



# Hantam Municipality



## IDP 2019-2020 (final) Executive summary



*“An enabling environment with sustainable service delivery  
and equal opportunities to ensure a better life for all”*

# Hantam Municipality Integrated Development Plan 2019/2020

**2<sup>nd</sup> review of the 4<sup>th</sup> generation IDP**



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## Executive summary

This report represents a summary of the **Hantam Municipality's Integrated Development Plan (IDP)** as reviewed by considering the **2019/20** budget cycle within a five-year planning and implementation timeframe, i.e. 2017 to 2022. The annually reviewed IDP presented to council in May 2019 is a shortened version of the preceding review and includes the following chapters:

Chapter	Description	Changes to previous IDP review document
1	Introduction and purpose of the IDP	A shortened version provided
2	Profile of the municipal area	Significant changes, i.e. using the most recent data to analyse trends
3	Institutional analysis of the Hantam Municipality including a prioritised list of municipal policies/actions by department	A shortened version provided
4	Feedback on the public participation process	No changes
5	An explanation of the strategic agenda that guides municipal operations	Significant changes
6	Municipal action plans for the 2019/2020 financial year	Changed according to performance measurements and project prioritisation
7	Financial planning including funded projects (by all tiers of government)	Significant changes
8	Performance management	No changes

The **IDP** is regarded as the **key strategic document** guiding, in particular, municipal operations, but also consolidating the strategies and plans of the other tiers of government municipality-wide. The local context, within which government performs integrated development planning, is explained in the first four chapters. Thereafter, alignment of municipal objectives with the objectives of the other tiers of

government is ensured through a vision statement. In this regard, the first step is to formulate a shared vision with associated municipal objectives and values. These objectives serve as directives to guide municipal operations within a framework of key performance areas and key performance indicators. Reference is also made to sector plans — as core components of an IDP and as municipal policy requirements — that translate these objectives into programmes and projects to further guide municipal operations. The second step is to prepare municipal action plans linked to projects, funded and unfunded. Finally, financial planning, together with performance management, is discussed based on the Municipality's Performance Management System Framework and the Service Delivery and Budget Implementation Plan.

The IDP **planning process** included extensive public participation and engagement with various stakeholders and was completed in accordance with the adopted Process Plan. The last public meetings were held in April 2019. The focus throughout the process was to identify and prioritise the needs of communities within a developmental approach and (broader) service delivery framework. In this regard, the 2019/20 municipal budget includes (as it did in the previous budget) mostly infrastructure-related projects, i.e. a large percentage of the capital budget is allocated to 'new assets'.

The **'municipality-wide' development context** is characterised by mainly the following aspects (informing our understanding of the environment within which government operates):

1. Overall negative population growth since 1995 although there was an annual population growth rate of 0,2% from 2011 to 2017.
2. High rate of unemployment, poverty and social grant dependence, contributing to an increase in the number of indigent households as well as in relative income inequality.
3. Wide-spread demand for land units, housing and upgrading and provision of service and community infrastructure (e.g. sewerage, street lighting, cemeteries, community halls).
4. Innovative approaches to human settlement and land development are required to address continued spatial injustices,

e.g. guidelines for densification, expropriation and housing delivery (for the indigent).

5. Sharp decline in non-residential building space completed in recent years, i.e. from an annual average of about 1670m<sup>2</sup> over the period 2004 to 2016 to a significantly lower average of 770m<sup>2</sup>. Hence, it is proposed to use the non-residential building activity as a proxy for economic growth (or decline) in the municipal area, in addition to other economic indicators.
6. Significant environmental changes/shifts owing to long-term structural changes (such as climate change).
7. Private and public sector investment in two megaprojects, viz. square kilometre array and renewable energy generation with associated beneficiation of the local economy.
8. A largely tertiary-based economy with contraction in certain primary and secondary (sub)sector contributions in recent years. The combined contribution of the primary and secondary sectors to the Hantam economy was about 30% of the total contribution, with the percentage share of the 'Agriculture' subsector a massive 73% of this contribution.
9. A slightly concentrated economy but diversification amongst economic sectors when using the 10-industry Tress Index as indicator.
10. Both an improvement and deterioration in the provision of municipal services to households.

In response to these realities and, in particular, the severe drought, a large percentage of the municipal capital budget is allocated to water management/drought relief projects. Apart from the roll-over projects from 2018/2019, the projects to be funded in the 2019/2020 budget cycle are to provide water, electricity and recreation infrastructure. This approach and unreasonable timeframes within which to spend (in particular) government grants, contribute to the relative low priority of infrastructure maintenance, i.e. the spending on asset maintenance is far below the norm set by National Treasury.

The use of outdated indices and data to determine future grant allocations to municipalities *has been identified as an urgent matter to*

be discussed with the provincial government. It is a concern that the Hantam share of the total capital transfers and grants allocated during 2019/2020 to the B municipalities in the Namakwa district, is decreasing from 36% to 23%. In this regard, the Municipality instructed the drafting of the Municipal Spatial Development Framework to ignore or reassess the provincial directive.

Another pressing issue for provincial attention is the *funding of prioritised municipal policy requirements*, e.g. long-term financial plan, asset management plan, revenue enhancement strategy, organisational review and design, electricity / water and sewerage / roads and storm water master plans. The Municipality does not have the funds to draft these policies.

The **2019/2020 budget** of the Municipality amounts to R164 313 million as total revenue, including capital transfers and contributions, and R123 698 million as total expenditure. Financial viability is constrained by consumer priorities in terms of account payments and limited revenue-raising capacity. Capital transfers and contributions amount to R81 354 million and are an indication of the Municipality's dependency on grant funding (about 50% of total revenue).

The IDP includes 11 funded projects in the 2019/20 budget (including EPWP funded projects) and a list of 'unfunded needs', most of which are not associated with the mandate of a local municipality (see table below for funded projects).

mSCOA Function	Project	Ward	Amount (R)	Funding source	Status
<b>Water Management</b>	Water network: Brandvlei – linked with 2018/2019 project	3	R21 503 000	<b>WSIG</b>	Spend by end June 2020
<b>Water Management</b>	Upgrade Water Treatment Works (Calvinia)	2	R20 000 000	<b>WSIG</b>	Spend by end June 2020
<b>Water Management</b>	Geotechnical study	All	TBC	<b>COGHSTA</b>	Spend by end June 2020
<b>Sport &amp; Recreation</b>	Sport field irrigation and facilities infrastructure: Calvinia	2	R9 760 000	<b>MIG</b>	Spend by end June 2020

mSCOA Function	Project	Ward	Amount (R)	Funding source	Status
<b>Electricity</b>	Upgrade Ring man units (Loeriesfontein)	5	R700 000	<b>DOE</b>	Spend by end June 2020
<b>Water Management</b>	Water maintenance	All	R171 000	<b>EPWP</b>	Spend by end June 2020
<b>Safety and Security</b>	Law enforcement	All	R570 000	<b>EPWP</b>	Spend by end June 2020
<b>Sport &amp; Recreation</b>	Beautification of cemeteries	All	R45 000	<b>EPWP</b>	Spend by end June 2020
<b>Sport &amp; Recreation</b>	Maintenance of sports fields	All	R45 000	<b>EPWP</b>	Spend by end June 2020
<b>Roads</b>	Street maintenance	All	R171 000	<b>EPWP</b>	Spend by end June 2020
<b>Waste management</b>	Waste Collection Phase 4	All	R543 000	<b>EPWP</b>	Spend by end June 2020

The IDP includes 3 funded projects in the 2020/21 (see table below for funded projects).

mSCOA Function	Project	Ward	Amount (R)	Funding source	Status
<b>Water Management</b>	Water network: Brandvlei – linked with 2018/2019, 2019/2020 project	3	R7 256 000	<b>WSIG</b>	Spend by end June 2021
<b>Sport &amp; Recreation</b>	Sport field irrigation and facilities infrastructure: Calvinia	2	R5 900 000	<b>MIG</b>	Spend by end June 2021
<b>Electricity</b>	Upgrade Ring man units (Loeriesfontein)	5	R1 920 000	<b>DOE</b>	Spend by end June 2021

Finally, the Municipality acknowledges the imperative to facilitate, as far as possible, a response from the other tiers of government to those community needs not associated with the mandate of a local municipality.

# HANTAM ECONOMIC PROFILE

To be included...

# HANTAM INVESTMENT OPPORTUNITIES

To be included...

BEREID OM TE DIEN

