responsibility, together with the institution's administrative management.

V.C Makedama
Municipal Manager

1. INTRODUCTION

An integrated development plan, adopted by a municipality's Council, is the key strategic planning tool for the municipality. The Municipal Systems Act 32 of 2000 (MSA) describes the IDP as “

- a) *“the principal strategic instrument which guides and informs all planning and development, and all decisions about planning, management, and development in the municipality”*
- b) *“Binds the municipality in the exercise of its executive authority”.*

Under MSA Section 34, a municipality must review its IDP annually. Annual reviews enable the municipality to expand or refine plans and strategies, incorporate additional issues, and ensure that these plans and strategies inform institutional and financial planning. Thus, the review and amendment of the IDP are crucial to ensuring that municipal priorities are reflected and implemented and that the document remains the municipality's principal management tool and strategic planning instrument.

2. OVERVIEW OF THE MUNICIPALITY

Ingquza Hill Local Municipality is one of 5 Local Municipalities that comprise the OR Tambo District Municipal Area. Ingquza Hill LM is located along the Wild Coast, stretching from the Mzintlava River (which forms the southwestern boundary) to the Mtentu River (which forms the northeastern boundary of Ingquza Hill LM). The Mkambati Wildlife Reserve and Marine Sanctuary are situated along the coast at the Municipality's northeastern extent. Neighbouring municipalities include:

- Mbizana LM (Alfred Nzo DM) that forms the north-eastern boundary of the LM;
- Ntabankulu LM (Alfred Nzo DM) that forms the northern boundary;
- Nyandeni (Or Tambo DM) that forms the northwestern boundary;
- Port St Johns LM (OR Tambo DM) that forms the south- western boundary.

Flagstaff and Lusikisiki are the two main towns and service centers within the municipal area. Flagstaff serves as the administrative seat of the Ingquza Hill LM. The Ingquza Hill LM comprises 32 wards, which form the geographic basis for political representation in the Ingquza Hill LM.

2.1. Institutional Arrangement

Ingquza Hill Local Municipality has a political and administrative structure reflected as follows:

Political and Council Structures	Administrative Structures
<ul style="list-style-type: none"> ▶ The Mayor ▶ Speaker ▶ Executive Committee ▶ 64 Councillors ▶ 2 Traditional leaders ▶ 32 Wards with 320 Ward Committee members ▶ Whip of the Council ▶ Six (6) standing committees ▶ Municipal Public Accounts Committee ▶ Ethics and Members' interest ▶ Public Participation and Petitions Committee ▶ Women's Caucus ▶ Audit committee ▶ Municipal Disciplinary Board 	<ul style="list-style-type: none"> ▶ Office of the Municipal Manager ▶ Corporate Services ▶ Budget and Treasury Office ▶ Planning and Development ▶ Infrastructure and engineering services ▶ Community Services

The development of the IDP is led by the political structure through stakeholder and community-based engagements, as reflected in ward profiles, and through public participation programs that ensure the thorough involvement of the people of Ingquza in development programs. The administration ensures the execution of decisions taken by the Council and provides reports through the Municipal Manager, the Council's direct representative. This, therefore, cements the direct link between the administrative and the political arms of the institutions.

CHAPTER 1: LEGISLATIONS AND POLICY ALIGNMENT

This section outlines the detailed legislative guidelines that must be considered during the IDP process to ensure compliance. South African legislation is largely enabling in nature. It does not prescribe to municipalities but creates the necessary legal environment within which development and planning can take place. The legislation recognizes local government as one of the three spheres of government and places specific emphasis on intergovernmental relations. It also emphasizes the need for government departments to be involved in municipal affairs.

The implication is that each Council has primary responsibility for its own planning while taking into account the interests and demands of the communities and stakeholders. This occurs through reciprocal planning consideration among neighboring municipalities and other spheres of government.

3. APPLICABLE LEGISLATION IN THE IDP DEVELOPMENT PROCESS

3.1. Municipal Systems Act (MSA), 32 of 2000, with Section 25 stipulating that:

The compilation of IDPs by municipalities is regulated under the Municipal Systems Act (MSA), 32 of 2000, with Section 25 stipulating that:

“Each municipal council must adopt a single, inclusive, and strategic plan for the development of the municipality, which:

- (a) links, integrates, and coordinates plans and considers proposals for the municipality's development;*
- (b) aligns the municipality's resources and capacity with the implementation of the plan;*
- (c) establishes the policy framework and general basis on which the annual budget must be prepared;*
- (d) complies with the provisions of this Chapter; and*
- (e) Is compatible with national and provincial development plans and with planning requirements binding on the municipality under applicable legislation...*

Regarding the status of an IDP, Section 35 states that an IDP adopted by the Council of a municipality:

(a) is the principal strategic planning instrument that guides and informs all planning and development, as well as all decisions regarding planning, management, and development within the municipality;

(b) binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's integrated development plan and national or provincial legislation, in which case the legislation prevails; and

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

3.2. Objective of Local Government:

The Constitution of the Republic of South Africa, Act 108 of 1996, provides the primary framework for Local Government Planning, which must be understood. The Constitution further gives Local Government a mandate to implement the following Objects of Local Government:

- ▶ To provide a democratic and accountable government for local communities
- ▶ To ensure the provision of services to communities in a suitable manner
- ▶ To promote social and economic development
- ▶ To promote a safe and healthy environment and
- ▶ To encourage the involvement of communities and community organizations in matters of local government.

3.3. SPATIAL DEVELOPMENT FRAMEWORK

- ▶ Set out objectives that reflect the desired spatial form of the city.
- ▶ Contain a strategic assessment of the environmental impact of the Spatial Development Framework.
- ▶ Identify programs and projects for the development of land.
- ▶ Provide a visual representation of the desired spatial form of the city, indicating the following:
 - ▶ where public and private development and infrastructure investment should take place;
 - ▶ desired or undesired utilisation of space in particular areas;
 - ▶ urban edge;
 - ▶ areas where strategic intervention is required;
 - ▶ areas where priority spending is required; and
 - ▶ alignment with the Spatial Development Frameworks of neighboring

3.4. MUNICIPAL FINANCE MANAGEMENT ACT

Section 21 provides that the mayor must:

- ▶ Co-ordinate the processes for preparing the annual budget and the review of the municipality's IDP and budget-related policies to ensure that the tabled budget and any revisions of the IDP and budget-related policies are mutually consistent and credible.
- ▶ At least 10 months before the start of the budget year, table in the municipal Council a schedule outlining key deadlines for –
 - (i) the preparation, tabling, and approval of the annual budget;
 - (ii) annual review of
 - (aa) the IDP, in terms of section 34 of the Systems Act; and
 - (bb) The budget-related policies
 - (iii) The tabling and adoption of any amendments to the IDP and budget - related policies

3.5. LEGISLATION AND POLICIES

TABLE NO.1 LEGISLATION IN THE IDP DEVELOPMENT PROCESS	
Municipal Structures Act 117 of 1998	Municipal Property Rates Act, Act No 6 of 2004,
Credible IDP Framework	Municipal Demarcation Act, Act No 27 of 1998
Promotion of Access to Information Act 2 of 2000	Auditor-General Act 12 of 1995
National Water Act 36 of 1997	
Preferential Procurement Act 5 of 2000	National Water Act 36 of 1997
Municipal Systems Act 32 of 2000	The National Environmental Management Act, 1998 (Act 107 of 1998)
Disaster Management Act 57 of 2002	Municipal Property Rates Act, Act No 6 of 2004,
Municipal Finance Management Act 56 of 2003	Municipal Demarcation Act, Act No 27 of 1998
Local Government: Municipal Planning and Performance Management Regulations, 2001	Auditor-General Act 12 of 1995
Local Government: Performance Management Regulations of Section 57 of 2006	
The National Spatial Development Perspective	

TABLE NO.2 POLICIES IN THE IDP DEVELOPMENT PROCESS AS ADOPTED BY COUNCIL IN MAY 2026.

1. Budget Policy	2. Banking and Investment Policy
3. Property Rates Policy	4. Credit Control and Debt Collection policy
5. Supply Chain Management Policy	6. Asset management policy
7. Tariffs policy	8. Indigent policy
9. Cost Containment Policy	10. Fleet management policy
11. Donation policy	12. Travel and subsistence policy
13. Remuneration of Ward Committee Members policy	14. Amended Anti-Fraud and Corruption policy
15. Amended Risk Management Policy	16. Communication strategy
17. Communication policy	18. IHLM combined Assurance Model
19. Youth development policy	20. Youth Development Strategy
21. Public Facilities maintenance	22. Road maintenance policy
23. LED Enterprise Support Policy	24. Street trading and allocation policy
25. Informal Trading Policy	26. Contractor Incubation Policy
27. Street and place naming policy	28. Dilapidated building policy
29. Prevention and land invasion policy	30. Environmental management policy
31. Spatial planning and land use management bylaw	32. Outdoor advertising bylaw
33. IHLM Grass cutting policy	34. Bereavement policy for councilors and employees
35. Employee dress code policy	36. Policy for the external bursary scheme for students with rare skills
37. Employee leave policy and procedure	38. Occupational health and safety policy
39. Overtime, shift, and stand-by allowance policy	40. Recruitment, selection, and promotion policy
41. Training and development policy	42. Performance Management Framework policy
43. Records management policy	44. File management policy
45. Customer relations policy	46. Telephone and cellular phone policy

TABLE NO.2 POLICIES IN THE IDP DEVELOPMENT PROCESS AS ADOPTED BY COUNCIL IN MAY 2026.

47. Dress code policy	48. Cleaning and hygiene policy
49. ICT policy and procedure	50. ICT internet usage and password management policy
51. ICT disaster recovery plan	52. ICT data backup and recovery procedure manual
53. Email acceptable user manual	54. ICT governance framework
55. ICT change management manual	56. Patch management policy
57. Organizational development and design policy	58. Task job evaluation system policy
59. Placement policy	60. Employee equity policy
61. Remuneration policy	62. Work-integrated learning policy
63. Integrated health and wellness policy	64. Resettlement policy
65. Acting and additional responsibility allowance	66. Danger allowance policy
67. Retention strategy	68. Sexual harassment policy
69. Standard code of conduct	70. Public Participation Policy

3.6. THE NATIONAL DEVELOPMENT PLAN (NDP), 2030

The National Development Plan 2030 (NDP) sets out the government’s long-term VISION and strategic approach to fulfilling its mandate, with the stated overall aim of eliminating poverty and reducing inequality by 2030. It also outlines its basic objectives and proposed actions in relation to what is perceived as South Africa’s fundamental development challenges, ranging from economic development and job creation to fighting corruption and advancing nation-building and social cohesion.

From a spatial development perspective, Chapter 8 of the NDP addresses the transformation of human settlement and the national space economy. Targets set out in this chapter include:

- More people live closer to their places of work;
- Better quality public transport; and

- More jobs near low-income residential areas.

To achieve these targets, the NDP advocates measures to prevent further housing development in marginal areas, increase urban densities to support public transportation, incentivize economic activity in and adjacent to townships, and engage the private sector in the gap housing market. Importantly, it also proposes embracing a principle-led approach to planning (as opposed to past control-oriented planning).

Of importance to the Ingquza Hill LM, which supports a large rural hinterland, is that Chapter 6 of the NDP sets out specific targets and goals for establishing a more inclusive rural economy through integrated rural development. The focus is on increased investment in new agricultural technologies, research, and adaptation strategies to protect rural livelihoods and expand commercial agriculture.

3.7. NATIONAL SPATIAL DEVELOPMENT FRAMEWORK (NSDF), 2018 MANDATE

Chapter 8 of the National Development Plans calls for the preparation of a National Spatial Development Framework to achieve the desired future national spatial development pattern for South Africa in 2050 and, in doing so, to contribute to the realization of the NDP's core development objectives of inclusive economic growth, job creation, and poverty eradication.

Under the Spatial Planning and Land Use Management Act (SPLUMA) of 2013, Section 5(3)(a) provides for the compilation, approval, and review of a national spatial development framework. Sections 13(1) and (2) of the Act require that, after consultation with other organs of state and the public, the Minister compile and publish a national spatial development framework and review the NSDF at least once every five years.

The NSDF (2018) is supported by four NSDF sub-frames. Their importance in guiding the formulation of the Ingquza Hill LM is summarized as follows:

- NSDF SUB-FRAME 1: NATIONAL URBAN NETWORK
- NSDF SUB-FRAME 2: NATURAL RESOURCE PRODUCTION REGIONS
- NSDF SUB-FRAME 3: NATIONAL CONNECTING AND MOVEMENT INFRASTRUCTURE

- NSDF SUB-FRAME 4: NATIONAL ECOLOGICAL INFRASTRUCTURE AND NATURAL RESOURCE BASE.

3.7.1. Alignment With National and Provincial Legislation and Municipal Goals.

National outcome	Municipal Goal	Strategic Outcome indicators	EC Provincial Development Plan
1. Quality Basic Education	Community Development Empowerment	<ul style="list-style-type: none"> • Provision of bursaries to deserving students 	<ul style="list-style-type: none"> • An educated, empowered, and innovative
2. A long and healthy life	Integrated Wellness Program.	<ul style="list-style-type: none"> • Sporting activities • Marathon • Waste management 	<ul style="list-style-type: none"> • Healthy population
3. Safety environment	Crime Prevention	<ul style="list-style-type: none"> • Crime prevention awareness • Strengthening of Community Policing Forums 	
4. Decent employment through economic growth	SMME Development & Support	<ul style="list-style-type: none"> • Support to local SMME's. • Partnership with other society sectors to unlock and benefit the local economy • Training of emerging contractors • Create 1000 FTE jobs per annum 	
5. A skilled and capable workforce to support inclusive growth	Community Development Empowerment	<ul style="list-style-type: none"> • Implementation of Workplace Skills Plan. 	
6. An efficient, competitive, and responsive	Construction of new roads and rehabilitation of the existing road network	<ul style="list-style-type: none"> • SANRAL N2 road (investment attractions) • Access to Hospitals, clinics, and rehabilitation 	<ul style="list-style-type: none"> • A growing, inclusive, and equitable economy

National outcome	Municipal Goal	Strategic Outcome indicators	EC Provincial Development Plan
economic infrastructure		of existing infrastructure in the school	
7. Vibrant, equitable, and sustainable rural communities contributing to food security for all	Agricultural Development	<ul style="list-style-type: none"> • Construction of 2 Fresh Produce markets • Support of farmers with production inputs 	<ul style="list-style-type: none"> • vibrant and equitable enabled communities
8. Sustainable human settlements and improved	Provision of housing	<ul style="list-style-type: none"> • Construction of houses through Human settlements 	
9. A responsible, accountable local government	Strengthen the IGR forum Integration of risk planning with the entire planning process Capacity building of all oversight structures	<ul style="list-style-type: none"> • Sitting of IGR structures • Functioning of oversight structures • encourage transparency and public participation 	<ul style="list-style-type: none"> • Capable, conscientious, and accountable institutions

3.8 ADOPTION OF THE IDP, PMS, AND BUDGET PROCESS PLAN 2026/2027 FY.

According to Section 21(b) of the Local Government Municipal Finance Management Act No. 56 of 2003, the Council adopted the IDP, Budget, and PMS process plan for 2026/2027 at a meeting in August 2025. The plan has been posted on the Municipal website and in Municipal libraries in compliance with the Act. The delay of the Local Government Elections affected the adopted process plan, and some dates had to be revised.

3.7.2. Role Players

The following internal and external role players have played a vital role and made significant contributions to the review of the 2026/2027 IDP: Councilors, House of Traditional Leaders, Council of Churches, ward committees, Heads of sector departments, CDWs, the private sector, CBOs and NGOs, Parastatals, Municipal Trade Unions, and the District Municipality.

3.7.3. Annexure A - IDP/PMS/Budget Time Schedule (Section 29) 2026/2027

The table below provides the detailed action plan for the 2026/27 IDP Review. The action plan is broken down into the 4 quarters of the municipal financial year, with activities aligned with the IDP, Budget, or PMS.

ANNEXURE A - IDP/PMS/BUDGET TIME SCHEDULE (SECTION 29) 2026/2027

IDP PHASE	TARGET / ACTIVITY	ROLE PLAYERS	OUTPUT	MECHANISMS/TOOLS	TIMEFRAMES
Preparation phase – IDP process plan for 2026/27 financial year	Develop draft 2026/2027 IDP, PMS, and Budget Process Plan (Section 27, 28 & 29 of MSA No.32 of 2000 and Section 21 of MFMA No.56 of 2003)	Director Planning, CFO, and Manager IDP and PMS	IDP, PMS, and Budget Process Plan for 2026-2027 Financial Year	Desktop	04 July 2025
Stakeholder participation in IDP processes	Advertise for stakeholder participation in municipal activities	Manager IDP & PMS	Compliance and public participation	Media advertisement	04 July 2025
Submission of SDBIP to the Mayor and provincial treasury	Submit the approved SDBIP within 14 days after approval.	Manager IDP & PMS	Compliance	Courier	15 July 2025
Fourth quarter performance review	Quarterly SDBIP performance report for the fourth quarter to the Council.	Senior Management	SDBIP performance reported	Council Meeting	31 July 2025
Pre-preparation phase of the IDP	IDP Budget & PMS Tech Committee	Municipal Administration and Sector Departments	Present draft process plan to stakeholders for the	Meeting	15 August 2025

IHLM DRAFT INTEGRATED DEVELOPMENT PLAN FOR 2026-2027 FINANCIAL YEAR

IDP PHASE	TARGET / ACTIVITY	ROLE PLAYERS	OUTPUT	MECHANISMS/TOOLS	TIMEFRAMES
			2026/27 financial year		
Pre-preparation phase of the IDP	IDP Budget & PMS Rep Forum	Municipal Council, Administration, Sector Departments, and Public	Present draft process plan to 2026/27 stakeholders	Meeting	27 August 2025
Compliance	Table Draft 2026/2027 IDP, Budget & PMS process plan to the council for approval (Section 28 of MSA No.32 of 2000) and Fourth quarter report	Municipal Council, Administration, and Public	Approval by the Council	Council Meeting	29 August 2025
Analysis Phase: Review Situational Analysis	IDP, Budget & PMS Technical Committee	Municipal Administration and Sector Departments	Assessment of existing levels of development. Stats Information on available resources. SWOT analysis	Meeting	10 September 2025
	IDP, PMS, and Budget Representative Forum	Municipal Council, Administration, Sector	Finalization of situational analysis	Meeting	14 October 2025

IHLM DRAFT INTEGRATED DEVELOPMENT PLAN FOR 2026-2027 FINANCIAL YEAR

IDP PHASE	TARGET / ACTIVITY	ROLE PLAYERS	OUTPUT	MECHANISMS/TOOLS	TIMEFRAMES
		Departments, and Public			
First quarter performance reviews	Quarterly SDBIP performance progress report for the first quarter, Section 80 Committees.	Portfolio Committees	SDBIP performance reported	Committee Meeting	15-16 October 2025
First quarter performance reviews	Quarterly SDBIP performance progress report for the first quarter tabled to EXCO	Management and Members of the Executive Committee	SDBIP performance reported	Exco Meeting	23 October 2025
Compliance PMS	Noting the 1 st quarter performance report by the council	Municipal Council, Administration, and Public	First quarter report	Council meeting	29 October 2025
Public Accountability	EXCO outreach	Ingquza Hill Municipality and Sector Departments	Community involvement in municipal programs	Outreach	04, 05,06 November 2025
Strategies Phase: Review mission and vision, Strategies	IDP, Budget & PMS Departmental Strategic Planning Sessions	Municipal Administration and Sector Departments and	Review strategies and objectives	Departmental Strategic Planning Sessions to Review Strategies	25-26 November 2025

IHLM DRAFT INTEGRATED DEVELOPMENT PLAN FOR 2026-2027 FINANCIAL YEAR

IDP PHASE	TARGET / ACTIVITY	ROLE PLAYERS	OUTPUT	MECHANISMS/TOOLS	TIMEFRAMES
		Standing Committee Members			
	IDP, PMS, and Budget Technical Forum	Municipal Administration and Sector Departments	Review Strategies and Objectives	Meeting	13 January 2026
Second quarter performance review	Quarterly SDBIP performance progress report for the second quarter, Section 80 Committees, EXCO	Senior Management	SDBIP performance reported	Committee Meetings	15-16 January 2026
Second quarter performance review	Quarterly SDBIP performance progress report for EXCO	Senior Management	SDBIP performance reported	Exco Meetings	22 January 2026
Compliance	Noting of the second Quarter and Noting of the Annual Report by the council	Exco Council Management and Public	Draft Annual Report & Draft Second Quarter	Council Meeting	29 January 2026
Strategic Planning	Management Lekgotla	Management	Management to review strategies and objectives	Strategic planning	02-04 February 2026

IHLM DRAFT INTEGRATED DEVELOPMENT PLAN FOR 2026-2027 FINANCIAL YEAR

IDP PHASE	TARGET / ACTIVITY	ROLE PLAYERS	OUTPUT	MECHANISMS/TOOLS	TIMEFRAMES
2025/2026 Midyear Engagement	Mid-year budget MFMA Section 72 (1)(2)(3)	Management	Mid-Term finance and service delivery performance report compliant with MFMA	Provincial Treasury and Management Session	03 February 2026
EXCO strategic planning	Exco Lekgotla	EXCO members plus TROIKA	EXCO strategic planning to review strategies and objectives	Strategic planning	05-06 February 2026
Council Strategic Planning and Policies	Council Strategic Planning	Ingquza Hill Municipality and all its stakeholders	Identifying projects and setting outputs & targets	Strategic Planning Session	09-13 February 2026
Tabling of the adjusted Budget and SDBIP, and the Mid-Term Report.	Chief Financial Officer tables the adjustment, the budget, and SDBIP to the Management Committee	CFO and IDP Manager	Adjusted Budget, SDBIP a	Desktop work	17 February 2026
Draft Adjusted Budget 2025/26	Budget steering committee meeting for the final draft of the adjusted budget	Chief Financial Officer	MFMA	Management and counselors	19 February 2026
Draft Adjusted Budget 2025-2026 Financial Year	The Mayor tables the adjustment budget for Approval, the Annual	Provincial Treasury, Management	Adjusted Budget, Annual Report, and	Council Meeting	27 February 2026

IHLM DRAFT INTEGRATED DEVELOPMENT PLAN FOR 2026-2027 FINANCIAL YEAR

IDP PHASE	TARGET / ACTIVITY	ROLE PLAYERS	OUTPUT	MECHANISMS/TOOLS	TIMEFRAMES
	and Second Quarter report for noting by Council, MFMA Section 28		Second Quarter Report		
Strategies, Vision, and Mission	IDP, PMS, and Budget Representative Forum	Municipal Council, Administration, Sector Departments, and Public	Presentation of Strategies as well as Projects to all stakeholders	Meeting	05 March 2026
Compliance	Publicise both the Annual Report (Invite Public inputs into the report- MFMA 127 and MSA section 21A) and the adjustment budget on the municipal website and local newspapers.	Executive Council Secretary	Public participation and compliance	Media	06 March 2026
Engagement with Provincial Treasury	2026/2027 MTREF Draft Budget	Provincial Treasury and Management	Draft Budget	Provincial Treasury and Management Session	08 March 2026
Project Identification: Review projects	IDP, PMS, and Budget	Ingquza Hill Municipality, Sector	Finalization and synchronization of projects and	IDP rep forum meeting	19 March 2026

IHLM DRAFT INTEGRATED DEVELOPMENT PLAN FOR 2026-2027 FINANCIAL YEAR

IDP PHASE	TARGET / ACTIVITY	ROLE PLAYERS	OUTPUT	MECHANISMS/TOOLS	TIMEFRAMES
	Representative Forum	Departments, and all other stakeholders participating in the IDP processes	strategies as per recommendations made in the Strategic Planning		
Mid-term Budget and performance assessments	Budget and Steering Committee	Exco, Troika, and Senior Management	Mid-term Budget and performance assessments	Meeting	26 March 2026
Compliance	Table the Draft IDP and Budget to the council to consider and adopt the Annual & Oversight Report by the end of March, MFMA Section 129 (1)	Municipal Manager & Mayor	Approve draft IDP, Approve Annual Report & Oversight Report	Council meeting	27 March 2026
Compliance	Publicise Annual & Oversight Report, within 7 days of adoption MFMA Section 129(3) & MSA Section 21A	Manager Communication	Public participation and compliance	Media	02 April 2026
Compliance	Within 7 days of adoption of the Annual Report &	Manager IDP &PMS	Submit annual report to the legislature and MEC	Courier	02 April 2026

IHLM DRAFT INTEGRATED DEVELOPMENT PLAN FOR 2026-2027 FINANCIAL YEAR

IDP PHASE	TARGET / ACTIVITY	ROLE PLAYERS	OUTPUT	MECHANISMS/TOOLS	TIMEFRAMES
	Oversight Report, submit to the Provincial Legislature/MEC for Local Government.				
Compliance	Advertising Draft IDP and Budget for public comments	Executive Council Secretary	Public participation and compliance	Media	03 April 2026
Public Participation	IDP and Budget Road Shows for 2026-2027	Ingquza Hill Municipality, Sector Departments and all other stakeholders participating in the IDP processes	Public participation	Community meetings	07-10 April 2026
Third quarter Performance report	Quarterly SDBIP performance progress report for the third quarter, Section 80 Committees, EXCO	Senior Management	SDBIP performance reported	Committee Meetings	14-15 April 2026
Third quarter Performance report	Quarterly SDBIP performance progress report for	Senior Management	SDBIP performance reported	Exco Meetings	22 April 2026

IHLM DRAFT INTEGRATED DEVELOPMENT PLAN FOR 2026-2027 FINANCIAL YEAR

IDP PHASE	TARGET / ACTIVITY	ROLE PLAYERS	OUTPUT	MECHANISMS/TOOLS	TIMEFRAMES
	the third quarter for EXCO				
Integration	IDP and Budget Representative forum	All stakeholders	Presentation of outcomes of the roadshows and Integration	IDP representative forum	23 April 2026
Final Draft Budget 2026/2027	Budget steering committee to present the final draft of IDP Budget and SDBIP	Chief Financial Officer	EXCO inputs on final draft	Budget steering committee meeting	28 April 2026
Compliance PMS	Noting the third-quarter performance report by the council	Municipal Council, Administration, and Public	First quarter report	Council meeting	29 April 2026
Approval / Adoption phase	Presentation of the draft IDP and Budget to the IDP Technical Forum	Municipal Administration and Sector Departments	Presentation of the consolidated final IDP, PMS, and Budget Document for 2026/27 Financial Year	IDP, PMS, and Budget Technical Forum	07 May 2026
	Presentation of the draft IDP and Budget to the IDP Representative Forum	Municipal Administration and Sector Departments	Presentation of the consolidated final IDP, PMS, and Budget Document for 2026/27 Financial Year	IDP, PMS, and Budget Representative Forum	21 May 2026

IHLM DRAFT INTEGRATED DEVELOPMENT PLAN FOR 2026-2027 FINANCIAL YEAR

IDP PHASE	TARGET / ACTIVITY	ROLE PLAYERS	OUTPUT	MECHANISMS/TOOLS	TIMEFRAMES
	Budget steering committee to present the final draft of IDP Budget and SDBIP	Chief Financial Officer	Approval of 2026-2027 IDP Document	Meeting	26 May 2026
	Table the IDP and the budget to the council	Mayor Municipal Manager	Approval of the 2026/27 IDP document	Council Meeting	28 May 2026
	Submission of approved IDP and Budget 2026-2027 to MEC	Manager IDP& PMS	Compliance Approved IDP for the Municipality	Courier	05 June 2026
	Publication of the approved IDP and Budget on the website and local newspaper	Mayor Council Secretary	Compliance and public participation	Advert	05 June 2026
PMS	Finalization and submission of draft 2026-2027 SDBIP to the Mayor	Municipal Manager	Presentation of draft SDBIP to the Mayor's Committee	EXCO meeting	11 June 2026

IHLM DRAFT INTEGRATED DEVELOPMENT PLAN FOR 2026-2027 FINANCIAL YEAR

IDP PHASE	TARGET / ACTIVITY	ROLE PLAYERS	OUTPUT	MECHANISMS/TOOLS	TIMEFRAMES
Approval of the SDBIP 2026/27	The Mayor approves the 2026-2027 SDBIP and annual performance agreements of the Municipal Manager and Senior Managers within 28 days after the approval of the IDP and Budget.	Mayor	Presentation of the SDBIP to the Council	Council Meeting	26 June 2026
Compliance	Submission of 2026-2027 SDBIP	Municipal Manager	Submission of final SDBIP to Treasury	Courier	15 July 2026

3.7.4. COST ESTIMATE FOR THE PLANNING PROCESS

The Council has received grant funding from the Department of Local Government and Traditional Affairs for the IDP review process. It is proposed that this grant be used for the planning process as outlined below:

ITEM	BUDGET
EXCO Lekgotla	R 860 004
IDP review processes	R 274 000
IDP / Budget Roadshows	R 646 008
Strategic planning	R 4, 650, 000.00
IDP Assessments	R 210 000
Total	R 6 393 408

CHAPTER 2: SITUATIONAL ANALYSIS

The following Statistical Overview Report aims to quantify the economic, demographic, and socio-economic environment of Ingquza Hill Local Municipality in the context of its neighboring regions, the district, the province, and South Africa. A better understanding of this environment could inform stakeholders in implementing and monitoring plans and policies that support a healthy, growing, and inclusive economy and society.

Understanding changes in population composition by population group, age, and gender is vital amid growing pressure on food, energy, water, jobs, and social support for the country's citizens. Understanding how total fertility rates, age-specific fertility rates, sex ratios at birth, life expectancy, and international migration affect population groups, ages, and genders is essential for effective spatial planning. The first section of the Statistical Overview Report will aim to disentangle changes in the demographics of the Ingquza Hill Local Municipality in the context of other local municipalities in the region, the districts, the province, and South Africa.

4.1. DEMOGRAPHIC INFORMATION

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

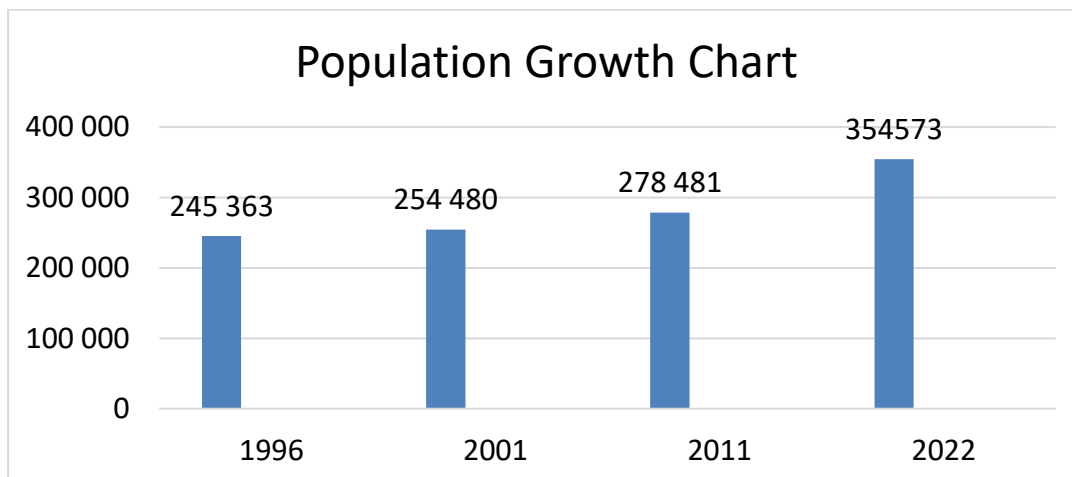
In this section, an overview is provided of the demographics of the Ingquza Hill Local Municipality and of all its neighboring regions, including the O.R. Tambo District Municipality, the Eastern Cape Province, and South Africa as a whole.

Total Population

Population statistics are important when analyzing an economy because population growth directly and indirectly affects employment and unemployment, as well as other economic indicators such as economic growth and per capita income.

The 2022 census reports that the Local Municipality has a population of 354,573, with 186,743 females (53%) and 167,830 males (47%).

Chart 1: Population Growth Chart



The total population of a region is the number of people in that region, measured in the middle of the year. The total population can be categorized by population group and by the subcategories of age and gender. The population groups include African, White, Colored, and Asian, with Asian including all people originating from Asia, including India and China. The age subcategory divides the population into 5-year cohorts (e.g., 0-4, 5-9, 10-13).

Ingquza Hill Local Municipality includes the following groups: African, Colored, Asian, white, and other. Therefore, the table below illustrates the distribution as follows:

Table 2: Demographic Profile in Terms of Race.

Race	Total Population	Percentage
African	351 736	99.2%
Coloured	1 418,292	0.4%
Indian/ Asians	709,146	0.2%
Whites	354	0.1%
Other	709,146	0.2%

4.1.1. Gender and Age Group

The table below presents the gender and age-group distribution as per the total population of 354,573 as calculated by Stats SA:

Name	Male	Male (%)	Female	Female (%)
85+	532	0,2%	1 943	0,5%
80-84	659	0,2%	1 784	0,5%
75-79	779	0,2%	2 307	0,7%
70-74	1 549	0,4%	2 774	0,8%
65-69	2 554	0,7%	4 140	1,2%
60-64	3 652	1,0%	5 660	1,6%
55-59	3 732	1,1%	6 317	1,8%
50-54	3 759	1,1%	6 403	1,8%
45-49	5 466	1,5%	7 368	2,1%
40-44	6 609	1,9%	8 660	2,4%
35-39	8 681	2,4%	10 666	3,0%
30-34	10 217	2,9%	11 445	3,2%
25-29	14 640	4,1%	16 003	4,5%
20-24	15 811	4,5%	15 643	4,4%
15-19	20 113	5,7%	18 936	5,3%

10-14	22 713	6,4%	21 766	6,1%
5-9	21 608	6,1%	20 710	5,8%
0-4	24 755	7,0%	24 219	6,8%

4.2. ACCESS SERVICES

4.2.1. Dwelling Type

Ingquza Hill Local Municipality had a total of 894 very formal dwelling units (1.29% of total households), 40,900 formal dwelling units (59.02% of total households), and 6,040 informal dwelling units (8.71% of total households).

TABLE 31: Households by dwelling unit type - Ingquza Hill and the rest of O.R. Tambo, 2024 [Number]

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Ingquza Hill	894	40,907	6,035	21,084	386	69,306
Port St Johns	742	17,407	3,863	15,919	46	37,977
Nyandeni	593	40,770	7,233	27,827	402	76,825
Mhlontlo	933	25,303	4,031	17,309	139	47,714
King Sabata Dalindyebo	20,779	77,369	9,331	24,203	761	132,443
Total	23,940	201,756	30,494	106,342	1,733	364,265

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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Within the O.R. Tambo District Municipality, the region with the most very formal dwelling units is King Sabata Dalindyebo Local Municipality, with 20 800 units, or 86.80% of the total very formal dwelling units in O.R. Tambo. The region with the fewest very formal dwelling units is Nyandeni Local Municipality, with 593 units, or 2.48% of the total very formal dwelling units in O.R. Tambo.

4.2.2. Access to Piped Water

Ingquza Hill Local Municipality had a total of 8,710 households (12.57%) with piped water inside the dwelling, 15,400 (22.29%) with piped water inside the yard, and 35,600 (51.34%) with no formal piped water.

TABLE 34: HOUSEHOLDS BY TYPE OF WATER ACCESS - INGQUZA HILL AND THE REST OF O.R. TAMBO, 2024 [NUMBER]

	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Ingquza Hill	8,713	15,449	6,548	3,015	35,581	69,306
Port St Johns	7,151	8,343	5,373	901	16,210	37,977
Nyandeni	19,443	13,398	15,495	4,303	24,186	76,825
Mhlontlo	6,430	16,459	10,154	3,989	10,683	47,714
King Sabata Dalindyebo	37,356	70,851	6,889	3,052	14,296	132,443
Total O.R.Tambo	79,093	124,499	44,458	15,259	100,955	364,265

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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The region within the O.R. Tambo District Municipality with the highest number of households with piped water inside the dwelling is the King Sabata Dalindyebo Local Municipality, with 37 400 households (47.23%). The region with the fewest households with piped water inside the dwelling is the Mhlontlo Local Municipality, with 6 430 households (8.13%).

4.2.3 Main Toilet Facilities

Ingquza Hill Local Municipality had a total of 8,070 flush toilets (11.64% of total households), 53,300 Ventilation Improved Pit (VIP) toilets (76.92% of total households), and 6,680 pit toilets (9.65% of total households).

TABLE 33: HOUSEHOLDS BY TYPE OF SANITATION - INGQUZA HILL LOCAL MUNICIPALITY AND THE REST OF O.R. TAMBO, 2024 [NUMBER]

	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Ingquza Hill	8,066	53,312	6,685	220	1,022	69,306
Port St Johns	10,862	21,635	3,590	122	1,769	37,977
Nyandeni	7,261	63,789	4,258	56	1,461	76,825
Mhlontlo	5,097	34,797	6,535	48	1,236	47,714
King Sabata Dalindyebo	34,286	86,264	9,511	145	2,237	132,443
Total O.R.Tambo	65,572	259,797	30,579	591	7,726	364,265

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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The region within O.R. Tambo with the highest number of flush toilets is King Sabata Dalindyebo Local Municipality, with 34 300, accounting for 52.29% of the flush toilets within O.R. Tambo. The region with the fewest flush toilets is Mhlontlo Local Municipality, with a total of 5 100, accounting for 7.77% of the total flush toilets within O.R. Tambo District Municipality.

4.2.4 Refuse Disposal

Ingquza Hill Local Municipality had a total of 3 180 (4.59%) households whose refuse was removed weekly by the authority; a total of 436 (0.63%) households had their refuse removed less often than weekly by the authority; and a total of 61 200 (88.35%) households had to remove their refuse personally (own dump).

TABLE 36: HOUSEHOLDS BY REFUSE DISPOSAL - INGQUZA HILL AND THE REST OF O.R.TAMBO, 2024 [NUMBER]

	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Ingquza Hill	3,179	436	1,745	61,233	2,714	69,306
Port St Johns	631	161	915	33,509	2,761	37,977
Nyandeni	1,582	278	1,301	69,901	3,762	76,825
Mhlontlo	1,669	372	2,142	40,589	2,942	47,714
King Sabata Dalindyebo	29,830	1,387	3,747	94,831	2,648	132,443
Total O.R.Tambo	36,891	2,634	9,850	300,063	14,827	364,265

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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Within O.R. Tambo, the region with the highest number of households for which the authority removes refuse weekly is King Sabata Dalindyebo Local Municipality, with 29,800 households, representing 80.86% of the households in O.R. Tambo for which the authority removes refuse weekly. The region with the fewest such households is Port St Johns Local Municipality, with 631 households, representing 1.71% of the total households in the district municipality for which the authority removes refuse weekly.

4.2.5. Electricity

Ingquza Hill Local Municipality had 19,500 (28.14%) households with electricity for lighting only, 46,700 (67.40%) with electricity for lighting and other purposes, and 3,090 (4.45%) without electricity.

TABLE 35: HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - INGQUZA HILL AND THE REST OF O.R. TAMBO, 2024 [NUMBER]

	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Ingquza Hill	19,506	46,713	3,087	69,306
Port St Johns	13,197	23,306	1,474	37,977
Nyandeni	15,535	58,049	3,241	76,825
Mhlontlo	7,742	38,083	1,888	47,714
King Sabata Dalindyebo	10,578	116,026	5,839	132,443
Total O.R.Tambo	66,559	282,177	15,529	364,265

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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The region within O.R. Tambo with the highest number of households with electricity for lighting and other purposes is King Sabata Dalindyebo Local Municipality, with 116 000 households, accounting for 41.12% of households with electricity for lighting and other

purposes within O.R. Tambo District Municipality. The region with the fewest households with electricity for lighting and other purposes is Port St Johns Local Municipality, with a total of 23 300 households, accounting for 8.26% of the total households with electricity for lighting and other purposes within O.R. Tambo District Municipality.

4.3 INCOME AND EXPENDITURE

In a growing economy, where the factors of production are increasing, most household income is spent on goods and services. Therefore, measuring household income and expenditure is a major indicator of several economic trends. It is also a good marker of growth and consumer tendencies.

4.3.1. Number of households by income category

The number of households is grouped into predefined income categories or brackets, with income calculated as the sum of all household gross disposable income (including payments in kind, gifts, homemade goods sold, old-age pensions, income from informal-sector activities, subsistence income, etc.). Income tax is included in the income distribution.

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

Table 22. Households by income category - Ingquza Hill, O.R. Tambo, Eastern Cape, and National Total, 2024 [Number Percentage]

Source: South Africa Regional eXplorer v2650.
Data compiled on 29 Jul 2025.
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	Ingquza Hill	O.R. Tambo	Eastern Cape	National Total	Ingquza Hill as % of district municipality	Ingquza Hill as % of province	Ingquza Hill as % of national
0-2400	8	26	108	1,120	31.2%	7.5%	0.72%
2400-6000	97	323	1,410	12,900	30.0%	6.9%	0.75%
6000-12000	652	2,290	9,860	85,600	28.5%	6.6%	0.76%
12000-18000	1,890	6,800	29,000	245,000	27.8%	6.5%	0.77%
18000-30000	6,920	25,800	109,000	856,000	26.8%	6.4%	0.81%
30000-42000	9,630	37,000	161,000	1,230,000	26.0%	6.0%	0.78%
42000-54000	9,670	37,800	166,000	1,280,000	25.6%	5.8%	0.76%
54000-72000	12,600	52,700	239,000	1,830,000	24.0%	5.3%	0.69%
72000-96000	11,500	52,100	260,000	2,080,000	22.2%	4.4%	0.56%
96000-132000	8,970	43,000	224,000	1,970,000	20.8%	4.0%	0.46%
132000-192000	7,620	39,100	218,000	2,050,000	19.5%	3.5%	0.37%
192000-360000	6,640	38,600	246,000	2,610,000	17.2%	2.7%	0.25%
360000-600000	2,470	16,600	130,000	1,550,000	14.8%	1.9%	0.16%
600000-1200000	1,330	11,400	115,000	1,520,000	11.7%	1.2%	0.09%
1200000-2400000	280	3,380	48,000	698,000	8.3%	0.6%	0.04%
2400000+	16	268	8,670	145,000	6.0%	0.2%	0.01%
Total	80,400	367,000	1,960,000	18,200,000	21.9%	4.1%	0.44%

It was estimated that in 2024, 11.90% of all households in the Ingquza Hill Local Municipality lived on R30,000 or less per year. This is about half of the 28.51% recorded in 2014. The 54000-72000 income category has the highest number of households, with 12,600, followed by the 72000-96000 income category with 11,500 households. Only 8.1 households fall within the 0-2400 income category.

4.4 HIV+ AND AIDS ESTIMATES

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

TABLE 1. Number of HIV+ people - Ingquza Hill, O.R.Tambo, Eastern Cape and National Total, 2014-2024 [Number and percentage]

	Ingquza Hill	O.R.Tambo	Eastern Cape	National Total	Ingquza Hill as % of district municipality	Ingquza Hill as % of province	Ingquza Hill as % of national
2014	26,900	139,000	673,000	6,210,000	19.3%	4.0%	0.43%
2015	27,300	142,000	685,000	6,350,000	19.3%	4.0%	0.43%
2016	27,800	144,000	695,000	6,490,000	19.3%	4.0%	0.43%
2017	28,300	147,000	708,000	6,650,000	19.3%	4.0%	0.43%
2018	28,800	150,000	722,000	6,820,000	19.3%	4.0%	0.42%
2019	29,400	153,000	735,000	7,000,000	19.2%	4.0%	0.42%
2020	29,800	155,000	748,000	7,170,000	19.2%	4.0%	0.42%
2021	30,200	158,000	760,000	7,340,000	19.2%	4.0%	0.41%
2022	30,600	160,000	774,000	7,520,000	19.1%	4.0%	0.41%
2023	31,200	163,000	791,000	7,730,000	19.1%	3.9%	0.40%
2024	31,700	167,000	810,000	7,950,000	19.0%	3.9%	0.40%
Average Annual growth							
2014-2024	1.67%	1.82%	1.86%	2.49%			

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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In 2024, 31,700 people in the Ingquza Hill Local Municipality were infected with HIV. This reflects an average annual increase of 1.67% since 2014 and, in 2024, represented 9.43% of the local municipality's total population. The O.R.Tambo District Municipality had an average annual growth rate of 1.82% in the number of people infected with HIV from 2014 to 2024, which is higher than that of the Ingquza Hill Local Municipality. The number of infections in the Eastern Cape Province increased from 673,000 in 2014 to 810,000 in 2024. When looking at South Africa as a whole, the number of people infected increased from 2014 to 2024, with an average annual growth rate of 2.49%.

4.5 ECONOMY

The economic state of Ingquza Hill Local Municipality is put in perspective by comparing it spatially with its neighbouring local municipalities, O.R. Tambo District Municipality, Eastern Cape Province, and South Africa.

The Ingquza Hill Local Municipality does not operate in isolation from O.R. Tambo, the Eastern Cape Province, South Africa, and the world. Now, more than ever, reliable information about its economy is crucial for effective planning. Information is needed to empower the municipality to plan and implement policies that will encourage social development and economic growth for the municipality's people and industries, respectively.

4.5.1 Gross Domestic Product by Region (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic conditions.

Definition: Gross domestic product by region (GDP-R) represents the value of all goods and services produced within a region over a period of one year, plus taxes and minus subsidies.

GDP-R can be measured using either current or constant prices. Current prices measure the economy in actual Rand, while constant prices remove the effect of inflation and therefore capture real growth in volumes, as if prices were fixed in a given base year.

TABLE 7: GROSS DOMESTIC PRODUCT (GDP) - INGQUZA HILL, O.R. TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2014-2024 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2010 PRICES]

	Ingquza Hill	O.R.Tambo	Eastern Cape	National Total
2014	0.8%	1.8%	0.8%	1.4%
2015	1.0%	2.0%	0.9%	1.3%
2016	0.5%	2.2%	0.8%	0.7%
2017	-0.4%	1.7%	0.5%	1.2%
2018	0.6%	2.5%	1.1%	1.6%
2019	-0.5%	1.4%	0.1%	0.3%
2020	-7.0%	-3.6%	-6.0%	-6.2%
2021	4.3%	6.8%	5.2%	4.9%
2022	1.8%	3.7%	2.2%	2.1%
2023	1.0%	3.2%	0.9%	0.8%
2024	-0.1%	1.6%	0.8%	0.5%
Average Annual growth 2014-2024	0.08%	2.12%	0.62%	0.67%

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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With a GDP of R 6.32 billion in 2024 (up from R 3.92 billion in 2014), the Ingquza Hill Local Municipality contributed 8.89% to the O.R. Tambo District Municipality's GDP of R 71.1 billion in 2024, increasing its share of the O.R. Tambo's GDP from 10.89% in 2014. The Ingquza Hill Local Municipality contributes 1.12% to the GDP of the Eastern Cape Province and 0.09% to the GDP of South Africa, with a total GDP of R 7.35 trillion in 2024 (measured in nominal, or current, prices). Its contribution to the national economy remained similar in importance to that of 2014, when it accounted for 0.09% of South Africa's economy, but it is lower than the 2014 peak of 0.09%.

TABLE NO. 8: GROSS DOMESTIC PRODUCT (GDP) - INGQUZA HILL, O.R. TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2014-2024 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2010 PRICES]

	Ingquza Hill	O.R.Tambo	Eastern Cape	National Total
2014	0.8%	1.8%	0.8%	1.4%
2015	1.0%	2.0%	0.9%	1.3%
2016	0.5%	2.2%	0.8%	0.7%
2017	-0.4%	1.7%	0.5%	1.2%
2018	0.6%	2.5%	1.1%	1.6%
2019	-0.5%	1.4%	0.1%	0.3%
2020	-7.0%	-3.6%	-6.0%	-6.2%
2021	4.3%	6.8%	5.2%	4.9%
2022	1.8%	3.7%	2.2%	2.1%
2023	1.0%	3.2%	0.9%	0.8%
2024	-0.1%	1.6%	0.8%	0.5%
Average Annual growth 2014-2024	0.08%	2.12%	0.62%	0.67%

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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In 2024, the Ingquza Hill Local Municipality recorded an annual growth rate of -0.06%, significantly lower than the Eastern Cape Province's 0.82% and South Africa's 0.53%. Similar to the short-term growth rate for 2024, the longer-term average growth rate for Ingquza Hill (0.08%) is also slightly lower than South Africa's (0.67%). The economic growth in Ingquza Hill peaked in 2021 at 4.29%.

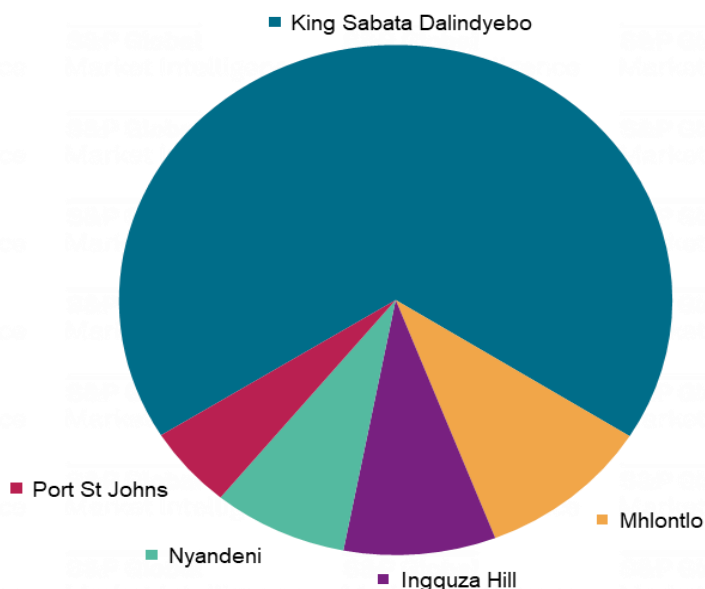


CHART 1. Gross domestic product (GDP) - Ingquza Hill Local Municipality and the rest of O.R.Tambo, 2024 [Percentage]

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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With a GDP of R 6.32 billion in 2024 (up from R 3.92 billion in 2014), the Ingquza Hill Local Municipality contributed 8.89% to the O.R. Tambo District Municipality's GDP of R 71.1 billion

in 2024, up from 10.89% in 2014. The Ingquza Hill Local Municipality contributes 1.12% to the GDP of the Eastern Cape Province and 0.09% to the GDP of South Africa, with a total GDP of R 7.35 trillion in 2024 (measured at nominal, or current, prices). Its contribution to the national economy remained similar in importance to 2014, when it contributed 0.09% to South Africa, but it is lower than the 2014 peak of 0.09%.

TABLE NO.9 GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN O. DISTRICT MUNICIPALITY, 2014 TO 2024, SHARE AND GROW GLOBAL.

	2024 (Current prices)	Share of district municipality	2014 (Constant prices)	2024 (Constant prices)	Average Annual growth
Ingquza Hill	6.32	8.89%	4.13	4.17	0.08%
Port St Johns	3.70	5.20%	2.29	2.46	0.71%
Nyandeni	5.60	7.88%	3.33	3.76	1.21%
Mhlonlo	7.25	10.18%	4.57	4.84	0.57%
King Sabata Dalindyebo	48.27	67.85%	23.76	31.76	2.94%

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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King Sabata Dalindyebo had the highest average annual economic growth, at 2.94% between 2014 and 2024, compared with the other regions within the O.R. Tambo District Municipality. Nyandeni Local Municipality had the second-highest average annual growth rate of 1.21%. Ingquza Hill Local Municipality had the lowest average annual growth rate of 0.08% between 2014 and 2024.

4.5.2 ECONOMIC GROWTH FORECAST

Ingquza Hill Local Municipality is expected to grow at an average annual rate of 1.20% from 2024 to 2029. The average annual growth rates for the GDP of O.R. Tambo District Municipality and Eastern Cape Province are expected to be 2.94% and 1.79%, respectively. South Africa is forecast to grow at an average annual rate of 2.02%, which is higher than that of Ingquza Hill Local Municipality.

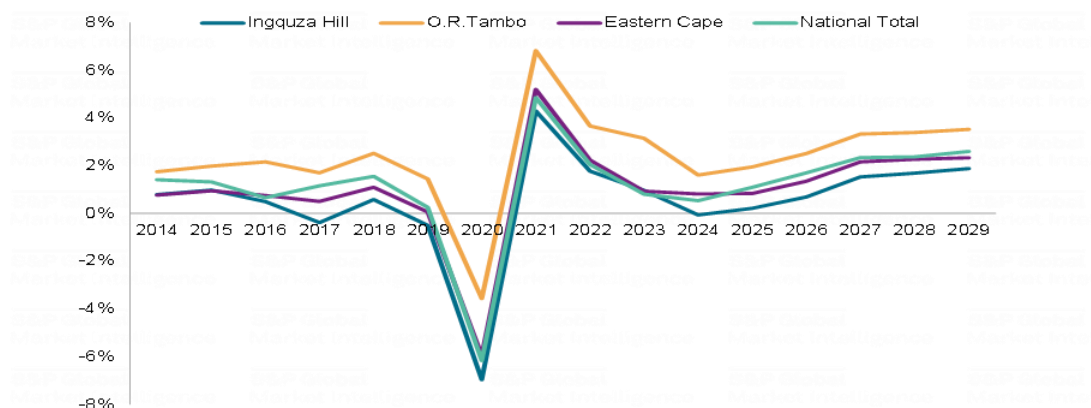


CHART 1. Gross domestic product (GDP) - Ingquza Hill, O.R.Tambo, Eastern Cape and National Total, 2014-2029 [Average annual growth rate, constant 2010 prices]

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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In 2029, Ingquza Hill's GDP is forecast at R 4.42 billion (in constant 2010 prices), accounting for 8.1% of the O.R. Tambo District Municipality's total GDP. The Ingquza Hill Local Municipality's ranking by size will remain unchanged between 2024 and 2029, with its contribution to the O.R. Tambo District Municipality's GDP at 8.1% in 2029, compared with 8.9% in 2024. At an average annual GDP growth rate of 1.20% between 2024 and 2029, Ingquza Hill ranked lowest among the other regional economies.

TABLE NO.10. GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN O.R. TAMBO DISTRICT MUNICIPALITY, 2014 TO 2029, SHARE AND GROWTH

	2029 (Current prices)	Share of district municipality	2014 (Constant prices)	2029 (Constant prices)	Average Annual growth
Ingquza Hill	8.48	8.26%	4.13	4.42	0.45%
Port St Johns	5.10	4.97%	2.29	2.69	1.07%
Nyandeni	7.82	7.62%	3.33	4.18	1.52%
Mhlontlo	9.82	9.58%	4.57	5.19	0.85%
King Sabata Dalindyebo	71.38	69.58%	23.76	37.84	3.15%

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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4.5.3 Gross Value Added by Region (GVA-R)

The Ingquza Hill Local Municipality's economy comprises various industries. The GVA-R variable provides a sector breakdown, with each sector measured by its value added within the local economy.

Definition: Definition: Gross value added (GVA) is a measure of a region's output (total production) in terms of the value created within that region. GVA can be broken down into various production sectors.

The summary table below places the Gross Value Added (GVA) of all the regions in perspective relative to that of the Ingquza Hill Local Municipality.

TABLE NO.2 GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - INGQUZA HILL LOCAL MUNICIPALITY, 2024 [R BILLIONS, CURRENT PRICES]

	Ingquza Hill	O.R.Tambo	Eastern Cape	National Total	Ingquza Hill as % of district municipality	Ingquza Hill as % of province	Ingquza Hill as % of national
Agriculture	0.1	1.0	13.2	206.7	13.4%	0.97%	0.06%
Mining	0.0	0.2	1.3	442.7	9.6%	1.31%	0.00%
Manufacturing	0.5	3.1	74.0	940.9	16.1%	0.67%	0.05%
Electricity	0.1	3.9	12.6	244.4	1.8%	0.56%	0.03%
Construction	0.1	1.2	12.7	159.4	8.1%	0.78%	0.06%
Trade	1.3	12.0	82.1	915.3	11.0%	1.61%	0.14%
Transport	0.2	2.3	28.2	518.4	7.3%	0.59%	0.03%
Finance	0.8	12.3	92.9	1,555.5	6.6%	0.87%	0.05%
Community services	2.6	30.2	191.8	1,642.3	8.7%	1.38%	0.16%
Total Industries	5.7	66.1	508.8	6,625.6	8.7%	1.13%	0.09%

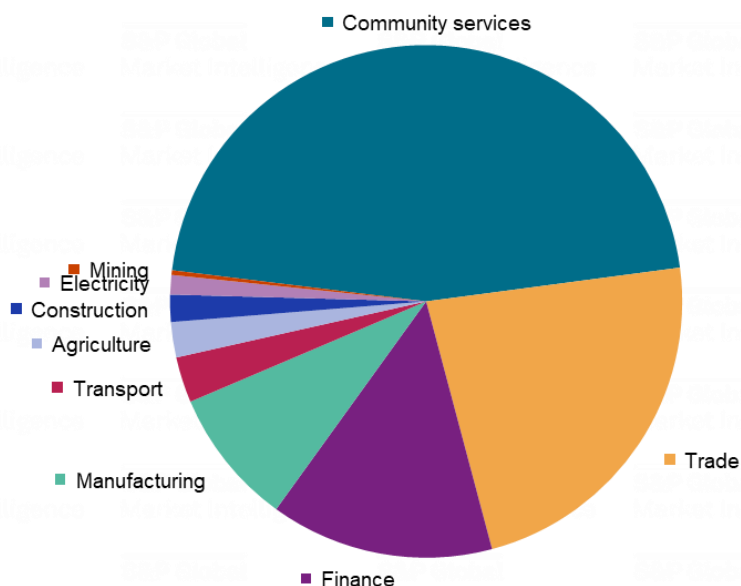
Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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In 2024, the community services sector is the largest in the Ingquza Hill Local Municipality, accounting for R 2.64 billion, or 45.9% of the local municipality's total GVA. The trade sector contributes the second-largest share to the Ingquza Hill Local Municipality's GVA at 23.0%, followed by the finance sector at 14.1%. The mining sector contributes the least to the economy of the Ingquza Hill Local Municipality, with R 16.6 million, or 0.29% of the total GVA.

CHART 10. Gross value added (GVA) by broad economic sector - Ingquza Hill Local Municipality, 2024 [percentage composition]



Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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The community sector, which includes government services, is generally a major contributor to GVA. Across all regions within the O.R.Tambo District Municipality, the King Sabata Dalindyebo region contributes the most to its own GVA in community services, at 64.65%, compared with the other regions. The King Sabata Dalindyebo region also contributes R 45.2 billion, or 68.36%, to the GVA of the O.R.Tambo District Municipality. The King Sabata

Dalindyebo region also contributes the most to the overall GVA of the O.R.Tambo District Municipality.

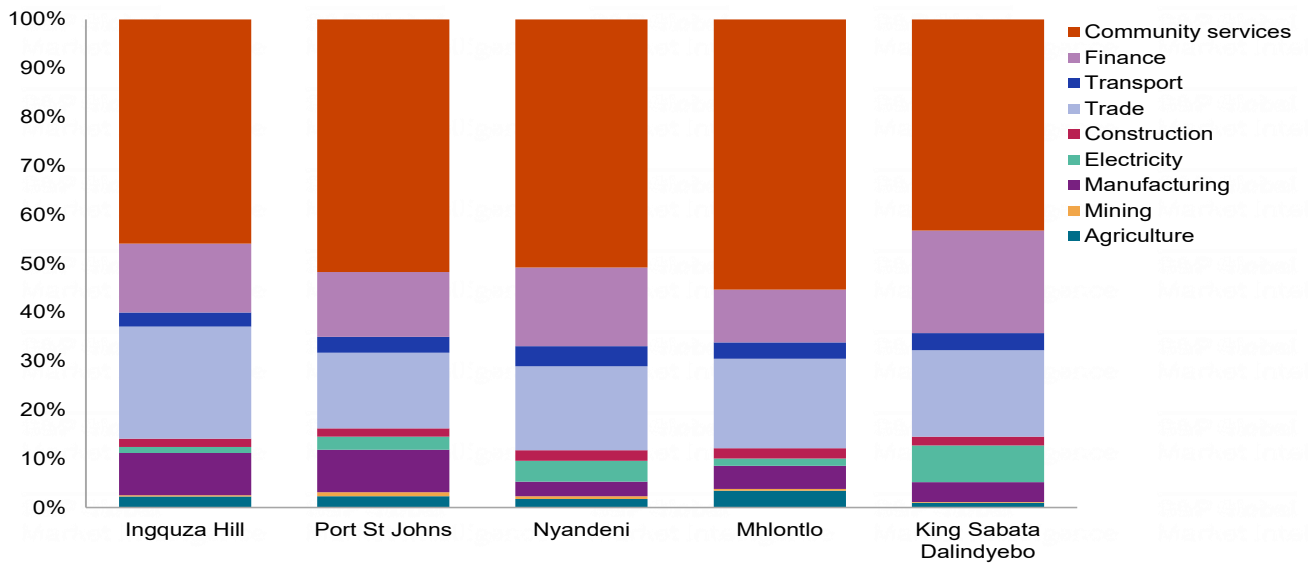


CHART 1. Gross value added (GVA) by broad economic sector - Ingquza Hill, Port St Johns, Nyandeni, Mhlontlo and King Sabata Dalindyebo, 2024 [percentage composition]

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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The community sector, which includes government services, is generally a large contributor to GVA. Across all regions within the O.R. Tambo District Municipality, the King Sabata Dalindyebo contributes the most to community services in its own GVA, at 63.09%, compared with the other regions. The King Sabata Dalindyebo also contributes R 38.6 billion, or 67.05%, to the GVA of the O.R. Tambo District Municipality. The King Sabata Dalindyebo also contributes the most to the overall GVA of the O.R. Tambo District Municipality.

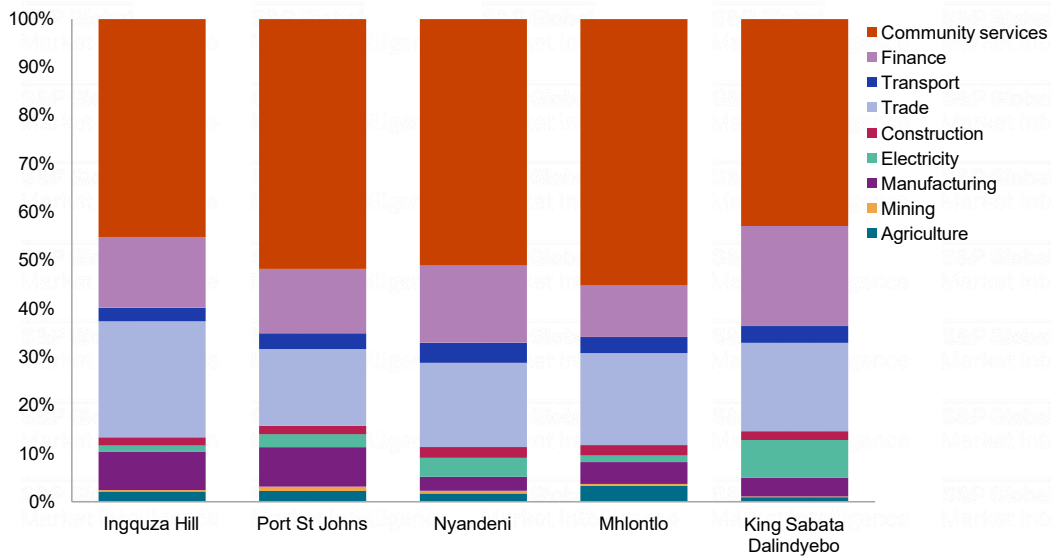


CHART 11. Gross value added (GVA) by broad economic sector - Ingquza Hill, Port St Johns, Nyandeni, Mhlontlo and King Sabata Dalindyebo, 2023 [percentage composition]

Source: South Africa Regional eXplorer v2571.
Data compiled on 13 Dec 2024.
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Between 2014 and 2014, the finance sector had the highest average annual growth rate in Ingquza Hill at 1.45%. The community services sector had the second-highest average annual growth rate at 0.45%. The mining sector had an average annual growth rate of -3.82%, while the construction sector had the lowest at -4.51%. Overall, all industries recorded positive growth in 2024, with an annual growth rate of 0.01% since 2023.

TABLE 12: GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - INGQUZA HILL LOCAL MUNICIPALITY, 2014, 2019, AND 2024 [R MILLIONS, 2010 CONSTANT PRICES]

	2014	2019	2024	Average Annual growth
Agriculture	62.9	53.2	56.5	-1.07%
Mining	12.7	12.1	8.6	-3.82%
Manufacturing	281.9	291.9	287.8	0.21%
Electricity	34.5	28.1	25.9	-2.82%
Construction	100.1	88.8	63.1	-4.51%
Trade	902.2	873.9	808.4	-1.09%
Transport	118.4	116.9	119.9	0.12%
Finance	496.7	557.3	573.5	1.45%
Community services	1,769.1	1,779.2	1,849.7	0.45%
Total Industries	3,778.5	3,801.3	3,793.3	0.04%

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

The tertiary sector contributes the most to Gross Value Added in the Ingquza Hill Local Municipality at 85.9%. This is significantly higher than in the national economy (69.9%). The secondary sector contributed 11.6% (ranking second), while the primary sector contributed the least at 2.5%.

4.5.4 LABOUR

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

TABLE 14. WORKING-AGE POPULATION IN INGQUZA HILL, O.R. TAMBO, EASTERN CAPE, AND NATIONAL TOTAL, 2014 AND 2024 [NUMBER]

	Ingquza Hill		O.R.Tambo		Eastern Cape		National Total	
	2014	2024	2014	2024	2014	2024	2014	2024
15-19	30,100	45,000	148,000	211,000	564,000	723,000	4,830,000	5,790,000
20-24	25,600	23,800	138,000	127,000	616,000	532,000	5,410,000	4,810,000
25-29	26,900	21,900	139,000	110,000	693,000	500,000	5,590,000	5,000,000
30-34	19,700	26,200	97,000	125,000	513,000	556,000	4,700,000	5,590,000
35-39	11,700	25,000	61,900	132,000	357,000	641,000	3,780,000	5,600,000
40-44	8,510	14,400	45,700	82,900	291,000	477,000	3,200,000	4,560,000
45-49	7,360	9,080	40,600	50,000	271,000	331,000	2,750,000	3,570,000
50-54	7,400	6,540	40,300	36,200	267,000	268,000	2,380,000	2,970,000
55-59	6,230	5,160	35,800	32,900	243,000	246,000	1,970,000	2,500,000
60-64	5,470	6,050	31,200	32,500	201,000	235,000	1,570,000	2,090,000
Total	149,000	183,000	777,000	940,000	4,020,000	4,510,000	36,200,000	42,500,000

Source: South Africa Regional eXplorer v2650.
Data compiled on 29 Jul 2025.
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The working-age population in Ingquza Hill in 2024 was 183,000, up by an average of 2.09% annually since 2014. Over the same period, the working-age population of O.R. Tambo District Municipality grew by 1.92% annually, while that of Eastern Cape Province grew by 1.17% annually. South Africa's working-age population has increased by 1.62% annually, from 36.2 million in 2014 to 42.5 million in 2024.

The graph below combines all facets of the labour force in the Ingquza Hill Local Municipality into a single, compact view. The chart is divided into "place of residence" on the left, measured from the population side, and "place of work" on the right, measured from the business side.

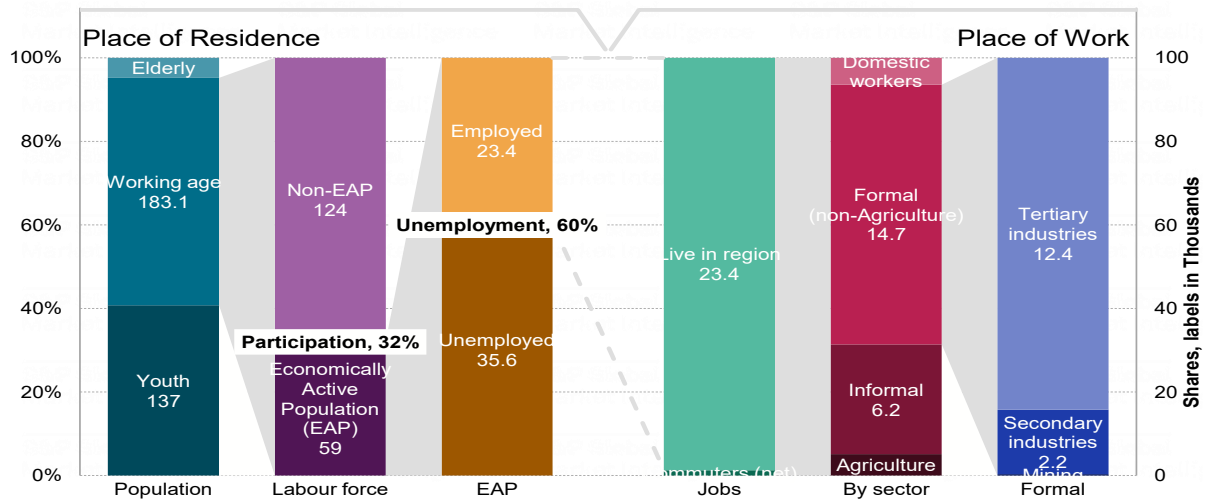


CHART 1. Labour glimpse - Ingquza Hill Local Municipality, 2024

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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The chart divides the Ingquza Hill Local Municipality’s total population (336 000) into working-age and non-working-age groups. The working-age population is about 183 000. Those aged 0–19 (youth) or 65 and older (pensioners) are part of the non-working-age population. Of the working-age group, 32.3% participate in the labour force, meaning that 59,100 residents of the local municipality currently constitute the economically active population (EAP). In comparison, the non-economically active population (NEAP) of the local municipality, including full-time students at tertiary institutions, people with disabilities, and those choosing not to work, totals 124 000 people. Of the economically active population, 35 600 are unemployed, representing an unemployment rate of 60.3%. So far, all statistics are measured at the place of residence.

On the far right, we have the formal non-agricultural jobs in Ingquza Hill, broken down by the primary (mining), secondary, and tertiary industries. The majority of formal employment lies in the tertiary industry, with 12,500 jobs. When including informal, agricultural, and domestic workers, the total number of jobs in the area is 23,800. Formal jobs make up 62.2% of all jobs in the Ingquza Hill Local Municipality. The difference between employment measured at the place of work and the number of people employed who live in the area can be explained by net commuters who travel into the local municipality every day.

4.5.5 ECONOMICALLY ACTIVE POPULATION (EAP)

The economically active population (EAP) is a good indicator of how many of the total working-age population are participating in a region’s labour market. If a person is economically active, they are part of the labour force.

The economically active population (EAP) is the number of people aged 15 to 65 who are able and willing to work and are actively seeking employment. It includes both employed and unemployed people. People who have not recently taken active steps to find employment are not included in the measure. These people may (or may not) consider

themselves unemployed. Regardless, they are counted as discouraged work seekers and thus are part of the non-economically active population.

TABLE 15. ECONOMICALLY ACTIVE POPULATION (EAP) - INGQUZA HILL, O.R. TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2014-2024 [NUMBER, PERCENTAGE]

	Ingquza Hill	O.R.Tambo	Eastern Cape	National Total	Ingquza Hill as % of district municipality	Ingquza Hill as % of province	Ingquza Hill as % of national
2014	41,800	245,000	1,820,000	20,500,000	17.1%	2.3%	0.20%
2015	43,900	259,000	1,890,000	21,200,000	16.9%	2.3%	0.21%
2016	46,700	276,000	1,970,000	21,900,000	16.9%	2.4%	0.21%
2017	50,300	296,000	2,050,000	22,500,000	17.0%	2.5%	0.22%
2018	52,400	308,000	2,100,000	22,800,000	17.0%	2.5%	0.23%
2019	56,300	329,000	2,180,000	23,200,000	17.1%	2.6%	0.24%
2020	56,500	328,000	2,170,000	22,700,000	17.2%	2.6%	0.25%
2021	59,600	343,000	2,230,000	22,800,000	17.4%	2.7%	0.26%
2022	60,900	356,000	2,290,000	23,700,000	17.1%	2.7%	0.26%
2023	60,200	361,000	2,310,000	24,800,000	16.7%	2.6%	0.24%
2024	59,100	360,000	2,310,000	25,600,000	16.4%	2.6%	0.23%
Average Annual growth							
2014-2024	3.52%	3.94%	2.42%	2.26%			

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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Ingquza Hill Local Municipality's EAP was 59,100 in 2024, representing 17.57% of its total population of 336,000 and roughly 16.41% of the O.R. Tambo District Municipality's total EAP. From 2014 to 2024, the average annual increase in the Ingquza Hill Local Municipality's EAP was 3.52%, which is 0.425 percentage points lower than the growth in the O.R. Tambo District Municipality's EAP for the same period.

4.5.6 Employment and Unemployment

4.5.6.1 Employment

Employment data is a key input for estimating unemployment. In addition, trends in employment across sectors and industries typically signal significant structural changes in the economy. Employment data is also used to calculate productivity, earnings per worker, and other economic indicators.

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

TABLE 17. Total employment - Ingquza Hill, O.R. Tambo, Eastern Cape, and National Total, 2014-2024 (numbers).

	Ingquza Hill	O.R.Tambo	Eastern Cape	National Total
2014	20,800	156,000	1,270,000	15,300,000
2015	22,200	167,000	1,330,000	15,800,000
2016	23,000	173,000	1,350,000	16,100,000
2017	23,300	177,000	1,360,000	16,400,000
2018	23,100	177,000	1,350,000	16,600,000
2019	23,000	176,000	1,340,000	16,600,000
2020	20,800	163,000	1,260,000	15,800,000
2021	19,700	157,000	1,220,000	15,100,000
2022	21,300	169,000	1,280,000	15,700,000
2023	23,200	184,000	1,360,000	16,700,000
2024	23,800	190,000	1,380,000	17,300,000
Average Annual growth				
2014-2024	1.32%	1.98%	0.83%	1.21%

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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In 2024, Ingquza Hill employed 23,800 people, representing 12.52% of total employment in the O.R. Tambo District Municipality (190,000), 1.72% of total employment in the Eastern Cape Province (1.38 million), and 0.14% of total employment in South Africa (17.3 million). Employment in Ingquza Hill increased by an average of 1.32% annually from 2014 to 2024.

TABLE 18. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - INGQUZA HILL AND THE REST OF O.R. TAMBO, 2024 [NUMBERS]

	Ingquza Hill	Port St Johns	Nyandeni	Mhlonlto	King Sabata Dalindyebo	Total O.R.Tambo
Agriculture	1,210	745	538	1,740	3,030	7,258
Mining	50	33	40	18	72	212
Manufacturing	852	583	627	1,080	3,280	6,432
Electricity	68	35	85	83	228	500
Construction	2,630	1,630	1,870	2,260	8,580	16,977
Trade	5,150	3,350	4,560	4,490	26,400	43,897
Transport	1,030	723	1,340	1,530	6,340	10,973
Finance	2,570	1,550	3,090	2,490	15,300	25,030
Community services	8,680	5,680	7,280	7,820	37,100	66,537
Households	1,520	875	1,290	1,400	6,960	12,054
Total	23,800	15,200	20,700	22,900	107,000	189,868

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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Ingquza Hill Local Municipality employs a total of 23,800 people. The local municipality that employs the most people in the O.R. Tambo District Municipality is King Sabata Dalindyebo Local Municipality, with a total of 107,000. The local municipality that employs the fewest people relative to other regions within the O.R. Tambo District Municipality is Port St Johns Local Municipality, with a total of 15,200 employed people.

In Ingquza Hill Local Municipality, the community services sector recorded the largest number of jobs in 2024, with a total of 8,680 employed people, accounting for 36.5% of total employment in the local municipality. The trade sector, with a total of 5,150 (21.7%), employs the second-highest number of people among the sectors. The mining sector, with 50.4 (0.2%), employs the fewest people in Ingquza Hill Local Municipality, followed by the electricity sector, with 67.9 (0.3%) people employed.

4.5.6.2 Unemployment

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

The choice of unemployment definition significantly affects the final estimates of all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labor Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who, during the reference period, were:

- "Without work", i.e., not in paid employment or self-employment;
- "Currently available for work", i.e., were available for paid employment or self-employment during the reference period; and
- "Seeking work" means having taken specific steps during a specified reference period to seek paid employment or self-employment. These steps may include registering at a public or private employment exchange; applying to employers; checking at

worksites, farms, factory gates, markets, or other assembly places; placing or answering newspaper advertisements; seeking assistance from friends or relatives; and looking for land.

TABLE 20: Unemployment (official definition) - Ingquza Hill, O.R. Tambo, Eastern Cape and National Total, 2014-2024 [Number percentage]

	Ingquza Hill	O.R.Tambo	Eastern Cape	National Total	Ingquza Hill as % of district municipality	Ingquza Hill as % of province	Ingquza Hill as % of national
2014	17,400	85,500	537,000	5,150,000	20.4%	3.2%	0.34%
2015	18,100	89,100	553,000	5,410,000	20.4%	3.3%	0.34%
2016	20,500	99,700	601,000	5,800,000	20.6%	3.4%	0.35%
2017	24,200	116,000	676,000	6,130,000	20.9%	3.6%	0.39%
2018	26,900	128,000	735,000	6,240,000	21.0%	3.7%	0.43%
2019	31,400	149,000	829,000	6,600,000	21.1%	3.8%	0.48%
2020	34,500	163,000	901,000	6,880,000	21.1%	3.8%	0.50%
2021	39,200	184,000	999,000	7,660,000	21.3%	3.9%	0.51%
2022	39,200	184,000	996,000	8,000,000	21.3%	3.9%	0.49%
2023	36,800	173,000	943,000	8,120,000	21.3%	3.9%	0.45%
2024	35,600	166,000	922,000	8,340,000	21.4%	3.9%	0.43%
Average Annual growth							
2014-2024	7.42%	6.89%	5.55%	4.93%			

Source: South Africa Regional eXplorer v2650.
Data compiled on 29 Jul 2025.
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In 2024, there were 35,600 unemployed people in Ingquza Hill, an increase of 18,200 from 17,400 in 2014. The number of unemployed people in Ingquza Hill accounts for 21.40% of the total in the O.R. Tambo District Municipality. The Ingquza Hill Local Municipality experienced an average annual increase of 7.42% in the number of unemployed people, worse than the O.R. Tambo District Municipality, which had an average annual increase of 6.89%.

TABLE 21. UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - INGQUZA HILL, O.R. TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2014-2024 [PERCENTAGE]

	Ingquza Hill	O.R.Tambo	Eastern Cape	National Total
2014	41.6%	34.9%	29.5%	25.2%
2015	41.4%	34.4%	29.3%	25.5%
2016	44.0%	36.1%	30.6%	26.4%
2017	48.2%	39.1%	33.0%	27.2%
2018	51.4%	41.5%	35.0%	27.4%
2019	55.8%	45.3%	38.1%	28.4%
2020	61.0%	49.7%	41.5%	30.3%
2021	65.7%	53.6%	44.8%	33.6%
2022	64.3%	51.7%	43.6%	33.7%
2023	61.2%	47.9%	40.8%	32.7%
2024	60.3%	46.2%	39.8%	32.6%

Source: South Africa Regional eXplorer v2650.
Data compiled on 29 Jul 2025.
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In 2024, the unemployment rate in Ingquza Hill Local Municipality (based on the official definition of unemployment) was 60.28%, an increase of 18.6 percentage points. The unemployment rate in Ingquza Hill Local Municipality is higher than that of O.R. Tambo. Compared with the Eastern Cape Province, the unemployment rate in Ingquza Hill Local Municipality was higher than the province's rate of 39.82%. The unemployment rate in South Africa was 32.56% in 2024, down 7.39 percentage points from 25.18% in 2014.

4.5.7 Poverty

The upper poverty line is defined by Stats SA as the level of consumption at which individuals can purchase sufficient food and non-food items without sacrificing one for the other. These variables measure the number of individuals living below that consumption level in the given area and are directly benchmarked against Stats SA's official upper poverty line.

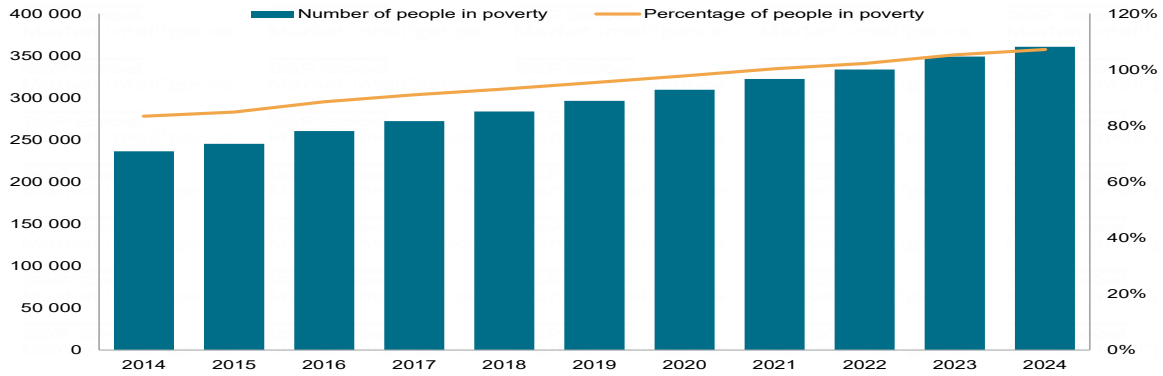


CHART 1. Number and percentage of people living in poverty - Ingquza Hill Local Municipality, 2014-2024 [Number percentage]

Source: South Africa Regional eXplorer v2650.
 Data compiled on 29 Jul 2025.
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In 2024, 360,000 people in the Ingquza Hill Local Municipality lived below the upper poverty line, according to the definition. This is 52.58% higher than the 236,000 in 2014. The percentage of people living in poverty has increased from 83.38% in 2014 to 107.21% in 2024, indicating an increase of 23.8 percentage points.

TABLE 27: PERCENTAGE OF PEOPLE LIVING IN POVERTY BY POPULATION GROUP - INGQUZA HILL, 2014-2024 [PERCENTAGE]

	African
2014	83.7%
2015	85.2%
2016	88.9%
2017	91.3%
2018	93.4%
2019	95.7%
2020	98.1%
2021	100.6%
2022	102.6%
2023	105.6%
2024	107.6%

Source: South Africa Regional eXplorer v2650.
 Data compiled on 29 Jul 2025.
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In 2024, the African population group had the highest percentage of people living in poverty, with 107.6% living in poverty under the upper poverty line definition. The proportion of the African population living in poverty decreased by 23.9 percentage points, from 83.65% in 2014 to 107.55% in 2024.

4.5.8. Level Of Education

Education is important to a country's economic growth and the development of its industries, providing the trained workforce and skilled professionals they require.

The education measure represents the highest level of education attained by individuals aged 15 and older. (According to the United Nations definition of education, an individual is considered an adult at age 15 or older. S&P Global uses this cutoff to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa.)

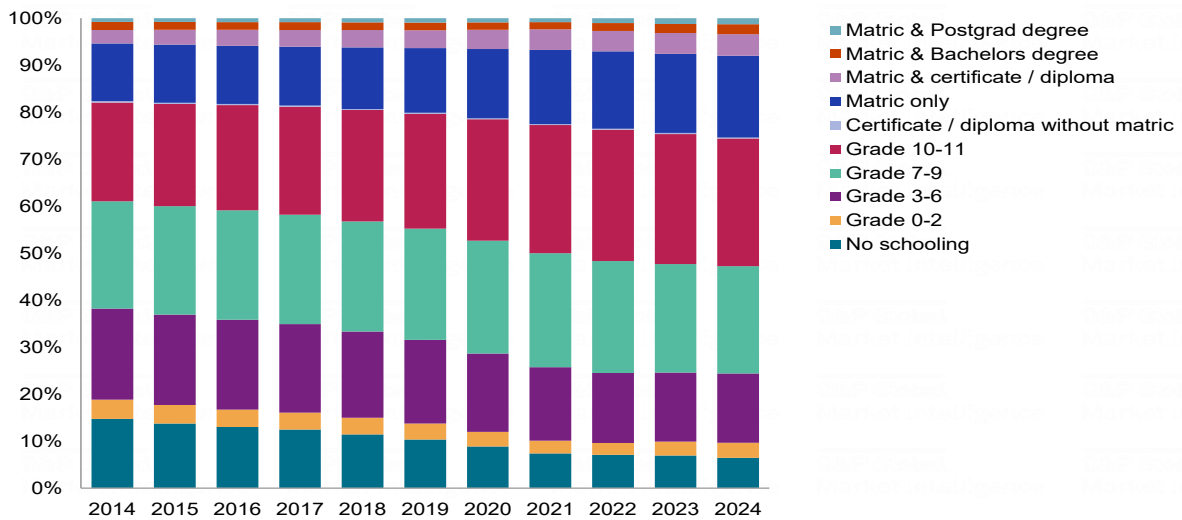


CHART 1. Highest level of education: age 15+ - Ingquza Hill Local Municipality, 2014-2024 [Percentage]

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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Within Ingquza Hill Local Municipality, the number of people without any schooling decreased from 2014 to 2024 at an average annual rate of -5.32%, while the number of people in the 'matric only' category increased from 17,200 to 32,200. The number of people with 'matric and a certificate/diploma' increased at an average annual rate of 7.75%, and the number of people with a 'matric and a Bachelor's' degree increased at an average annual rate of 5.11%. Overall, there is an improvement in education levels, as reflected in the increase in the number of people with 'matric' or higher education.

Highest level of education: age 15+ - Ingquza Hill, O.R. Tambo, Eastern Cape and National Total, 2024 [Numbers]

	Ingquza Hill	O.R.Tambo	Eastern Cape	National Total	Ingquza Hill as % of district municipality	Ingquza Hill as % of province	Ingquza Hill as % of national
No schooling	11,900	51,800	160,000	1,400,000	22.9%	7.4%	0.85%
Grade 0-2	5,950	23,900	104,000	446,000	24.9%	5.7%	1.33%
Grade 3-6	27,200	97,000	423,000	2,450,000	28.0%	6.4%	1.11%
Grade 7-9	42,100	181,000	896,000	5,800,000	23.3%	4.7%	0.73%
Grade 10-11	50,100	217,000	1,130,000	10,100,000	23.1%	4.4%	0.50%
Certificate / diploma without matric	355	2,120	12,600	137,000	16.8%	2.8%	0.26%
Matric only	32,200	171,000	1,110,000	14,400,000	18.8%	2.9%	0.22%
Matric certificate / diploma	8,430	41,000	265,000	3,010,000	20.6%	3.2%	0.28%
Matric Bachelors degree	3,930	24,600	148,000	1,990,000	16.0%	2.7%	0.20%
Matric Postgrad degree	2,340	11,900	75,900	1,190,000	19.7%	3.1%	0.20%

Source: South Africa Regional eXplorer v2650.
Data compiled on 29 Jul 2025.
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The number of people without any schooling in Ingquza Hill Local Municipality accounts for 22.92% of the number of people without schooling in the district municipality, 7.42% of the province, and 0.85% of the national. In 2024, the number of people in Ingquza Hill Local Municipality with only a matric was 32,200, accounting for 18.81% of the district municipality's total number of people who have obtained a matric. The number of people with a matric and a postgraduate degree constitutes 15.96% of the district municipality, 2.65% of the province, and 0.20% of the national.

4.5.9 Overview of the Department of Education.

The Coastal District of the Department of Education is part of the O.R. Tambo District Municipality, which covers the areas of Ingquza Hill Local Municipality, Nyandeni Local Municipality, and Port St John's Local Municipality. The ORTCD, as it is commonly known, was established on 1 April 2017 with the introduction of the Service Delivery Model. Five CMCs, namely Flagstaff CMC, Libode CMC, Lusikisiki CMC, Ngqeleni CMC, and Port St John's CMC, are led by Circuit Management Center Managers. All CMCs consist of 26 Circuits, each with its own Circuit Manager.

There are 79 FET schools, including realigned secondary schools, and 572 GETs. There are 254,102 learners, predominantly from poverty-stricken families, and 7,785 educators. 184 of 608 officials are assigned to the District Office, while the rest will be distributed across the Circuit Offices and CMC Offices, which have yet to receive the physical infrastructure needed to operate.

Development Challenges and Backlogs

Departmental Challenges	Development Backlogs
Inadequate budget to build schools and eliminate mud structures	Infrastructure backlogs
Existence of small and unviable schools	Late delivery of LTSM
Vandalism in schools, burglaries, and the stealing of equipment	Unfavorable Post Provisioning Norm (PPN) based on the Peter Morkel Model: Teacher Provisioning based on learner numbers rather than on learning areas (subjects)
Inadequate scholar transport services due to an inadequate budget	Lack of security personnel in schools
Lack of security personnel in schools	
Resistance to rationalize small schools, i.e., closure and merger	

Rationalisation

The OR Tambo Coastal district in the Eastern Cape is facing school rationalization due to factors such as migration and infrastructure backlogs. This process involves merging or closing schools deemed unviable, often due to low enrolment driven by migration patterns. The OR Tambo Coastal district, which includes Ingquza Hill, Nyandeni, and Port St Johns, is specifically identified as having significant infrastructure backlogs, making it a focal point for rationalization efforts.

Key factors and challenges:

- **Migration:**
Out-migration from rural areas to urban centers has left many schools with declining student populations, making them unviable.
- **Infrastructure Backlogs:**
The Eastern Cape, particularly the OR Tambo Coastal district, has a severe infrastructure backlog, which is a major consideration in rationalization decisions.
- **Unviable Schools:**
The rationalization program aims to address the issue of small, unviable schools by either merging them or closing them, with a focus on efficient resource allocation.
- **Community Resistance:**
Previous rationalization efforts have faced resistance due to concerns about access to education, particularly transportation to new schools, and a lack of trust in the process.

OR Tambo Coastal District:

- The district is located in the northeastern part of the Eastern Cape, stretching from the Indian Ocean to KwaZulu-Natal.
- It includes Ngquza Hill, Nyandeni, and Port St Johns.
- The district has been identified as having the most severe infrastructure backlogs in the province.

Rationalization Process:

- The School Rationalization Program aims to reshape the education system by rationalizing and realigning schools to improve efficiency and resource allocation.
- It involves carefully planned and managed processes to ensure quality education, a better teaching environment, and a better future for all learners.
- The program seeks to create viable, well-resourced, and well-managed learning centers.

Challenges in the process:

- Ensuring equitable access to quality education for all learners, especially those in rural areas.
- Addressing infrastructure backlogs and providing adequate resources in receiving schools.
- Building trust and addressing community concerns regarding the rationalization process, including transportation and resource allocation.

The rationalization program affected about 347 schools, 227 Primary Schools, and 66 Secondary Schools.

MISALIGNED SCHOOLS (HLWAHLWAZI CIRCUIT)

EMIS MEMBER	SCHOOL NAME CURRENT PROTOTYPE	NEW PROTOTYPE	REASON FOR NOT REALIGNING	FUTURE PLAN (ALL THESE CONSULTATIONS WERE DONE IN TERMS 1 & 2)
200500166	Ekuphumleni JSS	SS	Overcrowding in the secondary schools to be addressed	Conversion of Ekuphumleni JSS into a Secondary School in 2026 and receive grades 8 & 9 from neighbouring feeder schools.
200500200	Emzenge JSS	PS	Overcrowding in the secondary schools to be addressed	Movement of grades 8&9 to Ekuphumleni SS in 2026
200500253	George Ntanta JSS	PS	Consultations were still underway.	The community has agreed on the movement of grades 8 and 9 to Ekuphumleni SS in 2026
200500283	Gwebinkumbi JSS	PS	Overcrowding in the secondary schools to be addressed	Movement of grades 8&9 to Ekuphumleni SS in 2026

EMIS MEMBER	SCHOOL NAME CURRENT PROTOTYPE	NEW PROTOTYPE	REASON FOR NOT REALIGNING	FUTURE PLAN (ALL THESE CONSULTATIONS WERE DONE IN TERMS 1 & 2)
200500305	Hlwahlwazi JSS	PS	Overcrowding in the secondary schools to be addressed	Movement of grade 9 to Ndaliso SS in 2026, grade 8 in 2027 (incremental alignment)
200500767	Mpumaze JSS	PS	Overcrowding in the secondary schools to be addressed	Movement of grade 8&9 to Ndaliso SS in 2026 and receive grades R-7
200500870	Nelson Sigcau JSS	PS	Resistance by the community.	Movement of grades 8 and 9 to Walter Cingo SS in 2026 and remain a primary school.
200501181	Tauka JSS	PS	Overcrowding in the secondary schools to be addressed	Movement of grade 8&9 to Ndaliso SS in 2026
200501309	Zamokuhle JSS	PS	Overcrowding in the secondary schools to be addressed	Movement of grade 8&9 to Ndaliso SS in 2026

MISALIGNED SCHOOLS (KHANYISA CIRCUIT)

EMIS NUMBER	SCHOOL NAME & CURRENT PROTOTYPE	NEW PROTOTYPE	REASON FOR NOT REALIGNING	FUTURE PLAN (ALL THESE CONSULTATIONS WERE DONE IN TERMS 1 & 2)
200500949	Ngqwabeni JSS	PS	Consultations have been carried out in terms of 1 and 2.	Movement of grades 8 and 9 to Flagstaff SS in 2026. Need for scholar transport.
200500036	Bisana JSS	PS	Consultations have been carried out in terms of 1 and 2.	Movement of grade 8&9 to Mayibenye SS in 2026. Need for scholar transport.

IHLM DRAFT INTEGRATED DEVELOPMENT PLAN FOR 2026-2027 FINANCIAL YEAR

EMIS NUMBER	SCHOOL NAME & CURRENT PROTOTYPE	NEW PROTOTYPE	REASON FOR NOT REALIGNING	FUTURE PLAN (ALL THESE CONSULTATIONS WERE DONE IN TERMS 1 & 2)
200500632	Mcelu JSS	PS	Consultations have been carried out in terms of 1 and 2.	Movement of grade 8&9 to Mayibeny SS in 2026. Need for scholar transport.
200500715	Mneketshe JSS	PS	Consultations have been carried out in terms of 1 and 2.	Movement of grade 8&9 to Mayibeny SS in 2026. Need for scholar transport.
200500450	Ludiwana JSS	PS	Consultations have been carried out in terms of 1 and 2.	Movement of grade 8&9 to Bukazi SS in 2026. Need for scholar transport.
200500239	Gabajana JSS	PS	Consultations have been carried out in terms of 1 and 2.	Movement of grade 8&9 to Langa SS in 2026. Need for scholar transport.

MISALIGNED SCHOOLS(MFUNDISWENI)

EMIS NUMBER	SCHOOL NAME	REASON FOR NOT REALIGNING	FUTURE PLAN
200500466	Lundzwana JSS	Consultations were still underway	Realign in 2026, but learners need scholar transport
200500658	Mfundisweni JSS	Consultations were still underway	Realign in 2026, but there is no need for scholar transport.
200500608	Mazeni JSS	Distance	Realign in 2027
200500496	Mabofu JSS	Distance	Realign in 2027, depending on scholar transport
200500068	Bungeni JSS	Distance	Realign in 2027, depending on scholar transport
200500701	Mkumbi JSS	The community resisted, but finally agreed to 2026	Realign in 2026, and there is no need for scholar transport.

MISALIGNED SCHOOLS (MALANGENI CIRCUIT)

EMIS NUMBER	SCHOOL NAME	CIRCUIT	REASON FOR NOT REALIGNING	FUTURE PLAN
200500830	Mzizangwa JSS	PS	Community members want scholar transport before the process kicks off	Stakeholders' engagement on the matter in July 2025
200500664	Mgezwa JSS	PS	They will release grades 8& 9 learners in 2026	These grades will be admitted at Mgezwa S.S. in 2026
200500544	Malangeni JSS	PS	Phambili S.S.S does not have sufficient accommodation for them.	We have requested additional classrooms from the Department for 2026
200500902	Njombela JSS	PS	Phambili S.S.S does not have sufficient accommodation for them.	We have requested additional classrooms from the Department for 2026
200501017	Phambili SSS	SS	Short of classrooms.	We have requested additional classrooms from the Department.

ECDCs

- There are 613 functional Early Childhood Development (ECD) Centers
- 1 privately owned ECD center is fully registered as it was granted a Health Certificate, as it meets norms and standards stipulated in the National Health Act of 1977 and Children's Act 38 of 2005.
- 460 centers are conditionally registered.
- 153 centers are fully registered.

4.5.10 Health

Ingquza Hill health Sub-district has few facilities as against its population of 353528 and that affects the referral system, contributes to maternal and child mortalities, and non-compliance to treatment with a high rate of defaulters. Ingquza Hill has the following infrastructure:

- 01 District Hospitals at Lusikisiki Ward 19, 01 Regional Hospital Holy Cross; Ward 29, 01 Community Health Center; Ward 06. 20 Clinics namely: St Elizabeth Gateway Clinic; Ward 15, Village Clinic; Ward 15, Goso Forestry Clinic; Ward 22, Malangeni Clinic, Ward 16, Palmerton Clinic, Ward 17, Qaukeni Clinic, Ward 18, Mpoza Clinic, Ward 12, Xhurhani Clinic, Ward 13, Good Hope Clinic, Ward 1, Mantlaneni Clinic, Ward 2, Bodweni Clinic, Ward 11, Nkoko Clinic, Ward 05, Holy Cross Gateway Clinic, Ward 29, Khanyayo Tahle Cele (KTC) Clinic; Ward 32,

Khanyayo Clinic, Ward 25, Bhala Clinic, Ward 30, Xhophozo Clinic, Ward 8, Mbhadango Clinic, Ward 07, Magwa Clinic, Ward 22, Mbotyi Clinic, Ward 23.

Proposed project for this FY is the construction of the new Good Hope clinic

Achievements

- DS-TB Success rate: Target = 77%, the sub-district annual performance is at 85%.
- TB NAAT Test 5 years: Target = 32905, the sub-district annual performance is at 33919.
- DS-TB lost to follow up: Target = 12% the sub-district annual performance is at 5.7%
- DS-TB treatment start rate: Target = 95% the sub-district annual performance is at 96.2%
- Severe acute malnutrition: Target = 9.1% the sub-district annual performance is at %
- Ante Natal Care (ANC) started on ART rate: Target = 97 %, performance is at 100%.
- Infant PCR positive around 10 weeks: Target = < 1 %, performance is 0.0%.
- Antenatal Care (ANC) visits 20 weeks before: Target = 63 %, performance is at 70.5%.
- TROA: Target = 38 800, the sub-district annual performance is at 38 673 (99, 7%)
- ART Linkage to care: Target = 95, the sub-district annual performance is 90,7 %

Challenges

Water provision remains a challenge especially for clinics who are away from town. 17 clinics depend on harvested rain water with water outages during dry winter season due to delays in procurement processes. Connection of metered municipal water may be the solution on providing uninterrupted water supply.

Teenage Pregnancies

The sub district is challenged by the rising numbers of pregnancies in 10-14 years and 15 to 19 years, reporting 29 and 1252 respectively for the financial year 2025/26. The numbers have dropped from 2022/23 at 53 deliveries, 10-14 and 1660 for 15-19 years to the numbers above for the previous financial year. For 10 to 14 years deliveries, the sub district has been stagnant at 29 between FY 23/24 and FY 24/25. There is also a noted decrease between the same period for 15-19 years at 1511 and 1335 respectively.

The decrease in those pregnancies is attributed to the activation of youth zones in all clinics and strengthening of school health services and improved intergovernmental relations with department of basic education. Strong demand creation for long acting contraception for teenagers 15 and above.

4.5.11 Safety And Security

There are only four police stations under the vast jurisdiction of Ingquza Hill Local.

The municipalities of Flagstaff, Hlababomvu, Lusikisiki, and Mtontsasa have adopted a Community Safety Plan in February 2025. The Community Safety Forum is operational, and awareness campaigns are conducted to address the predominant crime patterns, including murder fueled by witchcraft beliefs, rape, domestic violence, and other crimes.

The municipality held the crime awareness summit for the first time in the 2025/2026 FY, and the program is also included in planning for the 2026/2027 FY. The crime Summit resolution was presented to the municipal platform during management and strategic planning sessions.

4.5.12 Crime statistics

The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime. The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

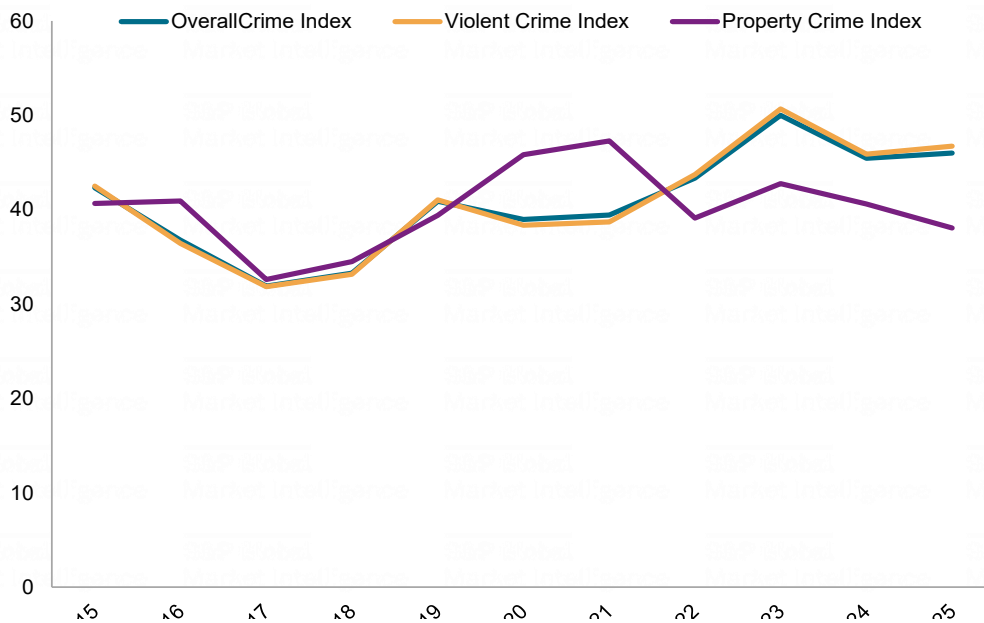


CHART 1. Crime index - calendar years (weighted avg / 100,000 people) - Ingquza Hill Local Municipality, 2014/2015-2024/2025 [Index value]

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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From 2014/2015 to 2024/2025, overall crime increased at an average annual rate of 0.84% in the Ingquza Hill Local Municipality. Violent crime increased by 0.96% between 2014/2015 and 2024/2025, while property crime decreased by 0.66% between 2014/2015 and 2024/2025.

TABLE 31: OVERALL CRIME INDEX - INGQUZA HILL LOCAL MUNICIPALITY AND THE REST OF O.R. TAMBO, 2014/2015-2024/2025 [INDEX VALUE]

	Ingquza Hill	Port St Johns	Nyandeni	Mhlontlo	King Sabata Dalindyebo
2014/2015	42.34	53.17	50.03	64.16	76.69
2015/2016	36.79	49.23	51.68	62.77	72.58
2016/2017	31.91	46.86	51.09	61.55	75.14
2017/2018	33.27	44.70	52.69	68.09	78.98
2018/2019	40.91	51.80	48.70	73.26	87.07
2019/2020	38.98	47.41	52.25	72.20	84.64
2020/2021	39.43	46.63	48.92	60.72	73.94
2021/2022	43.34	51.27	51.08	67.38	87.67
2022/2023	50.01	61.02	53.60	67.98	90.24
2023/2024	45.45	57.16	56.50	76.50	92.37
2024/2025	46.01	59.88	53.18	82.30	83.94
Average Annual growth					
2014/2015-2024/2025	0.84%	1.20%	0.61%	2.52%	0.91%

Source: South Africa Regional eXplorer v2650.

Data compiled on 29 Jul 2025.

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In 2024/2025, the King Sabata Dalindyebo Local Municipality has the highest overall crime index among the sub-regions within the O.R. Tambo District Municipality, at 83.9. Mhlontlo Local Municipality has the second-highest overall crime index at 82.3, while Port St Johns Local Municipality has the third-highest at 59.9. Nyandeni Local Municipality has the second-lowest overall crime index at 53.2, and Ingquza Hill Local Municipality has the lowest at 46. Nyandeni Local Municipality experienced the largest increase in overall crime since 2014/2015, with an average annual increase of 0.6%, followed by Ingquza Hill Local Municipality at 0.8%.

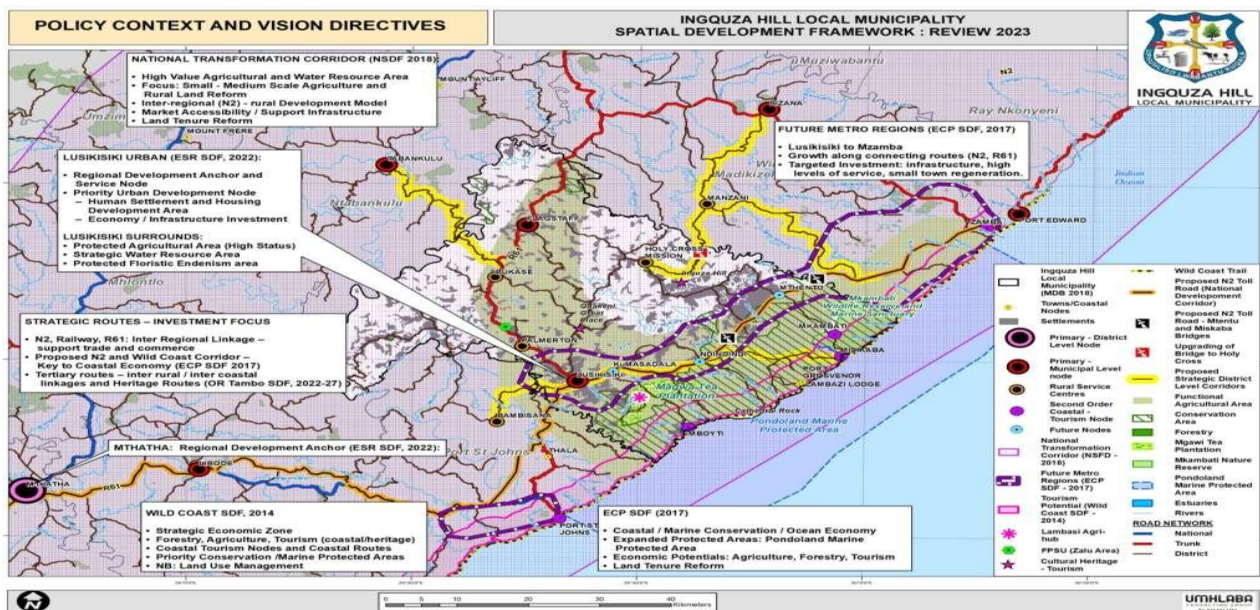
5 KEY PERFORMANCE AREAS: SPATIAL PLANNING, LAND, HUMAN SETTLEMENTS & ENVIRONMENTAL MANAGEMENT.

The municipality engaged professional town and regional planners to assist in developing a five-year Spatial Development Framework to guide future development in urban nodal areas and rural areas.

The Municipality reviewed and gazetted its SDF in 2024, aligning it with the new legislation (Spatial Planning and Land Use Management Act 16 of 2013), addressing past imbalances, and covering all 32 wards in line with the municipal demarcation of 2016. The Spatial Development Framework accounts for cross-border planning by aligning the municipal SDF with those of neighboring municipalities. The Municipal SDF is aligned with all relevant strategic documents, including the District SDF and the Eastern Seaboard Regional Spatial Development Framework, to ensure the integration of plans and resources.

Policy context and vision directives

The municipality is engaging the traditional authorities to acquire additional land for future developments.



However, according to the reviewed Spatial Development Framework, new developments are proposed as second-order tourism nodes, namely Mbotyi and Msikaba, which will accommodate moderate levels of tourism resort and cottage development and enable substantial tourism development. The Municipality is developing Nodal Development Frameworks for both nodes.



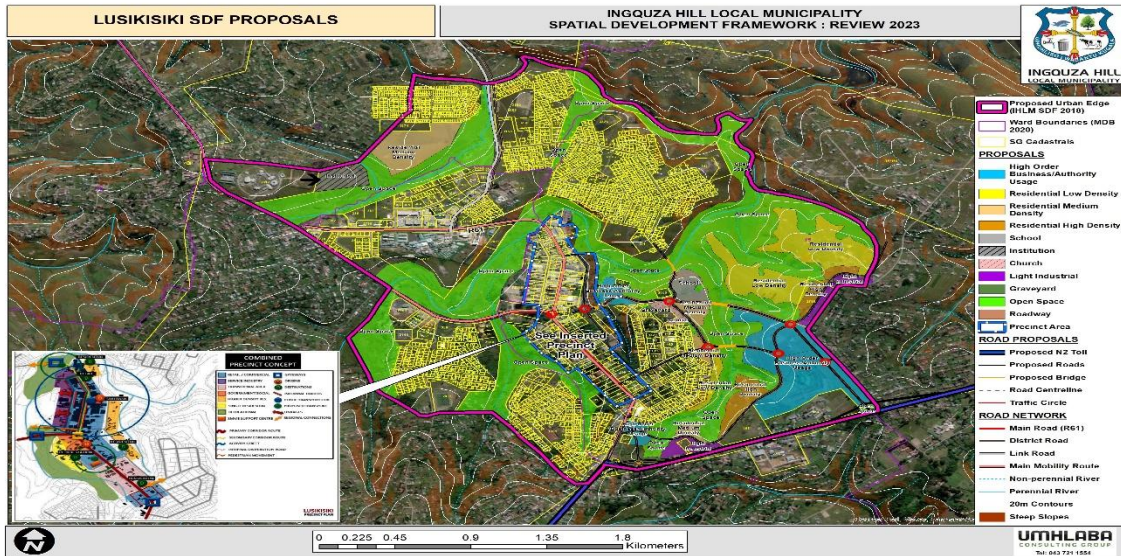
Msikaba 2nd Order Coastal (Tourism) Node – Development Recommendations



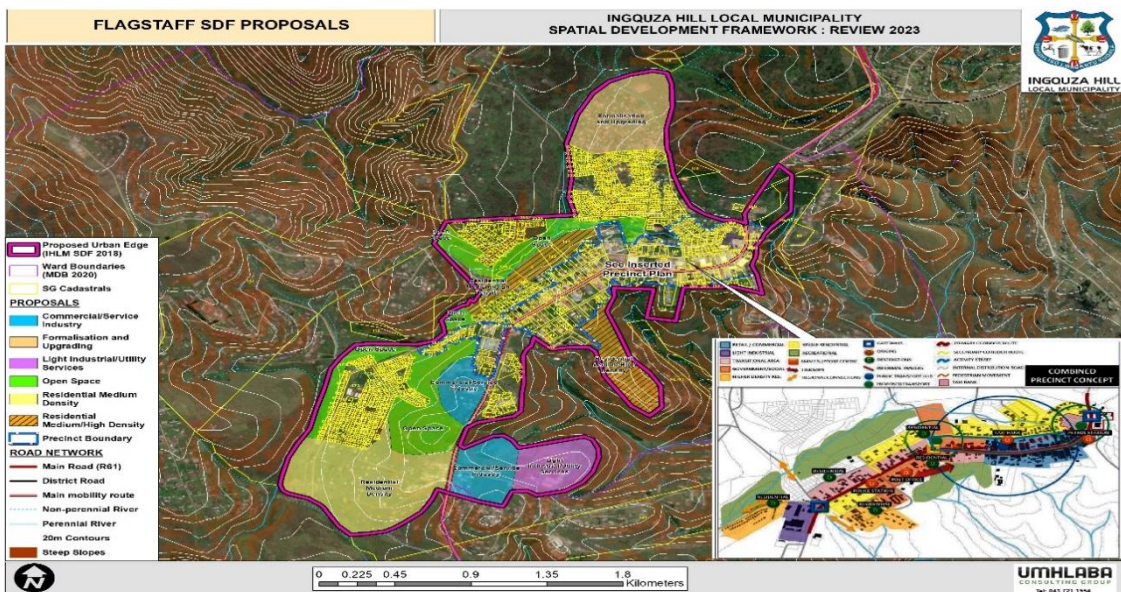
Mbotyi 2nd Order Coastal (Tourism Node) – Development Recommendations

There are further proposals which include:

- Proposed private hospital in the Xura-Gqathula area of Lusikisiki, just outside the city limits.
- Proposed shopping mall in the Fama-Mangquzu area of Flagstaff, just outside the city limits.
- Proposed filling station in the Nxarhabe location in Flagstaff, outside the urban area.
- Proposed Gender-Based Violence Center (GBV) in Holy Cross village, which falls under Flagstaff.



Lusikisiki Spatial proposals



Flagstaff Spatial Proposals

5.1 SPATIAL PLANNING AND LAND USE MANAGEMENT ACT, ACT 16 OF 2013

The Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) is a national law enacted by Parliament in 2013. The law authorizes the Department of Rural Development and Land Reform (DRDLR) to issue Regulations under SPLUMA to provide additional detail on how the law should be implemented. SPLUMA took effect on 1 July 2015. SPLUMA aims to establish a new framework to govern planning permissions and approvals, set parameters for new developments, and provide for lawful land uses in South Africa. SPLUMA is a framework

law, meaning it sets broad principles for provincial laws that will regulate planning. SPLUMA also clarifies how planning law interacts with other laws and policies.

The law is important because the repeal of many apartheid-era laws has left our planning laws fragmented, complex, and inconsistent. For this reason, section 3 of SPLUMA states that the law aims to develop a 'uniform, effective and comprehensive system' of planning that 'promotes social and economic inclusion'.

The Municipal Council developed and adopted an SPLUMA by-law in 2016 and formed a Joint Municipal Planning Tribunal with Port St Johns Municipality, whose term lapsed in 2024. The Municipal Council resolved to continue with the Joint MPT option with Port St Johns LM. All required processes have been followed; MPT members have been appointed, both councils have signed the Service Level Agreement, and the MPT is operational. It holds quarterly meetings, as needed. Quarterly reports on the Tribunal's activities are tabled before Council as required by law. The Municipality has appointed a Registered Professional Town Planner as an Authorized Official under the Delegations framework.

The municipality does not currently have a functional GIS system; therefore, it relies on the O.R Tambo District Municipality for most spatial information, which is only for viewing purposes. Plans are in place to procure the Municipal GIS system and to fill the GIS Technician position.

5.1 LAND CLAIMS

Land claims are another issue affecting the municipal commonage. Both the Lusikisiki and Flagstaff municipal commonage have been subject to claims, but these have since been resolved. In Flagstaff, the commonage boundary was reduced as part of the settlement agreement. In essence, this means the municipality needs to actively pursue land acquisition to extend the commonage boundary and meet land demand for future generations. The shortage of commonage land is glaring in both towns.

Land ownership remains a major challenge for rural municipal areas. The Permission to Occupy (PTO) tenure system is still in place and has significant implications for land use. This tenure system allows for the use and development of land but does not confer legal rights to it.

After President Jacob Zuma signed the Restitution of Land Rights Amendment Act, which reopened the process for restitution claims that had closed at the end of 1998 and gave claimants until 30 June 2019 to lodge land claims.

The victims of land repossession, who missed the original land claim deadline, have been granted an opportunity to lodge their claims until the end of 2019.

The claims that were lodged are as follows:

- ▶ Land claim for Erf 93, Flagstaff: R93 million compensation was given to the communities.
- ▶ Land Claim for Lusikisiki erf 49, the land was given to the municipality, wherein financial compensation was granted to the communities.
- ▶ Lambasi area: it is currently under the Communal Property Association and Mkhambati.
- ▶ And many other rural claims that are still in the initial phases of investigation.

5.2. HUMAN SETTLEMENTS

The Ingquza Hill Local Municipality plays a coordinating role in the provision of Human Settlements. In line with the provisions of Breaking New Grounds (BNG), the Municipality currently has four projects under construction, namely Xopozo 500 (350 units), Ingquza 500 (390), Ingquza 347, Ingquza 500 (Destitute), and Holy Cross 500, implemented by the Department of Human Settlements and the OR Tambo District Municipality. All previously blocked projects have been unblocked. A total of 5 Destitute projects are planned for this financial year: Ingquza 100 Destitute, Ingquza 158, Ingquza 14, Lubala 91, and Joe Slovo 1117 (Rectification). They are fully budgeted for. The Municipality National Housing Needs Register is in place, with a total of 6787 beneficiaries captured in the system, and the Municipality is actively engaged in data collection and capture. Four informal settlements are being upgraded under the Department of Human Settlements Upgrade Program: Malizole, Nkululekweni, Unity Park, and Zwelitsha, comprising a total of 3119 households.

The Municipality has bulk infrastructure for housing development and always ensures the provision of Social Amenities; however, there is no approved Migration Plan. Currently, there is no Community Residential Unit project in place; the Municipality has set aside land in anticipation of a future CRU.

5.2.1 Land invasion

Land invasion remains a major challenge for the municipality. This manifests as land grabbing by villages close to town (peri-urban). The municipality has identified this as a major risk to development, as it leads to poor land-use practices and severely reduces the amount of future developable land. Several strategies are currently being used to curb this scourge, including awareness campaigns about land invasions, direct discussions, and negotiations.

The municipality has experienced major land invasions since 1994, with areas such as the following being invaded:

- ▶ Lusikisiki: Mdikane A/A, Malizole Community, Gqathula village, Ngobozana and Nyuswa A/A
- ▶ Flagstaff: Sgubudwini, Enkululekweni, and Sphaqeni, Mthwaku area

The municipality has adopted a zero-tolerance strategy for land invasions, and as such, they are not encouraged. In line with housing needs, migration plans will be developed and linked to housing demand to prevent the proliferation of informal settlements. The municipality has the following plan to deal with the land invasion:

- ▶ Quarterly engagements with the traditional leaders in general,
- ▶ The council has developed a policy on land invasion,
- ▶ Improve working relations between the municipality and the traditional councils,
- ▶ Increase the public participation in areas where land invasion is a challenge, and
- ▶ Environmental awareness programs earmarked for reducing land invasions.

With all the above strategies in place, the Municipality has also approached the courts for an order instructing land-invasion perpetrators to stop invading municipal land and granting the Municipality permission to demolish structures erected illegally on municipal land. The municipality is currently enforcing the order.

5.2.2 Land Audit

In 2018, Ingquza Hill Local Municipality identified the need to conduct a comprehensive land investigation and audit to first determine which land is owned by the Municipality and second confirm whether properties the Municipality disposed of have been properly transferred. The land audit project was completed in 2019 and focused on ownership information obtained from two sources: the municipal Valuation Roll and Deeds. In any land audit strategy, a primary concern and fundamental prerequisite to any physical planning strategy is land availability. That includes location, size, surroundings, and natural and artificial constraints, both within and between. Given the topographical and urban-edge limitations on the expansion of the municipal area, special emphasis is required to achieve optimal land utilization. This is precisely what the Municipality seeks to achieve.

The land ownership categories derived from the land audit include, but are not limited to, the following.

- ▶ Privately owned land
- ▶ State-owned enterprises (Telkom, Transnet, SA Roads Agency, etc.)
- ▶ Municipal Land (District and Local)
- ▶ Provincial Government
- ▶ Republic of South Africa (State Land)
- ▶ Worship sites (Churches, Mosques, etc.)

Several gaps have been identified in the current Land Audit, necessitating its review, which is planned for this financial year, to ensure it fully fulfills its intended purpose.

5.2.3 Congestion in Towns

Municipal development planning in South Africa is regulated by the Municipal Systems Act (Act No 32 of 2000). This act requires the preparation and adoption of Integrated Development Plans (IDPs) to guide and regulate all planning and development in the Municipality. The National Land Transport Act NLTA (Act No 5 of 2009) requires the integration of land transport planning with the land development process and the preparation of integrated transport plans, which constitute the transport component of the integrated development plans of municipalities. These integrated transport plans include the regulation and provision of transport infrastructure across all modes. According to the National Land Transport Act, property developments within a transport area are subject to traffic impact and transport assessments.

Ingquza Hill Local Municipality has taken the initiative to conduct a traffic impact assessment for two towns (Flagstaff and Lusikisiki) and is therefore seeking the services of a professional team. The purpose of this traffic assessment was to analyze the causes of congestion in the towns, assess their impact, and develop a turnaround implementation plan. The implementation plan must support sustainable development by protecting the overall integrity of the transportation system for the benefit of all users. Neither public nor private interests are served if transportation systems are needlessly degraded due to poor development planning and control.

5.3 ENVIRONMENT

The environment is essential to the health and survival of all forms of life, including plants, animals, and humans. Protecting our environment is crucial to ensuring sustainability and support for both current and future generations. There is growing global recognition of the importance of the natural environment in building climate resilience, which helps mitigate climate change risks and promote sustainable communities. This is highlighted in the 2018 National Biodiversity Asset Report for South Africa, which stresses the need to view ecological infrastructure and biodiversity as valuable strategic assets in the pursuit of sustainable development.

The environment is a dynamic system that cannot be addressed with a one-size-fits-all strategy. It is important to establish environmental guidelines and principles that promote responsible, sustainable development and to identify high-risk areas that may require further analysis, such as an Environmental Impact Assessment (EIA) or a Scoping Report. Each development project should be evaluated on its merits and desirability.

IHLM has an operational Environmental Management Unit with 1 staff member. This unit is developing the municipality's Environmental Management Plan/Framework, which will govern both the inland and coastal environments within IHLM's jurisdiction. Currently, the District Municipality (DM)'s Environmental Management Plan is in place and being used by this unit to guide development and preservation. The municipality is also engaged in intensive collaboration with the DM and the Department of Economic Development, Environmental Affairs, and Tourism (DEDEAT). Projects are listed in the project identification from DEDEAT and the DM. The collaborative work includes the Climate Change Strategy, Coastal Climate Change Adaptation, Estuarine Management, and Waste Management.

5.3.1 Ingquza Hill Environmental Management Forum (EMF)

The Environmental Unit established the Environmental Management Forum to promote socio-economic development through sustainable practices and effective environmental management decisions. The Forum operates under approved Terms of Reference. Initially, meetings were held quarterly, but due to financial constraints, the schedule has been changed to biannual meetings. The Forum includes all key stakeholders and parties who are interested in or affected by it, ensuring their active participation.

5.3.2 Facilitation of Environmental Awareness campaigns

Environmental education is essential to building a sustainable future. It raises awareness, promotes responsible behavior, and encourages active participation in conservation efforts. Through formal and informal learning, individuals gain knowledge of critical environmental issues, including climate change, pollution, biodiversity loss, and resource conservation. By integrating environmental education into schools, communities, and workplaces, societies can cultivate a culture of sustainability and empower future generations to protect our planet.

The municipality promotes environmental awareness through calendar days that educate communities about conservation for future generations. In partnership with various organizations, including the OR Tambo District Municipality and the Department of Forestry, Fisheries, and Environment, it conducts an annual campaign featuring Arbor Day, Marine Day, and Wetlands Day. This initiative addresses climate change through both formal and informal education, equipping individuals with knowledge of critical issues such as pollution,

biodiversity loss, and resource conservation. By integrating environmental education in schools and communities, Ingquza Hill societies foster sustainability and empower future generations to protect the planet.

5.3.3 Land degradation

The Ingquza Hill Local Municipality has solicited proposals to conduct a feasibility study on land degradation. This project was undertaken by a private service provider tasked with assessing land degradation in various sites within the municipality's jurisdiction.

The preferred bidder explored various methods suitable for the municipality to rehabilitate these degraded soil sites. As a result, the service provider developed a comprehensive feasibility study and implementation plan.

Ingquza Hill consists of 32 wards and is predominantly rural. The communities within this area rely heavily on agriculture and subsistence farming, making land preservation essential for their livelihoods. Ingquza Hill is situated within a rainfall belt and experiences heavy rains at times, which can lead to soil erosion and subsequent land degradation.

The feasibility study focused on 27 specific wards, listed as follows: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 23, 24, 25, 27, 28, 29, 30, 31, and 32.

The objectives of the feasibility study are to:

- Identify all areas affected by soil degradation.
- Establish the extent, nature, and causes of degradation.
- Draft a layout plan for all identified degraded areas.
- Develop a rehabilitation plan for the soil-degraded sites.

The feasibility reports have not been implemented yet due to financial constraints. However, the municipality is seeking funding from other state organs and is willing to collaborate with other departments on projects like this.

5.3.4 Environmental Management Bylaw

The Municipal Environmental Management By-laws have been developed to enable the Municipality to protect and promote the long-term Environmental Management, Environmental health, and well-being of people in the municipal area. This bylaw was adopted by the Council in November 2025 and it seeks to spearhead sustainable development, improve the municipality's governance, enhance a safe and healthy environment, and guide sustainability and responsible decision-making. The bylaw is being published by the municipality its **Gazette No. 5538**.

5.3.5 Environmental Impact Assessment for Forestry Development

Over the years, the South African Pulp & Paper Industry (SAPPI) has been helping the Ingquza Hill communities build their capacity to plant and manage gum forests for economic benefit. The municipality supports these communities by conducting Environmental Impact Assessments (EIAs) for their forestry projects. However, due to budget constraints, the municipality is unable to proceed with the EIA applications this financial year. In response,

SAPPI has taken the initiative to submit a group EIA application encompassing 17 forests: 15 are new applications, and 2 are extensions of existing forests.

5.3.6 Collaborative work Report – SCREENING OF CAPITAL PROJECTS

The Environmental Management Unit is collaborating with the Technical Services and Community Services Department to conduct an environmental pre-screening of proposed access roads and identified landfill sites. They are sharing their field findings with the licensing authority, DEDEAT.

5.3.7 Development of an Environmental Management Plan (EMP)

The municipality, as mandated by the NEMA ACT, is compiling an Environmental Management Plan to establish a systematic framework for environmental commitments and promote sustainability within the Ingquza Hill jurisdiction. This plan is currently in its final stages, with all necessary processes completed. The final report has been submitted to the council and received its endorsement. The service provider is currently in the publication stage.

5.3.8 Ingquza Hill Coastal Infrastructure Project Funded By DFFE

Ingquza Hill Local Municipality (IHLM) has significant tourism potential, primarily due to its location along the Wild Coast and the Pondoland Center of Endemism. These areas offer scenic coastlines, beautiful beaches, and wildlife reserves with rich historical significance. Tourism can drive economic development in IHLM by creating jobs, fostering skills development, and providing entrepreneurial opportunities while also promoting conservation and cultural awareness.

However, IHLM's coastline is largely inaccessible due to a lack of infrastructure and services. The Department of Forestry, Fisheries, and Environment (DFFE) has funded the Ingquza Coastal Infrastructure Project in line with its mandate under the Integrated Coastal Management Act (ICMA). This funding aims to improve coastal access by developing tourism infrastructure.

The primary goal of the DFFE funding is to help Ingquza Hill Local Municipality improve coastal access at Mbotyi, a site known for its annual sardine run and MKHAMBATHI. The municipality has been operating with a temporary permit due to the inaccessibility of the gazetted site for the annual sardine run.

An application for Environmental Authorization under the National Environmental Management Act (Act 107 of 1998) (NEMA) and the Environmental Impact Assessment Regulations (GN R982 of 2014), as amended, is being submitted in support of the Mbotyi and Mkhambathi Development Project.

5.3.9 Mbotyi Development Project

The project proposes the following development activities at the Mbotyi site:

Upgrading Activities:

1. Upgrading and surfacing of existing gravel roads (approximately 152 meters in length).
2. Enhancing stormwater drainage along the roads.

Development Activities:

3. Construct a new formal designated parking area with a minimum of 20 parking bays.
4. Implementing stormwater drainage for the parking bays.
5. Providing ablution facilities equipped with water supply and sanitation services.
6. Development of an access track to the boat launch site.

5.3.10 Mkhambathi Development Project

The project site is located approximately 27 km northeast of Mbotyi along the eastern coastline. The following development activities are proposed for the Mkhambathi site:

Upgrading:

1. Upgrading and surfacing existing gravel roads (approximately 260 meters long).
2. Improving stormwater drainage along the roads.

Development:

3. Construct a formal designated parking area with a minimum of 20 parking bays.
4. Installing stormwater drainage in the parking area.
5. Building a viewing deck.
6. Installing braai (barbecue) areas.
7. Providing ablution facilities with water supply and sanitation services.

5.3.11 Basic Assessment Process

The Mbotyi and Mkhambathi Development Project triggers activities outlined in Listing Notice 1 (GN R.983 of 2014) and Listing Notice 3 (GN R.985 of 2014), as amended. As a result, the project requires an application for Environmental Authorisation through a Basic Assessment Process for these activities. The application has been submitted to DEDEAT, and the Draft BAR has been shared with affected and interested parties for comment. The deadline for submitting comments was October 2024.

5.3.12 N2 biodiversity project

The Eastern Cape Parks and Tourism Agency (ECPTA) is implementing the N2 Wild Coast Biodiversity Offset Project, guided by the Biodiversity Offset Policy and the Eastern Cape Protected Area Expansion Strategy (ECPAES), a systematic conservation planning product that identifies priority areas for expanding the conservation estate. The project is designed to compensate for significant residual negative impacts on biodiversity resulting from project development, after appropriate prevention and mitigation measures have been implemented. The Biodiversity Areas are located along the N2 Wild Coast, and 5 of the offset areas are within the Ingquza Local Municipality: Mkhambathi, Tahle, Ntentule, Lambasi, and Mbotyi.

The Wild Coast is a pristine stretch of South African coastline featuring abundant indigenous forests, rolling hills, plunging waterfalls, and beautiful, untouched beaches. The offset is expected to contribute significantly to job creation and formal biodiversity conservation in the

Eastern Cape and to help realize the long-held vision of an expanded protected area network in the region.

The project is currently in its implementation phase. ECPTA will implement ecosystem rehabilitation, which has three focus areas, namely:

1. The eradication of alien plant species was intended to manage and eliminate these species that threaten the local ecosystem along the N2 Wild Coast Corridor.
2. Wetlands rehabilitation aims to implement strategies to restore wetlands within the N2 Wild Coast Biodiversity Offset Project Area.
3. Soil restoration project aimed at rehabilitating degraded rangelands, promoting sustainable ecosystems and livestock management, and integrating economic considerations into rangeland stewardship.

Project Implementation Update

Focus Area 1 – The terms of reference for the Eradication of Alien Plants focus area have been approved. The Request for Bids to implement the eradication plan has been advertised to the panel. The evaluation and adjudication committee has completed its work; however, the service provider has not yet been appointed. The appointment will be made in the next quarter (January - March).

Focus Areas 2 & 3 – The terms of reference for Wetlands Rehabilitation and Soil Restoration have been approved. However, the requests for bids for these areas have not yet been submitted to the panel.

5.3.13 Recruitment:

ECPTA has recruited 100 beneficiaries, comprised of 56 individuals from Ingquza Hill. This group includes 12 from the Mkhambathi polygon, 16 from Tahle, 12 from Lambasi, and 16 from Mbotyi. These beneficiaries will serve as eco-workers, collaborating closely with environmental stewards (livestock owners) to monitor, restore, and manage rangelands.

5.3.14 Training

ECPTA, in partnership with CEET, is providing training for youth in the N2 communities as part of the N2 Wild Coast Biodiversity Offset Project (N2WCBOP) candidate sites. The goal of this training is to equip participants with the knowledge and skills to monitor and manage rangelands effectively. To achieve this goal, participants need to develop competence in the following areas:

1. Understanding basic ecological principles,
2. Monitoring biodiversity,
3. Identifying species,
4. Assessing animal health,
5. Interacting with livestock and humans.

5.3.15. Declaration of land to offset

All community resolutions are signed, and the team is preparing to declare them.

The Department of Forestry, Fisheries, and Environment (DFFE) has funded the Ingquza Coastal Infrastructure Project in line with its mandate under the Integrated Coastal Management Act (ICMA). The funding aims to promote coastal access by developing tourism infrastructure. The primary goal of the DFFE funding is to help the Ingquza Hill Local Municipality improve coastal access at Mbotyi, a site known for its annual sardine run and MKHAMBATHI. The municipality has been operating under a temporary permit because the gazetted site for the annual sardine run is inaccessible.

5.3.16 OR Tambo Municipal Coastal Committee

The National Environmental Management: Integrated Coastal Management Act (Act No. 24 of 2008) defines the "coastal zone" as the area that includes coastal public property, the coastal protection zone, coastal access land, coastal protected areas, the seashore, coastal waters, and the exclusive economic zone. It encompasses all aspects of the environment that exist on, in, under, and above this area. This intricate ecosystem is where oceanic and terrestrial forces interact and transition.

The coastal ecosystem is a valuable resource, providing ecological and socio-economic benefits that support livelihoods. It offers natural resources and opportunities for coastal and ocean recreation, enhancing the overall quality of life. This unique coastal environment fosters a range of social, economic, and ecological interactions associated with human activities.

Consequently, the coast is a sought-after location for public infrastructure, including harbors and road and rail networks, as well as for human settlement. Given the complexities of coastal regions, it is essential to establish the OR Tambo District Municipal Coastal Committee (ORTD MCC) as mandated by Section 42 of the Integrated Coastal Management Act (Act No. 24 of 2008), which authorizes each district or metropolitan municipality with jurisdiction over any part of the coastal zone to establish a coastal committee for the municipality and determine its powers. The committee aims to maximize the benefits of the coastal zone while minimizing conflicts and negative impacts on resources and the environment caused by coastal activities.

This committee meets quarterly, and Ingquza Hill actively participates.

5.3.17 Natural Environmental Analysis

5.3.17.1 Biophysical Analysis

The area has a varied landscape, characterized by numerous rivers and deeply incised river valleys that trend northwest-southeast toward the coast. The higher elevations in the northwestern part of the municipality reach approximately 1,100 meters above sea level, particularly north of Flagstaff. The southern coastal region is mountainous and features several steeply incised river valleys. The remaining coastal and central areas are moderately sloped and contain steep river valleys. There are two drainage basins in this region: the Mzimvubu River (western extent) and the Pondoland Coast (central/coastal area), both of which cover the study area.

5.3.18 Geology and Soils

THE GEOLOGY is dominated by the:

- Adelaide sub-group, comprising the southwestern extent of the LM
- Suurberg, Drakensberg, and Lebombo group, located in the northernmost part of the LM
- ECCA Group, dominant in the central northern extent of the LM
- Dwyka Group – forming a band that extends south, incorporating Lusikisiki
- Natal Group – extending southeast along the coast.
- Geology within the Adelaide sub-group consists of mudstone and sandstone intruded by dolerite dykes and sheets.

SOILS: The study area comprises numerous soil types. Lithosols (shallow soils on hard or weathered rock, 48 % coverage) and undifferentiated shallow soils (50 %) are most prevalent in the central region and in smaller pockets throughout the study area.

5.3.19 Temperature And Rainfall

5.3.19.1 Temperature

Ingquza Hill Municipality lies in the transitional zone between the subtropical KwaZulu-Natal coast and the warm-temperate Eastern Cape. The climate ranges from cool, humid, and subtropical at the coast to hot and semi-arid inland.

Flagstaff has an average annual temperature of 16.1 °C. The warmest month is July, with an average of 19.8 °C, while the coldest month is February, with an average of 11.6 °C. In comparison, Lusikisiki has an average annual temperature of 16.8 °C, with February being the warmest month at 20.1 °C. In July, Lusikisiki's average temperature is 13.4 °C.

5.3.19.2 Annual Rainfall

Flagstaff receives an average of 898 mm of annual rainfall. The driest month is July, with only 23 mm of rain, while February is the wettest, averaging 123 mm. By comparison, Lusikisiki has a higher average annual rainfall of 1016 mm. Its driest month is June, with 29 mm of rain, and most precipitation falls in March, averaging 136 mm.

5.3.20 Vegetation

The Ingquza Hill Local Municipality (LM) area encompasses twelve vegetation types. The dominant vegetation types include:

- Moist Coast Hinterland Grassland (37.56%): This type is predominant in the central region. It is classified as a Vulnerable ecosystem and is unprotected (National Biodiversity Authority, NBA 2018 – Red List of Ecosystem Status).
- Eastern Valley Bushveld (24.54%): Found along the Msikaba River's main drainage line, this vegetation type covers the higher-lying western part of the region. It is classified as Least Concern and is not protected.

- Pondoland-Ugu Sandstone Coastal Sourveld (19.68%): This vegetation forms a significant coastal band and is classified as a near-threatened ecosystem that is poorly protected.
- Midlands Mistbelt Grassland (11.22%): Comprising a narrow band along the R61 main route across the municipality, this ecosystem is considered Vulnerable and is poorly protected.

5.3.21 Biodiversity

Ingquza Hill is a region renowned for its remarkable geological diversity and exceptional biodiversity, much of which remains pristine along the coast. This area is rich in endemic species and is part of the Pondoland Wild Coast, a transitional zone between the subtropical waters of the north and the temperate waters of the south. This unique eco-region is home to fish species found nowhere else. Additionally, Ingquza Hill boasts a wide variety of plant life, earning recognition as one of the six national botanical biomes that contain rare plant species.

5.3.22 Aquatic and Terrestrial Biodiversity

The Aquatic and Terrestrial Critical Biodiversity Areas (CBAs) presented in this section are based on the 2018 National Biodiversity Assessment (NBA) conducted by the South African Biodiversity Institute (SANBI). These plans identify priority areas for conserving species and ecosystems while maintaining essential natural ecological processes. The network of Protected Areas, Critical Biodiversity Areas (CBAs), and Ecological Support Areas (ESAs) is designed to conserve a viable sample of all ecosystem types and species and to enhance the connectivity of natural areas. This approach supports landscape-level ecological functioning and helps ecosystems and species adapt to climate change.

CBAs (Conservation Biodiversity Areas) should be maintained in a natural or nearly natural condition to ensure the landscape's ecological sustainability. While ESAs (Ecological Sustainability Areas) need not be entirely natural, they should be preserved in at least a semi-natural state to maintain their ecological functions.

5.3.23 Terrestrial Biodiversity and Protected Areas

- PA Protected Areas:
 - Mkambati Nature Reserve – Plans to extend the current reserve are reflected in the following plan:
 - Pondoland Coastal and Marine Protected Area (MPA) - protected in terms of the National Environmental Management Act (NEMA) and Protected Areas Act 57 of 2003. Activities are restricted and/or controlled in the coastal zone and marine environment.
 - The MPA is divided into several controlled (i.e., limited-use) and restricted (i.e., no-take) zones. No fishing from a vessel is allowed in the large offshore restricted zone extending from the Mzamba River (N of IHLM) to Port St. Johns (S of IHLM). No shore-based fishing is allowed in the inshore restricted zones and the Mtentu and Msikaba Estuaries.
 - Allows for the protection and breeding of depleted reef fish stocks
 - Pondoland Endemism, a biodiversity hotspot with unique and rare plants.

- Conservation-related land use activities - according to the area’s local environmental protection plan.

Table 1: Ingquza Hill LM: CBA Categories and Descriptions

CBA MAP CATEGORIES	COVERAGE (HA)	DESCRIPTION	DESIRED STATE	EXAMPLES OF COMPATIBLE LAND USES
Protected area	9 674,98 (3.9 %)	Areas that are formally protected in terms of the Protected Areas Act. Each protected area has a management plan.	As per each protected area’s management plan	<ul style="list-style-type: none"> Conservation-related land uses
Critical Biodiversity Area 1 (CBA 1)	78 137,58 (31.52%)	Those areas are irreplaceable for meeting biodiversity targets. There are no other options for conserving the ecosystems, species, or ecological processes in these areas	Maintain in natural or near-natural ecological conditions.	<ul style="list-style-type: none"> Open space Low-impact ecotourism or recreation
Critical Biodiversity Area 2 (CBA 2)	29922,05 (12.07%)	Areas that are the best option for meeting biodiversity targets in the smallest area, while avoiding conflict with other land uses.		
Ecological Support Area 1 (ESA 1)	28 096,68 (11.34%)	Areas that support the ecological functioning of protected areas, CBAs, or provide important ecological infrastructure.	Maintained in at least semi-natural ecological conditions.	<ul style="list-style-type: none"> Low-impact ecotourism or recreation Sustainably managed rangelands Forms of low-density housing
Ecological Support Area 2 (ESA 2)	50 904,17 (20.54%)		No further intensification of land use.	<ul style="list-style-type: none"> Intensive agriculture
Other Natural Area (ONA)	51 130,84 (20.63%)	Natural or semi-natural areas that are not required to meet biodiversity targets or support natural ecological processes.	Best determined through multisectoral planning processes.	<ul style="list-style-type: none"> From a biodiversity perspective, these areas can be used for a range of intensive land uses
No natural remaining (NNR)		Areas in which no natural habitat remains.		
TOTAL AREA COVERAGE IN HECTARES: 12 VEGETATION TYPES				247 866.31 Ha

5.3.24 Estuaries

The coastline of IHLM consists of 16 estuaries. Eight of these estuaries are classified as endangered and have a moderate level of protection. Additionally, three tourism-significant estuaries—Msikaba, Mtentu, and Mzintlava—are classified as endangered and have a moderate level of protection.

Table 2: Estuaries and their Ecosystem protection status

ESTUARY NAME	ECOSYSTEM THREAT STATUS	ECOSYSTEM PROTECTION LEVEL

Kilroe Beach		
Kwanyambalala		
Lupatana	Vulnerable	Moderately Protected
Magogo		
Maviti		
Mbotyi	Vulnerable	Moderately Protected
Mguga		
Mgwegwe	Vulnerable	Moderately Protected
Mgwetyana	Vulnerable	Moderately Protected
Mkozi	Vulnerable	Moderately Protected
Mkweni	Vulnerable	Moderately Protected
Msikaba	Endangered	Moderately Protected
Mtentu	Endangered	Moderately Protected
Mzimpunzi	Vulnerable	Moderately Protected
Mzintlava	Endangered	Moderately Protected
Sikatsha	Vulnerable	Moderately Protected

5.3.25 Wetlands

The Ingquza Hill Local Municipality comprises 271 wetlands, covering approximately 1,062.4315.

Table 3: Wetlands and Ecosystem Protection Status within IHLM

TYPE OF WETLAND	PROTECTION ECOSYSTEM STATUS	DESCRIPTION	No. OF WETLANDS	AREA IN ± ha	%
Natural	Natural or Good	Percentage of natural land cover > 75%	50	145,37	14
Natural	Moderately Modified	Percentage of natural land cover: 25 - 75%	104	320,01	30
Natural	Heavily to critically modified	Wetland overlaps with an artificial inland water body	88	299,56	28
Estuaries	Heavily to critically modified.	The majority of the wetland unit is classified as artificial in the wetland delineation GIS layer	25	258,97	24
Artificial	Heavily to critically modified	Percentage of natural land cover < 25%	4	38,53	4

TOTAL			271	1062,43	100
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Conservation Initiative: IHLM wetland revitalization initiative for conservation and tourism

MAIN RIVERS OF BIODIVERSITY IMPORTANCE (CBA 1 PROTECTION STATUS) WITHIN THE IHLM INCLUDE:

- Extensive river networks are endangered and have inadequate protection.
- Portions of the Mzintlavana and Xura Rivers are critically endangered and unprotected.

Table 4: Rivers and Ecosystem Protection Status

RIVER NAME	ECOSYSTEM THREAT	ECOSYSTEM PROTECTION
	STATUS (ETS)	LEVEL (EPL)
eMatheko	Endangered	Poorly Protected
KwaDlambu	Endangered	Poorly Protected
Kwahogane	Least Threatened	Poorly Protected
Luphuthana	Endangered	Poorly Protected
Mboyti	Least Threatened	Poorly Protected
Mceteni	Endangered	Poorly Protected
Mgwegwe	Endangered	Poorly Protected
Mgwetyana	Endangered	Poorly Protected
Mhlohlozi	Least Threatened	Not Protected
Mkata	Endangered	Poorly Protected
Mkozi	Endangered	Poorly Protected
Mkweni	Endangered	Poorly Protected
Msikaba	Endangered	Poorly Protected
Mtentshwana	Endangered	Poorly Protected
Mtentu	Endangered	Poorly Protected
Myekane	Endangered	Poorly Protected
Mzimpunzi	Least Threatened	Poorly Protected
Mzimvubu	Least Threatened	Not Protected
Mzintlava	Endangered	Not Protected

Mzintlavana	Critically Endangered	Not Protected
Mzintshana	Least Threatened	Not Protected
Mzizangwa	Least Threatened	Not Protected
Swane	Least Threatened	Poorly Protected
Thina	Least Threatened	Not Protected
Xura	Critically Endangered	Not Protected
Xurana	Endangered	Poorly Protected

Source: SANBI, 2018

5.3.26 Climate Change

The municipality is partnering with the DM and the provincial office of DEDEAT on the climate change program for the OR Tambo District. This is a five (5)-year project that is still in its consultative phase. The project aims to develop initiatives to mitigate the impacts of climate change in this region. Part one and the current phase of this project are stakeholder engagement and the assessment of skills and training needs for the coming years. This will apply to officials and communities. IHLM is also included in the project work on Coastal Climate Change adaptation, championed by the Department of Forestry and Fisheries (DFFE) office. DFFE has a Climate Change Coastal Vulnerability Assessment (CoVu) tool in place, developed by the Council for Scientific and Industrial Research (CSIR) with the support of GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit). The tool has been packaged as a Decision Support Tool (DST) for coastal decision-makers and planners at the local, provincial, and national levels to use when making decisions about coastal developments.

- Part of the strategy: comply with the existing District Plan, align policies with international declarations such as COP 17, ensure community mobilization, and acquire the necessary skills to support the environment.

5.3.26.1 Compilation of Climate Change Strategy

The climate change strategy is designed to provide guidance and coordination for integrating all climate-related activities within the municipality, including planning, implementation, and monitoring, all of which are supported by an ecosystem-based approach and the enhancement of ecological infrastructure. The strategy also seeks to ensure that the municipality's climate response activities are established and regularly reviewed for inclusion in the municipality's IDP.

The Ingquza Hill Local Municipality has begun compiling a Municipal Climate Change Strategy and Action Plan to adapt to climate change and improve the municipality's ability to manage its impacts. The appointed service provider has completed Phase 3 of the strategy's development, drafting the environmental proposal. The proposal is currently in public consultation.

6. KEY PERFORMANCE AREA: TWO: BASIC SERVICE DELIVERY INFRASTRUCTURE

Service infrastructure plays a critical role in developing the municipal economy and in maintaining environmental and health standards. Service backlogs are widespread. Areas with significant infrastructure backlogs tend to perform poorly in attracting investment. Although it has favorable geographic conditions, this municipality has been unable to attract established industries to invest in the area. The District Municipality is currently providing infrastructure upgrades for the towns of Flagstaff and Lusikisiki.

6.1 Roads

The Project Management Unit (PMU) was established in 2009 and has used MIG funds and supplementary funding from the municipal equitable share to advance service delivery. The grant supports access roads, community halls, sports facilities, and street lighting. To maximize service delivery, the municipality is considering allocating the 5% top slice of the MIG to the PMU. The municipality is grant-dependent and has a small revenue base. Within its MIG allocation, the municipality plans to use up to 15% for Operations and Maintenance, as guided by the MIG Framework. The unit also employs a building technician to monitor building projects and an electrification project manager to oversee electrification projects.

The project implementation plan aligns with the approved 3-year capital plan. Since 2016, during the previous Council term, the municipality has constructed about 159 km of access roads across the wards of Ingquza Hill Municipality. The current Council has so far completed 99 km from the 22/2023, 2023/2024, and 2024/2025 financial years.

During 2024/25, the unit is responsible for constructing 15.9 km of access roads and three (3) combined sports fields (in Wards 26, 16, and 02). The construction of new office buildings in Lusikisiki was scheduled for completion in 2025/2026. However, the project was halted due to a court case. The project is a multi-year effort. Bridges are constructed as part of access road construction, and no bridges will be constructed. Project planning includes provisions for non-motorized transport, with sidewalks integrated into the urban road network.

Creating employment for the municipality remains a priority, and the municipality plans to open employment opportunities that will contribute to the Public Works Expanded Program. All projects are implemented in a labor-intensive manner, as far as practicable. The rollout of EPWP Phase 3 is underway, and amendments have been made to the adopted EPWP policy to align with the Phase 3 policy.

6.2 Road Maintenance

The municipality has an overall road network of 985km, of which 433km are maintained by the Department of Roads and Public Works. The municipality uses the district municipality Rural Roads Asset Management System (RRAMS), implemented within the municipality, to quantify backlogs. It also complements the municipal assessment tool, which informs the Annual Roads Maintenance plan and the municipality's road maintenance budget. The municipality also coordinated forums on road planning (i.e., the Roads Forum and the Transport Forum). Routine road maintenance is carried out in line with this concept plan, and emergency

maintenance is performed as needed. The maintenance unit is equipped with a Wacker and a TLB for routine maintenance.

6.2.1 Completed Projects

6.2.1.1 Completed projects for 2022/223 Financial Year

Ward No	Project Name	Kms	Financial Year
Ward 25	Malola Access Road	7km	2022/2023
Ward 31	Mathe to Gqina Access Road	15km	2022/2023

6.2.1.2 Completed Projects In 2023/2024 Financial Year

Ward No	Project Name	Kms	Financial Year
Ward 12	Bukazi Access Road	5km	2023/2024
Ward 32	Singembeni Access Road	7km	2023/2024
Ward 31	Mathe to Gqina Access Road	15km	2023/2024
Ward 02	Mavaleleni Access	13km	
Ward 05	7km Maqadini Access Road	7km	2023/2024
Ward 09	5km Nqayimbana Access	5km	2023/2024
Ward 17	Kanana Access	5km	2023/2024
Ward 28	Noteku Access	5km	2023/2024
Ward 01	Nyasa Access Road	2.4km	2023/2024
Ward 04	Zihagwini to Mbayi	3.9km	2023/2024
Ward 04	Thafalibanzi Access	5km	2023/2024

6.2.1.3 Completed Projects In 2024/2025 Financial Year

Ward No	Project Name	Kms	Financial Year
Ward 10	<ul style="list-style-type: none"> Construction of 5km Tumse via Heleni to Hlwama Access Road 	5km	2024/2025
Ward 20	<ul style="list-style-type: none"> Construction of 3,6km of Mtshayazafe to Madlelweni Access Road 	3,6km	2024/2025

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Ward 07	<ul style="list-style-type: none"> Construction of 2.3km Bisi Access Road 	2,3km	2024/2025
Ward 13	Construction of a 5km Galatyeni to Mfinca Access road	5km	2024/2025

6.2.2 Service Delivery Backlogs

The municipality has the following backlogs in terms of basic service delivery.

Category	Municipal Target	Backlogs	Served	Annual Target
Electricity(H/H)	56213h/h	3 446h/h	52 767 h/h	130 h/h
Access Roads(km)	981,35km	319,85	661,5km	19km
Surfaced roads (km)	26km	21,5km	4.5km	10km
Sports fields (No.)	32	27	5	2(ward 2; ward 16)
Community Halls (No.)	36	0	36	0

6.2.3. Infrastructure Three-Year Projects 2025-2026; 2026-2027; 2027-2028

2025/2026 FINANCIAL YEAR BUDGET AND PROJECTS

PROJECT	KM	WARD NO	STATUS	BUDGET
Flagstaff Internal Streets Phase 2	4km	6	Construction	R 14 393 050,00
Lusikisiki Internal Streets Phase 3	6km	15 and 19	Construction	R 15 000 000,00
Ward 2 MPCC	2300m2	2	Construction	R 2 500 000,00
Mtshayelo Access road in ward 27	5km	27	Construction	R 6 255 000,00
Ngonyameni to Maqanyeni Access road and bridge in Ward 11	5km	11	Construction	R 8 763 750,00
Sirhetshe to Sibuthe Access Road in Ward 3	5km	3	Construction	R 5 852 500,00
Planning of Lusikisiki Landfill Site	36000m2	20	Planning Stage	R 500 000,00
Zone 5 sports field in Ward 16	24000	16	Construction	
Chwechwela Access road in ward 22	5km	22	Construction	R 2 370 700,00
Ngibe Access Road and a 12m long Bridge in Ward 21	4km	21	Planning Stage	R 1 000 000,00
New route to Khonjwayo via the France Access Road in Ward 19	5km	19	Planning Stage	R 1 000 000,00
Mkhamela to Makolonini Access Road in ward 25	5km	25	Planning Stage	R 1 000 000,00
5 High Mast lights in wards 9, 10, 12, 13, 25	5 No.	9,10,12,13,25	Construction	R 5 000 000,00
Planning of Lusikisiki by-pass in Ward 19	2.4km	19	Planning Stage	R 1 000 000,00
PMU Business Plan	5% top slice			R 2 639 000,00
Total Budget				R 67 274 000,00

IHLM DRAFT INTEGRATED DEVELOPMENT PLAN FOR 2026-2027 FINANCIAL YEAR

2026/2027 FINANCIAL YEAR BUDGET AND PROJECTS

PROJECT	KM	WARD NO	Status	BUDGET
Chwechwela Access road in ward 22	5km	22	Construction	R 4 000 000,00
Ngibe Access Road and a 12m long Bridge in Ward 21	4km	21	Construction	R 5 400 000,00
New route to Khonjwayo via the France Access Road in Ward 19	5km	19	Construction	R 5 400 000,00
Mkhamela to Makolonini Access Road in ward 25	5km	25	Construction	R 4 600 000,00
Construction of a landfill site	36000m2	20	Construction	R 10 000 000,00
Construction of Lusikisiki by-pass	2.4km	15 and 19	Construction	R 31 483 250,00
Bantini to Mangweni- Bridge	5km	14	Planning Stage	R 500 000,00
Ntlavukazi to Njombela A/R	5km	24	Planning Stage	R 500 000,00
Khathazweni to Lujecweni A/R	5km	30	Planning Stage	R 500 000,00
Mxhopho A/R	5km	29	Planning Stage	R 500 000,00
Mavaleleni A/R- Bridge	5km	32	Planning Stage	R 500 000,00
Dick's sports field	2400m2	17	Planning Stage	R 500 000,00
Khathazweni Sports Field	2400m2	30	Planning Stage	R 500 000,00
Construction of 5 High Mast lights	5No	16	Construction	R 5 000 000,00
PMU Business Plan	5% top slice			R 3 651 750,00
Total Budget				R 73 035 000,00

2027/2028 FINANCIAL YEAR BUDGET AND PROJECTS

PROJECT	KM	WARD NO	Status	BUDGET
Bantini to Mangweni- Bridge	5km	14	Construction	R 6 200 000,00
Ntlavukazi to Njombela A/R	5km	24	Construction	R 5 600 000,00
Khathazweni to Lujecweni A/R	5km	30	Construction	R 5 500 000,00
Mxhopho A/R	5km	29	Construction	R 5 700 000,00
Mavaleleni A/R- Bridge	5km	32	Construction	R 6 000 000,00
Dick's sports field	36000m2	17	Construction	R 5 500 000,00
Khathazweni Sports Field	36000m2	30	Construction	R 5 500 000,00
Construction of 5 High Mast lights	5No		Construction	R 6 000 000,00
Xhopoza via OK AR	5km	31	Construction	R 6 200 000,00
Bhekani, Duphu, Nkoko, Gxeletsha via Guqa AR	5km	5	Construction	R 6 500 000,00
Magwambu via Qebedu AR	5km	4	Construction	R 7 000 000,00
Gunquza to Goco AR	5km	6	Construction	R 4 357 200,00
Mbaxeni AR	5km	23	Planning Stage	R 500 000,00
Maqephu AR	5km	26	Planning Stage	R 500 000,00
Cikolo AR	5km	2	Planning Stage	R 500 000,00
Mzenge Sports Field	24000	10	Planning Stage	R 500 000,00
Goso Forest Sports Field	24000	22	Planning Stage	R 500 000,00
PMU Business Plan	5% top slice			R 3 818 800,00
Total Budget				R 76 376 000,00

Projects that require the Environmental Impact Assessment

Project Name	Ward
Chwechwela Access road and bridge	22
Ngibe Access Road and 12m long Bridge	21
New rest to Khonjwayo via France Access Road	19
Bantini to Mangweni Access Road and 2x bridges	14
Mavaleleni Access Road and 2x bridges	32
Khathazweni Sports Field	30
Kwadiki Sports Field	17

6.3 Electrification

The electricity sector has remained uncertain in recent years as the electricity distribution industry (EDI) considers establishing regional electricity distributors (REDs). There is still ambiguity about their relationship with local government, likely because policy development has been driven by the electricity sector itself, with limited input from municipalities, which are legally responsible for electricity reticulation services under the Constitution. Ultimately, six REDs will be formed, each encompassing specific regions. These REDs will operate nationwide. The cabinet has approved this plan, and the EDI is now developing business strategies for the new entities.

At the national level, there is broad agreement that municipalities that appoint REDs as service providers will transfer their assets to the relevant RED. In return, they will receive shares in the RED. Therefore, the REDs will be co-owned by the national government (which will contribute the assets associated with Eskom's current distribution system within the RED) and a group of municipalities. The basis for allocating shares has not yet been finalized.

Electrification Projects Completed with a total number of 338 h/h: the following electrification projects were completed in the year 2024/25 for installation, as follows:

1. Installation of electricity infrastructure in 154 h/h in Ward 8 and 31 at Mkumeni Ext Phase 2, Zadungeni Ext Phase 2, Mhlanga Ext, and Cumngce Ext villages by the end of June 2025
2. Installation of electricity infrastructure in 77 h/h in Ward 3 and 20 at Madamini and Mbodleni Villages by the end of June 2025
3. Installation of electricity infrastructure for 47 h/h at Mhlophekazi, Nozayi, and Bhisana in Ward 4 & 5, June 2025
4. Installation of electricity infrastructure for 110 type 1 in-fills in ward 03,8,21 and 30 by June 2025

6.3.1 Electricity Backlog

Ingquza Hill Local Municipality has 13,000 (19.95%) households with electricity for lighting only, 47,500 (72.92%) households with electricity for lighting and other purposes, and a backlog of 4,640 (7.13%) households without electricity. Electrification of 338 households is under construction for 2024/25, and electrification of 130 is underway for the 2026/27 financial year.

6.3.2 2026/2027 Electrification Projects by Municipality

Listed below are the electricity projects that will be executed by the municipality, which is not licensed. Upon completion, they will be handed over to Eskom for energization as part of its own work.

TABLE FOR ELECTRIFICATION H/H PROJECTS: 2026/2027 FY

APPROVED NAME	PROJECT	APPROVED BUDGET	APPROVED COST PER CONNECTION	APPROVED CONNECTION
Improvement of Infrastructure	of Electricity	R6 739 000.00	R6 739 000.00	Pre-engineering and Lik Lines

6.3.3 Alternative energy initiatives

Bilateral discussions with the Department of Energy are underway to deploy alternative energy solutions in areas without road access. An application for alternative energy has been submitted to the Department of Energy. Although the response is taking longer, there is hope that the Department will help connect households to solar energy this year.

6.3.4 Public lighting

The municipality has prioritized installing new high-mast lights to provide extensive coverage. Since the current Council term, 75 high-mast lights have been installed across the Ingquza Hill wards, with a focus on areas with high crime rates. So far, 30 high-mast lights have been installed in the urban area and at major road junctions, both within and outside it. The installed high-mast lights are standardized at 30m tall, with 9 luminaires providing 360-degree coverage. This is intended to help curb crime, as commuters dropping off at and using bus stops are vulnerable to mugging during dark hours. The construction of 10 high-mast lights is underway for the 2024/25 financial year. The other 10 high-mast lights are prioritized for the 2026/2027 financial year.

In the 2026/2027 Financial Year, the municipality will construct 10 high-mast light projects in the following wards, namely: Ward 7, 8, 19, 21, 22, 23, 24, 26, 28, and 29

6.3.5 Provision of Electricity

Electricity is provided by Eskom Distribution, although the Constitution of the Republic places the responsibility on municipalities to provide such a service. The current arrangement deprives municipalities of the ability to generate their own revenue from electricity and from using services for credit and debt control. Electrification of households using INEP is carried out by the municipality and Eskom through the identification and prioritization of areas for

electrification. The allocation of INEP for the past three years is as follows: R5 168 million in 2023/2024; R18 1662 million in the 2024/2025 Financial Year; R3 660 million in the 2025/2026 Financial Year; and R6 739 000.00 million in the 2026/2027 Financial Year.

There are 5 substations in the area, including Mfinizo, Hombe, Taweni, Sipaqeni, and Dumasi. The entire municipality falls within the Eskom area of supply. Eskom and the municipality have collaborative plans within the Eskom area of supply. Project identification will include projects from both the Municipality and Eskom.

Electricity Three-Year Plan 2025-2026 FY; 2026-2027 FY and 2027-2028 FY

3-YEAR CAPITAL PLAN					
2025/26					
Project Name	Feeder	No. of Households/km	Cost per Connection	Amount	Funding Source
Electrification of Unity Park, New Rest, and Khonjwayo		111	R32 972,97	R3 660 000,00	INEP - DEE
Installation of 5 high mastlights		5	R1 000 000,00	R5 000 000,00	EQ
Installation of streetlights		20	R115 000,00	R 2 300 000,00	EQ
2026/27					
Project Name	Feeder	No. of Households/km	Cost per Connection	Amount	Funding Source
Electrification of Nkuzimbini		130	R50 000,00	R6 500 000,00	INEP - DEE
Installation of 5 high mastlights		5	R1 000 000,00	R5 000 000,00	EQ
Installation of streetlights		30	R116 666,67	R3 500 000,00	EQ
2027/28					
Project Name	Feeder	No. of Households/km	Cost per Connection	Amount	Funding Source
Electrification of Mcobothini (256), Goso (5), Nyuswa(53) & McobothiMission (56)	Dumasi Magwa 22kV	359	R50 000,00	R17 950 000,00	INEP - DEE
Electrification of Bhungeni (36), Kwa-Bala (31), Ludiwane (20) & Lujecweni (20)	Sipaqeni/Flags taff 1 22kV	211	R50 000,00	R10 550 000,00	INEP - DEE
Electrification of Tshandatshe (200), Palmerton (52), Ntlanjane (15), Six	Sipaqeni/Bizana 1 22kV	360	R50 000,00	R18 000 000,00	INEP - DEE
	Sipaqeni/Tabankulu 1 22kV				

3-YEAR CAPITAL PLAN					
trees (21) & Gqwarhu (16)	Mfinizo/Dumasi 22kV				INEP - DEE
Construction of Medium Voltage Line	All	30	R450 000,00	R13 500 000,00	
Installation of 5 high mastlights		5	R1 000 000,00	R 5 000 000,00	EQ
Construction of Streetlights		30	R120 000,00	R3 600 000,00	EQ

For the financial year 2023/2024, the indigent register is 18 051:

INFORMAL SETTLEMENTS: FBS Household benefitting and (Improvement)			
	Households	Percentage	Improvement
No of all h/h for Eskom and alternative energy	12 881		
No of h/h that are supposed to benefit from Eskom	7 504	72% (5 377)	19%
No of h/h benefitting from alternative energy	4880	100%	100%

For the financial year 2024/2025, the indigent register is 22 626:

INFORMAL SETTLEMENTS: FBS Household benefitting and (Improvement)			
	Households	Percentage	Improvement
No of all h/h for Eskom and alternative energy	11 137		
No of h/h that are supposed to benefit from Eskom	7 713	44% (3 424)	25%
No of h/h benefitting from alternative energy	3 600	100%	100%

For the financial year 2025/2026, the indigent register is 23 961:

INFORMAL SETTLEMENTS: FBS Household benefitting and (Improvement)			
	Households	Percentage	Improvement
No of all h/h for Eskom and alternative energy	15 275		
No of h/h that are supposed to benefit from FBE (Eskom)	12 075	44% (3 500)	29%
No of h/h benefitting from alternative energy	3 200	100%	100%

6.4 BUILDING CONSTRUCTION AND MAINTENANCE

The municipal building unit is responsible for constructing new buildings and maintaining existing facilities. Capital building projects are implemented through the PMU unit and are part of the three-year capital plan. Current projects include the following:

- ▶ Construction of Lusikisiki Municipal Offices
- ▶ Building of public toilets in both towns
- ▶ Maintenance of new and old office buildings

Routine maintenance of buildings is also carried out, with emergency maintenance undertaken when warranted. The municipality maintains an inventory to perform minor building repairs, which are overseen by the municipal plumber and handyman.

6.5 STATUS ON INGQUZA HILL LM PROJECTS

PROJECT NAME	IMPLEMENTING AGENT(IA)	APPOINTED CONTRACTOR & PROGRAMME	PROGRESS TO DATE	CHALLENGES	INTERVENTIONS/REMEDIAL ACTIONS	COMMENTS
Holy Cross 500 Ward 26,27	DOHS	Mahiri Construction Start Date:01 February 2014 Completion Date: 31 May 2015 Revised Completion date: 31 August 2025 Budget: R88,2M	<ul style="list-style-type: none"> Not Started - 21 Foundations-425 Wall plates-402 Roof - 380 Finishes - 396 Complete - 396 Exp: R52,8M	The contractor's performance was very poor. Some claims could not be paid due to cash flow challenges	The contractor was issued with a notice of defaults, and they partnered with a performing contractor, and performance has improved drastically The Department will prioritize payment of claims for performing contractors	The contractor's performance has improved. The contractor will complete this project before the end of the 2025-2026 FY.
Ingquza 347 Ward 26	DOHS	Mahiri Construction Appointment Date: 01 February 2014 Completion Date: 31 May 2015 Revised Completion date:31 August 2025 Budget: R55,9M	<ul style="list-style-type: none"> Not Started 32 Foundation- 302 Wall plates- 302 Roof - 302 Finishes - 315 Complete – 315 Exp: R39,8M	The contractor's performance was very poor. Some claims could not be paid due to cash flow challenges	The contractor was issued with a notice of defaults, and they partnered with a performing contractor, and performance has improved drastically The Department will prioritize payment of claims for performing contractors	The contractor's performance has improved. The contractor will complete this project before the end of the 2025-2026 FY.
Xopozo 500(350) Ward 8,31	DOHS	Docraire Development Construction Start Date:21 August 2023 Completion Date: 21 August 2026	<ul style="list-style-type: none"> Not started- 3 Foundation- 347 Wall plates- 343 Roof -328 Finishes -305 Complete – 305 	None	None	The contractor is performing on-site. The contractor is left with only 3 units for disabled

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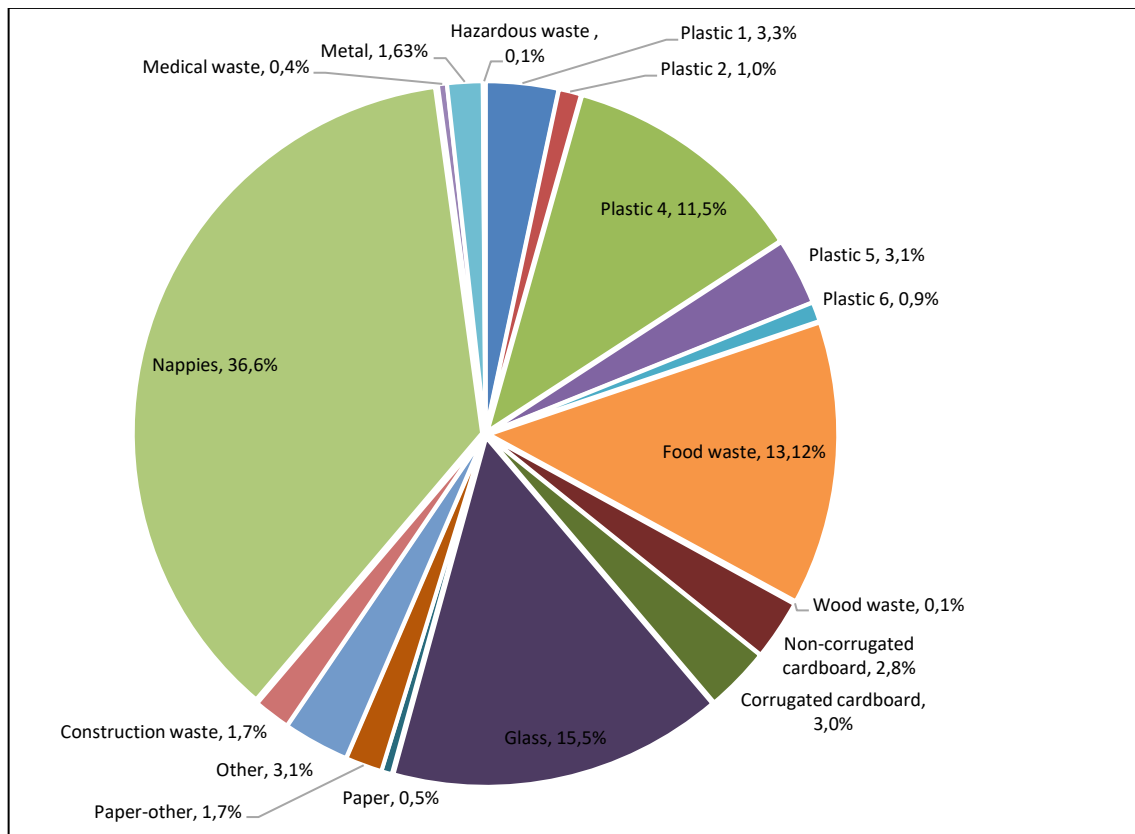
		Revised Completion date: N/A Budget: R95,2M	Exp: R65,6M			beneficiaries
Ingquza 500(390) Ward 26,27,28, 32	OR Tambo District Municipality	Docraine Development Construction Start Date: 01 February 2023 Completion Date: 01 February 2026 Revised Completion date: N/A Budget: R94,3M	<ul style="list-style-type: none"> Not started- 14 Foundation- 375 Wall plates- 339 Roof – 306 Finishes - 285 Complete - 285 Exp: R70,1M	The contractor is stopped on site pending contractual issues with the OR Tambo District Municipality.	The contractor is on site after contractual issues or the OR Tambo District have been resolved.	The contractual issues regarding the extension of time have been approved, and the Quantum Adjustment is being finalized.
Ingquza 500 destitute Wards - All	OR Tambo District Municipality	Docraine Development Construction Start Date: 01 February 23 Completion Date: 01 February 2026 Revised Completion date: None Budget: R104,4M	<ul style="list-style-type: none"> Not started- 289 Foundation- 201 Wall plates- 155 Roof -130 Finishes -101 Complete – 101 Exp: R26,1M	The project is spread across all wards under the Ingquza-Hill Municipality.	Additional Funding to assist the contractor with double handling of materials and difficulties with site access is being discussed and considered.	The performance is being managed.
Lubala 91(58) Ward 12	OR Tambo District Municipality	Sdumo trust Start Date: 01 February 2023 Completion Date: 01 February 2026 Revised Completion date: None Budget: R12,3M	<ul style="list-style-type: none"> Not Started- 58 Exp: R991K	The appointed contractor never proceeded beyond NHBRC enrolment	The Department is taking over this project from the OR Tambo District Municipality	
OR Tambo 500 Destitute	OR Tambo District Municipality	Sdumo Trust	<ul style="list-style-type: none"> Not Started 98 Slabs – 2 Wall Plates – 0 	The IA is not performing in the project.	The Department has issued a notice to OR Tambo DM for taking over this project.	Contractual issues are being finalised between OR

(Ingquza 100) Wards – All Wards		Start Date: 01 February 2023 Completion date: 01 February 2026 Budget: R57M	<ul style="list-style-type: none"> • Roofs – 0 • Completions - 0 Exp: R1,9M			Tambo & Department.
Ingquza 158 Ward – All Wards	OR Tambo District Municipality	Not yet appointed Budget: R29,3M	Not Started-158 Exp: R0.00	The IA is not performing in the project.	The Department has issued a notice to OR Tambo DM for taking over this project.	Contractual issues are being finalized between OR Tambo & Department.

6.6 ESTIMATED WASTE CHARACTERIZATION

The following were noted from the results of the 2020 waste characterisation:

- 36.6% of the waste stream consisted of nappy waste.
- 29.4% of the waste stream by mass consists of recyclables, including glass, plastic 1 (PET) and 2 (HDPE), paper, cardboard, and metals.
- 13.2% of the waste stream by mass was organics, with the majority (13.1%) being food waste.



6.6.1 Municipal By-Laws About Waste

Ingquza Hill Local Municipality has a set of by-laws on solid waste disposal, promulgated on 17 August 2013. Although the by-laws are quite comprehensive, it is recommended that they be expanded to include waste minimization (e.g., recycling) and other issues as set out in the National Environmental Management: Waste Management Act, 59 of 2008, as amended, to promote integrated waste management. SALGA has drafted good frameworks for all municipalities, and IHLM has used these by-laws to review its by-laws, which are in the public participation phase.

6.6.2 Refuse Removal

Ingquza Hill Local Municipality had 2,770 households (4.24%) whose refuse was collected weekly by the authorities. An additional 320 households (0.49%) received less frequent waste removal, while 57,600 households (88.41%) had to dispose of their waste themselves using their own dump.

Most households resort to environmentally harmful and illegal waste disposal methods, creating health risks for the community. Littering is widespread throughout the municipality, including improper disposal of hazardous waste such as scrap metal. Additionally, there is no municipal beach cleaning service in the coastal region.

The Municipality provides daily street cleaning (litter picking, sweeping, and cleaning of ablution facilities) in both towns. In the residential area, the service is provided Monday through Friday.

6.6.3 Waste Receptacles and Fleet

Ingquza Hill Local Municipality uses a black refuse bag system for all households and businesses in the municipal area. The Municipality provides residents of Ingquza Hill Local Municipality with one black bag per week and wheel bins. The Municipality accepts any number of bags per household or business, so there is no specific limit. The IHLM has 40 skip bins, 100 street litter bins, and procurement.

The waste management fleet is managed by the municipal fleet management department. At present, the refuse collection fleet consists of three operational 4-compactors, one skip truck, one (1) light utility vehicle (bakkies), one tractor, and one new staff transport vehicle. The compactor trucks frequently require repairs, which places strain on the other operational trucks.

6.6.4 Illegal Dumping

Ingquza Hill Local Municipality is experiencing a high rate of illegal dumping due to a lack of a landfill site in its jurisdiction. This is partly due to an insufficient number of skip bins and limited community knowledge of waste management. The Municipality has to collect this waste at an unnecessary cost. The Municipality has recognized the need to educate the public about this practice. The Municipality is also experiencing public dumping of waste along R61 access roads leading to landfill sites, as well as in open spaces. To address this issue of illegal

dumping, the Municipality has launched an initiative called Green Wednesday, aimed at clearing illegal dumping sites and extending services to more communities. Other means of clearing illegal dumping sites include;

- ▶ Placing skip bins in areas of high risk
- ▶ Beautification of those areas
- ▶ Clearing of the illegal dumping site within 24 hours at the expense of the illegal dumper.

6.6.5 Landfill Sites

The municipality currently is having two landfill sites with different licenses, one in Lusikisiki with a closure license that has expired and one in Flagstaff with an operating license. The Lusikisi Landfill site had expired, and the municipality has applied for the extension of the license. The municipality is to construct Flagstaff Landfill Site in the next financial year. Community uprisings at both landfill sites make it difficult for the municipality to operate effectively. The landfill sites in the municipal area do not have weighbridges, so the quantities of waste disposed of are not precisely known, although some record-keeping does take place at the landfill facilities.

6.6.6 Disaster Risk Management

6.6.6.1 Legislative background

In line with international trends and our national objectives for the efficient and effective management of local resources, O.R. Tambo disaster management policy underscores the importance of disaster risk reduction and integrated prevention of human fatalities, and of protecting lifeline infrastructure, personal property, and the environment, efficiently and effectively, by tapping and improving the following risk reduction capitals:

- Human,
- Economics,
- Political,
- Organizational,
- Financial,
- Natural, and
- Technological.

This is intended to ensure that the municipality using the District Development Model can contribute to the realization of the Sustainable Development Goals, the National Development Plan, and disaster risk reduction-based sustainable development. The district municipality, through its disaster management policy framework, uses the human and political resources within its disaster management center to advance an integrated approach to disaster risk reduction and mitigation across its development initiatives and to develop and apply integrated disaster

preparedness measures aimed at ensuring efficient and effective disaster response, recovery, reconstruction, and rehabilitation operations. The municipality seeks to realign itself to implement programs, initiatives, and projects that not only integrate disaster risk reduction but also include mitigation and prevention measures.

The following pieces of legislation and policies affect the disaster management function:

- South African Constitution Act. 108 of 1996
- Disaster Management Act, 57 2002
- White Paper on Disaster Management
- National Disaster Management Framework
- National Disaster Management Guidelines
- National Disaster Management Regulations
- National Disaster Management Handbook
- Provincial Disaster Management Policy Framework
- O.R. Tambo Disaster Management Policy Framework
- DORA
- Municipal Systems Act
- Access to Information Act
- POPI Act
- Health Act
- Social Assistance Act, etc.

The primary responsibility for disaster management in South Africa rests with the government. Under section 41(l)(b) of the Constitution of the Republic of South Africa, all spheres of government are required to “secure the well-being of the people of the Republic.” Disaster management is listed as a functional area in Part A of Schedule 4 of the Constitution, meaning that both the national and provincial spheres of government are competent to develop and execute laws in this area and have powers and responsibilities related to disaster management. Disaster management has also been ‘assigned’ to local government through the promulgation of the Disaster Management Act, 2002 (Act No. 57 of 2002). Act No. 57 of 2002 (as amended) is the primary legislation dealing with DM in the country. This Act provides for an integrated and coordinated disaster management policy that focuses on:

- Preventing or reducing the risk of disasters (Prevention);
- Mitigating the severity of disasters (Mitigation);
- Emergency preparedness.
- Rapid & effective response to disasters; and
- Post-disaster recovery and rehabilitation.

The Act also provides for the establishment and functioning of DM across all focal point spheres of government, access to disaster management volunteers, and matters incidental thereto.

6.6.6.2 Disaster Management Function

The Head of the Disaster Management Center was appointed in the 2024-2025 fiscal year. Qualified disaster management staff are in place, and training was conducted for unqualified staff. Other staff members were referred to Corporate Services for inclusion in Skills Development programming, supporting the core concepts of integration and uniformity. The Disaster Management Center performs its duties in support of the four key performance areas (KPAs), supported by three performance enablers (PEs) as follows:

- KPA 1: Integrated Institutional Capacity for DRM
- KPA 2: Disaster Risk Assessment (DRA)
- KPA 3: Disaster Risk Reduction
- KPA 4: Disaster Response and Recovery
- PE 1: Information Management and Communication
- PE 2: Knowledge management
- PE 3: Funding

These KPAs and PEs are interrelated and should be implemented in line with cooperative governance and project management principles. The municipality aims to develop a Disaster Operating Procedure Contingency Plan that will also assist during the 2024 national elections. The disaster management center is 93% complete. In 2024-2025, disaster management training was conducted across all LMs, with a focus on Councilors and relevant staff from Community Services, Human Settlements, and Infrastructure, to ensure equal footing. An amount of R 300 000 has been set aside for capacity building/training in the 2025-2026 FY. The DM also conducts the International Strategy for Disaster Reduction annually in the 2nd quarter, focusing on internationally determined themes. Monthly awareness sessions are held in communities, depending on the season, on issues such as floods, fires, strong winds, and droughts.

The process for gazetting all municipal bylaws is centralized and covers disaster bylaws (including fire), water, and municipal health services. Earth Free Consulting was appointed in the 2024-2025 fiscal year and is expected to be completed at the end of the fiscal year.

6.6.6.3 Disaster Management Challenges

Funding the disaster management function and the Fire and Rescue Services is a widespread problem across municipalities. There is inadequate funding to implement the disaster management policy framework and the municipality's fire brigade policies. This undermines compliance with the implementation of the four key performance areas and three enablers. It also undermines compliance with national and provincial guidelines. The budget for disaster management has fluctuated, declining over the past three years. Although the NDMC is responsible for assisting the PDMC and District with DORA funding for disaster relief and

reconstruction, it has no role to play. This results in the MDMC being unable to record the actual costs of response versus risk reduction.

7. KEY PERFORMANCE AREA THREE (3)- LOCAL ECONOMIC DEVELOPMENT (LED)

7.1 BACKGROUND

Local Economic Development (LED) remains a vital key to addressing the challenges of underdevelopment, often referred to as the triple challenges – poverty, unemployment, and inequality. It is therefore against this backdrop that the municipality must always be abreast of Socio-Economic Indicators within its jurisdiction for effective planning and development. The statistical data contained in this situational analysis is credible, trustworthy, and verifiable, as it was sourced from the Eastern Cape Socio-Economic Consultative Council (ECSECC). This section, therefore, seeks to highlight the most salient points that require key consideration in the municipality's planning process.

The Eastern Cape Vision 2030 Provincial Development Plan is a long-term provincial development plan that articulates the province's vision and aligns with the aspirations and targets of the National Development Plan (NDP), which serves as a macroeconomic development strategy guiding the country's socio-economic development path. The plan aims to provide an opportunity to revisit social partnerships and develop common goals among citizens, the state, the private sector, and civil society. In addition, it seeks to promote mutual accountability among the state, citizens, and the private sector and to enable coherence among the three spheres of government. It sets the development agenda and priorities for the next 15 years (2015-2030), building on the Provincial Growth and Development Plan (PGDP) of 2004-2014.

7.2 ALIGNMENT IN POLICY AND LEGISLATIVE FRAMEWORK:

For the situational analysis to be responsive and agile to prevailing socioeconomic dynamics, it needs to be strategically aligned with the policy and legislative frameworks of other spheres of government, namely the National and Provincial Spheres of government, which guide and direct how development should be undertaken in the local context (ECSESS, 2021). Therefore, Local Economic Development (LED) in the context of Ingquza Hill Local Municipality is informed by the following policy and legislative frameworks:

LEGISLATION/ POLICY	INTERPRETATION	IMPLICATIONS FOR INGQUZA HILL LOCAL MUNICIPALITY
17 Sustainable Development Goals (SDGs) from the United Nations	SDG goals aim to promote and achieve sustainable development globally to advance human development. These goals aim to end socio-economic disparities such as hunger, poverty, and inequality, amongst humanity.	The municipality, through its LED, must relentlessly pursue and implement development interventions that will lead to the eradication of poverty, the creation of job opportunities, and the overall redress of socio-economic disparities within its local communities, for sustainable human development.
Constitution of the Republic of South Africa Act No. 108 of 1996	A municipality must structure and manage its administration, budgeting, and planning processes to prioritize the community's basic needs and promote its social and economic development.	The municipality must promote social and economic development within its jurisdiction to stimulate the local economy and foster inclusive economic growth that addresses its underdevelopment challenges.
National Development Plan Vision 2030	NDP serves as South Africa's macroeconomic development policy, providing clarity on the country's development trajectory for inclusive human development. The policy aims to eliminate poverty and reduce inequality by 2030.	The implications are that, for the municipality to achieve sustainable development, it must draw on the energies of its local people by growing an inclusive economy, building capabilities, and promoting strategic partnerships that will lead to economic growth and development within its jurisdiction.
Provincial Development Plan: Eastern Cape Vision 2030	It seeks to address the development challenges faced by the Eastern Cape province and, in doing so, works with its social partners, including the non-governmental and private sectors, to drive the provincial economy to greater heights.	The implications for the municipality are that it must forge strategic partnerships with its social partners, which are the private and non-governmental sectors, across all spheres of government to promote local economic development within its jurisdiction.
O.R. Tambo District Municipality Vision	Long-Term Vision for the O. R Tambo District – Vision states, “a prosperous, vibrant, innovative and people-centered district”.	The economy of Ingquza Hill Municipality cannot be discussed in isolation from the economic imperatives of the O. R. Tambo District. The LED functions of Ingquza Hill are aligned with the economic thrusts defined in the provincial development plan, the O.R. Tambo District Municipality, and the O.R. Tambo Economic Growth and Development Strategy.

There are also other key policy and legislative frameworks that provide the mandate and guidance for Local Economic Development (LED). These frameworks are as follows:

- **White Paper on Local Government of 1998** – which clearly articulates that the municipality must work with communities and organized groups within those communities to find sustainable and amicable solutions to their socioeconomic challenges.

- **National Local Economic Development Framework of 2014** – sets out an expanded vision of LED, which identifies high levels of uncertainty about what needs to be done to move toward a more successful form of LED.
- **Local Government: Municipal Systems Act No. 32 of 2000** - provides for the core principles, mechanisms, and processes necessary to enable municipalities to move progressively toward the social and economic upliftment of local communities and to ensure universal access to essential services that are affordable to all.

7.3 GROWTH FRONTIERS

Manufacturing sector: Ingquza Hill Local Municipality is anchored in manufacturing.

Agriculture sector: how do we enhance the top agricultural products in Ingquza to meet market demand, including livestock, poultry, tea, crop production, animal feed, and other products?

Ocean Economy: Small Harbors Development has become a reality. Small-scale fishermen have fishing licenses, and as a municipality, we have a program to support them with cold storage facilities and equipment. At Ingquza Hill, we continue to mobilize and organize these fishermen to maximize their catch and reach markets, while also planning to install beach infrastructure.

Tourism Sector: Ingquza Hill and the N2 Wild Coast Highway will create a range of tourism-related opportunities. What is Ingquza Hill's involvement in the N2 Wild Coast Highway projects, such as ziplines, snake parks, hiking trails, and cable carts, to ensure tourists have many choices when they visit the area?

7.4 COMPARATIVE ADVANTAGE / COMPETITIVE ADVANTAGE

In terms of absolute advantages, the municipal area of Ingquza Hill has greater potential for agricultural production than its neighboring municipalities, even though these advantages have not been fully tapped. This potential stems from its fertile soil and favorable climate. The absolute advantages are in terms of:

- Crop production
- livestock farming
- Wool production
- Kale cultivation
- Eco-tourism
- Oceans Economy
- Forestry

In terms of comparative advantages, the municipal area of Ingquza Hill is among those identified in the strategic framework for economic development in the Eastern Cape and is located along the Wild Coast N2 Road. The comparative advantages are as follows:

The N2 Highway is one of the busiest highways and transport corridors linking South Africa's main industrial and economic hubs, including East London, Gqeberha, and Durban. The N2 road will pass through the Ingquza Hill Local Municipality's coastal nodes, leading to an increase in tourists exploring local attractions and experiences, particularly around Msikaba Bridge, which is said to be the longest.

Mining – Quarry and sand mining are among the most abundant mineral deposits that the Ingquza Hill local municipal area is blessed with.

Agro-processing – the area has strong potential for expanded agricultural production. This is due to the many industrial communities already mobilized through government-supported farming programs and investments in the Ingquza Hill Municipality area, which benefits most from the Wild Coast Industrial Development Zone (IDZ), as it will promote and connect local agricultural producers to international markets.

Oceans Economy - However, there's great potential for a fish-farming program in the area. Currently, four cooperatives have shown interest in the project. They are Msikaba Mouth Small Scale Fishing Cooperative, Waterfall Bluff Fishing Cooperative, Siyakhana Fishing Cooperative, and Sikhatsha. The municipality has provided these cooperatives with fishing equipment and continues to support cold storage facilities. There is also a sardine run at Mbotyi Beach from June to August each year.

Liberation Heritage – Ingquza Hill Local Municipality is named after the Ingquza Hill Massacre, which occurred in 1960, when black Mpondo people died fighting against apartheid laws. The municipality, in partnership with some national government agencies, built a heritage site where tourists and other interested parties can learn more about the massacre's history.

Beaches and estuaries – the area is also abundantly blessed with several coastal resources, such as pristine, tranquil beaches and statues that offer the best experience for excursionists and foreign visitors. For example, the municipality is currently constructing an access track that cuts across the wetland to the viewing deck, which was built, vandalized, and will be rebuilt.

Small-scale manufacturing – the area has relatively small-scale manufacturing in sub-economic sectors such as bakeries, processing, and charcoal and aluminum production.

Commercial developments – the Ingquza Hill area is among those experiencing increased development, with shopping complexes and larger franchises flocking there for investment.

7.5 LED STRATEGY

The municipality's Local Economic Development (LED) strategy was adopted by its Council in 2022 and has since been implemented in accordance with its implementation plan. It is currently undergoing internal review to ensure that the strategy aligns with amendments to new national and provincial policies and frameworks.

The LED Strategy is intended to provide a framework for municipal interventions and planning for sustainable economic development within the municipal jurisdiction. It also aims to encourage community involvement and ensure maximum participation in municipal affairs. However, the current strategy's funding model for implementing its programs has been unresponsive and has failed to attract the resources needed. A great deal has changed in the municipality since the strategy was adopted 5 years ago, necessitating a review. The review was also prompted by newly sourced information from ECSECC, an accredited government

information source, indicating significant shifts in the municipality's socio-economic outlook, as the area was not exempt from the adverse ramifications of COVID-19. Additionally, the Eastern Seaboard program, the N2 highway, and its Biodiversity offset programs must be clearly identified as having the potential to further grow the economy.

7.5.1 LED STRATEGIC PARTNERSHIPS

To accelerate Local Economic Development (LED), the municipality has forged strategic partnerships with social partners across the government, private, and nongovernmental sectors. The social partners the municipality is working with to foster economic development are as follows:

- Small Enterprise Development Agency (SEDA)
- Eastern Cape Development Cooperation (ECDC)
- Department of Economic Development, Environmental Affairs and Tourism (DEDEAT),
- National Youth Development Agency (NYDA),
- Department of Rural Development and Land Reform (DRDLR)
- Small Enterprise Development Finance Agency (SE DFA)
- Department of Rural Development and Agrarian Reform (DRDAR)
- Department of Social Development (SD)
- OR Tambo District Municipality (ORTDM)
- Eastern Cape Parks and Tourism Agency (ECPTA)
- SANRAL

7.6 INVESTMENT, ATTRACTION, RETENTION, AND EXPANSION

The Planning and Economic Development department, as part of its efforts to attract new inward investment, retain existing investment, and support the expansion of the existing environment, plans to produce an LED Investment Brochure that will serve as a guide to key investment areas within the municipality's jurisdiction. The LED Investment Brochure will undergo a review to make it more responsive and agile in addressing the prevailing socio-economic challenges exacerbated by the COVID-19 pandemic. Although the brochure may be reviewed and made available later, it is worth noting that Ingquza Hill offers tourist attractions, including the famous Magwa Falls and the Magwa tea plantation, as well as an ecotourism center. The popular Ntentule Falls and the Mfihlelo Falls, which are among the few that deposit directly into the sea, are all in Ward 23. The Gwegwe Falls also deposit directly into the sea in Ward 25, near the exceptionally beautiful 5-star accommodation establishment at Mkhambathi, i.e., the Gwegwe Lodge. The beautiful beaches of Mbotyi, Msikaba, and Mkhambathi are the main beaches, with pristine environments that attract many visitors. In addition, the department is developing an Investment Attraction and Retention Strategy that will align with and complement the LED Strategy.

To attract new inward investment and retain existing investment, the municipality will ensure the availability of physical infrastructure, including land, roads, and bulk infrastructure, which are critical to economic development, particularly in agriculture, manufacturing, and tourism. More importantly, the provision of basic services, particularly economic infrastructure, is the most fundamental component of attracting new investment, retaining existing investment, and

boosting investor confidence. There is potential for good governance and political stability in the municipality, which further affirms confidence and hope among new and existing investors in the area. There is a quick turnaround time in Business Licensing and Permitting.

- Approval of Building Plans
- Zonings
- Ease of doing business in terms of the regulatory framework
- Though weak enforcement of by-laws, that is not permanent, as strides are being made to address that.

7.7 SMALL TOWN REVITALIZATION

The Small-Town Revitalization (STR) Program is one of the key flagship programs, primarily aimed at regeneration, restoration, and the fulfillment of the economic potential of underperforming small towns, to help address their challenges of underdevelopment and attract new investment to drive and grow the local economy. The municipality has embarked on a few development initiatives to ensure that its towns are revitalized to meet socio-economic standards, including:

- Paving of internal streets
- Provision of streetlights
- Provision of Hawker Stalls / Trading Facilities
- Decongestion of Main Streets in both towns from illegal informal trading activities, though that is still an unfinished business
- Provision of economic infrastructure (TRANSIDO) to SMME's through working relations with ECDC and private partners
- Waste management through programs such as EPWP

7.8 INFORMAL TRADING POLICY

The informal sector, often referred to as the "second economy," plays an integral role in helping the government address the challenges of underdevelopment, including unemployment, poverty, and inequality. This sector serves as a shock absorber for those who cannot enter the formal sector and for those who are rejected by it. In line with its SMME Development Policy, which covers both legally registered SMMEs and informal traders, the municipality supports the informal sector by providing production inputs, such as trading stock, to recapitalize their businesses. In addition, the municipality has a Street Trading By-law that ensures informal trading occurs within the confines of applicable laws and legislation in both of its towns, Lusikisiki and Flagstaff. To create a conducive and enabling environment for the sector to thrive, the municipality provides support in several ways, including:

- Issuing trading permits/licenses as legislated under Business Act No. 71 of 1991
- Maintenance and provision of economic infrastructure in the form of trading facilities, hawker stalls, and spaza shops
- Enforcement of Street Trading by-law

7.9 REVITALIZATION OF TOWNSHIP ECONOMIES

The township economy comprises economic activity within townships, including both formal and informal businesses, some of which have a symbiotic relationship (WCEDP, 2019). Many township enterprises have become a means of survival, especially for those unable to find formal employment, helping households put food on the table. The township economy can also be characterized as an economic system that meets the community's social and economic needs within a specific geographic space (Alock, 2021).

In the context of Ingquza Hill, township economies remain a vital cog and catalyst for the area's economic revival, particularly amid the economic ramifications exacerbated by the COVID-19 pandemic. Townships, therefore, are among the top priorities for Local Economic Development (LED) to achieve inclusive socio-economic growth and development in Ingquza Hill. The municipality, through its SMME Support Programme, continues to provide financial and non-financial support to urban, township, and rural-based SMMEs, which fall into some of the following categories:

- All SMMEs in different sub-sectors form
- Farmers (crop producers/cannabis and livestock)
- Tourism (Accommodation establishments/art and crafts)
- Forestry smmes and cooperatives
- Fishermen

The municipality, through its Local Economic Development (LED), continues to double its efforts to revitalize township economies by working jointly with its social and development partners, including the Department of Small Business Development (National), responsible for the development of SMMEs through the Township and Rural Entrepreneurship Programme (TREP) and the Informal and Micro Enterprise Development Programme (IMEDP); the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) (Provincial); and Development Finance Institutions (DFIs) such as the Small Enterprise Development Agency (SEDA), the Small Enterprise Finance Agency (SEFA), and the Eastern Cape Development Corporation (ECDC). As a result, SMMEs and informal traders in the township of Ingquza Hill have benefited from the Informal and Micro Enterprise Development Program (IMEDP). The SMMEs are from the following sub-economic sector:

- Sewing
- Crop Farming
- Poultry
- Salon
- Piggery
- Welding

7.10 JOB CREATION INITIATIVES: EXPANDED PUBLIC WORKS PROGRAMME (EPWP) AND COMMUNITY WORKS PROGRAMME (CWP).

EPWP and CWP are two of the government's key programs, primarily aimed at reducing poverty and providing income relief through temporary employment for unemployed individuals. These job-creation initiatives are a cornerstone of labor absorption and income transfer to poor households in the short and medium term. The municipality, through LED and community services, has mechanisms in place to support the implementation of EPWP and CWP programs. Both departments provide institutional support for project management during

implementation to ensure that the programs achieve their desired results and targets. Both programs are fully fledged and operational.

7.11 STAKEHOLDER ENGAGEMENT

The municipality, in an effort to advance and promote a socioeconomic development agenda, works in cooperation with other social partners and stakeholders. To this end, it has established IGR and development structures to foster meaningful engagement on matters of Local Economic Development. Quarterly and biannual meetings are held with all stakeholders who are social partners to LED. The structures are as follows:

- Business Forum
- Farmers Association
- Hawkers Association
- Local Tourism Organization
- LED Cluster
- LED Forum

7.12 INCOME INEQUALITY OF INQUZA HILL LOCAL MUNICIPALITY

Income inequality in the Ingquza Hill Local Municipality is severe, with extreme poverty, high unemployment, and more than 97% of households earning less than R800 per month, according to Community Survey data. The municipality, located in the Eastern Cape, faces significant infrastructure backlogs, a limited revenue base, and heavy reliance on government grants.

7.12.1 Key Aspects of Income Inequality & Economic Status:

- **Household Income Levels:** Less than 1.4% of households earn above R76,000 per annum (approx. R6,333/month)
- **High Poverty and Dependency:** A 2025 situational analysis indicates over 97% of households rely on a very low monthly income, often less than R800.
- **High Unemployment:** The area faces a high unemployment rate, which negatively impacts the local economy and contributes to inequality.
- **Gender Disparity:** 63% of households are headed by women.
- **Smallholder Agriculture:** While subsistence farming exists, smallholder farmers often rely on supplemental income, and net farm income averages only about R7,476.15, according to studies on rural farm livelihoods.

7.12.2 Factors Aggravating Inequality

- Weak Revenue Base:
- Grant Dependency
- Infrastructure Backlog
- Demographic Pressure
- Demographic Pressure

7.12.3 Potential Economic Drivers

- **Agriculture and Forestry:** There is high potential in farming (livestock and crops) and forestry, which could create employment if fully utilized.

- **Smallholder Support:** Developing the capacity of smallholder farmers is seen as a way to enhance food security and household income.

8 KEY PERFORMANCE AREA SIX (6): INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT.

8.1 LOCATION OF THE OFFICES

Ingquza Hill comprises 32 wards and 66 Councilors, including 2 Traditional leaders. It has 2 offices, with the main office in Flagstaff and the Council seat in Lusikisiki, as per the Council resolution of 26 March 2006. Coordination and management of these satellite offices are handled by the Heads of Department for each office, with overall accountability remaining with the Accounting Officer

The setup of both offices is as follows:

Flagstaff	Lusikisiki
<ul style="list-style-type: none"> ▶ Office of the Mayor ▶ Municipal Manager's office ▶ Technical Services ▶ Budget and Treasury ▶ Planning and Development ▶ ICT and Records management 	<ul style="list-style-type: none"> ▶ Office of the Speaker ▶ Whips of the Council Office ▶ Community Services ▶ Corporate Services

8.2 Council structure

The municipality has 32 Ward Councilors, each responsible for one of the 32 wards, along with 32 proportional representatives and 02 councilors representing the traditional leadership. In total, there are 66 councilors, including the traditional leaders. Ingquza Hill has the Mayor, Cllr. Prudence Nonkosi Pepping.

The Speaker: Honorable Councilor S.B. Vatsha, with Councilor I. M. Nkungu serving as the Whip of Council. There are 10 executive committee members, as shown below:

Cllr. P. N. Pepping, the Mayor; Cllr. N. A. Gagai; Cllr. B. N. Mvulana; Cllr. V. Somani; Cllr. K. Vava; Cllr. N. Jam-jam; Cllr. B. N. Nkani; Cllr. Z. Mhlongo; Cllr. L. Ndziba; and Cllr. Z. Sigcu.

Six (6) key performance areas. Each quarter, a standing committee meeting reports to the Executive Committee for ratification and confirmation of decisions, after which the decisions are brought to a Council meeting for accountability, oversight, and decision-making. Council meetings are held at least once per quarter to consider the quarterly, Section 71, half-yearly, annual, and oversight reports submitted by management. Emergency Council meetings are called when necessary to discuss emergency and urgent matters of the Council. During the national pandemic, the Council decided to revise the Standing Orders and Rules of the Council to accommodate the virtual platform, in accordance with the Disaster Management Act and the subsequent Gazette issued by the Minister of Cooperative Governance and Traditional Affairs (COGTA).

8.3 Administrative Structure

The municipality has both administrative and political structures; the administration is led by the Municipal Manager, who heads 6 divisions, as outlined in SALGA's KPAs. Currently, the municipality is operating with four (5) Senior Managers, namely the Senior Manager for Community Services and Chief Finance Officer, the Senior Manager for Planning and LED, the Senior Manager for Corporate Services, and the Senior Manager for Technical Services.

The current composition of the management of Ingquza Hill Local Municipality is as follows:

Directorate	Position	Period
Political leadership: Her Worship the Mayor – Hon Cllr Prudence Nonkosi Pepping Hon Speaker: Cllr S. B Vatsha and Hon Cllr N. Jam-Jam (Good Governance)		
MM's Office	Municipal Manager	5 years
	Manager: Mayor's Office	Vacant
	Manager: IDP& PMS	5 years
	Manager: Council Support	5 years
	Manager Strategic Communications	Vacant
	Executive Liaison Officer	5 years
	Executive PA to the Mayor	5 years
Political head: Honorable Cllr. N Gagai-Nkungu		
Corporate Services	Senior Manager Corporate Services	(Filled) Permanent
	Manager: Human Resources	5 years
	Manager: Admin & ICT Systems Manager	5 years
Political head: Honorable Cllr. B. J Nkani		
Budget & Treasury	Chief Finance Officer	Filled (Permanent)

	Manager: Financial Planning & Reporting	5 years
	Manager: Supply Chain Management	Filled
	Manager: Asset Management	5 years
Political Head: Honorable Cllr. Z. Mhlongo		
Community Services	Senior Manager Community Services	Filled (permanent)
	Manager: Public Safety	5 years
	Manager: Waste Management	5 years
Political Head: Honorable Cllr. K.Vava		
Engineering & Infrastructure	Senior Manager Technical Services	Filled (permanent)
	Manager: PMU	5 years
	Manager: Technical (O&M)	5 years
Political head: Hon Cllr B.N Mvulana and Hon Cllr. V. Somani		
Planning & Development	Senior Manager: Planning & Development	Filled (Permanent)
	Manager: Local Economic Development	5 years
	Manager: Planning and Development	Filled

8.4 Municipal Functions

The table below illustrates the powers that Ingquza Hill Local Municipality is authorized to perform in terms of Part B of Schedules 4 and 5 of the Constitution.

Part B of Schedule 4	Part B of Schedule 5
<ol style="list-style-type: none"> 1. Air pollution 2. Building regulations 3. Childcare facilities 4. Electricity and gas reticulation 5. Local tourism 6. Municipal Planning 7. Municipal Health Services 8. Municipal public transport 9. Stormwater management 10. Trading regulation 11. Pontoons, fairs, settees, piers, and harbours, excluding the regulations of international and national shipping 	<ol style="list-style-type: none"> 12. Beaches and amusement facilities 13. Billboards and advertising in public places 14. Cemeteries, funeral parlors, and crematoria 15. Cleansing 16. Control of public nuisance 17. Control of undertakings that sell liquor to the public. 18. Facilities for the accommodation, care, and burial of animals 19. Licensing and controlling of undertakings that sell food to the public. 20. Local amenities 21. Local sports facilities 22. Markets 23. Municipal abattoirs 24. Municipal parks and recreation 25. Municipal roads 26. Noise pollution 27. Pounds 28. Public places 29. Refuse removals, refuse dumps, and solid waste disposals

	<ul style="list-style-type: none"> 30. Street trading 31. Street Lighting 32. Traffic and parking
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Of the 39 functions listed in Parts B of Schedules 4 and 5 of the Constitution, Ingquza Hill Local Municipality has been allocated 34 functions, which it is required to deliver; the following 24 functions are being performed by Ingquza Hill Local Municipality.

Part B of Schedule 4	Part of B schedule 5
<ul style="list-style-type: none"> 1. Solid waste 2. Municipal Planning 3. Stormwater management 4. Municipal public transport 5. Trading regulations 6. Local Tourism 7. Building regulation 8. Electricity reticulation(agency) 9. Childcare facilities 	<ul style="list-style-type: none"> 10. Cemeteries, funeral parlour, and crematoria- including DM function. 11. Cleansing 12. Local sport facilities 13. Municipal parks and recreation 14. Municipal roads 15. Public places 16. Refuse removal, refuse dumps, and solid waste disposal. 17. Traffic and parking 18. Municipal public works 19. Beaches and amusement 20. Billboards and advertising in public places 21. Street trading 22. Control of undertakings that sell liquor to the public. 23. Street lighting 24. Fencing and fences

The table below reflects a function that Ingquza Hill is authorized to perform, but is not being performed:

Part B of Schedule 4	Part B of Schedule 5
<ul style="list-style-type: none"> 1. Air pollution 2. Childcare facilities 3. Electricity and gas reticulation (not an authorized function, but it was performed) 4. Firefighting services 5. Municipal airport 6. Municipal public transport 7. Pontoons and ferries 8. Electrification reticulation 	<ul style="list-style-type: none"> 9. Control of public nuisance 10. Municipal abattoirs 11. Noise pollution

8.5 ORGANIZATIONAL DEVELOPMENT

The review of the organizational structure has begun and is being conducted concurrently with the IDP review to ensure the IDP responds to the Council's strategic objectives. The consultation processes are still to follow, and the adoption of the organizational structure has been referred to the MEC for Local Government for comments and, thereafter, approval by the Council before the end of June 2026.

8.5.1 Alignment with the SDM

- In terms of the best practices and principles for designing an organizational structure for an institution, such as the Municipality, and for applying the service delivery model.
- When considering the best practices and principles for designing an organizational structure for an institution, such as the Municipality, and for applying the service delivery model, one will find that the current organizational structure is sustainable, as approved by the MEC.
- However, the municipality has **160** Clerical posts, of which **47** of such posts are in the Office of the Municipal Manager in the staff establishment, more than the service delivery departmental Technical Services, Community Services, and Planning and Development Departments.
- Ideally, the core service delivery departments should be staffed with more employees; however, currently, the support departments have more employees, yet there is no significant value when it comes to service delivery.
- 70: The 70:30 ratio is met by the municipality in accordance with the Regulations, as the municipal ratio is 64:26.

Table: Staff Establishment and Vacancy Rate

DEPARTMENT	TOTAL POSTS	FILLED POSTS	VACANT POSTS	VACANCY RATE
Office of the Municipal Manager	56	48	8	14%
Budget and Treasury	44	36	8	18%
Corporate Services	47	39	8	17%
Technical Services	43	39	4	9%
Planning and Development	22	13	9	40%
Community Services	194	160	34	17%
Overall total	406	335	71	17%

Table: Talent Acquisition

DEPARTMENT	FUNDED POSTS	UNFUNDED POSTS
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CPS	7	1
BTO	7	2
COM. SERV.	27	6
OMM	3	4
PED	3	6
IDMS	4	1
TOTAL	51	20

8.5.2 Workplace Skills Plan

The Ingquza Hill Local Municipality is required to develop a Workplace Skills Plan in accordance with the Skills Development Act 97 of 1998, which must be submitted to the Local Government Sector Education and Training Authority (LGSETA) on or before the 30th of April each year. The Workplace Skills Plan is the strategic document that aligns with Municipalities' needs and goals. The document also outlines the Municipalities' skills development and training for its employees. It provides the basis for identifying and planning skills development initiatives that are relevant to Ingquza Hill Local Municipality's strategies and individual development needs. The Skills Development Act offers the following benefits: it enhances workplace productivity. It also enhances workers' quality of life.

The Municipality has a WSP in compliance with adopted legislation, and it was submitted to the LGSETA by 25 April 2026. The Human Resource Development Section is fully staffed with qualified and skilled personnel to implement the WSP. Study Assistance will also be used to encourage municipal staff to pursue further studies and obtain relevant qualifications, especially in areas with scarce skills. The Workplace Skills Plan will focus on the following: -

- Regular Trainings / Workshops for all professional body registered employees are conducted to ensure that they are always updated on the developments of respective Council requirements.
- Training of Municipal Competency Levels to Directors, Managers, and Finance Officials is ongoing.
- Solid waste personnel will be trained to be able to operate the new equipment acquired to improve cleanliness in both Flagstaff and Lusikisiki.
- Training of people participating in cooperatives; the LED projects *is ongoing*
- Giving work experience to unemployed graduates through in-service/ Learnership / and internship programs; and
- Provision of Bursary/Financial study assistance to employees and youth community members.

IHLM DRAFT INTEGRATED DEVELOPMENT PLAN FOR 2026-2027 FINANCIAL YEAR

6.5.1.1 ANNUAL TRAINING PLAN (WORKPLACE SKILLS PLAN FOR 2026/2027 FINANCIAL YEAR

Name of the Learning Intervention	Type of Learning Interventions	Beneficiaries
GIS Training Program	Skills programme	08 Employees from Technical Services
Storm Water Management	Skills Programme	3 Employees Technical Services
Electrification Trade Test Training	Skills Programme	02 Employees from Technical Services
First Aid NQF Level 3	Skills Programme	15 Employees from Community Services and Technical Services
Fall Arrest Training	Skills Programme	04 Officials from Technical Services
SAMTRAC Training	Skills Programme	04 Employees from Technical Services
Advanced Project Management NQF Level 7	Skills Programme	20 Employees from all Departments
Municipal Finance Management Program (CPMD)	Learnership Programme	All Departments, including Councilors
GRAP Standards	Learnership Programme	05 Employees from BTO
Contract Management Training	Training Programme	05 Employees from BTO
Credit Management Training	Skills Programme	01 Employee from BTO
Payroll Management	Skills Programme	01 Employee from BTO
Name of the Learning Intervention	Type of Learning Interventions	Beneficiaries

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Advanced Driving Program	Skills Programme	All Municipal Drivers
Fraud and Corruption	Skills Programme	All Department
Peace Officers	Skills Programme	Employees from Community Services
Lifeguard training /Surf lifeguards training award	Skills Programme	Employees from Community Services
Monitoring and Evaluation Programme	Skills Programme	Employees from all departments
Petition Management	Skills Programme	15 Officials from the Municipal Managers' Office
Facilitate Public Participation, Citizen Involvement, and Local Government Processes.	Skills Programme	20 Officials from the Municipal Managers' Office and 32 Ward Councillors
Risk Management	Skills Programme	All departments
Bylaw Administration and Formulation	Skills Programme	10 Employees from the MMs office
Municipal Compliance Management	Skills Programme	10 Employees from the MMs office
Graphic Design	Skills Programme	5 Employees from the MMs Office
Name of the Learning Intervention	Type of Learning Interventions	Beneficiaries
Talent Management Training	Skills Programme	10 Employees from Corporate Services
Individual Performance Management Systems Training	Skills Programme	30 Employees from all Departments
Development of Organizational Structure Training	Skills Programme	Placement Committee

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Server Management	Skills Programme	ICT Staff
Cloud Management System	Skills Programme	ICT Staff
Cyber Security	Skills Programme	ICT Staff
Name of the Learning Intervention	Type of Learning Interventions	Beneficiaries
Construction Contracts (FIDIC JBCC NEC GCC) and Estimation and Tendering Workshop	Skills Programme	Employees from Technical Services
Occupational Health and Safety regulations	Skills Programme	OHS Committee Members
Performance Management (NQF Level 5)	Skills Programme	Exco Members
Project Management Program –Non-Credit Barring)	Skills Programme	All Councillors
Good Governance Training	Skills Programme	All Councillors
Varies Farming Programs	Learnerships and Skills Programme	100 Unemployed Youth
Varies Construction Programs	Learnerships and Skills Programme	60 Unemployed Youth

3.3 The Table below reflects study assistance programs:

QUALIFICATION NAME	TYPE OF THE INTERVENTION	NUMBER OF BENEFICIARIES
Master's Qualification	Formal Qualification	One Official from MM's Office
Post Graduate Diploma	Formal Qualifications	One Official from Technical Services

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Advance Diploma in Project Management	Formal Qualifications	One Official from Technical Services
Bachelor's degree in HRM	Formal Qualification	Two Officials from CPS
Bachelor's degree in public Procurement Management	Formal Qualification	Two Officials from BTO
Bachelor's degree in public administration	Formal Qualification	10 Officials from All Departments
Higher Certificate in Events Management	Formal Qualification	One Official from the MMs Office

8.5.3 EMPLOYMENT EQUITY PLAN:

The Municipality adopted the Employment Equity Plan. The Plan was presented to the Employment Equity Committee, which is responsible for its adoption. The Plan has also been presented to the Portfolio Committee and the Local Labour Forum. The Local Labour Forum convenes quarterly. The Employment Equity Report has always been submitted to the Department of Labour in compliance with section 21 of the Employment Equity Act (Act 55 of 1998). The Municipality has implemented most of the affirmative action measures outlined in the Employment Equity Plan. Training has helped the Municipality improve the representation of women in middle management. However, attracting applicants from the disabled group remains a challenge.

Table: Numerical targets, including people with disabilities

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	0	0	0	0	0	0	0	0	0	1
Senior management	3	0	0	0	2	0	0	0	0	0	5
Professionally qualified and experienced specialists and mid-management	9	0	0	0	3	0	0	0	0	0	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	26	0	0	0	38	0	0	0	0	0	64
Semi-skilled and discretionary decision making	104	0	0	0	56	0	0	0	0	0	160
Unskilled and defined decision-making	30	0	0	0	62	0	0	0	0	0	92
GRAND TOTAL	173	0	0	0	161	0	0	0	0	0	332

The total number of **employees with disabilities only** in each of the following occupational levels: Note: A=Africans, C=Coloureds, I=Indians, and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0

Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2	0	0	0	0	0	0	0	0	0	2
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	0	0	1
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	3	0	0	0	0	0	0	0	0	0	3

8.5.4 LOCAL LABOUR FORUM COMPOSITION

A Local Labor Forum (LLF) in the South African municipal sector is governed by the South African Local Government Bargaining Council (SALGBC) Main Collective Agreement. It acts as an advisory and consultative platform between employers and employees to improve service delivery and maintain industrial peace.

- At every employer, a Local Labor Forum shall be established with equal representation from the trade unions and the employer.
- The trade unions' representations shall be divided in proportion to their respective membership in that employer.
- Employer representatives shall consist of at least 2 (two) Councilors and of Management (as set out in clause 11.8.1.6) except where the Local Labor Forum is seventy-five (75) members; (three-a-side), councilors shall be at least one third of the delegation.
- Up to 2 (two) trade union officials or office bearers may attend such meetings with prior notice to the employer, and up to 2 (two) SALGA representatives may attend with prior notice to the trade unions.
- In metropolitan areas, the metropolitan division of the Council shall not serve as the Local Labor Forum. It shall establish a Local Labor Forum at a departmental or other suitable level as may be decided by that division of the Council.
- The representatives on each side in each employer shall be constituted locally in a Local Labor Forum on the following basis by combining the membership of the trade unions.

8.5.4.1 IHLM current Representation:

In terms 11.8.1.6.3 of the main collective agreement, there are from 251 to 500 members: 8-a-side. which means the formulation of the LLF has 16 members categorized as follows:

- Eight members from Employer Component (4 from Management and 4 from Councilors)
- Eight Members from the Labour Component (5 from SAMWU and 3 from IMATU.
- Local Labour Forum meetings- the LLF is currently functioning smoothly (for example, the FY 2025/26 sitting was coordinated and set for all three quarters.

8.5.4.2 Powers and Functions

The local Labour Forum has the power and functions of Negotiating and or Consulting.

- On matters of mutual concern about the workplace that do not form the subject matter of negotiation at the Council or its division.

- On such matters as may from time to time be referred to such forum by the council or Division.
- Provided that it may not negotiate on any matter that has been served for exclusive bargaining in the council or the Division.
- They also conclude a Minimum Services Agreement.
- Disputes over what is negotiable, what matters are for consultation, and whether a specific process constitutes sufficient consultation are to be resolved through the dispute resolution mechanism of the Council.

8.6 INTEGRATED WELLNESS PROGRAMME & OCCUPATIONAL HEALTH AND SAFETY

Integrated wellness consists of four pillars: TB & HIV /AIDS Management, Health & Productivity Management, Safety, Health, Environment & Quality Management, and Wellness Management. Currently, the institution is working with two pillars: Occupational Health and Safety under the SHEQ Pillar and Employee Assistance Program under the EWM Pillar. The other two pillars are not yet filled, but are partially completed by the EAP office. The status Quo for EAP & OHS is currently as follows:

- ▶ EAP has conducted 4 quarterly wellness committee meetings, 4 quarterly workshops, and 100 percent referral and external Psychologists according to municipal Strategies for 5 years. The office has also conducted workshops and awareness campaigns in line with the SDBIP and in compliance with COVID-19 regulations. Three employees have been referred to the contracted psychologist. Integrated Wellness policy is in place, and the Bereavement and HIV /AIDS policies are still in the process of adoption.
- ▶ The OHS unit's four quarterly meetings have been conducted; four Safety Audits have been done.

8.7 DEVELOPMENT OF THE INTEGRATED HR PLAN FOR INGQUZA HILL LOCAL MUNICIPALITY.

The municipality's 2022/2023 development plan was reviewed for 2025/2026 and adopted by the council in May 2026, together with the organogram. The Human Resource Plan (HRP) is the process the organization undertakes, in collaboration with various stakeholders, to ensure that the municipality has the right number of people with the right skills in the right places at the right time, and that it performs effectively with available resources, economically and efficiently.

The HR Plan aims to address issues related to implementing the Skills Development Act, Labour Relations, and Integrated Health and Wellness, including Occupational Health and Safety programs, as well as implementing the provisions of the Main Collective Agreement and the Basic Conditions of Employment Act. The HRP has been aligned with the municipal IDP and the Service Delivery Budget Implementation Plan (SDBIP), ensuring that identified challenges and risks are addressed and that departmental managers play an active role, while the Department of Corporate Services provides professional support and personnel development within the municipality.

The Ingquza Hill HR plan aligns human capital with the strategic organizational goals outlined in the 5-Year Integrated Development Plan. The following approach has been adopted:

- Overview of the municipality and its strategic direction as outlined in the IDP,
- Scanning of both internal and external environments as far as it affects Human
- Resource Planning and Provision,
- Profiling of the current workforce, identification of gaps in the HR functions,
- ▶ Development of an action plan to close the identified gaps.

The main objective of the HRP is:

- ▶ To ensure appropriate utilization of available personnel,
- ▶ To attract and retain scarce skills,
- ▶ To standardize HR processes and procedures to be followed when employees enter/ exit the municipality,
- ▶ To ensure that all employees and the unemployed have the required competency levels,
- ▶ To create an Environment that promotes employee Health and Wellness.

8.8 Action Plan/ Implementation Plan

The municipality has developed an IDP and SDBIP in which all departments will contribute to realizing the overall vision and will continuously monitor and evaluate the performance and effectiveness of program implementation and budget utilization, taking into account the impact on communities and relevant stakeholders. The HR Plan shall be reviewed annually to assess the municipality's effectiveness and capability in achieving its objectives, using its human resources effectively, and ensuring alignment with the overall objectives. The table below summarizes plans and strategies for the curren

8.9 ICT STRATEGY AND IMPLEMENTATION PLAN 2022-2027.

8.9.1. Background

The concept of the paradigm shift in the business industry impacts the way in which services are delivered to our communities, as the industrial revolution transforms social and industrial processes by generally shifting the way people live, work, and communicate with each other. These changes need a greater efficient and agile workforce to enable the business processes and effective service delivery. It is undoubtable that Information Communication and Technology (ICT) play a significant role in enabling the process of change within business operations. It becomes critical to have well-managed ICT resources for all areas of development in the Corporate Industry. Consequently, to maintain the business strategy and ensure growth, there is a critical need for the design of an ICT Strategy that will align ICT capabilities with business requirements to keep up with the evolving and advancing world of technology. Therefore, this document serves as a guiding roadmap for municipal ICT advancement as the business enabler, in responding to the following questions:

- **Where is ICT in the municipality now?** This involves understanding the status quo of ICT within the municipality and the business drivers.
- **Where do we want to take ICT?** This will be informed by IDP and municipal strategy. It will help to define ICT vision, mission, objectives, values, techniques, and goals.
- **What needs to be done to get there?** These details what must be done to address the business drivers.

8.9.2. Purpose of the Policy

The purpose of this document is to outline the ICT Strategy and Implementation plan for 2022-2026 of Ingquza Hill local municipality. It intends to help the municipality to implement its ICT strategic objectives and goals. Furthermore, this document seeks to guide future technology initiatives and help the municipality to prioritise ICT investments within the municipal environment.

8.9.3. Objectives

The primary objectives of creating this ICT Strategy and Implementation plan are to:

- Align ICT activities and investments with the municipal strategic goals.
- Outline and understand municipal ICT current and future business requirements.
- Create an ICT vision and mission.
- Develop a strategic guide to ICT decision making.
- Realise and prioritize immediate ICT business needs.
- Estimate, guide ICT budgets, and furnish for IT issues such as networks, services, developments, and more.
- Ensure that the ICT budget creates value to the business.

8.9.4. Benefits

When an ICT Strategy plan is effectively designed, implemented, and maintained according to the business needs, the following benefits are realised:

- Aligned ICT with business strategic goals.
- Improved business articulation.

- Improved ICT investments.
- Improved ICT budget allocation.
- Improved ICT service delivery.
- Improved ICT value creation.
- Improved ICT return on investment.
- Improved ICT project management.
- Improved stakeholder communication.
- Improved strategic ICT decision-making.

8.9.5. Followed Process Plan

This ICT strategy is informed by various factors that affect the municipal affairs and is guided by the mandate of the municipality.

8.9.6. Legislation, Frameworks and Standards

This plan has been developed with the following instruments of legislation in mind, amongst others, that regulate the mandate and operations of the local government sphere:

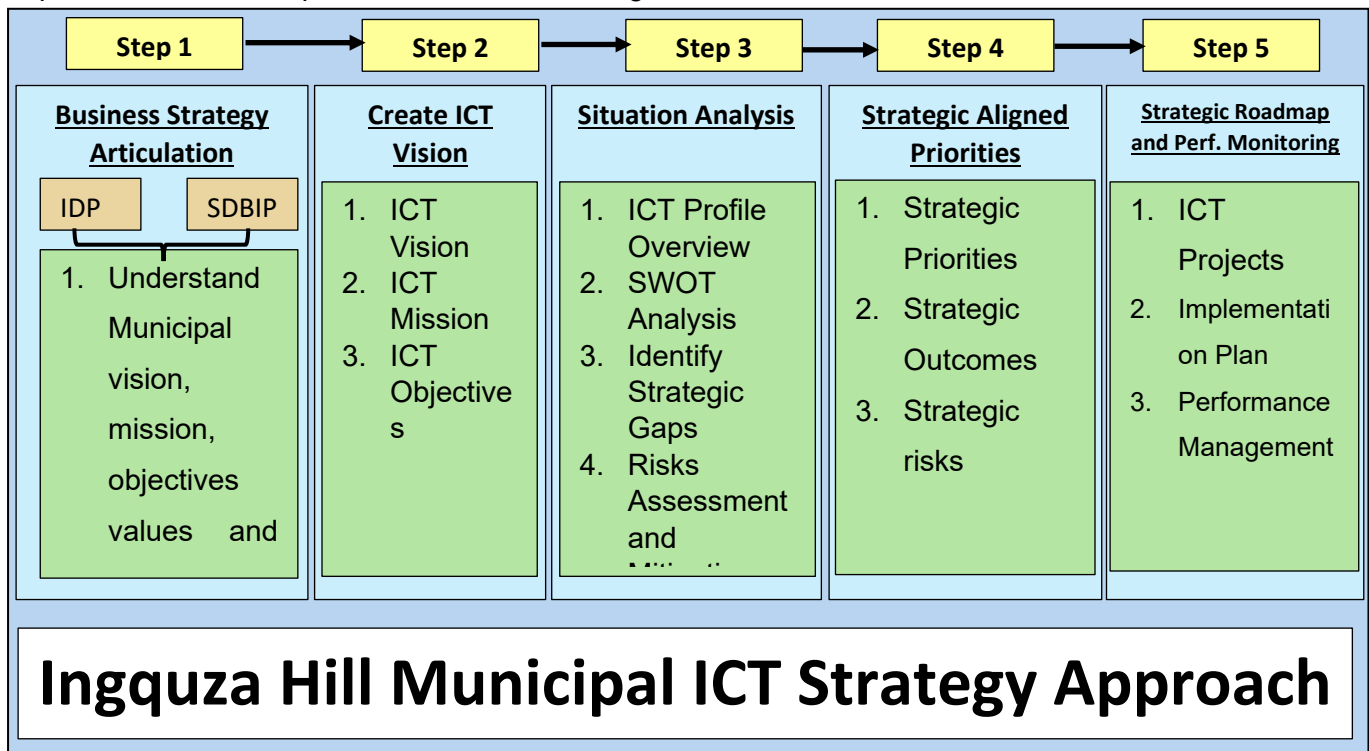
- Constitution of the Republic of South Africa Act, Act No. 108 of 1996.
- Municipal Finance Management Act, Act No. 56 of 2003.
- Municipal Structures Act, Act No. 117 of 1998.
- Municipal Systems Act, Act No. 32, of 2000.
- Treasury Regulations for departments, trading entities, constitutional institutions, and public entities, Regulation 17 of 2005.
- National Archives and Record Service of South Africa Act, Act No. 43 of 1996.
- Promotion of Access to Information Act, Act No. 2 of 2000.
- Protection of Personal Information Act, Act No. 4 of 2013.
- Electronic Communications and Transactions Act, Act No. 25 of 2002.

The following best practice standards and frameworks have been substantially adhered to in the development of this strategy:

- Municipal Information and Communication Technology Governance Policy Framework.
- King IV Report on Corporate Governance for South Africa, 2016.
- COBIT 2019 Framework.
- ITIL 4, 2019.
- ISO 38500 - Governance of IT, 2015.

8.9.7. Ingquza Hill Municipal ICT Strategy Phases

The considerations and contributing aspects to the successful development, delivery, and implementation of this plan are shown in the diagram below:



The **Initial Step** is to articulate the business strategy. The primary purpose of this step is to review and understand the mission, vision, goals, and objectives of the municipality. The municipal strategic documents and the organisational structure at a high level were considered. IDP played a vital role in articulating the requirements of the municipality, as this ICT Strategy and Implementation plan is firmly rooted in the municipal IDP. In summary, the municipal IDP is an approach to municipal planning that articulates future developments and comprehensive service delivery within the local government sphere. It is directly linked to the 5-year office term of Municipal Councillors and is reviewed annually in accordance with section 34 of the Local Government Municipal Systems Act 32 of 2000. The IDP was used as the baseline, informed by, and delineates the outcomes of the National Development Plan, Provincial Development Plan, District Development Priorities, SONA, SOPA, and SODA. The municipal IDP reflects the Council’s ICT strategic objectives as it stresses out the needs of national, provincial, municipal, councillors, communities, amongst other stakeholders. Hence, it was considered as the contributing factor in the formulation of this plan to institutional integrate and align ICT developments and operations.

In this step, business drivers that require ICT enablement were identified. Introducing and embarking on this step assisted in articulating how ICT can add value to the business by providing ICT services that support and enhance the primary objectives of the municipality. This step seeks to understand the business problem statement. Understanding the business will assist in scoping the ICT priority projects within the municipality.

The **Second Step** was to consult with key stakeholders. The consultations were in the form of a meeting and a survey, to gather thoughts and expectations of the key stakeholders, as to form the basis of the development of an ICT strategy for the municipality. A survey research tool was developed and administered to key stakeholders to gain various attributes in the form of structured research questions. The survey research technique was used for the purpose of obtaining information or gathering business requirements. The survey research assisted in assessing the thoughts, preferences, opinions, intentions, and attitudes of the municipal staff. The survey research was specific and limited to ICT goals within the municipality. The feedback from the survey research was used as a baseline to measure, predict, and effectively improve the outcomes of this plan.

The consultations with the key stakeholders also played a significant role in scrutinizing the mandate of the municipality and the role of ICT within the municipality. The principal drive was to understand and identify the needs and expectations of the business from ICT. The opinions and insights of the key stakeholders had an imperative part in shaping and tailoring ICT services for the Ingquza Hill local municipality. This established a mutual trust and relationship between the key stakeholders and ICT within the municipality. The plans, challenges, and attitudes that will impact the current and future use of ICT within the business were introduced. This also created an opportunity for municipal key stakeholders to be informed of what ICT can do for the business. This engagement helped to translate the business requirements into ICT capabilities.

The **Third Step** is to create the vision of ICT within the municipality. This step was informed by the outcomes of the previous steps that looked at the vision, mission, drivers, and objectives of the municipality. As the previous steps observed and understood the business requirements, now ICT has a responsibility to determine how ICT can assist in achieving the business needs. Therefore, in meeting the business priorities, the ICT capabilities must be identified. ICT has a responsibility to describe its sense of purpose, directions, what it strives for, and what it wants to achieve within the municipality. This step assisted in guiding and setting vision, mission, values, goals, objectives, decision-making, and understanding the meaning and purpose of ICT within the municipality.

The **Fourth Step** reflects the situation analysis and determines how to best achieve municipal goals and objectives. This step assisted in determining the areas that need improvement within the unit, at the same time ensuring that the business requirements are met. It also helped to assess the current ICT situation for the purpose of determining the difference between the current ICT performance and the envisaged performance of ICT within the municipality. This phase used SWOT analysis to determine the allocation of ICT resources in accordance with the business requirements, while highlighting and addressing the potential threats. It further helped to determine how to bridge the gap between the current ICT performance and the ideal ICT performance within the municipality while realizing the benefits of ICT within the municipality.

This step will assist in bridging the gap between the current ICT performance and the prospective performance of ICT by identifying the strategic gap within the municipality. It

pointed out the shortcomings to overcome as well as the areas for improvement. This will assist in identifying the required resources to achieve the strategic targets of this plan.

The ***Fifth Step*** defines the ICT priorities and determines what is important and what is of value that ICT can provide to the municipality, by developing strategic targets and indicators. This step sets out and aligns ICT capabilities with business strategy and business requirements. The setting of ICT goals within the municipality will help to align ICT focus with business strategy. This will promote a sense of self-mastery as well as provide a clearly defined direction within the ICT unit. This will also improve ICT momentum in the municipality by guiding and facilitating operational and capital planning of ICT in maintaining the timeframes. Most importantly, the ICT budget within the municipality will be guided by these agreed priorities. The prioritized ICT business goals and objectives were communicated to the key stakeholders. The purpose was to inform and get the inputs and buy-ins of the critical stakeholders within the municipality.

The ***Sixth Step*** creates a roadmap and performance monitoring strategy. The afore-stated ICT initiatives are presented in a timeline at a high-level overview in this step. This step acts as an implementation guideline during the lifecycle of this strategy. This step highlights ICT goals with their associated schedule, milestones, and any dependencies where necessary. This step also maps out a continuous performance management to periodically assess and measure progress made in achieving the expected results of this plan.

8.9.8. ICT Strategy Plan Review

This ICT Strategy Plan shall be reviewed at least once a year or as and when there is an identified critical need, considering any ICT-related changes made in the municipal IDP. Owing to the fact that this ICT strategy is rooted in the municipal planning strategy timeframes, as it aims to ensure implementation of ICT-related IDP objectives.

8.9.9. ICT Strategy Plan Effective Date

This ICT Strategy Plan shall be effective upon the date of adoption by the Municipal Council.

Strategy Outline

Chapter One: Executive Summary

This section provides a high-level overview of the Ingquza Hill municipal ICT Strategy and Implementation plan. It further depicts the considerations, frameworks, plans, and legislation that were considered in formulating this ICT Strategy and Implementation plan. Lastly, the section provides the executive summary of the processes followed by the Ingquza Hill local municipality in formulating the plan.

Chapter Two: Business Strategy Articulation

This section outlines the business context and ICT Strategy alignment with the municipal IDP. It further states the strategic business vision, objectives, and priorities at a high-level synopsis.

Chapter Three: Situation Analysis

This section seeks to understand and outline the status quo of the municipality. The section defines the current ICT strengths, weaknesses, opportunities, and threats within the municipality. Furthermore, the section emphasizes the primary findings based on the survey research, experiences, previous audit findings, and inputs from key ICT stakeholders in the municipality.

Chapter Four: Business Aligned ICT Initiatives

This section precisely delineates and addresses the overarching ICT goals aligned with municipal vision, mission, and objectives. Additionally, the section defines the strategies to meet the vision, mission, and objectives of the municipality.

Chapter Five: Roadmap and Performance Monitoring

This section details how the performance of ICT will be measured and monitored to ensure that transparency and accountability within the unit are maintained. It also maps out the roadmap that will guide the implementation of ICT initiatives over the period of this strategy.

8.9.10. DATA BACKUP AND RESTORE

The municipality has no Disaster Recovery site or other alternative. Daily backups (Munsoft, Payday, and Exchange server (emails)) are kept in ITNA. The user files are backed up in the cloud by Techseeds.

8.9.11. Key Risks and Mitigation Measures

Strategic Outcome	Key Risk	Risk Mitigation Plan
Outcome 1: Efficient, secure, and reliable network infrastructure	Insufficient funding	Conduct market analysis of the required services before the budgeting processes.
	Lack of funding	Conduct market analysis of the required services before the budgeting processes.
	Non-responsiveness of bidders	Re-advertise
	Non-sitting of SCM committees	Make regular follow-ups.
	Lack proper specification	Consultation with relevant stakeholders to gather more information
	Project exceeds available budget.	Re-advertise to get more bidders.
	Non-performance of the appointed service provider	Clearly defined project plan and monitoring of scope and SLA
	Dispute on scope	Confirm the project scope before the project starts.
Outcome 2: Maintained ICT systems	Same as above	Same as above

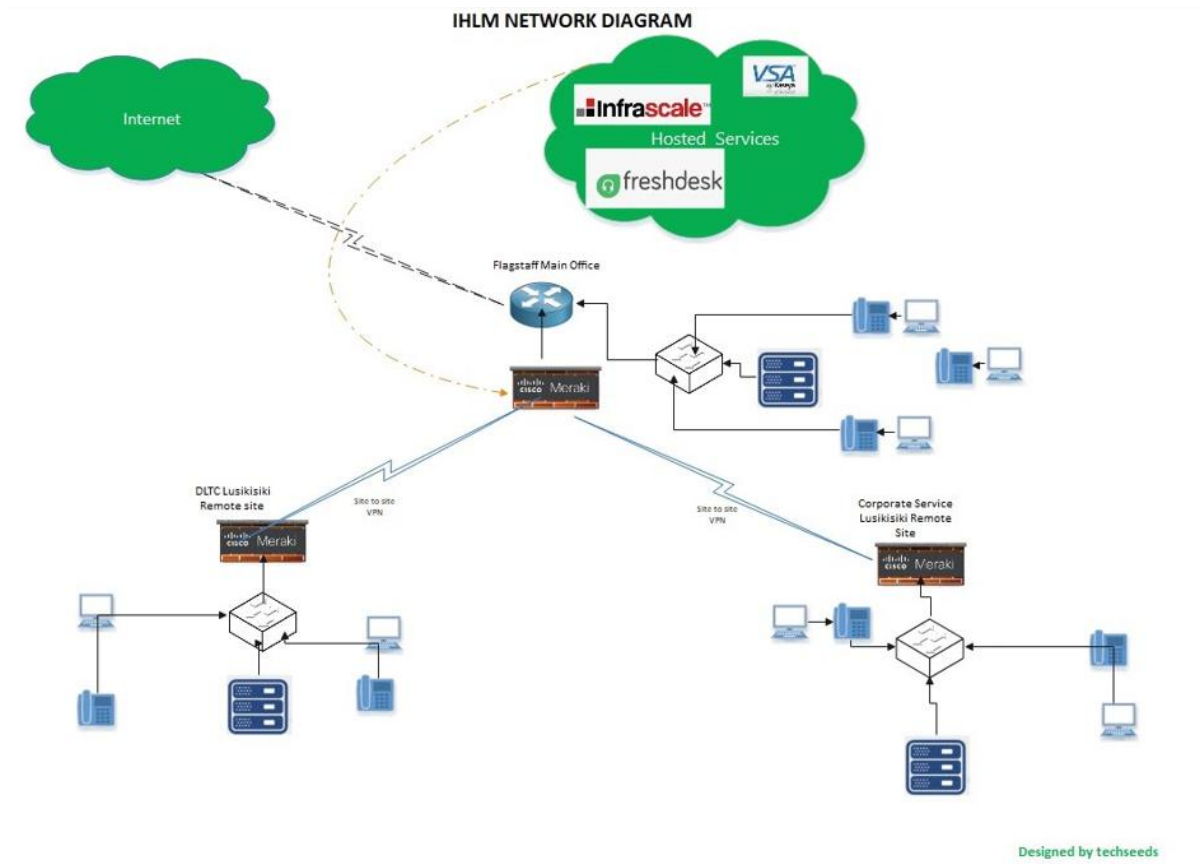
8.9.12. Risk Assessment and Mitigation

The municipal risk register was used to quantify and prioritize various ICT strategic risks. It was also used to define strategies for quantifying ICT risks, determining appropriate prevention measures, and proposing mitigation and response strategies. The management and monitoring of ICT-related risks are addressed as indicated in the risk register and in line with municipal risk management.

8.9.13. ICT RISK REGISTER

Risk Title & Description	Current Control
Inefficient application of policies	1. ICT Policies 2. ICT Governance framework
Negligence on ICT Peripherals	1. Code of conduct 2. Assets Management policy
Inadequate up-skilling of ICT Staff	1. Work skills plan
Non-compliance due to failure to renew or acquire necessary software licenses and maintenance contracts on time.	1. Contract Management Policy 2. Software License Management Policy 3. ICT Governance Framework aligned to COBIT.
Inadequate standardization of ICT security measures	1. ICT Security control policy

8.9.14. ICT Replication Diagram



8.9.15. Server Room

The VM machine contains 9 servers, a biometric system, a dry-chemical powder fire extinguisher, an air conditioner, and a raised floor. There are 4 servers (2 virtual machines (Flagstaff and DLTC) and 2 physical servers (Lusikisiki AD server and Munsoft server))

8.9.16. Backup Schedule

Choosing the correct Backup Schedule:

Backup schedules must not interfere with day-to-day operations, including any end-of-day operations on the systems.

A longer backup window might be required, depending on the type of backups.

Frequency and time of data backup:

- a) When the data in a system change frequently, backups need to be taken more often to ensure that data can be recovered in the event of a system failure.
- b) Immediate full data backups are recommended when data changes significantly, or when the entire database needs to be made available at certain points in time. Regular and event-dependent intervals need to be defined.
- c) Backup store on the server for municipal systems must run starting at 10:00 pm
- d) Backup stored on the cloud (Off-site backups) of the systems must run at 22:30.
- e) Backups should run daily in the evening and be verified every day in the morning.

Table: BACKUP SCHEDULE

System	Time	Software	Type	Simulation time
Munsoft	7:00 pm	Redstor	Incremental	24hrs
Payday	10:30 pm	Redstor	Full Backup	24hr

BACKUP

SYSTEM	TIME	SOFTWARE	TYPE
FILE SHARE	2:00 AM	Infrascale	Incremental

8.9.17. The current IT server replication environment is set up in the following manner.

FLAGSTAFF SITE	LUSIKISIKI SITE	BACKUP
<p>IHLM has 2 primary servers that are running or hosted in Flagstaff offices 1 is a stand-alone server, and the other is a virtual server containing 8 Servers:</p> <ol style="list-style-type: none"> AD Audit to extract reports from Active Directory. AD Connect to run the Microsoft application. AD Manager to extract the audit report from Active Directory. Payday Server for Payroll. DC1 file server (keeps all users' information that is on Active Directory). DC2 files server to keep users' information. Exchange Server to keep email accounts for the municipality. Munsoft Monitoring appliance: to monitor Munsoft appliances. 	<p>IHLM has 2 primary stand-alone servers at Lusikisiki Offices and the DLTC server (VMWare). The VMWare Server containing 4 servers:</p> <ol style="list-style-type: none"> DC-01 for Active Directory. DC-02 Active directory Pay point server to monitor Payday server. Munsoft Monitoring Appliances: monitors Munsoft appliances. 	<p>The Pretoria site copies all files that are in Munsoft and the Payday server. This is the Disaster Recovery Site.</p> <p>File servers (Active Directory) are backed up on the cloud.</p>

Table: Server details

VMWare (FLAGSTAFF OFFICES)

TABLE: STAND-ALONE SERVER IN FLAGSTAFF

THE HOST			
SIZE	CPU	Memory	IP Address
12.58TB	16 CPUs	111.75GB	172.16.10.20
AD AUDIT (to run Microsoft)			
Size HD	CPU	Memory	IP Address
100GB	4vCPUs	8GB	172.16.10.49
AD CONNECT			
70GB	2vCPUs	6GB	172.16.10.47
AD MANAGER			
1.5TB	4vCPUS	6GB	172.16.10.13
APP01 (PAYDAY SERVER)			
1.9 TB	4vCPUs	15.86TB	172.16.10.48
DC 1 (Domain server)			
200GB	2vCPUs	8GB	172.16.10.15
DC02 (Domain Server)			
450GB	2vCPUs	8GB	172.16.10.9
EXCHANGE SERVER (To run emails)			
1.9TB	2vCPUs	32GB	172.16.10.16
DC1 IHLM (Domain Server)			
2.17TB	4vCPUs	11.86GB	172.16.10.12
Munsoft Monitoring Appliance			
16GB	1vCPUs	2GB	172.16.10.21

MUNSOFT

SIZE	CPU	MEMORY	IP ADDRESS
1.09TB	4vCPU	32.0GB	172.16.10.4

LUSIKISIKI SERVER

SIZE	CPU	MEMORY	IP ADDRESS
1.09TB	4vCPU	32.0GB	172.16.11.12

**DLTC SERVER VMWare
HOST SERVER**

SIZE	CPU	MEMORY	IP ADDRESS
2.6TB	8CPUs	47.66GB	172.16.12.12

DC -01

SIZE	CPU	MEMORY	IP ADDRESS
216.08GB	2vCPUs	200GB	172.16.12.13

DC -02

SIZE	CPU	MEMORY	IP ADDRESS
46.92GB	2vCPUs	6.84GB	172.16.12.17

4. PAYPOINT SERVER (Monitoring Tool)

SIZE	CPU	MEMORY	IP ADDRESS
112.08GB	1vCPUs	12GB	172.16.12.14

MUNSOFT SERVER (Monitoring Tool)

SIZE	CPU	MEMORY	IP ADDRESS
112.08GB	1vCPUs	12GB	172.16.12.13

8.10 ARCHIVES AND RECORDS MANAGEMENT POLICY

Section 13 of the National Archives and Records Service of South Africa Act, 1996 requires the Ingquza Hill Municipality to manage its records through a well-structured record-keeping system and to establish the necessary policies and procedures to ensure that its record-keeping and records management practices comply with the requirements of the Act.

8.10.1 File plan

- Only the approved Ingquza Hill File Plan shall be used for classifying correspondence records. The Ingquza Hill File Plan shall be used for classifying Paper-Based and Electronic (including E-Mail) Records.
- Specific procedures for the allocation of file subjects and reference numbers to electronic records are contained in the Ingquza Hill filing system.
- Each staff member shall assign file reference numbers to all correspondence (paper, electronic, email) according to the approved subjects in the Ingquza Hill File Plan.
- Electronic correspondence records are stored in an electronic repository
- When correspondence is created/received for which no subject exists in the file plan, the manager, Admin & IT Systems, should be contacted to assist with additions to the File plan. Under no circumstances may subjects be added to the file plan if they have not been approved by the manager: Admin & IT System.

Storage areas

Paper-Based (The Central Registry/ Strong Room)

- All paper-based correspondence system records are housed in the Central Registry/ Strong Room.
- The registry is a secure storage area, and only registry staff are allowed in the records storage area.

- Staff members who need access to files in the registry shall submit a request to the registry staff for those files.
- The Registry office shall be locked when the Registry is not in operation.

8.10.2 The Human Resources Registry

- All Human Resources records are stored in the Central Registry.
- The general HR subject files, as well as HR case files, are under the management of the HR manager, who is mandated to ensure that they are managed properly.
- Innguza Hill Municipality maintains a set of paper-based case files for each staff member. These files are confidential and housed in a secure storage area in the central registry.
- The case files are managed as part of the List of Series of Separate Case Files that is maintained and managed by the HR Manager.
- The files exist only in paper-based format, and the physical tracking of the case files is managed with the file tracking system in the Integrated Document and Records Management System
- Access to storage areas where electronic records are stored is limited to the An Information Technology Officer who has specific duties regarding the Maintenance of the Hardware, Software, and Media.

8.10.3 Records other than correspondence systems

Schedule for records other than correspondence systems

- The Records Manager maintains a schedule of all records other than the correspondence system. The schedule contains a description of each set of records other than the correspondence system and indicates storage location and retention periods of these records, regardless of format.
- Should records be created/received that are not listed in the schedule, the Manager: Admin & IT Systems should be contacted to add the records to the schedule.

Electronic systems other than correspondence systems

- The IT officers are responsible for the day-to-day maintenance of these systems.
- The records maintained in these systems are under the control of the manager: Admin & IT Systems, who is mandated to ensure that they are managed properly.

Disposal of Records

- No public records (including e-mail) shall be destroyed, erased, or otherwise disposed of without prior written authorization from the Provincial Archivist.
- The Provincial Archivist will issue a Standing Disposal Authority for the Disposal of Records classified against the File Plan. The manager: Admin & IT Systems manages the Disposal Schedule.
- The Provincial Archivist shall issue a Standing Disposal Authority Number on the schedule of records other than correspondence systems.

- Retention periods indicated on the file plan and schedule were determined by taking Ingquza Hill Municipality's legal obligations and functional needs into account.
- The Ingquza Hill Council should authorize all disposal actions before their execution to ensure that archival records are not destroyed inadvertently.
- Non-archival records that are needed for litigation, Promotion of Access to Information requests, or Promotion of Administrative Justice actions may not be destroyed until such time that the Senior Manager: Corporate Services has indicated that the destruction hold can be lifted.
- Specific guidelines regarding the procedure to dispose of Electronic Records are contained in the Electronic Records Management Policy.

9. KEY PERFORMANCE AREAS FIVE (5) GOOD GOVERNANCE AND PUBLIC PARTICIPATION

9.1. INTRODUCTION

The Council established the good governance committee to oversee governance issues and ensure compliance with legislation. The key principle of good governance is to establish ethical leadership within the institution by ensuring clearly defined roles and responsibilities for both political and administrative leadership. This, therefore, ensures that good governance principles are implemented and that the Batho Pele principles are adhered to.

9.2. COUNCIL AND ITS COMMITTEES

Ingquza Hill Council comprises 66 members (32 Ward Councillors, 32 PR Councillors, and 02 Traditional Leaders). The Council meets at least once a quarter, as per the adopted Council calendar, to consider compliance matters in accordance with applicable legislation. The Council established Section 79 committees, namely:

- Municipal Public Accounts Committee (MPAC)
- Public Participation and Petitions Committee
- Women’s Caucus
- Ethics and Members’ Interest Committee
- Risk management committee
- Disciplinary Board

The council maintains a council resolution register for the council and its committees, and resolutions are tracked quarterly during ordinary council meetings. The council and its committees take the following actions in their quarterly resolutions, and the reports are prepared and submitted accordingly.

9.2.1. Audit Committee (AC)

Council established the Audit Committee in accordance with Section 166 of the Municipal Finance Management Act, No. 56 of 2003. Section 166 also regulates the committee’s functions, including its composition and meeting frequency, and sets out minimum requirements for compliance.

The Audit Committee comprises 5 non-executive directors. There is at least one meeting per quarter, and this may be increased.

#	FULL NAME	ROLE	TERM
1	Dr S Nyenyiso	Chairperson	1/05/2026 – 30/04/2029
2	Adv. T C Maake	Member	1/05/2026 – 30/04/2029
3	Mr. Y Rini	Member	1/05/2026 – 30/04/2029

4	Mr. V. Mgilane	Member	1/05/2026 – 30/04/2029
5	Ms. S. Yuze	Member	1/05/2026 – 30/04/2029

The audit committee is required, under the Municipal Finance Management Act (MFMA) and the Internal Audit Charter, to meet at least once a quarter. However, it may also hold a special meeting to address any matter within its mandate.

The audit committee assists the municipality in achieving its strategic goals and objectives by overseeing internal controls, risk management, financial reporting, and corporate governance processes, and by proposing improvements. It provides independent, impartial advice and recommendations to the Municipal Manager and Council on financial and non-financial matters to improve accountability and clean governance. The committee is independent of management and Council and accountable to Council for executing its mandate.

9.2.2. Risk Management Committee

The municipality has established a Risk Management committee, and the table below lists its members. The committee meets quarterly, is chaired by the audit committee, and submits its reports to the audit committee each quarter.

Risk Management Committee and Its Functions

#	FULL NAME	ROLE
1	Ms. V. Hlehliso (Independent Member)	Chairperson
2	All Senior Managers	Members
3	Managers	Invitees
4	Risk Management Officer	Facilitator
5	Internal Audit & Risk Unit	Admin Support

9.2.3. Functions Of Risk Management Committee (RMC)

- Reviews risk management strategy, policy, and implementation plan,
- Evaluates the extent and effectiveness of risk management processes
- Assess implementation of the risk management strategy, policy, and plan
- Reviews material findings and recommendations by assurance providers on the system of risk management and monitors the implementation of such recommendations
- Quarterly Risk Management Committee Meeting X 4

- Tabling the Risk Management Committee Report to the Audit Committee X 4

9.2.3.1. MUNICIPAL RISK PROFILE

The Municipal Strategic Risks were pre-identified during the Council Mega Strategic Planning Session held in March 2025. Management convened an Annual Strategic Risk Assessment Workshop on 21 May 2025 to assess and confirm the Strategic Risk Assessment. The Risk Assessment Workshop was also attended by a member of the Audit Committee.

The Risk Assessment Report and Strategic Risk Register were submitted to the Risk Management Committee, which recommended that they be forwarded to the Audit Committee. At its special meeting on Monday, 26 May 2025, the Committee considered the Risk Management Report and Strategic Risk Register and recommended that they be submitted to Council for approval. The 2025/26 Municipal Strategic Risks are listed in the table below:

#	Risk Description	Inherent Risk Value	Result	Residual Risk Value	Result
STRAT 01	Compromised Financial Sustainability	20	High	15	High
STRAT 02	Delayed/Poor Service Delivery	25	High	16	High
STRAT 03	Unfavourable conditions for local economic development & spatial planning	25	High	20	High
STRAT 04	Ineffective Governance and Administrative Processes	20	High	16	High
STRAT 05	Non-compliance with legislation/enforcement of bylaws	25	High	20	High
STRAT 06	Fraud and Corruption	20	High	16	High
STRAT 07	Inability to attract and retain skilled personnel	25	High	9	Medium
STRAT 08	Cyber Security, Artificial Intelligence, and Digitalisation	25	High	9	Medium
STRAT 09	Climate change and Environmental Resilience	25	High	20	High

9.2.4. Municipal Public Accounts Committee (MPAC)

The committee is accountable to the Council, and its chairperson is elected by the Council. The committee's purpose is to strengthen oversight arrangements in the municipality and ensure the efficient and effective use of municipal resources. The committee is a link in the municipality's accountability chain. The committee will assist the Council in holding the Executive Committee to account and in ensuring the effective and efficient use of public funds. The committee conducts its affairs in a non-partisan manner to maximize the effectiveness of its work. The committee can invite the media and the public to its meetings to enhance transparency and accountability. The committee can invite the Auditor General to its meetings to assist with oversight. The committee meets at least once a quarter, as per the adopted Co calendar, to present its report to the Council.

9.2.5. Public Participation & Petitions Committee

This committee is accountable to the Council. The Chairperson is elected by the Council. The committee is established to comply with the constitutional imperative to achieve the elements of Local Government prescribed in the Constitution of the Republic of South Africa. It must give effect to Chapters 4, 5, and 6 of the Municipal Systems Act No. 32, as amended. It provides a platform for the public to participate in and express their views on service delivery and issues affecting them. It educates the public on the legislative processes through which petitions can be submitted.

This committee ensures maximum public involvement in all municipal affairs. It facilitates and manages the petition process and ensures compliance with the manner stipulated in the adopted Public Participation policy. It receives and registers petitions, processes them, and reports to the Council on any matter relating to the petitions. It may meet with aggrieved complainants regarding any matter raised to determine whether it was properly addressed in accordance with the prescribed laws, regulations, and procedures.

The committee sits at least once per quarter to report to the Council as per the adopted calendar.

9.3. Women's Caucus

The committee comprises all women in the Council, including a representative from Traditional Leadership. The Chairperson is a woman and is directly elected by the Council. The committee's primary purpose is to advocate for women's issues in Ingquza Hill. It also ensures that women are positioned to compete fairly with men at all levels. The Women's Caucus makes recommendations on appropriate remedies and identifies specific challenges to improve the status of women and contribute to the achievement of gender equality in municipal structures. It ensures the gender mainstreaming of all municipal policies. The committee meets at least once per quarter and reports to the Council in accordance with the adopted calendar.

9.4 Ethics & Members' Interest Committee

The committee is directly accountable to the Council, which elects the Chairperson. The committee is responsible for the welfare of councilors, ensuring they have the necessary support to fulfill their mandate. It also seeks to encourage councilors to abide by a Code of Conduct.

The committee works with the Speaker to ensure compliance with the Code of Conduct for councilors. Ensures the development of policies to regulate the implementation of the Code of Conduct for Councilors. Ensures that Councilors submit declarations of interest as required in terms of the legislation and Standing Rules of Order at the beginning of each financial year. Investigate any alleged breach of the Code of Conduct for Councilors and report to the Council on findings. Recommends an appropriate sanction for Councilors found guilty of breaching the Code of Conduct. Educates and sensitizes the public about ethical issues in the Local Government sphere. The committee sits at least once per quarter and reports to the Council.

9.5 Executive Committee

The Executive Committee is the principal committee of the Council, exercising oversight of the administration to ensure that all Council decisions are implemented on time. The Council entrusts the committee with ensuring that all resolutions are implemented on time and that the set targets are met. It also ensures that the administration fulfills its duties. It is directly accountable to the Council. The mayor chairs the committee. The committee elects 6 of its members to head Section 80 committees. Section 80 committees assist the Executive Committee by providing oversight of their respective departments and making necessary recommendations.

- ▶ The committee receives reports from other committees of the Council, reviews the reports, and presents them to the Council with its recommendations.
- ▶ Identifies the needs of the community, reviews and evaluates those needs in order of their priority as informed by available budget.
- ▶ Recommends or determines best methods, including partnership and other approaches, to deliver council strategies, programs, and services to the maximum benefit of the community.

The committee sits at least bi-monthly to consider management reports and all other related compliance reports.

9.6 Legal Services

The municipality has a functional legal services unit with a Manager, Legal Services, who was appointed. The unit includes a legal officer and a clerk, demonstrating the office's full functionality as per the approved organogram. This will enable the unit to ensure proper management of litigation and contracts. The municipality maintains a litigation register and has budgeted for litigation. Currently, there are 32 pending cases. Of these, 28 are cases instituted against the municipality, 2 are cases instituted by the municipality, and 1 is a labour case.

Our cases are in 6 different Courts.

NAME OF COURT	NUMBER OF CASES
Mthatha High Court	19 cases
Lusikisiki Magistrate Court	7 cases
Labour Court	1 cases
Flagstaff Magistrate Court	3 Cases
Grahamstown High Court	2 cases
Supreme Court of Appeal	0 Case

9.7 MUNICIPAL BYLAWS

The following is the list of Ingquza Hill bylaws, including a draft waste management bylaw that is still waiting for gazetting. The municipality doesn't have a bylaw related to disaster management; the district must promulgate the bylaw and consult all relevant stakeholders, including the local municipalities.

BY LAW	DATE	GAZETTE NO.
By the Law relating to Street Trading	27 August 2013	No. 3019
By the Law relating to the Use of Containers	27 August 2013	No. 3019
By law relating to Nuisance	27 August 2013	No. 3019
By the law relating to food handling	27 August 2013	No. 3019
By Law relating to Refuse Removal	27 August 2013	No. 3019
By the Law relating to Cemetery Management	27 August 2013	No. 3019
Enterprise Grant Funding Policy	27 August 2013	
Business Licensing Policy	27 August 2013	
Tourism Sector Plan	27 August 2013	
SMME Sector Plan	27 August 2013	
Agricultural Development Sector Plan	27 August 2013	
Forestry Sector Plan	27 August 2013	
Housing Sector Plan (Gazette)	27 August 2013	
LED Strategy	27 August 2013	
Removal of Refuse	27 August 2013	
Spatial Development Framework	25 May 2018	
Prevention of illegal invasion Policy	25 May 2018	
Encroachment policy	25 May 2018	
LED Funding Policy	25 May 2018	
Land use scheme	30 October 2019	
SPLUM Bylaw	24 March 2016	
Building Bylaw	25 ay 2018	

9.8 COMMUNICATIONS, INTERGOVERNMENTAL RELATIONS, AND TRANSLATIONS

This Section is responsible for providing a conducive environment in areas such as Communication, Public Relations, Intergovernmental Relations, and Translation.

The Communication Unit is responsible for the following sub-functions:

- Branding and marketing material are in place - procured (banners).
- Graphic Design, i.e., insourced graphic works (digital work, i.e., newsletter, posters, fliers).
- A newsletter in both English and Xhosa is produced half-yearly.
- In-house video and photography services.
- Functional Website and Social media accounts, i.e., Facebook page, X handle, TikTok, WhatsApp channel, and group.
- Publication of governance programs is done.

The Intergovernmental Relations and Translation is a unit responsible for the following sub-functions:

- Coordination of the government agenda in the local sphere,
- Organize Work-streams and Quarterly IGR Forums,
- Municipal documents and publications are translated into Vernacular and vice versa.

Ingquza Hill Local Municipality has reviewed its communication strategy and policy in June 2025. The Communication Unit, even though it is not fully functional, has an appointed Manager, Officer, and two communication clerks. The unit is responsible for managing the IHLM Facebook page, website, and municipal profiling.

The municipality has a functional IGR system, in which sector departments and state-owned enterprises are the key players in developing the IDP. The IDP representative forum comprises the same stakeholders, so they participate fully in IGR and the IDP, respectively. The Council adopted the IGR policy, which aligns with the OR Tambo District Municipality and the Province policies. There has been improvement in the submission of information and reports by the sector departments.

9.10 COMPLAINTS MANAGEMENT SYSTEM

In response to the presidential hotline call, the municipality established a complaints management system to ensure a reliable process for following up on community complaints. The complaints are logged through the provincially managed system and through the suggestion boxes. These are recorded and channeled to the relevant departments, including the OR Tambo District Municipality. Some of the complaints relate to services outside the municipality's competence; therefore, the strengthening of the IGR fora is being implemented to respond to and address such complaints.

9.11. PUBLIC PARTICIPATION

The municipality has a fully functional Public Participation and Petitions unit with a Section 79 committee established by the Council and with terms of reference. There is a Public Participation policy that was reviewed and amended in 2025 to accommodate the integrated service delivery model, including War Rooms, Operation Masiphathisane, and other institutional forums.

In 2016, the Province of the Eastern Cape, through the Premier's office, advocated for the establishment of the **War Rooms, known as Operation Masiphathisane, as** a tool to accelerate service delivery in our areas. In response, the municipality established war room structures in all 32 wards, preceded by a workshop to orient communities to the role of War Rooms.

Ward Committees are being established in all 32 wards in accordance with section 73 of the Amended Municipal Structures Act No. 3 of 2021, and they are fully functional, submitting monthly reports to the Office of the Speaker. The ward committees were inducted into their roles and responsibilities and provided with working tools to enhance their role within their wards. They receive their monthly stipend as mandated by the Municipal Structures Act. All wards have ward-based plans, which are used in the development of the IDP.

The role of the Ward Committees regarding the IDP is as follows:

- Assist the Ward Councilor in identifying challenges and needs of residents.
- Provide a mechanism for discussion and negotiations between the stakeholders within the ward.
- Advise and make recommendations through the ward councilor on matters and policies affecting the ward.
- Disseminate information in the ward.
- Ensure constructive interaction between the municipality and the community
- Interact with other forums and organizations on matters affecting the ward, e.g., Ward war rooms.
- Monitor the implementation process in its area.

9.11.1 Public Participation Channels

The public participation enhances community involvement through various ways, which include the following:

Ward Committee Meetings which are attended by Community Liaison Officers, Ward community meetings, Community surveys, Awareness campaigns, Municipal Newsletter, Municipal Facebook page, Community Radio slots for Councillors, Stakeholder engagement, Advertisements and publication of municipal and government events, Advertisement of Compliance documents like Council to adopt Budget, IDP, rates and IDP, Mobilisation of communities for all Municipal and Government programs, Mayoral campaigns which include EXCO outreach and IDP Road shows which are done in wards every year.

9.12 SOCIAL COHESION ACTIVITIES

The municipality is involved in the following programs for social cohesion:

Ingquza Hill Mpondo revolt, Mandela day, O.R. Tambo month, World Aids Day, 16 days of Activism, and Mayoral week – career expo and sporting activities, and Miss Ingquza Hill Local Municipality.

9.13 SPECIAL GROUPS

The Municipality has a fully functional Special Programs Unit that serves all vulnerable groups and sectors (children, youth, women, and people with disabilities). The municipality focuses on establishing structures and providing support to improve its living conditions. The municipalities also focus on integrating vulnerable groups into the broader society by providing awareness campaigns and education. The municipality observes days attributed to vulnerable groups, such as Disability Month, the 16 Days of Activism, World AIDS Day, and Down Syndrome Day. The municipality also works with the Departments of Education, Health, and Social Development, as well as the South African Social Security Agency (SASSA).

9.13.1 Children and Women

There is a women's caucus that champions women's issues both inside and outside the Council. Women are always supported in establishing cooperatives and businesses to fight poverty. There are awareness campaigns against violence against women and children. Every year, the municipality donates school uniforms to 100 needy, vulnerable children in 5 or more schools throughout the municipality. Also, pre-schools are provided with learning and play materials, which are always preceded by an assessment.

Operating Early Childhood Development (ECD) Centers: 245 are not registered but active; 165 are registered and funded. 125 registered but not funded.

9.13.2 YOUTH DEVELOPMENT

The municipality has an annual mayoral week that focuses on exposing school pupils to career options and promoting sports. The career exhibition has grown to include 28 high schools within the Ingquza Hill and PSJ municipality.

The municipality launched a youth council that is fully supported and utilized by the municipality. Through the youth council, school-going youth are supported with NSFAS forms, application forms for registration at tertiary institutions, and sanitary towels. Out-of-school youth are trained on business issues and the establishment of cooperatives.

9.13.3 Disability

The municipality assists the sector with workshops, training, and sports for people with disabilities every year. There are disability centers and cooperatives that the municipality supports. The municipality also celebrates the national disability month.

The municipality has also developed, and the Council has adopted the Special Programs Unity policy, which includes people living with disabilities within the jurisdiction of the Ingquza Hill Local Municipality. The policy is aligned with all legislation that specifically addresses the sector. There is also a forum for people living with disabilities that meets quarterly and monitors the implementation and distribution of services to people living with disabilities.

9.13.4 VETERANS/ ELDERLY

The municipality supports the elderly people in their sporting activities. They are invited to the institution's social cohesion activities, such as the Mpondo Revolt and the State of the Municipality Address by the Mayor.

The municipality is considerate of the following pieces of legislations

- ▶ Children's Charter
- ▶ HIV and Aids Policy
- ▶ Constitution of the Republic of South Africa: Chapter 2, Bill of Rights.

9.14 MUNICIPAL AUDIT

The Audit Outcomes – 2024/25 FY

The IHLM received a Qualified audit opinion following the Auditor General's audit for the same period. This indicates stagnation, as the municipality also achieved the same audit outcome in the 2023/24 financial year.

It is worth noting, though, that despite stagnation, several positives have been achieved and valuable lessons learned, paving the way for an improved audit outcome. These include: -

- The completion of the planning and execution of the audit within the legislated period. This is after the audit report was issued, way after 30 November, in the two preceding financial periods.
- The considerable reduction of qualifying paragraphs to only 3, though admittedly, the issues raised are critical and require immediate attention from management.
- The improvement in the submission of requested supporting information to the auditors.

The municipality can only use these positives as a stepping stone toward improved audit outcomes. The detailed audit report and audit action plans are provided in the subsequent paragraphs.

9.14.1 Action plan 2024/2025 FY.

As already indicated in the preceding paragraphs, the municipality was audited by the Auditor General for the financial period 2024/25, and the AG expressed a qualified audit opinion. The whole detail of the report is tabled hereunder:

Number	Finding	Due Date Imp	Action Plan	Implementation Status
1	<p>Overall Planning: Understanding Audit committee: Municipality does not have a combined assurance plan</p> <p>During the audit of the audit committee work, we have inspected the audit committee minutes and internal audit minutes and noted that there is no evidence that the Municipality has a combined assurance plan which was prepared and reviewed by the audit committee. There is also no evidence which shows that the Audit Committee ensured that the combined assurance plan is implemented by the Municipality as required by the PSACF: Public Sector Audit Committee role in overseeing Internal Audit</p>	31-Mar-2025	Review and further development of the Combined Assurance Model and presentation to the Audit Committee by 31 March 2025.	<p>In Progress: The Combined Assurance is currently being developed and will be finalised by 31 May 2025.</p>

<p>2</p>	<p>Planning: No performance assessments conducted for the 2023/24 financial period</p> <p>During the audit it has been identified that the municipality did not assess the performance of its employees throughout the year (2023/24)</p>	<p>31-Jan-2025</p>	<p>Now that all Performance Agreements are signed, we are going to ensure that Performance Assessments are conducted on quarterly basis.</p>	<p>Not Yet Started</p>
<p>3</p>	<p>Planning: Consequences management BP: No investigation conducted for prior year fruitless and wasteful expenditure</p> <p>During the completion of the consequence management, we have confirmed that there were no investigations conducted by the MPAC and MBD on the prior year fruitless and wasteful expenditure amounting to R43 293 as disclosed in note 39 of the 2023/24 financial statements</p>	<p>31-Mar-2025</p>	<p>The investigation is on progress already. MPAC will be having a meeting on 18 February 2025 to consider the draft report and then get submitted for Council approval on the 21 February 2025 and for a resolution by Council to be available on the 31 March 2025.</p>	<p>Achieved: The MPAC investigated the Fruitless and Wasteful Expenditure and considered its report on 21 January 2025 and its report was adopted by Council on 31 January 2025.</p>

<p>4</p>	<p>Overall Planning: Internal Audit: Training and capacity of the internal audit unit</p> <p>During the understanding of the internal audit unit at the municipality we noted that the internal audit function is not adequately and appropriately resourced relative to the size of the Municipality and the nature of its operations and this is evidenced by the following reasons:</p> <ul style="list-style-type: none"> • The Chief Audit Executive was not permanently employed as recommended in terms of circular 65 of the MFMA. • The internal audit unit comprises of two members, there is no manager internal audit & risk and there is a vacancy rate of 33,3%. • The internal audit reports for 2023-24 have not been finalized and the internal audit was behind its annual plan. <p>Also, it was noted that in the year under review there was one training which was attended by one internal auditor and the acting internal audit manager did not attend the training. Further it was noted that the internal audit unit does not have</p>	<p>1. 03-Feb-2025</p> <p>2. 31-Mar-2025.</p> <p>3. Quarterly.</p>	<p>1. Appointment of the Manager: Internal Audit and Risk.</p> <p>2. Development of the training plan and submit it to the Human Resources Development Unit by 30 March 2025 since the function is centralized in that Unit for overall implementation of the institutional Workplace Skills Plan (WSP).</p> <p>3. Attendance of professional bodies trainings as and when they are available in order for the Internal Audit (IA) Team to gain CPD Points.</p>	<p>1. Achieved: Manager Internal Audit & Risk has been since appointed and assumed duties on 03 February 2025.</p> <p>2. In-progress:</p> <p>3. In-progress: The training interventions for the Internal Audit team members are currently being assessed by the Manager: Internal Audit & Risk.</p>
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	specific training interventions available or that are compulsory to all staff in the unit.			
5	<p>Overall Planning: Internal Audit: Internal Audit Methodology was not signed by the Audit Committee Chairperson</p> <p>During the completion of understanding the work of Internal Auditors, we have identified the following issue:</p> <ul style="list-style-type: none"> - We have noted that the Internal Audit Methodology was not signed by the Audit Committee Chairperson as evidence of review and approval of the methodology. 	31-May-2025	Alignment of the Internal Audit Methodology with the new Global Internal Audit Standards and approval by the Audit Committee by 31 May 2025.	In Progress: The Internal Audit Methodology is currently being reviewed.

<p>6</p>	<p>Overall Planning: Internal Audit: No External Quality Assurance Review done for the Internal Audit Function in the past 5 years.</p> <p>The internal audit function does not adhere to the standards set by the IIA, as they did not have an external Quality assurance review/assessment performed on the internal audit function as required by IIA standard 1312.</p> <p>Therefore, no evidence was obtained that the external quality assessment occurred within the past 5years for the IHLM's internal audit function.</p>	<p>1. 31 March 2025</p> <p>2. 31 May 2025</p> <p>3. 31 May 2025</p> <p>4. Quarterly Reporting</p> <p>5. 30 June 2026</p>	<p>1. Appointment of the Manager: Internal Audit and Risk Management by 31 March 2025.</p> <p>2. Alignment of the Internal Audit Charter and Methodology to the Global Internal Audit (IA) Standards in Public Sector by 31 May 2025 to ensure that the Audit Committee provides credible oversight of the function and ensures that the Unit has sufficient resources.</p> <p>3. Development of the Internal Audit Strategy by the 30 June 2025.</p> <p>4. Ongoing Performance of internal quality assurance during 2024/25 financial year.</p> <p>5. Performance of External Quality Assurance by 30 June 2026 to comply with the Global IA Standards as it is now a requirement.</p>	<p>1. Achieved: Manager Internal Audit & Risk has been since appointed and assumed duties on 03 February 2025.</p> <p>2. In-progress: The Internal Audit Charter and Methodology are currently being reviewed to align with the Global Internal Audit Standards.</p> <p>3. In-progress: The Internal Audit Strategy is currently in draft.</p>
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				<p>4. Achieved: Internal Quality Assessment performed on ongoing basis as part of Internal Audit Reviews.</p> <p>5. Not Yet Started: This will be performed during 2025/26 financial year.</p>
7	<p>Consequences management BP: Municipality does not have consequences management policy/procedure</p> <p>During the completion of the Consequence management business process, we have noted that the municipality did not have a consequence management policy/procedure that will assist the</p>	30-Jun-2025	Development of the consequence management policy/procedure by 30 June 2025.	In Progress

	municipality to comply with consequence management related laws and regulations.			
8	<p>Planning: BP Performance monitoring reporting - non-compliances identified: Inspected the council minutes for the meeting dated 31/01/2024 and confirmed that mid-term performance report was presented and approved by the council as required by section 72 of the MFMA.</p> <p>The accounting officer has assessed the mid-term performance but the presentation for approval by the council was after 25 January 2024 and there is no other evidence that the accounting officer assessed performance by the 25 January, therefore this is non-compliance with MFMA 72(1)(a)(ii).</p> <p>Furthermore the mid-year performance</p>	25-Jan-25	1. Management will ensure that mid-year performance assessment report is done and submitted to the Mayor and Provincial Treasury by 25 January 2025.	Achieved: The Midyear Performance Assessment Report was presented to the Mayor and submitted to both Provincial and National Treasury on 25 January 2025.

	assessment report has not been signed for approval by the accounting officer.			
9	<p>Overall Planning: Incomplete Contract Register</p> <p>During the audit of Ingquza Hill Local Municipality for the financial year ending 30 June 2024, we had requested a contract registers through issuing RFI 05 of 2024 and the following contracts were selected as key projects from the contract registers (Refer to detailed report):</p> <p>However, the contract registers do not have a start date and completion date in respect of the above contracts. We have further enquired with the management on 25 April 2024 regarding the dates of the above contracts, and therefore the dates were not provided.</p>	31-Mar-2025	Management will ensure that reviews on the entire contract register and especially on the active municipal contracts are conducted to confirm proper record keeping resulting to complete, relevant and accurate information. These reviews will include but not limited to, to ensure uniformity in terms of start date and completion date in respect of all municipal contracts. The collaborative approach to this with technical services will provide a sound and appropriately updated municipal contract register. These reviews are scheduled to have been carried out by end of March 2025.	In Progress: SCM is in the process of updating the Contracts Register and the Progress Reports and VO's have been since requested from end user Departments (Project Managers).

<p>10</p>	<p>Planning: SCM BP: Issues noted during the completion of the SCM Business Process</p> <p>During the completion of the SCM Business Process we have noted the following issues:</p> <p>1. The SCM Policy was not updated during the year in order to take into account the changes and updates with the relevant SCM related laws and regulations (for example the revised quotations thresholds that occurred on 14 December 2023)</p> <p>2. The Municipality SCM Officials did not attend any SCM related training during the 2023/24 financial period in order to ensure that they are up to date with any changes and updates with the relevant SCM related laws and regulations</p> <p>3. We have inspected the internal audit report on procurement cycle review dated 15 March 2024 and noted that the Internal Auditor have identified some issues on the procurement process meaning that the SCM process of the Municipality still has some weaknesses/ shortcomings which are similar to the ones that were raised by the auditors in</p>	<p>1. 31-May-2025</p> <p>2. 31-Mar-2025.</p> <p>3. 10-Jul-2025.</p> <p>4. 14-Feb-2025.</p>	<p>1. Management will ensure that timeous update of the municipal SCM policy as and when changes and updates are made, are given effect as per the relevant SCM laws and regulations. The effect to the changes relating to the SCM revised quotation threshold which took effect on the 14th of December 2023, is scheduled to have been carried out and approved by 31 May 2025.</p> <p>2. Management will ensure that all affected municipal officials (BTO and Management) attend a scheduled SCM related training to keep abreast of any developments and latest legislation relating to bid committees and the overall day to day functioning of the SCM unit in collaboration with HRD. The training is scheduled to be conducted by the end of March 2025.</p> <p>3. With the planned implementation of Munsoft software system, which will drastically replace the manual way of transacting/ procuring, to a fully automated / system generated process (R0-R30k</p>	<p>1. In-progress: The SCM Policy is currently being reviewed and will be submitted to the Policy Workshop in May 2025.</p> <p>2. In-progress: Training interventions for SCM Officials and members of the Bid Committees have been identified to be implemented during Q3 and Q4 of the current financial year.</p> <p>3. In-progress: Management is</p>
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	<p>previous years.</p> <p>4. The implementation of the procurement plan is not reported to the relevant treasury on a quarterly basis. The NT Instruction 2 of 2016/17 mentioned by management on the business process is not applicable to MFMA auditees.</p>		<p>procurement). Will ensure improved and strong SCM processes of the municipality and remedy the identified weaknesses on procurement cycle. Management currently has processes in place to achieve this and scheduled readiness by 30 June 2025. The system generated procurement is set to take place and be used by the municipality by 01 July 2025.</p> <p>4. Management will ensure that a proper and accurate procurement plan aligned to the approved municipal SDBIP is achieved by the 14th of February 2025.</p>	<p>currently busy with the System setup in preparation for automation of procurement.</p> <p>4. In-progress: SCM is currently busy with updating the Procurement Plan to be aligned with the SDBIP. The final Procurement Plan will be approved on 28 February 2025.</p>
<p>11</p>	<p>Planning: Reconciliations are not approved by the delegated official</p> <p>1. During the completion of the cash and cash equivalents business process we have noted that the IHLM bank reconciliations were approved by the manager of financial planning and</p>	<p>30-Apr-25</p>	<p>Management to review IHLM delegation framework policy to be in line with municipal day to day activities, operating procedures and system set up Reconciliations to be reviewed in line with the delegations framework</p>	<p>In Progress</p>

	<p>expenditure. This is in contravention with power number CFO65 of the IHLM MUNICIPAL DELEGATION OF AUTHORITY FRAMEWORK POLICY dated April 2023 that delegated this responsibility to the CFO.</p> <p>2. During the completion of the revenue, receivables and receipts business process we have noted that the IHLM revenue reconciliations were approved by the Revenue Accountant on a monthly basis. This is in contravention with power number CFO53 of the IHLM MUNICIPAL DELEGATION OF AUTHORITY FRAMEWORK POLICY dated April 2023 that delegated this responsibility to the CFO and also requires that this responsibility be performed on a weekly basis.</p>			
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<p>12</p>	<p>Planning: BP Payroll: Job Evaluation was not performed on new posts</p> <p>During the audit of Ingquza Hill Local Municipality for the financial year ended 30 June 2024, we have confirmed through the inspection of the 2023-24 "IHLM Final Staff Establishment 2023-24 FY" that the following new posts were created:</p> <ol style="list-style-type: none"> 1.) Administration Clerk 2.) Manager Internal Audit & Risk 3.) Clerk: Risk Management 4.) Personal Assistant 5.) EPWP Coordinator 6.) Accountant: AFS 7.) Assistant Accountant: Credit Control & Debt Collection 8.) VAT Clerk 9.) Senior Systems and Network Administrator 10.) Assistant: Truck Driver 11.) PMU Administrator 12.) Oceans Management Officer 	<p>31-Mar-2025</p>	<p>To ensure that the Organisational Structure is adopted by the Council and that Cogta MEC Comments are received and complied with. When the Organisational structure is approved by the Council our Jobs will be evaluated by the District Evaluating Committee and the Provincial Adjudicating Committee.</p>	<p>Not Yet Started</p>
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	<p>13.) Officer: Social Services</p> <p>On 04 September 2024 we have requested management to provide support of job evaluation for at one of the new posts created during the financial year and management had responded as follows:</p> <p>There are no positions that were evaluated in the last financial year (2023-24), reason being the grading of our position in the District committee was delayed by the late submission of our organogram to COGTA and COGTA took time to revert to us with comments.</p>			
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<p>13</p>	<p>Planning: BP Payroll: No proof of accreditation of the assessors</p> <p>During the audit of Ingquza Hill Local Municipality for the financial year ended 30 June 2024, we have identified the following:</p> <p>While we were performing the walkthrough on the business process for Payroll, compensation of employees & employee benefits, we have requested management to provide us with the proof that assessors of competencies are accredited by the LGSETA in terms of SAQA guidelines and NQF-registered Unit Standards and criteria and there was no proof provided by management. Therefore, we were unable to confirm whether or not the assessors of competencies are accredited.</p>	<p>31-Jan-2025</p>	<p>To ensure that the requested information by Auditor General is submitted on time.</p>	<p>Not Yet Started</p>
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<p>14</p>	<p>Planning: PB Payroll: Internal control deficiencies identified on the leave management process</p> <p>During the audit of Ingquza Hill Local Municipality for the financial year ended 30 June 2024, we have identified the following:</p> <p>1. Leave accrual reconciliation is provided however there is no evidence of approvals as described in the process</p> <p>2. We have selected the annual leave application for an employee with employee number 1358 and confirmed the following (Refer to detailed report):</p> <ul style="list-style-type: none"> • Based on the above the employee applied for a leave on the system after taking the leave. • The approval of the leave on the system was after a maximum period of 5 days as per process 	<p>31-Jan-2025</p>	<p>To ensure that leave is planned, requested and applied for on the system. The responsible Supervisor or Manager must approve leave on the system before an employee goes to leave.</p>	<p>Not Yet Started</p>
<p>15</p>	<p>Planning: BP Payroll: Performance agreements not signed on time</p> <p>During the audit of Ingquza Hill Local Municipality</p>	<p>31-Jan-2025</p>	<p>We will ensure that all Performance Agreements are signed on time and avoid errors which leads to unnecessary delays.</p>	<p>In Progress</p>

	<p>for the financial year ended 30 June 2024, we have identified the following:</p> <p>The following performance agreements were not signed on time (i.e. before 31 July 2023) (Refer to the detailed findings):</p>			
<p>16</p>	<p>Planning: AFS Preparation BP - The disclosures listings/schedule were not signed by the preparer, reviewer and approver</p> <p>The following schedules or listing submitted with the annual financial statements were not signed by the person who prepared, reviewed and approved them:</p> <ul style="list-style-type: none"> • Fruitless and wasteful expenditure • Irregular expenditure • Deviation register • Related parties • Commitments register • Cash flow statements workings • Additional disclosure in terms of MFMA listings 	<p>31-Aug-25</p>	<p>Management will ensure that Fruitless and Wasteful expenditure, Irregular expenditure, Deviation register, Commitment register, Related parties, Cash flow statements working, additional disclosure in terms of MFMA listings and all other relevant schedules and registers are dated and signed by the responsible preparer, reviewer and the approving authority. This process is scheduled to be carried out on a monthly reporting basis throughout the financial period.</p>	<p>In Progress:</p> <p>Quarter 1 and Quarter 2: Fruitless and wasteful expenditure, Irregular expenditure, Deviation register, Related parties and Commitments registers were signed.</p>

<p>17</p>	<p>Planning: KPA 3 Business Process: Internal control deficiencies identified in KPA 3 indicators:</p> <p>The following issues were identified during the completion of the KPA 3 business process:</p> <ol style="list-style-type: none"> 1. The following differences were identified between the quarterly reports and the POE submitted for audit: 2. For the indicator number: "3.1.2. Number of hectares fenced", we have noted that the quarter 2 progress report for 5 Agricultural projects do not have a date they were prepared and signature of the personnel prepared and reviewed it. 	<p>Quarterly</p>	<p>The department will ensure that the target is reported within the quarter where the achievement has taken place.</p>	<p>In Progress: The Quarterly Performance Reports are currently reviewed.</p>
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<p>18</p>	<p>Planning: KPA 3 Business Process: Performance indicators and/or targets are not consistent with the POE submitted</p> <p>During the completion of the KPA 3 business process, we have noted that the following indicators are not well defined in both the APR and the SDBIP as a result they may be misleading to the user</p>	<p>28-Feb-25</p>	<p>The finding of the two indicators will be addressed during the adjustment of the SDBIP in February 2025</p>	<p>In Progress: The SDBIP is currently being reviewed for adjustment and the final adjusted SDBIP will be presented to Council on 28 February 2025.</p>
<p>19</p>	<p>27. Planning: KPA 1 BP: Issues identified during the completion of the KPA 1 Business Process</p> <p>The following issues were identified during the understanding of process of KPA 1 indicators:</p> <p>1. The following differences were identified between the quarterly reports and the POE submitted for audit:</p> <p>2. The municipality have a project management policy that they use to manage the progress of the different projects they undertaking such as gravel</p>	<p>1. Quarterly. 2. Quarterly. 3. 31 December 2024.</p>	<p>1. Quarterly Performance Reports and Annual Performance Reports reviews will be intensified through implementation of Combined Assurance Framework/processes. 2. Finding number two - Management will use the Construction Legends as per the Project Management Policy when preparing monthly and quarterly reports. 3. Finding number three - Municipal will fill some of the vacant posts at Technical Services Department to avoid the non-segregation of powers.</p>	<p>1. Achieved: Quarter 2 Performance Report included construction legends and the report went through Combined Assurance Process (Management, PMS Unit and Internal Audit Function).</p>

	<p>roads, surfaced roads, building construction, sports fields and bridges. However, the municipality did not use the construction legends as per the project management policy when they were preparing the progress reports of the different projects for 2023/24 financial year.</p> <p>3. For the project below, there was no evidence of review of the progress reports to demonstrate segregation of duties by the municipality. The business process indicate that the technicians prepare the report which is then submitted to the Acting director: Technical services for further review and approval before it is submitted to the Performance Management Unit for consolidation:</p>			<p>2. Achieved: Quarter 2 Performance Report included construction legends and the report went through Combined Assurance Process (Management, PMS Unit and Internal Audit). 3. Achieved: Civil Technician: Capital Programmes and Roads and Maintenance Technician have been since appointed in November 2024</p>
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				and December 2024 respectively.
20	<p>COAF 11 - 28. Execution: Employee Related Costs: Employees are paid higher than their task grades.</p> <p>During the audit of basic salaries, we have noted that the municipality has incorrectly paid the following employees. The following employees have been paid an amount that is higher than their normal notch for their task grades (Refer to detailed findings):</p>	31-Jan-2025	We are going to ensure that employees are paid a notch in accordance with their task grades.	Not Yet Started
21	<p>COAF 11 - 29. Execution: Employee related cost: Incorrect calculation of overtime payments.</p> <p>During the audit of overtime payments, we have noted that the municipality has incorrectly calculated the overtime payments for the following employees:</p>	31-Jan-2025	To ensure that employees who are earning more than the threshold are paid overtime according to the Council Resolution, which states that Overtime Payment must be limited to the threshold of R241 110.59 per annum	In Progress

<p>22</p>	<p>COAF 14 - Execution: PPE: Assets not assessed for impairment</p> <p>During the physical verification of assets, we identified that the following assets were not fully functional as they were not in a good condition. We have also noted that the Municipality did not have an impairment loss presented and disclosed on its AFS, meaning that these assets were not assessed for impairment during the 2023/24 financial period. Also, the municipality did not estimate the recoverable service amount of the assets.</p> <p>Therefore, we are unable to determine the accuracy of the amounts disclosed on the financial statement for the assets below as there are clear conditions of impairment for these assets (Refer to the detailed findings for table):</p> <p>Below are the pictures showing the conditions of the assets listed above.</p>	<p>30-Jun-2025</p>	<p>Management will conduct physical asset verification for all Municipal Assets and conditional assessment as required by GRAP 21 principles at year end. All assets showing indicators of impairment will be subjected to the Impairment testing and be accounted for to the FAR and AFS. A proper documentation detailing the process followed will be kept as support.</p>	<p>In Progress</p>
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	<p>1. HP Laptop:</p> <p>2. Bell Bomag- roller:</p> <p>3. Roller Smooth:</p> <p>We have also noted that the following community asset was not in a good condition as shown on the picture and should also have been impaired:</p>			
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<p>23</p>	<p>COAF 16 - PPE: Assets incorrectly valued at 30 June 2023</p> <p>1. During the audit of opening balances for infrastructure assets we selected a sample of assets and performed a recalculation of asset carrying values at 30 June 2023 using the information in the fixed assets register submitted for audit as well as the guidelines as stated in the asset management policy of the municipality together with the accounting policy disclosed on the 2023/24 financial statements. Based on the audit work performed we identified that the assets listed on the annexure were not correctly valued at 30 June 2023.</p> <p>Please refer to Annexure A for calculations (Refer to detailed findings for more information).</p> <p>2. During the audit of opening balances for movable assets we selected a sample of assets and performed a recalculation of asset carrying values</p>	<p>31-May-2025</p>	<p>The Management will conduct a detailed reviews of calculations for values of assets in the fixed assets register to ensure that all assets are valued properly in terms of the applicable GRAP 17 principles. Also, Management will apply the GRAP 17 principles which requires an entity to assess the useful lives, residual values and depreciation methods of assets at every reporting date. Management will also recalculate the depreciation to ensure its accuracy before the submission to Auditor</p>	<p>In Progress</p>
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	<p>at 30 June 2023 using the information in the fixed assets register submitted for audit as well as the guidelines as stated in the asset management policy of the municipality together with the accounting policy disclosed on the 2023/24 financial statements. Based on the audit work performed we identified that the assets listed on the annexure were not correctly valued at 30 June 2023.</p> <p>Please refer to Annexure A for calculations (Refer to detailed findings for more information).</p>			
24	<p>COAF 19 - 37. AOPO: Differences between listing and APR</p> <p>The following differences were identified between the APR Listing and the APR submitted for audit (Refer to detailed findings for tables):</p>	Quarterly	The APR Listing will be done on a quarterly basis to ensure that there are no inconsistencies.	In Progress: The APR Listing has been since developed effective Q1 of 2024/25 financial year.

<p>25</p>	<p>COAF 19 - 39. AOPO Usefulness: Indicator not consistent</p> <p>The following performance indicator reported in the APR is not consistent with the SDBIP (Refer to detailed findings for the table).</p>	<p>28-Feb-25</p>	<p>The management department will ensure that the Service Delivery and Budget Implementation Plan is properly reviewed to ensure that the finding does not crop up again. This will be addressed during the adjustment of the SDBIP in February 2025</p>	<p>In Progress: The SDBIP is currently being reviewed for adjustment and the final adjusted SDBIP will be presented to Council on 28 February 2025.</p>
<p>26</p>	<p>COAF 19 - 39. AOPO Usefulness: Indicator not measurable</p> <p>The following indicators have two targets; however, one target was reported in the SDBIP and the APR (Refer to detailed findings for the table):</p>	<p>28-Feb-25</p>	<p>The department will adjust the Service Delivery and Budget Implementation Plan for 2024/2025 FY to separate the bridge and access road. The process will be done during the month of February 2025, which will be the adjustment period. The department will then submit one POE which will include the two targets. This will be addressed during the adjustment of the SDBIP in February 2025</p>	<p>In Progress: The SDBIP is currently being reviewed for adjustment and the final adjusted SDBIP will be presented to Council on 28 February 2025.</p>
<p>27</p>	<p>COAF 20 - Execution: PPE WIP: Difference noted between the WIP register and the payment information</p>	<p>31-Aug-25</p>	<p>Management will ensure that the WIP register is thoroughly reviewed against the supporting documents and all figures should be casted and</p>	<p>In Progress</p>

	During the audit of opening balances for work in progress (WIP) we casted and recalculated the opening balance using payment history claim forms and differences between the value of the opening balance as per WIP register and as per payment history forms was identified as listed in the table below:		cross casted correctly prior to finalization of the AFS and Keep all scanned supporting documents.	
28	COAF 22 - 40. Restatement for expenditure Inconsistencies has been identified between the note 35 statement and the narrations in relation to the restatements made to the contracted services. Refer to the table below for the details (Refer to detailed findings for the table):	31-Aug-25	Management will ensure that proper review is performed before the AFS document is finalized, all prior year adjustments to be properly supported by the documentation.	In Progress

<p>29</p>	<p>COAF 25 Execution: PPE: Impairment loss</p> <p>During the physical verification of PPE, we identified assets which were not fully functional as they were not in a good condition and also noted that the Municipality did not have an impairment loss presented and disclosed on its AFS, meaning that these assets were not assessed for impairment during the 2023/24. This was communicated to management on COAF 14, and management disagreed with the audit finding, however management agreed and proposed an adjustment and submitted impairment loss calculations and methodology used to perform the calculations.</p> <p>Upon receipt of the impairment methodology and impairment loss calculations we assessed the management methodology and reperformed the calculations. Furthermore, we scrutinized the municipalities fixed assets register (FAR) for condition description as documented in the FAR</p>	<p>30-Apr-2025</p>	<p>Management will conduct a full Asset verification and conditional assessment at year end as required by GRAP 21 Principles, All Assets showing indicators of impairment will be subjected to the impairment testing and be reported in the AFS.</p>	<p>In Progress</p>
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	<p>and identified the following issues:</p> <p>1. The asset conditional description as per the FAR of the municipality has three condition grading which is Good, Fair and Poor. Therefore, there was no condition of very poor in the current year condition descriptions, while the impairment calculation submitted by management shows assets that were in a very poor condition. This therefore results in auditors being unable to audit the impairment amount of R-9 954 341,347 relating to very poor assets.</p> <p>2. There are assets in the FAR which do not have condition description totalling to 2182, with a carrying amount of R333 744 347,83 as at 30 June 2024. Therefore, we were unable to confirm the condition of these assets which then results in auditors being unable to confirm whether or not a conditional assessment was done for all assets as it was stated by management on our various discussions held between AGSA and the Municipal Manager, CFO, Acting CAE and the Finance Unit Managers.</p>			
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	<p>3. We recalculate the impairment loss for assets in the FAR with condition description as poor by applying indicative condition grading as per table 2-1 of the methodology submitted by management to the auditors and we arrived at a recalculated impairment loss of -R3 454 326,71. We then filtered from the impairment calculation submitted by management for the poor assets and noted that the poor assets had an impairment loss of R-8 586 544,015 and this resulted in a difference of R-5 132 217,305. It was also noted with concern that, the calculation submitted only shows 15 assets which were assets as poor, while the FAR submitted for audit has 1434 assets which were assessed as poor; meaning that 1419 assets were not assessed for impairment.</p> <p>4. We also noted from the FAR that in the prior year, there were assets which were assessed as Poor (P) but were not assessed for impairment. We have also noted that, in the prior year, there were assets which were assessed as “V”, which could mean very poor and were not assessed for</p>			
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	<p>impairment. Therefore, management also did not assess impairment in the prior year as the impairment loss in the prior year was R0 and this then results in inconsistent application of the impairment methodology that was applied by management in assessing the impairment.</p> <p>5. We have confirmed that the impairment methodology that was submitted to the auditors was not reviewed by the Municipal Manager and approved by the Council. Please refer below for the documents used to reach the above conclusion. It should be noted that all these attachments are coming from the FAR that was submitted together with the AFS:</p> <ul style="list-style-type: none"> ➤ Poor condition description as per FAR - Annexure A ➤ Assets with no condition description in FAR - Annexure B ➤ Assets with poor conditions but not assessed - Annexure C 			
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	<p>➤ Prior year Poor & Very Poor assets not assessed – Annexure D</p>			
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<p>30</p>	<p>COAF 28 - 45. Execution: PPE: Transfers (Completed assets)</p> <p>1. During the audit of transfers (completed assets) it was noted that the cost as per the Work in Progress Register does not agree with cost as per the Fixed Assets Register for completed assets listed below (Refer to detailed findings for tables):</p> <p>2. It was further noted that the cost of the assets transferred as per the payment certificate at completion date does not agree with cost as per the Work in Progress Register. Refer to the table below for the details (Refer to detailed findings for tables):</p>	<p>31-Mar-2025</p>	<p>Management will implement controls to ensure that the completed assets in the WIP register are correctly transferred to the fixed asset register and recorded at the correct values. Management Will also ensure that the expenditure recorded in the WIP register agrees to the expenditure as per the supporting documents including payment certificates</p>	<p>In Progress</p>
<p>31</p>	<p>Non-submission of information of RFI 95 (Contract management)</p> <p>The contract management documents for the projects below were requested in RFI 95, and it was due on the 12 November 2024, but it was not submitted for audit purposes.</p>	<p>31-Mar-25</p>	<p>Management will ensure that relevant and applicable documentation is provided timeously to AGSA and have done and taken all the necessary steps to ensure effective document management for ease of access and availability. This process is scheduled to be ongoing throughout the financial period.</p>	<p>In Progress: SCM is in the process of updating the Contracts Register and the Progress Reports and VO's have been since requested from</p>

	<ul style="list-style-type: none"> • Construction of Ngobozane bridge • Construction Mbotyi to Nyambalala. 			end user Departments (Project Managers).
32	<p>COAF 31 49. Non-submission of information of RFI 75 (Transfers and subsidies)</p> <p>The transfers and subsidies supporting documents were requested in RFI 75 (Transfers and subsidies), and it was due on the 15 October 2024, but some of the information requested was not submitted for audit purposes. Refer to annexure A for the list of transactions that we could not audit.</p>	31-Jan-2025	Management will get all payment vouchers which supports the expenditure incurred on transfers and subsidies and resubmit to AG during the Planning. Secondly, Management will ensure that when AG issues an RFI, it will be attended to urgently and with all the necessary information required.	In Progress
33	<p>COAF 32 - 50. Execution: PPE: Restatements</p> <p>During the audit of prior year adjustments relating to Property Plant and Equipment as disclosed in note 35 of the Annual Financial Statements various issues were identified. Refer to below (Refer to detailed findings for tables):</p> <p>1. There were differences between journal and</p>	29-Mar-2025	Management will ensure that journals processed are supported by reliable information and will also ensure that the Annual Financial Statements are adequately reviewed for errors and inconsistencies between the notes and the narrations.	In Progress

	<p>supporting documents.</p> <p>2. Same supporting documentation (payment vouchers) were submitted for journals number 3633 and 3630.</p> <p>3. There were differences identified between note 35 and journals passed.</p>			
34	<p>COAF 34 - 52. No Approval of Journals by CFO</p> <p>During the audit of financial statements of the Ingquza Hill Local Municipality for the financial year ended 30 June 2024, we have identified the following:</p> <p>> Some journals were approved by the managers and not the Chief Financial Officer and this is not in compliance with the approved Delegation of Authority of Ingquza Hill Local Municipality</p> <p>> Some of the journals & correcting journals were the reviewed by the Expenditure, Assets and Fleet Manager and then approved by the Financial Planning and Reporting Manager and vice versa and both of these officials are at the same level of authority in terms of the Municipal Organogram.</p>	<p>1. 2025/02/28</p> <p>2.</p> <p>3.</p>	<p>1. Review the Delegations of Authority to ensure alignment with the applicable legislation.</p> <p>2. Develop delegations of authority in writing to BTO Management as applicable.</p> <p>3. Review documents already processed for the first six months of the financial year to ensure compliance with legislation and Delegations Framework.</p>	Not Yet Started

	<p>Therefore, the journals processed by them were not approved by a more Senior Personnel (e.g. CFO) in order to ensure the proper segregation of duties within the Municipality.</p> <p>> There is also no sub-delegation of authority signed by the CFO which sub-delegates some of the responsibilities to the managers</p> <p>The above has resulted in some journals being incorrectly processed and recorded and then resulted in a need for a reversal of the journal by processing another journal.</p>			
35	<p>COAF 34 - 53. Execution: Expenditure: Cut-off issue -Travel (Local)</p> <p>It has been identified that a payment voucher amount of R309 903,44 includes invoices that do not relates to the 2023/24 financial year, some of the invoices dating as far back as 2021.Refer below for the details of the transactions (Refer to detailed findings for the table):</p>	28-Mar-2025	Management will ensure that the expenditure transactions that are recorded to the period which goods services received by the Municipality relate to.	In Progress

<p>36</p>	<p>COAF 35 - 1. Execution: PPE: WIP addition are incorrectly valued in the WIP register.</p> <p>During the audit of WIP additions we identified that the municipality either did not calculate the retention amount or inaccurately calculated and, in some cases, captured the invoice amount incorrectly resulting to misstatements on the expenditure amount recorded in the WIP register. The details are shown in the table below (Refer to the detailed findings for the table):</p>	<p>29-Mar-2025</p>	<p>Management will ensure that expenditure incurred for WIP is accurately accounted or capitalized and that retention amount are also recorded accurately to WIP registers.</p>	<p>In Progress</p>
<p>37</p>	<p>COAF 35 - 2. Execution: PPE: Discrepancies identified with WIP additions payment vouchers.</p> <p>During the audit of WIP additions we identified discrepancies with payment vouchers submitted for audit for the items listed below (refer to detailed findings for the table):</p>	<p>28-Feb-2025</p>	<p>Management will ensure that all internal controls are in place are implemented and that all documentation are signed for proof of approval and authorization.</p>	<p>In Progress</p>

<p>38</p>	<p>COAF 36 - 1. Execution: PPE: Issued identified on the Fixed Assets Register</p> <p>During the audit of property plant and equipment fixed asset register there were issue identified as follows:</p> <p>1. Lack of Unique Identifiers for Assets: it was observed that the assets listed in Annexure A lack unique identifiers, making it difficult to distinguish them within their respective categories.</p> <p>2. Depreciation Not Accounted for in Fixed Asset Register: It was noted that no depreciation has been recorded for the assets listed in Annexure B, which is a potential non-compliance with accounting standards for asset management.</p> <p>3. Failure to Reassess Useful Life of Fully Depreciated Assets: The municipality has not conducted a</p>	<p>28-Feb-2025</p>	<p>1. Management will ensure that all existing and newly acquired assets are recorded in the Fixed Asset Register with unique codes such as Bar-Codes and Asset Numbers, as well as relevant asset details (e.g., category, location, and condition). 2. Conduct a full reconciliation of physical assets with the register to ensure accuracy. 3. Management should implement stronger internal controls over the recording of depreciation, including reviewing depreciation calculations and journal entries before they are posted to the financial records. This could involve additional signoffs or approval workflows to prevent errors.</p>	<p>In Progress</p>
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	<p>reassessment of the useful life of fully depreciated assets listed in Annexure C. This oversight could lead to misrepresentation of the assets' Carrying amount as well depreciation figure for the current year value and potential errors in financial reporting.</p> <p>4. Negative Depreciation Recorded: For the assets listed in Annexure D, it was noted that a negative depreciation amount has been recorded. This may indicate an error in the calculation or recording of depreciation, which requires further investigation to ensure accuracy and compliance with accounting policies.</p>			
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<p>39</p>	<p>COAF 37 Execution: PPE – Depreciation not calculated correctly</p> <p>During the audit of depreciation expense, we recalculated the depreciation expense and identified the differences as per the below table (Refer to the detailed findings for tables):</p> <p>Please refer to attached Annexure A for auditors recalculations</p>	<p>31-May-2025</p>	<p>The Management will conduct a detailed reviews of calculations for values of assets in the fixed assets register to ensure that all assets are valued properly in terms of the applicable GRAP 17 principles. Also, Management will apply the GRAP 17 principles which requires an entity to assess the useful lives, residual values and depreciation methods of assets at every reporting date. Management will also recalculate the depreciation to ensure its accuracy before the submission to Auditor</p>	<p>In Progress</p>
<p>40</p>	<p>COAF 38 - 54 Execution: Expenditure: Cut-off Compliance issues -Travel (Local)</p> <p>It has been identified that a payment voucher with an amount of R309 903,44 includes invoices that do not relates to the 2023/24 financial year and some of the invoices dating as far back as 2021. Refer below for the details of the transactions (Refer to the detailed findings for the table):</p> <p>We have also noted that the invoices on the above payments voucher did not have the invoice</p>	<p>28-Feb-2025</p>	<ol style="list-style-type: none"> 1. Management will ensure that the expenditure transactions are recorded by the date to which the services or goods are received and in the correct period which it relates to. 2. Management will also ensure that when invoices are received, they are stamped or dated signed on the date the invoice was received, and they are raised to the correct period that they relate to. 	<p>In Progress</p>

	received date/stamp and therefore, we were unable to confirm whether or not these invoices were paid within 30 days from the date they were received by the Municipality.			
41	<p>COAF 39 56. KPA 3: Usefulness - Some indicators are not well defined or not verifiable</p> <p>1. The following indicators are not assessed to be well defined, resulting in measurability issues for KPA 3 (Refer to the detailed findings for tables):</p> <p>2. The following indicator was not assessed to be verifiable, resulting in measurability issues for KPA 3 (Refer to the detailed findings for tables).</p>	28-Feb-2025	The management will adjust the SDBIP for 2024/2025 FY to ensure that indicators are well-defined. The process of adjustment will take place after the month February 2025 and be approved by the council. The department will then submit one POE which will include the two targets. This will be addressed during the adjustment of the SDBIP in February 2025	In Progress: The SDBIP is currently being reviewed for adjustment and the final adjusted SDBIP will be presented to Council on 28 February 2025.

<p>42</p>	<p>COAF 39 - 58. KPA 1 3: Performance information is not understandable and comparable</p> <p>1. During the testing of the overall presentation of KPA 1 & KPA 3 on the APR, the following issues were noted (refer to the detailed findings for the table):</p> <p>. We have also noted that the remedial actions of the following indicators do not provide the remedial actions that the Municipality has taken in order to avoid the non-achievement from occurring again. Management mostly stated a comment of when the non-achievement will be achieved, and not necessarily a remedial action which should detail what should be done to avoid the non-achievement, when this will be done and how will this be done:</p> <ul style="list-style-type: none"> > 3.1.2. Number of hectares fenced > 3.1.6. Number of Irrigation systems provided > 3.3.3. 100% completion of access track > 3.4.3. Number of local SMMEs supported with 	<p>1. 28-Feb-2025.</p> <p>2. Quarterly.</p>	<p>1. The management will adjust the SDBIP for 2024/2025 FY to ensure that indicators are well-defined. The process of adjustment will take place after the month February 2025 and be approved by the council. The department will then submit one POE which will include the two targets. This will be addressed during the adjustment of the SDBIP in February 2025.</p> <p>2. The management will craft the reasons for variances and remedial actions that are clear and be reviewed by the PMS and Internal Audit and respond to the PMS and Internal Audit comments and the monitoring will be done on a quarterly basis.</p>	<p>1. In Progress: The SDBIP is currently being reviewed for adjustment and the final adjusted SDBIP will be presented to Council on 28 February 2025.</p> <p>2. In-progress: Reasons for Deviations and Remedial Action Plans are thoroughly reviewed during Quarterly Performance Reports.</p>
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	<p>grant funding</p> <p>> 1.1.5.2. % completion of Maintenance of Joe Slovo sports field in ward 15 by 30 June 2024</p> <p>> 1.1.8.1. % completion of construction of Lusikisiki Town Hall (Phase 2) with floor size 2500m2 in Ward 19 at Lusikisiki Town by 30 June 2024</p> <p>> 1.1.9.1. % Completion of 133 h/h installation of electricity infrastructure in Ward 18 at Fama, Vabetshe and Ntongwana by 30 June 2024</p>			
43	<p>COAF 40 - 60. Execution: Payables Classification issue for accruals vs payables</p> <p>It has been identified that the municipality has accounted for some of the transactions as accruals whereas they do not meet the definition of an accrual, (Both the goods/services were received before/after year-end). Refer to annexure A for the details.</p>	30-Jun-2025	Management will ensure that accruals are properly raised when the services have been received however Invoices are not submitted by the year end.	In Progress

<p>44</p>	<p>COAF 41. Execution: Investment property: Asset is not in the name of the municipality</p> <p>During the audit of investment property, we performed a deeds search and noted that the below property is privately owned and not in the name of the municipality, however it was included in the investment property register of the municipality with a book value of R146 400,00. (Refer to detailed findings for the table)</p>	<p>28-Feb-2025</p>	<p>Management will ensure Proper reviews for the Investment Property and ensure that only Properties that belongs to the Municipality which are recorded to the Investment Property. A reconciliation will be done between the Investment Property register, Deeds dump Information and Municipal valuation roll.</p>	<p>In Progress</p>
<p>45</p>	<p>COAF 42 - 61. Execution: Cash flow statements difference</p> <p>It has been identified that the cash flow statement has been incorrectly calculated, due to the following factors;</p> <ul style="list-style-type: none"> >Sale of goods and services -From exchange transaction -The movement for the bad debt provision has been added whereas the net amount for the receivable has been used to calculate the sale of goods and services. >Sale of goods and services -From non-exchange 	<p>30-Apr-2025</p>	<p>Management to reproduce cash flow statement up on completion of other prior year correction and correctly account for retention movement as per AGSA recommendations . Management to discuss with AGSA up on submission of the nine months financial statement and agree on the cash flow statement expected format .</p>	<p>In Progress</p>

	<p>transaction -The movement for the bad debt provision has been added whereas the net amount for the receivable has been used to calculate the sale of goods and services and the closing balance of vat receivables is incorrectly recorded. >Payments to the Suppliers (for trading goods/services) -Included the finance costs and the provisions whereas they are non-cash.</p>			
<p>46</p>	<p>COAF 43 - 62 Execution: SCM: Municipality is trading with suppliers with persons employed by the state and suppliers with interest in the Municipality.</p> <p>1. The following suppliers had a person employed by the state and the supplier did not declare this fact on the MBD 4 form (Refer to the detailed findings for the table):</p> <p>2. The following municipal official had interest in the following suppliers and the official and/or the supplier did not declare the interest and this interest was also not disclosed on the AFS as a</p>	<p>1. 2025/01/31. 2. April 2025.</p>	<p>1. Management will ensure that through the compulsory submission of MBD 4 declaration, verification on treasury CSD and on public servant verification system (DPSA) are put in place and applied across all procurement processes of the municipality. This procedure is set to be ongoing throughout the financial period. Furthermore, internal municipal awareness campaigns through circulars and staff meetings as well as on council and executive gatherings will be conducted to alert all municipal officials/ employees.</p> <p>2. Reviews of all of declarations of municipal employees in terms of completeness will be conducted to ensure that everyone has made a</p>	<p>1. In Progress: The SCM Unit is in the process of registering for a CSD Account.</p> <p>2. Not Yet Due</p>

	related party transactions (Refer to the detailed findings for the table):		declaration. This process is scheduled to be achieved by end of April 2025.	
47	<p>COAF 45 - 64. SCM-Contract management</p> <p>The following issues were identified when testing the supply chain contract management (Refer to the detailed findings for the tables)>></p> <p>No Council meeting approving the Variation Order for the following Projects</p> <p>No Progress reports for the following projects.</p> <p>The contract amount is above the tender price/estimated budget for the project in the following suppliers.</p> <p>No Contract attached for the following projects.</p> <p>The following projects have Variation Orders that are above 20%.</p> <p>There is no document submitted to support the exceptional case.</p>	<p>1. 28-Feb-2025.</p> <p>2. Quarterly.</p> <p>3. 31-Mar-2025</p> <p>4. 28 Feb 2025</p>	<p>1. Instructions to implement VO's above 20% approved by the Council will be authorised by the MM.</p> <p>2. Projects Progress Reports are compiled and will be provide for audit purposes.</p> <p>3 & 4. SCM is in the process of updating the Contracts Register and the Progress Reports and VO's have been since requested from end user Departments (Project Managers).</p> <p>5. Motivation for exceptional cases will be augmented to included photos and detailed report where necessary.</p>	<p>1. In-progress</p> <p>2. Achieved: Projects Progress Reports are available.</p> <p>3. In Progress: SCM is in the process of updating the Contracts Register and the Progress Reports and VO's have been since requested from end user Departments</p>

	Variation orders are not approved by the Accounting Officer.			(Project Managers). 4. Not Yet Due
48	<p>COAF 45 - 65. Unspent conditional grant - Cash in the bank does not cover the unspent conditional grant</p> <p>It has been identified that the cash in the bank does not agree with the balance of the unspent conditional grants and receipts. For more information, refer to the table below (Refer to the detailed findings for the table):</p>	30-Jun-2025	Management to ensure that all grants are recorded and balanced before the end of the year that all unspent grants balance in the system are aligned with the bank statement.	Not Yet Due
49	<p>COAF 45 - 66. Execution: SCM: Quotations non-compliance identified</p> <p>1. During the audit of quotations, the following issues were noted: 2. We have also noted that the Municipality does not keep a list/register of quotations below R30 000, and this makes it difficult for the auditors to select and test awards below R30 000.</p>	<p>1. 31-Jan-2025.</p> <p>2.</p> <p>3.</p>	<p>1. Management will ensure that through the planned implementation of transacting through Munsoft financial system, procurement report for goods and services below R 30 000.00 vat inclusive will be available to provide complete, relevant and accurate information accessible to support financial and performance and the overall performance of the municipality.</p> <p>2. Management will ensure that during the</p>	<p>1. Achieved: The List of Procurement Transactions below R30 000 for Q1 and Q2 is available.</p> <p>2. Achieved: The bidders are currently</p>

			<p>evaluation, award and contract administration processes, appropriate and effective controls are put in place to provide evidence of any changes that could result from a recommended bidder declining the offer. This include but not limited to, evidence such as written communication from bidders indicating acceptance or decline of the bid offer. Further, consideration be given to the 3 highest scoring bidders in relation to relevant applicable SCM laws and regulations. This will be on-going</p> <p>3. A process of investigation of the irregular expenditure by the MPAC will be done to ultimately determine whether the amount is recoverable.</p>	<p>requested to express rejections of work in writing.</p> <p>3. In-progress: MPAC is currently investigating the irregular expenditure.</p>
50	<p>COAF 46 - 71. Execution: Cash flow statements difference</p> <p>It has been identified that the cash flow statement has been incorrectly calculated, due to the following factors;</p> <p>Ø Cash flows from investing activities – The purchase of property, plant and equipment</p>	31-Jan-2025	<p>Management will revisit and reperform cash flow statement after all PPE prior year findings has been done and allocate retention movement as per AG recommendation and management response</p>	In Progress

	includes retention liability amounting to R10 674 689 (2023: R12 005 446)			
51	<p>COAF 47 - 72. Compliance: Utilisation of conditional grants: MIG grant performance not evaluated within two months.</p> <p>During compliance testing of conditional grants, it was noted that the municipality did not evaluate within two months its financial and non-financial performance in respect of MIG grant, as the evaluation report submitted was dated 02 September 2024 which is more than two months after the end of the financial year.</p>	31-Aug-25	The department will ensure that the report is prepared and submitted within the first two months after the year end. Any changes or comments from the funder will be incorporated to the report within the month of August.	Not Yet Due
52	<p>Unauthorized debit orders</p> <p>It has been identified that there are no documents to support the debit orders stated below, as a result we could not confirm as to whether they are authorised debit orders. (Refer to the detailed findings for the tables)</p>	31-Mar-2025	Management will ensure that all debit orders are supported by the proper documentation, i.e. SLA, Debit order forms to the Bank and other relevant information.	In Progress

<p>53</p>	<p>COAF 48 - 74. Retentions -accuracy issues</p> <p>It has been identified that the retention amount for the following projects has been incorrectly calculated. Refer to annexure A for the details.</p>	<p>31-Mar-2025</p>	<p>1. The department will use one payment certificate template in all projects to avoid inconsistencies on the calculation of the retention amount.</p> <p>2. For Disaster projects that started in 2024/2025 financial year, retention amount will not be deducted</p>	<p>1. Achieved: One Payment Certificate template is being used effective January 2025.</p> <p>2. Achieved: Payments Certificates for Disaster funded projects the retention amount i.e. retention is no longer deducted.</p>
<p>54</p>	<p>COAF 01 of 2024 – ISA1.1 Inadequate design and implementation of IT Governance</p> <p>The current ICT Manager does not possess relevant qualifications, background, or experience in Information and Communications Technology (ICT) or a related field. This may limit the manager's ability to provide adequate oversight,</p>	<p>1. 30 April 2025</p> <p>2. 28 February 2025 & Quarterly Reporting.</p>	<p>1. Invest in training: Provide the current ICT Manager with comprehensive training and development in ICT management and operations to enhance knowledge and skills.</p> <p>2. To source support of an experienced ICT Consultant from the current service provider (Techseeds).</p>	<p>1. In-progress: Two have been already been identified for ICT Manager.</p> <p>2. In-progress: The ICT Consultant is currently assisting</p>

	decision-making, and strategic direction in IT functions, potentially affecting the organization’s ability to meet its ICT objectives effectively.			with the review of the ICT Policies (ICT Policy Workshop is scheduled for 20 and 21 February 2025)
55	<p>COAF 01 of 2024 – ISA - 2.1 Inadequate ICT Governance framework</p> <p>a) There was no evidence of approval of the ICT Governance Charter.</p> <p>b) The approved ICT Policy framework was inadequately documented as it did not address, or insufficiently addressed the following activities and processes:</p> <ul style="list-style-type: none"> • IT reporting and accountability structures • IT Controls and risk mitigation • Information technology strategy as part of the strategic business planning process • IT benefits realisation processes • IT value and performance measurement processes 	<ol style="list-style-type: none"> 1. 31-Mar-2025. 2. 31 Mar-2025 3. 31 Mar-2025. 4. Quarterly. 5. Quarterly 	<ol style="list-style-type: none"> 1. The ICT policy framework is in place however it will reviewed the gaps will be rectified. 2. ICT strategy will be reviewed and fill in the gaps 3. ICT strategy will be reviewed and be aligned to the SDBIP 4. All minutes will be signed after the meeting. 5. Risk management meeting attendance registers and minutes to be signed and recorded 	<p>1-3. In-progress: The ICT Consultant is currently assisting with the review of the ICT Policies (ICT Policy Workshop is scheduled for 20 and 21 February 2025).</p> <p>4. Not Yet Started.</p> <p>5. Not Yet Started.</p>

	<p>Without a comprehensive information technology (IT) Governance Framework, the Corporation might fail to:</p> <ul style="list-style-type: none"> • Understand and manage all significant IT risk types; • Ensure that IT value is realised; and • Ensure that IT enables/improves service delivery. <p>2.2 Inadequate ICT Strategy Plan</p> <p>a) The approved ICT strategy plan was inadequately developed, it did not include the following:</p> <ul style="list-style-type: none"> • The organisation’s goals and objectives pertaining to IT • IT risks to be mitigated • The general approach towards technology, i.e. should the organisation stay at the forefront of technology, or would a more conservative approach be appropriate • The structure of the IT environment • Services the IT department has to deliver 			
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	<ul style="list-style-type: none"> • Facilities used by IT • Planning guidelines and constraints (e.g. expected growth and finances) • Resource requirements • IT Projects identified that needs to be undertaken to drive the implementation of the IT Strategic Goals <p>b) The objectives on the SDBIP cannot be linked to the approved ICT Strategy Plan Policy, as the ICT Strategic plan Policy is not detailed to outline the projects that would be implemented to ensure alignment with the Organisational strategy, and that the organisational goals are achieved.</p> <p>Lack of alignment with the Organisational strategy may result in wasted investments. Resources may be allocated to IT projects that do not align with the organisation’s Municipality’s strategic goal. IT Investments may not deliver the expected Return on Investment due to the lack of strategic alignment.</p>			
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	<p>2.3 Inadequate ICT Steering Committee Minutes</p> <p>a) Minutes of the meeting were not signed to validate that the minutes are official and the content of the minutes is valid and agreed upon by the committee members.</p> <p>Without signed minutes, committee members may later dispute the accuracy of the records or the decisions made, and the decisions recorded may not be considered binding.</p> <p>2.4 Inadequate assessment of ICT risks</p> <p>a) There was no official record of an ICT risk assessment session between ICT Department and the Risk Department.</p> <p>b) The minutes of the strategic risk assessment session held on 31 March 2024 were not signed</p> <p>c) The ICT risks identified and outlined in the Departmental risk register were not included in</p>			
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	<p>the Organizational risk register.</p> <p>Without a formal risk assessment, there may be a limited awareness and understanding of potential ICT risks that exist among key stakeholders. The Municipality may not have sufficient security controls in place to address emerging threats and vulnerabilities.</p>			
<p>56</p>	<p>CONTRACTS MANAGEMENT: Software Licences - Inadequate management and procurement of software licences</p> <p>a) There was no software agreement or SLA for the Microsoft software licences procured through Techseeds Telecommunications.</p> <p>b) There was a discrepancy between the description of licences in the purchase order, and the description in the invoice. Supporting documentation provided not sufficient to verify and provide assurance that the Municipality was provided licences according to the Municipality's requirements. The specification was not provided.</p>	<p>1. 31-Mar-2025.</p> <p>2. 31 Mar-2025</p>	<p>1. To draft SLA's through use of the Internal legal services and contract management units.</p> <p>2. Develop a license usage policy approved by the Council.</p>	<p>1. Not Yet Due.</p> <p>2. Not Yet Due.</p>

	<p>c) There is at least one employee who is assigned three software licences</p> <p>d) The system-generated report of software licence allocation submitted did not provide details such as the date the licence was assigned, the last login date, and the machine name linked to the employee's name, to determine that the licence is assigned to a workstation. As such there are generic user accounts who are assigned software licences.</p> <p>e) Assurance cannot be provided that the Municipality is utilising all procured licences. There were 262 laptops at the Municipality, according to the asset register. Which meant that the Municipality is paying for 96 licences that cannot be accounted for. Active Directory had 289 active users accounts, inclusive of duplicates, generic user accounts, and service accounts, which provides an indication that active employees with workstations are less than the number of software licences procured.</p>			
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<p>57</p>	<p>3. CONTRACTS MANAGEMENT: SLAs</p> <p>3.1 Inadequate documentation of SLAs</p> <p>a) The SLAs for critical IT services performed by Third Party Vendors did not include the following:</p> <p>Munsoft</p> <ul style="list-style-type: none"> • Quantifiable minimum service level • Availability • Steps to be taken if service delivery is not satisfactory, i.e. penalty clauses included in the SLA <p>Techseed Telecommunications</p> <ul style="list-style-type: none"> • Quantifiable minimum service level • Steps to be taken if service delivery is not satisfactory, i.e. penalty clauses included in the SLA <p>BCX – SDWAN</p> <ul style="list-style-type: none"> • Support procedures and call logging procedures • Steps to be taken if service delivery is not satisfactory, i.e. penalty clauses included in the 	<p>1. 31-Mar-2025.</p> <p>2. Monthly starting from February 2028.</p>	<p>1. To draft SLA's through use of the Internal legal services and contract management units.</p> <p>2. Monthly performance assessments of the ICT service providers.</p>	<p>1. Not Yet Due.</p> <p>2. Not Yet Due.</p>
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	<p>SLA.</p> <p>3.2 Inadequate monitoring of service providers</p> <p>a) Munsoft</p> <p>There were no performance reports in place to verify that the auditee was receiving and paying for services as outlined in the SLA.</p> <p>b) Techseed Telecommunications</p> <ul style="list-style-type: none"> • Due to the omission of the service metrics on the SLA, it cannot be confirmed that the Municipality is receiving the minimum service levels. • Assurance cannot be provided that the service provider performance is in line with the service level agreement and that services were performed in line with the SLA. • The report provided does not detail performance or progress of other ICT services listed in the SLA, such as, assisting the Municipality with the development & Implementation of ICT Governance. <p>c) BCX-SDWAN</p>			
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	There were no performance reports in place to verify that the auditee was receiving and paying for services as outlined in the SLA.			
58	<p>USER ACCESS MANAGEMENT - Inadequate User Access Management controls - Munsoft</p> <p>Information Technology (IT) management had not ensured that user access management controls had been adequately designed and implemented within the IT environment. As a result, the following control deficiencies had been noted:</p> <p>a) A password reset for a terminated employee 'OLW OLWETHU TYEBISO MBELE' was performed on 06 February 2024, without proper authorization or justification. Unauthorised password reset may result in fraudulent transactions that could negatively impact the integrity of data generated by these information systems</p> <p>b) Administrator activity reviews were inadequately conducted as the audit logs were not</p>	<p>1. Quarterly.</p> <p>2. Monthly reporting.</p> <p>3. Quarterly reporting.</p>	<p>1. Management to intensify System monitoring (Munisoft Quarterly reviews on user rights will be performed).</p> <p>2. Proper record keeping on user management forms.</p> <p>3. Proper implementation of user access management policy.</p>	<p>1. Achieved: System is monitored on ongoing basis.</p> <p>2. Achieved: User Management Forms are up to date.</p> <p>3. Achieved: User access management policy.</p>

	<p>verified against the forms in place to confirm that all actions performed on user accounts were duly authorised.</p> <p>Lack of regular review of Administrators access to information systems may result in administrator with inappropriate access to process unauthorised or fraudulent transactions that could negatively impact the integrity of data generated by these information systems</p> <p>c) User access reviews were inadequately conducted as the system-generated report outlining user access rights and functions was signed without verifying the allocated functions against the user’s job responsibilities to ensure alignment.</p> <p>Lack of regular review of user access to information systems may result in users with inappropriate access to process unauthorised or fraudulent transactions that could negatively impact the integrity of data generated by these information systems</p> <p>d) The service provider officials had access to the</p>			
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	production environment with no clear indication or evidence that their access is monitored and if their access is granted as and when required to gain access to the data.			
59	<p>a) USER ACCESS MANAGEMENT - a. Inadequate User Access Management controls - Payday</p> <p>Information Technology (IT) management had not ensured that user access management controls had been adequately designed and implemented within the IT environment. As a result, the following control deficiencies had been noted:</p> <p>a) The password for ‘userID 98’ was reset on 10 January 2024 without authorization. Unauthorised password reset may result in fraudulent transactions that could negatively impact the integrity of data generated by these</p>	<ol style="list-style-type: none"> 1. Quarterly. 2. Monthly reporting. 3. Quarterly reporting. 	<ol style="list-style-type: none"> 1. Management to intensify System monitoring (Payday Quarterly reviews on user rights will be performed). 2. Proper record keeping of user management forms. 3. Proper implementation of user management policy. 	<ol style="list-style-type: none"> 1. Achieved: System is monitored on ongoing basis. 2. Achieved: User Management Forms are up to date. 3. Achieved: User access management policy.

	<p>information systems</p> <p>b) System Administrator activities were not reviewed during the period under review. Lack of regular review of Administrators access to information systems may result in administrator with inappropriate access to process unauthorised or fraudulent transactions that could negatively impact the integrity of data generated by these information systems</p> <p>c) User access and permissions that have been allocated to users was not performed during the financial performed to confirm that access is aligned to job responsibilities. Lack of regular review of user access to information systems may result in users with inappropriate access to process unauthorised or fraudulent transactions that could negatively impact the integrity of data generated by these information systems</p> <p>d) There was inconsistency in the naming convention used as there were various accounts could not be linked to a specific user. There were</p>			
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	generic user accounts that could not be linked to a specific user.			
60	<p>a) USER ACCESS MANAGEMENT - a. Inadequate User Access Management controls – Active Directory</p> <p>Information Technology (IT) management had not ensured that user access management controls had been adequately designed and implemented within the IT environment. As a result, the following control deficiencies had been noted:</p> <p>a) System Administrator activities were not reviewed during the period under review. Lack of regular review of administrators access to information systems may result in administrator with inappropriate access to process unauthorised or fraudulent transactions that could negatively impact the integrity of data generated by these</p>	<ol style="list-style-type: none"> 1. Quarterly. 2. Monthly reporting. 3. Quarterly reporting. 4. 30 June 2025 	<ol style="list-style-type: none"> 1. Management to intensify System monitoring (Payday Quarterly reviews on user rights will be performed). 2. Proper record keeping of user management forms. 3. Proper implementation of user management policy. 4. To source a new suitable system software (Active Directory Manger) to cab system limitations. 	<ol style="list-style-type: none"> 1. Achieved: System is monitored on ongoing basis. 2. Achieved: User Management Forms are up to date. 3. Achieved: User access management policy. 4. Not Yet Due

	<p>information systems</p> <p>b) There were 24 generic user accounts not linked to a specific person. Use of generic accounts makes it impossible to apportion accountability in the event there is unauthorised transactions that were processed.</p> <p>c) There were active duplicate user accounts where users are assigned more than one userID. Use of duplicate accounts makes it impossible to apportion accountability in the event there is unauthorised transactions that were processed.</p>			
61	<p>a) Program change management - a. Inadequate Program change management</p> <p>Information Technology (IT) management had not ensured that user access management controls had been adequately designed and implemented within the IT environment. As a result, the following control deficiencies had been noted:</p> <p>a) The approved Program Change policy was not adequately designed as it did not include the</p>	31-Mar-25	Management will review program change management policy and close the gaps.	In Progress: ICT Policies (ICT Policy Workshop is scheduled for 20 and 21 February 2025)

	<p>following:</p> <ul style="list-style-type: none"> • Systems covered by the policy. • Development of changes requested. • Implementation of changes <p>Without following adequate change management process, unnecessary changes may be made, and some changes might not be documented, approved, and tested before being implemented. This could result in compromised information systems that do not fully support the business requirements and service interruptions.</p> <p>b) Although there is a formal change management policy in place, the policy does not make provision for packaged software solutions. As such, assurance cannot be provided that the change management process for the packaged software solutions is controlled, and compliant with the Municipality's regulatory requirements.</p> <p>If vendor access is not monitored this could result</p>			
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	in unauthorised and malicious changes done on the system that host financial data of the municipality leading to data loss, unexplained IT expenditure due to changes performed on the system.			
62	<p>Security Management - a. Inadequate security management controls</p> <p>Information Technology (IT) management had not ensured that user access management controls had been adequately designed and implemented within the IT environment. As a result, the following control deficiencies had been noted:</p> <p>Information Technology (IT) Management had not ensured that IT service continuity controls were in place within the IT environment. As such, the following control deficiencies were noted:</p> <p>a) The Security Management policy was inadequately designed as it did not include the following aspects:</p> <ul style="list-style-type: none"> • Security awareness and training • Actions to be taken due to a security incident 	31-Mar-25	Security Management policy and Password management policy will be reviewed to rectify the gaps.	In Progress: ICT Policies (ICT Policy Workshop is scheduled for 20 and 21 February 2025)

	<ul style="list-style-type: none"> • Security of the application by the use of antivirus software • A process to ensure that updates of all systems are up to date (i.e. patch management process) <p>Without a formal IT security policy and / or inadequately developed policy, there will not be a foundation on how the auditee plans to protect the company's physical and information technology (IT) assets and this may affect the confidentiality, integrity and availability of financial systems and subsequent business activities.</p> <p>b) The password configurations settings on the systems were not configured as defined in the approved Security Management policy.</p> <p>Unauthorised access to the applications and network may be gained via weak password configuration management, which could impact on the integrity of the business data</p> <p>c) Only 41 of 262 hosts were running the latest</p>			
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	antivirus software version. d) Assurance cannot be provided that all systems have been updated with the latest patches, as there was no evidence in place.			
63	<p>a) IT service continuity a. Inadequate IT service continuity</p> <p>Information Technology (IT) management had not ensured that user access management controls had been adequately designed and implemented within the IT environment. As a result, the following control deficiencies had been noted:</p> <p>a) The Disaster Recovery plan (DRP) in place was inadequately documented. It did not address, at minimum, the following:</p> <ul style="list-style-type: none"> • Disaster definitions • Plan is based on a risk assessment performed by business in consultation with information technology (Business Impact Analysis) • Clear Recovery Point Objective (RPO) and Recovery Time Objective (RTO) have been 	31-Mar-25	Management will review the Disaster Recovery Plan (DRP) to ensure that it addresses the gaps noted and new recovery procedures are updated in the organisation.	In Progress: ICT Policies (ICT Policy Workshop is scheduled for 20 and 21 February 2025)

	<p>documented for all the systems that needs to be recovered.</p> <ul style="list-style-type: none"> • Disaster notification and plan activation – (Inadequately documented in section 4: How the plan is activated and implemented, page 6) • Contact details of the disaster recovery team • Plan maintenance, testing and post recovery review – (Inadequately documented on section 10: Testing the plan, and section 11: Review - Maintenance of the plan, page 11) • Recovery procedures are indicated to recover the systems listed above including the network infrastructure (system and business unit recovery procedure) Information Technology (IT) management had not ensured that user access management controls had been adequately designed and implemented within the IT environment. As a result, the following control deficiencies had been noted: a) The Disaster Recovery plan (DRP) in place was inadequately documented. It did not address, at minimum, the following: 			
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	<ul style="list-style-type: none"> • Disaster definitions • Plan is based on a risk assessment performed by business in consultation with information technology (Business Impact Analysis) • Clear Recovery Point Objective (RPO) and Recovery Time Objective (RTO) have been documented for all the systems that needs to be recovered. • Disaster notification and plan activation – (Inadequately documented in section 4: How the plan is activated and implemented, page 6) • Contact details of the disaster recovery team • Plan maintenance, testing and post recovery review – (Inadequately documented on section 10: Testing the plan, and section 11: Review - Maintenance of the plan, page 11) • Recovery procedures are indicated to recover the systems listed above including the network infrastructure (system and business unit recovery procedure) – (Inadequately documented in Table 9.1. page 18) • Disaster site has been identified to host the 			
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	<p>primary site during the disaster</p> <ul style="list-style-type: none"> • Hardware and software arrangements had been made for critical processing • Re-establishment of normal operations <p>An inadequately developed plan may result in the Corporation not being able to get services back on track much quicker and there might not be clear expectations from business regarding the Recovery Point Objective (RPO) and Recovery Time Objective (RTO) for the corporation.</p> <p>b) The ICT Backup and Recovery Policy in place did not address all necessary activities such as the following:</p> <ul style="list-style-type: none"> • Backup software in use or backup media in use • How often the backups are made – (Inadequately documented on section 10.2: Frequency and time of data backup). • What type of backups are performed (full or incremental) • How long the backups are kept for 			
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	<ul style="list-style-type: none"> • Who checks whether the backups are successful or not – (Inadequately documented on section 8.5) • Responsibility of individuals within the backup processes - (Inadequately documented on section 8.5) • How often the backup media is checked for usability – (Inadequately documented on section 7.1.4) • Where the backups are kept <p>c) Backup report for June 2024 (Techseeds Telecommunications) was not submitted by the auditee.</p> <p>Furthermore, the mail server (IHLM-FLAG-EXCH1) was not successfully completing backups, completed with warnings in August 2024. There is no evidence in place to confirm that actions were taken to resolve the failed backup jobs.</p> <p>If backups are not performed business may not be able to continue with normal operations in the event of a disaster.</p>			
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	<p>d) Backup restoration testing was not conducted for Munsoft and Payday during the period under review</p> <p>If backups are not tested for the success of restorations, the organisation may not have reasonable assurance that backups will work should an incident occur, and normal operations may not be able to be continued were backups not to work when restored.</p> <p>e) There is no evidence in place to validate that backups are transferred to an off-site location. If backup media is not taken to an off-site location, and on-site data is not available, the auditee might not be able to continue with normal operations in the event of a disaster(Inadequately documented in Table 9.1. page 18)</p> <ul style="list-style-type: none"> • Disaster site has been identified to host the primary site during the disaster • Hardware and software arrangements had been made for critical processing 			
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	<ul style="list-style-type: none"> • Re-establishment of normal operations <p>An inadequately developed plan may result in the Corporation not being able to get services back on track much quicker and there might not be clear expectations from business regarding the Recovery Point Objective (RPO) and Recovery Time Objective (RTO) for the corporation.</p> <p>b) The ICT Backup and Recovery Policy in place did not address all necessary activities such as the following:</p> <ul style="list-style-type: none"> • Backup software in use or backup media in use • How often the backups are made – (Inadequately documented on section 10.2: Frequency and time of data backup). • What type of backups are performed (full or incremental) • How long the backups are kept for • Who checks whether the backups are successful or not – (Inadequately documented on section 8.5) • Responsibility of individuals within the backup processes - (Inadequately documented on section 			
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	<p>8.5)</p> <ul style="list-style-type: none"> • How often the backup media is checked for usability – (Inadequately documented on section 7.1.4) • Where the backups are kept <p>c) Backup report for June 2024 (Techseeds Telecommunications) was not submitted by the auditee.</p> <p>Furthermore, the mail server (IHLM-FLAG-EXCH1) was not successfully completing backups, completed with warnings in August 2024. There is no evidence in place to confirm that actions were taken to resolve the failed backup jobs. If backups are not performed business may not be able to continue with normal operations in the event of a disaster.</p> <p>d) Backup restoration testing was not conducted for Munsoft and Payday during the period under review</p> <p>If backups are not tested for the success of restorations, the organisation may not have reasonable assurance that backups will work</p>			
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	<p>should an incident occur, and normal operations may not be able to be continued were backups not to work when restored.</p> <p>e) There is no evidence in place to validate that backups are transferred to an off-site location. If backup media is not taken to an off-site location, and on-site data is not available, the auditee might not be able to continue with normal operations in the event of a disaster</p>			
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Progress on issues in the Audit Report:

No	Reference	Finding	Action Plan	Implementation Progress to date	Responsible Person	Implementation Due Date
1	AAP87836-2025	COAF 6 of 2025 HR Business Process: Internal Control Deficiencies	1. Management will strengthen the internal control reviews of all the underlying schedules.	This has been corrected and is being implemented	Buhle Fikeni, Sikho Mzana	31/Mar/2026
2	AAP87839-2025	COAF 6 1. Planning: Payroll Business Process: HR Plan not reviewed	The HR Plan has been reviewed in the 2025/26 Financial year and was adopted by the Council on 30 June 2025.	The HR Plan has been reviewed in the 2025/26 Financial year and was adopted by the Council on 30 June 2025.	Sikho Mzana, Miranda Matubatuba, Thulisile Mpatheni	28/Feb/2026

3	AAP91363-2025	COAF 14 OF 2025 Execution: PPE: Prior year Impairment loss	<p>1. Management will be using the asset verification and conditional assessment report from the verification results of 2024 and 2025.</p> <p>2. Perform a comparison test of the conditions between the 2024 Restated register and the 2025 Registers.</p> <p>3. Where discrepancies are identified, update the conditions to reflect the accuracy of the verification results.</p> <p>4. To utilise the developed impairment methodology, which will be in line with GRAP Standards, to calculate the recoverable amount and compare it with the carrying amount to determine the impairment for 2024</p>	<ul style="list-style-type: none"> Analyzed the FAR of the municipality and established the root cause of the differences in calculations for depreciation and impairment, and other findings relating to the PPE Developed a process to be followed to address all issues raised by the Auditor General, and ensure the IHLM has a GRAP Compliant Asset Register Workings to address the issues raised are compiled and are currently going through review processes. This includes a review of methodologies for alignment with GRAP Standards and Municipal Policies 	Sikho Mzana, Buhle Fikeni	30/Apr/2026
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			and 2025. 5. To Process the adjustments in relation to the impairment and prepare the prior period file (supporting documents).			
4	AAP91386-2025	COAF 20 PPE: Assets incorrectly valued at 30 June 2024	<p>1. To align the original Useful lives in the fixed asset register with the asset management policy of the Municipality.</p> <p>2. Confirm the Remaining useful lives of the assets as at the beginning of 2024. This will be done through the recalculation of the remaining useful life using the acquisition dates.</p> <p>3. Where discrepancies are identified, make the necessary adjustments to make the corrections.</p> <p>4. Recalculate the depreciation for the 2024,2025 and 2026 periods. Where the assets are affected by impairment adjustments, factor this in the recalculation.</p>	<ul style="list-style-type: none"> Analyzed the FAR of the municipality and established the root cause of the differences in calculations for depreciation and impairment, and other findings relating to the PPE Developed a process to be followed to address all issues raised by the Auditor General, and ensure the IHLM has a GRAP Compliant Asset Register Workings to address the issues raised are compiled and are currently going through review processes. This includes a review of methodologies for alignment with GRAP Standards and Municipal Policies 	Sikho Mzana, Buhle Fikeni	30/Apr/2026

			<p>5. Process the above changes into the system and further pass the relevant journals related to the adjustments.</p> <p>6. Prepare the prior period error file, which contains all the relevant schedules supporting the adjustments.</p>			
5	AAP91390-2025	COAF 21 of 2025 PPE: Differences noted between FAR and AFS	<p>1. Management will strengthen the review processes to detect any possible errors found between FAR and AFS.</p> <p>2. During the submission, Management will ensure the submission of accurate and complete supporting schedules/documentation/ fixed asset register in line with the submitted AFS.</p>	<ul style="list-style-type: none"> Analyzed the FAR of the municipality and established the root cause of the differences in calculations for depreciation and impairment, and other findings relating to the PPE Developed a process to be followed to address all issues raised by the Auditor General, and ensure the IHLM has a GRAP Compliant Asset Register Workings to address the issues raised are compiled and are currently going through review processes. This includes a review of methodologies for alignment with GRAP Standards and Municipal Policies 	Sikho Mzana, Buhle Fikeni	30/Apr/2026

6	AAP91393-2025	COAF 22 PPE: Differences noted in the depreciation expenses	<ol style="list-style-type: none"> 1. To align the original Useful lives in the fixed asset register with the asset management policy of the Municipality. 2. Confirm the Remaining useful lives of the assets as at the beginning of 2024. This will be done through the recalculation of the remaining useful life using the acquisition dates. 3. Where discrepancies are identified, make the necessary adjustments to make the corrections. 4. Recalculate the depreciation for the 2024,2025 and 2026 periods. Where the assets are affected by impairment adjustments, factor this in the recalculation. 5. Process the above changes into the system and further pass the relevant journals related to the adjustments. 6. Prepare the prior period error file, which contains all the relevant 	<ul style="list-style-type: none"> • Analyzed the FAR of the municipality and established the root cause of the differences in calculations for depreciation and impairment, and other findings relating to the PPE • Developed a process to be followed to address all issues raised by the Auditor General, and ensure the IHLM has a GRAP Compliant Asset Register • Workings to address the issues raised are compiled and are currently going through review processes. This includes a review of methodologies for alignment with GRAP Standards and Municipal Policies 	Sikho Mzana, Buhle Fikeni	30/Apr/2026
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			schedules supporting the adjustments.			
7	AAP91439-2025	37. Execution: PPE: Transfers (Completed assets)	<p>1. Management will revisit the Full Work in Progress register to confirm the opening balances between the WIP Register and the Supporting documents.</p> <p>2. Make any necessary adjustments where there are differences to the WIP Register</p> <p>3. Pass all the necessary Journals to the system and keep supporting documentation for Audit Purposes.</p>	<ul style="list-style-type: none"> Analyzed the FAR of the municipality and established the root cause of the differences in calculations for depreciation and impairment, and other findings relating to the PPE Developed a process to be followed to address all issues raised by the Auditor General, and ensure the IHLM has a GRAP Compliant Asset Register Workings to address the issues raised are compiled and are currently going through review processes. This includes a review of methodologies for alignment with GRAP Standards and Municipal Policies 	Sikho Mzana, Buhle Fikeni	30/Apr/2026

8	AAP91449-2025	COAF 32 PPE: Differences noted between FAR and AFS	<p>1. Management will ensure that the financial statements are adequately reviewed before submission for AFS.</p> <p>2. Management will further ensure that the financial statements submitted to the auditors are accompanied by accurate and complete supporting schedules/documentation/ WIP register</p>	<ul style="list-style-type: none"> Analyzed the FAR of the municipality and established the root cause of the differences in calculations for depreciation and impairment, and other findings relating to the PPE Developed a process to be followed to address all issues raised by the Auditor General, and ensure the IHLM has a GRAP Compliant Asset Register Workings to address the issues raised are compiled and are currently going through review processes. This includes a review of methodologies for alignment with GRAP Standards and Municipal Policies 	Sikho Mzana, Buhle Fikeni	30/Jun/2026
9	AAP91490-2025	COAF 38 Of 2025 PPE WIP: Difference noted between the WIP register and the payment information	<p>1. Management will ensure that the WIP register is thoroughly reviewed against the supporting documents, and all figures will be cast and cross-casted correctly before finalization of the AFS. This will also be a result of monthly updates and reviews of the WIP Registers</p>	<ul style="list-style-type: none"> Analyzed the FAR of the municipality and established the root cause of the differences in calculations for depreciation and impairment, and other findings relating to the PPE Developed a process to be followed to address all issues raised by the Auditor General, and ensure the IHLM has a GRAP Compliant Asset Register Workings to address the issues raised are compiled and are currently going 	Sikho Mzana, Buhle Fikeni	30/Jun/2026

				through review processes. This includes a review of methodologies for alignment with GRAP Standards and Municipal Policies		
10	AAP91801-2025	COAF 45 of 2025 Execution: SCM - Quotations below R30 000 were not evaluated as required. by the PPPF Act	Revisit the population of all procurement within the threshold referred to in the finding to establish the listing of all transactions/procurement where the evaluation is required in terms of the PPPFA. For the identified transactions, follow the processes set out in MFMA Circular '68 for the disclosure and treatment of UIFW.	<ul style="list-style-type: none"> The total population of expenditure/procurement below R30 000 has been revisited, a listing that was affected and developed. The listing has been included in the reporting to Council for referral to Council Committees for investigation. 	Buhle Fikeni, Asithethi Ntongana	31/Mar/2026
11	AAP91820-2025	COAF 50 of 2025 PPE: Differences identified in note 09 of the AFSs	<p>1. Management will ensure proper alignment of the Fixed Asset Register to the Asset Management Policy.</p> <p>2. Management will ensure the submission of accurately reviewed supporting schedules/ FAR register.</p>	<ul style="list-style-type: none"> Analyzed the FAR of the municipality and established the root cause of the differences in calculations for depreciation and impairment, and other findings relating to the PPE Developed a process to be followed to address all issues raised by the Auditor General, and ensure the IHLM has a GRAP Compliant Asset Register Workings to address the issues raised are compiled and are currently going through review processes. 	Sikho Mzana, Ayanda Ndabeni, Buhle Fikeni	30/Apr/2026

			<p>This includes a review of methodologies for alignment with GRAP Standards and Municipal Policies</p>		
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Progress on issues in the Management Report:

No	Reference	Finding	Action Plan	Implementation Progress to date	Responsible Person	Implementation Due Date
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IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

1	AAP87845-2025	COAF 061. Planning: No performance assessment done for employees below the Manager level	<p>Training for all employees on the Performance Management System was conducted in September 2025. Regarding cascading to employees below Middle Managers, the performance plans are in progress.</p> <p>The annual performance for Senior Managers was conducted in December 2025.</p>	The process of cascading to officials below management has commenced and is being implemented in the 2025/26 Financial Year.	Miranda Matubatuba, Thulisile Mpatheni	28-Feb-2026
2	AAP90793-2025	The following issues were identified during the high-level review of AFS:	Management will ensure that the opening balance on the statement of changes in equity matches the audited amount and accounts for any restatements after the opening balance.	To be part of the Interim Annual Financial Statements	Ayanda Ndabeni	31-Mar-26
3	AAP91331-2025	Business Process: Use of Consultants- municipality does not have a plan to reduce reliance on consultants	Management has developed a Consultant Reduction Strategy. The strategy will be reviewed by the Accounting Officer for final approval to determine the exact timeframes for the reduction, where applicable.	Reduction strategy for the use of consultants is under development.	Sikho Mzana, Ayanda Ndabeni, Buhle Fikeni	28-Feb-2026
4	AAP91336-2025	1. Planning: AOPO: KPA 1 - Indicator not measurable	The management will ensure proper implementation of the Project Management	The project management policy has been amended to include the process of measuring the maintenance project.	Azabenokanyo Mvovo, Asanda Hlehliso, Thando Njeken	31-Mar-2026

			Policy. All maintenance projects are measured on an activity basis; pothole patching is measured the same way.	The progress to date is that in Q1-Q2 reports have been aligned with project management policy.		
5	AAP91341-2025	1. Planning: AOPO: KPA 3 - Differences between the Progress Report and the Quarterly Report	The municipality will conduct regular reviews of reports developed for targets in the Service Delivery and Budget Implementation plan to ensure that the targets achieved are clearly defined.	The PMS department has also ensured alignment between the development of the Service Delivery and Budget Implementation Plan (SDBIP) and the Key Performance Areas. For example, all projects requiring construction will be handled by technical services. The departments will ensure a review on a quarterly basis.	Azabenokhanyo Mvovo, Avela Mashaba, Dumisani Mjokovana	31/Mar/2026
6	AAP91345-2025	COAF 09: Execution: SCM CAATs: Municipality is trading with suppliers with an interest in the Municipality	1. Management to engage with the affected individuals/officials to establish the exact facts regarding their statuses with the specific businesses. Where applicable, assist/guide in the deregistration/resignation from the applicable businesses 2. Ensure that all employees and councilors submit their declarations, with relevant information, in collaboration with Internal Audit	Submission of Declarations by all Councilors and Employees in progress	Buhle Fikeni, Asithethi Ntongana	31/Mar/2026
7	AAP91348-2025	COAF 10 of 2025 Planning: Audit committee - Issues noted on the work of	The Internal Audit Function will include the Annual Report review in the Internal Audit Plan for each	The Special Audit Committee meeting to review the Annual Report for the 2024/25 financial year will be held in March 2026.	Samkelisiwe Daniso	30/Jun/2026

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

		the audit committee	financial year to ensure it is reviewed by the Audit Committee (AC). The minutes of the AC meeting at which the Annual Report was reviewed will be prepared and approved for future reference.			
8	AAP91354-2025	COAF 10 1. Planning: Internal Audit: Deficiencies noted in the work of the Internal Audit function	The Manager Internal Audit and Risk position has been filled, effective from 19 January 2026. Therefore, the Internal Audit Function will ensure that the Internal Audit Methodology is reviewed in line with the new Global Internal Auditing Standards and approved by the Audit Committee. The Manager Internal Audit and Risk will then develop the Quality assurance and improvement program that covers all aspects of the Internal Auditing Function. An internal QAR will be conducted after at least 9 months of implementation. Upon the closure of the identified gaps, the municipality would subject itself to an external QAR. The implementation date will be 30 September 2026.	The development of the Internal Audit Strategy and the review of the Internal Audit Methodology have begun, aligned with the Global Internal Auditing Standards and other applicable legislation. This will be completed by 30 June 2026 and will be presented to Management and the Audit Committee for Approval. The Quality Assurance and Improvement program, which covers all aspects of the Internal Auditing Function, will then be developed and aligned with the Global Internal Auditing Standards and other applicable legislation.	Samkelisiwe Daniso	30/Jun/2026
9	AAP91358-	COAF 12 1.	Management will improve	To be dealt with together with the	Ayanda Ndabeni, Buhle	30/Jun/2026

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

	2025	Execution: Cash flow statements difference	the internal review process and ensure that only cash items are included in the cash flow statement.	compilation of the Interim Annual Financial Statements.	Fikeni	
10	AAP91361-2025	COAF 13 1. Execution: Cash flow statements difference	Management will ensure that all changes to the statement of financial performance and the statement of financial position are reflected in the cash flow statement workings and restatements.	To be dealt with together with the compilation of the Interim Annual Financial Statements.	Ayanda Ndabeni, Buhle Fikeni	30/Jun/2026
11	AAP91368-2025	COAF 16 of 2025 Execution: Deficiencies noted on the Travel-Local expense	All requisitions are to be processed within the financial management system, which will handle document numbering and sequencing. No travel accommodation arrangements/bookings will be made without proper authorization from the applicable official. All traveling and accommodation documents, including attendance registers for the meetings or workshops attended	All requisitions from 01 July 2025 have been captured within the accounting system, preventing the issuing of manual orders.	Buhle Fikeni, Asithethi Ntongana	28/Feb/2026
12	AAP91372-2025	COAF 16 Travel-Local -Cut-off misstatements and 30 days	All invoices received are to be date-stamped and processed for payment before the 30-day	Ongoing implementation of internal controls to achieve the timelines for payments to creditors.	Buhle Fikeni, Asithethi Ntongana	28/Feb/2026

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

		Compliance	<p>compliance period.</p> <p>Ongoing reconciliations are to be carried out with the travel agents to ensure there are no long-outstanding invoices that remain unsettled.</p> <p>User departments to submit attendance registers for meetings/workshops.</p>			
13	AAP91378-2025	COAF 18 of 2025 1) Execution: General expenses – Misstatements identified	1. Management will revisit the full population of expenditure and review all expenditure transactions for accuracy, classification, and occurrence through supporting schedules.	Not yet Started	Sikho Mzana, Buhle Fikeni	30/Jun/2026
14	AAP91397-2025	COAF 24 Presentation and disclosure - Inaccurate and incomplete narrations	Management will ensure that it improves internal control, the AFS review process, and proofreading.	To be dealt with during the compilation of the Interim AFS.	Ayanda Ndabeni, Buhle Fikeni	30/Apr/2026
15	AAP91400-2025	COAF 24 Housing benefits and allowance incorrectly calculated	The remuneration policy was reviewed to include the housing benefit as contractual to the holder in the 2025/2026 FY.	This has been included in the policy adopted by the Council on 30 June 2025.	Miranda Matubatuba, Thulisile Mpatheni	30/Jun/2026
16	AAP91442-2025	COAF 28 of 2025 Internal control deficiency identified in overtime payments	The Overtime, Shift, and Stand-by policy reviewed and adopted for the 2025/2026 financial year provides for time off.	This has been included in the policy adopted by the Council on 30 June 2025.	Miranda Matubatuba, Thulisile Mpatheni	31/Mar/2026
17	AAP91445-	Revenue from	Management will conduct a	To be dealt with during the compilation	Ayanda Ndabeni	31/Mar/2026

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

	2025	rendering of services overstated	full review of lease rental revenue to ensure all allocations are in line with lease agreements. Management will adjust AFS to reflect revenue in the correct reporting period.	of Interim AFS		
18	AAP91447-2025	COAF 44. Inconsistencies between the APR and the completion certificate	Quarterly and monthly review of the reports in preparation of performance information.	The management has already reviewed Q1 and Q2, and the reports did not include such challenges. However, the issues have been resolved, and PMS monitors them quarterly.	Azabenokhanyo Mvovo, Thando Njeken, Bavuyise Tshitshi	31/Mar/2026
19	AAP91458-2025	COAF 34 - 1) General expenses – Payments made after 30 days	1. Management will strengthen the internal controls and perform necessary reviews. 2. Prepare monthly reconciliation and ensure that all valid and confirmed invoices are paid within 30 days.	<ul style="list-style-type: none"> Internal Controls are implemented to avoid payment beyond 30 days Reconciliations are prepared every month. 	Sikho Mzana, Buhle Fikeni	30/Apr/2026
20	AAP91462-2025	COAF 36 Execution: Payables from exchange: Misstatement in trade payables	1. Management will improve internal controls and ensure that all Invoices will be raised to the period that they relate to deal with the issue of cut-off, classification, accuracy, and occurrence.	Management has commenced with the review/revisiting of the total population of payable to determine the impact and adjustments to be processed where applicable.	Sikho Mzana, Buhle Fikeni, Asithethi Ntongana	30/Jun/2026
21	AAP91475-2025	COAF 37 Contingencies: Personal	Will revisit the contingency register and ensure that the issue or probability of	To be dealt with during the compilation of the Interim AFS	Ayanda Ndabeni, Buhle Fikeni, Mandisi Zukulu	30/Jun/2026

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		information disclosed on the AFS Note 41 is not in line with POPI Act regulations	reimbursement is disclosed in every matter			
22	AAP91510-2025	COAF 39 of 2025 1) Execution: Payables from exchange: Misstatement in retentions	1. Management will revisit the whole population and ensure regular reviews are done, and reconciliation of all retention in line with the supporting is also conducted.	Management has commenced with the review/revisiting of the total population of payable to determine the impact and adjustments to be processed where applicable.	Sikho Mzana, Buhle Fikeni	30/Jun/2026
23	AAP91515-2025	COAF 40 of 2025 47. Investment property: Internal control deficiency	1. Management will ensure that the investment property register includes all the key information as required by the asset management policy and GRAP Standards. 2. Management will also improve the system of internal control for internal reviews.	<ul style="list-style-type: none"> Analyzed the FAR of the municipality and established the root cause of the differences in calculations for depreciation and impairment, and other findings relating to the PPE Developed a process to be followed to address all issues raised by the Auditor General, and ensure the IHLM has a GRAP Compliant Asset Register Workings to address the issues raised are compiled, and are currently going through review processes. This includes a review of methodologies for alignment with GRAP Standards and Municipal Policies 	Sikho Mzana, Buhle Fikeni	30/Jun/2026
24	AAP91528-2025	COAF 41 of 2025 Contract management: The contracts and SLAs do not define performance monitoring criteria	Management will develop standard service level agreements that will ensure that all the contracts concluded with the service providers contain the performance measurement	Not Yet Started	Buhle Fikeni, Asithethi Ntongana	28/Feb/2026

			criteria to enable identification of the suppliers who are not performing in terms of the contract or agreement, to impose accountability and compliance as required by MFMA, Act 56 of 2003			
25	AAP91538-2025	COAF 41 of 202550. Contract management: Contracts were not monitored on a monthly basis.	All payment vouchers are to include progress reports, with the rating of service providers, before the payments are settled.	All payment vouchers now include progress reports with the assessment of the performance of service providers. Signed monthly reports together with the measurement of the monthly performance of service providers, as part of monitoring ongoing projects.	Buhle Fikeni, Miranda Matubatuba, Avela Mashaba, Asithethi Ntongana, Bavuyise Tshitshi, Mangwane Masumpa	28/Feb/2026
26	AAP91551-2025	COAF 41 Of 2025 Contract management: The variation orders were not corroborated, and the reasons could not be assessed.	Management will ensure that the bill of quantities and other supporting documents are attached to the Variation Order.	Currently, the performance rating of service providers is accompanied by a progress report, which shows the progress on the site.	Asanda Hlehliso, Thando Njekeni, Bavuyise Tshitshi	30/Jun/2026
27	AAP91635-2025	Procurement and contract management: Deviations - Deviation Not Justified in Terms of Regulation 36(1) of the SCM Regulations	Review all deviations for the 2024/25 FY to determine whether any other transactions do not meet the requirements to qualify as deviations. Follow the processes of disclosure of procurement that has been processed in contravention of the applicable laws and regulations- SCM Regulations - Possible	The identified transactions have been included in the reports to the council so that they are referred to council committees for investigation.	Buhle Fikeni, Avela Mashaba, Asithethi Ntongana	30/Jun/2026

			Irregular expenditure Report to Council for investigation and resolution - in terms of MFMA Circular 68 – UIFW.			
28	AAP91644- 2025	COAF 44 of 2025 Accrued Leave pay was incorrectly calculated.	1. Management will revisit the whole population and recalculate using the 250 average days for consistency. 2. Management will improve internal controls and ensure proper reviews are done before the submission of AFS and the underlying schedules.	This will be addressed as part of the restatement, which will be presented to AG during planning.	Sikho Mzana, Miranda, Thulisile Mpatheni	30/Apr/2026
29	AAP91798- 2025	COAF 45 of 2025 59. Execution: SCM: Award made to the supplier that did not score the highest points	Revisit the total population to determine whether no other bid was affected by the issue raised by the AG of not awarding the bidder acquiring the highest points. Strengthen the processes for setting up bid committees, including developing a checklist to ensure all requirements are met.	Not yet started	Buhle Fikeni, Asithethi Ntongana	31/Mar/2026
30	AAP91805- 2025	COAF 47 of 202563. Incomplete disclosure of contingent	Will revisit the contingency register and ensure that all cases that form part and parcel of the litigation register appear.	To be attended to during the compilation of the Interim Annual Financial Statements	Ayanda Ndabeni, Mandisi Zukulu	31/Mar/2026

		liabilities				
31	AAP91810-2025	COAF 48 of 2025 66. Allowance for impairment and gross balances incorrectly calculated	Management will ensure that impairment is calculated using the full-year payment report, and in line with municipal policy and methodology. The municipality will review its policy and methodology to include government debtors in the impairment calculation.	<ul style="list-style-type: none"> Analyzed the FAR of the municipality and established the root cause of the differences in calculations for depreciation and impairment, and other findings relating to the PPE Developed a process to address all issues raised by the Auditor General and ensure the IHLM has a GRAP-compliant Asset Register Workings to address the issues raised are compiled and are currently going through review processes. This includes a review of methodologies for alignment with GRAP Standards and Municipal Policies 	Ayanda Ndabeni	31/Mar/2026
32	AAP91815-2025	COAF 49 of 2025 ICT Prior year issues	<p>IT Security Management: Update antivirus; raise awareness for users to connect to the LAN so the antivirus can update on laptops.</p> <p>Skills and Capacity: Conduct quarterly training sessions. So far, the team has been trained on Cybersecurity, COBIT 19, and ITIL 4</p>	The antivirus has been updated; user awareness has been raised through emails and policy roadshows to encourage users to connect to the LAN.	Mawaka Mfingwana, Miranda Matubatuba, Babalwa Mbathani	31/Mar/2026
33	AAP91824-2025	COAF 51. Difference between the commitment register and the payment certificate	Review the Commitments Register as at 30 June 2025 for the specific issue raised by the AG, as well as other differences that may be there. Process a	<ul style="list-style-type: none"> Supporting Schedule has been updated with accurate information Adjustment to be processed with the Interim Annual Financial Statements 	Buhle Fikeni, Asithethi Ntongana	31/Mar/2026

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			correction on the Contracts Register. Submit the corrected version to Financial Planning and Report for incorporation into the AFS Prior Year Adjustment. Disclosures.: Review the Contracts Register monthly.			
34	AAP91828-2025	COAF 53 - 1) non-compliance findings on Skills, capacity, and capability under organizational structure	The organogram and HR Plan were reviewed and adopted by Council on 30 June 2025	The organogram and HR Plan were reviewed and adopted by Council on 30 June 2025	Miranda Matubatuba, Thulisile Mpatheni	31/Mar/2026
35	AAP91836-2025	COAF 54 - Use of consultants	Review and assess the consultants' performance for the period under review. Where poor performance is identified, remedial actions and consequence management under the contract are to be implemented.	Not yet started	Sikho Mzana, Ayanda Ndabeni, Buhle Fikeni	31/Mar/2026
36	AAP91863-2025	Performance Auditors COAFs - COAF PA 01 of 2025 non-submission of the requested information	Management will ensure that the information required is readily available and submitted on time.	The information requested by the Auditors was recovered and is being kept safe. At the same time, as part of improving records management, the municipality is currently implementing the EDRMS (Electronic Document Records Management Systems)	Asanda Hlehliso, Thando Njekeni, Bavuyise Tshitshi	30/Jun/2026
37	AAP91870-2025	COAF PA 02 of 2025 - Assessment of the landfill sites at	1. Assessment and development of Bill of Quantities for Fencing and	Planning & Economic Development In a virtual meeting held with DEDEAT on the 27 th of February 2026, DEDEAT	Mangwane Masumpa, Sibonile Dakwa, Avela Mashaba, and Andisiwe	30/Nov/2026

		Ingquza Hill Local Municipality	<p>basic infrastructure - 18 February 2026.</p> <p>2. Management will ensure that funding for Fencing and basic infrastructure at the Lusikisiki Landfill site will be done during budget adjustment - End April 2026 Commencement of the Procurement Process until appointment - 30 May 2026</p> <p>3. Implementation of Fencing and basic infrastructure - 30 June 2026</p> <p>4. Development of Terms of Reference for the Rehabilitation Plan - 30 June 2026.</p>	<p>gave the municipality a go-ahead to fence the Lusikisiki landfill site.</p> <p>Assessment and development of Bill of Quantities for Fencing and basic infrastructure – 18 March 2026.</p>	Jordaan	
38	AAP91874-2025	COAF PA 03 of 2025 - Deficiencies identified on the Payments certificates and cession agreements.	<p>Finding (a) - Management will ensure that all paid fee accounts are copied and filed, and the fee accounts will be made available on request.</p> <p>Finding (b) - Management will ensure that all paid payment certificates are copied and filed, and the fee accounts will be made available on request.</p>	<p>The department has started performing reconciliations by checking previous and current payments. Therefore, if any differences arise, the report will be presented to the relevant committees.</p> <p>Currently, payment vouchers are accompanied by BOQs and kept as soft copies, especially for larger projects.</p>	Asanda Hlehliso, Thando Njekeni, Bavuyise Tshitshi	30/Jun/2026

			<p>Finding (c) - Management will ensure that the Bill of quantities for building projects is kept as soft copies due to the magnitude and will be made available on request. For other projects, such as roads, electrification, and bridges, a bill of quantities is attached to each payment certificate.</p> <p>Finding (d) - Management will improve the management of contracts, where the contractor is not adhering to the contract, and termination will be affected.</p> <p>Finding (e) - Management will ensure that all cession agreements include a detailed scope of work or services to be rendered.</p> <p>Finding (f) - Management will ensure that all cession agreements with invoices are filed and will be made available on request. Management will revisit the entire population of payments made on this project and reconcile them with the scope of work; any</p>			
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			confirmed differences will be made with the affected service providers. Management will also ensure that all payments for the projects are reconciled quarterly.			
39	AAP91877-2025	5.3.2 Issues identified on Variation order applications	<p>Management will ensure that managers and senior managers provide clear instructions regarding the scope of the professional service provider.</p> <p>Management will send a request to the Senior Manager of Corporate Services for contract management training for all Technical Services officials involved in project management, managers, and senior managers.</p>	The department will ensure thorough planning before the project starts.	Asanda Hlehliso, Thando Njeken, Bavuyise Tshitshi	30/Jun/2026
40	AAP91880-2025	5.3.3 The project incurred significant delays without a valid extension of time and penalties charged.	Compile a report to establish the facts relating to the findings raised by the Auditor General, including sourcing all documentation that relates to the project. Based on the information gathered, recommend the way forward, which could be further investigation to assist management and the council in arriving at a resolution of the matter.	The department has initiated an investigation into this current project to determine why the valid extension of time and penalties were not charged.	Asanda Hlehliso, Thando Njeken, Bavuyise Tshitshi	30/Jun/2026

41	AAP91882-2025	Commissioning and Utilization - 5.4.1. The infrastructure is not utilized.	Management will ensure that all the snags have been attended to by the contractor and ensure that phase 2 of the project commences during the 2026/2027 financial year to avoid the utilization of the facility/infrastructure.	The management had acknowledged that the progress was implemented in phases, which were phase 1 and phase two, which will include the pitch, will be done in the 2027/2028 financial year, as the expenditure carried was for phase 1. Moving forward, Management will clearly define the project phases in all planning documents.	Asanda Hlehliso, Thando Njekeni, Bavuyise Tshitshi	30/Jun/2026
42	AAP91883-2025	COAF PA 04 of 2025 - Flagstaff Town Hall	Management will ensure that the planning documents are requested from the Principal Agent and will be made available. For future projects, all planning documents will be requested, filed, and made available as needed. Management will ensure that the available documentation is retained and captured in EDRMS to prevent loss.	The information requested by the Auditors was recovered and kept secure at the same time. As part of improving the records management, the municipality is currently implementing the EDRMS (Electronic Document Records Management Systems)	Asanda Hlehliso, Thando Njekeni, Bavuyise Tshitshi	30/Jun/2026
43	AAP91884-2025	Time management 5.3.1.1 Project proceeded without a valid Extension of Time (EOT)	Management will ensure that all EOT's submitted by the principal agent are checked, reviewed, and approved. Management will also ensure that the principal agent uses the relevant engineering contract in analyzing the EOT claim. The management will develop a monitoring tool for the	Management agreed that penalties were not imposed because there was a letter of extension of time. The submission of a letter of extension of time was delayed and not accepted by AGSA; going forward, submission of information will be adhered to.	Asanda Hlehliso, Thando Njekeni, Bavuyise Tshitshi	30/Jun/2026

			principal-agent			
44	AAP91886-2025	5.3.2 Cost Management - Payment certificates not supported by the Bill of Quantities (BOQ) breakdown	<p>Finding 1 and Finding 2 - Management will receive all payments for Lithubalam and save all soft copies of BOQs.</p> <p>Finding 3 - Management will ensure that all payment certificates with soft copies of BOQ's are available.</p>	Currently, payment vouchers are accompanied by BOQs and kept as soft copies, especially for larger projects.	Asanda Hlehliso, Thando Njeken, Bavuyise Tshitshi	30/Jun/2026
45	AAP91889-2025	5.3.2.3 Various issues identified on the Variation orders (VOs) for Lithubalam Projects.	<p>Finding 2 - Management will ensure that the tender document, together with the bill of quantities, is reviewed.</p> <p>Finding 3 - During project implementation, the security services for the project are included as an allowance in the BOQ, and the contractor hires security personnel. Upon project completion, management will allocate security services or assign someone to use the asset to prevent vandalism.</p> <p>Finding 4 - Risk analysis in terms of pricing will be conducted during the committee bid.</p>	<p>The department has started conducting reconciliations to check previous and current payments. Therefore, if any differences arise, the report will be presented to the relevant committees.</p> <p>Currently, payment vouchers are accompanied by BOQs and kept as soft copies, especially for larger projects.</p>	Asanda Hlehliso, Thando Njeken, Bavuyise Tshitshi	30/Jun/2026

			Finding 5 - Management will ensure that documents undergo gateway reviews.			
46	AAP91892-2025	Replacement contractor appointed for the same scope of work performed by the terminated contractor.	Compile a report to establish the facts relating to the findings raised by the Auditor General, including sourcing all documentation that relates to the project. Based on the information gathered, recommend the way forward, which could be further investigation to assist management and the council in arriving at a resolution of the matter.	The report on establishing the facts raised on the current projects has already been started by the department. The draft report will be compiled before the end of March 2026.	Asanda Hlehliso, Thando Njekeni, Bavuyise Tshitshi	30/Jun/2026
47	AAP91894-2025	5.3.3 Project Management 5.3.3.1 Progress meetings not held frequently, and the contractor not monitored against the construction program – Lithuba Lam Projects	Management will ensure that meetings for other and future projects are held monthly and that contractors are monitored frequently to ensure good workmanship.	Currently, site visits are conducted, meetings are held with contractors, consultants, and stakeholders, and minutes are compiled for each meeting.	Asanda Hlehliso, Thando Njekeni, Bavuyise Tshitshi	30/Jun/2026
48	AAP91896-2025	5.3.3.2 CIDB requirement not stipulated on the Tender advert for the appointment of ZZK. Trading	Management will ensure that the request for the service provider is submitted together with the CIDB of the awarded service provider when utilizing the panel of contractors.	The CIDB grading is only required when advertising for a panel, and at the appointment, you issue only an RFQ for the relevant Grade.	Buhle Fikeni, Asanda Hlehliso, Asithethi Ntongana, Thando Njekeni, Bavuyise Tshitshi.	30/Jun/2026
49	AAP91897-	5.3.6	Management will ensure	The connection was completed on the	Asanda Hlehliso,	30/Jun/2026

	2025	<p>Commissioning and utilization</p> <p>5.3.6.1 Electricity not connected at the facility.</p>	<p>that applications are completed during the project implementation phase and that the application documentation to Eskom is made available. Management will follow up on the application made for the Flagstaff Town Hall.</p>	<p>municipality's asset, and Eskom is aware.</p>	<p>Thando Njkeni, Bavuyise Tshitshi</p>	
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9.15 IDP ASSESSMENT

The primary purpose of the IDP assessment is to determine whether IDPs comply with the fundamental elements and development processes set out in Sections 26 and 29 of the MSA, respectively. In accordance with the legislative mandate, COGTA, in conjunction with municipalities, sector departments, and relevant stakeholders, conducts an annual assessment of IDPs. This is intended to provide sector departments with an opportunity to engage with municipalities in developing strategies based on comments and improvement measures, with strict timeframes, as required by the IDP Analysis and Assessment Framework.

Before the in-person meeting, all municipalities responded to the IDP Analysis and Assessment Framework. The primary goal was to facilitate a seamless in-person assessment and provide sector departments with a means to collaborate with municipalities to devise strategies that incorporate feedback and improvement initiatives, all while adhering to the stringent timelines mandated by the IDP Analysis and Evaluation Framework.

9.15.1 IDP Assessment ratings for the past 3 years are as follows:

The table below displays comparative ratings of your municipality over three years:

Key Performance Areas (KPAs)	Ratings 2023/2024 IDP Assessment	Ratings 2024/2025 IDP Assessment	Ratings 2025/2026 IDP Assessment
KPA 1: Spatial Planning, Land, Human Settlements & Environmental Management	HIGH	MEDIUM	HIGH
KPA 2: Service Delivery & Infrastructure Planning	MEDIUM	BASIC	HIGH
KPA 3: Financial Planning & Budgets	HIGH	MEDIUM	HIGH
KPA 4: Local Economic Development (LED)	HIGH	MEDIUM	HIGH
KPA 5: Good Governance & Public Participation	HIGH	MEDIUM	HIGH
KPA 6: Institutional Arrangements	HIGH	BASIC	MEDIUM
Overall Rating	HIGH	MEDIUM	HIGH

9.15.2 Action Plan to Address Findings of the IDP

KPA 1: Spatial Planning, Land, Human Settlements & Environmental Management	
Assessment Findings (2025/26)	Progress and Timelines
The municipality must reflect the contents of the housing sector plan in the IDP, in relation to the migration plan.	The municipality has a draft housing sector plan, which is being developed by May 2026
The municipality must establish a functional environmental unit/ environmental official to implement environmental plans and programs.	The information will be included in the draft IDP for March 2026
The municipality must reflect in the IDP the units delivered through the Finance-Linked Individual Subsidy Programs.	The municipality is not an implementing agent for human settlement; the municipality is just a beneficiary.
The municipality must reflect Community Residential Units in the IDP.	The municipality is still looking for land for community residential units and assistance with bulk infrastructure from human settlements. Possible date for implementation: 2026-2027 Financial year.
The municipal IDP must indicate capital projects that will require environmental authorization to comply with the EIA process.	That information will be included in the draft IDP for March 2026
The municipality must develop, adopt, and gazette waste management by-laws that comply with the National Environmental Management: Waste Act No 59 of 2008	The municipality has submitted the waste management by-law for gazetting at the government printers. The municipality is still awaiting a response.
The municipality must have a climate change response strategy or activities that respond to climate change.	The municipality will present the draft climate change report to the council in March 2026, and the final document will be presented in May 2026
The municipal IDP must reflect on provisions for hazardous waste disposal.	The information will be included in the Draft IDP in March 2026
The municipality must develop a trade effluent policy and budget for its operation and maintenance.	The municipality will develop the policy and present it to the policy review to be held in June 2026
The municipality must develop a leachate plan.	The municipality currently does not have an operational landfill site. The municipality will include a leachate plan during the design phase.
KPA 2: Service Delivery & Infrastructure Planning	
Assessment Findings (2025/26)	Progress and Timelines
The municipal IDP must reflect the existence of a disaster all-hazard contingency plan.	The council has adopted the Draft Management Plan. The information will be included in the draft IDP by March 2026.
The municipality must have adequate firefighting and reserve vehicles, including the necessary equipment, to address fire risks.	Firefighting services are the responsibility of the district. Nevertheless, the information will be included in March 2026.
Municipalities' 3 Year Capital Plan must include public transport facilities and non-motorized facilities.	The municipality does not have sufficient funds/budget to implement non-motorized and public transport facilities, as it depends on grants.
The municipality must develop fire safety bylaws.	Responsibility for firefighting activities lies with the District Municipality. Hence, the municipality does not have a by-law.
The municipal IDP must be reflected in the Fire Hydrant Maintenance Plan.	Responsibility for firefighting activities lies with the District Municipality. Hence, the municipality does not have a by-law.
The municipality must develop an electricity by-law.	The municipality does not have an electrification license.

The municipality must develop disaster risk reduction strategies, programs, and plans integrated into the IDP.	The council has adopted the Draft Management Plan. The information will be included in the draft IDP by March 2026.
The municipality must develop a disaster early warning system, procedures, or plans.	The council has adopted the Draft Management Plan. The information will be included in the draft IDP by March 2026.
The municipality must adopt and gazette disaster management by-laws.	The municipality has adopted the disaster management plan and is in the process of developing a disaster management by-law.
KPA 3: Financial Planning & Budgets	
Assessment Findings (2025/26)	Progress and Timelines
The municipality must develop a Repairs and Maintenance Plan and a budget for it, in accordance with the Municipal Finance Management Act (MFMA), No 56 of 2003, Circular 51.	The municipality is currently facing budget-related issues, which will delay the resolution of the findings.
The municipality must spend 100 % of its capital budget and grants.	The municipality will ensure that it spends its capital budget and grants up to 100% by June 2026.
KPA 4: Local Economic Development (LED)	
Assessment Findings (2025/26)	Progress and Timelines
The municipal IDP must reflect income inequality within its jurisdiction.	The information will be included in the draft IDP in March 2026
KPA 5: Good Governance & Public Participation	
Assessment Findings (2025/26)	Progress and Timelines
Municipality must develop Ward-Based Plans throughout the municipal wards and reflect them in the IDP	Next Financial Year (2026-2027 Financial Year).
The municipality must reflect on the financial disclosures of senior officials.	The information will be included in the draft IDP in March 2026
The municipality must indicate the existence of LGBTQ+	2026-2027 Financial Year
KPA 6: Institutional Arrangements	
Assessment Findings (2025/26)	Progress and Timelines
The municipality must review the filled and vacant posts by Department.	The information will be included in the draft IDP in March 2026.
The municipality must reflect on the critical and scarce skills that pose a challenge to it.	The information will be included in the draft IDP in March 2026.
The municipality must consider the platforms (LLFs and Disciplinary Hearings) that address matters of mutual interest between the employer and the employee.	The information will be included in the draft IDP in March 2026.
The municipality must reflect on compliance with the Records and Archives Act.	The information will be included in the draft IDP in March 2026.

9.16 Ward-Based Needs Analysis (32 Wards)

The Municipal Systems Act entrenches participation as a central concept of Integrated Development Planning, using a community-based needs methodology, which gives municipalities a way to strengthen the participatory aspects of the IDP. The approach that has

been developed not only improves participation in the IDP but also assists in developing locally owned ward needs/plans that build on local strengths, focus on local actions, and identify support needed externally through the IDP and jointly with sector departments. The OR Tambo has been part of the IDP rep forum and has presented the programs to be implemented at Ingguza Hill but has not provided support for developing ward-based plans.

Service delivery issues	
Electrification	Several 51921h/h households are connected to the electricity grid. The challenge is the rapid growth of infills, with several 4 292h/h households not connected to electricity.
Infrastructure	Construction of new access roads and bridges, and maintenance of access roads. Maintenance of existing infrastructure, including community halls. Close monitoring of all projects
Water and sanitation	Completion of unfinished water projects. Protection of springs, purification of water. There is still a high demand for water and sanitation. Utilisation of 440 piped water in the municipal area to curb water challenges
Human Development	Skills development program, Learnership programs, and Job opportunities
Tourism	Capacity building and marketing on tourist attractions, Development of heritage sites. Access roads to heritage sites and all tourism attraction areas.
Agriculture	250 functioning agricultural projects; provision of support to 40 non-functioning projects. Training of SMME's on project management. Provision of Irrigation schemes
Forest	Protection of forests against fire, workshops on the importance of forests
SMME Development	Training of SMMEs, close monitoring of cooperatives, Provision of infrastructure, Hombe dam (identified as a dam with potential for fish farming). Training for youth on Fish farming (in preparation for the Ocean Economy as a national program). The challenge is that the dam is a health risk because it is not fenced.

Designated groups	Proper infrastructure for nursing homes, Capacity building among youth through NHBRC programs. Health and safety programs. Certification in Trade Test (Electricity, motor mechanics, panel beating, spray painting, welding, etc.) in preparation for the SANRAL N2 route.
Town Planning	Parking bays, Taxi ranks, road markings, paving, and potholes in town
Housing	Incomplete housing projects and close monitoring of housing projects. Some wards do not have low-cost housing.
Finance	Incorrect billing and non-payment of rates
Good governance	Appointment of CDWs has not been done in all wards, and there is no proper communication of municipal programs
Early Childhood Development	Support for preschools

9.15.3. Community Inputs from IDP and Budget Roadshows

The Municipality has held its IDP, PMS, and Budget Roadshows from 08-10 April 2026 across all 32 wards, during which communities have commented on and commended the draft IDP and provided input.

CHAPTER 3: STRATEGIES AND OBJECTIVES

INTRODUCTION

The municipality developed strategies and objectives for the next fiscal year based on its situational analysis. The municipality has also developed its vision and mission, taking into account future developments within the municipality. The strategic planning paved the way for the comprehensive development of the municipal leadership's vision and mission.

10.1 The Vision and Mission

The municipality's vision is "A developmental and responsive municipality."

The mission "To promote sustainable development by ensuring service delivery in an equitable manner, prioritising community needs and good governance."

10.2 The Strategic Objectives

The municipality's strategic objectives align with its vision and mission. They are listed as follows:

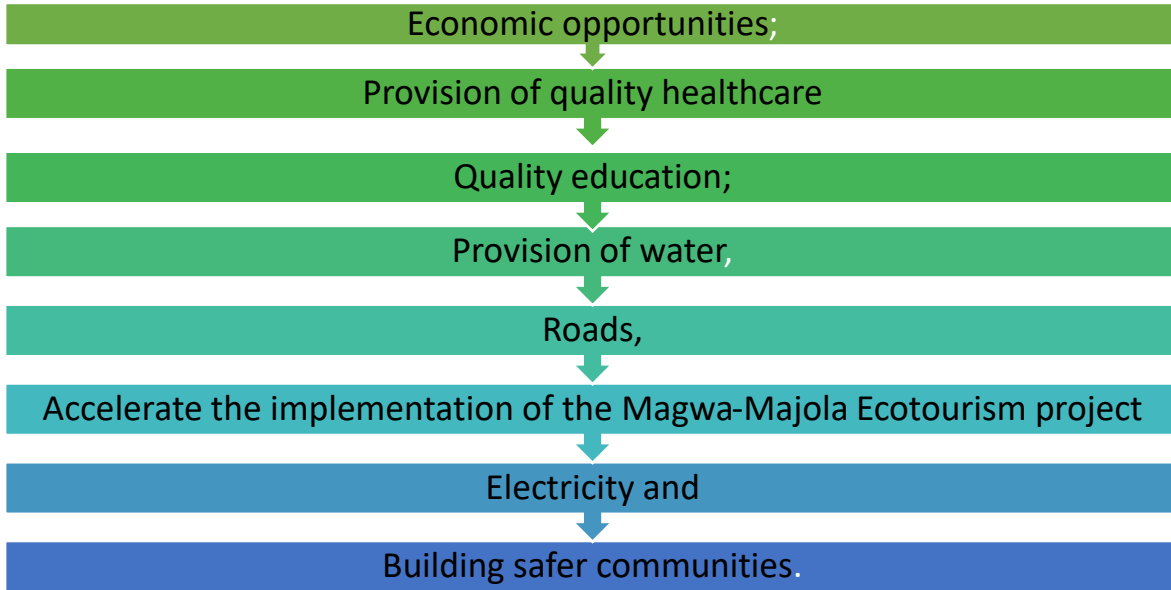
- To promote basic service delivery through infrastructural development in an environmentally friendly manner.
- To promote institutional Transformation and organisational development
- To promote Local Economic Development
- To promote Financial Viability
- To promote governance and public participation
- To provide effective, efficient, and sustainable community support services

10.3 Key Government Priorities 2026

The review of the Ingquza Hill IDP has taken cognizance of the issues that were the top priorities in the State of the Nation Address by the President of the Republic of South Africa. These priorities are as follows:

- Restore energy security.
- Growing the economy and jobs
- Building better lives
- Fighting corruption
- Making communities safer
- Making government work
- Construction and maintenance of Infrastructure

Provincial Priorities



10.4 PESTEL FACTORS

The macro-economic climate within which the 2026/2027 strategy review is formulated is important. It determines the external factors that directly affect the municipal plans – the municipality has to take cognizance of these. Critically, although the municipality has no control over these factors, any plan that does not consider them will face implementation risks.

Analysis of Key Pestel Factors

Factor	Description	Potential Impact	Recommended action
	National Government Elections	Community demands	Clear pre-election communication strategy
	New policy direction – expropriation of land without compensation	Increase the rate of land invasion	Community engagements
Economic	High external Debt	External reliance External grant conditions dictate the development agenda	Build a strong economy based on available assets (natural resources, land, and the ocean)
	Economic grading is at an all-time low	Increased inflation	Encourage local production
	High youth unemployment	Further marginalization of the youth	All Government departments & Municipalities to have clear youth participation Programmes in social and economic development.

Factor	Description	Potential Impact	Recommended action
Economic	Policy on free tertiary education	Budget downward adjustment for other Programs of the State	Organs of state to take cognizance of such budget downward adjustments and effect the same
	Budget policy speech on the increase of Value Added Tax	Affect people with low incomes, as this occurs in a weak economic climate	Alleviate the cost of doing business with the state, e.g., service people at the closest points. For marginalized poor communities that spend on high transport costs, priority should be bringing services closer to where they are
Factor	Description	Potential Impact	Recommended action
Social	High crime rate	Investment disincentive	Improve policing Improve community lighting.
	High rate of new HIV infections	Increase the cost of health care	Early education of the affected high-risk groups
Technological	Broadband boom and promotion by the Provincial Government	Reduction in the cost of getting information	Government buildings, libraries, and public service points (e.g., malls) aim to have free hot spots.
	E- services	Red-tape reduction Improved customer care Investment incentive E- business sector for youth	Organs of state to consider e-services as an additional service. Support for technology, innovation & e-business
Factor	Description	Potential Impact	Recommended action
Technological	Cellular communications	Ease of information dissemination, especially for marginalized youth	Organs of state to set up & manage popular social media platforms
Environmental	Climate change National Pandemic	Affects agricultural produce	Development of climate change resilience & response strategies.

			Organs of state to have early warning systems in place/link with existing national centers.
	Alien species control	Depletion of water resources	Identification, mapping, and eradication
Legal	New legislation		
Disruption in systems	Financial and HR Implication		<ul style="list-style-type: none"> • Training of stakeholders • Budgeting • Employ required personnel

10.5 INGQUZA HILL: SWOT ANALYSIS

The municipality considered its strengths, including what it does exceptionally well, its comparative and competitive advantages, and its municipal resources, in the form of physical and fiscal support, for implementing its programs. It also critically considered areas for improvement and what needs to be done to address weaknesses. The opportunities the municipality is exposed to and how it must exploit them were considered. External forces that directly impact municipal functions must be duly considered in the planning process.

- ▶ The SWOT analysis is an organizational analysis that identifies strengths, weaknesses, opportunities, and threats.
- ▶ The analysis helps shape the municipal strategies in conjunction with the municipal risk management framework.
- ▶ The IDP strategies have attempted to build on strengths and mitigate weaknesses.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Good working relations • Audit Committee • Municipal Disciplinary Board • Natural environment • LLF • Political stability • Credible IDP • Fully functioning Council and its Committees • Delegation of Authority 	<ul style="list-style-type: none"> • Some sections are not fully capacitated in terms of personnel. • Unfilled funded personnel vacancies • Office space, furniture, and (Flagstaff) ablution facilities (Lusikisiki Offices). • Sitting of departmental meetings • Channels of communication • Working in silos • Continuous improvement of oversight and capacity
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Cannabis exploration (value chain) • Tourism (N2 Wild Coast Opportunities) 	<ul style="list-style-type: none"> • Community protests • Inflation

<ul style="list-style-type: none"> • Multi-sectoral departmental programs • PPPs 	<ul style="list-style-type: none"> • Land invasion. • Climate change weather conditions • Crime • Gender Based Violence
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10.6 National and Provincial Alignment With IHLM

Ingquza Hill Local Municipality (IHLM) aligns its Integrated Development Plan (IDP) and budget with national and provincial strategies to address poverty and infrastructure backlogs, particularly through the O.R. Tambo District Municipality (ORTDM) and Eastern Cape provincial priorities. This alignment is achieved through cooperative governance, adherence to national norms, and the implementation of provincial plans for service delivery and development.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
Inclusive Growth and Job Creation	Inclusive Growth and Job Creation	Economic Sectors, Investment, Employment, and Infrastructure Development (ESIEID)	<ul style="list-style-type: none"> ▪ Infrastructure, human settlements & broadband ▪ Food security, land reform & agriculture commercialization ▪ Inclusive Economic Growth ▪ Youth development, skills development & training for the Economy 	EPWP program
Reduce Poverty and Tackle the High Cost of Living	Reduce Poverty and Tackle the High Cost of Living	Social Protection, Community and Human Development (SPCHD)	<ul style="list-style-type: none"> ▪ Inclusive Early Childhood Development and Learner Attainment ▪ Social cohesion, moral regeneration, community safety & GBVF ▪ Non-Communicable Diseases, mental health & social 	Early Childhood Development programs, Special Programs, Learner support, Awareness campaigns on GBVF, social cohesion, and moral regeneration

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
			<ul style="list-style-type: none"> determinants of health ▪ Anti-Poverty & Sustainable Livelihoods 	
A Capable, Ethical, and Developmental State	A Capable, Ethical, and Developmental State	Governance, State Capacity, and Institutional Development (<i>GSCID</i>)	Transformation, Governance, and Municipal Support	Transformation Programs, Governance, and Municipal Support
		Justice, Crime Prevention and Security Cluster (<i>JCPS</i>)	Social cohesion, moral regeneration, community safety & GBVF	Social cohesion, moral regeneration, and awareness campaign
FINANCIAL VIABILITY AND MANAGEMENT				
Inclusive Growth and Job Creation	Inclusive Growth and Job Creation	Economic Sectors, Investment, Employment, and Infrastructure Development (<i>ESIED</i>)	<ul style="list-style-type: none"> ▪ Infrastructure, human settlements & broadband ▪ Food security, land reform & agriculture commercialization ▪ Inclusive Economic Growth ▪ Youth development, skills development & training for the Economy 	The IHLM supports and commits to the Inclusive Growth and Job Creation - BTO will support and ensure that LED Programmes that promote growth and job creation are budgeted for.
Reduce Poverty and Tackle the High Cost of Living	Reduce Poverty and Tackle the High Cost of Living	Social Protection, Community and Human Development (<i>SPCHD</i>)	<ul style="list-style-type: none"> ▪ Inclusive Early Childhood Development and Learner Attainment ▪ Social cohesion, moral regeneration, community safety & GBVF ▪ Non-Communicable Diseases, mental health & social 	Procurement strategies that support the local economy and businesses

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
			<p>determinants of health</p> <ul style="list-style-type: none"> ▪ Anti-Poverty & Sustainable Livelihoods 	
A Capable, Ethical, and Developmental State	A Capable, Ethical, and Developmental State	Governance, State Capacity, and Institutional Development (GSCID)	Transformation, Governance, and Municipal Support	Ensure and strengthen the internal control environment to give rise to Clean Administration
		Justice, Crime Prevention and Security Cluster (JCPS)	Social cohesion, moral regeneration, community safety & GBVF	
BASIC SERVICE DELIVERY (TECHNICAL SERVICES)				
Inclusive Growth and Job Creation	Inclusive Growth and Job Creation	Economic Sectors, Investment, Employment, and Infrastructure Development (ESIEID)	<ul style="list-style-type: none"> ▪ Infrastructure, human settlements & broadband ▪ Food security, land reform & agriculture commercialization ▪ Inclusive Economic Growth ▪ Youth development, skills development & training for the Economy 	<p>Infrastructure (Construction of Access Roads, Surfaced Roads, Community Halls, Sport Fields, and Public Toilets)</p> <p>Installation of electrical infrastructure, high-mast lights, and streetlights.</p>
Reduce Poverty and Tackle the High Cost of Living	Reduce Poverty and Tackle the High Cost of Living	Social Protection, Community and Human Development (SPCHD)	<ul style="list-style-type: none"> ▪ Inclusive Early Childhood Development and Learner Attainment ▪ Social cohesion, moral regeneration, community safety & GBVF ▪ Non-Communicable Diseases, mental health & social determinants of health 	

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
			<ul style="list-style-type: none"> Anti-Poverty & Sustainable Livelihoods 	
A Capable, Ethical, and Developmental State	A Capable, Ethical, and Developmental State	Governance, State Capacity, and Institutional Development (GSCID)	Transformation, Governance, and Municipal Support	Adherence to the DoRa and RAS framework.
		Justice, Crime Prevention and Security Cluster (JCPS)	Social cohesion, moral regeneration, community safety & GBVF	
BASIC SERVICE DELIVERY (COMMUNITY SERVICES)				
Inclusive Growth and Job Creation	Inclusive Growth and Job Creation	Economic Sectors, Investment, Employment, and Infrastructure Development (ESIED)	<ul style="list-style-type: none"> Infrastructure, human settlements & broadband Food security, land reform & agriculture commercialization Inclusive Economic Growth Youth development, skills development & training for the Economy 	Inclusive Economic Growth – Waste Economy
Reduce Poverty and Tackle the High Cost of Living	Reduce Poverty and Tackle the High Cost of Living	Social Protection, Community and Human Development (SPCHD)	<ul style="list-style-type: none"> Inclusive Early Childhood Development and Learner Attainment Social cohesion, moral regeneration, community safety & GBVF Non-Communicable Diseases, mental health & social determinants of health Anti-Poverty & Sustainable Livelihoods	
A Capable, Ethical, and	A Capable, Ethical, and	Governance, State Capacity, and Institutional	Transformation, Governance, and Municipal Support	Capable, Ethical, and Professionalizing Local Government

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
Developmental State	Developmental State	Development (<i>GSCID</i>)		
		Justice, Crime Prevention and Security Cluster (<i>JCPS</i>)	Social cohesion, moral regeneration, community safety & GBVF	Community Safety Forum initiatives
PLANNING AND ECONOMIC DEVELOPMENT				
Inclusive Growth and Job Creation	Inclusive Growth and Job Creation	Economic Sectors, Investment, Employment, and Infrastructure Development (<i>ESIED</i>)	<ul style="list-style-type: none"> ▪ Infrastructure, human settlements & broadband ▪ Food security, land reform & agriculture commercialization ▪ Inclusive Economic Growth ▪ Youth development, skills development & training for the Economy 	<ul style="list-style-type: none"> ▪ Prioritization of led infrastructure (Coastal area, tourism attraction, agricultural and forestry development) ▪ Prioritization of Emergency, social housing, and bulk infrastructure for the middle-income housing, titled deed restoration program, and housing need register ▪ Facilitation of the broadband infrastructure rollout and ▪ Perseverance of agricultural viable land, agro-processing, value chain, addition and creation, fisheries, social compact framework for land tenure, land summit, locking of suitable land for medium to high impact uses ▪ Production support, mechanization,

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
				climate-resilient farming <ul style="list-style-type: none"> ▪ Business incubation, market access, enterprise support, business retention, and investment attraction and participation of all segments of the community to ensure that they benefit from local economic growth ▪ Investor facilitation, PPPs, alignment with District & Province ▪ Investment in critical skills to drive the local economy through science, technology, engineering, and mathematics)
Reduce Poverty and Tackle the High Cost of Living	Reduce Poverty and Tackle the High Cost of Living	Social Protection, Community and Human Development (SPCHD)	<ul style="list-style-type: none"> ▪ Inclusive Early Childhood Development and Learner Attainment ▪ Social cohesion, moral regeneration, community safety & GBVF ▪ Non-Communicable Diseases, mental health & social determinants of health Anti-Poverty & Sustainable Livelihoods	Protection and preservation of indigenous plants for medical research purposes. Carbon sequestration (explore the grants available from DBSA and DFFE for job creation).
A Capable, Ethical, and Developmental State	A Capable, Ethical, and Developmental State	Governance, State Capacity, and Institutional Development (GSCID)	Transformation, Governance, and Municipal Support	

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
		Justice, Crime Prevention and Security Cluster (JCPS)	Social cohesion, moral regeneration, community safety & GBVF	
INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT				
Inclusive Growth and Job Creation	Inclusive Growth and Job Creation	Economic Sectors, Investment, Employment, and Infrastructure Development (<i>ESIEID</i>)	<ul style="list-style-type: none"> ▪ Infrastructure, human settlements & broadband ▪ Food security, land reform & agriculture commercialization ▪ Inclusive Economic Growth <p>Youth development, skills development & training for the Economy</p>	<ul style="list-style-type: none"> • Community Development Empowerment Bursaries, learnerships, and internships • Integrated Wellness Program. • Crime Prevention – Security Services • SMME Development & Support- Talent Acquisition, • Trainings • Community Development Empowerment – workplace Skill Plan in place • Construction of new roads and rehabilitation of the existing road network – Talent Acquisition and maintenance • Agricultural Development – THROUGH SMME capacity building programs
Reduce Poverty and Tackle the High Cost of Living	Reduce Poverty and Tackle the High Cost of Living	Social Protection, Community and Human Development (SPCHD)	<ul style="list-style-type: none"> ▪ Inclusive Early Childhood Development and Learner Attainment ▪ Social cohesion, moral regeneration, 	

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
			community safety & GBVF <ul style="list-style-type: none"> ▪ Non-Communicable Diseases, mental health & social determinants of health ▪ Anti-Poverty & Sustainable Livelihoods 	
A Capable, Ethical, and Developmental State	A Capable, Ethical, and Developmental State	Governance, State Capacity, and Institutional Development (<i>GSCID</i>)	Transformation, Governance, and Municipal Support	
		Justice, Crime Prevention and Security Cluster (<i>JCPS</i>)	Social cohesion, moral regeneration, community safety & GBVF	

10.7 INSTITUTIONAL STRATEGIES AND PROPOSED PROJECTS FOR 2026/2027 FINANCIAL YEAR

10.7.1 BASIC SERVICE DELIVERY

Objective: To promote basic service delivery through infrastructural development in an environmentally friendly manner.

STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECT	BUDGET 2026/2027	2026/2027	BUDGET 2027 AND BEYOND	2027 AND BEYOND
1-00081	Expansion of roads infrastructure	Some communal areas do not have road facilities, ranging from a provincial road to an access road	Construction of new roads	Construction of new roads: Chwechwela Access road in ward 22, Ngibe Access road in ward 21, New Rest to Khonjwayo Access road in ward 19, Mkhabela to Makolonini Access road	R 24 840 999	19km	R30 000 000.00	24km
1-00003	Expansion of roads infrastructure	The majority of streets in the urban area are not surfaced	Surfacing of Internal streets	Surfacing of streets in both towns: Lisikisiki Internal Street Phase 3	R12 000 000	6km	R60 000 000.00	4km
1-00004	Expansion of roads infrastructure	The majority of streets in the urban area are not surfaced	Surfacing of Internal streets	Surfacing of streets in both towns: Flagstaff Internal Streets Phase 2	R5 300 000.00	4km	R	
1-00034	Expansion of roads infrastructure	The majority of streets in the urban area are not surfaced	Construction of bypass roads for both towns	Construction of surfaced by-pass I Lisikisiki	R29 500 000.00	2,4km	R83 500 000.00	5,2km

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STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECT	BUDGET 2026/2027	2026/2027	BUDGET 2027 AND BEYOND	2027 AND BEYOND
1-00035	Maintain the usefulness of roads.	As roads are used and exposed to rainy weather, they require rehabilitation.	Rehabilitation and maintenance of existing roads	Maintenance of existing roads and Rehabilitation of existing roads	R33 000 000.00	160km	R37 500 000.00	160km
				Pothole patching in wards 6, 19, and 15	R7 000 000.00	20 000 m2	R5 000 000.00	20 000 m2
1-00087		High need for bridges in the area	Reconstruction of bridges	Maintenance Plan 2 bridges re-constructed	R0.00	0	R10 000 000.00	2
1-00006	Provision of sports facilities	There are constructed sports centers in villages, which would promote participation in sports	Construction of a new sportified	Provision of sports facilities: Khathazweni Sports Field, Ward 30, and Kwa Dick Sports Field in Ward 17	R 1 000 000.00	2	R20 000 000.00	1
1-00023	Maintain the usefulness of sports facilities	Some sports facilities require renovations	Renovation of sports facilities	Renovation of sports facilities: Mthwaku Sports Field in Ward 6, Flagstaff, and Joe Slovo Sport Field in Ward 17, Lusikisiki	R 4 800 000	2	R2 000 000.00	1
1-00009	Construction of building infrastructure	Tourist Attractions do not have infrastructure.	Construction of tourism infrastructure	Construction of beach infrastructure at Mbotyi for ablution facilities and change rooms.	R0.00	0	R2 000 000.00	1

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STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECT	BUDGET 2026/2027	2026/2027	BUDGET 2027 AND BEYOND	2027 AND BEYOND
6-00053	Construction of building infrastructure	Existing Information centres need to be demolished and re-constructed	Construction of the Information Center in both towns	Construction of Information Center in Lusikisiki	R4 000 000.00	1	R4 000 000.00	1
1-00013		The municipality requires new office buildings	Construction of new offices	Construction of new municipal offices in Lusikisiki	R25 000 000.00	0	R70 000 000.00	1
1-00096		Ward 2 MPCC needs to be completed	Finalization of the Multiple MPCC Projects	Completion of Ward 2 MPCC	R5 000 000.00	1	R0.00	1
1-00025	Maintain the usefulness of municipal buildings.	Some community halls need renovations	Renovations of Community Halls	Renovations of the Nongoma community hall in Ward 4	R1 500 000.00	1	R3 000 000.00	2
1-00013		Lusikisiki Municipal offices require renovation.	Refurbishment of the existing municipal offices	Refurbishment of Lusikisiki Municipal Offices	R3 000 000	1	R0.00	0
1-00046		Public toilets need renovation.	Renovations of municipal infrastructure	Renovation of public toilets	R0.00	0	R1 000 000.00	2
1-00046		Public facilities need renovation.		Renovation of public facilities	R0.00	0	R2 500 000.00	1
1-00090		There is a backlog in the provision of public lighting in the		Replacement and maintenance of streetlights in both	R2 300 000.00	100	R0	0

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STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECT	BUDGET 2026/2027	2026/2027	BUDGET 2027 AND BEYOND	2027 AND BEYOND
		municipal areas where people reside.		towns, Flagstaff and Lusikisiki				
1-00093	Electrification Upgrade	The municipality has reached universal access. Due to extensions of villages, there is a need to electrify extensions and infills of households	Provision of Infrastructure electrification for households around Ingquza Hill LM	Nkunzimbini-pre-engineering Ntlavukazi –pre-engineering Mfiniso 23km,22kV Hare Line Sphaqeni 22,5km 22kV Hare Line Ludiwane, Lujecweni,Bhungeni, and Luthulini Pre-Eng Tshandatshe Pre-Eng Thafabanzi, Mbenyane, and Thembukazi Pre-Eng Ndzondeni, Gqweza and Tauka Pre-Eng	R2 689 000.00	Pre-engineering	R	130 h/h
1-00093	Electrification Upgrade	The municipality's electricity network is overloaded, and an upgrade is needed to		Upgrading of link lines in various wards- Nkunzimbini/Ntlavu	R4 050 000.00	9km,22kV	R 49 817 00.00	30km

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STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECT	BUDGET 2026/2027	2026/2027	BUDGET 2027 AND BEYOND	2027 AND BEYOND
		accommodate new household connections.		kazi 6km 22kV Fox Link Line Hombe 3km 22kV Fox Link Line				
1-00017	Installation of High mast lights	There is a High Crime rate within the jurisdiction of Ingquza Hill Local Municipality.	Provision of Public Lighting	Installation of High mast lights in the following wards: 7, 8, 19, 21, 22, 23, 24, 26, 28, and 29	R10 000 000	10	R10 000 000.00	10
1-00023	Maintenance of High mast lights	Maintenance of High mast lights require maintenance as needed.	Maintenance of Public Lighting	Maintenance of High mast lights	R0	0	R625 000.00	5
1-00075	Provision of disposal facility	There are no environmentally compliant disposal sites for 2 towns	Construction of a waste management site	Construction of Flagstaff Landfill Site	R8 500 000.00	1	R10 000 000.00	1
6-00052	Provision of animal pounds	There is no existing animal pound in Lusiki town, and the existing animal pound in Flagstaff town is in a bad state.	Management of Pond Management	Construction of Flagstaff animal pounds ward 6	R1 500 000.00	1	R1 500 000.00	1

10.7.2 INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Objective: To promote Institutional Transformation and Organizational Development

STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 AND BEYOND
2-00014	Human Resources Administration	Non-compliance with the BCEA &SALGBC Collective Agreement	Talent maintenance, leave management, and payroll administration	Implementation of Leave Management Policy	Number of leave management reports presented	R0.00	4	4
2-00023	Human Resources Administration	Non-compliance with the BCEA &SALGBC Collective Agreement	Develop and review policies, procedures, and strategies for the Department by 2026	Adoption of policies by the Council	Number of Policies adopted by the Council	R70 000.00	1	1
2-0001	Human Resources Administration	Non – compliance with Section 166	Implement the Human Resources Plan	Development and adoption of the organogram by the Council	Number of the organogram adopted by the Council	R0.00	1	1
2-00035	Human Resources Administration	Non-compliance with the BCEA &SALGBC Collective Agreement and Sections 66, 54, and 56 of the MSA as amended.	Talent acquisition and onboarding	Reduction of the vacancy rate as per the adopted organogram	Percentage reduction of municipal vacancy rate on funded posts by June 2027	300 000	15%	15%

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 AND BEYOND
2-00017	Human Resources Administration	Inability to implement and measure institutional performance management.	Implement PMS Framework Policy and Procedure Manual	Signing of the performance agreement by the Senior Manager and Middle management.	Number of senior and middle managers with signed performance agreements.	R0.00	100%	100%
2-00017	Human Resources Development	Inability to implement the workplace skills plan effectively.	Implement Employment Equity Plan	Development and approval of the Employment Equity Plan	Number of Approved EE Plans implemented and acknowledged by the Department of Labor and Employment.	R0.00	4	4
2-00002	Human Resources Development	Inability to implement the workplace skills plan effectively.	To enhance Community Development Empowerment	Provision of Bursaries	Number of bursaries to tertiary deserving students who performed exceptionally/ outstanding bursary recipients	R1 200 000	30	30
2-00016	Human Resources Development	Inability to implement the workplace skills plan effectively.	To develop the skills of the workforce by June 2026 through an approved WSP	Provision of training at the approved WSP	Number of training interventions conducted for Councilors and employees as per the workplace skills plan	R9 105 000,00	16	16

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 AND BEYOND
2-00001	ICT governance and Infrastructure	Compromised ICT environment due to phishing and hacking.	Implementation of the ICT Governance Framework	Sitting of the ICT Governance Committee	Policies and procedures are in place. All Servers are monitored and maintained.	R1 500 000	6	6
2-00010	Employee Wellness		To promote wellness in the workplace	Facilitation of sitting EAP workshop/events programs	Number of EAP workshops / Events to be held	R3 863 000.00	5 Events and 8 workshops	5 Events and 8 workshops
2-00003				Sitting of the Wellness Committee meeting	Number of Wellness Committee meetings	R0.00	4	4
2-00031	Admin Support	Poor Records Management System		Implementation of Electronic Document Records Management System, phase 1	% Implementation of Electronic Document Records Management System phase 2	R2 000 000.00	100%	100%

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 AND BEYOND
2-00053	ICT governance and Infrastructure	Compromised ICT environment due to phishing and hacking	Provision of comprehensive ICT security management	ICT projects completed within deadlines (Licenses,Laptops for officers and councilors, school laptops, Network Support, Cloud-based backup, Server Room maintenance Desktop Printer from schools. UPS by June 2027	Number of ICT projects completed within deadlines (Licenses, Laptops Networking, Cloud-based backup, Telephone Systems, Internet firewall, Server Room maintenance Desktops, Laptops & Printers for schools. UPS by June 2027	R11 246 400.00	9	9
2-00053	ICT Governance and Infrastructure	lack of community ICT Centers	Establishment of Community ICT Center	Establishment of ICT centres in the best-performing schools	Number of ICT centres established	R0.00	4	4

10.7.3 Planning and Economic Development

Objective: To promote local economic development

STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 and Beyond
3-00014	AGRIC DEVELOPMENT	Limited access to mechanized farming equipment across agricultural enterprises	To facilitate the successful implementation of the LED strategy.	Ploughing Mechanisation tool for farmers in both Lusikisiki and Flagstaff	Number of ploughing mechanisation tools provided for farmers in Lusikiski and Flagstaff	R1 000 000.00	10	20
3-00014		Lack of planned agro-processing and production infrastructure on municipal land		Provision of inputs and fertilizers to 20 maize producers within municipal wards	Number of maize producers to be supported with inputs and fertilizers within municipal.	R3 000 000.00	20	20
3-00014		Stock theft and lack of livestock identification	To develop a mechanism for the identification of animals.	Introduce livestock tracking chips for animal identification and traceability	Number of livestock tracking chips for animal identification and traceability	R0.00	N/A	1000
3-00050	AGRIC DEVELOPMENT	Farm Protection Infrastructure	To support small –scale farmers' infrastructure	Facilitation of the construction of Fencing for agricultural projects	Number of hectares fenced for an agricultural project	R2 000 000.00	36Ha	36Ha

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 and Beyond
3-00049				Water source investigation and costing for boreholes in ward 23(Lamasi), 9 (Intaniso Farm 18 Pondoland farm, and 28 Flying Eagle irrigation system in wards 2 and 25	Number of Agricultural Projects to be supported with water source investigation, borehole, and irrigation system within municipal wards	R1 500 000.00	6	6
3-00008	AGRIC DEV	Piggery Infrastructure		Construct piggery structures for small-scale and emerging farmers	Number of piggery structures for small-scale and emerging farmers constructed	R0.00	0	2
3-00052	FORESTRY DEVELOPMENT	Limited access to modern forestry harvesting equipment		Provision of harvesting equipment to 2 forestry cooperatives	Number of forestry cooperatives to be supported with harvesting equipment	R500 000.00	2	2
3-00052	FORESTRY DEVELOPMENT			Provision of fire-fighting equipment to 2 forestry cooperatives	Number of forestry cooperatives to be supported with firefighting equipment	R500 000.00	2	2

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 and Beyond
		Poultry Infrastructure		Construct poultry structures for small-scale and emerging farmers	Number of poultry structures for small-scale and emerging farmers constructed	R0.00	0	2
3-00019	BEEKEEPING	Safety risks due to a lack of protective equipment		Provision of beekeeping equipment to 18 beekeeping cooperatives in municipal wards	Number of beekeeping cooperatives to be supported with beekeeping equipment	R500 000.00	2	2
3-00050	Tourism Development	Poor tourism performance	To promote the tourism activities of Ingquza Hill	Host an annual tourism event	Number of annual tourism events hosted by June 2027	R2 000 000	1	1
3-00034				Support Local Tourism promoters and operators with tools of trade	Number of Local Tourism promoters and operators with tools of trade	R0.00	R0.00	20

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STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 and Beyond
3-00069		Lack of tourism infrastructure		Feasibility study, designs, and costing for suspension bridge between Msikaba (ward 23) and Mkhambathi (ward 25) nature reserve	%Completion of the Feasibility Study	R500 000.00	100%	0
3-00014	Enterprise Development	High unemployment rate	To Support SMMEs	Provide Support to 12 SMMEs and Cooperatives	Number of SMMEs to be supported	R200 000.00	12	
3-00014				Provision of Working Equipment for Informal Traders	Number of Informal Traders to be supported with working equipment	R5 000.00	25	0
3-00056	Environmental Management	Non-compliance with NEMA regulations	To Implémentation Environmental Management Plan	Conduct Environmental Impact Assessment for 3 Townships (New Town, Extension 20 Lusikisiki, and Extension 4, Flagstaff)	% completion of Environmental Impact Assessment for 3 Townships (New Town, Extension 20 Lusikisiki, and Extension 4, Flagstaff)	R2 600000	100%	0%

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STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 and Beyond
3-00056	Environmental Management	Non-compliance with NEMA regulations	To Implémentation Environmental Management Plan	Conduct an Environmental Impact Assessment for the Coastal Infrastructure project in Mboty and Mkambathi	% completion of Environmental Impact Assessment for Coastal Infrastructure project in Mbotyi	R1 200 000.00	100%	0%
3-00056				Conduct Environmental Impact Assessment for 10 Industrial sites, Erven 3886 to 3895	% completion of Environmental Impact Assessment for 10 Industrial sites, Erven 3886 to 3895	R 900 000.00	100%	0%
3-00015	Human Settlements	Backlog of Capturing Housing Needs of Ingquza Hill LM on the National Housing Register (NHNR)	Registration of Housing needs registration	Collect and capture data on housing needs in IHLM's all wards	Number of collected and captured data in the system for the housing needs register for all wards	R 30 000.00	1000	2000
3-00015		Low-cost houses that are still registered under the municipality Beneficiaries who do not have title deeds.	Transfer of Tille deeds	Registration and Transfer for 300 low-income properties in 100 Thabo Mbeki, 100 Nkululekweni in Flagstaff, and 100 Slovo Park in Lusikisiki	100% completion of registration and transfers for 300 low-income properties in Thabo Mbeki, Nkululekweni in Flagstaff, and Slovo Park in Lusikisiki	R2 500 000	300	

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STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 and Beyond
3-00015	Town Planning/Land Administration	Properties that are still registered under the municipality, leading to a loss of revenue	Transferee of the title deed	Facilitate the transfers and registration of 20 Title Deeds of properties in Flagstaff and Lusikisiki.	Number of transfers and registration of 20 Title Deeds of properties facilitated in Flagstaff and Lusikisiki	R1 500 000	50	
3-00055	Town Planning	Coastal investment attraction	To promote Coastal Investment attraction	Develop a Precinct Plan for Lambasi Settlement	Percentage completion of Precinct Plan for Lambasi Settlement	R400 000.00	100%	0%
3-00055		Inland Development of towns	To improve the spatial framework	Development Flagstaff Town and Lusikisiki Town Precinct Plan	% completion of the Flagstaff and Lusikisiki Precinct Plan	R800 000.00	100%	0%
3-00019	Land administration	Land invasion Unlocking investment opportunities Lack of bulk infrastructure	To promote the disposal of residential sites for lease/business	Review of lease agreements for Municipal properties that are generating revenue in Lusikisiki and Flagstaff	Number of municipal properties that are leased and generating revenue in Lusikisiki and Flagstaff	R1 269 288.00	10	20

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STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 and Beyond
3-00015	Land administration	Unutilized state and dilapidated owned properties within IHLM	Land administration	Municipality to acquire land for investment opportunities	Number of acquired lands for investment opportunities of the municipality	R0.00	5	5
3-00016	Informal Settlement Upgrading	Unsurveyed Informal Settlements within Municipal Commonages	Surveying all unsurveyed informal settlements	Planning and Survey of Malizole, Unity Park, and Zwelitsha Township in Lusikisiki	% completion of Planning and Survey of Malizole, Unity Park, and Zwelitsha Township in Lusikisiki	R2 400 000.00	100%	0

10.7.4 Financial Viability and Management

Objective: To promote and enhance financial viability

STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECT	PERFORMANCE INDICATOR	BUDGET	ANNUAL TARGET	2027 AND BEYOND
4-0001	Budget Planning	Budget Approval	Strict implementation of the Budget Process Plan	Approved Funded Budget – 31 May	Approved Funded Budget – 31 May	R0.00	Funded Budget	Maintain funded status and reduce grant dependency

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STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECT	PERFORMANCE INDICATOR	BUDGET	ANNUAL TARGET	2027 AND BEYOND
4-00047	Reporting	In-year Reporting	Adherence to legislated reporting timeframes	Number of reports submitted to the Mayor and National and Provincial Treasury (Section 71, 52(d), 72, AFS)	Number of reports submitted to the Mayor and National and Provincial Treasury (Section 71, 52(d), 72, AFS)	R0.00	100% Compliance with MFMA and Other Reporting Requirements	Maintain compliance
4-00018	Financial Reporting	Stagnant Audit Opinion - Qualified	Implement Audit Action Plan and other internal controls	Unqualified Audit Opinion	Unqualified Audit Opinion	R0.00	Unqualified Audit Opinion	Clean Audit Outcomes
4-00021	Financial Management and Reporting	Implementation of mSCOA	Utilise the accounting system to achieved 100% implementation of mSCOA	%compliance with mSCOA Requirements	%compliance with mSCOA Requirements		100% Compliance with mSCOA	100% Compliance with mSCOA
4-0003	Expenditure Management	Compliance with MFMA – payment within 30 days	Implement Standard Operating Procedures – Expenditure Management	Compliance with MFMA Requirements – payment of creditors within 30 Days	Compliance with MFMA Requirements – payment of creditors within 30 Days	R0.00	100% compliance with section 65 of the MFMA	Payment of creditors within 30 days
4-00037	Revenue Management	Low Revenue Base and Low Revenue Collection	Focused Debt Collection Strategy – Commercial and Government	Percentage of revenue collected	Percentage of revenue collected	R0.00	80% Collection Rate	95% Collection Rate

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STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECT	PERFORMANCE INDICATOR	BUDGET	ANNUAL TARGET	2027 AND BEYOND
4-00021	Asset Management	Inaccuracies in the Fixed Asset Register	Compilation of a GRAP Compliant Asset Register	GRAP Compliant Asset Register – also in compliance with Section 63 of the MFMA	Number of GRAP Compliant Asset Register	R5 500 000.00	GRAP Compliant Fixed Asset Register – supporting asset management function	Grap Compliant Asset Register
4-00023	Fleet Management	Misuse of Municipal Vehicles	Implementation of fleet management policy and other controls – vehicle tracking, fleet management system	Fully functioning municipal fleet, with no vehicles involved in accidents	Number of reports on the management of the Municipal Fleet	R0.00	Zero accidents Reduced fuel, repairs, and maintenance costs	Optimum use of vehicles
4-00087	Supply Chain Management	Implementation of the Procurement Plan	Align Procurement Plan to the SDBIP Adherence to the implementation of the procurement plan targets	Implementation of the procurement plan	% Achievement of the implementation of the procurement plan	R0.00	100% implementation of the procurement plan	100% implementation of a credible procurement plan
4-00099	Supply Chain Management	Variation Orders on the majority of municipal contracts	Review of the standard operating procedures of VO	An accurate process was followed for each of the approved VO's	Number accurate process followed for each of the approved VO's	R0.00	Variation Orders are accurately processed and accounted for.	Accurately report on VO's

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STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECT	PERFORMANCE INDICATOR	BUDGET	ANNUAL TARGET	2027 AND BEYOND
4-00063	Supply Chain Management	Performance Assessment of Service Providers	Coordinate the performance assessment of service providers by all user departments.	Number of Contractor/Supplier assessments done	Number of Contractor/Supplier assessments done		All Service Providers are assessed for performance monthly	Compliance with Sec 116 of MFMA
4-00023	Free Basic Services	Supply of Free Basic Services to deserving/qualifying households	Provide Free Basic Services to qualifying households. - 50kW Electricity per month 60 Liters of paraffin per year	Number of households supplied with the Free Basic Services	Number of households supplied with the Free Basic Services	R10 000.00	22023 Beneficiaries supplied with Free Basic Services	Provision of FBS to 100% of qualifying households

10.7.5 Good Governance and Public Participation

Objective: To promote good governance and public participation

STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 AND BEYOND
5-00045	Integrated Development Plan	Lack of Integrations	To develop a credible IDP	Development of Credible IDP	Number of credible IDPs developed	R 3 800 000.00	1	1
5-00047	Performance Management System	Deficiencies in compliance with legislation and internal control		Implementation of the Performance Management framework		R1 500 000.00	4	4
5-00049	Internal Audit	Weaknesses in the system of Internal controls. Slow implementation of the recommendation of the Internal General of South Africa (AGSA) Qualified Audit Opinion	Implementation of the Internal Audit Plan. Implementation of the combined Assurance Model	Implementation of the internal Audit plan for the 2026/27 Financial year	Number of Internal Audit projects conducted as per the approved Internal Audit plan for the 2026/27 financial year.	R900 000.00	8	8
5-0004	Risk Management	Low Maturity rate of Risk Management processes	Implementation of the risk management plan Review and align the risk register with the IDP,	Coordinate and facilitate quarterly Risk Management	Number of Risk Management Committee Meetings	R524 000.00	4	4

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STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 AND BEYOND
		Misalignment between the IDP, Budget, SDBIP, Annual Procurement Plan, and Risk	SDBIP, and the Annual Procurement Plan. Establishment and Hosting of the Anti-Fraud and corruption Hotlines services	Committee meetings.	conducted in the 2026/27 financial year.			
5-0004				Establishment and Hosting of the Anti-Fraud and Corruption Hotline Services	Percentage of fraud hotline matters attended by 30 June 2027	R370 000.00	100%	100%
5-00029	Legal Services	High rate of litigation in the municipality Absence of compliance register ‘ Lack of review of the municipal by-law	To promote a litigation strategy	Implication of litigation strategy	% implementation of litigation management strategy by June 2027	R8 000 000 .00	100%	100%
5-0009	Council Support	Inability affecting the scheduling of meetings and the documentation of council resolutions, and weakening	To the Implementation of Standing Rules and Orders of Council and Council Calendar	Implementation of Standing Rules and Orders of Council and Council Calendar	Number of Ordinary and Special Council meetings, Open Council, and SOMA held	R3 500 000.00	12	12

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STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 AND BEYOND
		institutional professionalism		Non-adherence to the Council Calendar and process plan				
5-00020	Public Participation and Petitions	Ineffective participation by community members Lack of clear management of petitions	To Implement Public Participation Strategy	Implementation of Public Participation policy Implementation of public participation strategy Development of Petition Management Strategy	Implementation of Public Participation	R7 400 000.00	1	1
5-00011	Strategic Institutional Communications	Ineffective and effective communication	Implementation of the communication strategy	Implementation of Communication Strategy	Number of Communication programs projects	R2 110 000.00	15	15

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STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 AND BEYOND
5-00038		Weak Intergovernmental Relations	Implementation of the IGR Framework	Sitting of the IGR Forum	Number of sitting of the IGR Forum	R330000.00	8	8
5-00036	Mayoral Support and Program	Absence of an integrated coordinated system for planning, Implementation and monitoring of SPU	Implementation of the SPU strategy Mainstreaming of SPU across all municipal functions and departments	Implementation of the Special Programs Unit	Number of SPU programs implemented	R5 418 000.80	16	16

10.7.6 . SOCIAL SERVICES

Objective: To provide effective, efficient, and sustainable community support services

STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 AND BEYOND
4-00037	Traffic Services	Non-compliance with traffic regulation	Implementation of revenue enhancement	Increase Revenue generation on Traffic Fines	% increase in revenue generation from traffic fines	R0.00	85%	85%
4-00037	Registering Authority (RA)	Limited revenue streams		Increase Revenue generation from the licensing of motor vehicles	% increase in revenue generation on licensing of monitoring	R0.00	85%	85%
4-00037	DLTC & VTS			Increase revenue generation through driving& Vehicle license testing.	% increase in revenue generation through driving and vehicle license testing	R0.00	85%	85%
6-00003	Asset & Personnel Protection	Theft of a municipal asset. issues of access control and lack of proper management of the Unit	To decrease theft on municipal premises	Safeguarding of municipal assets plan	Number of reports on the safeguarding of municipal assets	R0.00	4	4
6-00003		Theft of a municipal asset. issues of access control and lack of proper management of the Unit		Provision and installation of cameras for four (4) municipal offices in Flagstaff	Number of installed and provided cameras for two (2) municipal offices in Flagstaff by March 2027	R2 300 000.00	2	0

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STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 AND BEYOND
6-00001	Crime prevention	High crime rate in the municipality. No synergy on the implementation of crime prevention initiatives by stakeholders	To decrease the crime rate in both towns	Conduct iMbizo Yamadoda	Number of events conducted	R496 000.00	1	1
6-00001				Support Community Police Forums (CPF) through CPF equipment	Number of times CPF equipment is procured and distributed to CPFs	R300 000.00		
6-00044	Disaster Management	Lack of a systematic approach in responding to disaster risk management	To coordinate and facilitate the sitting of the Disaster Advisory Forum	Sitting of Disaster Management Forum	Number of coordinated Disaster Advisory Forums	R50 000.00	4	4
				Provision of disaster relief material	Number of disaster relief materials procured	R400 000	1	1
6-00042	Pound	Control of stray animals as per Traffic NRTA 93 of 96	Development of the pound to comply with prescribed standards	Provision of animal feed and medicine	Number of times animal feed and medicines are provided	R4 00 000.00	1	1
4-00038	Library Services	Poor Library Facilities	To advocate for the construction of a fully-fledged library	Sitting of the steering committee meeting for the construction of the Lusikisiki	Number of steering committee meetings convened for the	R360 000.00	12	0

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STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 AND BEYOND
				Fully Fledged Library	Lusikisiki Fully Fledged Library			
				Employment of four (4) EPWP library assistants for our 3 libraries	Number of times EPWP library assistants employed	R240 000.00	4	4
6-00049	Sports Promotion	Promotion of sports to fight crime	To promote sports through events and support the federation	Promotion of sports through sports events	Number of sports events hosted	R892 000.00	2	2
				Assistance of federations and players	Number of federations and players assisted	R705 000.00	8	8
6-00023	Supporters of Arts and Culture groups	Lack of promotion of moral regeneration programs	To promote Arts and Culture programs	Support of Arts and Culture groups and events	Number of arts and culture groups and events supported by June 2027	R7 580 000	4	4
6-00058	Promotional of Health and Safety	Fighting against transmitted diseases	Support community development initiatives	Support of Inkcuyo Programs by June 2027	Number of INCIYO programs supported	R850 000	1	1
				Promotion of Traditional customs (Initiation)	Number of reports on promotion of traditional customs(Initiation)	R116 000.00	1	1

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STRATEGIC OBJECTIVE CODE	FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	PROPOSED PROJECTS	PERFORMANCE INDICATOR	BUDGET	2026/2027	2027 AND BEYOND
6-00027	Waste Management	Poor provision of measures to remediate contaminated land	Effective and efficient disposal of waste	Lusikisiki Landfill site Rehabilitation & Provision of basic infrastructure	Number of Lusikisiki Land Rehabilitation & Provision of basic infrastructure	R1 000 000	1	Land Rehabilitation
6-00042				Provision of the Yellow Fleet for the landfill site operation	Number of yellow plant equipment purchased	R0.00	0	1 Tipa Truck)
4-00037		Minimum revenue collection	To increase revenue enhancement	Increase Revenue generation on refuse collection and cemeteries	% collected on revenue from refuse collection and cemeteries	Nil	Reports on refuse collection and revenue generated	Reports on refuse collection and revenue generated
6-00027		Compliance with the Waste Act	To implement the Integrated Waste Management plan	Reviewed IWMP adopted by Council by June 2027	Number of Integrated Waste Management Plans reviewed	R500 000.00	1	Implementation of IWMP
6-00028	Parks & Recreational Services	Ad hoc operations and management of recreational facilities	Proper management of recreational facilities and provision of services.	Landscaping and facelift of both towns, Lusikisiki and Flagstaff	Number of towns to be landscaped and facelifted.	R1 200 000.00	1(Flagstaff will be prioritised in 2026-2027)	1(Lusikisiki will be prioritised in 2027-2028)

10.8 PROPOSED PROJECT FOR 2026/2027 FINANCIAL FOR THE EXTERNAL DEPARTMENTS

10.8.1 EASTERN CAPE PARKS AND TOURISM AGENCY (ECPTA)

Project name	Project level	Estimated budget	Project location	Beneficiary size (for community projects only)	Project timeframe		Project sector/ industry	STRATEGIC ALIGNMENT		
					Estimated start date	Estimated end date		NDP	SDG	Africa Agenda
<i>Project name.</i>	<i>There are three project levels, each defined by its characteristics.</i>	<i>Estimated budget over the duration of the project.</i>	<i>Coordinates of the project to be provided.</i>	<i>Number of households/people that will benefit from the project.</i>	<i>Estimated project start date.</i>	<i>Estimated project end date.</i>	<i>For example, services, economy, agriculture, education, and infrastructure.</i>	<i>Multiple select, refer to the list below.</i>	<i>Multiple select, refer to the list below.</i>	<i>Multiple select, refer to the list below.</i>
Mkambati: Alien and Invasive Plants Clearing and Management of Biomass	Level 3: Major Needs Projects	17 973 468,10	31°15'04 "S 29°54'18 "E	105	02 Jun 2025	31 May 2028	Biodiversity Conservation	Clean environment, Employment	No Poverty, Zero Hunger, Climate Action, Life on	Effective Institutions and Leadership, Sustainable, Climate-Resilient

									Land	Economies, Economic Transformation and Jobs
Thahle: Alien and Invasive Plants Clearing and Management of Biomass	Level 3: Major Needs Projects	10 246 500,00	31°17'36 "S 29°51'39 "E	35	02 Jan 2025	31 Dec 2027	Biodiversity Conservation	Clean environment, Employment	No Poverty, Zero Hunger, Climate Action, Life on Land	Effective Institutions and Leadership, Sustainable, Climate-Resilient Economies, Economic Transformation and Jobs
Lambasi: Land Rehabilitation and Restoration	Level 3: Major Needs Projects	22 998 908,04	31°22'14" S 29°49'27 "E	105	02 Jun 2025	31/05/28	Biodiversity Conservation	Clean environment, Employment	No Poverty, Zero Hunger, Climate Action,	Effective Institutions and Leadership, Sustainable, Climate-Resilient

										Life on Land	Economies, Economic Transformation and Jobs
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Project name	Project level	Estimated budget	Project location	Beneficiary size (for community projects only)	Project timeframe		Project sector/industry	STRATEGIC ALIGNMENT		
					Estimated start date	Estimated end date		NDP	SDG	Africa Agenda
Nentule Falls: Alien and Invasive Plants Clearing and Management of Biomass	Level 3: Major Needs Projects	23 000,000	31°18'10"S 29°46'25"E	105	02 Jun 2025	31 May 2028	Biodiversity Conservation	Clean environment, Employment	No Poverty, Zero Hunger, Climate Action, Life on Land	Effective Institutions and Leadership, Sustainable, Climate-Resilient Economies, Economic Transformation and Jobs
Mbotyi: Alien and Invasive Plants Clearing and Management of Biomass	Level 3: Major Needs Projects	10 132 421,12	31°27'44"S 29°42'05"E	35	01 Dec 2024	30 Nov 2027	Biodiversity Conservation	Clean environment, Employment	No Poverty, Zero Hunger, Climate Action, Life on Land	Effective Institutions and Leadership, Sustainable, Climate-Resilient Economies, Economic Transformation and Jobs

10.8.2 Department of Transport

Priority Roads 2026-2027									
PRIOR ITY NO	MUNICIPALITY	Routine Maintenance of Gravel Roads			ACTIVITIES	COMMENTS	RATE/ KM	K M	TOTAL
		ROAD NO.	FROM	TO					
1	IHLM	DR08 124	Mafad olo	Mgodi ni	Headwall, Wingwalls, gabions & stone pitching	Turning the pipe crossing into	240 000	1,00	240 000,00
									-
									240 000,00
2	IHLM	DR08 019	Bhuk azi	Ludwi ana	Regrave lling	gravel washed	870 000	1,00	870 000,00
					Wet blading				-
									870 000,00
									1 110 000,00
									1 110 000,00
TOTAL									1 110 000,00

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Disaster 2026 2027									
PRIORITY NO	MUNICIPALITY	ROAD NO.	FROM	TO	ACTIVITIES	COMMENTS	RATE/KM	KM	TOTAL
1	IHLM	DR08141	Nkuzimbini	Malangeni	Regravelling	Gravel washed	870 000	4,4	3 828 000,00
					Wet blading	Fair	5 000	0	-
									3 828 000,00
2	IHLM	DR08025	St. Elizabeth Hospital	Hlwahlwazi Location	Regravelling	Poor	870 000	4	3 480 000,00
					Wet blading	Fair	5 000	0	-
									3 480 000,00
3	IHLM	DR0135	Buhlanyanga	Flagstaff	Regravelling	Poor	870 000	6,6	5 742 000,00
					Wet blading	Fair	5 000	0	-
									5 742 000,00
4	IHLM	DR08155	Hlababomvu	Sijjini	Regravelling	Poor	870 000	4	3 480 000,00
					Wet blading	Fair	5 000	0	-
									3 480 000,00
5	IHLM	DR08153	Tshandatsha	Thembukazi	Regravelling	Poor	870 000	5	4 350 000,00
					Wet blading	Fair	5 000	45	225 000,00
									4 575 000,00
6	IHLM	DR08120	Kwadosini	Mtentu river	Regravelling	Poor	870 000	5,5	4 785 000,00
					Wet blading	Fair	5 000	0	-

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	4 785 000,00
	25 890 000,00
TOTAL	25 890 000,00

<u>Blading 2026 2027</u>										
Routine Maintenance of Gravel Roads										
PRIORITY NO	MUNICIPALITY	ROAD NO.	FROM	TO	ACTIVITIES	COMMENTS	RATE/KM	KM	TOTAL	COMMENTS
1	IHLM	Various roads			Regravelling	Gravel washed	623 909	0	-	
					Wet blading	Poor	5 500	181	995 500,00	
									995 500,00	
									995 500,00	
TOTAL									995 500,00	

Priority Bridges 2026-2027

Routine Maintenance of Gravel Roads

PRIORITY NO	MUNICIPALITY	ROAD NO.	FROM	TO	ACTIVITIES	COMMENTS	RATE/KM	No	TOTAL
1	IHLM	DR08451	Six tress	Xhurhana	Bridge Construction	Gravel washed	2 100 000	1,00	2 100 000,00
						Fair			-
									2 100 000,00
									-
TOTAL									2 100 000,00

	2 100 000,00
TOTAL	2 100 000,00

10.8.3 Department of Economic Development, Environmental Affairs and Tourism.

Priority under economic development 2026/27

STRATEGIC INTERVENTIONS

- Micro, small, and medium enterprise development through financial and non-financial support using existing products and the annual entrepreneurship week
- Youth entrepreneurship- regional and provincial awards
- Continue district and provincial coordination of support to informal business and spaza shops
- Develop District socio-economic profiles, comparative and competitive advantages to inform economic trajectory
- Promote agro-processing sector value chains (Pondoland grain industry business plan- feasibility study developed by ECDC) and HACCP training for agro-processors
- Tourism development through coastal infrastructure (public boat launch sites & develop Mkambati nature reserve Eco-lodge) and tourism feasibility study for tourism projects
- Consumer rights education and joint compliance enforcement with municipalities

INTEGRATED ECONOMIC DEVELOPMENT

FOCUS AREA	KEY ISSUE	STRATEGY	PROJECT/PROGRAM
Industry & sector development	Stimulate economy (GDP, investment, job creation, and enable infrastructure)	<ul style="list-style-type: none"> • ECPED strategy • Public Entity plans • Revitalization of industrial parks • Tourism master plan 	<ul style="list-style-type: none"> • Mkambati Nature Reserve development • Grain-storage facilities (business plan) • WC SEZ

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Enterprize development	Small business support (SMMEs, cooperatives & informal business)	<ul style="list-style-type: none"> • EC MSME & cooperatives strategy • Township & rural economy framework 	<ul style="list-style-type: none"> • Training & registration in CIPC • LRED/Imvaba coops funds • T&R economy (IBSP, STREPP, Stimulus)
Office of the Consumer Protector	Consumer rights protection	EC Consumer Act and Regulations	<ul style="list-style-type: none"> • Consumer rights education and • Consumer complaints handling • Joint compliance inspections

Environmental Management and Sustainable Resource Utilization

Priority Under Environmental Management

Strategic Interventions:

- Review climate change strategy for community resilience
- Biodiversity conservation and Protected area expansion (N2 WC BO and the WCCDI)
- Environmental capacity building and awareness

ENVIRONMENTAL MANAGEMENT PROGRESS

FOCUS AREA	KEY ISSUE	STRATEGY	PROJECT/PROGRAM
Environmental sustainability	Integration of environmentally sustainable principles in development planning	<ul style="list-style-type: none"> • EC Climate change strategy under review • National Climate Change Act, 2024 • Wildlife Transformation strategy 	<ul style="list-style-type: none"> • Review climate change strategy • Finalized climate change & vulnerability assessment • SOER development • N2 WC BO ECPTA/SANRAL

Environmental management and regulation	Illegal development and degradation of the environment	Environmental regulations	<ul style="list-style-type: none"> • Administration of EIA; waste & air quality licensing and • Biodiversity & coastal development permits • District waste climate pilot project
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2026/2027 FY activities

Workshops	ESTIMATED BUDGET AND IMPLEMENTER
Environmental Awareness Workshops (IHLM, KSD, PSJ, Nyandeni, KMLM) Capacity building (KSD, IHLM, KMLM, Nyandeni)	• Operational Budget (DEDEAT)
Regional Enviro Awards Competition – KSD	• Operational Budget (DEDEAT)
Enterprise Development Workshops and Trainings, KMLM, KSD, Nyandeni, IHLM & PSJ	• Operational Budget (DEDEAT)
Consumer Projection Awareness Workshop – all five LMs	• Operational Budget (DEDEAT)

PROVINCIAL CLIMATE CHANGE KEY INITIATIVES

- **Review of the Eastern Cape State of Environment Report** will start in 23/24 – 2026, and the **climate change strategy**
- Support interventions aimed at GHG (Greenhouse Gas) reduction, **climate change mitigation, adaptation, and disaster risk reduction.**
- **Implementation of the Climate Change Act (Act 22 of 2024)** and the Eastern Cape Climate Change Response Strategy will ensure a holistic and multifaceted response to climate change by the province.
- Finalized the RVA (**Risk and Vulnerability Assessment**) for the province, which will provide an **indication of the climate threats for the province** using up-to-date climate models and identify sector-specific threats.
- **This RVA will guide the review of the Eastern Cape Climate Change Response Strategy to ensure it directly addresses the identified threats.**
- A climate change project pilot for OR Tambo DM nodal recycling projects to create a waste circular economy and thus mitigate greenhouse gases while creating a product out of waste

10.8.4 EC Department of Agriculture – Ingquza Hill local municipality 2026/2027 Implementation Plan

Programme	Project Name	Ward	Budget (R)	Activity
Food Security	Cropping Programme	All	2 502 400-00	<ul style="list-style-type: none"> • Food Security Program to assist with planting of crops in arable lands • The Department supplies a grant for the purchase of production inputs at R4 500-00 per hectare • The plan for the 2026/2027 FY = 782ha • Targets Smallholder Farmers
Horticulture (Irrigation System)	Vegetable production Provision of inputs (seedlings and fertilizer)			<ul style="list-style-type: none"> • Magazi • Amajabanqa • Sengikhona • Flying Eagle • Mshini coop • Mzimkhulu mixed farming • Sithami project
Livestock production	Rams		122 390	<ul style="list-style-type: none"> • 8 Rams Ntunge project Ward 3 Mantlaneni • 4 rams Lelethu project ward 2 Gcuda

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				<ul style="list-style-type: none"> • 4 rams Vukani Livestock project ward 21 Mevana • 2 rams Ngxambane disabled share project ward 18 Buhlanyanga
Livestock production	Poultry Production Provision of chicks and feed (Import substitution)			<ul style="list-style-type: none"> • Siyobela poultry project Ward 30 • Ubulumkobethu poultry project • Mathe Primary Coop • Kathalambano Ward 28
Food Security	Ilima lokulima	All	2 224 000-00	<ul style="list-style-type: none"> • Food Security Program to assist with the provision of vegetable inputs for household gardens • Targets Subsistence Farmers • The plan for 2026/2027 FY = 1112 beneficiaries

10.8.5 DEPARTMENT OF HUMAN SETTLEMENTS

REGIONAL PLANS & PERFORMANCE FOR 2025-2026 FY PROGRESS AS AT END FEBRUARY 2026

KEY PERFORMANCE INDICATORS	ANNUAL TARGETS FOR 2025-2026 FY	ACTUAL AS AT END FEBRUARY 2026
UNITS	760	926 (122%)

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PARTIAL SERVICES	710	969 (136%)
RECTIFICATION	70	215 (307%)
JOB CREATION	892	714 (80%)
TITLE DEEDS	200	0
BUDGET	R 220 099 998	R 273 509 801 (124%)

SUMMARY OF INGQUZA HILL LM PLANS & PERFORMANCE FOR 2025/26

KEY PERFORMANCE AREA	ANNUAL TARGETS 2025-2026 FY	ACTUAL AS AT END FEBRUARY 2026
Units	138	330 (239%)
Partial services	138	330 (239%)

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Rectification	0	0
Budget	R 30 184 998.00	R69 967 489.00

DRAFT DISTRICT PLANS FOR 2026-27 & OUT FY

KEY PERFORMANCE INDICATOR	ANNUAL TARGETS 2026-27 FY	ANNUAL TARGETS 2027-28 FY	ANNUAL TARGETS 2028-29 FY
UNITS	651	890	867
PARTIAL SERVICES	250	156	170
RECTIFICATION	134	120	102
JPB CREATION	750	780	850

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TITLE DEEDS	290	200	200
BUDGET	R 191 312 619	R 204 256 405	R 258 315 953

DRAFT INGQUZA LM PLANS FOR 2026-27 FY

KEY PERFORMANCE INDICATOR	ANNUAL TARGETS 2026-27 FY
UNITS	91
PARTIAL SERVICES	45
RECTIFICATION	0
TITLE DEEDS	0
BUDGET	R 19 700 000

DEPARTMENTAL PRIORITIES

- **Provide Housing opportunities & assistance, prioritizing the destitute, vulnerable groups, Military veterans, and GBVF victims**
- Empowerment opportunities, Skills development & Job Creation for Micro Small & Medium Enterprise (MSME), including designated groups.
- Enhance partnerships & collaborations with Strategic partners in Mobilising Human Settlements Investments,
- Unlocking of Local Building Material Manufacturers & Suppliers,
- Identify, acquire, hold, develop & release residential state land for sustainable human settlements development,
- Upgrading of Informal Settlements,
- Municipal Support & Accreditation programme,
- Accelerated Registration & Issuance of Title Deeds to Homeowners,
- **Adoption of Innovative & Sustainable Building Technologies (ISBT),**
- Strengthen Consumer Education & Consumer Intervention,
- Improve the functionality of the Department for improved service delivery outcomes

STATUS ON INGQUZA HILL LM PROJECTS

PROJECT NAME	IA/DEVELOPER	APPOINTED CONTRACTOR & PROGRAMME	PROGRESS TO DATE	CHALLENGES	INTERVENTIONS/REMEDIAL ACTIONS	COMMENTS
Holy Cross 500 Ward 26,27	DOHS	Mahiri Construction Start Date:01 February 2014 Completion Date: 31 May 2015 Revised Completion date: 31 October 2026 Budget: R88,2M	<ul style="list-style-type: none"> • Not Started - 2 • Foundations- 498 • Wall plates- 498 • Roof - 498 • Finishes - 498 • Complete – 498 Exp: R64M	None	None	The contractor's performance has improved. The contractor will complete this project before the end of the 2025-2026 FY.

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<p>Ingquza 347 Ward 26</p>	<p>DOHS</p>	<p>Mahiri Construction Appointment Date: 01 February 2014 Completion Date: 31 March 2026 Revised Completion date:31 October 2026 Budget: R55,9M</p>	<ul style="list-style-type: none"> • Not Started- 01 • Foundation- 346 • Wall plates- 346 • Roof - 346 • Finishes - 346 • Complete – 346 <p>Exp: R43,5M</p>	<p>None</p>	<p>None</p>	<p>The contractor's performance has improved. The contractor will complete this project before the end of the 2025-2026 FY.</p>
<p>Xopozo 500(350) Ward 8,31</p>	<p>DOHS</p>	<p>Docraine Development Construction Start Date:21 August 2023 Completion Date: 21 August 2026 Budget: R 95,2M</p>	<ul style="list-style-type: none"> • Not started- 1 • Foundation- 349 • Wall plates- 349 • Roof -349 • Finishes -349 • Complete – 349 • Exp: R74,6M 	<p>None</p>	<p>None</p>	<p>The contractor is performing on-site.</p>

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<p>Ingquza 500(390) Ward 26,27,28,32</p>	<p>OR Tambo District Municipality</p>	<p>Docraine Development Construction Start Date: 01 February 2023 Completion Date: 30 September 2026 Budget: R94,3M</p>	<ul style="list-style-type: none"> • Not started- 14 • Foundation- 486 • Wall plates- 425 • Roof – 422 • Finishes - 415 • Complete -415 • Exp: R70,3M 	<p>None</p>	<p>None</p>	<p>The contractor is performing on-site.</p>
<p>Ingquza 500 destitute Wards - All</p>	<p>OR Tambo District Municipality</p>	<p>Docraine Development Construction Start Date: 01 February 23 Completion Date: 31 July 2026 Budget: R104,4M</p>	<ul style="list-style-type: none"> • Not started- 298 • Foundation- 202 • Wall plates- 161 • Roof -133 • Finishes -113 • Complete – 113 • Exp: R 32,6M 	<p>The contractor's performance is affected by the vastness of the sites.</p>	<p>The submission for additional funding is under consideration for approval.</p>	<p>The contractor has been encouraged to perform within the allocated budget.</p>

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Lubala 91(58) Ward 12	OR Tambo District Municipality	Sdumo trust Start Date: 01 February 2023 Completion Date: 31 July 2026 Revised Completion date: None Budget: R12,3M	<ul style="list-style-type: none"> • Not Started- 58 • Exp: R991K 	The appointed contractor never proceeded beyond NHBRC enrolment pending approval of the quantum adjustment	The submission for additional funding is under consideration for approval.	Discussions between the Department and the OR Tambo District Municipality are at an advanced stage to resolve the matter
OR Tambo 500 Destitute (Ingquza 100) Wards – 8 and 31	OR Tambo district Municipality	Sdumo Trust Start Date: 01 February 2023 Completion date:31 July 2026 Budget: R57M	<ul style="list-style-type: none"> • Not Started- 88 • Slabs – 12 • Wall Plates – 8 • Roofs – 0 • Completions - 0 • Exp: R1,9M 	The IA is not performing in the project.	The Department has issued a notice to OR Tambo DM for taking over of the project.	Contractual issues are being finalized between OR Tambo & Department.
Ingquza 158 Ward – All Wards	OR Tambo district Municipality	Not yet appointed Budget: R29,3M	Not Started-158 <ul style="list-style-type: none"> • Exp: R0.00 	The IA did not appoint service providers to undertake planning activities and that led to the contract lapsing.	The project is halted and will be implemented subject to availability of funding	The contract between the Department and OR Tambo District Municipality lapsed.

MUNICIPAL DISTRIBUTION UISP PROJECTS

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LOCAL MUNICIPALITY	SETTLEMENT NAME	NO OF HOUSEHOLDS
Ingquza Hill (4)	Flagstaff- Nkululekweni 956	956
	Lusikisiki- Zwelitsha 647	647
	Lusikisiki – Malizole 797	979
	Unity Park 719	719
TOTAL	04	3301

ISUP PROGRESS TO DATE

INGQUZA HILL			Comments
Settlement Name	Planned	Achieved	

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Lusikisiki – Zwelitsha 647	<ul style="list-style-type: none"> • Regravelling of 10 roads. • Construction of 120 VIP toilets. • 5 High mast lighting • 3 Skip bins • 4 Stand pipes 	<ul style="list-style-type: none"> • 10 Roads graveled • 120 VIPs constructed • 5 high-mast installed and constructed • 0 Skip bins delivered • 0 Standpipes 	<ul style="list-style-type: none"> • Electricity already supplied by the municipality • No title deeds were achieved. • Settlement does not require re-blocking.
Lusikisiki -Malizole 797	<ul style="list-style-type: none"> • Regravelling of 16 roads. • Construction of 162 VIP toilets. • 5 High mast lighting • 4 Skip bins • 4 Standpipes 	<ul style="list-style-type: none"> • 16 Roads graveled • 162 VIPs constructed • 5 high-mast installed and constructed • 0 Skip bins delivered • 0 Standpipes 	<ul style="list-style-type: none"> • Electricity already supplied by the municipality • No title deeds were achieved.
Lusikisiki -Unity Park 719	<ul style="list-style-type: none"> • Regravelling of 10 roads. • Construction of 148 VIP toilets. • 5 High mast lighting • 6 Skip bins • 4 Standpipes 	<ul style="list-style-type: none"> • 16 Roads graveled • 148 VIPs constructed • 5 highmast installed constructed • 0 Skip bins delivered • 0 Standpipes 	
Flagstaff – Nkululekweni 956	<ul style="list-style-type: none"> • Regravelling of 8 roads. • Construction of 48 VIP toilets. • 4High mast lighting • 4 Skip bins • 4 Standpipes 	<ul style="list-style-type: none"> • 10 Roads graveled • 48 VIPs constructed • 4 high masts installed • 0 Skip bins delivered • 0 Standpipes 	<ul style="list-style-type: none"> • Electricity already supplied by the municipality No title deeds were achieved.

INGQUZA HILL LM FUTURE PROJECTS

No.	PROJECT NAME	MUNICIPALITY	WARD	SCOPE PLANNED	COMMENTS
1	XOPOZO 500 (150)	INGQUZA	8& 31	150	These projects will be unblocked during 2027/28 due to the prevailing fiscal constraints.
2	INGQUZA 192 (50)	INGQUZA	Various wards	50	
3	UNITY PARK 1000 URBAN	INGQUZA	19	1000	<p>The project funding has not yet been approved due to the Department's limited budget allocation. These projects will be implemented once budgetary commitments are reduced and sufficient funds become available. The Department will continue to provide the Municipality with regular updates regarding the status of funding and implementation timelines.</p> <p>Additionally, the Municipality needs to confirm the availability and adequacy of bulk infrastructure for future urban projects to enable planning to commence.</p>
4	BABINI LANGA 1000 RURAL	INGQUZA	7,8 & 10	1000	
5	SIMPHIWE MNGUNI 1000 RURAL	INGQUZA	4,17,& 13	1000	
6	LUSI PARK 800 URBAN	INGQUZA	19	800	
7	ENKULULEKWENI 800 URBAN	INGQUZA	6	600	
8	ZWELITSHA 800 URBAN	INGQUZA	19	800	

PRIORITY AREAS

- The department prioritizes the provision of housing opportunities for the Destitute and Vulnerable Groups (people living with disabilities, the elderly, military veterans, gender-based violence affected, and child-headed households).
- Reviving Human Settlements forums and strengthening participation in IGR forums.
- Strengthening Consumer Education and Community Interventions.

CURRENT/ANTICIPATED AREAS

- The Municipality is required to facilitate the process of correct beneficiary occupation for the Lusikisiki 1117 project so that the process of title deeds registration and issuance can commence.
- Municipality to confirm availability and adequacy of bulk infrastructure for future urban projects so that planning can commence.
- Secure municipality-owned land for the implementation of other programs (Social Housing) of the Department in the future

CHALLENGES & REMEDIAL ACTIONS

CHALLENGES	PROPOSED REMEDIAL ACTIONS
Increasing demand for houses by undeserving and unqualified people.	Enhance Social Facilitation in Municipalities during the IGR and IDP Sessions.
Poor Performance by contractors and some of the service providers.	Enforcement of contractual obligations for performance and termination of contracts where no improvement as per catch-up plans.
Limited budget allocation is divergent from the increasing costs of Human Settlements Development	Continuous engagement of the National Department to consider allocating additional budget for the completion of projects, with special focus on assisting the most destitute and vulnerable groups
The OR Tambo Region is prone to disasters that displace communities due to ineffective responses in providing quality shelter. Due to funding constraints, there is a reliance on the provision of Temporal Residential Units (TRUs)	The National Disaster Management Center and the National Treasury need to fast-track the consideration of funding applications and processes that lead to the provision of a permanent solution.

<p>Funds allocated for upgrading OR Tambo informal settlements were redirected to support the June 2025 disaster victims.</p>	<p>Implementation of the ISUP program will resume once findings become available.</p>
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10.8.6 Department of Social Development

FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	BASELINE	PERFORMANCE INDICATOR	Annual Target	Financial Year (2026/2027)
<p>Services to older persons</p>	<p>Most older persons stay alone at home or with very young grandchildren, and they become vulnerable to crime, rape, abuse, and murder. Misuse of Old Age Grant by family members</p>	<p>Provision of Protection services; luncheon clubs; active aging; counseling; Older Persons Forums</p>	<p>25 Service Centers</p>	<p>Improved well-being, prolonged life span, and protection of the rights of Older Persons to ensure that Older Persons remain in their homes within their communities for as long as possible.</p>	<p>558 funded and 218 non-funded older persons accessing community-based care and support services.</p>	<p>R 2, 424 000.</p>
<p>Services to persons with disabilities</p>	<p>A high rate of children with physical and mental impairment who are left alone and locked at home, and not getting the necessary care and support. The need for assistive devices to assist people with disabilities in living better</p>	<p>Establish and support Centres for Children with Disabilities (physical and mental impairment) Provide community-based care services. Provision of safe shelter, nutrition and rehabilitation. People with Disabilities assisted with assistive devices such as wheelchairs, crutches, and</p>	<p>2 Centres</p>	<p>Improved well-being, protection of life, and the Rights of persons with disabilities.</p>	<p>43 persons with disabilities are accessing residential facilities. 1,445 persons are accessing community-based rehabilitation services.</p>	<p>R 1,202 647</p>

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FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	BASELINE	PERFORMANCE INDICATOR	Annual Target	Financial Year (2026/2027)
		hearing aids, and educated to use them Counseling and support provided.				
HIV and Aids	Increasing number of HIV infections Increasing number of OVC	Support of HCBCs Services Provided: Clothing/school uniform and food parcels Counseling provided to people living and affected with HIV and Aids and OVC. Support provided by Focus and Support Groups facilitated by Caregivers and Social Workers. Door-to-door services Community conversations to educate communities about HIV and AIDS	2 projects	Implementers are capacitated on Social and Behavior Change Programs so that there is a change in behavior patterns to combat new HIV infections. Increase access to the Psychosocial support services.	90 implementers trained on Social and Behavior Change Programs. 3158 beneficiaries reached through Social and Behavior Change Programs 2550 beneficiaries are receiving Psychosocial Support Services.	R 648 306
Social Relief of Distress	Families are facing undue hardship.	Material support for families	160	More people reached, leading to improved well-being of beneficiaries	160 beneficiaries received DSD	R 331 430.30

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FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	BASELINE	PERFORMANCE INDICATOR	Annual Target	Financial Year (2026/2027)
				who are experiencing undue hardship	Social Relief Programs. 16380 learners who benefited through Integrated School Health Programs	
Care and support for families	Intensive family support, youth mentorship and support, community conferencing, marriage preparation, and marriage enrichment as proclaimed in the White Paper for Families (2013) and Manual for family preservation.	Provision of care and support services to families	03	Increased number of family members accessing family preservation services towards keeping children, youth, and adults at home/ community with their families	2102 family members are participating in the Family Preservation service. 06 family members reunited with their families. 1507 family members are participating in parenting programs.	R 532 265
Child Protection Services	Lack of care and support to orphaned and Vulnerable Children aged between 0 and 18 years.	Provide counseling and Support to Orphaned and Vulnerable Children (OVC'S). Placement of orphans in alternative care.	4	Identification and assistance of children reported to have been abused	146 reported cases of child abuse. 14 children placed in foster care. 1365 Children reached through	R 2,336 986

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FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	BASELINE	PERFORMANCE INDICATOR	Annual Target	Financial Year (2026/2027)
		Record of cases of child abuse to the Child Protection Register			community-based Prevention and Early Intervention Programs	
Crime Prevention	Children get involved in criminal activities.	Provision of Crime Prevention and Support programs	1	People participate in crime-awareness and life-skills programs. Increase in the number of persons reached through social crime prevention programs	2865 persons reached through social crime prevention programs. 08 persons in conflict with the law who completed Diversion Programs	R 300 000
Substance Abuse	Children and youth abuse drugs and alcohol in and out of school.	Provision of prevention programs to children and youth in and out of school through Teenagers Against Drug Abuse Program (TADA)	1		3543 people reached through substance abuse prevention programs. 18 service users who accessed substance use disorder (SUD)	R 185 600

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FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	BASELINE	PERFORMANCE INDICATOR	Annual Target	Financial Year (2026/2027)
					treatment services.	
Victim Empowerment Programs	Victims of violence and crime require care and support services.	Support of White Door Centers of Hope and Safe Homes Care and support to victims of crime and violence Conduct door-to-door to identify cases of domestic violence within the families Conduct awareness campaigns and community dialogues to educate people about GBV and the Domestic Violence Act. Provide overnight/temporary accommodation for the victims (Thuthuzela Care Center, Victim Empowerment Center)	05		462 victims of violence who accessed psycho-social Support services 6032 persons reached through Gender Based violence Prevention Programs	R 1056 822

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	BASELINE	PERFORMANCE INDICATOR	Annual Target	Financial Year (2026/2027)
Sustainable Livelihoods	Lack of community involvement in development decision-making and planning.	Organize communities to facilitate their own development through dialogues, awareness campaigns, and the establishment of community development forums.	-	Improved conscientization and active citizenry. Food security programs enhance the living conditions of vulnerable individuals.	1254 people reached through Community Mobilization Programs. 06 communities organized to coordinate their own Development. 657 households profiled. 53 profiled households linked to sustainable livelihood programs.	-
NPO management and support	Lack of capacity of NPOs and CBOs for compliance and effective management of organizations.	Institutional capacity building and support of NPO's and CBO's.		Capacitation of NPOs improves functionality, governance, and compliance.	14 NPOs capacitated. 05 Cooperatives capacitated. 134 Work opportunities created through EPWP.	

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FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	BASELINE	PERFORMANCE INDICATOR	Annual Target	Financial Year (2026/2027)
Women Development	Lack of employment opportunities for women.	Enhance women's socio-economic development by establishing and supporting women's initiatives.		Cooperatives linked to economic opportunities generate income	<p>04 cooperatives linked to economic opportunities.</p> <p>05 women's rights advocacy capacity-building programs conducted</p> <p>20 women participating in skills development for socio-economic empowerment</p> <p>58 social grant beneficiaries linked to sustainable livelihoods opportunities.</p>	
	Insufficient food in the households.	Establishment and support of sustainable livelihoods and			15 households accessing food through DSD food	

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	BASELINE	PERFORMANCE INDICATOR	Annual Target	Financial Year (2026/2027)
		poverty alleviation programs.			security programs	
Youth Development	Lack of job opportunities for youth.	Establishment and support of youth entrepreneurship and development programs.		Support for youth structures promotes self-reliance and enhances young people's capacity.	<p>470 youth are participating in youth mobilization programs</p> <p>04 youth development structures supported</p> <p>80 youth participating in skills development Programmes.</p> <p>07 youth linked to social-economic opportunities</p>	

10.8.7 OR Tambo District Municipality

WATER SERVICES INFRASTRUCTURE GRANT - DRAFT PROJECT IMPLEMENTATION PLAN & CASHFLOW PROJECTIONS 2026/2027 FINANCIAL YEAR				
No	MUNICIPALITY	PROJECT NAME	PROJECT STATUS	2026/26 FY Allocation
4	Ingquza Hill LM	Mbono Water Supply	Detailed design	R14 695 794,56
5	Ingquza Hill LM	Ndimakude Water Supply	Procurement	R6 173 784,24
TOTAL PROJECT COST				R20 869 578,80

Municipal Infrastructure Grant

O.R TAMBO DISTRICT MUNICIPALITY 2026-2027 DRAFT PROJECT IMPLEMENTATION PLAN

Name of the LM	Project Title	Ward and Villages	Number of Households to be Served	Project Status	Sept-26	Dec-26	Mar-27	Jun-27	2026-2027 FY ALLOCATION
Ingquza	Lusikisiki Water Supply Planning	Lusikisiki Town	21890	Planning	R4 013	R -	R -	R -	R 4 013
Ingquza	Refurbishment of Flagstaff Regional Water Supply	Flagstaff Town, Ludiwana	15304	85% Construction	R 2 000 000				R 8 000 000
Ingquza	Ingquza Hill Ward 7 Sanitation	Ingquza Hill Ward 7	374	100% Construction	R -	R -	R -	R -	R 680 000
Ingquza	Ingquza Hill Ward 5 Sanitation	Ingquza Hill Ward 5	438	100% Construction	R 200 000	R -	R -	R -	R1 360 000
Ingquza	Ingquza Hill	Ingquza Hill	618	100%	R500 000	R	R	R	R2 400 000

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	Ward 26 Sanitation Phase 2	Ward 26		Construction		-	-	-	
Ingquza	Ingquza Ward 6 Sanitation Phase 2	Ingquza Ward 6	600	100% Construction	R1 500 000	R -	R -	R -	R7 000 000
Ingquza	Completion of Ingquza Ward 6 Sanitation Phase 2	Ingquza Ward 6	139	Procurement	R1 000 000	R -	R -	R -	R3 222 576
Ingquza	KSD Ward 16 Sanitation Phase 2	KSD Ward 16	892	60% Construction	R1 000 000	R2 000 000	R 2 000 000	R 500 000	R17 000 000
Ingquza	Extension of Flagstaff Eradication of Bucket System Phase 2	Greater Flagstaff	1539	90% Construction	R1 993 246	R 2 000 000		R -	R15 993 246
Ingquza	Lusikisiki Sewer Network & Waste Water Treatment Plant Phase 2	ward 15	3413	75% Construction	R1 000 000	R -	R -		R4 000 000
Ingquza	Flagstaff Sewers and Sewage Facility - Phase 3	Flagstaff Town	1157	80% Construction	R1 000 000	R -	R -	R -	R 6 000 000

10.8.8 ESKOM

26/27 ELECTRIFICATION PROGRESS – INGQUZA LM

Project Name	Project Type	Beneficiaries	Planned Capex	Planned H/H	Actual HH	Status
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Flagstaff Extensions Ph1	Households	Tawuka, KwaZulu-Natal, Maliwa, Mission, Bhekabantu, Bisi, Kwanyathi, Mpumaze, Mbaneni, Xopoza, Esihlehlani	R 8 090 250.00	167	0	Design Stage
Lusikisiki Extensions Ph1	Households	Mshayazafe, Hoba/ Madlelweni, Sibomvini	R 6 989 583.000	179	0	Design Stage
Lusikisiki Extensions Pre-Engineering (2027/28)	Pre- Eng		R 300 000.00			
Ingquza Hill Pre-Engineering Schedule 5B	Pre- Eng		R 50 000.00			
Total			R 14 039 583.33	346	0	

Old Villages to be energized

- Pelepele- Village to be re-prioritized by the Municipality.
- Mpumaze- Village to be re-prioritized by the Municipality.
- Babane- Customers connected illegally, Eskom to convert.
- Mhlanga- Customers connected illegally, Eskom to convert.
- Zulu, Mpoza, Matheko, and Nkalane - Customers not connected.

Resolution:

Eskom to send out a team before the end of March 2026 to quantify the work required.

Projects to be energized (Kwa Dick 150)

- Eskom has released resources to assist the Municipality with outage requests and Inspections.
- Inspections done by Eskom and Contractor, defects to be corrected.
- Outage booked for the 3rd -6th March 2026
- Municipality to source funds for the additional work and contractor payment.

10.8.9 Department of Public Works

DPWI PROJECTS – 2024/25

FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	BASELINE	PERFORMANCE INDICATOR	PROJECT IDENTIFIED	ANNUAL TARGET	BUDGET
Expanded public works program	Creation of work opportunities	Creation of work opportunities	34 participants	Work opportunities created	Building Maintenance Project	18 months	R 611.784.00
Expanded public works program	Skills development	To implement artisan development (Accelerated Professional and Trade Competencies development (APTCoD) Program) to create employment and skills for young people.	39 participants	Number of participants in the APTCoD program	APTCoD Project (Artisan development).	24 months	R 1,544 400
Expanded public works program	Skills development	Youth development.	6 participants	Number of participants in the APTCoD program	National Youth Service	18 months	R 194 400.

IG PERFORMANCE O.R. TAMBO MUNICIPALITIES

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

Municipality	Allocated (R'000)	Transferred to date	Transfers as % allocation	Expenditure to date	Expenditure as % allocation Excl. Rollover
Ingquza Hill	1 716 000	1 201 200	70%	R 1 716 000	100%
Port St Johns	1 864 000	1 304 800	70%	R 1 864 000	100%
Nyandeni	1 750 000	1 225 000	70%	R 1 750 000	100%
Mhlontlo	1 982 000	1 389 500	70%	R 1 982 000	100%
King Sabata Dalindyebo	2 935 000	2 054 500	70%	R 2 935 000	100%
O.R. Tambo DM	3 628 000	2 539 600	70%	R 3 628 000	100%

OVERALL PERFORMANCE BY PUBLIC BODIES

MUNICIPALITY	W/O TARGET	W/O REPORTED	VARIANCE	FTE TARGET	FTE REPORTED	PERCENTAGE	
						WO	FTEs
O.R TAMBO DM	3,514	2538	976	1224	839	72%	69%

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

INGQUZA HILL LM	420	326	134	153	110	78%	72%
KING SABATHA DALINDYEBO LM	1,035	755	280	425	305	83%	72%
MHLONTLO LM	381	364	17	131	149	96%	114%
NYANDENI LM	516	518	02	185	144	100,3%	78%
PORT ST JOHNS LM	379	346	33	142	114	91%	80%
TOTAL	6245	4847	1442	2260	1661	78%	73%

Training interventions

Municipality	No of project	No. Participants
OR Tambo DM	15	160
Ingquza Hill LM	3	34
KSD LM	0	0
Mhlontlo LM	1	546
Nyandeni LM	2	86
PSJ LM	1	46

DPWI PROJECTS – 2025/26

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

FOCUS AREA	KEY ISSUES/CHALLENGES	STRATEGY	BASELINE	PERFORMANCE INDICATOR	PROJECT IDENTIFIED	ANNUAL TARGET	BUDGET
Provision of basic Infrastructure	Office accommodation	Provisioning of office accommodation	None	Completed construction	Construction of the new Ngquza Hill Library	24 months	R32 mil
Provision of basic Infrastructure	Basic infrastructure	Provision of basic infrastructure	Old structures	Completed renovations	Repairs and Renovations to King House in Lusikisiki	6 month	R2.8 mil
Provision of basic Infrastructure	Basic infrastructure	Provision of basic infrastructure	None	Completed construction	St Elizabeth Hospital: Core block	24 month	R800 mill
Provision of basic Infrastructure	Basic infrastructure	Provision of basic infrastructure	Procurement stage	Completed construction	Holy Cross Hospital Water and Sanitation	12 months	R10 mil
Provision of basic Infrastructure	Basic infrastructure	Provision of basic infrastructure	Project was completed - Completion	Completed	Lusikisiki Cluster Offices	18 MONTHS	R22,7 mil- 23 mill spent

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

PROJECT TITLE: MHLOPHEKAZI J.S.S
DATE OF REPORT: JANUARY 2026
PROJECT DETAILS: CONSTRUCTION OF 4 CLASSROOMS

ACTIVITIES	TASK DESCRIPTION	START DATE	ANTICIPATED COMPLIANCE DATE	PROGRESS	COMMENTS
BRICKLAYING	Laying of sabhunge.	03/01/2025	20/03/2025	<ul style="list-style-type: none"> We are busy laying sabhunge. 	<ul style="list-style-type: none"> Completed laying of sabhunge
	<ul style="list-style-type: none"> Compacting Laying of mash wire 	10/03/2025 27/05/2025	10/04/2025 20/06/2025	Busy with Compacting Busy with laying of the mash wire	Completed. Preparing for the pouring of the slab
	<ul style="list-style-type: none"> Pouring of slab 	02/06/2025	31/07/2025	Busy with the pouring of the slab	Still busy

LUSIKISIKI DEPOT DEFECT REPORT 2026									
Defect arrival			Task completion		Task assignment				
DEFECT FACILITATOR			DEPOT		ARTISAN	SCM		INSPECTORATE	Comments
Defect No	End-user address	Defect description	Receiver Name	Singature & Date	Findings & Comments	Date of material submitted	Date of material received	Date & Signature	

Ref: 1745015	Lusikisiki Depot	outside lights not working	k. Ndamase	17/09/2025	need to be replaced	18/09/2025		B. Sofute	Waiting for material
RRef: 1747380	Lusikisiki Depot	Access door	K.Ndamase	26/09/2025	Need new hinges	26/09/2025	29/09/2025	W.Sivela	Completed
Ref: 1751851	Dr DAR	Plumbing fault	K. Ndamase	21/10/2025	There is no water supply on site. Installed the tap and fixed the water closet			L.Mabandla	Completed
Ref: 1753533	Collage DOE	Building Maintenance	K. Ndamase	30/10/2025	Defect submitted back to the principal's office			M.Matshini	Waiting for a response

10.8.10 SANRAL

Background

- **Project length:**
 - 410 km of Road from East London to the Mtamvuna River (EC/KZN border).
 - 112 km of Greenfields from Ndwalane (PSJ) to Mtamvuna River (Port Edward).

- **Main works include:**
 - 2 x Mega bridge structures (Msikaba and Mtentu River Bridges),
 - 7 x Road packages with major bridge and interchange structures.

- **Road user benefits:**
 - Shorter, flatter, faster, and safer route than either R61 or the current N2
 - 85 km shorter,
 - 1.5 to 3 hours faster.

EASTERN CAPE BUDGET OUTLOOK

Project Type	2025/26	2026/27	2027/28		2025/26	2026/27	2027/28
BEFORE BUDGET CUT					AFTER BUDGET CUT		
Ad Hoc Maintenance					R 334,203	R 414,293	R 255,443
Routine Maintenance	R 211,146	R 619,679	R 464,000		R1,060,635	R 428,711	R 305,590
Periodic Maintenance	R 663,000	R 458,280	R 846,900		R 165,981	R 193,834	R 316,213
Special Maintenance	R 673,823	R 874,9812	R 959,740		R 1,235,214	R 1,007,666	R 589,100
Total Opex	R3,039,006	R 3,388,786	R 3,577,256		R2,796,033	R 2,044,504	R1,466,326
Community Dev	R 1,491,138	R 1,435,845	R 1,306,616		R 847,399	R 921,352	R769,995
Strengthening	R 574,482	R 588,545	R 771,499		884,500	R619,527	R923,925
Improvements	R 2,359,906	R 2,655,314	R 493,511		R 2,673,528	R 1,369,372	R 811,391
New Facilities	R 3,177 778,223	R 4,628,612	R 4,642,813		R 2,521,933	R 2,999,863	R 3,558,339

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

Total Capex	R6,112,167	R7,872,471	R5,907,822		R 6,929,910	R 5,912,920	R 6,063,650
PROJECTS TOTAL	R 9 151 173	R 11 261 256 512	R9,485,078		R9,723,393	R7,954,618	R7,529,976

SUMMARY OF PROGRESS

PACKAG E	DESCRIPTION	ENVISAGED CONSTRUCTION START DATE	ENVISAGED CONSTRUCTION COMPLETION DATE	CONTRAC T PERIOD	STATUS	ESTIMATED CONTRACT VALUE
1	Ndwalane to Ntafufu	Aug-26	Aug-30	48	Design	R 1 973 000 000
2	Ntafufu to Bambisana	Jun-26	Jun-30	48	Design	R 2 843 000 000
3	Bambisana to Lingeni	Jun-26	Jun-30	24	Design	R 2 838 710 000
4	Lingeni to Msikaba	Oct-24	Oct-28	48	At BAC	R 2 296 695 921
-	Msikaba Bridge	Commenced	Aug-29	123	Construction	R 2 655 840 036
5	Msikaba to Mtentu	Commenced	Aug-27	54	Construction	R 2 545 887 375

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

PACKAG E	DESCRIPTION	ENVISAGED CONSTRUCTION START DATE	ENVISAGED CONSTRUCTION COMPLETION DATE	CONTRAC T PERIOD	STATUS	ESTIMATED CONTRACT VALUE
-	Mtentu Bridge	Commenced	Oct-27	48	Construction	R4 050 000 000
6	Mtentu to Kulumbe	Feb-26	Feb-30	48	Design	R 1 508 000 000
7	Kulumbe to Mtamvuna	Sep-26	Sep-30	48	Design	R 1 825 000 000

11. CHAPTER 4: 2026/27 DRAFT ANNUAL BUDGET AND THE MEDIUM TERM AND REVENUE FRAMEWORK

11.1. FINANCIAL VIABILITY

The municipality has a Budget and Treasury Office, established in terms of section 80 of the MFMA No 56 of 2003. A Chief Financial Officer and managers reporting to him have been appointed and are executing their duties informed by the relevant legislation and delegations of authority. All positions within management at the Budget and Treasury Office have been filled, and this would mean that there is at least readiness to implement all internal controls in the section.

The Budget and Treasury Office has the following focus areas, which are intended to achieve accurate reporting and enhancement of service delivery within the municipality:

- Financial Planning and Reporting
- Expenditure Management, including Payroll
- Revenue Management,
- Assets and Fleet Management,
- Supply Chain Management, and
- Free Basic Services.

The IHLM is a rural municipality, and as such it has a limited revenue base from which to derive own generated revenue. There is therefore a heavy reliance in grant funding of just over 77% of the revenue, and the municipality must come up with strategies that would ensure there is revenue generated through own means.

The grants revenue that the municipality depends on can be summarised as shown in the table below:

Description	Budget Year 2026/27	Budget Year+1 2027/28	Budget Year+1 2028/29
Municipal Infrastructure Grant	70 894 000	71 851 360	73 032 275
Library Grant Capital	616 000	-	-
Expanded Public Works Program	1 824 000	-	-
Financial Management Grant	3 000 000	3 100 000	3 100 000
Municipal Infrastructure Grant - Operational	2 808 000	3 734 640	4 929 725
Equitable Share	336 935 000	333 692 000	358 535 000
LG SETA	500 000		
Library grant	915 000	-	-
	417 492 000	412 378 000	439 597 000

Although the municipality has received qualified audit opinion for the past three years, it has managed to remain solvent due to careful cashflow management and prioritization. This means that the municipality has been able to meet its financial obligations as they fall due.

11.2 FINANCIAL PLANS

The Municipal Finance Management Act No. 56, in section 16(1), requires that a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. To achieve this, the municipality must follow a number of prescribed steps, ending up with the approval of the annual budget at least 30 days before the start of the financial year.

To achieve this, the Mayor tabled to council, and IDP and Budget Process Plan which clearly identified the different targets to be achieved, and the dates at which those set targets needed to be achieved. The tabling of the process plan happened in August 2025.

The approved process was then followed, which ensured that a financial plan, the 2026/27 annual budget and the MTREF was approved on 29 May 2026. The budget as approved is aligned to the IDP of the municipality, that prioritises the actions that are to be taken and projects that will be implemented for that financial year.

In keeping with the requirements of the Municipal Systems Act No. 32 of 2000, Section 26(h), the financial plan includes the budget projections for the next three years, and this can be demonstrated by the budget summary below:

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

EC153 Ngquzu Hills - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year +1	Budget Year +2
R thousands										
Financial Performance										
Property rates	30 989	31 222	39 803	42 607	-	-	29 650	58 363	60 295	62 224
Service charges	1 351	1 096	1 394	1 296	-	-	1 260	1 443	1 491	1 539
Investment revenue	15 422	24 812	24 126	22 000	-	-	16 508	28 316	29 250	30 186
Transfer and subsidies - Operational	322 884	346 768	367 753	362 391	-	-	355 681	345 682	339 393	364 233
Other own revenue	15 743	19 501	44 719	24 877	-	-	26 347	39 504	42 731	44 216
Total Revenue (excluding capital transfers and contributions)	386 389	423 399	477 796	453 171	-	-	429 446	473 308	473 160	502 398
Employee costs	150 359	148 630	163 510	181 307	-	-	(148 303)	208 850	211 254	222 164
Remuneration of councillors	24 369	26 346	29 154	31 073	-	-	(23 531)	32 347	33 156	33 985
Depreciation, amortisation and impairment	50 688	51 504	55 866	57 500	-	-	(45 125)	75 000	77 475	79 954
Interest, Dividends and Rent on Land	3 023	3 671	4 137	150	-	-	-	4 158	4 295	4 433
Inventory consumed and bulk purchases	(0)	-	-	-	-	-	-	5 230	4 560	4 707
Transfers and subsidies	10 004	7 820	5 096	7 000	-	-	(4 337)	9 850	10 175	10 501
Other expenditure	925 862	200 658	213 690	275 347	-	-	(181 878)	295 078	287 052	292 033
Total Expenditure	1 164 305	438 630	471 452	552 377	-	-	(403 175)	630 514	627 967	647 776
Surplus/(Deficit)	(777 916)	(15 230)	6 343	(99 206)	-	-	832 621	(157 205)	(154 807)	(145 378)
Transfers and subsidies - capital (monetary allocations)	63 829	58 777	79 404	65 535	-	-	57 379	71 810	72 985	75 364
Transfers and subsidies - capital (in-kind)	2 250	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(711 837)	43 546	85 747	(33 671)	-	-	889 999	(85 395)	(81 821)	(70 014)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(711 837)	43 546	85 747	(33 671)	-	-	889 999	(85 395)	(81 821)	(70 014)
Capital expenditure & funds sources										
Capital expenditure	82 515	88 900	132 372	137 355	-	-	92 739	121 861	73 900	65 534
Transfers recognised - capital	48 175	57 992	78 277	65 535	-	-	50 143	62 444	63 465	65 534
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	34 317	22 734	50 492	71 820	-	-	42 596	59 417	10 435	-
Total sources of capital funds	82 492	80 726	128 769	137 355	-	-	92 739	121 861	73 900	65 534
Financial position										
Total current assets	279 593	306 855	334 393	316 387	-	-	415 264	336 126	410 338	456 266
Total non current assets	1 471 967	1 497 608	1 592 647	1 741 531	-	-	1 640 261	1 812 231	1 849 014	1 929 748
Total current liabilities	72 992	79 126	96 605	67 059	-	-	(141 331)	51 874	51 304	52 773
Total non current liabilities	26 045	29 025	29 786	32 596	-	-	(29 786)	31 659	33 189	34 791
Community wealth/Equity	1 652 523	1 696 312	1 800 310	1 958 263	-	-	(1 887 740)	2 064 823	2 174 858	2 298 450
Cash flows										
Net cash from (used) operating	119 865	202 538	268 094	81 471	-	-	-	57 128	55 092	68 954
Net cash from (used) investing	(110 338)	(87 167)	(128 891)	(137 355)	-	-	-	(135 140)	(79 820)	(70 034)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end:	218 260	341 028	407 024	279 097	-	-	-	275 340	250 611	249 531
Cash backing/surplus reconciliation										
Cash and investments available	218 260	341 028	407 024	279 097	-	-	-	275 340	250 611	249 531
Application of cash and investments	29 877	42 428	53 458	49 387	-	-	(100 970)	(49 032)	(47 459)	(49 736)
Balance - surplus (shortfall)	188 383	298 600	353 566	229 710	-	-	100 970	324 372	298 070	299 267
Asset management										
Asset register summary (WDV)	1 361 743	1 314 602	1 439 799	1 632 255	-	-	-	1 591 674	1 660 635	1 743 998
Depreciation	50 688	51 504	55 866	57 500	-	-	-	75 000	77 475	79 954
Renewal and Upgrading of Existing Assets	(337)	(37 404)	4 877	20 000	-	-	-	3 652	-	-
Repairs and Maintenance	34 408	25 270	26 501	48 709	-	-	-	43 740	44 781	46 214
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	(2 960)	(7 532)	(6 490)	(11 004)	-	-	-	(4 360)	(11 383)	(11 753)
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

11.3. OVERVIEW OF CAPITAL EXPENDITURE

The municipality has set itself service delivery objectives to be achieved during the budget year and the medium-term and revenue framework. To do this, there needs to be an expenditure framework that details the exact capital projects to be implemented for the whole of the period. The following is the summary of the budget allocations for the medium-term and revenue framework:

Description	2026/27 Medium Term Revenue and Expenditure Framework		
	Budget Year 2026/27	Budget Year+1 2027/28	Budget Year+1 2028/29
Libraries computer equipment acquisition	116 004.00	-	-
Installation of boom gate at Msikaba	39 996.00	-	-
Installation of boom gate at Mkhambathi	39 996.00	-	-
Acquisition of Containers	150 000.00	-	-
Public toilets for Ndimakude Library	500 004.00	-	-
Community hall chairs	999 996.00	-	-
Acquisition of Filling Containers	699 996.00	-	-
Acquisition of Safety Equipment	300 000.00	-	-
Office furniture and office equipment	1 500 000.00	-	-
Public Highmasts	10 000 008.00	6 000 000.00	-
Cost:Acquisitions	300 000.00	300 000.00	300 000.00
Construction of Flagstaff Landfill Site	8 499 996.00	-	-
Face lifting of Flagstaff town	1 200 000.00	-	-
Construction of Ward 2 sportfield	3 300 000.00	-	-
Ward 6 Sport Field	3 000 000.00	-	-
Khathazweni Sports Filed	500 004.00	5 499 996.00	-
Kwa Dick Sports Field	500 004.00	5 499 996.00	-
Mzenge Sports field	-	500 004.00	21 500 004.00
Goso Forest Sports field	-	500 004.00	19 531 872.00
Flagstaff Animanl Pound	1 500 000.00	-	-
Construction of Lusikisiki Municipal Offices	24 999 996.00	12 000 000.00	-
Refurbishment of Lusikisiki Old Offices	3 000 000.00	-	-
Ward 2 Multi-Purpose Community Centre	5 000 004.00	-	-
Bhantini to Mangweni access road	500 004.00	6 200 004.00	-

IHLM FINAL INTEGRATED DEVELOPMENT PLAN FOR 2026/27 FINANCIAL YEAR

Construction of Lusikisiki Information Center	3 999 996.00	-	-
Mavaleleni	500 004.00	6 000 000.00	-
Resurfacing Of Flagstaff Internal Streets Phase 2	5 773 272.00	-	-
Resurfacing of Lusikisiki Internal Streets Phase 3	11 520 168.00	-	-
General:Withdrawals	2 153 580.00	-	-
General:Withdrawals	483 684.00	-	-
CHWECHWELA ACCESS ROAD	6 393 120.00	-	-
NGIBE ACCESS ROAD	6 408 108.00	-	-
Newrest to Khonjwayo access road via France	6 408 108.00	-	-
Mkhamela to Makolonini Access road	5 631 636.00	-	-
LUSIKISIKI BYPASS	14 322 300.00	-	-
Njombela Via Ntlavukazi Access Road	500 004.00	5 600 004.00	-
Mxhopho Access road	500 004.00	5 700 000.00	-
Khathazweni to Lujecweni Access Road	500 004.00	5 499 972.00	-
Xhopozo via OK AR	-	6 200 004.00	-
Bhekani Duphu Nkoso Gxeletsha via Guqa AR	-	6 500 004.00	-
Magwambu via Qebedu Access Road	-	6 999 996.00	-
Gunquza to Goco AR	-	4 485 336.00	-
Mbaxeni Access Road	-	500 004.00	18 384 000.00
Magephu Access Road	-	500 004.00	8 000 004.00
Cikolo Access Raod	-	500 004.00	7 648 260.00
Construction of Concrete Slab- R61 to Back street	300 000.00	-	-
Community Service's Vehicles	2 300 004.00	-	-
Purchase of drones	50 004.00	-	-
BILLBOARDS	150 000.00	-	-
ICT Computer equipment	3 500 004.00	-	-
Acquisition of UPS	2 000 004.00	-	-
Networking municipal offices	99 996.00	-	-
	140 140 008.00	84 985 332.00	75 364 140.00

11.4. FINANCIAL REPORTING AND AFS PLAN

One of the key responsibilities in the budget and treasury office is financial reporting. The municipality carries out this function and ensures that there is reporting to council, management and external stakeholders like the National and Provincial Treasuries, CoGTA and any other relevant stakeholders.

One of the key components of financial reporting has to do with the establishment and functioning of the mSCOA governance structures. The mSCOA Steering Committee as established, must see to the implementation and monitoring of mSCOA functionality.

The mSCOA Steering Committee and related structures have been established, and there has been as start of the sitting of the mSCOA PSC. This committee, guided by the terms of reference, has a responsibility of ensuring that the mSCOA Regulations as approved, are implemented to the fullest. The mSCOA charts are implemented within the system and the municipality continues to transact and report as per the requirements.

The reporting is done through the compilation and submission of the monthly section 71 reports, the quarterly section 52(d) reports, the mid-year review in terms of section 72 and other ad hoc reports that may be required from time to time.

The financial reporting ultimately ends with the compilation of the annual financial statements in terms of section 122 of the MFMA which requires that all municipalities must at the end of each financial year, compile annual financial statements that fairly presents the state of affairs of the municipality or entity. its performance against its budget, its management of revenue, expenditure. assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.

The municipality compiles an annual financial statement compilation plan, that determines all the milestones that must be achieved, indicating clearly the components of the annual financial statements that must be achieved at specific timeframes. The key timelines in the plan can be summarised as follows:

Milestone	Target Date
09 Month Interim Annual Financial Statements	31 May – Submitted to the AGSA
Draft AFS Submitted to the CFO	25 July
Draft AFS Submitted to Internal Audit with Audit File	31 July
Draft AFS Submitted to the Audit Committee, PT and CoGTA	15 August

Draft AFS Submitted to the Executive Committee	20 August
Finalisation of Audit File	25 August
Submit AFS and Audit File to MM for approval	27 August
Submit AFS to the AG for Audit	30 August

11.5. CONDITIONAL GRANTS PERFORMANCE

It has been indicated earlier that the municipality is heavily reliant on grant fund from the National Revenue Fund. Some of the grants received are conditional grants, expenditure of which must only occur when specific conditions have been met. In the 2024/25 financial year, the municipality had an unspent conditional grant of just over R1 million, which was a Municipal Disaster Recovery Grant of R443 000 and Municipal Infrastructure Grant of just over R590 000.. An application was made for the roll-over of the grants, and it was approved. This was approved on the basis that the municipality met the requirements including the recruitment of the accounting officer and the chief financial officer, and the commitment of the funds in terms of appointments of service providers.

MUNICIPAL INFRASTRUCTURE GRANT	2024/25	2023/24
Balance unspent at beginning of year	0	0
Current-year receipts	81 812 000	60 516 000
Conditions met - transferred to revenue	(81 221 071)	(60 516 000)
Unspent conditional grant returned to treasury (rollover not approved)	0	0
	590 929	0

The municipality implements internal controls and systems that ensure that all its cash and cash equivalents are managed and accounted for accurately. Part of this includes ensuring that all conditional grants are ringfenced, both in terms mSCOA segments in the accounting system, but as well, separate bank accounts are kept by the municipality for each of the

Grant Description	Budgeted Allocation	Opening balance	Total Allocation	Payments	Closing balance	% Expenditure To Date
OPERATIONAL GRANTS						
Financial Management Grant (FMG)	R 2 825 004	R -	R 2 825 004	R 1 137 627	R 1 687 377	40%
Expanded Public Works Programme (EPWP)	R 1 716 000	R -	R 1 716 000	R 1 302 840	R 413 160	76%
Library Grant	R 1 531 000	R -	R 1 531 000	R 485 026	R 1 045 975	32%
LG Seta Grant	R 1 500 000	R -	R 1 500 000	R 590 955	R 909 045	39%
Disaster Relief Grant	R 44 633 124	R 443 885	R 45 077 009	R 4 070 995	R 41 006 014	9%
Municipal Infrastructure Grant (MIG)	R 2 639 004	R -	R 2 639 004	R 2 298 067	R 340 937	87%
Integrated National Eskom Programme (INEP)	R 3 660 000	R 4 181 709	R 7 841 709	R 7 162 803	R 678 906	91%
CAPITAL GRANTS			R -		R -	
Municipal Infrastructure Grant (MIG)	R 65 225 930	R 590 930	R 65 816 860	R 53 206 269	R 12 610 591	81%
Financial Management Grant (FMG)	R 174 996	R -	R 174 996	R -	R 174 996	0%

conditional grants. This ensures that, unspent portions of conditional grants are cash backed, that is the funds are ringfenced on specific bank accounts. The following is the performance on the grants as at April 2026, with all indications that the municipality will be able to spend all the allocated grants that were received timely during the financial year:

The Tariff Structure

The municipality is currently looking into its revenue collection and generation capacity. This is informed by previous attempts that have been made at implementing some strategies that would assist the municipality to collect. These strategies include the offering by the municipality of Debt Incentive Programmes which have not yielded results to the expected levels. The municipality is currently reviewing these strategies to ensure that there is lasting impact on its ability to generate and collect revenue.

The municipality is currently implementing the 2025 General Valuation Roll for the billing of rates for all billable properties.

The municipality has applied the CPI to all tariffs, and this is in alignment with the guidelines provided by the National Treasury, but as well in consideration of the local and national economic status. The IHLM is mindful of the events that are happening geopolitically, as these may have significant impact on the affordability of some of the services that the municipality provides.

The following is the 2026/27 MTREF Tarriff Structure:

CATEGORY	2025/26	2025/26	2026/27	2027/28
BUSINESS LICENCES				
Formal Businesses				
Big Business(Chain stores with more than 150m2)	2117.62	2189.62	2261.88	2334.26
Small Business (Small Stores with less than 150m2)	705.88	729.88	753.96	778.09
Liquor stores	2117.62	2189.62	2261.88	2334.26
Liquor stores (with special trading hours)	2823.51	2919.51	3015.86	3112.37
Informal Businesses				
Hawker Stall Registration	188.55	194.96	201.40	207.84
Hawker Stalls annual rental	631.06	652.51	674.04	695.61
Chicken stalls	1104.39	1141.94	1179.62	1217.37
Sheep stalls	496.13	513.00	529.93	546.88
Fruit and Vege	708.56	732.65	756.83	781.05
Kitchen	424.87	439.31	453.81	468.33
Small Commodities(General)	424.87	439.31	453.81	468.33
ADVERTISING				
Local				
Bill Board 1m(h) x3m(w)-Local	456.92	472.46	488.05	503.66
Bill Board 1,5m(h) x2m(w)-Local	533.59	551.73	569.94	588.17
Bill Board 2m(h)x 3m(w)-Local	610.23	630.98	651.80	672.66
Bill Board 3m(h)x4m(w)-Local	685.42	708.72	732.11	755.54
National				

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Bill board 1,5m(h) x 3m(w)-National	233.89	241.84	249.82	257.82
Bill board 3m(h) x 6m(w)-National	330.20	341.43	352.69	363.98
Bill board 6m(h)x 4m(w)-National	440.28	455.24	470.27	485.32
Bill board 3w m(h) x 12m(w)-National	708.56	732.65	756.83	781.05
Bill board 9m(h)x 6m(w)-National	1238.26	1280.37	1322.62	1364.94
Lease rentals (Municipal Properties)				
It will depend on lease agreement conditions, rental calculation by valuator and extent of the areas leased (Will increase 5,4%)				
PLAN FEES AND SERVITUDES				
Plan fee for dwelling House	555.04	573.91	592.85	611.82
Plan fee outbuilding	198.94	205.70	212.49	219.29
Plan fee for offices, flats, hotels, shops, government development etc (all Non-Residential development)	20.61	21.32	22.02	22.72
Plan fees outbuilding	2241.43	2317.64	2394.12	2470.73
Plan fee for offices, flats, hotels, shops, government development etc (all Non-Residential development)	2417.92	2500.13	2582.63	2665.28
Flats/Hotels /Town houses	2562.99	2650.13	2737.59	2825.19
Patio/verandah	961.54	994.23	1027.04	1059.90
Minor Work: Boundary walls etc (per plan)	401.92	415.58	429.30	443.04
Drainage Plan per plan	482.38	498.78	515.24	531.73
Swimming Pools (Per plan)	321.57	332.51	343.48	354.47
Cellphone base station applications	8070.13	8344.52	8619.89	8895.72
PLAN FINES				
Construction within commonage without building plan approved by the municipality as outlined in the National Building Regulations and Standard Act 103 of 1977				
Residential	7613.33	7872.18	8131.96	8392.19
Businesses	7613.33	7872.18	8131.96	8392.19
Commercials	7613.33	7872.18	8131.96	8392.19
Valuation certificate and Clearance Certificate	51.45	53.20	54.96	56.72
LAND USE APPLICATION FEES				
Category 1-Land Development Applications				
Rezoning				
(a)Advertising Fees	3626.56	3749.86	3873.61	3997.56
(b) Erven 0-2500m2	3589.52	3711.56	3834.05	3956.74
(c)Erven 2501-5000m2	3719.59	3846.06	3972.98	4100.11
(d)Erven 5001-10 000 m2	3998.56	4134.51	4270.95	4407.62
(e)Erven 1 ha -5 ha	4184.37	4326.64	4469.41	4612.44
(f)Erven over 5 ha	4370.29	4518.88	4668.01	4817.38
Removal,amendment, suspensions of restrictive or obsolete condition, servitude or reservations against the title of the land	804.75	832.11	859.57	887.07
Amendment or cancellation of a general plan of a township	2277.96	2355.41	2433.14	2511.00
Subdivision of land				
(a)Basic fee	1984.62	2052.10	2119.82	2187.66
(b) Charge per subdivision (remainder considered a subdivision)	180.42	186.55	192.71	198.87
© Subdivision into more than 80 erven(Township establishment)	16418.18	16976.40	17536.62	18097.79

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Permanent closure of a public place per closure	689.23	712.67	736.19	759.74
Development on communal land	6609.33	6834.04	7059.57	7285.47
Encroachment application fees	2067.69	2137.99	2208.54	2279.22
Category 2- Land use application		0.00		
Subdivision of land provided for land use scheme or town planning	676.25	699.25	722.32	745.44
Subdivision of land	676.25	699.25	722.32	745.44
Consent use	1674.40	1731.33	1788.46	1845.69
The removal , amendment or suspension of a restrictive title	804.75	832.11	859.57	887.07
Departures				
(a) Advertising fee for departures	3560.37	3681.43	3802.91	3924.61
(b) Erven smaller than 500 m2	597.06	617.36	637.74	658.15
© Erven 500-750 m2	1157.80	1197.17	1236.68	1276.25
(d) Erven larger than 750 m2	2076.77	2147.38	2218.24	2289.23
8. Material amendments to original application prior to approval/refusal				
Miscellaneous Fees				
Extension of validity period of approval	1538.12	1590.41	1642.90	1695.47
Certificates				
(a) Zoning certificate per certificate	186.91	193.26	199.64	206.03
(b) Any other certificate per certificate	186.91	193.26	199.64	206.03
3. Public hearing and inspection	4518.28	4671.90	4826.07	4980.51
4. Reason for decision of municipal planning tribunal, land development officer or appeal authority	2296.14	2374.21	2452.55	2531.04
5. Re-issuing of any notice of approval of any application	333.59	344.93	356.31	367.71
6. Copy of the title deed for informal only	211.57	218.76	225.98	233.21
Public notice				
Public notice and advertisements in the legal section of the paper	2067.69	2137.99	2208.54	2279.22
Public notice and advertisements in the body of the paper	3722.61	3849.18	3976.21	4103.44
8. Wayleave application (Application to determine where the council's services are located or a specific area where new services are to be installed)	3256.63	3367.36	3478.48	3589.79
9. Any other application not provided for elsewhere in this schedule of fees	4518.28	4671.90	4826.07	4980.51
Copies of planning documents				
1. Spatial development framework				
(a) Hard copy per region	225.85	233.52	241.23	248.95
(b) In electronic format per region	106.43	110.05	113.68	117.32
2. Copy of Land Use Scheme OR Town planning scheme (Scheme Book)	520.50	538.20	555.96	573.75
3. Scheme Regulation per set	865.76	895.20	924.74	954.33
4. Search fees per erf	35.05	36.25	37.44	38.64
5. Search fees per Diagrams	35.05	36.25	37.44	38.64
6. Valuation Roll (GV or SV)	865.76	895.20	924.74	954.33
SALE OF SITE/LAND				
The values of properties are determined by the valuation carried out by registered valuator				

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REFUSE CHARGES				
Domestic/Residential	129.39	133.79	138.21	142.63
Commercial/Business	253.69	262.31	270.97	279.64
Government properties	384.34	397.41	410.52	423.66
Special refuse- Residential	833.63	861.97	890.41	918.91
Special refuse- Business	1563.81	1616.98	1670.34	1723.79
HALL HIRE				
Town Hall				
Security deposit	2719.66	2812.13	2904.93	2997.89
Hiring (Church, Memorial service and Meetings)	951.88	984.25	1016.73	1049.26
Hiring (Weddings and Concerts etc)	2039.74	2109.09	2178.69	2248.41
CEMETERIES				
Sale of adult Plot	957.36	989.91	1022.58	1055.30
Sale of adult Plot (double)	1806.24	1867.65	1929.29	1991.02
Sale of Children's Plot	578.93	598.61	618.36	638.15
Digging of the hole	456.87	472.41	488.00	503.61
POUND FEES				
Pound fees per head per day (Cattle, Horse and Donkey)	139.15	143.88	148.63	153.39
Pound fees per head per day (Sheep and Goat)	83.54	86.38	89.23	92.09
Sustenance per day for donkeys, cattle and horses	55.61	57.50	59.40	61.30
Sustenance per day for Pigs	62.66	64.79	66.93	69.07
Damages	69.57	71.94	74.31	76.69
SPORTS FIELD				
Occasion with no gates	695.76	719.41	743.15	766.94
Occasion with gates	974.06	1007.18	1040.42	1073.71
School per day	695.75	719.40	743.14	766.92
PROPERTY RATES				
Residential Property	0.0169	0.0174	0.0180	0.0186
Business /industrial and commercial property	0.0225	0.0232	0.0240	0.0248
Government Properties	0.0225	0.0232	0.0240	0.0248
Agricultural Property	0.0043	0.0044	0.0046	0.0047
Public Service Infrastructure Property (PSI)	0.0043	0.0044	0.0046	0.0047
Interest	Interest is charged at 10% of the outstanding debt in arrears			

COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

The municipality has budgeted the employee salaries and wages, as well as the remuneration of councillors. The Employee Related Costs account for R208 million of the budget, whilst the remuneration of councillors accounts for R32,4 million. The following is the detail:

EC153 Ngquzu Hills - Supporting Table SA22 Summary councillor and staff benefits									
Summary of Employee and Councillor remuneration									
thousand	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Allowances and Service Related Benefits									
Basic Salary	19 495	21 921	21 317	20 383	-	-	21 219	21 749	22 293
Cell phone Allowance	2 547	2 725	2 826	3 758	-	-	3 912	4 010	4 110
Housing Allowance	-	48	84	138	-	-	144	147	151
In-kind Benefits	-	-	-	-	-	-	-	-	-
Market Related Non-pensionable Allowance	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	2 324	1 643	1 927	6 305	-	-	6 564	6 728	6 886
Office-leasur Allowance	-	-	-	-	-	-	-	-	-
Out of pocket Expenses	-	-	-	-	-	-	-	-	-
Travel Allowance	4	5	-	489	-	-	509	522	535
Use of Personal Facilities	-	-	-	-	-	-	-	-	-
total Allowances and Service Related Benefits	24 369	26 348	29 184	31 073	-	-	32 347	33 186	33 985
Social Contributions									
Medical Aid Benefits	-	-	-	-	-	-	-	-	-
Pension Fund Contributions	-	-	-	-	-	-	-	-	-
total Social Contributions	-	-	-	-	-	-	-	-	-
total Councillors	24 369	26 348	29 184	31 073	-	-	32 347	33 186	33 985
% Increase		8.1%	16.7%	6.8%	(100.0%)	-	-	2.5%	2.5%
Senior Managers of the Municipality									
Salaries and Allowances									
Basic Salary	4 769	2 115	3 537	4 308	-	-	4 636	4 869	5 125
Bonuses	2 850	2 942	3 144	419	-	-	140	154	162
Allowance	-	-	-	-	-	-	-	-	-
Accommodation, Travel and Incidental	-	-	-	-	-	-	-	-	-
Cellular and Telephone	-	29	119	273	-	-	317	334	351
Housing Benefits	-	-	-	211	-	-	364	384	404
Non-pensionable	-	-	-	-	-	-	-	-	-
Travel or Motor Vehicle	501	650	918	1 459	-	-	1 640	1 732	1 823
Voluntary Work	-	-	-	-	-	-	-	-	-
total Allowance	801	679	1 037	1 983	-	-	2 327	2 460	2 678
Service Related Benefits									
Acting	-	-	-	-	-	-	-	-	-
Bonus	-	-	-	-	-	-	-	-	-
Danger Allowance	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fire Brigade	-	-	-	-	-	-	-	-	-
In-kind Benefits	-	-	-	-	-	-	-	-	-
Leave Pay	751	54	-	-	-	-	-	-	-
Lifeguard/Duty Squads	-	-	-	-	-	-	-	-	-
Long Service Award	-	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Scarcity	-	-	-	-	-	-	-	-	-
Standby Allowance	-	-	-	-	-	-	-	-	-
Tools Allowance	-	-	-	-	-	-	-	-	-
Uniform/Special/Protective Clothing	-	-	-	-	-	-	-	-	-
Leave gratuity	-	-	-	-	-	-	-	-	-
Long Term Service Award	-	-	-	-	-	-	-	-	-
total Service Related Benefits	751	54	-	-	-	-	-	-	-
total Salaries and Allowances	8 870	6 769	7 718	6 830	-	-	7 100	7 473	7 865
Social Contributions									
Bargaining Council	-	1	1	7	-	-	15	5	8
Group Life Insurance	-	-	-	-	-	-	-	-	-
Medical	-	307	-	308	-	-	98	103	108
Pension	-	63	-	-	-	-	8	9	9
Unemployment Insurance	12	8	10	13	-	-	8	9	9
total Social Contributions	12	379	11	328	-	-	111	117	123
total Post-retirement Benefit									
Medical	-	-	-	-	-	-	-	-	-
Other Benefits	-	-	-	-	-	-	-	-	-
Pension	-	-	-	-	-	-	-	-	-
total Post-retirement Benefit	-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE									
Sub Total - Senior Managers of Municipality	8 882	6 169	7 729	7 158	-	-	7 211	7 890	7 989
% Increase		(30.9%)	25.3%	(7.4%)	(100.0%)	-	-	8.2%	5.3%
Other Municipal Staff									
Salaries and Allowances									
Basic Salary	84 265	84 960	93 413	103 409	-	-	110 178	122 197	128 432
Bonuses	3 500	3 727	4 050	8 254	-	-	8 877	9 343	9 833
Allowance	-	-	-	-	-	-	-	-	-
Accommodation, Travel and Incidental	-	-	-	-	-	-	-	-	-
Cellular and Telephone	599	744	1 293	1 326	-	-	1 327	1 397	1 470
Housing Benefits	4 607	5 034	5 199	5 559	-	-	5 614	5 909	6 219
Non-pensionable	-	-	-	-	-	-	-	-	-
Travel or Motor Vehicle	10 573	9 024	9 684	10 141	-	-	10 856	11 531	12 137
Voluntary Work	-	-	-	-	-	-	-	-	-
total Allowance	16 779	14 802	16 166	17 026	-	-	17 897	18 837	19 826
Service Related Benefits									
Acting	300	1 387	1 105	1 380	-	-	1 104	1 162	1 223
Bonus	-	-	-	-	-	-	-	-	-
Danger Allowance	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fire Brigade	-	-	-	-	-	-	-	-	-
In-kind Benefits	-	-	-	-	-	-	-	-	-
Leave Pay	731	1 231	981	231	-	-	19	19	21
Lifeguard/Duty Squads	-	-	-	-	-	-	-	-	-
Long Service Award	-	-	-	220	-	-	209	220	232
Overtime	14 001	14 172	14 650	8 199	-	-	10 943	3 637	3 197
Scarcity	-	-	-	-	-	-	-	-	-
Standby Allowance	-	-	-	-	-	-	-	-	-
Tools Allowance	-	-	187	313	-	-	852	897	944
Uniform/Special/Protective Clothing	48	56	72	74	-	-	143	150	158
Leave gratuity	-	-	-	-	-	-	1 050	1 105	1 163
Long Term Service Award	-	-	-	-	-	-	235	248	261
total Service Related Benefits	15 080	16 848	16 995	10 416	-	-	14 558	8 839	7 197
total Salaries and Allowances	118 624	120 336	130 625	139 104	-	-	157 507	187 215	188 289
Social Contributions									
Bargaining Council	43	43	44	63	-	-	344	363	382
Group Life Insurance	-	-	-	-	-	-	-	-	-
Medical	8 007	8 170	9 141	17 301	-	-	25 635	20 970	28 360
Pension	12 301	12 384	13 263	16 201	-	-	17 312	18 221	19 178
Unemployment Insurance	714	695	696	773	-	-	850	895	941
total Social Contributions	21 125	21 298	23 144	34 338	-	-	44 132	46 448	48 858
Post-retirement Benefit									
Medical	-	-	-	-	-	-	-	-	-
Other Benefits	-	-	-	-	-	-	-	-	-
Pension	-	-	-	-	-	-	-	-	-
total Post-retirement Benefit	-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE									
Sub Total - Other Municipal Staff	139 750	141 634	163 769	173 442	-	-	201 639	263 664	314 175
% Increase		1.3%	8.6%	12.8%	(100.0%)	-	-	1.9%	5.2%
total Parent Municipality	173 091	174 149	199 652	211 674	-	-	241 197	244 410	256 149

11.6. BUDGET RELATED POLICIES

In consideration of the annual budget, the municipality must also review its budget related policies and amend where necessary. This is in terms of section 21 of the MFMA. The necessity of amendment can be due to changes in legislation and regulations, challenges encountered during the implementation of the policies, improvements to procedures and many other factors. The following are the budget related policies that have been reviewed and approved by council to be implemented with the budget:

A) The Supply Chain Management Policy

The purpose of the supply chain management policy is to: -

- Regulate all Supply Chain Management practices within the Municipality.
- Align supply chain management practices as envisaged in the MFMA Act No 56 of 2003 and its Regulations.
- Fair, equitable, transparent competitive and cost effective and comply with a prescribed regulatory framework.
- The uniformity in Supply Chain Management Systems between organs of state in all spheres
- No amendments have been approved for this policy

B) The Budget Policy

The objectives of the budget policy are to set out:

- The principles which the municipality will follow in preparing each medium-term revenue and expenditure framework budget.
- The responsibilities of the mayor, the accounting officer, the chief financial officer, and other senior managers in compiling the budget
- To establish and maintain procedures to ensure adherence to Ingquza Hill's IDP review and budget processes.

The budget policy emphasizes on the following principles:

- IHLM shall not budget for a deficit – budget considers realistic revenue projections based on actual collection levels.
- Expenses may only be incurred in terms of the approved budget and within limits of each appropriated vote.
- IHLM shall prepare a three-year budget (Medium Term Revenue and Expenditure Framework –MTREF)
- MTREF Budget must at all times be within the Municipal IDP

No amendments have been proposed for this policy.

C) The Virement Policy

The purpose of the policy is to ensure that there are adequate controls to achieve effective system of internal controls in the management of virements within the approved budget. This is with the view: -

- To ensure that all senior managers for each department spend within the approved budget.
- To provide guidelines to senior management in the use of virements as a mechanism in their day-to-day management.
- To provide flexibility in the use of budgeted funds to enable management to act on unforeseen events and price hikes.
- To empower Senior Management with an efficient financial and budgetary system to ensure optimum service delivery within the current legislative framework of the MFMA.

No amendments have been proposed for this policy.

D) Cost Containment Policy

The purpose of the policy is to regulate spending and implementation of cost containment measures in the municipality. The main thrust of the policy is to ensure that the resources of the municipality are use efficiently and effectively and is applicable to municipal officials and councillors.

The policy gives guidance in the following main areas: -

- Use of consultants
- Vehicles for political office bearers
- Travelling and subsistence
- Sponsorships, events and catering
- Communications – printing of newsletters

No amendments have been proposed for this policy.

E) Tariffs Policy

The purpose of the tariff policy is to:

- Prescribe the accounting and administrative policies and procedures relating to the determining and levying tariffs by the IHLM.
- Ensure that tariffs are cost reflective and
- Consider the impact to consumers and local economic development.

No amendments have been proposed for this policy

F) Cash and Investment Policy

The cash and investment policy is meant to provide guidance in the following:

- Ensure that investment of surplus funds forms part of the financial management procedures.
- ensure that prudent investment procedures are applied consistently.
- To gain the highest possible return without undue risk during those periods when funds are not needed.

No amendments have been proposed for this policy.

G) Property Rates Policy

This policy of the municipality is meant to:

- Ensure compliance with the Municipal Property Rates Act No 6 of 2004 which requires and adoption of the Property Rates Policy by the municipality.
- Enable municipality to impose Rates on properties.

The proposed amendments to the policy have been because of the reviews conducted by the National CoGTA on the municipality's policy. The amendments are mostly administrative, that is, ensuring that there is alignment with what is provided for in the MPRA. The amendments approved are the following:

- Added a definition of Public Service Purposes (PSP) which, in relation to the use of property, means property owned and used by the organ of state
- Categories of properties to align with the MPRA – Residential, Industrial, Business/Office, Business/Commercial, Farm Properties, Municipal Properties ETC
- In determining the category of properties, consider
 - The use of property
 - Permitted Use of property
 - And a combination of the above

H) Credit Control and Debt Management Policy

The purpose of the policy is to assist management and officials of IHLM to implement and maintain consistent, efficient, and effective controls over their revenue to achieve and maintain high levels of revenue collection.

The objectives of the policy include:

- Ensuring that all money due to the IHLM is collected efficiently and promptly.
- Provision for credit control procedures and mechanisms and debt collection procedures and mechanisms.
- Provision for interest on overdue accounts.

- Provision for extension of time for the payment of overdue amounts.
- Promotion of a culture of good payment habits amongst debtors and instill a sense of responsibility towards the payment of accounts and reducing municipal debt
- Effectively and efficient deal with defaulters in accordance with the terms and conditions of this policy

The following are the approved amendments, which is the inclusion of the paragraph: -

- **WAIVER OF INTEREST, PENALTIES AND COLLECTION CHARGES**
 - The capital portion of the arrear amount owed to Ingquza Hill Local municipality must be paid in full, whether immediately as one payment, or in terms of a settlement agreement signed with the Accounting Officer;
 - Where a settlement arrangement is signed, the waiver is only applied when the terms of the agreement have been adhered to

I) Indigent Policy

Council recognizes that many residents can simply not afford the basic services provided and for this reason the council will endeavour to ensure affordability through.

- Setting guidelines on the level of services that will be supplied to indigent household.

J) Irregular Expenditure Policy

The purpose of this policy is to ensure that:

- All reasonable steps to ensure that unauthorised, irregular; fruitless and wasteful expenditure and other losses are prevented.
- Disciplinary or, when appropriate, criminal proceedings are instituted against any official or councillor of IHLM who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA

K) Asset Management Policy

The objective of the policy is to:

- has consistent application of asset management principles.
- implements accrual accounting.
- complies with MFMA, Treasury Regulation, GAAP, GRAP and other related legislation;
- safeguards and controls the assets of the municipality; and
- optimizes asset usage only by the person/official allocated to.

L) Bad Debts and Write-Off Policy

The purpose of this policy is to:

- To identify a process to be followed to identify bad debts and writing-off of such debt
- Process to be follow for the provision of doubtful debt

Bad Debts Write-Off can be considered under the following circumstances:

- It is not economical to pursue the debt further.
- The debt cannot be proved and cannot be located.
- The debt has been prescribed.
- The consumer is registered as an indigent.
- The debt is owed by a liquidated company or an insolvent estate.
- The household is headed by a minor because of death of parents.
- The debtor is deceased, and the estate is not sufficient to cover the debt.

In this policy, an amendment is proposed where in reference to debtor type is removed as it causes a confusion to how the Provision for Bad debts is calculated. Also, the policy made a statement that provision for bad debts would not be calculated for government property accounts. This however needs to change to also include the government debt because experience has shown that there is a portion of the government debt that remains unpaid.

M) Donations Policy

The purpose of the policy is to outline the general conditions applicable to the municipality on receiving grants, sponsorships, gifts and/or donations. The policy ensures that:

- All gifts, sponsorships or donations received by the municipality shall be recorded in the gifts register.
- Gifts register shall be maintained by the Accounting Officer
- All gifts, sponsorships, donations received by political office bearers and municipal officials more than R350 shall be recorded in the gifts register.

N) Fleet Management Policy

The purpose of the policy is to provide a framework for the management and operations of the municipal fleet to ensure effective, efficient use of the resources.

The policy:-

- Provides for competency requirements for operating municipal fleet.
- Provides for the utilisation of trip authorities.
- Provides for the maintenance of logbooks.
- Provides for operators to utilise municipal fleet with courtesy.
- Provides the requirement for all municipal vehicles to be insured.
- Provides general internal controls for the operation of municipal fleet.

O) Loss Control Policy

The purpose of this policy is to assist the municipality to ensure that incidents and claims against the municipality is done in compliance with the relevant laws and regulations. This is with the objective to

- manage losses and set procedures on reporting and investigation of losses.
- To guide the establishment of loss control committee
- To guide the reporting of incidents by affected department.
- To set reporting and sitting of lost control committee

No amendments have been made to this policy.

P) Subsistence and Travelling Policy

The purpose of the policy is to outline measures for the application and the payments of subsistence and travelling expenses to councillors and officials of Ingquza Hill Local Municipality.

Amongst other things, the policy:

- Provides for the types of subsistence and travelling expenses paid by the municipality to Councillors and employees.
- Provides a fixed night allowance per day as per SARS and NT circulars.
- Own accommodation of R850 per day
- Travelling claims utilise the Department of Transport monthly tariffs.

The following amendments have been approved: -

- On accommodation, where the employee or councillor prefers dinner that is not provided in the establishment where the accommodation is provided, the same dinner limit will apply, and the claim for it will be included in the subsistence and travelling claim. This must be pre-approved before the accommodation arrangements are made.
- Own accommodation increased from R850 per day to R1000 per day
- The dinner limit be increased from R350 to R400.

Q) Unknown Deposits Policy

The purpose of this policy is to assist the municipality to ensure that the recording of unknown deposit and transfer to other revenue is done in compliance with the relevant laws and regulations.

No amendments have been made to this policy

R) Inventory/Stock Management Policy – New

The purpose of the Inventory/Stock Management Policy is to

- Lay down procedures and processes for:-

- Procurement management; and
- Control over inventory (stock) items
- In accordance with all relevant regulations and legislation and other policies and directives
- Ensure efficient and effective control and inventory management
- Eliminate any potential misuse of inventory and possible theft

This is a new policy that the municipality has developed, which will be followed by the development of SOP's for implementation.

11.7. REVENUE ENHANCEMENT AND COLLECTION STRATEGY

The IHLM developed and approved a revenue enhancement and collection strategy to ensure that all revenue that is due to the municipality is accounted for and collected, and that alternative revenue sources are identified and tapped into. Further to this, a Revenue Enhancement Committee has been established to ensure that there is implementation of the strategies identified. There needs to be a review of the strategy to ensure that it meets the required targets. This committee is chaired by the BTO Portfolio Head.

One of the challenges that this committee must deal with is the relationship between the municipality and the Ratepayers who are a very important stakeholder in the collection of revenue. The results of the implementation of the strategy in relation to some of the issues has started yielding results and the municipality is confident that improved results will also be seen in the subsequent years.

11.8. THE MUNICIPAL ASSET REGISTER

The municipality has compiled and maintains a GRAP Compliant Asset Register. In the 2022/23 financial year, the municipality migrated its assets register from an excel format into an accounting system, Munsoft, to ensure the integration into a single accounting system as required by Treasury. The asset register also complies with the mSCOA requirements for the setting of data strings that supports the reporting to Treasury and as per the requirements.

There was one finding raised by the Auditor General in the 2024/25 financial year, which was about the calculation of the depreciation in the asset management system. These issues have been addressed in terms of the audit action plan developed. Management is committed to implementing all the actions that have been identified and set out in the audit action plan.

11.9. THE DEBTORS AND CREDITORS TURNOVER RATE

The municipality has a debt book of more than R138 million, a huge percentage of which is more than 90 days. This means that the debtor's turnover rate, which is the average number of days within which the debtors pay the municipality, is over 30 days. This is over the norm that is by the National Treasury. The municipality is putting in place mechanisms, which are found in the revenue collection and enhancement strategy to ensure that this turnover rate is improved.

The collection rate of the municipality was at an average of 50%. This however needs to be contrasted with overall long outstanding balance where in the municipality is putting measures in place to improve and collect. The IHLM Council has approved a debt incentive programme which started from December 01, 2024 to May 31, 2025. Some account holders have taken advantage of the discount provided by the council, aimed at encouraging payment of long outstanding debt.

The municipality's Creditors Ageing Analysis indicates that the amounts owing to creditors are within the 30 days. This is in keeping with the norms set by the National Treasury and is because of the implementation of strict internal controls from the date of receipt of the valid invoice to the ultimate transfer of funds out of the municipality's bank account. The implementation of the internal controls is supported by the utilisation of the Central Supplier Database where in some verification turnaround timeframes are significantly reduced.

11.10. MUNICIPAL BILLING AND THE VALUATION ROLL

The municipality bills its consumers for Property Rates and Solid Waste Removal. These consumers are billed monthly, except for government properties that are billed annually for property rates. The bills are distributed to the consumers monthly. It has been noted, however, that not all consumers receive their bills on time, and the municipality is putting mechanisms in place to ensure that there is available data of cell phone numbers and email addresses of all the consumers for effective and efficient communication of the status of accounts to all consumers.

The municipality has a valuation roll that was developed, following all the prescripts of the applicable laws and regulations. The process of compilation of the general valuation is about to be completed, with the intended date of implementation being July 01, 2025. These processes include:

- **The appointment of a General Valuer** – Makgakga Properties and a budget allocation has been set aside for that. The general valuer will also deal with the supplementary valuations for the duration of the appointment – 5 years.
- **Designation as a Municipal Valuer** – Mr Nare Makgakga was designated as a Municipal Valuer in terms of Section 33 of the MPRA No.6 of 2004
- **Publication Notice of Valuations Rolls** - The was published in terms of Section 49 the MPRA No.6 of 2004
- **Promulgation Of Resolution Levying Rates** – The municipality has complied with Section 14 of the MPRA relating to the resolution by municipal council for the levying of rates. Also, the municipality publishes the resolution by municipal council in the Provincial Gazettee.

The completed General Valuation is made available in the municipal offices and can also be viewed in the IHLM Website – www.ihlm.gov.za.

11.11. SUPPLY CHAIN MANAGEMENT

The IHLM has a supply chain management unit that is responsible for all procurement and disposals per the policy of the municipality. The SCM unit is established in the Budget and Treasury Office established in terms of section 80 of the MFMA. This ensures that there is central management of all procurement related transactions and processes. The unit is head by the Supply Chain Manager who is directly accountable to the Chief Financial Officer. The position of the Manager: SCM has been filled, and this has seen a significant improvement in the performance of the unit against the procurement plan of the municipality.

Crucially located within the SCM Unit is the contract management function, where the municipality has placed a specific official responsible for contracts management. The intention is to ensure that there is monitoring of the implementation of various contracts within the municipality, ensuring that there is compliance with contract duration and that the supporting documents like service level agreements and other documents are properly filed.

The SCM policy also provides for the monitoring and evaluation of the performance of service providers, and the responsibility for compilation of such reports falls within the contracts management function.

11.12. FREE BASIC SERVICES

The municipality implements a free basic services function, located at the Budget and Treasury Office. The objective of this unit is to ensure that the free basic services are provided to the indigent households within the municipality.

The FBS unit within the BTO is staff with an Officer and Clerks. The municipality is currently considering the adequacy of the available staff as opposed to the magnitude of work that needs to be done.

There is an indigent policy which is reviewed annually with the budget related policies and the intention is to ensure that the policy remains relevant and is able to address the needs of the municipality’s indigent households.

The indigent register is updated annually to ensure that deserving households are included whilst excluding those whose situations may have improved and no longer need to be part of the indigents. The municipality has invested in an electronic system, forming part the Financial Management System, which enables the municipality to capture application from indigent households, and vet their suitability to benefit from indigent support.

A FBS Steering Committee was established, which is chaired by the BTO Portfolio head and is participated in by all ward councillors, with the support of ward committees. There are also various stakeholders relevant to the FBS including SASSA, the District Municipality, the Department of Home Affairs, and others. This ensures that there is co-ordination and issues of common interest are addressed.

The following reflects the previous expenditures on FBS, and future budgetary allocations that have been made:-

Description	Actuals - 2022/23	Actuals - 2023/24	Current Budget - 2024/25	Annual Budget 2025/26	Annual Budget 2026/27	Budget 2027/28
Free basic and Indigent support services	2 329 209	21 974 022	14 000 000	12 999 996	15 675 000	16 066 872

11.13. ALIGNMENT OF THE ANNUAL BUDGET WITH THE IDP

The submissions received from departments and utilised in the compilation of the budget are informed by strategic objectives that are set out in IHLM Integrated Development Plan. The key performance areas are then cascaded down from those strategic objectives, resulting in key performance indicators and projects that are listed in the SDBIP. Management then ensures that the budget allocations are aligned with the strategic objectives.

Management has followed a process that would ensure that the key performance objectives and indicators satisfy the SMART principle – specific, measurable, achievable, realistic and timebound. This is an area where management must continue to pay attention to so that there

is effective implementation of the objectives, but as well as achievement of a clean audit when the annual performance report is audited by the AG.

CHAPTER 5: DEVELOPMENT STRATEGIES AND PERFORMANCE MANAGEMENT FRAMEWORK – INSTITUTIONAL SCORECARD

12.1. INTRODUCTION

The Constitution of the Republic of South Africa, Act 108 of 1996 in Chapter 3 Section 40 compels the national, provincial and local spheres of government to adhere to the principles of co-operative government and intergovernmental relations as outline in Section 41. Section 4 of the Intergovernmental Relations Framework Act, 13 of 2005 provides a framework for the three spheres of government and all organs of state to facilitate coordination in the implementation of policy and legislation, including:

- a) coherent government;
- b) effective provision of services;
- c) monitoring implementation of policy and legislation; and
- d) realization of national priorities.

The Local Government Municipal Systems Act, 32 of 2000 in Section 3 requires municipalities to exercise their executive and legislative authority within the constitutional system of cooperative government envisaged in Section 41 of the constitution and further that for the purpose of effective co-operative government, organized local government must seek to:

- a) develop common approaches for local government as a distinct sphere of government.
- b) enhance co-operation, mutual assistance and sharing of resources among municipalities.
- c) find solutions for problems relating to local government generally; and
- d) facilitate compliance with principles of co-operative government and intergovernmental relations.

To adhere to the above legislation, the plans of national, provincial and local government must align to address amongst others; social, economic, and environmental challenges towards improving the people's living conditions for a better life for all. The Integrated Development Plans (IDPs) of municipalities when developed must align to and be guided by national and provincial strategies and plans.

This chapter discusses the national as well provincial plans and or strategies that guide Integrated Development Planning (IDP) in OR Tambo District Municipality.

12.2. NATIONAL & PROVINCIAL PLANS

The Vision, Objectives, Strategies, and Projects of the district are underpinned by Strategic Planning and Policies at a National and Provincial level, as well as current state of the district which was summarised in Chapter 2 above. The objectives and components of these documents and policies have helped determine the direction in which the district is moving, as reflected in this IDP. The intension of the district is to lead the programme to improve service delivery, transform the society and the growth of O.R. Tambo municipality as a sustainable district. Below are definitions of Goals, Priorities and Strategic Objectives.

12.3. PRIORITY AREAS AND STRATEGIC OBJECTIVES LINKED TO NATIONAL, PROVINCIAL AND DISTRICT OUTCOMES AND PRIORITY AREAS

The table below shows the alignment between IHLM Strategic Objectives with National and Provincial Developmental Imperatives

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
Inclusive Growth and Job Creation	Inclusive Growth and Job Creation	Economic Sectors, Investment, Employment, and Infrastructure Development (<i>ESIEID</i>)	<ul style="list-style-type: none"> ▪ Infrastructure, human settlements & broadband ▪ Food security, land reform & agriculture commercialization ▪ Inclusive Economic Growth ▪ Youth development, skills development & training for the Economy 	EPWP program

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
Reduce Poverty and Tackle the High Cost of Living	Reduce Poverty and Tackle the High Cost of Living	Social Protection, Community and Human Development (SPCHD)	<ul style="list-style-type: none"> ▪ Inclusive Early Childhood Development and Learner Attainment ▪ Social cohesion, moral regeneration, community safety & GBVF ▪ Non-Communicable Diseases, mental health & social determinants of health ▪ Anti-Poverty & Sustainable Livelihoods 	Early Childhood Development programs, Special Programs, Learner support, Awareness campaigns on GBVF, social cohesion, and moral regeneration
A Capable, Ethical, and Developmental State	A Capable, Ethical, and Developmental State	Governance, State Capacity, and Institutional Development (GSCID)	Transformation, Governance, and Municipal Support	Transformation Programs, Governance, and Municipal Support
		Justice, Crime Prevention and Security Cluster (JCPS)	Social cohesion, moral regeneration, community safety & GBVF	Social cohesion, moral regeneration, and awareness campaign
FINANCIAL VIABILITY AND MANAGEMENT				

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
Inclusive Growth and Job Creation	Inclusive Growth and Job Creation	Economic Sectors, Investment, Employment, and Infrastructure Development (<i>ESIEID</i>)	<ul style="list-style-type: none"> ▪ Infrastructure, human settlements & broadband ▪ Food security, land reform & agriculture commercialization ▪ Inclusive Economic Growth ▪ Youth development, skills development & training for the Economy 	The IHLM supports and commits to the Inclusive Growth and Job Creation - BTO will support and ensure that LED Programmes that promote growth and job creation are budgeted for.
Reduce Poverty and Tackle the High Cost of Living	Reduce Poverty and Tackle the High Cost of Living	Social Protection, Community and Human Development (<i>SPCHD</i>)	<ul style="list-style-type: none"> ▪ Inclusive Early Childhood Development and Learner Attainment ▪ Social cohesion, moral regeneration, community safety & GBVF ▪ Non-Communicable Diseases, mental health & social determinants of health ▪ Anti-Poverty & Sustainable Livelihoods 	Procurement strategies that support the local economy and businesses

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
A Capable, Ethical, and Developmental State	A Capable, Ethical, and Developmental State	Governance, State Capacity, and Institutional Development (GSCID)	Transformation, Governance, and Municipal Support	Ensure and strengthen the internal control environment to give rise to Clean Administration
		Justice, Crime Prevention and Security Cluster (JCPS)	Social cohesion, moral regeneration, community safety & GBVF	
BASIC SERVICE DELIVERY (TECHNICAL SERVICES)				
Inclusive Growth and Job Creation	Inclusive Growth and Job Creation	Economic Sectors, Investment, Employment, and Infrastructure Development (ESIEID)	<ul style="list-style-type: none"> ▪ Infrastructure, human settlements & broadband ▪ Food security, land reform & agriculture commercialization ▪ Inclusive Economic Growth ▪ Youth development, skills development & training for the Economy 	Infrastructure (Construction of Access Roads, Surfaced Roads, Community Halls, Sport Fields, and Public Toilets) Installation of electrical infrastructure, high-mast lights, and streetlights.
Reduce Poverty and Tackle the High Cost of Living	Reduce Poverty and Tackle the High Cost of Living	Social Protection, Community and Human Development (SPCHD)	<ul style="list-style-type: none"> ▪ Inclusive Early Childhood Development and Learner Attainment ▪ Social cohesion, moral 	

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
			regeneration, community safety & GBVF <ul style="list-style-type: none"> ▪ Non-Communicable Diseases, mental health & social determinants of health ▪ Anti-Poverty & Sustainable Livelihoods 	
A Capable, Ethical, and Developmental State	A Capable, Ethical, and Developmental State	Governance, State Capacity, and Institutional Development (<i>GSCID</i>)	Transformation, Governance, and Municipal Support	Adherence to the DoRa and RAS framework.
		Justice, Crime Prevention and Security Cluster (<i>JCPS</i>)	Social cohesion, moral regeneration, community safety & GBVF	
BASIC SERVICE DELIVERY (COMMUNITY SERVICES)				
Inclusive Growth and Job Creation	Inclusive Growth and Job Creation	Economic Sectors, Investment, Employment, and Infrastructure	<ul style="list-style-type: none"> ▪ Infrastructure, human settlements & broadband ▪ Food security, land reform & 	Inclusive Economic Growth – Waste Economy

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
		Development (ESIEID)	agriculture commercialization <ul style="list-style-type: none"> ▪ Inclusive Economic Growth ▪ Youth development, skills development & training for the Economy 	
Reduce Poverty and Tackle the High Cost of Living	Reduce Poverty and Tackle the High Cost of Living	Social Protection, Community and Human Development (SPCHD)	<ul style="list-style-type: none"> ▪ Inclusive Early Childhood Development and Learner Attainment ▪ Social cohesion, moral regeneration, community safety & GBVF ▪ Non-Communicable Diseases, mental health & social determinants of health Anti-Poverty & Sustainable Livelihoods	
A Capable, Ethical, and Developmental State	A Capable, Ethical, and Developmental State	Governance, State Capacity, and Institutional Development (GSCID)	Transformation, Governance, and Municipal Support	Capable, Ethical, and Professionalizing Local Government
		Justice, Crime Prevention and Security	Social cohesion, moral regeneration, community safety & GBVF	Community Safety Forum initiatives

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
		Cluster (JCPS)		
PLANNING AND ECONOMIC DEVELOPMENT				
Inclusive Growth and Job Creation	Inclusive Growth and Job Creation	Economic Sectors, Investment, Employment, and Infrastructure Development (ESIEID)	<ul style="list-style-type: none"> ▪ Infrastructure, human settlements & broadband ▪ Food security, land reform & agriculture commercialization ▪ Inclusive Economic Growth ▪ Youth development, skills development & training for the Economy 	<ul style="list-style-type: none"> ▪ Prioritization of led infrastructure (Coastal area, tourism attraction, agricultural and forestry development) ▪ Prioritization of Emergency, social housing, and bulk infrastructure for the middle-income housing, titled deed restoration program, and housing need register ▪ Facilitation of the broadband infrastructure rollout and ▪ Perseverance of agricultural viable land,

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
				<p>agro-processing, value chain, addition and creation, fisheries, social compact framework for land tenure, land summit, locking of suitable land for medium to high impact uses</p> <ul style="list-style-type: none"> ▪ Production support, mechanization, climate-resilient farming ▪ Business incubation, market access, enterprise support, business retention, and investment attraction and participation of all segments of the

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
				community to ensure that they benefit from local economic growth <ul style="list-style-type: none"> ▪ Investor facilitation, PPPs, alignment with District & Province ▪ Investment in critical skills to drive the local economy through science, technology, engineering, and mathematics)
Reduce Poverty and Tackle the High Cost of Living	Reduce Poverty and Tackle the High Cost of Living	Social Protection, Community and Human Development (SPCHD)	<ul style="list-style-type: none"> ▪ Inclusive Early Childhood Development and Learner Attainment ▪ Social cohesion, moral regeneration, community safety & GBVF ▪ Non-Communicable Diseases, mental health & social 	Protection and preservation of indigenous plants for medical research purposes. Carbon sequestration (explore the grants available from DBSA and DFFE for job creation).

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
			determinants of health Anti-Poverty & Sustainable Livelihoods	
A Capable, Ethical, and Developmental State	A Capable, Ethical, and Developmental State	Governance, State Capacity, and Institutional Development (GSCID)	Transformation, Governance, and Municipal Support	
		Justice, Crime Prevention and Security Cluster (JCPS)	Social cohesion, moral regeneration, community safety & GBVF	
INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT				
Inclusive Growth and Job Creation	Inclusive Growth and Job Creation	Economic Sectors, Investment, Employment, and Infrastructure Development (<i>ESIEID</i>)	<ul style="list-style-type: none"> ▪ Infrastructure, human settlements & broadband ▪ Food security, land reform & agriculture commercialization ▪ Inclusive Economic Growth Youth development, skills development & training for the Economy	<ul style="list-style-type: none"> • Community Development Empowerment Bursaries, learnerships, and internships • Integrated Wellness Program. • Crime Prevention – Security Services • SMME Development & Support-Talent Acquisition,

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
				<ul style="list-style-type: none"> • Trainings • Community Development Empowerment – workplace Skill Plan in place • Construction of new roads and rehabilitation of the existing road network – Talent Acquisition and maintenance • Agricultural Development – THROUGH SMME capacity building programs
Reduce Poverty and Tackle the High Cost of Living	Reduce Poverty and Tackle the High Cost of Living	Social Protection, Community and Human Development (SPCHD)	<ul style="list-style-type: none"> ▪ Inclusive Early Childhood Development and Learner Attainment ▪ Social cohesion, moral regeneration, 	

MTDP STRATEGIC PRIORITY	P-MTDP STRATEGIC PRIORITY	CLUSTER	INTEGRATION PROGRAMMES	IHLM
			community safety & GBVF <ul style="list-style-type: none"> ▪ Non-Communicable Diseases, mental health & social determinants of health ▪ Anti-Poverty & Sustainable Livelihoods 	
A Capable, Ethical, and Developmental State	A Capable, Ethical, and Developmental State	Governance, State Capacity, and Institutional Development (<i>GSCID</i>)	Transformation, Governance, and Municipal Support	
		Justice, Crime Prevention and Security Cluster (<i>JCPS</i>)	Social cohesion, moral regeneration, community safety & GBVF	

12.4. PERFORMNACE MANAGEMENT SYSTEM

The Performance Management System implemented at the municipality is intended to provide a comprehensive, systematic planning framework that helps the municipality manage the performance planning and measurement process effectively. The PM System serves as the primary mechanism to monitor, review, and improve the implementation of the municipality’s IDP and, ultimately, the budget. The municipality reviewed the performance management policy framework, which was adopted by Council on 29 May 2026. The policy framework provides for performance implementation, monitoring, and evaluation at both organizational and individual levels.

12.5. Legislative Framework

The Performance Management system of Ingquza Hill Local Municipality is aligned with and adapted to the provisions and requirements of various legislation, regulations, frameworks, reforms, and related circulars. These include:

- Constitution of the Republic of South Africa (1996)
- White Paper on Local Government (1998) and Batho Pele (1998)
- The Local Government: Municipal Structures Act No. 117 of 1998 and its amendments
- The Local Government: Municipal Systems Act, No. 32 and its amendments (MSA)
- The Local Government: Financial Management Act, No. 56 of 2003 and its amendments (MFMA)
- The Local Government: Municipal Planning and Performance Regulations, 2001 revised
- The Local Government: Municipal Performance Regulation for Municipal Managers and Managers directly accountable to Municipal Managers, 2006
- Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014
- Public Administration Management Act 2014 / Gazette No.38374. Government Notice No.1054
- Notice 464: Directive: Performance information public audit act (2007)
- MFMA Circulars: (11: Annual Report / 13: SDBIP / 32: Oversight Report / 88: Rationalization of Planning & Reporting Requirements)
- MFMA Circulars: (42: Funding budget / 54: Municipal budget / 63: Annual Report Update)
- National Treasury: 2007 Framework for managing performance information
- The King III & IV Reports
- Public Audit Act, 2004 (Act 25 of 2004)

12.6. Performance Management Model

A performance management model can be defined as the grouping of performance indicators into logical categories or groups (often called perspectives) to enhance an organization's (municipality's) ability to manage and analyze its performance. The model provides a common framework for measuring and managing performance using a balanced set of measures that represent an all-inclusive and integrated assessment of the municipality. ORTDM makes use of the Key Performance Area (KPA) model (see diagram below) because it is easily understood and because alignment with district, provincial, and national objectives is possible.

12.6.1. Components of the Performance Management System

12.6.2. Strategic Implementation

A municipality must measure its success in achieving its strategic objectives through the implementation of the IDP. This is known as strategy implementation and therefore measures municipal performance at the strategic level. It informs the municipality of what it is doing, the right things to produce, and the desired outcome or impact of its operational actions in achieving its vision. It focuses on measuring the ongoing and long-term operations of the municipality, linked with its annual operational plan, i.e., the Service Delivery Budget Implementation Plan (SDBIP).

SDBIP is a management, implementation and monitoring tool which guides the Administration on the commitments made in the IDP. In addition, SDBIP details activities relating to programmes within the municipality regarding what, where, by whom and when activities will be performed.

12.6.3 Monitoring & Evaluation

Monitoring and Evaluation is a continuous process of measuring, assessing, analyzing and evaluating performance information. Monitoring and evaluations aim to achieve the following:

- Tracks the progress of a project in terms of inputs, activities and outputs against the pre-determined plans.
- To demonstrate that the programmes efforts have had a measurable impact on the expected outcomes and have been implemented effectively.
- Assist managers, planners, implementers, policy makers and donors to acquire the information and understanding they need to make informed decisions about programme operations.
- It also helps with identifying the most valuable and efficient use of resources.
- It is essential to develop objective conclusions regarding the extent to which programmes can be judged as a success or failure.

12.6.4. Institutional Performance

Institutional performance reporting ensures that the Ingquza Hill LM adheres to statutory and compliance requirements that promote corporate governance. In this regard, the IHLM engages in compliance reporting by following the quarterly, in-year, and annual reporting processes in line with the legislative framework. Key to this process is compliance with the regulated timelines and the performance information standards and requirements. In the main, this component of the performance management system responds to and expresses the municipality's accountability and transparency obligations to all its stakeholders, which include, among others, the public, provincial and national government, and external oversight bodies (Office of the Auditor General, National Treasury, etc.). The main operations in this regard include:

- Continuous implementation of clear guidelines and standards, customized controls and protocols for managing performance information;
- Implementation of change management activities in the form of sensitization workshops or information sessions and tailored training interventions to influence the right discipline and culture as key success factors for the maturity of the performance management system; and
- Report writing and distribution.

12.6.5. Municipal Score Card

Several performance models are available, and the Ingquza Hill Local Municipality could apply any of them. Some of the available models include the Municipal Scorecard, Balanced Scorecard, and the Key Performance Area Model. However, the Municipality has chosen the Balanced Score Card (BSC) as its preferred performance management model.

Policies and PMS guidelines also underpin Performance Management.

The Performance Management Cycle

12.6.6. Performance Planning

This ensures that the strategic direction of the municipality informs and aligns the IDP with all planning activities and resources, such as the development of departmental SDBIPs, Performance Contracts for Section 57 employees, and the Performance Plans of all employees. The key performance areas and key performance indicators are aligned to the IDP, and the national requirements and the targets are set at this stage.

Performance Measurement, Review, and Analyses

Performance review sessions- the cycle for performance runs throughout the year. Monitoring is the process of consistently measuring performance and providing ongoing feedback to employees or groups on their progress towards achieving the set objectives.

Accountability to the Councilors of the Portfolio Committees takes place every month, hence the monthly Portfolio Committee meetings. This is where the quarterly KPAs are worked on and accounted for monthly, the next month's plan is agreed upon, and the Councilors give input on the next month's program and projects. This should be seriously considered on the platform where the Councilors exercise their oversight role. It is therefore imperative that the time is invested in the process for the:

- ▶ Self-assessment by the employee;
- ▶ Assessment by the employee's manager
- ▶ Joint discussion between the employee and the responsible manager, and reaching consensus on the outcomes, detecting problems, and jointly devising solutions.

The performance reviews will take place as follows:

- ▶ All Departments to submit their Quarterly Reports to the Performance Management Unit on the 10th day after the end of the Quarter.
- ▶ The consolidated quarterly review report will be presented to Portfolio Committees on the 15th after the end of the quarter.
- ▶ The Consolidated Review Report and Performance Analysis Report will be presented to Top Management and the Extended Top Management on the 12th after the end of the quarter.
- ▶ The Quarterly Review Meeting will then take place on the 25th after the end of the quarter, when all inputs from various committees have been incorporated into the review reports
- ▶ Departments will be requested to provide evidence of their performance against targets as and when required, as Internal Audit may request this information from time to time as a means of verification of what has been reported in the quarterly reports.

12.6.7. Performance Reporting

Sections report weekly to the Managers. These reports are consolidated into monthly reports, in which line managers' report to their General Managers. The monthly reports will be presented and discussed at the Extended Top Management meeting. These departmental reports will then be consolidated into quarterly reports by the respective departments. The quarterly reports are sent to the Portfolio Committees and the Internal Audit prior to being sent to Council and the Performance Audit Committee.

Quarterly reports are consolidated, and reporting is done twice a year to management and communities in the form of an Annual Report at the end of the Financial Year.

Performance Appraisal

12.6.8. Operational Service Delivery

It is important that the council and management have access to the appropriate information for timely consideration and intervention to uphold or improve the capacity of its delivery systems for the functional services it provides.

The performance of the municipality as a service delivery mechanism is fundamentally determined by the factors that enable it to fulfill its constitutional and statutory mandates. It is important to measure causal and contributory factors for performance excellence at the municipality to determine performance gaps in a timely manner, with the objective of responding with appropriate remedial interventions.

12.6.9. Status of Performance Management Committee

The Ingquza Hill Local Municipality uses the Audit Committee, a specialist in performance management appointed through a council resolution. On a quarterly basis, the Audit Committee reviews municipal performance and provides advice where necessary.

12.6.10. Individual Performance

Individual Performance Management focuses on the performance of individual employees. Individual performance targets are also set during the strategic planning process. Employee performance provides council and management with appropriate information on staff behaviour and workplace outcomes. Reviewing staff performance at regular intervals will provide the council and management with appropriate information and highlight performance gaps or excellence.

The Ingquza Hill LM has fully implemented its PMS Policy/Framework and incorporated individual performance management for Section 54 and 56 managers, middle managers, practitioners, and Officers. The municipality established the Individual Performance Management unit to carry out this function. In 2023- 2024, performance was cascaded to levels below Section 54 and 56 managers, and from the 2023-2026 financial year to the rest of the middle managers and other employees (practitioners and Officers). The performance of Section 54 and 56 managers, as well as other employees, is evaluated twice a year, for mid-year and annual. All these levels were evaluated for the 2024-2025 annual and 2025-2026 mid-year.

12.6.11. Circular 88: Municipal Circular on Rationalization of Planning and Reporting Requirements

The Municipality has aligned its planning, budgeting, and performance reporting systems with the requirements of MFMA Circular 88, which aims to rationalize and strengthen municipal reporting by adopting standardized output and outcome indicators. In this regard, the Municipality ensures full integration among the Integrated Development Plan (IDP), the Service Delivery and Budget Implementation Plan (SDBIP), and performance reporting processes, thereby enhancing consistency and accountability. Performance against Circular 88 indicators is monitored and reported quarterly.

This approach supports improved data quality, the credibility of reported information, and overall compliance with National Treasury reporting frameworks

CHAPTER 6: SECTOR PLANS

13.1 SPATIAL DEVELOPMENT FRAMEWORK (SDF)

The Spatial Development framework was reviewed in the 2023/2024 financial year and adopted by the council in May 2024. The Ingquza Hill Municipality's Spatial Development Framework Plan seeks to guide the overall spatial distribution of current and future land use within a municipality to give effect to the vision, goals, and objectives of the Ingquza Hill Municipality's Integrated Development Plan (IDP). This report is a review of the Spatial Development Framework (SDF) that was adopted by the Municipal Council in 2018 and is formulated in compliance with the requirements of Section 26(e) of the Municipal Systems Act (Act 32 of 2000), the Municipal Planning & Performance Management Regulations (R796/2001) and the Spatial Planning and Land Use Management Act (SPLUMA), 2013.

Chapter 3 of the SDF document provides a synthesis of the key **Policy Context and Vision Directives** for the review and formulation of the IHLM SDF. The national development mandate for South Africa envisages a country where “all our people are living in *shared and transformed places in an integrated, inclusive, sustainable and competitive national space economy*”¹, with the core development objectives focusing on inclusive economic growth, job creation, and poverty eradication. A key spatial construct for the formulation of the Ingquza Hill LM SDF is the spatially defined *National Transformation Corridor* (National Spatial Development Framework Plan (NSDF, 2018)), recognized as a high-value national agricultural and strategic water-source *production region*.

Key focus areas (sub-frames) of the NSDF (2018) that guide the formulation of the IHLM SDF include:

- *National Development Corridor and Special Economic Zone* accommodate the proposed National (N2) Coastal Road - focused on improving access, infrastructure development, and trade along the route from Nelson Mandela Bay via Mthatha and Lusikisiki to Port Shepstone.
- Lusikisiki and Mthatha are recognized as *regional development anchor towns* along this corridor.
- *Ecological infrastructure and resource base*: Recognition of strategic high-value natural assets of biodiversity, ecology, and tourism significance. These include national protected areas, marine reserves, and strategic national water resource areas.
- *Focus on productive rural regions forming the cornerstone for development in rural areas, with national investment focus to support agri-enterprises and small-scale farming resource potential*.

In light of this, the NSDF (2020) puts forward the *Regional Rural Development Model Concept*, focused on fostering inter-connectedness between defined urban and rural areas of varying scale - promoting potential intra-regional trade between towns and villages and the *Social Services Provisioning Model* that serves to guide the provision of varying levels of social services in villages, towns, and regional anchors, (refer to Section 3.3.2).

Aligned to national spatial development imperatives, key focus areas and spatial informants drawn from provincial and regional level policy planning (refer to Sections 3.3 and 3.4 and as depicted on the plan following) include:

- Recognition of high-value natural resource and agricultural production areas for rural development
- Importance of appropriate land use management systems to protect sensitive environments and valuable natural resource areas (agricultural, coastal economy, and tourism) in the region.
- High potential development in agriculture, mining, tourism, and the ocean economy sectors.
- Mthatha and Lusikisiki are identified as regional development anchors for targeted economic and infrastructure investment along the Wild Coast N2 corridor.
- A specific objective of the Eastern Seaboard Regional SDF (2022) is to determine the viability of a new African Coastal City “Smart City” in the region –a people and techno-centered approach - using technologies to address social and spatial problems (refer to Section 3.4.2).
- Proposed Future Metro Region (FMR), (EC SDF, 2017), a spatially defined area that incorporates the N2 Wild Coast Corridor from Mzamba to Lusikisiki, focused on a high level of service and infrastructure investment and small-town regeneration.
- National Movement Networks: New N2 Wild Coast toll road: The upgrading of the existing R61 route from Mthatha to Lusikisiki and then a new link from Lusikisiki to Port Edward, then following the existing road from Port Edward to Port Shepstone
- Inter-regional movement networks: serve as major movement networks between settlements in the Region: The R61 from Mthatha via Port St Johns, Lusikisiki – Palmerton -Flagstaff, Bizana, Port Edward, and Margate to Port Shepstone (proposed new N2 toll road)
- Economic/Tourism Corridors: Nelson Mandela Cultural (Heritage) Route & Wild Coast Agri-tourism

13.2 LED STRATEGY

13.2.1 INTRODUCTION

This document provides an overview of the methodology and objectives of the Ingquza Hill Local Economic Development (LED) Strategy. It also highlights the theoretical framework for the development of the report, which is based on the Department of Cooperative Governance and Traditional Affairs’ (CoGTA) National Framework for Local Economic Development.

13.2.2 Objectives and Goals

LED objectives constitute a set of critical interventions that must be pursued in the short-, medium-, and long-term to realize the Ingquza Hill LED vision. The strategic planning literature and practice require that objectives be specific, measurable, achievable, relevant, and time-bound (SMART). Flowing from the vision, the Ingquza Hill objectives are stated as follows:

13.2.2.1 Objective 1: Skills development

Skills development is a critical component of ensuring inclusive LED (CoGTA, 2017). At the core of development is the enlargement of a population's capacity to live a healthy and fulfilling life. Lack of skills and education serves the opposite purpose, i.e., to limit a population's capacity to take advantage of opportunities for the betterment of their lives. To have a lasting impact, the LED strategy must therefore seek to contribute towards the improvement of, especially, the youth and women's access to skills and education (Ingquza Hill Local Municipality, 2011). It should further ensure the reskilling of municipal officials to implement LED amid rapidly changing development dynamics. Future skill sets deemed critical include communication and coordination, project management, conflict management, negotiation, digital literacy, and complex problem-solving (Department of Communication and Digital Technologies, 2018).

13.2.2.2 Objective 2: Promote entrepreneurship and SMME development in diverse sectors of the economy

Promotion of entrepreneurship encompasses encouraging more entrepreneurs to start businesses in sectors where the local municipality has a comparative advantage and new opportunities. This involves entrepreneurial programs targeted at community members within the municipality to start new businesses and combat poverty and high unemployment. SMME development speaks to the capacity development of informal enterprises and emerging and micro enterprises through the provision of financial and non-financial support to help businesses grow.

13.2.2.3 Objective 3: Achieve measurable growth in specifically targeted sectors

To improve the standard of living for the Ingquza Hill population, the economy must achieve inclusive, environmentally sustainable, and consistently high growth rates. Specific sectors with high growth potential—such as agriculture, forestry, and tourism—should be targeted for growth. This, in turn, depends largely on the economy's ability to attract and retain competitive investment. To achieve these levels, the economy must create and maintain an investor-friendly environment, which depends on good governance, sound practices, efficient economic infrastructure, and effective business support services. In addition to community upliftment and job creation, LED projects must also incorporate increased output and the attraction of new investment as core outcomes (Ingquza Hill Local Municipality, 2011).

13.2.2.4 Objective 4: Investment in and maintenance of infrastructure

Economic infrastructure ensures the mobility of labour and capital for a local economy. It results in the overall growth of towns. Infrastructure provides significant employment opportunities. Osakwe et al. (2018) assert that infrastructure programs can lead to trade diversification and stimulate economic development. There is a positive relationship between infrastructure development and poverty reduction because access to infrastructure such as rail, roads, and communication networks creates avenues for entrepreneurship and local business development (Seetanah et al., 2009). It will be critical for Ingquza Hill to develop its social and economic infrastructure to promote local economic growth, as any investments depend on the state of the local municipality's infrastructure.

13.2.3 Implementation Plan of the LED Strategy

This section provides details on the implementation of the identified projects for the Ingquza Hill LM. It lists the Key Performance Indicators, activities, the respective implementing party, project partners, the

project timeframe, whether a budget has been identified, and where this funding could be sourced. The implementation plan is organized by strategic pillars as follows:

13.2.3.1 Strategic Pillar 1: Agriculture and Forestry Development

Goal (Provide on-site agricultural training support to smallholder farmers in partnership with relevant agricultural entities and facilitate the compilation of a forestry and environmental strategy by 2025)

Strategic Pillar 2: Blue Economy

Goal (Identify economic opportunities in marine and coastal tourism and Expansion of coastal tourism leisure-oriented activities)

13.2.3.2 Strategic Pillar 3: SMME Development

Goal (Facilitate access to funding for at least 50 SMMEs by 2025 through public and private entities, and establish partnerships with Department of Small Business Development (DSBD) entities through memoranda of understanding to support SMMEs by 2022)

Strategic Pillar 4: Tourism Development

Goal (Grow Ingquza Hill as a tourism destination in the next five years, realizing 10% growth in business tourism numbers and 15% growth in leisure tourism numbers, and to assist the Umzimvubu tourism community in establishing a well-resourced LTO by 2025)

LED Priority Projects are as follows:

- ▶ Establishment of Communal Shearing Sheds
- ▶ Cannabis Community Projects
- ▶ Modular Abattoir
- ▶ Informal and hawker trading facilities
- ▶ Satellite Business Facility
- ▶ Conduct a Feasibility Study for the development of Msikaba Business experience
- ▶ Facilitate the Resuscitation of the Local Tourism Organization (LTO)
- ▶ Pondoland Cultural Festival
- ▶ Cultural and Tourism Information Center

13.2.3 LED Forums

The municipality has established an LED Forum, inviting all stakeholders to attend and contribute to economic development. The LED Forums are convened quarterly.

13.3 HUMAN RESOURCE MANAGEMENT PLAN

13.3.1 Executive Summary

The Human Resource Plan (HRP) is the process by which the organization, in collaboration with various stakeholders, ensures that the municipality has the right number of people with the right skills, in the right places, at the right time, performing effectively with available resources, and doing so

economically and efficiently. Currently, the municipality has unfilled posts due to funding constraints, a shortage of office space and tools of the trade, and staff who have not yet been placed in positions within the staff establishment. Therefore, the municipality has developed a 5-year HRP to address these challenges. This plan will be reviewed annually as part of the process and review of the Integrated Development Plan (IDP).

The municipality has developed a plan to identify gaps in its Human Resources, including the current number of employees, their skills, competencies, and knowledge of the Municipal intentions, as well as future requirements. The policies that will enable the Department of Corporate Services to effectively facilitate the achievement of the HRP goals include the Recruitment and Selection Policy, Skills Development Policy, Bursary Policy, Integrated Health and Wellness Policy, and Organisational Design and Development Policy. The HR Plan also addresses issues related to the implementation of the Skills Development Act, Labour Relations, and Occupational Health and Safety programs.

The HRP has been aligned with the municipal IDP and the Service Delivery Budget Implementation Plan (SDBIP) to ensure that identified challenges and risks are addressed and that various departmental managers play an active role, whilst the Department of Corporate Services provides professional support and personnel development in the municipality.

Ingquza Hill Local Municipality (IHLM) has developed this HRP to plan and align its human capital with the strategic organizational goals outlined in the 5-Year Integrated Development Plan. The following approach has been adopted:

- ▶ Overview of the municipality and its strategic direction as outlined in the IDP,
- ▶ Scanning of both internal and external environment in as far as it affects Human Resource Planning and Provision,
- ▶ Profiling of the current workforce, identification of gaps in the HR functions,
- ▶ Development of an action plan to close the identified gaps.

The main objectives of the HRP are:

- ▶ To ensure appropriate utilization of available personnel,
- ▶ To attract and retain scarce skills,
- ▶ To standardize HR processes and procedures to be followed when employees enter/ exit the municipality,
- ▶ To ensure that all employees and the unemployed have the required competency levels,
- ▶ To create an Environment that promotes employee Health and Wellness.

13.4 HOUSING SECTOR PLAN

13.4.1 Preamble

This HSP was reviewed during the 2023/2024 financial year and adopted by the council in May 2024. The sector plan was revised in accordance with the requirements of the Blue Book for Municipal Housing Planning and the related National Treasury Planning dispensation.

The methodology used to review the HSP consisted of reviewing the current IDP, HSP, SDF, and other relevant chapters of the IDP and sectoral plans. In addition, a desktop analysis was undertaken to better understand housing demand. The supply-side study included a primary-level survey and data

collection on land and land packaging, infrastructure planning and availability, organizational capacity, and projects, including planned, current, and blocked projects. Lastly, an integration study was conducted to identify cross-cutting issues and related planning and availability, especially as they relate to health, education, roads and transportation, social and recreational, and safety facilities. The results of these studies were used to produce a situation analysis report that informed the development of the HSP. The HSP consists of strategic goals and priorities for the Municipality, detailed into programs for year 1 of a 5-year horizon. Lastly, a project pipeline and a project tracking tool were developed and provided to enable the Municipality to improve its project planning, tracking, and monitoring.

The engagement processes with the Municipalities and the client (ECDoHS) were multi-layered. A provincial project management forum was established to monitor the project's inception and progress. An orientation workshop was held with the Municipalities to build understanding and awareness of the project, create a conduit for information collection, and undertake an initial desktop exercise to understand the dynamics and nuances of housing delivery. Individual visits to the Municipalities, districts, and other departments resulted in the collection of the required primary-level information. This included administering a structured questionnaire to key officials.

13.4.3. National Housing Needs Register

To eliminate the housing waiting list, the municipality is working with the DoHS. We are now creating questionnaires and distributing them to build a housing needs register, which we will subsequently record in the National Housing Needs Register. The system is brand-new and computerized, which is the current challenge. We have only a limited number of internet connections; thus, access is available only through them (IHLM IDP, 2022). Now that it has been established, the National Housing Needs Register will be the sole official register for selecting potential beneficiaries. The municipality has trained 3 field workers per ward to distribute surveys and 5 officials to record beneficiary information in the system (IHLM IDP, 2022).

Table 14 of the Housing Sector Plan: Ingquza Hill LM Housing Needs Register.

	Approved on HSS	On NHNR only	NHNR and Approved on HSS Total
Eastern Cape	72 382	586 792	659174
Ingquza Hill Local Municipality	398	11 961	12359
Flagstaff	126	5 429	5 555
Lusikisiki	272	6 532	6 804

The recent Housing Needs Register from the National Department of Human Settlements (2022) shows that the municipality has 398 approvals among 11 961 applicants. Lusikisiki had more recorded applicants, at 6,532, compared with 5,429 from Flagstaff.

13.4.4 Housing demand profile of the municipality

The previous Housing Sector Plan indicated that the municipal housing waiting list has over 2,000 applications for housing units in the urban areas and a total demand of 33,502 households. Whilst it is presumed that a large proportion of rural communities still require housing units, the exact housing need in rural areas is unclear. The municipality also has no information on the need across the various

categories and associated instruments, e.g., informal settlement upgrade, social and rental, project-linked individual, etc.

42 military veterans are appearing on the Department’s database for Ngquza Hill.

The quantified housing demand is based on information from the 2001 Census, 2007 Household Survey, and DWA structure count, and can be summarized as follows:

RURAL	SOCIAL AND RENTAL	INFORMAL SETTLEMENT STRUCTURES	CHILD-HEADED HOUSEHOLDS
32 641	1 566	248 (365 – dot count)	764

The table above provides a more accurate estimation of informal settlement structures within the Municipality. The dot count figure reflects the informal structures concentrated within informal settlements, whilst the Census and Household survey figure includes informal structures within existing settlements.

13.4.5 Land and Housing

Surveyed land in the municipality is largely commonage, and there are land claims on both the Flagstaff and Lusikisiki commonage areas. The municipal area is predominantly composed of communal land owned by tribes. Ownership of the Mkambati Nature Reserve has been restored to the community (following a successful land claim), and the reserve is currently being managed under a co-management agreement between EC Parks and the community.

Inland of the reserve is a large tract of unsettled former TRACOR land. The Magwa Tea plantation is another large tract of land under productive agriculture with limited settlement inside the Estate. In addition to the above, the following state-owned properties have been approved for transfer from the Provincial Government to the municipality for human Settlement development purposes:

ERF NUMBER	TOWN NAME	EXTENT(HA)
142	FLAGSTAFF	97.9359
147	FLAGSTAFF	1

It is proposed that feasibility assessments be conducted to determine the land's development potential and, if found feasible, that business plans be prepared for submission to the province to motivate the transfer of the land.

13.4.6 Municipal Capacity and

Information from the previous Housing Sector Plan indicates that there is 1 Officer, 1 Town Planner, and 1 Manager for Planning. The SDF states that the municipality has a Land Use Scheme Policy.

13.4.7 Progress on Housing Provision

The table below shows the number of approved beneficiaries by age group for Ingquza Hill LM, O.R Tambo DM, and Eastern Cape Province. It indicates that 47.7% the beneficiaries are adults between the ages of 36-59, followed by adults over the age of 60 with 46.5%. This may be attributed to adults moving out of their main homes and starting new families. A similar trend may be observed for Ingquza Hill LM and O.R Tambo DM, where adults over the age of 36 are the dominant beneficiaries, rather than youth (ages 18-35).

Table 16: Age Profile of Households Approved on HSS – Eastern Cape

Age Group	Total Number Approved on HSS in IHLM	Total Number Approved on HSS O.R. TAMBO DM	Total Number Approved on HSS
Adult (Age 35-59)	2 635	19 891	200 911
Adult (Age 60+)	2 513	20 819	195 816
Youth (Age 18-35)	374	3 164	24 625
Total	5 522	43 874	421 352

Source:HSS(2023)

The figure above shows that 48% of housing subsidy beneficiaries are between the ages of 36 and 59, followed by those over 65 at 45%. In comparison, youth under 35 constitute 7% of housing subsidy beneficiaries.

13.4.8 Informal settlements

The following are informal settlements in Ingquza Hill:

- ▶ Unity Park,
- ▶ Nkululekweni in Flagstaff,
- ▶ Malizole,
- ▶ Gqathule,
- ▶ Katilumla,
- ▶ New rest,
- ▶ Nyuswa,

13.5 ENVIRONMENTAL MANAGEMENT PLAN

13.5.1 INTRODUCTION

Ingquza Hill Local Municipality appointed Leago Environmental Solutions (Pty) Ltd to develop an Environmental Management Plan (EMP) for the municipality. Leago created a project schedule and plan and presented them to the municipality for approval. Leago Environmental Solutions adhered to the project plan by conducting a field survey of the municipality, a desktop survey, and completing the first Draft EMP, which was submitted to and presented to the municipality. The current Final EMP adopted by the Municipality Council is the sixth version of the Draft EMPs. The Final Report has been adopted and gazetted (**No: 5563**). The Environmental Management Plan and Environmental Implementation Plan are now ready for the Municipality to enforce, guide, and implement.

The purpose of the EMP is to safeguard sensitive environmental resources and promote the sustainable use of water, air, land, vegetation, and wildlife. To achieve environmental sustainability and positively influence regional economic development, it is crucial to consider and plan for the environmental impacts of project developments within the IHLM at an early stage. Local municipalities

must take an active role in environmental protection, though this importance is often overlooked or insufficiently addressed. The demands to provide essential services and create development opportunities at the local level can compete with the responsibility of environmental stewardship. Consequently, compliance with environmental regulations is often perceived as complicated and given low priority by local governments, leading to subpar performance by many municipalities in meeting their responsibilities.

13.5.2 Summary of Key Chapters of the Emp

13.5.2.1 Legislative Requirements

The main driver of the EMP is the National Environmental Management Act, 1998 (Act No. 107 of 1998), which makes provisions for all local authorities to develop (within prescribed timeframes) and implement a strategic environmental management framework, often called an Environmental Management Plan.

- The list of other key acts and policies provided for in the EMP includes.
- The Constitution of South Africa (Act No. 108 of 1996) and the Bill of Rights
- Conservation of Agricultural Resources Act (Act No. 43 of 1983)
- Environment Conservation Act (Act No. 73 of 1989)
- National Environmental Management Act (Act No. 107 of 1998)
- National Environmental Management: Biodiversity Act (Act No. 10 of 2004)
- National Environmental Management: Waste Act (Act No. 59 of 2008)
- National Environmental Management: Protected Areas Act (Act No. 57 of 2003)
- National Environmental Management: Air Quality, Act (Act No. 39 of 2004)
- National Forests Act (Act No. 84 of 1998)
- National Water Act (Act No. 36 of 1998)
- National Environmental Management Act (107/1998): Wild Coast Environmental Management Plan
- Marine Living Resources Act (no. 18 of 1998)
- National Heritage Resources Act (Act No. 25 of 1999)
- Climate Change Act (Act No 22 of 2024)
- NEM: Integrated Coastal Management Act, 2008 (Act 24 of 2008)
- Eastern Cape Provincial Disaster Risk Management Policy (2020)
- Eastern Cape Biodiversity Sector Plan of 2007 as amended in 2019

13.5.3 Project Milestones

Table: Project progress & Timeline

MILESTONE	ACTIVITY	OUTCOME	DATE OF MILESTONE
Phase 1: Project Inception	The project inception meeting was held with the project manager and technical support from the municipality. The service provider obtained information and presented the project plan, which was welcomed and adopted by the Municipality.	Adoption of the project plan. Sourcing of information from the Municipality	30 October 2023
Phase 2: Site Investigations	The service provider conducted a field survey within the municipality boundaries. Data were collected and interpreted, GIS analysis was performed, and some of the findings were presented as GIS maps.	<ul style="list-style-type: none"> Field Data of the Municipality 	15 November 2023
Phase 3: Environmental Proposal / Report Writing	The service provider compiled the first Draft Environmental Management Plan and Implementation Plan. The report was submitted to the municipality for review. The first draft was also presented to the Project Steering Committee. Comments on the Draft Report were obtained, and the report was revised in accordance with the comments and inputs received.	Draft EMP and EIP	14 February 2024
Phase 4: Public Participation Process	The service provider requested that the municipality invite stakeholders. A meeting was held at the municipality, and the Draft EMP was presented to the stakeholders within the municipality. Comments on the Draft Report were obtained, and the report was revised in accordance	Draft EMP and EIP	26 March 2024

	with the comments and inputs received. Other stakeholders provided comments on the EMP and IEP via email, which were integrated into the report.		
Phase 5: Council Presentation of EMP and EIP	The service provider presented the Draft Report to the Municipality Council. The presentation was made to request that the municipal council review and approve the EMP and EIP.	Approval of EMP and EIP	24 June 2024
Phase 6: Council Approval	The Municipality Council Approved the EMP and EIP	Approval of EMP and EIP	31 January 2025
Phase 7: EMP and EIP Gazette	The service provider submitted the Notice of Municipal Council Resolution approving the EMP and EIP.	Gazetted EMP and EIP	19 January 2026
Phase 8: Close out Report	The service provider submits a close-out report to the municipality, along with a soft copy of the shapefiles.	Close out report	26 February 2026

13.5.5 DISASTER MANAGEMENT PLAN

The Disaster Management Act of 2002 requires each local municipality to prepare a DMP for its area, tailored to prevailing circumstances; to coordinate and align the implementation of its Plan with those of other organs of state and institutional role-players; and to regularly review and update its Plan. The legal requirements for disaster management are further detailed in the O.R. Tambo District Disaster Management Plan.

Although Local Municipalities are not legislatively required to establish specific Disaster Management coordinating structures, it is unlikely that the Ingquza Hill Municipality would be able to effectively conduct a participatory Disaster Management planning process without some form of such structure. It is recommended that the Ingquza Hill Municipality establish at least an internal Disaster Management coordinating body, such as an Inter-Departmental Disaster Management Committee. The additional establishment of an advisory forum is strongly recommended to coordinate Disaster Management policy within the Ingquza Hill Municipality and enable stakeholder involvement in Disaster Management matters.

Disaster Management has become a key component of an IDP's credibility. Section 26(g) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) lists 'applicable disaster management plans' as core components of an IDP. The following section examines the relationship between Disaster Management and the IDP.

Linkage with the Integrated Development Plan of the Ingquza Hill Municipality

It is strongly recommended that the Ingquza Hill Municipality make Disaster Risk Management a mandatory consideration at the planning and execution stages of all IDP projects. This will ensure the integration of Disaster Risk Management into the IDP and that all plans and projects focus on contributing to disaster risk reduction and disaster preparedness – thus mitigating the impact of disasters on lives, property, community activities, the economy, and the environment in the Ingquza Hill Municipality.

A more detailed discussion of the linkages between disasters and development, and between the IDP and the DMP, is provided in the corresponding section of the O.R. Tambo District Disaster Management Plan.

The Municipal Systems Act and the Disaster Management Act require that the Ingquza Hill Municipality's DMP be included in the Ingquza Hill Municipality's Integrated Development Plan (IDP).

Structure of the Ingquza Hill Municipality Disaster Management Plan

The Municipal DMP is based on the legal requirements described above and comprises the components outlined in this structure. This structure is based on the requirements of Section 53(2) of the Act and Section 3.1.1.2 of the NDRMAF.

Several peripheral documents will support the Plan, with the Risk Assessment Report being the most important. This plan is prepared at a strategic level for inclusion in the IDP process and therefore cannot contain overly detailed operational planning. Lower-level, more specific plans are considered supporting documents external to the plan.

To comply with the National Disaster Management Framework (NDMF), the Ingquza Hill Municipality Disaster Management Plan is structured around the NDMF's four KPAs, which are also reflected in the Provincial and O.R. Tambo Disaster Management Frameworks.

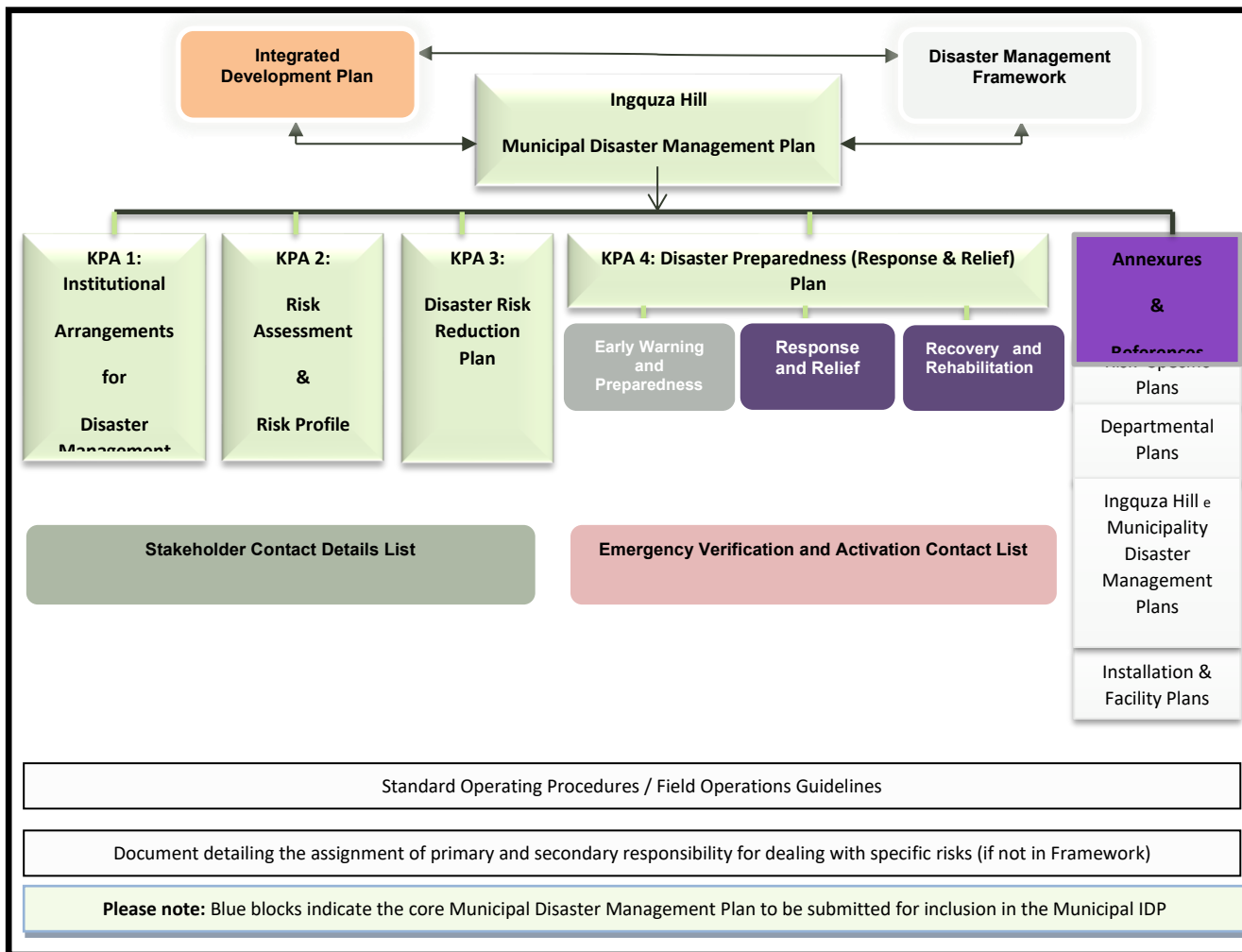


FIGURE 1: STRUCTURE OF THE MUNICIPAL DISASTER MANAGEMENT PLAN

As shown in the figure, the four key components of the Plan are:

- KPA 1: Institutional arrangements for Disaster Management (Institutional Capacity)
- KPA 2: Risk Assessment and Risk Profile
- KPA 3: Disaster Risk Reduction
- KPA 4: Disaster Preparedness (Response & Relief) Plan

Each of these key components will be discussed in more detail in the next section.

13.5.5.1 KPA 1: Institutional Capacity

This section outlines the planning for institutional capacity for Disaster Management within the Ingquza Hill Municipality, in accordance with KPA 1 of the NDMF.

Current Institutional Arrangements within the Ingquza Hill Municipality

The Ingquza Hill Municipality comprises a political structure (Council) consisting of proportional and ward councilors, supported by an administrative structure of officials.

The Council elects the Executive Committee, and one of its members is elected as the Mayor, with defined responsibilities grouped into portfolios for the Members of the Executive Committee (MECs).

The Disaster Management function currently falls under the jurisdiction of the Community Services Directorate of Ingquza Hill Municipality. Although institutional arrangements for the Disaster Management function have been implemented at the district level, no official institutional structures have yet been established at the local level.

While there is evidence of an overall lack of resources dedicated to Disaster Management within the Ingquza Hill Municipality, the shortage of human resources and insufficient staff competence pose major problems. It will be impractical to correct these shortcomings in the short term. A phased approach to increasing the number of dedicated Disaster Management personnel and improving training and capacity development among employees would be a more realistic recommendation.

Emergency preparedness within the Ingquza Hill Municipality is a challenge due to a lack of human resources and adequately skilled staff. The following recommendations can be made:

- A standby roster should be established that includes other staff (from the same department, another department within the Ingquza Hill Municipality, or even other Local Municipality Disaster Management Staff within the District or District staff) as first- and second-call duty officers for the Ingquza Hill Municipality, to ensure that standby period limitations are not exceeded and that the function can continue during the incumbent's temporary absence.
- Persons who are put on the standby list should be provided with adequate training and equipment and must be familiar with this plan.
- Standby lists for the Inqquza Hill Municipality should be linked to the standby lists of the Inqquza Hill Disaster Risk Management Satellite Center and the OR Tambo District Municipality, from which assistance could be requested if the Inqquza Hill Municipality's capacity is exceeded.
- Mutual aid agreements with neighboring municipalities can improve emergency preparedness and should be compiled for approval by the various councils.
- The Inqquza Hill Municipality must identify skill shortages among employees in the Disaster Management field and the specific skill sets in demand. Accordingly, they should recruit adequately trained staff and/or provide improved training and capacity development for current staff.

Experience has shown that disasters do not respond well to individual effort; therefore, it is important to adopt an inclusive approach to Disaster Management, in which all role-players and stakeholders work together with Disaster Management officials to reduce disaster risk. Responsibility for Disaster Management should be spread beyond a few incumbents within the district, in line with the principle of shared responsibility.

Shared responsibility for Disaster Management

The responsibility for reducing disaster risk, preparing for disasters, and responding to disasters is shared among all departments and employees of the Ingquza Hill Municipality, all District, Provincial, and National organs of state operating within the Ingquza Hill Municipality, all sectors of society within the Ingquza Hill Municipality, and, perhaps most importantly, all the residents of the Ingquza Hill Municipality.

Key outcomes of the Disaster Management Plan

The ORTDM's DMP seeks to achieve the following key outcomes:

- Integration of Disaster Risk Management into the strategic and operational planning and project implementation across all line functions and role players within the Ingquza Hill Municipality.
- Informing planning and allocation of resources by municipalities to enable the reduction of community vulnerability;
- Resilient communities; and
- An integrated, fast, and efficient response to emergencies and disasters by all role-players.

Nodal Points for Disaster Management

Although the municipal department within the Ingquza Hill Municipality assigned to the Disaster Management function should direct and facilitate the Disaster Management process, it cannot perform the full spectrum of Disaster Management activities on its own. Disaster Management is everybody's business. It is therefore recommended that each municipal department within the Ingquza Hill Municipality designate a person or section within the Department as the focal point for Disaster Management activities. The same applies to National, Provincial, and District departments operating within the Ingquza Hill Municipality.

Disaster Management activities to be performed within Departments and Ingquza Hill Municipality include participation in Disaster Risk Reduction, preparedness, and response.

Action: The Ingquza Hill Disaster Risk Management Satellite Center will circulate forms annually, requesting role-players to indicate their nodal points for Disaster Management. The forms shall provide space to list the Department, position, and full contact details (including after-hours contact) for the focal point and at least one alternate contact person.

13.5.5.2 Departments with primary responsibility for specific hazards and disaster risks

Where a department has primary responsibility for a specific hazard, the Department's role in Disaster Management for that hazard will be more than mere participation: it will have to lead risk-reduction and preparedness activities given its expertise in the field. Section 0 from page 387 described the responsibilities of specific departments within the district in terms of Disaster Management.

Ingquza Hill Municipality Disaster Management can support such a department with advice, information, facilitation, and coordination.

Action: Ingquza Hill Disaster Management will maintain a list of hazards that may affect Ingquza Hill Municipality, with the associated primary role-players identified for Risk Reduction and Preparedness for each hazard. (See next section for the process of assigning such responsibility.)

The plans for Disaster Risk Reduction and Preparedness compiled by these primary role-players should be attached to this Plan or should be referenced as supporting documentation, as indicated in Figure 1: Structure of the Municipal Disaster Management Plan. These documents must be easily accessible to all relevant role-players.

Assignment of responsibility to deal with specific disaster risks

Departments responsible for specific services under normal conditions will remain responsible for those services during disasters. The declaration of a state of disaster and the tighter coordination instituted during disasters do not absolve any agency of its assigned responsibilities.

To reduce the size of this Plan, a detailed listing of all disaster management capabilities and responsibilities for each municipal head of department and other role-players will not be included in the body of this Plan.

Legislation assigns responsibility for most disaster risks to specific departments or functions. However, gray areas remain for some disaster risks. For example, there may be debate over which agency should lead a hazardous materials incident involving crime or terrorism and injured persons. To ensure clear roles and responsibilities and to enhance integrated Disaster Management efforts, these gray areas must be addressed, and responsibilities must be clearly assigned and confirmed.

Action: The risk profile of the Ingquza Hill Municipality will be considered, and primary and supporting role-players will be identified for each identified risk. This allocation of primary and supporting roles will be done in consultation with all relevant role-players, informed by existing legal frameworks, and assigned by consensus.

The above assignment of responsibilities will be reviewed and confirmed annually, recorded, and distributed in the format indicated below.

Table 1: Assignment of primary and supporting role-players for disaster risks

Description of disaster risks identified in the risk profile of the Ingquza Hill Municipality (Complete one table per risk, noting that responsibility may change based on location within the area of the district)	Primary role-player in risk reduction to be indicated here	Supporting role-players
	The primary role player in preparedness is indicated here.	Supporting role-players
	Primary role-player in response and relief to be indicated here.	Supporting role-players

	Primary role-player in recovery & rehabilitation to be indicated here.	Supporting role-players
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The document assigning responsibilities may be included as an annexure to the Ingquza Hill Municipality's Municipal Disaster Management Plan if the assignment of responsibilities has not been addressed in the Municipal Disaster Management Framework.

The assignment of responsibility for specific hazards or disaster risks will be informed, but not determined, by the assignment of responsibility for risks within the National and Eastern Cape Provincial Disaster Management Advisory Forum and the O.R. Tambo District Disaster Management Advisory Forum. The conditions prevailing within the Ingquza Hill Municipality will be the determining factor.

Ingquza Hill Municipality Disaster Risk Management Satellite Center (DRMSC)

This is the department within the Ingquza Hill Municipality responsible for disaster management. An LM is not legally required to establish a DRMC, but it is recommended.

The Disaster Management structure / DRMSC of the Ingquza Hill Municipality must aim to prevent or reduce the risk of disasters, mitigate the severity or consequences of disasters, prepare for emergencies, respond rapidly, and facilitate coordination, prevention, reduction, and mitigation of disasters, prepare for emergencies, respond rapidly and effectively to disasters, and implement post-disaster recovery and rehabilitation within the Ingquza Hill Municipality by monitoring, integrating, coordinating, and directing the Disaster Management activities of all role-players.

A fully established and functioning Municipal DRMSC is a key element of this Plan.

Action: The Ingquza Hill Municipality will establish and maintain a fully staffed and resourced DRMSC.

This outlines the recommended organizational design for a Disaster Management Center that combines functional specialization with area-based management. This structure is based on best practices and the recommendations in the National Disaster Management Framework, while taking into account existing capacity and the need to build capacity in phases over time.

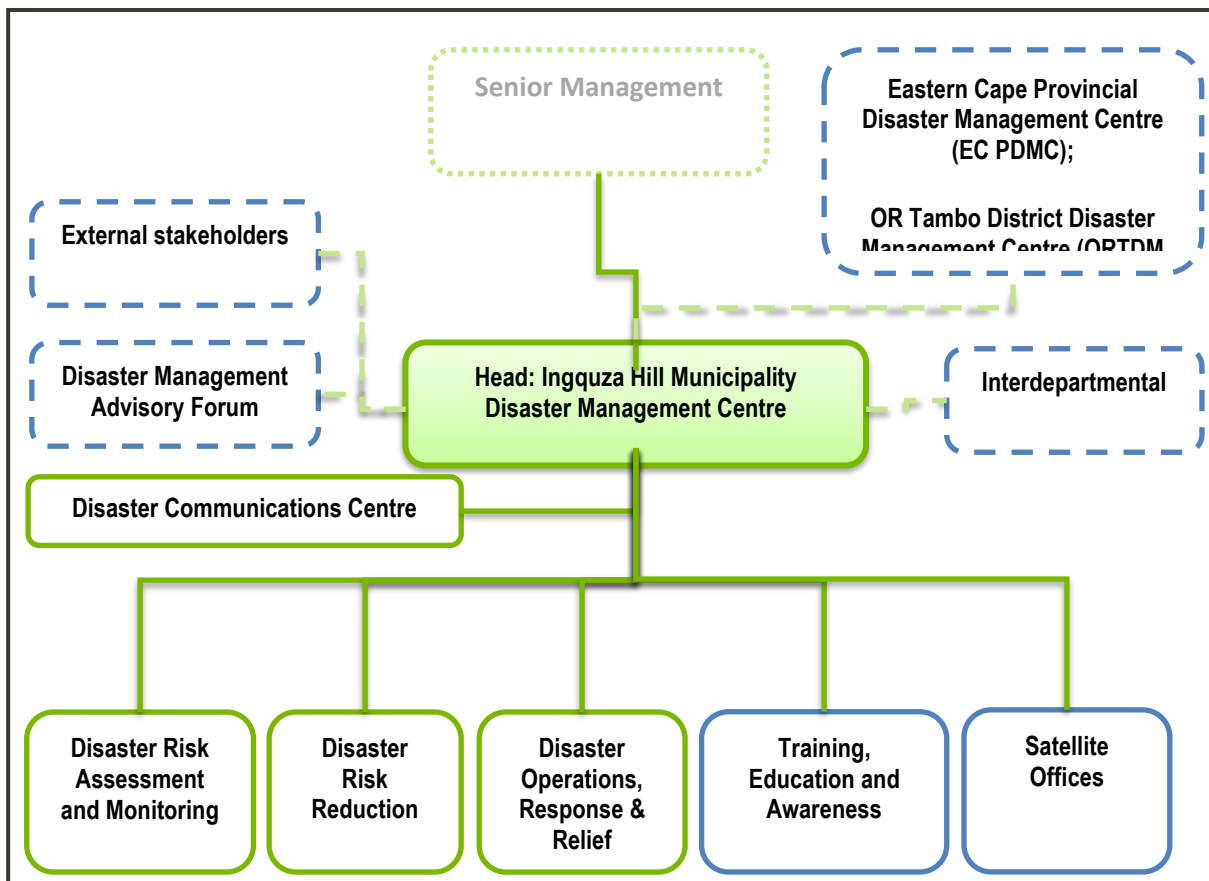


Figure 2: Suggested design for the DRMSC

Solid-outlined elements represent categories of functions to be performed, not individual posts. Depending on resources, each category of functions can be expanded into several post descriptions or rolled up into fewer separate positions. Solid lines indicate lines of authority and reporting within the Ingquza Hill Municipality. Elements with dashed outlines represent coordination, consultation, and policy-making structures, while dashed connecting lines indicate lines of consultation and collaboration.

Municipal Disaster Management Advisory Forum

Metropolitan or District Municipalities may establish a District Disaster Management Advisory Forum as described in Section 51 of the Disaster Management Act, 2002. Local Municipalities are not required to establish such a forum but are encouraged to do so to coordinate strategic Disaster Management issues, such as Risk Assessments, and to approve and/or review the DMP for the Ingquza Hill Municipality before it is submitted to Council. Meetings of such a body are held 2 to 4 times per year, or as required. Once established, such a forum can play an important role in setting policy and priorities for Disaster Management within the Ingquza Hill Municipality and in reviewing Risk Assessments and plans from time to time.

The Terms of Reference of the Forum is its founding statement and will determine its functioning. Existing coordination structures may also be used to perform the functions of an Advisory Forum, thereby reducing administration and costs. Where other coordination structures are available to

perform the envisaged functions of an Advisory Forum, it would be prudent to reduce administration and costs by using them rather than creating a new dedicated structure.

Action: The Ingquza Hill Municipality will consider establishing a dedicated body for interdepartmental Disaster Management coordination or assigning this responsibility to the Municipality's top management team (of officials). The Ingquza Hill Municipality will also consider establishing a Disaster Management Advisory Forum and will implement its decision accordingly.

Focal points for disaster management within municipal departments

Departmental planning groups

This element concerns planning groups that can be established within departments of the Ingquza Hill Municipality to address internal Disaster Management issues, such as compiling Departmental Disaster Management Plans and contingency plans for the Department's facilities and services. The Disaster Management nodal points of these Departments will be involved in these planning groups. In a less complex design, these groups can be integrated with others to form technical task teams.

Action: Nodal points will be empowered and supported by their departments or organizations to establish, manage, and participate in Departmental planning groups.

Risk reduction project teams

These are multidisciplinary project teams convened to address and reduce a specific disaster risk. The teams are convened by the primary risk role player and supported by Disaster Management. In a less complex design, these teams can be integrated with others to form technical task teams.

Action: The primary role-players for specific hazards or disaster risks, in collaboration with Ingquza Hill Disaster Management, will establish and manage risk-reduction project teams as required or at the request of the Disaster Management Advisory Forum. (Existing structures should be used as much as possible to avoid duplication and reduce the meeting burden on role-players.)

Preparedness planning groups

A multidisciplinary planning group convened to ensure a high level of preparedness for a specific disaster risk. It was convened by the primary risk player and supported by Disaster Management. In a less complex design, these groups can be integrated with others to form technical task teams.

Action: The primary role-players for specific hazards or disaster risks, in collaboration with Ingquza Hill Disaster Management, will establish and manage preparedness planning groups as required or at the request of the Disaster Management Advisory Forum. (Existing structures should be used as far as possible to prevent duplication and reduce the meeting burden on role-players.)

Joint response & relief management teams

Primarily drawn from a preparedness planning group, this team is mobilized to provide immediate response and relief during or immediately after major incidents and disasters. Such teams will normally convene in the Disaster Operations Center (see the description below). In a less complex design, these teams can be integrated with others to form technical task teams.

Action: The preparedness planning group for each hazard will detail how the activation of a joint response and relief management team for that hazard will be managed and who will be part of the team.

Recovery & rehabilitation project teams

These are project teams that manage recovery and rehabilitation after disasters, mostly on a project-management basis. Disaster recovery and rehabilitation must focus on eliminating or mitigating risk. Departments responsible for maintaining specific infrastructure are also responsible for repairing or replacing that infrastructure after disasters. In a less complex design, these teams can be integrated with others to form technical task teams.

Action: The preparedness planning group for each hazard will detail how the activation of recovery and rehabilitation project teams for that hazard will be managed and who will be on those teams.

Technical Task Teams

The establishment of task teams that deal with several elements of the disaster management process for a cluster of hazards can ensure hazard-specific research, risk prevention and reduction, mitigation, and preparedness measures. A more detailed description of the establishment, responsibilities, and possible functioning of these task teams is provided in the corresponding section of the O.R. Tambo District Disaster Management Plan.

Action: The Ingquza Hill Municipality will consider establishing Task Teams responsible for clusters of hazards and will implement its decision accordingly.

Ingquza Hill Municipality Disaster Management Communications Center

This is the center that provides 24-hour emergency and essential services contact points to the public within the Municipal area. The Center is responsible for day-to-day emergency response by Municipal Departments and for establishing strategic communication links. The Ingquza Hill Municipality Disaster Management Communications Center will liaise closely with the Emergency Control Centers/Groups of other Local Municipalities, the O.R. Tambo District Disaster Management Center, and other Stakeholders within the Ingquza Hill Municipality on an ongoing basis.

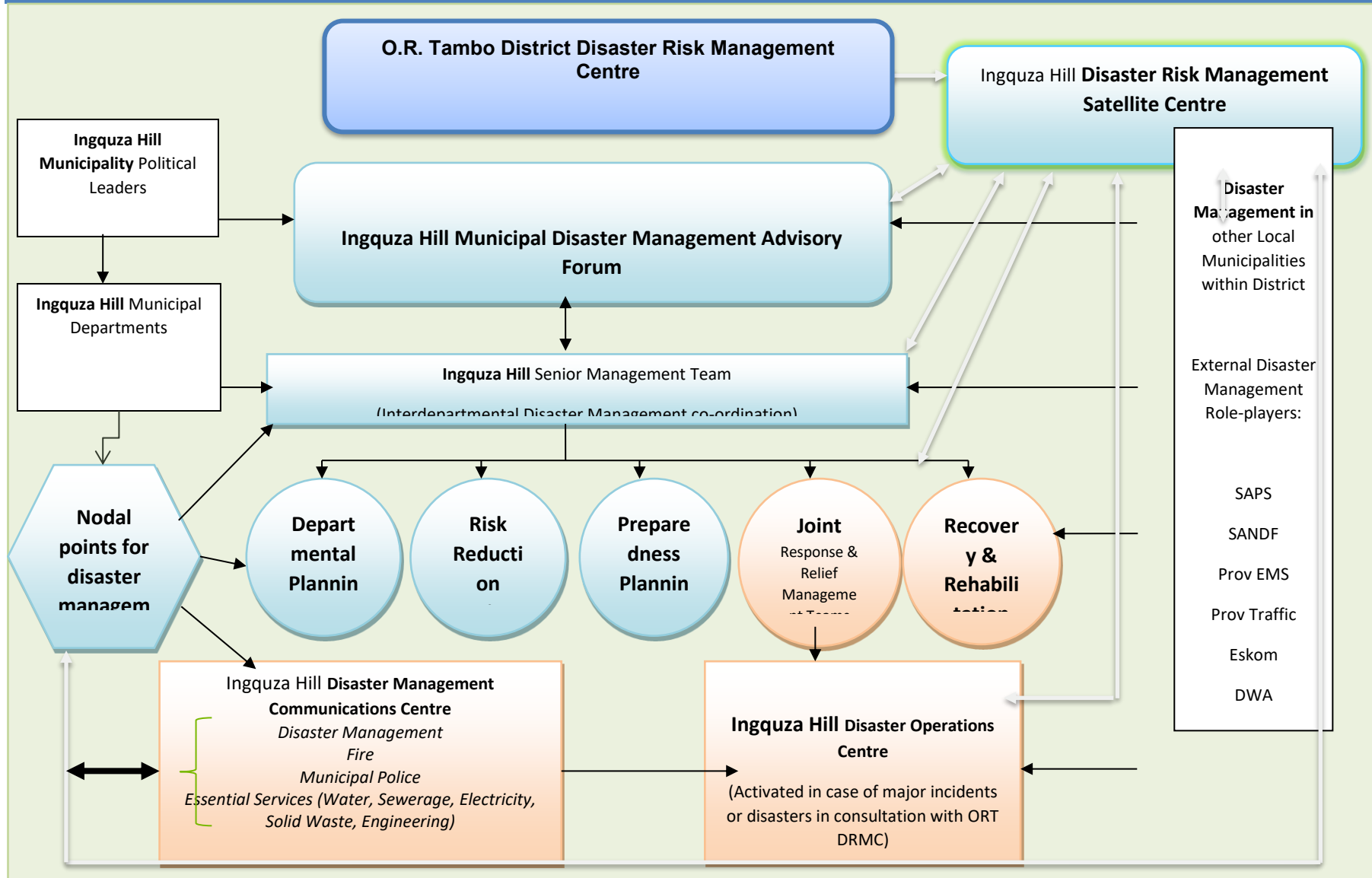
It would be possible to reduce costs and increase inter-service collaboration by consolidating the responsibilities and functions of emergency services, fire control centers, and law enforcement control centers into a single facility, the Disaster Management Communications Center.

Action: Ingquza Hill Disaster Management will establish and maintain a fully staffed and resourced Disaster Management Communications Center and, if required, collaborate with other agencies to ensure 24-hour, 7-day-per-week public emergency call-taking capacity.

Ingquza Hill Disaster Operations Center (DOC) / Joint Operations Center (JOC)

The Ingquza Hill DOC Joint Operations Center is a facility equipped to serve as a command and coordination center during disasters, where the joint response and relief management team will convene. Alternative facilities should be identified as backup for the primary DOC. The term JOC (Joint Operations Center) can also refer to this facility.

Action: Ingquza Hill Disaster Risk Management Satellite Center will identify, establish, and maintain a fully staffed and resourced Disaster Operations Center for activation as required, and will identify fallback or alternative facilities for the same purpose. This illustrates how the components described above would interact. It is important to note that this is a proposed organizational structure rather than a proposal regarding lines of communication and collaboration.



Institutional Responsibilities

The main stakeholders of Ingquza Hill Municipality have specific responsibilities for disaster-prevention and risk-elimination projects, as well as for disaster-response scenarios. The primary objective of each Municipal Stakeholder must be to contribute, from their specific areas of expertise, to preventing emergencies or disasters that threaten life, property, the environment, or economic activity in the ORTDM, in keeping with Chapter 5 and Section 52 of the Disaster Management Act.

Mayor

The Mayor is ultimately in charge of emergencies or threatening disasters. The Mayor or Acting Mayor, as Head of Council, is also responsible for the following:

Declaring a state of disaster to exist; (It's only the district that can do the declaration)

Notifying the MEC of Local Government of the declaration of a local state of disaster and the termination of the declaration of a state of disaster;

With the assistance of Municipal staff, ensuring that the Municipal Councillors are advised of the declaration and termination of the state of disaster and are kept informed of the (potential) impact of the event(s); and

Ensuring that the public, the media, and neighbouring municipal officials are also advised of both the declaration and termination of a state of disaster.

Municipal Manager

To ensure disaster prevention, risk reduction, and disaster preparedness, the Municipal Manager must ensure that the Disaster Management function is executed effectively and efficiently within the Ingquza Hill Municipality. Before, during, and after emergencies or disasters, it will be the responsibility of the Municipal Manager to personally, or through a designated official:

Report, liaise and consult with the Mayor and external District, Provincial and National government departments on emergency impact and response to the Mayor;

Report on event impact and response to the councillor(s) for the affected area(s);

Report on event impact and response to the remaining Councilors

Notify next of kin when an Ingquza Hill Municipality employee is injured, missing, or killed;

Authorize extraordinary expenditures in consultation with the Mayor and

Identify persons/organizations to receive recognition for contributions to emergency response.

Manager Disaster Management / Head of the Center

The Head of the Center is responsible for compiling, maintaining, and distributing the District Disaster Management Plan and its supporting risk-specific and incident-management plans. The Head is also responsible for the Center's performance in its Disaster Management functions and for implementing and coordinating the Disaster Management Act.

The Head is also responsible for ensuring that disaster risk reduction institutional arrangements address all capabilities (skills) and capacities (resources) needs, which include, but are not restricted to:

- a dedicated Disaster Management communication system.
- community-based risk assessment at regular intervals;
- community-based aspect-specific skills enhancement.
- high-risk hazard research through the advisory forum technical task teams;
- access to emergency supplies;
- exercise response and contingency plans; and
- Ensure “memoranda of understanding” and “mutual aid agreements” with neighbouring local government and private entities.

Additional management responsibilities are described in Annexure C.

Action: Ingquza Hill Municipality Disaster Management will consult with the relevant role-players until clarity exists regarding the roles and responsibilities for Disaster Management within the Municipality. Updates regarding institutional responsibilities should be made regularly (at least once a year) to ensure validity and currency.

Management responsibilities include information management, which is an important aspect of institutional capacity. In the next section, information management will be discussed.

Information Management

All aspects of Disaster Management rely heavily on efficient Information Management. Information management is addressed in more detail in the corresponding section of the O.R. Tambo District Disaster Management Plan.

Action: Ingquza Hill Municipality Disaster Management will consider implementing an information management system to support the full Disaster Management business process.

Gaps and recommendations

The challenges confronting disaster management in rural areas are different from those in urban areas. Given that the majority of the ORTDM comprises rural communities, the unique challenges posed by the district's rural nature must be considered. These challenges are largely related to resource limitations, the separation and remoteness of communities, low population densities, and communication.

Various required actions were identified throughout this chapter that will address gaps in the current institutional capacity for Disaster Management within the Ingquza Hill Municipality. These identified actions are summarised as recommendations in the table below for easy reference:

Table 2: Recommendations for Institutional Capacity in the ORTDM

Action	Description
1	Ingquza Hill Municipality Disaster Management maintains an annually revised database of the responsible persons in the sector departments.
2	Ingquza Hill Municipality Disaster Management will maintain a list of hazards that may affect the Municipality, with the associated primary role-players identified for risk reduction and preparedness for each specific hazard.
3	The risk profile of the Ingquza Hill Municipality will be considered by the Ingquza Hill Municipality Disaster Management Advisory Forum, and primary and supporting role-players will be identified for each identified risk. Such allocation of primary and supporting roles will be done in consultation with all relevant role-players, informed by existing legal frameworks, and reached by consensus.
4	The Ingquza Hill Municipality will establish and maintain a fully staffed and resourced Disaster Management Center.
5	The Ingquza Hill Municipality will consider establishing a Municipal Disaster Management Advisory Forum and act on its decision in this regard.
6	The Ingquza Hill Municipality will consider either establishing a dedicated body for interdepartmental Disaster Management coordination or assigning this responsibility to the top management team (of officials) of the Municipality.
7	Focal points will be empowered and supported by their departments/organizations to establish, manage, and participate in departmental planning groups.
8	The primary role-players for specific hazards or disaster risks, in collaboration with the Ingquza Hill Municipality Disaster Management, will establish and manage risk-reduction project teams as required or when requested by the Disaster

	Management Advisory Forum. (Existing structures should be used as far as possible to prevent duplication and reduce the meeting burden on role-players.)
9	The primary role-players for specific hazards or disaster risks, in collaboration with Ingquza Hill Municipality Disaster Management, will establish and manage preparedness planning groups as required or when requested by the Disaster Management Advisory Forum. (Existing structures should be used as far as possible to prevent duplication and reduce the meeting burden on role-players.)
10	The preparedness planning group for each hazard will detail how the activation of a joint response and relief management team for that hazard will be managed and who will be part of the team.
11	The preparedness planning group for each hazard will detail how the activation of recovery and rehabilitation project teams for that hazard will be managed and who will be part of the teams.
12	The Ingquza Hill Municipality will consider establishing Task Teams responsible for clusters of hazards and implement its decision in this regard.
13	Ingquza Hill Municipality Disaster Management will establish and maintain a fully staffed and resourced Disaster Operations Center for activation as required. It will identify fall-back or alternative facilities for the same purpose.
14	The Ingquza Municipality must identify skill shortages among employees in the Disaster Management field and the specific skill sets in demand. Accordingly, they should recruit adequately trained staff and/or provide improved training and capacity development to current staff.
15	Ingquza Hill Municipality Disaster Management will consult with the relevant role-players until clarity exists regarding the roles and responsibilities for Disaster Management within the Municipality. Updates regarding institutional responsibilities should be made regularly (at least once a year) to ensure validity and currency.
16	Ingquza Hill Municipality Disaster Management will consider implementing an information management system to support the full Disaster Management business process.

Implementing the recommendations listed in the table above will establish a robust institutional capacity for Disaster Management within the Ingquza Hill Municipality, enabling it to confidently reduce disaster risks that threaten the Municipality's communities.

In the next chapter, the Disaster Risk Profile of the Ingquza Hill Municipality will be discussed.

KPA 2: Risk Assessment

Disaster Risk Assessment is the first step in planning an effective Disaster Risk Reduction program. A Disaster Risk Assessment examines the likelihood and consequences of expected disasters. This includes investigating the related hazards and conditions of vulnerability that increase the chance of loss.

Risk Profile of the Ingquza Hill Municipality

Various disaster risks have been identified and assessed, as detailed in the District Risk Assessment Report accompanying the O.R. Tambo District Disaster Management Plan.

The first step in developing a risk profile is hazard identification. A hazard is a potentially damaging physical event, phenomenon, or human activity that may cause loss of life or injury, property damage, social and economic disruption, or environmental degradation. Hazards are typically categorized as natural, technological, or environmental.

Natural hazards are natural processes or phenomena occurring in the biosphere that may constitute a damaging event. Natural Hazards are typically classified into:

- *Geological Hazards:* Natural earth processes or phenomena in the biosphere, which include geological, neo-tectonic, geo-physical, geo-morphological, geo-technical, and hydro-geological nature.
- *Hydro Meteorological Hazards:* Natural processes or phenomena of atmospheric, hydrological, or oceanographic nature; and
- *Biological Hazards:* Processes of organic origin or those conveyed by biological vectors, including exposure to pathogenic micro-organisms, toxins, and bioactive substances.

Technological hazards are dangers arising from technological or industrial accidents, hazardous procedures, or certain human activities that may cause loss of life or injury, property damage, and social and economic degradation.

Environmental hazards are processes induced by human behaviour and activities (sometimes combined with natural hazards) that damage the natural resource base or adversely alter natural processes or ecosystems.

The identification of typical hazards in the Ingquza Hill Municipality was based on an extensive Disaster Risk Assessment compiled for ORTDM by SRK Consulting using desktop methods. This was supplemented by desktop research and workshop consultations to develop the list of hazards shown in Table 3.

Table 3: Identified hazards in Ingquza Hill

NATURAL HAZARDS	
Hydro Meteorological Hazards	
Flood	Severe Storms:
Drought	Strong Winds/Tornado
Extreme Temperatures	Lightning
	Hail and Cold Snap
Biological Hazards	
Animal Disease:	Human Disease:
African Swine Fever	HIV/Aids
Foot And Mouth	Tuberculosis
	Cholera
<i>Veld fires</i>	
Geological Hazards	
Landslides, Rock Fall, and Mudflow	
TECHNOLOGICAL HAZARDS	
Road Accidents	Structural Failure (Mud Hut Failure, Bridges)
HAZMAT By Road/Rail	
Fire: Structural	
Critical Infrastructure Disruption	
Service Delivery Disruption	
ENVIRONMENTAL HAZARDS	
Soil Erosion	Land Degradation
Overgrazing	Ground/Surface Water Pollution
Loss Of Biodiversity	

Coastal Erosion

The lists above illustrate the types of disasters that pose the highest risks within the Ingquza Hill Municipality area and their potential effects. The communities at risk can be identified from the risk lists and are also shown in the risk assessment conducted for the area. More detailed risk descriptions, including hazards, vulnerabilities, and capacities, are available in the Risk Assessment document, which informed the O.R. Tambo District Disaster Management Plan.

1.1.1 Risk Summary

In this section, the results of the Risk Assessment conducted within the ORTDM are summarised.

The table below provides a district-wide view of the most prevalent hazards across local municipalities.

Hazard classification and identified hazards in the ORTDM

HAZARD CATEGORY	HAZARDS IDENTIFIED IN ORTDM
<p>NATURAL HAZARDS</p> <p>These are natural processes or phenomena occurring in the biosphere that may constitute a damaging event. Natural Hazards are typically classified into:</p>	
<p>Hydro-Meteorological Hazards: Natural processes or phenomena of atmospheric, hydrological, or oceanographic nature</p>	<p>Floods</p> <p>Drought</p> <p>Severe storms:</p> <p>Lightning</p> <p>Strong wind/tornado</p> <p>Hail and/or Cold Snap</p>
<p>Geological Hazards: Geological hazards include internal earth processes, such as earthquakes and related geophysical</p>	<p>Landslides, rockfall, mudflow</p>

<p>phenomena, as well as mass movements, landslides, rockslides, surface collapses, debris flows, and mudflows.</p>	<p>Sinkholes</p>
<p>Biological Hazards: Processes of organic origin or those conveyed by biological vectors, including exposure to pathogenic micro-organisms, toxins, and bioactive substances</p>	<p>Veld fire</p> <p>Human diseases <i>(Cholera, HIV/Aids, Tuberculosis)</i></p> <p>Animal diseases <i>(African swine fever, Foot and Mouth)</i></p>
<p>TECHNOLOGICAL HAZARDS:</p> <p>Technological hazards are defined as dangers arising from technological or industrial accidents, hazardous procedures, or certain human activities that may cause loss of life or injury, property damage, and social and economic degradation.</p>	<p>Transport accidents</p> <p>Railway accidents</p> <p>HAZMAT by road/rail</p> <p>Service delivery failure or disruption</p> <p>Critical infrastructure disruption</p> <p>Structural collapse/failure</p> <p>Structural fire</p> <p>Shipping incident – Oil Spill</p>
<p>ENVIRONMENTAL HAZARDS:</p> <p>These are processes induced by human behaviour and activities (sometimes combined with natural hazards) that damage the natural resource base or adversely alter natural processes or ecosystems¹.</p>	<p>Loss of biodiversity</p> <p>Soil erosion</p> <p>Coastal Erosion</p> <p>Overgrazing</p> <p>Air pollution</p> <p>Land degradation</p>

¹ United Nations International Strategy for Disaster Reduction. 2002. *Living with Risk: A Global Review of Disaster Reduction Initiatives*.

	Surface water pollution
	Groundwater pollution

Table 4: ORTDM Common Hazards

Risk rating

For most hazards rated as high risk, the local role-players assigned a severity rating of “3,” which is extreme. This indicates that most of these hazards will affect most of the affected area, causing multiple deaths and injuries, and could have a national impact with significant environmental damage. The probability of most of these hazards was rated as likely: “3,” meaning they will occur more than once a year. In addition, the vulnerability of the environment to most of these hazards was rated as “3,” indicating that critical habitats and species will be affected due to limited environmental protection. The capacity of local municipal communities to cope with these hazards was rated at “1,” indicating that there are limited resources available to manage a disaster and deal with its aftermath.

Table 5 Risk Prioritisation Table

Hazard	Relative Risk Priority
Land Degradation	high
Floods	high
Veldfires	high
Critical Infrastructure Disruption/Key Service Disruption	tolerable
Soil Erosion	tolerable
Strong Winds/Tornado	tolerable
Fire (Structural)	
Drought	
Overgrazing	tolerable
Ground/Surface Water Pollution	tolerable
Human Disease	tolerable
Road Accident	tolerable

Hail and Cold Snap	low
HAZMAT Spill	low
Loss of Biodiversity	low
Animal Disease	low
Lightning	low
Structural Failure (Mud dwellings, bridges)	low
Landslides, Rock falls, and Mudflows	low

Key findings

The hazards identified as posing the greatest risk across the ORTDM include:

- Hydro-meteorological
- Fire Hazards
- Land Degradation
- Road Transportation Hazard
- Infrastructure Failure/Service Delivery Failure

The lists above illustrate the types of disasters that pose the highest risks within the ORTDM area and their possible effects. The communities at risk can be derived from the risk lists and are also shown in the Risk Assessment conducted for the ORTDM

Table 6 Top hazards for each local municipality

TOP PRIORITY HAZARDS IDENTIFIED IN EACH LOCAL MUNICIPALITY				
Ingquza Hill LM	Port St Johns LM	Nyandeni LM	Mhlontlo LM	King Sabata Dalindyebo LM
1. Human Disease - HIV/Aids and TB	1. Severe Storms	1. Veld Fires	1. Veld Fires	1. Floods
2. Veld Fires	2. Drought	2. Human Disease – HIV/Aids and TB	2. Severe Storms	2. Infrastructure/Service Delivery Disruption
3. Infrastructure/Service Delivery Disruption	3. Infrastructure/Service Delivery Disruption	3. Severe Storms	3. Human Disease – HIV/Aids	3. Human Disease – HIV/Aids and TB
	4. Human Disease	4. Road Transport		

4. Severe Storms	5. Veld Fires	ation Hazards		4. Severe Storms
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The dynamic nature of disaster risk

Although the utmost care was taken to ensure that all hazards were identified and risks assessed, some unforeseen risks, new to the area, may have been omitted. Risks change over time, as does the community's vulnerability. It is also important to note that climate change was not included in this assessment. It is expected that climate change will increase the severity and frequency of extreme weather events, such as drought and severe storms. It is recommended that this phenomenon be closely monitored over the next few years and assessed in future Disaster Risk studies.

Risk communication

The identification and description of risks in official reports are of little help to the residents of the Ingquza Hill Municipality if the information is not communicated to the relevant at-risk communities, leaving them unaware and unprepared. Risk communication is an important part of Disaster Risk Reduction and is included in the information management and communication enabler of the National Disaster Management Framework (NDMF).

Risk communication is designated as the responsibility of the Disaster Management Center in the NDMF and will be a key performance area of the institutional capacity for Disaster Management within the Ingquza Hill Municipality. Lead departments for specific hazards will remain responsible for risk communication within their respective fields of expertise. Risk communication may include public awareness and preparedness campaigns, more detailed and applied education and training, or drills and exercises. Marketing and public relations can be used to improve public awareness.

The results of this Risk Assessment form a knowledge base for producing risk communication materials.

A more detailed description of the risk assessment conducted in the District is provided in the Risk Assessment Report, which accompanies the O.R. Tambo District Disaster Management Plan.

Action: Responsibility for risk communication will be assigned to a specific position within the Ingquza Hill Disaster Management Center.

Gaps and recommendations

The goal of this Disaster Management Plan is to reduce disaster risk. The risks identified in this chapter and in the more Detailed Risk Assessment Report will be addressed in the following chapters and will require the full attention of the institutional capacity defined in the previous chapter.

A key recommendation is that the risk profile of the Ingquza Hill Municipality, as identified in this chapter and the more detailed Risk Assessment Report, must be maintained and regularly updated through additional Risk Assessments. The risk profile of the Ingquza Hill Municipality must also be actively communicated to at-risk communities to enable them to reduce their vulnerability.

KPA 3: Disaster Risk Reduction

Disaster Risk Reduction involves focused activities to reduce vulnerability, increase capacity and resilience, and avoid or reduce hazards that may affect specific elements at risk.

Disaster Risk Reduction plans that include prevention and mitigation strategies have been compiled in line with best practices and the capacity of the Ingquza Hill Municipality.

The risk reduction plans outlined in this document and its annexure, which are implementable, must be considered for inclusion in the IDP projects of the Ingquza Hill Municipality and, if included, budgeted for in the municipality's operating and capital budgets. Each project should be evaluated to determine which municipal department can lead its implementation. When a lead department is assigned through consensus in the DRMAF, that department must manage all planning and budgeting processes for those projects. The Ingquza Hill Disaster Risk Management Satellite Center must assist in this regard.

Where the proposed project falls outside the mandate of the Ingquza Hill Municipality, the Municipality should establish lobbying and monitoring mechanisms to articulate the project's need within the appropriate governmental or societal sector and to track its progress. It is anticipated that many projects will need to be executed at the partnership level, and in such cases, the department of the Ingquza Hill Municipality responsible for service delivery partnerships should take the lead, with support from the Ingquza Hill Municipality DRMSC.

Risk Reduction Process

The success of risk reduction efforts will depend heavily on the results of a thorough Disaster Risk Assessment (including hazard and vulnerability assessments). A detailed Risk Assessment is a prerequisite for this process. Community-based risk mapping and Risk Assessments can also provide valuable information to inform Risk Reduction Planning.

Using the Risk Assessment, the first step in Risk Reduction will be to identify the priority risks.

For each priority risk, the following process should be followed:

- Analyze the risk, through consultation if required;
- Determine stakeholders who can influence the risk (hazard/vulnerability/capacity);
- Convene stakeholders meeting;
- Determine primary and secondary responsibility on a consensus basis (this might already be in place – see Institutional Capacity chapter);
- Develop risk reduction strategy options in a participative manner;
- Evaluate the developed risk reduction strategy options;
- Decide on the most viable risk reduction strategies and describe these in detailed project proposals;
- Submit project proposals to DRMAF;
- Upon project approval from the DRMAF, perform project initiation (if the project is within the mandate of the district, it can be submitted to the IDP office at this stage for inclusion in the IDP process);
- Convene a project team:
 - Appoint a project manager (from the discipline with primary responsibility for the hazard, vulnerability, or capacity);
 - Appoint an internal project facilitator/manager within the Ingquza Hill Municipality's DRMSC;
 - Confirm project team (Stakeholders);
 - Confirm project sponsor;
 - Confirm project champion;

Perform project scoping:

- Develop work breakdown structure;
- Determine milestones and objectives;
- Confirm critical path;
- Establish monitoring & evaluation mechanism;
- Determine budget required;

Project implementation:

- Implement, monitor & evaluate;
- Project review and change control; and
- Project close-out.

KPA 4: Response and recovery

During response and recovery operations, the relevant disaster preparedness plans of the Ingquza Hill Municipality will be implemented by the disaster management structures.

Response and recovery are concerned with ensuring effective and appropriate disaster response and recovery by:

implementing a uniform approach to the dissemination of early warnings

averting or reducing the potential impact in respect of personal injury, health, loss of life, property, infrastructure, environments, and government services;

implementing immediate integrated and appropriate response and relief measures when significant events or disasters occur or are threatening to occur; and

Implementing all rehabilitation and reconstruction strategies following a disaster in an integrated and developmental manner.

The first part of this section will focus on Preparedness Planning for priority risks, and the second part will describe an any-hazard response procedure. In the final part of the section, the declaration and classification of a disaster will be discussed.

Preparedness Plans of the Ingquza Hill Municipality

Preparedness Plans are compiled to enable a fast and efficient response to predicted and unpredictable emergencies. Preparedness Plans should be compiled for known priority risks.

Risk-specific Preparedness Plan proposals for priority risks are listed in the tables below. The risk-specific Preparedness Plans have been compiled based on the capacity assessment within the Ingquza Hill Municipality as well as best practice.

Preparedness Plans are compiled to enable a fast and efficient response to predicted and unexpected emergencies. Preparedness Plans should be compiled for known priority risks. Risk-specific Disaster Preparedness Plans were compiled based on inputs from workshops. Disaster Preparedness Plans can also be called Contingency Plans and provide the basic steps to be performed in responding to specific contingencies.

Notification and Activation

The establishment of 24/7 monitoring, notification, activation, and operational support for emergency or disaster management is a key requirement of this Plan. The availability of such a center will enable the DRMSC to quickly mobilize appropriate resources to respond to major incidents and disasters. This center, or in its absence the DRMSC Head or officer in charge, will maintain an up-to-date list of contact details for all parties that may need to be informed or asked to respond to major incidents and disasters affecting the municipal area.

Interface between Ingquza Hill Municipality Disaster Management and the O.R. Tambo District Municipality

Disaster and emergency services contacts for each local Ingquza Hill Municipality and for the ORTDM

are provided later in this section.

Declaration of a major incident

The Ingquza Hill Municipality should adopt a formal policy for declaring a major incident or emergency. The following table outlines a possible four-level methodology for incident declaration.

Four incident levels	Interpretation of incident levels	Emergency levels to be communicated to external parties
Level 1	Major Incident / Disaster	General Emergency – Warning “We expect or have a general emergency that is likely to significantly affect additional people, property, the environment, or the economy. We have insufficient resources to deal with the incident and need urgent assistance.”
Level 2	Major Incident / Incident	Site Emergency – Watch “We expect or have an emergency, and there is a possibility that it may significantly affect additional people, property, the environment, or the economy. We may require additional external assistance and request agencies to be on standby to assist.”
Level 3	Minor incident / Incident	Alert – Advisory “We expect or have an incident that is contained and will not significantly affect additional people, property, the environment, or the economy. We have sufficient resources to deal with the incident but may require limited external assistance.”
Level 4	Minor Incident	Unusual event “We have had a minor incident which will not significantly affect additional people, property, the environment, or the economy. Our resources are sufficient, and we do not require external assistance.”

The responsibility for making such declarations should be clearly assigned, preferably to a senior standby manager or a senior control center supervisor on duty. The declaration will be

made to the public and to stakeholders who may be assisting in such cases. These levels must be communicated to assisting agencies, along with predetermined rendezvous points and staging areas, and should be addressed in mutual assistance agreements or SLAs.

Disaster Preparedness Plans

Disaster Preparedness Plan: Fire – Structural and Veld

N	What must be done	Who must do it	Where it must be done	When it must be done	Why must it be done
1	Inform Fire Services	First person to notice the incident	Local authority fire call center	Immediately	To respond with resources
2	Respond resources	Fire Services Control Center	Local authority fire call center	Immediately	To limit impact by saving lives, property, livestock, and critical structures/facilities.
3	For facilities: Activate facility fire teams	Facility manager, or as per plan	Facility manager’s office	Immediately when the incident is reported	To contain the situation
4	For facilities: Fire team to extinguish small fires	Trained fire team	At the point of the incident	ASAP	To prevent/minimize the chance of the fire spreading
5	For facilities: Evacuate the facility	Evacuation teams / SAPS / Fire	At facility	ASAP	To prevent injury/deaths
6	For facilities: Check the name list of all evacuated people	Trained the control team	At specific control points (assembly areas) outside the building/facility	ASAP after evacuation	To ensure everyone is out of the building/facility

N	What must be done	Who must do it	Where it must be done	When it must be done	Why must it be done
7	Assess Situation	First Responder s on scene	At scene	On arrival	To determine needs
8	Request additional resources	First Responder s on scene	From the scene through the local authority fire call centre	After assessment	To manage the situation
9	Implement appropriate emergency intervention	First responders on scene	At scene	On arrival	To protect life and property and neutralize any impacting hazard
10	Setup command post	Senior officer on site	Safe area on site	Immediately	To plan and implement correct immediate responses
11	Establish an incident management plan per service	Services on scene	On scene	ASAP	To effect appropriate immediate response and relief actions
12	Assess impact	Services on scene	On scene	Immediately	To determine future relief and recovery actions
13	Notify the Disaster Management team if a major incident	Services on scene / Senior officer on scene	From the command post	As soon as required	To facilitate multidisciplinary coordination and major incident management support

No	What must be done	Who must do it	Where it must be done	When it must be done	Why must it be done
14	Crowd and traffic control	SAPS, Traffic, Law Enforcement, Private security, if appropriate	Around scene	Immediately	To control people and traffic at the incident
15	Assemble the joint incident management team	Senior representatives of all services on scene	At an appropriate single command post, in case of a fire incident, preferably at the fire command post	Immediately, once more than one service is working on the scene	To ensure multidisciplinary coordination that enables an effective response and relief
16	Design a joint incident action plan	Joint incident management team	Command post / FCP	ASAP	To manage situation
17	Implement joint plan of action	Joint incident management team	On scene	ASAP	To normalize situation
18	Seek missing people	Search team/ Fire/ EMS/ SAPS	Through the whole building / facility / affected area	ASAP once missing people have been reported	To rescue missing persons
19	Treat injured people	Trained first aid team/ EMS / Fire	At the first aid post / triage area	Immediately when injury is reported	To treat injuries
20	Inform next of kin of injured people	Facility manager / SAPS / EMS	At the facility manager / director's office / from scene	Immediately when injury is reported	To inform family members of the conditions of the injured

No	What must be done	Who must do it	Where it must be done	When it must be done	Why must it be done
					relative and how to reach them
21	Monitor actions	Joint incident management team	On scene	Ongoing during incident management	To ensure effective planning and execution
22	Area /Facility clean-up	All services	On site	On completion of rescue/ immediate emergency actions	To prevent further incidents/ environmental impacts
23	On-site inspection	EMS/ Traffic/ Fire / SAPS forensics	On scene	On completion of emergency actions	To ensure the site is safe for use again
24	Stand down	All services	On scene	Once the site is declared safe	To normalize service operations
25	De- brief	All role-players (disaster management ward committee, volunteer units, ward structures, LMs and FPAs, disaster management and	Pre-determined venue	Within one week	To evaluate actions and improve future response

No	What must be done	Who must do it	Where it must be done	When it must be done	Why must it be done
		relevant department(s)			
26	Update plans and procedures	All role-players (disaster management ward committee, volunteer units, ward structures, LMs and FPAs, disaster management, and relevant department(s))	At service HQ	ASAP	Effective service delivery

Additional hazard-specific contingency options could include:

- Strengthen firefighting capacity and capability in high-risk areas.
- Implement environmental monitoring stations.
- Improve acquisition and activation of firefighting resources.
- Enhance community-level teams with firefighting training and basic equipment to act as first responders.
- Determine the need for emergency shelter; and
- Determine the need for emergency sustenance and transport.

Disaster Risk Project Proposals: Fire - Structural and Veld

It is recommended that ORTDM compile an integrated fire management plan that includes risk-reduction measures and addresses social, economic, and environmental issues, as well as the following risk-reduction project proposals. For each item within the plan, it is

recommended that a section be included on how to involve the community, for example, by establishing a labor-intensive community project to construct fire belts.

Risk Reduction Category	Risk Reduction Project Proposals
Physical Planning Measures	1 Ensure compliance with SANS 10090 Code on Community Protection Against Fire.
	2 Plan and provide for fire stations based on land use categories and fire risk assessment (SANS 10090)
	3 As part of the integrated fire management plan, plan and provide for a buffer zone between residential and vegetation areas. <ul style="list-style-type: none"> • Determine protection measures such as the width of and type of fire breaks based on the properties of adjacent fuel types. • Fire breaks can be planted grass, plowed breaks, natural vegetation regularly cut with a brush cutter, or “skoffel” breaks.
	4 Undertake an assessment (type, condition) of current municipal roads and undertake a response time analysis for fire and emergency vehicles according to standards (SANS 10090). Use result to inform placement of fire stations, type of vehicles required and road maintenance requirements
	5 Plan to prevent Illegal electricity connections in informal settlements
	6 Use the integrated fire management plan to inform the placement of new developments and the required protection measures that would be required. This would include bulk services, fire belts, building materials etc.
	7 Ensure that development of dwellings does not take place before adequate bulk services are provided. Approval of building plans.
	8 Proper implementation/management/administration of “ukubabela”
	9 Encourage and facilitate integrated catchment management planning in terms of fire management for environmental, social, and economic objectives. This might include implementing a proactive block burning schedule to keep fuel loads down and maintain biodiversity, and providing sand and installing water taps or hydrants at central locations
Engineering & Construction Measures Economic Measures	10 Ensure compliance with fire regulations and by-laws
	11 Install fire alarms in buildings
	12 Plan and provide fire escape routes and doors

Risk Category	Reduction	Risk Reduction Project Proposals
	13	Plan and provide fire breaks in high-risk vegetation areas <ul style="list-style-type: none"> Establish labour intensive community project to construct and maintain fire belts and other fire protection measures
	14	Establish labour intensive community project to construct and maintain fire belts and other fire protection measures
	15	Provide fire-resistant building materials to informal settlements
	16	Plan and develop fire early warning systems
	17	Provide additional fire hydrants
	18	Ensure that the fire extinguishers are assessed on an annual basis
	19	Research and upgrading/improvement of firefighting equipment/ trucks/ hydrants
	20	Provide fire hydrants in informal settlements
	21	Install watch towers, fire breaks, and fire extinguishers in forestry areas
	22	Improve the quality and provide appropriate firefighting equipment at all levels
	23	Ensure that the fire hydrant water supply is sufficient in higher lying areas. Build dams for water reticulation in strategic high-risk areas
	24	Provide for capital projects in the municipal budget
	25	Providing funds for the upgrading of fire equipment
	26	Fines for illegal electrical connections
	27	Establish a community education program on constructing fire-safe buildings using fire-resistant materials. Municipality to provide materials as part of the program.
	28	Authorities to develop a project to make fire extinguishers more affordable for every household, as well as a means of making the maintenance thereof less expensive
	29	Rural areas property rebates for areas under conservation
	30	Provide affordable and accessible insurance packages for emerging and small-scale farming communities
	31	Action plans in place
	32	Reaction plan in place

Risk Category	Reduction	Risk Reduction Project Proposals
	33	Purchase a small vehicle for veld fires
Management & Institutional Measures	34	Train fire marshals for commercial/industrial complexes
	35	Appoint/train appropriate staff
	36	Conduct fire and evacuation drills
	37	Ensure evacuation doors are unlocked
	38	Running of programs for the prevention of arson
	39	Maintenance program for fire extinguishing equipment
	40	Identify and procure appropriate equipment
	41	Structured and sustained fire-prevention inspections
	42	Cleaning of undergrowth around buildings
	43	Train and deploy firefighting volunteers at fire stations and road works
	44	Identifying high-risk fire areas (hotspots) from the Disaster Risk Assessment report
	45	Identify safer alternatives for cooking and lighting, i.e., stoves, lamps, etc.
	46	Ensure correct storage of combustible materials
	47	Develop and implement maintenance programs for access routes in high-risk fire areas
	48	Train and develop fire response teams and fire beaters
	49	Training at all levels to improve the implementation of the incident command system as a standard operating procedure
	50	Develop a management policy for the sale of paraffin
	51	Establish and support the Fire Protection Association
	52	Refrain from using recycled cardboard containers for the recycling of paper
	53	Revisit policy for evicting shack dwellers
54	Decentralize funds/Allocate specific funds for fire risk reduction projects.	

Risk Category	Reduction	Risk Reduction Project Proposals
	55	Local Municipality and Eskom should take active ownership of their responsibilities.
Societal Measures	56	Develop fire evacuation procedures for commercial/industrial complexes
	57	Declare non-smoking areas
	58	Prohibit fires in high-risk areas
	59	Conduct fire hazard awareness programs
	60	Conduct community awareness programs in communities before the fire season starts. So annually, before June.
	61	Community meetings for consultation on the use and management of natural resources
	62	Implement community-based programs for the proper care/maintenance of electrical equipment
	63	Include fire prevention education in the school curriculum
	64	Include Disaster Management in the school curriculum
	65	Establish Working on Fire Programs - Implement fire education, fire risk awareness, recruitment of volunteer firefighters, social responsibility, ownership system, e.g., hydrants
	66	Establish disaster ward committees

13.6 WASTE MANAGEMENT

The municipality seeks to fulfill Section 24 of the Constitution of the Republic of South Africa, Act No. 108 of 1996, which stipulates that everyone has the right to an environment that is not harmful to their health and well-being and to have their environment protected for present and future generations.

Solid waste management activities include the importation and exportation of waste; the generation of waste; the undertaking of any activity or process likely to result in the generation of waste; the accumulation and storage of waste; the collection and handling of waste; the reduction, reuse, recycling, and recovery of waste; the trading in waste; the transportation of waste; the transfer of waste; the treatment of waste; and the disposal of waste. National Environmental Management Act No. 107 of 1998 (NEMA) and the National Environmental Management Waste Act No. 59 of 2008, as amended (NEMWA), are the principal pieces of legislation governing waste to ensure compliance with the Constitution of the Republic. Waste

management norms and standards, as well as the Integrated Waste Management Plan, also guide the municipality in solid waste management.

13.6.1 INTEGRATED WASTE MANAGEMENT PLAN (IWMP)

The municipality has an Integrated Waste Management Plan (IWMP) approved by the Municipal Council and endorsed by the Member of the Executive Committee in February 2022. This Integrated Waste Management Plan includes a situation analysis that covers a description of the population and development profiles of the IHLM; an assessment of the quantities and types of waste generated in the area; a description of the services provided or available for the collection, minimization, reuse, recycling and recovery, treatment, and disposal of waste; and the number of persons in the area who are not receiving waste collection services.

The IHLM IWMP provides a framework for developing an adequate service, with guidance on all aspects of the service. The key areas include developing institutional capacity, comprising policy, budget, management, human resources, and facilities. Recycling and disposal practices are the other focus areas.

The plan identified, among others, the following goals that the municipality must achieve to improve waste management for IHLM:

- ▶ Effective waste information management and reporting
- ▶ Improved education and awareness 20% of IWMP has been implemented
- ▶ Improved institutional functioning and capacity.
- ▶ Provision of efficient and financially viable waste management services
- ▶ Increased waste minimization and recycling
- ▶ Improved compliance and enforcement
- ▶ Improved future infrastructure planning

For consistency reporting, the municipality submit quarterly report to the council and OR tambo District for submission at provincial Environmental Management Forum. The municipality is to review its plans annually during the IDP review in order to ensure priority are always relevant.

13.6.2 Waste Management Officer

IHLM has designated a Waste Management Officer as required by NEMWA No. 59 of 2008, which stipulates that each municipality authorized to carry out waste management services under the Municipal Structures Act, 1998 (Act No. 117 of 1998), must designate in writing a waste management officer from its administration to be responsible for coordinating matters about waste management in that municipality.

Municipal Waste Minimization Initiatives

The program seeks to implement the waste management hierarchy as stipulated in the National Environmental Management: Waste Act No. 59 of 2008. The Act lists the waste management hierarchy as avoidance of waste, minimization, reuse, recycling, treatment, and safe disposal. The program seeks to extend the lifespan of landfill sites by reducing the waste that ends up there. Reducing or eliminating environmental pollution by curbing illegal dumping and burning of waste is a key aim of this program. The program also aims to improve waste reporting to the South African Waste Information System. Economically, the program aims to create sustainable employment and provide support to SMMEs through cooperatives and individual pickers.

The municipality, in partnership with the OR Tambo District Municipality, has established two Buy Back Center programs, one in each town. They are strategically located to ensure easy access for waste pickers. Furthermore, the municipality intends to improve the infrastructure of these Buy Back Centers.

13.7 WATER SECTOR DEVELOPMENT PLAN (WSP)

Under the Municipal Structures Act No. 117 of 1998, the functions of the Water Service Authority (WSA) and Water Service Provider were assigned to the OR Tambo District Municipality; therefore, the OR Tambo District Municipality is responsible for developing the Water Services Development Plan (WSDP) for the Ingquza Hill Local Municipality. Currently, there is no stand-alone plan; instead, the overall plan for the seven local municipalities in the OR Tambo District Municipality was approved in June 2025.

13.8 INTEGRATED TRANSPORT PLAN

13.8.1 Introduction

The Constitution of the Republic of South Africa Act, 1993 (Act 200 of 1993), which was replaced by the Act of 1996 (Act 108 of 1996), states that the Department of Transport (DOT) is responsible for maximizing transport's contribution to the economic and social development goals of society by providing fully integrated transport operations and infrastructure.

The National Land Transport Act No. 5 of 2009 (NLTA) stipulates that all district municipalities must develop District Integrated Transport Plans (DITPs); accordingly, the district adopted the plan on 06 December 2024. Generally, a DITP is considered the mechanism by which an authority can plan, develop, manage, integrate, and promote public transport. More specifically, section 26(1) of the NLTA states that a DITP must be prepared to determine and specify the public transport services provided in terms of the matters listed in sections 23(3)(a) and (b) of the Act. The latter refers to:

- *All the scheduled and unscheduled services that are operated in the area concerned, as well as the public transport services operating across the boundaries of neighboring authorities, and all the facilities and infrastructure currently being developed or already utilized.*

O. R. Tambo District Municipality (ORTDM) has two of the most widely used road networks in the Eastern Cape Province. Formal and informal transport operators, including minibus taxis, buses, LDVs, and animal-drawn carts, use these roads. Since the last District Integrated Transport Plan (DITP) was developed, many aspects of public transport in the district have changed. These changes are attributed to a fast-growing population and the economic opportunities presented by the district. These changes, therefore, require a review of the existing situation, including public transport, to align demand with supply.

The NDP acknowledges transport as an enabler of getting South Africa to work. It states that the goal to be achieved by 2030 is a transport system that supports economic development, job creation, and growth while providing equitable access to opportunities and services and reducing poverty. It further indicates that more emphasis should be placed on the total system and efficiency to maximize the strengths of different modes. It suggests that public transport and non-motorized modes may foster a different culture, i.e., social interaction, health practices, and street-level movement, resulting in a sense of place and social inclusion that the country needs. It further indicates that in areas such as Ingquza Hill, where people have settled in isolated rural settlements far from economic opportunities, the aim should be to focus on basic needs, including access roads, and to schedule public transport services to ensure access to public health care and other service points. However, subsidized services should be limited to such places.

Improved data on rural roads will guide infrastructure development, improve accessibility and transportability for rural communities, and inform the outlook for future development. The data will serve as a guide for proper planning and budgeting for the rural roads.

13.8.2 Situational Analysis: Project Brief

The district is responsible for maintaining approximately 408 km of paved roads and approximately 441 km of unpaved roads. The O.R Tambo District Municipality delegated Asseteq JV to develop the processes, controls, tools, technology, program, and operational management required to support the execution of the annual Rural Roads Asset Management Grant (RRAMS) and to assist with data collection programs, such as traffic surveys and visual examinations, while maintaining compliance with regulatory requirements. These systems include detailed data on road assets and their conditions.

Data Collection

All graduates received theoretical and practical training in Rural Road Asset Management Systems. Residents were temporarily employed and trained to use the Dynamic Cone Penetration Test instrument as traffic counters. Data collection includes traffic surveys, instrumental tests, and visual examinations.

Traffic Survey

Traffic count stations were selected based on desktop studies to determine traffic volumes across the district. Trained personnel collected traffic data at various locations. The survey shows traffic volumes ranging from low to high. See Annexure 2 of the main Monthly for details. Traffic counts are still in progress. From September 1 to date, 95 traffic counts have been conducted across KSD.

Dynamic Cone Penetrometer Tests (DCP)

The Dynamic Cone Penetrometer test is performed to measure the strength of an unsealed road. Field collection of DCP data commenced in Nyandeni, and a total of 386 DCP tests were conducted during the period.

Visual examination

There are 404km of visual road inspections completed to date across the OR Tambo District.

Falling Weight Deflectometer Tests (FWD)

Civil engineers use falling weight deflectometers (FWDs) to assess the material properties of pavement on local roads. The information gathered from FWDs is primarily used to calculate the structural capacity of pavements, to simplify overlay design, or to identify when a pavement is overloaded.

International Roughness Index (IRI)

Challenges of Transportation

The RRAMS (Roads Asset Management System) program was developed to support local municipalities in planning and implementing road infrastructure projects within their jurisdictions. The program enables municipalities to collect and manage road condition and asset data in a standardized manner. This data is then submitted to the National Department of Transport, where it is consolidated and used to create dashboards and analytical tools. These dashboards provide municipalities with valuable insights that inform evidence-based planning, prioritization, and maintenance of road networks.

The core challenge lies in local municipalities' failure to implement the aforementioned approach as intended in the original plan.

Integrated Transport Plan versus Integrated Development Plan 2026-2027

- Awareness and promotion: relate to the issues of traffic education and promotion of alternative transport modes to alleviate congestion and overcrowding; and
- Planning and administration: refer to the problems faced by transport operators in obtaining a license and to how the transport portfolio (at LM and DM levels) manages public transport in general.

CHAPTER 7: INTEGRATION

Integration and alignment are critical components of a credible IDP. The alignment of plans (both internal and external) is considered good because it increases efficiency and accountability, thereby reducing waste of resources and time. No sector or department can operate without the other; all plans must be aligned and integrated. National government plans must be aligned with Provincial Government, which in turn must filter them down to Local Government.

14.1 Drafting Municipal Development Plan Vision 2050

Therefore, the municipality is currently developing Vision 2050 in partnership with ECSECC, with finalization expected in the 2026-2027 financial year. The overall purpose of this long-term vision is to articulate key development priorities and how they will be achieved in the municipality.

However, the former president of the Republic of South Africa launched the District Development Model, an operational framework to improve Cooperative Governance and build a capable, ethical Developmental State. The All of Government and Society Approach is a method by which all three spheres of government and state entities work in unison in an impact-oriented way, with higher performance and accountability for coherent and effective service delivery and development outcomes. It influences the spatialization and reprioritization of government planning, budgeting, implementation, and reporting in relation to jointly agreed outcomes and commitments in a District Space. It sets out jointly agreed outcomes and commitments as an IGR Plan or a whole-of-government plan (“One Plan”) for each district space over the short-, medium-, and long-term.

14.2 Catalytic District Development Model is as follows:

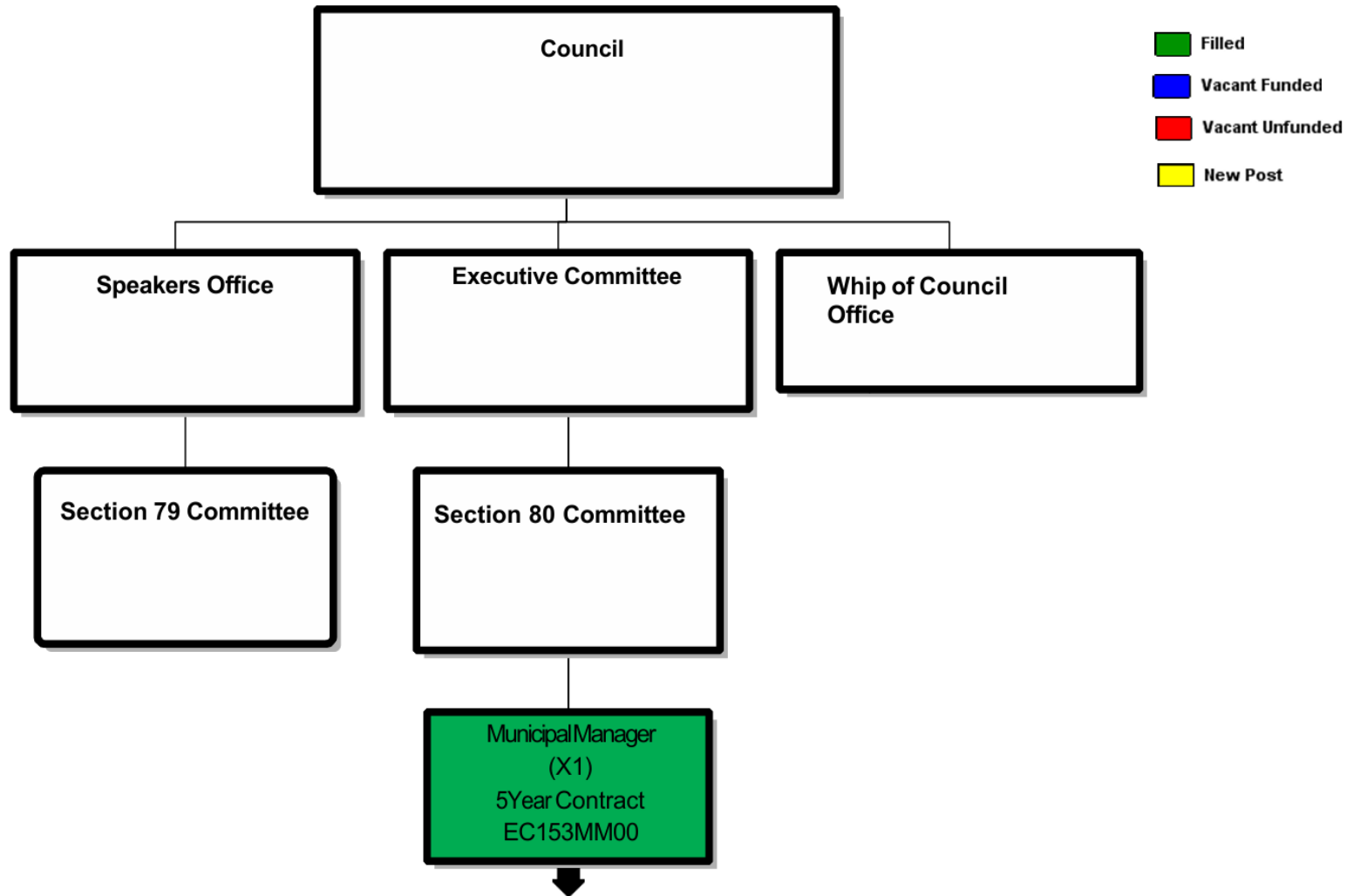
The following projects were submitted with incomplete information, including project start and end dates, beneficiary size, strategic alignment, and potential economic spin-offs:

Project name	Project description	Project level	Estimated budget
Magwa Agri and Ecotourism Valley Cannabis processing plant at Magwa piloting project	Consolidation of tea production within the valley, diversifying into the production and beneficiation of new commodities, as well as developing and promoting the tourism potential of the valley. Prospective investors in Magwa-Majola Tea & Eco-Tourism Valley are invited to invest in tea production, eco-tourism, the introduction of new high-value crops, renewable energy, and property development. The re-imagined Magwa-Majola local economy should build around the following core elements: - The consolidation of tea production - The introduction of new high-value crops such as avocados, macadamia nuts, cannabis, etc - An internationally renowned and well-marketed Agri and Eco-Tourism portfolio. - Investment in Property Development - Investment in Renewable Energy	Level 2: Major Enablers	R9,5billion
LusiPark Mixed Use Development Project	LusiPark is a mixed-use Development that seeks to extend the Lusikisiki Town Precinct. (Retail and commercial development purposes mixed with Hotel, Offices, civic center, and educational facilities in Lusikisiki.)	Level 1: Game Changers	R2,568,800,000
Access road from Mbotyi to Msikaba along the coast in ward 23	The project will improve the tourism sector by enhancing access to tourism sites.	Level 2: Major Enablers	R 46,000,000,00
Bulk infrastructure development at Mkambathi, Msikaba, and Mbotyi beach areas in ward 23 and ward 25	The project will improve basic economic infrastructure on our beaches and help attract tourists within the Ingquza Hill jurisdiction.	Level 3: Major Needs Projects	R250 000 000,00

IHLM Mixed commercial use facility and Agri-Park Investment project at Lambasi. (hotel, conference center, restaurants, and other recreational facilities) In Ward 23	The project seeks to bring industrialization to the Ingquza Hill LM area. The project's scope will help improve the tourism sector.	Level 1: Game Changers	R1,5billion
Development of a multipurpose center at Mkambathi in Ward 25	The nodal point of economic development in rural space aims to address unemployment and provide services closer to communities.	Level 2: Major Enablers	R 100 000 000,00
Road from St Elizabeth hospital connecting Mzindlovu and Holy Cross hospital to the Ingquza Hill Heritage site in ward 18	The project seeks to promote economic development and connect the heritage nodes and other key nodes.	Level 3: Major Needs Projects	R108 000 000,00
IHLM Suspension bridge (walkway) from Mkambathi to Msikaba in wards 23 and 25	Suspension bridges transform tourism by creating iconic landmarks, enabling access to remote areas, and offering unique experiences like thrilling walks, thereby improving local tourism.	Level 2: Major Enablers	R100 000 000,00
Flagstaff Bypass	The project will decrease traffic congestion.	Level 3: Major Needs projects	R75 000 000.00
Container Mall and Transport Hub at Lusikisiki (ERF 2811)	The container project will stimulate local economic growth, fight unemployment, and provide a safe and formal trading environment for informal traders	Level 2: Major Enablers	R112 982 795
Container Mall Flagstaff (ERF 3338)	The container project will stimulate local economic growth, fight unemployment, and provide a safe and formal trading environment for informal traders.	Level 2: Major Enablers	R21 962 527

Flagstaff Transport Hub	focuses on integrated, multimodal centers (bus, taxi, rail, green transit) that aren't just transport nodes but drivers of urban renewal, economic growth, and social inclusion, connecting people to jobs and services, creating accessible, compact cities, and unlocking development in surrounding areas.	Level 2: Major Enablers	R 90 million
Office Block (Flagstaff and Lusikisiki)	The project focuses on constructing office blocks for commercial use as part of the municipality's revenue enhancement.	Level 2: Major Enablers	R300 million
Waste/ refuse removal	This project aims to implement a comprehensive, community-based waste management system that leverages waste removal and recycling to catalyze broader sustainable development goals.	Level 3: Major Needs Projects	R 150 million
Surfaced Roads	outlines the strategic development of road infrastructure, with the primary goal of stimulating significant positive economic and social change in a specific region.	Level 3: Major Needs Projects	R268 million
Processing Plant for Forestry Depot	The forestry processing depot outlines a facility dedicated to receiving, sorting, processing, storing, and distributing harvested timber and associated forest products. The specific activities and scale depend heavily on the project's objectives, local resources, and target markets.	Level 2: Major Enablers	R120 000 000.00
Milling Plant	A milling plant project description outlines a facility that processes grains (like maize, rice, wheat) into flour, meal, or feed by cleaning, grinding, and packaging, focusing on technology (e.g., roller mills, Buhler tech), capacity (tons/hour), infrastructure (silos, storage), processes (sourcing, cleaning, milling, packaging), automation, and market goals (food security, local supply) for creating quality products efficiently.	Level 2: Major Enablers	R3 000 000.00
Magwa Falls tourism activities	Tourism project activities involve developing and delivering experiences like cultural tours, adventure trips, and sustainable eco-tours, often linked to community empowerment, skills training (guiding, tech), and infrastructure (lodges, trails) to boost local economies.	Level 2: Major Enablers	R50 000 000.00

INGQUZA HILL LOCAL MUNICIPALITY
PROPOSED ORGANISATIONAL STRUCTURE: 2026/27 FY



IHLM DRAFT ORGANISATIONAL STRUCTURE 2026/27FY

DEPARTMENT	FILLED	VACANT FUNDED	NEW POST FUNDED	TOTAL
Office of the Municipal Manager	49	5	0	54
Community Services	161	29	3	193
Financial Services	36	8	0	44
Corporate Support Services	35	10	0	45
Infrastructure Development and Municipal Services	40	4	7	51
Planning and Economic Services	13	9	1	23
TOTAL	334	65	11	410