AMATHOLE
DISTRICT MUNICIPALITY

VISION 2058
BUILDING A SMART DISTRICT

IDP
2020 | 21
(FINAL)

OUR LOCAL MUNICIPALITIES

MBHASHE LOCAL MUNICIPALITY

AMAHLATHI LOCAL MUNICIPALITY

MNQUMA LOCAL MUNICIPALITY

NGQUSHWA LOCAL MUNICIPALITY

GREAT KEI LOCAL MUNICIPALITY

RAYMOND MHLABA LOCAL MUNICIPALITY

A STORY OF AMATHOLE DISTRICT

A place of opportunities whose sole focus is serving its communities.

Siyakukhonza mhlali wase Amathole!

A district named after intaba zeMathole, on the calves of the Drakensberg.

Indawo apho ilanga xa liphuma likhanyisa likhazimle lixele ububele babemi balendawo.

Apho kugquba ikhala (the aloe), as one of the most prominent indigenous flowers, kunye no mnga, umthi omfutshane nowomeleleyo, ofana nje nqwa, nomxhelo wabantu balapha.

Apho umkhonto negqudu (the spear and knobkerrie) symbolise the liberation struggle and frontier wars of resistance fought throughout the district.

As well as the peaceful state that we currently enjoy.

Apho iimpondo zenkomo (bull's horns) symbolise strength, power, stability and fertility.

Ze iinkomo nemfuyo, zibonisa ubutyebi, which is the all-time focal point of Xhosa existence.

FOREWORD BY THE EXECUTIVE MAYOR

It is my pleasure to present this reviewed Integrated and Development Plan and Budget for the year 2021/2022. As was the case in the past financial year, we present this IDP and Budget when the country and the global community at large is faced with a health pandemic and other related socio-economic challenges. Ofcourse, challenges which comes with this new normal are plenty but we remain confident that we can overcome. Ours is not to despair but to employ measurers to mitigate against the impact whilst attending to the needs of our communities on the ground.

This being the final review of the IDP before the local government elections, it presents an opportunity to intensify and accelerate our efforts in the provision of quality and affordable basic services to the people and create a favourable environment for local economic development. It is also an opportunity to take stock of and reflect on the progress we have made since taking office in 2016. The amount of work we have put in in the past financial years is testimony to our commitment to serve our communities and turn this municipality around.

Against the persistent drought and related challenges, we have strived to use all resources at our disposal to bring services closer to our people, especially those who stay in the periphery of our rural district. We remain committed to work tirelessly through innovative and creative ways to ensure our infrastructure meet the required standards. The municipality is at an advanced stage of implementing projects that will provide new infrastructure, rehabilitation and upgrading of existing ones, as well as improve water management infrastructure.

Since 2016/17 financial year to date, 12 888 households have been provided with basic level of water supply and 75 091 households with basic level of sanitation across the District. More than 10 900 work opportunities were created during the implementation of both water and sanitation projects. As part of our commitment to restore dignity of our people, we vowed to make bucket system a thing of the past in this district. As such 874 bucket systems have been eradicated in Raymond Mhlaba and Great Kei.

With the Department of Water and Sanitation finally approving a budget of R725 million for the implementation of Ngqamakhwe Regional Water Supply Scheme which entails the construction of bulk water supply from Tsomo to Ngqamakhwe, we are certain that once all phases of this Scheme are completed, water will be provided to approximately 78,534 people in the Ngqamakwe rural supply, 49,325 people for the Cluster 8 area within CHDM and 44,040 people within the Butterworth urban supply area. Under Mbhashe Local Municipality, Xhora water Supply Scheme is under construction, completed to date is the dam and Water Treatment works. Once the entire project is complete it will serve approximately 133 rural villages with a population of about 66,900 in 8,082 households.

Indeed the new normal has presented challenges in the traditional way that we interact with our communities, in that the lockdown regulations prevented us from convening face-to-face gatherings. However, we are happy with how the people of Amathole have responded to various digital platforms such as our community radio stations and various social media platforms. These efforts have enabled a wider reach of citizens and our stakeholders. We want to encourage and thank our communities and stakeholders for their active participation in the affairs of the municipality.

Together, we have developed strategic documents that have potential to stand the test of time when it comes to changing the lives of our people for the better. These include:

- Vision 2058:Building a Smart District with its clear Catalytic Projects
- The Municipal Turnaround Strategy
- Economic Growth and Development Strategy and its Sector Plans.
- I must also mention the successful hosting of the District-Wide Water Indaba, District-Wide Economic Growth and Development Summit and the Post COVID 19 Economic Stimulus.

All these achievements, were efforts aimed at fulfilling the promise we made to ourselves - to turn ADM around and restore it to its former glory. As our IDP together with SDBIP and Budget reflect, we stand committed in building a capable and developmental local government that is responsive, accountable, effective and efficient in serving the people of Amathole. Hence in the year 2021/2022, we will spend R590 million on Capital Projects focused on Water and Sanitation throughout the district. We are confident that through these and other projects and programmes, we will succeed in playing our role to create a better life for the people of the district.

All of what we have achieved and that which we will still achieve and count amongst our legacy would not have been possible without the support of our strategic partners and our communities at large. For this I want to thank all of them and plead for more support, collaborations and cooperation. I also want to thank the entire Council of ADM together with leadership of our local municipalities for the commitment and for never failing to provide strategic leadership even under difficult periods. Lastly, let me extend a word of gratitude to the administration as led by the Municipal Manger, for their outstanding work in the execution of the mandate bestowed upon us.

Thank You.

CLLR. K.C. MANELI

EXECUTIVE MAYOR

EXECUTIVE SUMMARY BY MUNICIPAL MANAGER

Local Government is at a stage of developing the 5th Generation Integrated Development Plans as well as approaching the last cycle for the current term of Municipal Councils. By implication, this means therefore that Amathole District Municipality (ADM) must strategically re-position its planning by capitalizing on the gains achieved over the years, whilst simultaneously analysing the institution holistically in relation to how we have responded in achieving our Constitutional Mandate of providing sustainable services to communities across the District.

The 2020/2021 Integrated Development Plan (IDP) review process provides ADM an opportunity to reflect, review and refocus on the mandate given to Amathole District Municipality (ADM) towards developmental local government. It will also reflect and provide an account of path that has been traversed by Council in the past four years as well as develop a clear accelerated plan toward the last financial year during this term of Council.

Amathole District Municipality has a status of being both a Water Services Authority (WSA) and a Water Service Provider (WSP), which are functions assigned for us to implement without fail. Over and above the assigned functions, we also have a constitutional responsibility to support local municipalities that fall under our municipal jurisdiction to ensure that they perform their functions effectively.

In fulfilment of the above responsibilities, ADM held its Institutional Strategic Planning session in February 2020 in close cooperation with our six local municipalities and our strategic stakeholders. The purpose of that session was to provide an account on the path that have been traversed by the institution over the past four years and to develop a clear plan for the next financial year utilising the PESTLE analysis as an advantage to reviewing our strategies.

In the past four years, Council have been faced with many challenges ranging from financial constraints, labour unrests and general political and economic situation within ADM and across the country in general. We also have had to adjust technologically to align our Information Technology systems with the Fourth Industrial Revolution to make life easy for the institution and the general population of Amathole District.

With current the current financial constraints and economic meltdown, ADM had to review its limited budget to ensure proper allocation of resources in attaining its strategic objectives is in line with our core mandate and in pursuit of ***Bringing Amathole District Municipality Back to Its Former Glory***.

We further reiterate and commit in the implementation of our IDP and Budget to focus on the following:

- **Reconfiguration of ADM Service Delivery Model** with focus on Water and Sanitation; Municipal Health and Disaster Management.
- **Financial Sustainability** of ADM by focusing on Costing, Cost Reduction, Cost Recovery, Revenue Enhancement, Building Reserves and Business Continuity.
- **Economic Growth & Development** within ADM.
- **Municipal Support** in the context of **Shared Services Model**.
- Improvement of an **effective Satellite Office Model**.
- Digitalisation of ADM Business Processes.

Going to the next financial year ADM has identified quick wins and ensures that there is proper alignment of the 2020/21 IDP and Aspire with the Long Term Vision as they will be used as implementing tools of its catalytic projects. This process has also captured the views of strategic partners and stakeholders using legislated platforms for consultation. Amathole District Municipality 2020/21 IDP and Budget has and will continue focus towards an Outcome-Based approach underpinned by good governance, a move towards a financially sustainable and viable institution with smart solution capabilities to accelerate effective and efficient service delivery to its communities.

ADM Council developed and adopted ***a Long Term Vison 2058 "Building A Smart District"*** and the ***Municipal Turn Around Strategy*** - focussing on building a culture of excellence and a value based organisation. Moreover, MTAS concentration is on repositioning Amathole District Municipality's ability to meet the desired **Vision 2058: Building a Smart District** through Brand Repositioning, Organisational Development and Design, Financial Sustainability and Building Public Confidence. The essence of success in building a Smart District towards 2058 is forging partnerships with our strategic partners to enhance the capabilities and efforts by Amathole District Municipality in the implementation of its mandate

We are determined as an institution that we will strive under the current conditions and working with our strategic partners. ADM further held a success District Water Indaba with national strategic partners to deal with the water challenges facing the district and came up with a long lasting solution for the provision of sustainable water solutions. This was indeed well attended by all affected stakeholders which made commitments and clear plans to mitigate the current drought challenges as well as lobbying funds to deal with the dilapidated infrastructure for the district to be able provide water on a sustainable basis to the people of Amathole District. Following this Water Indaba was another successful Economic Growth and Development Summit which was meant to assist district to be economically viable and be able to create wealth among for the people of the district. Both these programs were in line our ADM Vision 2058

During the current term ADM has its own challenges which were as a results of some of the transitional process of the institution. Due to some of historical challenges which were experienced by the institution, ADM had a regress on its Audit Outcomes something that both political and administrative leadership of the institution is working on. We have had transitional challenges from moving from the old financial systems to the SAP. In this regard the institution has sourced service providers to capacitate our employees and skills transfer so that we can master the system and improve our financial management and revenue collection. For the past few years ADM has had some cash flow challenges which are which has affected our daily operations. Our salary bill remains one of our challenges and a contributing to the cash flow challenges but with the process of reengineering the institution and participation of labour we hope that this will be thing of the past as we go towards the final year of the current term of Council.

Our Development Agency, ASPIRE has developed a business plan and is mobilising resources for the Eleven (11) Catalystic projects. This is part of strides of being an Amathole Smart District towards 2058 informed by the opportunities presented by the Fourth Industrial Revolution (4IR) of **Smart Solutions** in providing service delivery in an efficient, economical and effective manner to the communities of Amathole District Municipality.

Indeed, the past four years was not an easy journey, it had its ups and downs but both Political and Administrative leadership of the institution were equal to the task. We manage to bridge a gap that was existing between labour and leadership, managed to achieve our constitutional responsibilities despite the limited resources and financial constraints that we were facing as an institution. We want to thank our strategic partners that have been with us in the trying times, for providing support and technical expertise to weather the storm. Indeed, without their support we would have failed as an institution and many people of Amathole District would’ve suffered. We looking forward to continue with good working relationship going forward to achieve our strategic goals of creating a Smart District.

Equally I want pay a special gratitude to the Political Leadership led by the then Executive Mayor, Councillor Nxawe who is now the Deputy Executive Mayor. Your leadership is well appreciated deputy Executive Mayor and we wish you well on your new political responsibility. A special appreciation also to the then Acting Executive Mayor, Councillor Mnqwazi for providing the necessary strategic political leadership and support during your tenure. As we welcome the new Executive Mayor, Councillor Maneli we are determined as this administration that we will provide the same support that we have provided your predecessors, this we shall do without fail all in the spirit of bettering the lives of the people of Amathole District. We looking forward to a good working relationship with you and your collective leadership, working together we will better the lives of the people of Amathole.

Lastly, I also wish to convey words of appreciation to the Members of the Mayoral Committee, Councillors and Traditional Leaders, the Executive Management including organised Labour and all our stakeholders for their continued oversight and support. Your contributions will always enhance our endeavours in our commitment towards “***Bringing Amathole District Municipality Back to Its Former Glory”.***

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DR. T.T. MNYIMBA

MUNICIPAL MANAGER

ACRONYMS AND ABBREVIATIONS

ADB	African Development Bank
ADM	Amathole District Municipality
AG	Auditor General
AGOA	African Growth Opportunity Act
AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
ARI	Acute Respiratory Infection
ASGISA	Accelerated Shared Growth Initiative of South Africa
ASP	Application Service Provider
ATM	Asynchronous Transfer Mode
AU	African Union
BSD	Basic Service Delivery
BTP	Build Together Programme
BUM	Business Unit Manager
CBD	Central Business District
CBI	Cross Border Initiatives
CBNRM	Community-Based Natural Resource Management
CBO	Community Based Organisation
CBS	Central Bureau of Statistics
CBT	Community-Based Tourism
CD	Compact Disc
CET	Common Excise Tariff
CFO	Chief Financial Officer
CITP	Comprehensive Integrated Transport Plan
CMA	Common Monetary Area
CoCT	City of Cape Town
COGTA	Department of Cooperative Governance & Traditional Affairs
COMESA	Common Market for Eastern and Southern Africa
COSDEC	Community Skills Development Centre
CSO	Civil Society Organisation
CWDM	Cape Winelands District Municipality
DAFF	Department of Agriculture Forestry & Fisheries

DBSA	Development Bank of Southern Africa
DEAT	Department of Environmental Affairs and Tourism
DFA	Development Facilitation Act
DFID	Department for International Development
DGDS	District Growth and Development Strategy
DIP	Decentralisation Implementation Plan
DMA	District Management Area
DoARD	Department of Agriculture and Rural Development
DoE	Department of Education
DoE	Department of Energy
DoH	Department of Health
DoHS	Department of Human Settlement
DoL	Department of Labour
DoLG	Department of Local Government
DoLRD	Department of Land Reform & Rural Development
DoMR	Department of Minerals Resources
DOS	Department of Social Development and Special Programs
DOTS	Directly Observed Treatment Short course
DPLG	Department of Provincial and Local Government
DPSA	Department of Public Service and Administration
DRAMs	Dynamic Random-Access Memories
DSRAC	Department of Sport Recreation Arts and Culture
DTI	Department of Trade and Industry
du/ha	Dwelling units per hectare
DVD	Digital Versatile Disc
DWA	Department of Water Affairs
DWAF	Department of Water Affairs and Forestry
EA	Environmental Assessment
ECD	Early Childhood Development
ECDC	Eastern Cape Development Corporation
ECOMOG	ECOWAS Military Observer Group
ECOWAS	Economic Community of West African States
EDA	Economic Development Agency
EDF	European Development Fund

EHO	Environmental Health Offices
EIA	Environmental Impact Assessment
EIF	Environmental Investment Fund
EISA	Electoral Institute of Southern Africa
EMP	Environmental Management Plan
EPI	Expanded Programme on Immunisation
EPLs	Exclusive Prospecting License
EPWP	Expanded Public Works Programme
EPZ	Export Processing Zone
ES	Equitable Share
EU	European Union
EF	Expenditure Framework
FBS	Free Basic Services
FDI	Foreign Direct Investment
FET	Further Education and Training
FIFA	Federation Internationale de Football Association
FPRM	Foreign Policy Response Model
FTA	Free Trade Area
FV & M	Financial Viability and Management
GDP	Gross Domestic Product
GDP-R	Gross Domestic Product in Rand
GEAR	Growth, Employment and Redistribution
GFCF	Gross Fixed Capital Formation
GG & PP	Good Governance and Public Participation
GGP	Gross Geographic Product
GIPF	Government Institutions Pension Fund
GIS	Geographic Information System
GKLM	Great Kei Local Municipality
GNP	Gross National Product
GRAP	Generally-recognised Accounting Practices
GSM	Global System for Mobile Communications
GSP	Generalised System of Preferences
GVA-R	Gross Value-Added in Rand
HDI	Human Development Index

HH	Households
HIS	Health Information System
HIV	Human Immunodeficiency Virus
HIV/AIDS	Human Immunodeficiency Virus/Acquired
HPI	Human Poverty Index
HR	Human Resources
IATCP	Inter Agency Technical Committee on Population
ICJ	International Court of Justice
ICT	Information and Communication Technology
ICZMP	Integrated Coastal Zone Management Plan
ID & OT	Institutional Development and Organisational Transformation
IDP	Integrated Development Plan
IDPRF	Integrated Development Plan Representative Forum
IEC	Information, Education and Communication
IFAD	International Fund for Agricultural Development
IGAD	Intergovernmental Authority on Development
IGR	Inter-Governmental Relations
IHSP	Integrated Human Settlement Plan
ILO	International Labour Organisation
i-MAP	Implementation Plan
IMATU	Independent Municipal Allied Trade Union
IMESA	Institute for Municipal Engineers South Africa
IMF	International Monetary Fund
IMS	Immune Deficiency Syndrome
IP	Implementation Plan
IMR	Infant Mortality Rate
HIS	Integrated Human Settlements
ISO	International Standards Organisation
ISRDP	Integrated Sustainable Rural Development Programme
IT	Information Technology
ITP	Integrated Transport Plan
IWMP	Integrated Waste Management Plan
KPA	Key Performance Area
KPI	Key Performance Indicator

KPI	Key Performance Indicator
LAN	Local Area Network
LED	Local Economic Development
LGMTEC	Local Government MTEC
LGSETA	Local Government SETA
LG-TAS	Local Government Turnaround Strategy
LHA	Languedoc Housing Association
LM	Local Municipality
LUMS	Land Use Management System
MAG	Monitor Action Group
MAP	Millennium African Recovery Plan
MARPOL	International Convention on the Prevention of Pollution from Ships
MAYCO	Mayoral Committee
MDGs	Millennium Development Goals
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Improvement Grant
MIGA	Multilateral Investment Guarantee Agency
MIIF	Municipal Infrastructure Investment Framework
MM	Municipal Manager
MMR	Maternal Mortality Rate
MOD	Ministry of Defence
MOF	Ministry of Fisheries
MOHA	Ministry of Home Affairs
MOHSS	Ministry of Health and Social Services
MOJ	Ministry of Justice
MOL	Ministry of Labour
MOU	Memorandum of Understanding
MPAC	Municipal Public Accounts Committee
MSA	Municipal Systems Act (Act no. 32 of 2000)
MSIG	Municipal Systems Improvement Grant
MTAS	Municipal Turnaround Strategy
MTI	Ministry of Trade and Industry
MTI	Municipal Transformation and Organizational Development

MTREF	Medium-Term Revenue and
MTSF	Medium-Term Strategic Framework
NACHE	National Advisory Council for Higher Education
NAI	New African Initiative
NATO	North Atlantic Treaty Organisation
NCC	National Communications Commission
NDF	National Defence Force
NDP	National Development Plan
NEACB	National Examination, Assessment and Certification Board
NEPAD	New Partnership for African Development
NEPLs	Non-exclusive Prospecting Licenses
NGO	Non-Governmental Organisation
NIED	National Institute for Educational Development
NLTPS	National Long-term Perspective Studies
NMT	Non-Motorised Transport
NPCS	National Planning Commission Secretariat
NPO	Non-Profit Organisation
NSDP	National Spatial Development Perspective
NTA	National Training Authority
NTCP	National Tuberculosis Control Programme
OAU	Organisation of African Unity
OECD	Organisation for Economic Co-operation &Development
OHS	Occupational Health and Safety
OPEC	Organisation of Petroleum Exporting Countries
OPM	Office of the Prime Minister
PC	Personal Computer
PEAC	Presidential Economic Advisory Council
PGDP	Provincial Growth and Development Plan
PMS	Performance Management System
PMTCT	Prevention of Mother to Child Transmission
RSA	Republic of South Africa
SADC	Southern Africa Development Community
SADCC	Southern Africa Development Co-ordination Conference
SALGA	South African Local Government Association

SAMWU	South African Municipal Workers Union
SAPS	South African Police Services
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SDR	Special Drawing Rights
SEA	Strategic Environmental Assessment
SLA	Service Level Agreement
SLA	Sustainable Livelihood Approach
SME	Small and Medium Size Enterprises
SMME	Small Medium and Micro Enterprises
SOP	Standard Operating Procedure
SSC	Social Security Commission
STATSSA	Statistics South Africa
STDs	Sexually Transmitted Diseases
TACs	Total Allowable Catches
TAS	Turnaround Strategy
TB	Tuberculosis
ToR	Terms of Reference
UN	United Nations
UNCCD	United Nations Convention to Combat Desertification
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNTAG	United Nations Transitional Assistance Group
USSR	Union of Soviet Socialist Republics
VAT	Value Added Tax
VET	Vocational Education and Training
VTB	the Vocational Training Broad
VTC	Vocational Training Centre
WASP	Water and Sanitation Programme
WB	World Bank
WCED	World Commission on Environment and Development
WCU	World Conservation Union
WDM	Water Demand Management

WSA	Water Service Authority
WSDP	Water Services Development Plan
WtE	Waste to Energy
WTO	World Trade Organisation
WTO2	World Tourism Organisation
ZERI	Zero Emission Research Initiative

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TABLES & FIGURES

EXECUTIVE SUMMARY

1. INTRODUCTION

Amathole District Municipality (ADM) is required by Section 25 of the Local Government: Municipal Systems Act 32 of 2000 to develop a 5-year plan i.e Integrated Development Plan (IDP) that will guide planning of the entire space. This plan has to be reviewed annually to take stock of what has happened and review the order of priorities. This legal requirement obligation further requires the municipality to consider all developments planned by all parties and ensure synergy.

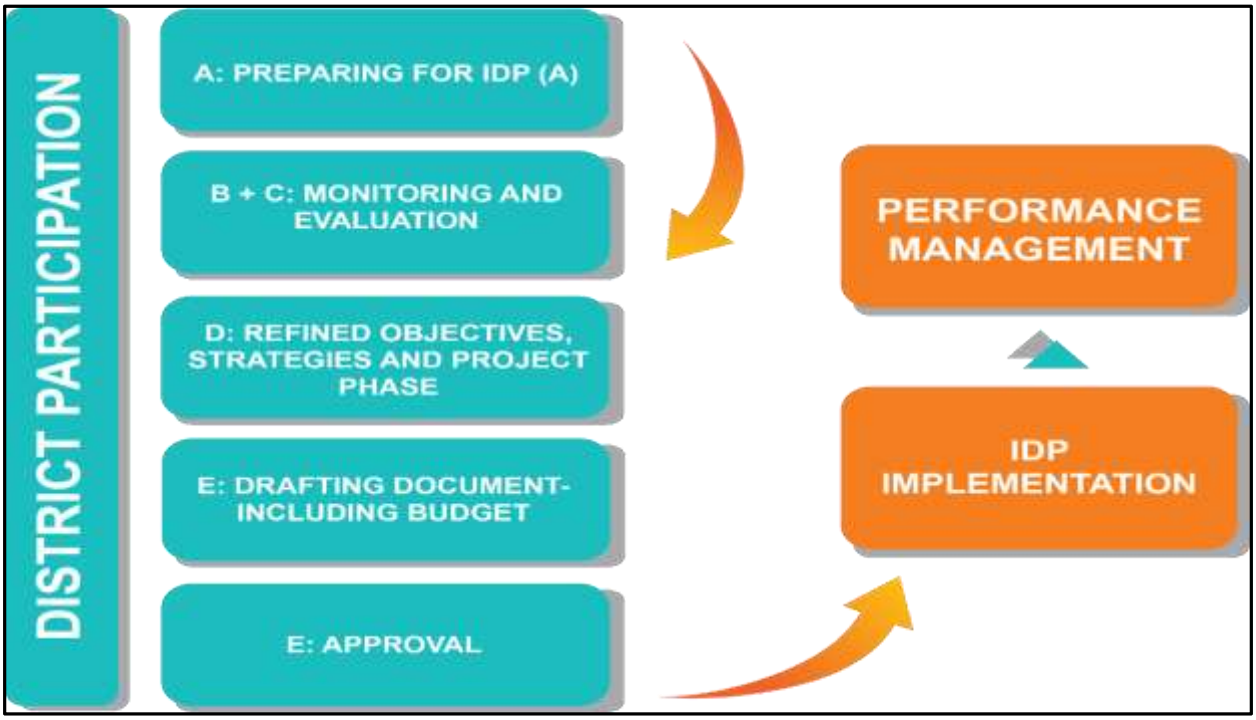
In addition to the legal requirement for every Municipality to compile an Integrated Development Plan, the Municipal Systems Act 32 of 2000 also requires that:

- the IDP be implemented;
- the Municipality monitors and evaluates its performance with regards to the IDP's implementation;
- the IDP be reviewed annually to effect necessary changes and improvements.

2. THE IDP DEVELOPMENT AND REVIEW PROCESS

This process describes a continuous cycle of planning, implementation, and review as can be seen in Figure below. During the year new information becomes available and unexpected events may occur. Some of the information can make immediate changes to the planning and the implementation of the IDP. After the reviewed IDP has been adopted, implementation as well as situational changes will continue to occur, which is again monitored throughout the year and evaluated as indicate below for consideration in the next IDP (DPLG, IDP Guide Pack IV).

FIGURE 1 : INTEGRATED DEVELOPMENT PLAN (IDP) CYCLE



Amathole District Municipal Council held on the 28 August 2020 adopted its **District IDP Framework Plan** together with the IDP/PMS/Budget Process Plan. The District IDP Framework serves as a guide to all six local municipalities within Amathole, to ensure alignment in planning budgeting processes. In addition, it outlines the time frames of scheduled events/activities, structures involved, roles and responsibilities

The **IDP/PMS/Budget Process Plan** outlines in detail, the manner in which ADM embarked on its 2021-2022 IDP review, PMS and Budget processes.

The Organisational arrangements put in place to oversee the processes, ensuring achievements of key milestones and deliverables. These are:

- IDP/PMS/Budget Representative Forum,
- IDP Steering Committee,
- District Mayor's Forum (DIMAFO)
- Municipal Manager's Forum
- Director's Forum

Particular attention was paid to the IDP, SDBIP & Budget linkages, district-wide analysis, integration and alignment of local, district and provincial plans. In the process of developing the IDP and Budget, a Strategic Planning session was held on 16-19 February 2021. The objective of the session was to facilitate a framework that will guide the municipality's strategic direction as reflected in the 5-year

IDP (2017-2022). The draft reviewed IDP and Budget for 2019/2020 will be tabled in Council on the 29th of March 2021. Following which the documents will be published and the IDP and Budget Roadshow taken place in April 2021 respectively on account of covid-19 regulations

The table below outlines the public participation process with specific reference to meetings and workshop dates of the various role players:

Table 1: MATHOLE DISTRICT MUNICIPALITY ACTION PLAN - PARTICIPATION STRUCTURES & MEETING DATES

AMATHOLE DISTRICT MUNICIPALITY ACTION PLAN - PARTICIPATION STRUCTURES & MEETING DATES	
PRE-PLANNING (July – August)	
IDP Steering Committee workshop to outline the review process	19 August 2021
District Wide Planning & Economic Development	08 July 2021
Municipal Managers Forum	1 September 2021
DIMAFO meeting	22 September 2021
IDP Steering Committee to review implementation progress and prepare for the IDP Launch	19 August 2021
IDP/PMS/Budget Representative Forum [district-wide launch]	28 September 2021
ANALYSIS (September– November)	
Municipal Managers Forum	04 November 2021
IDP Steering Committee	22 October 2021
DIMAFO meeting	25 November 2021
District Wide Planning and Economic Development	November 2021
IDP/PMS/Budget Representative Forum [district-wide development priorities]	24 November 2021
OBJECTIVES; STRATEGIES and PROGRAMMES (December – March)	
Technical Strategic Planning session	19-21 January 2022
Institutional Strategic Planning session	7-11 February 2022
IDP Steering Committee	4 March 2022

AMATHOLE DISTRICT MUNICIPALITY ACTION PLAN - PARTICIPATION STRUCTURES & MEETING DATES	
PRE-PLANNING (July – August)	
Municipal Managers Forum	21 February 2022
Council workshop on draft IDP & Budget	17-87 March 2022
IDP Steering Committee to check alignment and sector-specific guidelines	February 2022
District Wide Planning & Economic Development	March 2022
District Mayors' Forum (DIMAFO)	11 March 2022
IDP Representative Forum (present draft IDP, Budget and SDBIP)	23 March 2022
Council approval of the draft IDP & Budget and Annual Report	31 March 2022
APPROVAL (April – June)	
IDP/ Budget road shows (public presentation hearings at LMs)	April 2022
District Wide Planning & Economic Development	April 2022
Council Meeting (IDP and Budget final adoption)	31 May 2022

3. PUBLIC PARTICIPATION AND COMMUNITY INVOLVEMENT

One of the key pillars of democracy is to ensure responsiveness of government to citizens or community needs.

The Public Participation and Petitions Management Strategy clearly articulates the methodology that will be employed in interfacing with communities. Furthermore, it outlines the processes to be followed in ensuring that matters brought to the attention of the municipality are attended too until completion. Guided by the Municipal Systems Act and other relevant pieces of legislation, a range of promotional activities are held as per the Communications cycle, which include, inter alia, Health Awareness Programmes, Water Week, Sanitation Week, Heritage and Tourism Month, 21 Days of Activism of no violence against women and children, Youth Month, Women's Month, etc. which also serve to promote the interests of special groups such as the youth, gender, disabled etc. The table below outline the various public participation platforms which Amathole District Municipality currently has in place:

Table 2: ADM PUBLIC PARTICIPATION PLATFORMS

<table>
<tr><th>Name of Forum</th><th>Purpose</th><th>Stakeholders</th></tr>
<tr><td>Water and service delivery forum</td><td>The purpose of these meetings is to create awareness and to educate people on water conservation.

Water and service delivery forum meetings are held at various municipalities as a way of consultation</td><td rowspan="4">▪ ADM and Local Municipal Political Leadership,
▪ Ward councillors,
▪ Traditional Leaders
▪ Ward committees,
▪ community development workers,
▪ Communities,
▪ Religious sector,
▪ Business sector and
▪ Ratepayers associations.</td></tr>
<tr><td>Mayoral Imbizo</td><td>Promoting interfacing between ADM Executive Mayor and communities. It also serves as a platform to provide feedback on issues raised for the attention of the municipality as well as furnish and update communities on all projects of the municipality,</td></tr>
<tr><td>Annual Report Public Hearings</td><td>Platform for ADM to account to members of the public on all matters relating to finances and performance as per Circular 63 of the MFMA</td></tr>
<tr><td>IDP and Budget Roadshows</td><td>In accordance with legislation, IDP has to be taken to public for their comments and inputs.</td></tr>
<tr><td>Civic Education</td><td>Empowerment of citisens to understand issues relating to the functioning of government institutions especially in areas such as, inter alia; the rights of citisens with regard to the services rendered to them, responsibility of citisens with regard to support, defence and promotion of democracy, responsibility of citisens with regard to voting, public participation and reporting practices, available mechanisms for citisens to voice their complaints with government and the private sector.</td><td>▪ ADM and Local Municipal Political Leadership,
▪ Ward councillors,
▪ Traditional Leaders
▪ Ward committees,
▪ community development workers,
▪ Communities,
▪ Religious sector,
▪ Business sector and
▪ Ratepayers associations</td></tr>
<tr><td>District Speakers' Forum</td><td>Platform for Speakers to share best practices, knowledge, lobbying on policy changes and engagements with organised local government on matters pertinent to the Offices of the Speaker.</td><td>ADM Speaker and Speakers of Local Municipalities</td></tr>
</table>

The following is an outline of the public participation events undertaken as means to allow citisens to play an active role in the affairs of the municipality.

Table 3: Community Involvement

EVENT	VENUE	DATE
Service Delivery Initiative	Raymond Mhlaba	22/08/2020
Service Delivery Initiative	Mnquma	11/09/2020
Service Delivery Campaign	Great Kei	11/09/2020
Service Delivery Campaign	Raymond Mhlaba	25/09/2020
Service Delivery Campaign	Ngqushwa	25/09/2020
Service Delivery Campaign	Mnquma	20/10/2020
Service Delivery Campaign	Amahlathi	02/11/2020
Service delivery initiative	Mbhashe	26 Nov 2020
Annual Report Roadshows	All LMs	4,10&11/09/2020
Service Delivery Initiative	Mbhashe	08/12/2020
Mayoral Imbizo	Amahlathi	21/09/2020
Service delivery Initiative	Raymond Mhlaba	03/11/2020
Service Delivery Initiative	Great Kei	27 Nov 2020
Service Delivery Initiative	Mbhashe	19/01/2021
Service Delivery Initiative	Raymond Mhlaba	28/01/2021
Service Delivery Initiative	Great Kei	26/01/2021
Service Delivery Initiative	Ngqushwa	17/02/2021
Mayoral Imbizo & Project launch	Amahlathi	25 February 2021
IDP/Budget Roadshow	All local municipalities	April 2021
SODA	TBC	June 2021

4. RELEVANT DOCUMENTS FOR THE IDP DEVELOPMENT

The following documentation should be read with the IDP:

- Municipal Systems Act and relevant regulations;
- IDP Guide Pack, with specific reference to Guide 3 and Guide 6;
- District Development Plan
- District IDP Framework Plan;
- ADM IDP/PMS/Budget Process Plan;
- Various sector plans and programmes;
- Amathole Category B LM IDP’s;
- ADM Performance Management Framework;
- Provincial Development Plan;
- Provincial Spatial Development Plan (PSDP);
- National Spatial Development Plan (NSDP);
- National Development Plan;
- District Municipal Long-Term Vision (Vision 2058);

- District Development Plan (One Plan)
- Local Municipalities' Long-Term Plans;

5. ALIGNMENT WITH NATIONAL AND PROVINCIAL PROGRAMS

The following National programs informed the IDP process:

- State of the Nation Address (SONA);
- State of the Province Address (POSA);
- State of the District Address (SODA);
- State of Local Government in South Africa;
- Municipal Demarcation Board Reports;
- Municipal Powers & Functions;
- King IV Report & Code on Good Governance for South Africa;
- 12 Outcomes of Government – Role of Local Government;
- Back to Basics; and
- National Development Plan 2030.

6. POWERS AND FUNCTIONS

Amathole District Municipality, in terms of S84 (1), are assigned powers and functions in respect of:

- Water and Sanitation;
- Municipal Health Services;
- Integrated Development Planning for the district as a whole;
- Fire Fighting Services;
- Solid waste disposal sites;
- Regulation of passenger transport services;
- Promotion of local tourism for the area of the district municipality;
- Municipal public works in respect of any of the above functions.

S84 (1) Functions currently not being performed by the Amathole District Municipality:

- Bulk supply of Electricity (assigned by the MEC to LM's);
- Municipal airports serving the area of the district municipality as a whole;
- The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district;

- Fire Fighting services in respect of Amahlathi and Raymond Mhlaba Municipalities.

Local municipal functions allocated to the Amathole District Municipality:

- Building regulations, IRO Mbhashe and Mnquma Municipalities;
- Municipal Public Transport IRO of all local municipalities, except for Mnquma;
- Fire-fighting services (local responsibilities) in respect of Ngqushwa;
- Local Amenities, IRO Mbhashe, Great Kei and Raymond Mhlaba Municipality;
- The Licencing and control of undertaking that sells food to the public, IRO Mbhashe; Amahlathi; Ngqushwa; and the area of the former Nxuba Local Municipality now falling within the Raymond Mhlaba Municipality.

Section 84 (1) District functions and powers have been assigned to Local Municipalities within the Amathole District Municipality:

- Bulk Electricity Supply (all LMs);
- Solid Waste Disposal Sites (all LMs);
- Municipal roads (all LM's);
- Fire-fighting services: Amahlathi and Raymond Mhlaba Municipality;
- Control of Cemeteries (all except Mbhashe);
- Establishment of Fresh Markets and Abattoirs - only in respect of the area of the former Nkonkobe Local Municipality now falling within the Raymond Mhlaba Municipality.

7. AMATHOLE DISTRICT MUNICIPALITY 2016 COMMUNITY PERCEPTION SURVEY

The Amathole District Municipality embarked on a project to conduct a customer satisfaction survey to measure the levels of satisfaction of residents with core municipal services as well as overall service delivery. As a baseline, the previous survey was used which meant this study ought to be comprehensive and detailed with more representative sample and expanded questionnaire. The methodology used to facilitate the survey questioner distribution, capturing and analysis on a ward-specific level was a sample plan design. Of the 5400, 4703 met the minimum completion to warrant a valid response.

The rest of the questioners were either refused or only partly completed with the completed percentile below the 40% of the total questions presented and thus not considered in results analysis. The table below depicts the results of the survey which influence the manner in which Amathole District Municipality conducts its business in responding to the community needs:

Table 4: ADM SURVEY RESULTS

FOCUS	SURVEY RESULTS
WATER	For the ADM as a whole, the satisfaction levels for water service is 71% (this is an increase from the previous survey which yielded a 52% satisfaction); 13% cited poor performance with the water services and 14% was extremely dissatisfied with 2% which did not have an opinion from the municipality. However, when probed further whether the municipality conducted regular meter readings only 31% answered yes with 75% doubtful of the accuracy of the water measurement consumed.
SANITATION	Of the 4703 valid physical questionnaire respondents: 32% were satisfied with the sanitation that ADM provides with room for improvement, 41% was extremely satisfied with the sanitation while 13% is extremely dissatisfied. 13% cited poor service with room for improvement and 2% did not have an opinion. On Recent blockages or sewer overflow in streets, 9% noted that they had this problem recently.
CUSTOMER SERVICE	On Customer Service, it was discovered that 49% of the samples are aware of the municipalities ADM's Customer Care Centres in the municipality. When asked about the staff approach in addressing submitted complaints 46% said that the ADM staff was reasonably professional/adequately capable; 35% was cited as highly capable and 18% perceived as incapable or unprofessional. 78% found the staff to be attentive, honest and friendly in handling queries and available to help at the time of contact. Another 23% of the staff was found not be punctual nor responsible.
FIRE DEPARTMENT	11% of the total rating of the fire services was seen as excellent; 24% was noted as a good quick service, 9% as adequate while 27% and 29% where inadequate and totally inadequate respectively
ENVIRONMENTAL PROTECTION	When the respondents were asked if the municipality sufficiently protects the natural environment only 31% respondent that they feel that the municipality is doing enough while 69% said 'no'.
PROTECTION OF HISTORICAL HERITAGE	95% feel that the municipality is not effectively protecting historical assets while only the remanding 5% thinks the municipality is doing enough.
COMMUNICATION	29% found that municipality doesn't communicate about the interruption of services in advance while 71% found that the municipality proactively communicates about the interruption of service. When asked if the respondents found that queries are resolved in time by the municipality 47.4% responded yes.

7.1 Summary Results and Recommendations

- There has been a commendable increase this is an increase in the satisfaction with the municipality's water services which yielded a 52% satisfaction in the 2012 survey but now reported a 71% satisfaction;
- The municipality needs to build a more inclusive or transparent process in which the public can be sure that their water readings are authentic;
- A sizeable 73% of the population that has sanitation is satisfied with the quality of sanitation services that the municipality provides;
- With a 96% of the total surveyed sample stating that they are not aware of what are the emergency numbers to call in water leakages. It is important that the municipality embarks on an intensive communication campaign so that the communities are aware what to do in the event of such emergency more so that the district is now in a dire water scarcity;
- With regards to billing and payments the performance in this regard is good but needs to be improved with respect to clarity/understandability/correctness of accounts;
- On Communication, the Amathole District Municipality should ensure communication is more informative. Improve timelines of responding to enquiries/complaints and Improve on accuracy of addressing customer requests and complaints; and
- A systematic inclusive approach should be taken in effectively protecting historical assets; this should happen concurrent to making sure that the communities are aware of the initiatives that the municipality is doing in this regard.

8. BACK TO BASICS (B2B)

The B2B acknowledges that local government has been a primary site for the delivery of services in South Africa since 1994 there has been tremendous progress in delivering water, electricity, sanitation and refuse removal at a local level. These rates of delivery are unprecedented in worldwide terms. Yet despite our delivery achievements, it is clear that much needs to be done to support, educate and where needed, enforce implementation of local government's mandate for delivery. The transformation of the local government sector remains a priority for the current administration. Our National Development Plan makes it clear that meeting our transformation agenda requires functional municipalities and capable machinery at a local level that can create safe and healthy and economically sustainable areas where citisens and people can work, live and socialise. B2B has five pillars areas that will ensure that municipalities set the proper standards for municipal performance:

- Putting people and their concerns first;
- Demonstrating good governance and administration;
- Delivering municipal services;
- Sound financial management and accounting; and
- Sound institutional and administrative capabilities.

On a quarterly basis, Amathole District Municipal Council and its structures receive an Institutional Overview report in line with Back to Basics strategic objectives stipulated above. In addition, the Local Economic Development and Spatial Planning priority objectives are also reported.

9. IDP ASSESSMENTS AS ASSESSED BY EC-COGTA

Table 5: 5 YEAR IDP ASSESSMENTS

KPAs	RATING 2016/17	RATING 2017/18	RATING 2018/19	RATING 2019/20	RATING 2020/21
Spatial Planning, Land, Human Settlements and Environmental Management	High	High	High	High	High
Financial Planning and Budgets	High	Medium	High	High	High
Good Governance and Public Participation	High	High	High	High	High
Local Economic Development	High	High	High	High	High
Institutional Arrangements	Medium	High	Medium	High	High
Basic Service Delivery	High	High	High	High	High

- The Municipality retained an overall of High rating score for the 2020/21 fy IDP assessments.
- All the issues that were raised have since been addressed in the 2021/22 IDP and a process plan has been done to address some as depicted below:

Table 6: IDP ASSESSMENT ISSUE PROCESS PLAN

KPA	ISSUES FROM COGTA	COMMENTS FROM THE AFFECTED DEPARTMENT	TIMEFRAME
Spatial Planning, Land Human Settlement and Environmental Management	• The municipality must resolve the issues hindering the functioning of the DMPT as planning in local municipalities is adversely affected and development applications to be assessed by the structure are not processed. The municipality is encouraged to reflect on its challenges so that tailored assistance can be provided. • The municipality must reflect whether it is a licensing authority for Air Quality Control and reflect in the IDP.	It is reflected in the current IDP ADM does not perform the function of atmospheric licensing, it is performed by DEDEAT, however we have a cooperation	

	• The municipality must reflect on capital projects that will require environmental authorisation to comply with the Environmental Impact Assessment.	Specific departments such as Engineering who implement capital projects which require EIA are the ones responsible for the application of EIA	
Service Delivery and Infrastructure Planning	• The municipality must reflect on plans and budget for non-motorised roads facilities. • The municipality must develop a Trade Effluent Policy and budget for its operations and maintenance.	It is reflected in the current IDP and progress has been stated	N/A
Financial Planning and Budgets	• The municipality must service its loans as per service level agreement as prescribed by Section 46 of MFMA, 2003 and reflect in the IDP. • The municipality should collect its revenue at least more than 50% from the consumers in terms of financial norms and standards. • The municipalities must establish the Indigent Steering Committee and ensure they are functional. • The municipality must reflect on the Free Basic Services integration plans with its local municipalities.	The expenditure matters have been integrated in the Chapter 4 of the IDP under KPA 4: Municipal Financial Viability and Chapter 6 of the IDP Revenue collection was negatively affe the by the severe economic recession d more cash. It is reflected in the current IDP	
Good Governance and Public Participation	• The municipality must reflect on the establishment and functionality of War Rooms. • The municipality must indicate whether a Fraud Prevention Policy or Plan was developed. • The municipality must reflect on its contribute towards the development of ward based plans in its local municipalities.		
Institutional Arrangements	• The municipality must reflect on the functionality of the Local Labour Forum.	It is reflected in the current IDP	

The following document is structured as follows:

CHAPTER 1	STRATEGIC OUTLOOK
CHAPTER 2	GEOGRAPHIC & DEMOGRAPHIC PROFILE SITUATIONAL DATA
CHAPTER 3	STATUS QUO ASSESSMENT
CHAPTER 4	2021/22 OBJECTIVES, STRATEGIES AND PROJECTS
CHAPTER 5	SECTOR PLANS
CHAPTER 6	FINANCIAL ANALYSIS
CHAPTER 7	PERFORMANCE MANAGEMENT

CHAPTER 1:
Strategic Outlook & Executive Summary

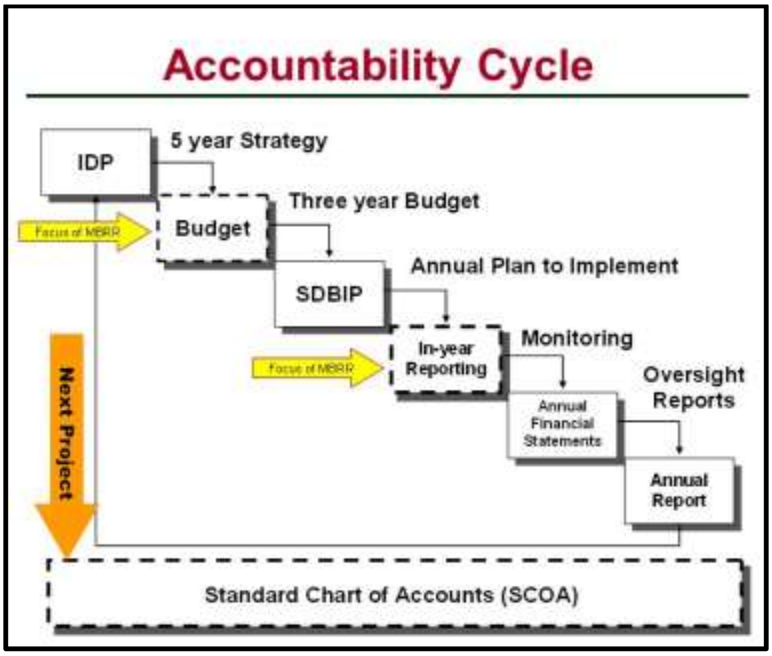
CHAPTER ONE
STRATEGIC OUTLOOK

1.1 LOCAL GOVERNMENT STRATEGIC PLANNING AND MUNICIPAL ACCOUNTABILITY FRAMEWORK

The Municipal Systems Act outlines the process which needs to be undertaken in order to develop an Integrated Development Plan in order to effectively utilise the scarce resources which are allocated. In addition, the IDP is a Corporate Strategy that assists with accelerating service delivery in an effective and efficient manner and also attraction of funding and investment in line with the development plans of the area.

In order to guide this process, the Accountability cycle illustrated below is customised into a Local government Strategic planning framework which has been undertaken by Amathole District Municipality whereby it commences with the review of the Integrated Development Plan (IDP). This process is then followed by the allocation of the budget for the realisation of the IDP. The Service Delivery and Budget Implementation are the Business Scorecard which Amathole District Municipality utilises to implement projects. Moreover, an important component is the Performance Management which monitors and evaluates implementation against the stated targets.

FIGURE 2: ACCOUNTABILITY CYCLE



1.2 AMATHOLE DISTRICT MUNICIPALITY VISION, MISSION AND VALUES

The Vision, Mission and Core Values of Amathole District Municipality as adopted by Council in 2017 are as follows:

VISION:

Amathole District Municipality: Commitment towards selfless, excellent and sustainable service to all our communities.

MISSION:

Amathole District Municipality, in its developmental mandate, is dedicated to contributing to:

- Ensuring equal access to socio-economic opportunities;
- Building the capacity of local municipalities within Amathole District Municipality’s area of jurisdiction;
- Ascribe to a culture of accountability and clean governance;
- Sound financial management;
- Political and administrative interface to enhance good service delivery; and
- Contributing to the betterment of our communities through a participatory development process.

CORE VALUES:

Selflessness - In all our business activities we commit that corruption and unscrupulous business practices will be dealt with decisively and objectively.

Pro-poor - The poorest of the poor will be the main focal point for an Amathole District Municipality DM’s business and service delivery.

Responsiveness - We will continue to strive for improved turnaround time in the delivery of services and in dealing with our valuable customers.

Transformative - We will make considerable strides to ensure that adequate capacity (skills and human capital) equates the mandate and business of Amathole District Municipality.

Inclusivity - We will include all our stakeholders in our planning, implementation, monitoring, evaluation and reporting in ensuring an integrated effort towards service delivery.

Dignity and respect - We will ensure that our service delivery restores human dignity and respect.

Good work ethics - We will be professional in our conduct and ascribe to the Batho Pele principles.

Transparency - Throughout our business operation, we will ensure access to information and fairness to our stakeholders.

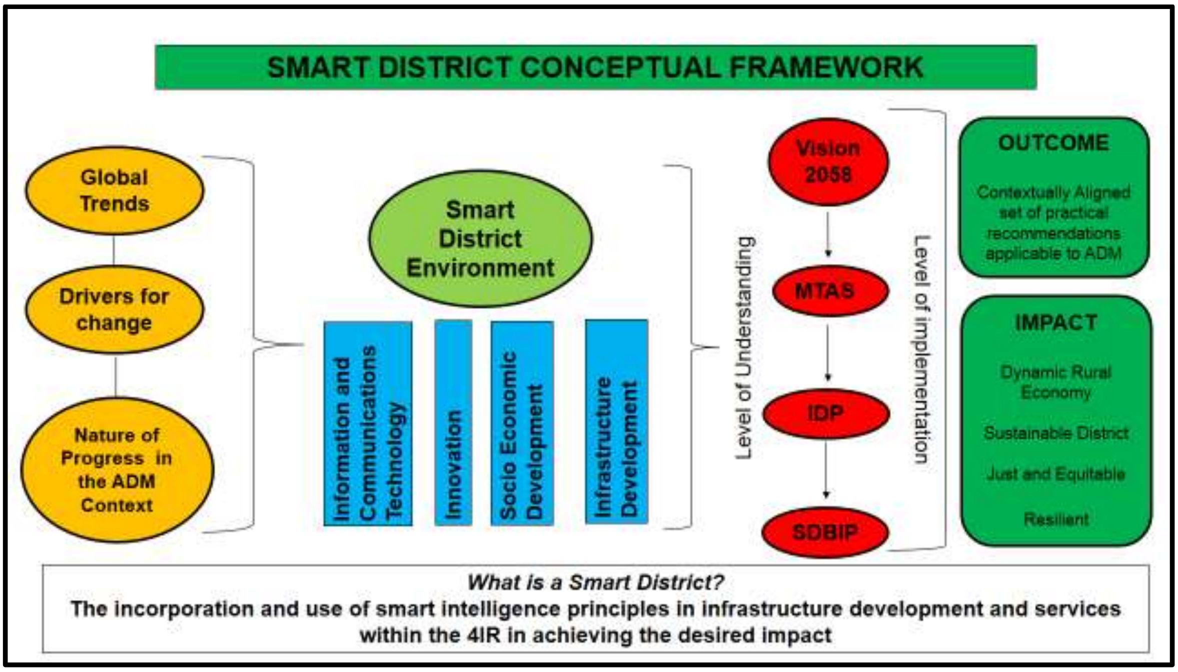
Integrity - We will constantly conduct ourselves with the utmost integrity as councillors and officials of Amathole District Municipality

Accountability - We are committed in being held to account by our stakeholders and primary customers.

1.3 AMATHOLE DISTRICT MUNICIPALITY SMART DISTRICT TOWARDS 2058

Amathole District Municipality Council recently adopted the Amathole Smart District towards 2058: "***Vision 2058: Building a Smart District***", which is a 40-year prognosis in preparation of our District on smart concepts within the 4th Industrial Revolution. The Smart District Visioning for a rural district is the first of its kind with key drivers being Information Communication Technology (ICT), Socio-Economic Development, Infrastructure Development and Innovation. Forty (40) International Futurists endorsed the document through the World Future Studies Federation (WFSF) which now serves as a benchmark prognosis to be presented to the United Nations and UNESCO during 2019.

FIGURE 3: SMART DISTRICT CONCEPTUAL FRAMEWORK



The **desired impact** for Amathole District towards 2058 is:

- A Growing, Thriving and Smart District will ensure to be one of South Africa's most **Dynamic Rural Economies** where families, businesses, Local Municipalities and wards thrive.
- Most **Sustainable District** in South Africa and a regional leader in the fight against climate change.
- **Just and Equitable** Amathole District Municipal area will have an inclusive, equitable economy that offers well-paying jobs and opportunity for all to live with dignity and security.
- **Resilient District,** our neighbourhoods, our economy, and public services are ready to withstand and emerge stronger from the impacts of climate change and other 21st century threats.

In order to realise ***"Vision 2058: Building a Smart District"***, catalytic projects with smart solutions within the 4th Industrial Revolution, have been identified to bring new opportunities and fostering cooperation between stakeholders, local government and their residents were identified.

These are:

- Sea Water Desalination Plant
- Integrated Transport Systems
- Broadband Connectivity
- World Class Sports Academy
- STEM Skills Academy
- Waste Management
- Small Town Revitalisation
- Revitalisation of Irrigation Schemes
- Revitalisation of Crop Plantation
- World Class Disaster Management Center

1.4 MUNICIPAL TURNAROUND STRATEGY

Amathole District Municipality Council adopted a Municipal Turnaround Strategy (MTAS): "***Bringing Amathole District Municipality Back to Its Former Glory"*** towards building a value-based organisation that thrives on a "**culture of excellence"**.

MTAS focuses on **brand repositioning** by building confidence in Brand Amathole District Municipality with strategic stakeholders such as local municipalities, provincial and national government including state-owned entities. In addition, MTAS focuses on **organisational development and design** by ensuring that the current organisational structure responds to Amathole District Municipality's core business. Moreover, **financial sustainability** is a key focus area in ensuring a sound financial base in order to realise accelerated service delivery by Amathole District Municipality.

Furthermore, **building of public confidence** in ensuring that Amathole District Municipality community trust the provisioning of services in an efficient, effective and sustainable manner. The framework for the Municipal Turnaround Strategy is based on **eight (8) development pillars**

FIGURE 4: AMATHOLE DISTRICT MUNICIPALITY STRATEGY 2018 – 2023

1.4.1 Leadership Development

This pillar focuses on the **empowerment of administrative and political leadership** in Strategic Planning, Monitoring and Evaluation, Oversight, Ethics, Financial Management, Local Government Law and Leadership.

1.4.2 Institutional Development

This pillar focuses on the **development and building of a skilled and professional workforce** of Amathole District Municipality in order for the institution to exercise its powers and perform its functions assigned to it in terms of the Constitution and other legislation in an efficient, effective and sustainable manner.

1.4.3 Quality Service Delivery

This pillar focuses on the **improvement of the institutional operational performance** towards service delivery.

1.4.4 Sound Financial Management

The pillar focuses on **financial management reforms, strengthening of planning and budgeting, strengthening oversight through improved transparency, institutional strengthening and capacity building and analysis of financial conditions.**

1.4.5 Good Governance

These pillars focus on the necessary **guidance, support and facilitation in improving planning, monitoring and evaluation of initiatives and accountability** of such.

1.4.6 Local Economic Development

This pillar focuses on the **creation of wealth** in Amathole using its Natural and Artificial resources

1.4.7 Human Capital Development

This pillar focuses on the **improvement of education and skills provider to drive socio-economic growth** by harnessing and maximising the utilisation of the Knowledge Economy.

1.4.8 Spatial Planning

The pillar focuses on **Spatial Translation of the Long-Term Vision** that will guide and inform land development and management towards alignment to SPLUMA.

The success of the Municipal Turnaround Strategy is on creating and maintaining strategic partnerships and relations with different spheres of government, state-owned entities, local municipalities and the private sector in ***"Bringing Amathole District Municipality Back to Its Former Glory".***

In summary, Amathole District Municipality's long-term Smart District 2058 Strategy identifies various key outcomes, and a number of related outputs, that intend to realise the long-term vision. Amathole District Municipality's five-year turnaround strategy then translates these desired outcomes into medium-term programmes for implementation in that term of office. On an annual basis, the IDP is then reviewed and business plans are developed, detailing short-term operational plans. These are linked to annual budgets for Amathole District Municipality Annual Service Delivery and Budget Implementation Plans (SDBIP). This is illustrated in Figure 1.4 and 1.5. below.

FIGURE 5 LINKING IT ALL TOGETHER FOR AMATHOLE DISTRICT MUNICIPALITY

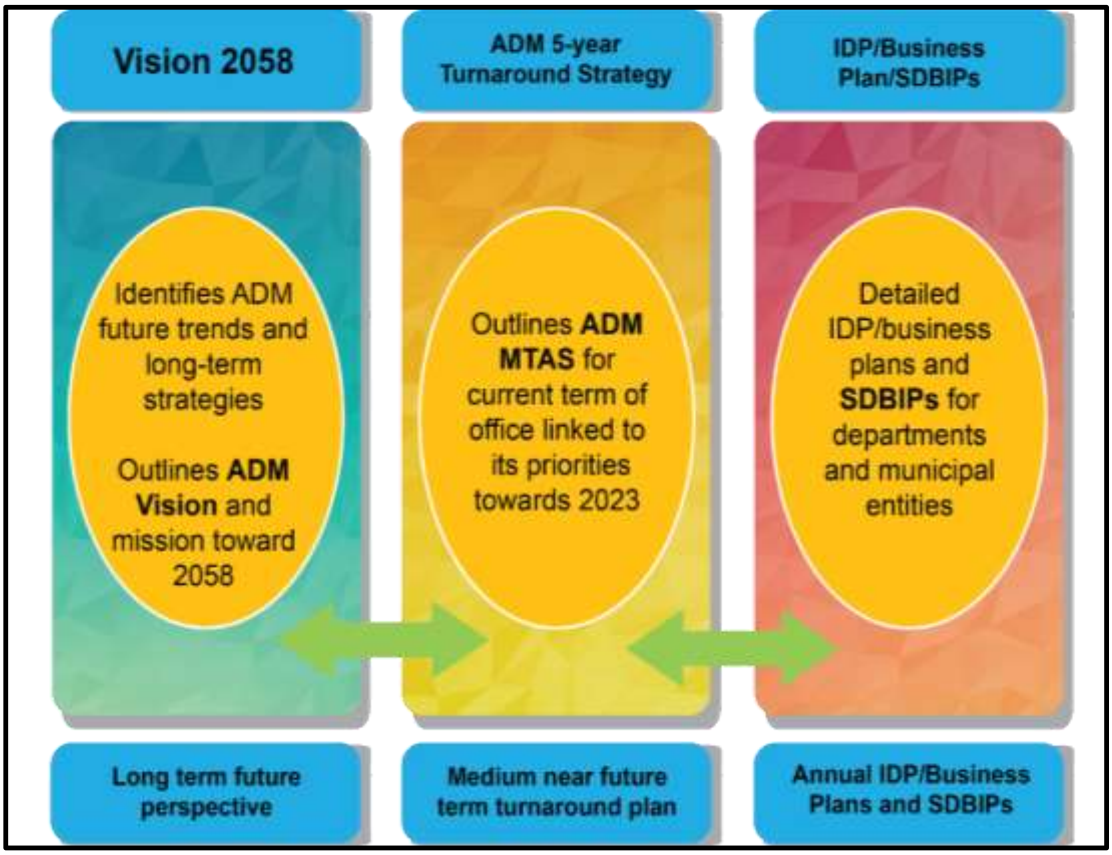


FIGURE 6 :SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS (SDBIP)

National, Provincial and District agenda	Government priorities and focus are set at national, provincial and district levels.
Growth and Development Strategy	Long-term strategy for Amathole District Municipality, informed by government planning, emerging trends and other development issues towards 2058.
Turnaround Strategic Plan	5-year plan linked to long-term goals i.e. breaking down Amathole District Municipality's long-term objectives into 5-year turnaround strategic planning.
Integrated Development plan	The Annual IDP then outlines an overview of planning for a specific year against high-level strategic plans outlined in the IDP and reports on progress against those high-level goals on an annual basis.
Business Plans and SDBIPs	Annual planning by departments and municipal entities linked to achieving objectives outlined in IDP as well as Turnaround plan and alignment towards long-term strategy.

As required by the Municipal Systems Act, Amathole District Municipality should revise its IDP on an annual basis, to ensure that it remains relevant to its specific operating environment including political, socio-economic or other changes that may occur. This annual review also enables Amathole District Municipality to update its IDP, based on its overall performance.

1.5 DISTRICT DEVELOPMENT MODEL (ONE PLAN)

The President of the Republic of South Africa has articulated this in the Presidency Budget Speech (2019) by indicating that things have to work differently from now on:

"For the effective implementation of our seven priorities, the structures of government will need to function with maximum coordination and cooperation as it is envisaged in our Constitution.

The truth is that lack of coordination between national and provincial governments, between departments and particularly at local government level, has not served us. We have slid into a pattern of operating in silos.This has led to lack of coherence in planning and implementation and has made monitoring and oversight of government's programme difficult. It has become a significant deterrent to investment as businesspeople have had to move from pillar to post in search of support and services in what are essentially the same sectors. At the heart of most service delivery protests is fragmented planning on our part as well as poor communication. As the 6th Administration we are going to do away with this fragmented approach to development."

- Therefore we are called upon to:
    - Ensure that we bring to life the aspirations of the people shall govern
    - Bring government closer to the people through the District with the support of provincial and national government, so as to enhance development and cooperative governance at all spheres

The Model consists of a process by which joint and collaborative planning is undertaken at local, district and metropolitan by all three spheres of governance resulting in a single strategically focussed One Plan for each of the 44 districts and 8 metropolitan geographic spaces in the country, wherein the district is seen as the 'landing strip'.

The District Development Model builds on the White Paper on Local Government (1998), which seeks to ensure that "local government is capacitated and transformed to play a developmental role". The White Paper says developmental local government "is local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives

1.5.1 DDM Objectives

- Coordinate a government to challenges of poverty, unemployment and inequality particularly amongst women, youth and people living with disabilities.
- Ensure inclusivity by gender budgeting based on the needs and aspirations of our people and communities as a local level. Narrow the distance between people and government by strengthening the coordination role and capabilities at the District and City levels.
- Foster a practical intergovernmental relations mechanism to plan, budget and implement jointly in order to provide a coherent government for the people in the Republic; (solve silo's, duplication and fragmentation) maximise impact and align plans and resources at our disposal through development of "One District, One Plan and One Budget"
- Build government capacity to support municipalities. Strength monitoring and evaluation at district and local levels. Implement a balanced approach towards development between urban and rural areas.
- Exercise oversight over budgets and projects in an accountable and transparent manner.

CHAPTER 2:
Strategic Geographic & Demographic Profile Situational Data

CHAPTER TWO
GEOGRAPHIC & DEMOGRAPHIC PROFILE
SITUATIONAL DATA

2.1 MUNICIPAL GEOGRAPHICAL INFORMATION

The Amathole District Municipality is a Category C municipality situated in the central part of the Eastern Cape. It stretches along the Sunshine Coast from the Fish River Mouth and along the Eastern Seaboard to just south of Hole in the Wall along the Wild Coast. It is bordered to the north by the Amathole Mountain Range. The municipality is comprised of six local municipalities: Mbhashe, Mnquma, Great Kei, Amahlathi, Ngqushwa and Raymond Mhlaba. The district has spectacular views of endless undulating grasslands, valley bush, pristine estuaries, beautiful beaches, forests, waterfalls and the Amathole mountain range from which the Municipality derives its name.

Four heritage routes have been developed that are named after Xhosa kings and heroes. They are the Maqoma Route, the Makana Route, the Sandile Route and the Phalo Route. These intertwine with the other tourism routes located within the district, namely the Sunshine Coast Route, the Wild Coast Route, the Amathole Mountain Escape Route and the Friendly N6 Route.

2.2 DEMOGRAPHICS

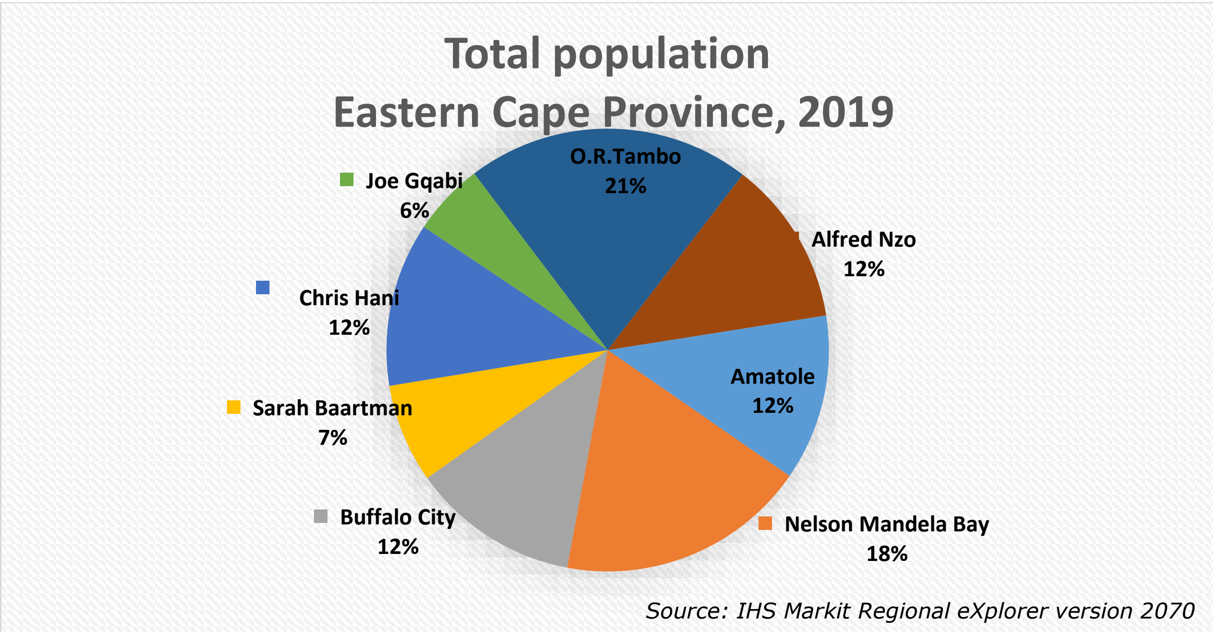
"Demographics", or "population characteristics", includes analysis of the population of a region. Distributions of values within a demographic variable, and across households, as well as trends over time are of interest. In this section, an overview is provided of the demography of the and all its neighbouring regions, Amathole District Municipality, Eastern Cape Province and South Africa as a whole.

Amathole District Municipality uses Statistics South Africa as its main source of data to inform planning. It is worth noting that the point of reference for the 2020-2021 IDP Review with regards to data is the 2016 Community Survey. However, the 2016 Community survey did not take into consideration the Municipal Demarcation Board outcomes which impacted on the 2017-2022 Municipal boundaries for Amathole District Municipality. Therefore, data has been sourced from ECSECC as it is the most up to date and realistic data to inform the 2021-2022 IDP Review Process.

2.2.1 TOTAL POPULATION

Population statistics are important when analysing an economy, as the population growth, directly and indirectly, impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income. The population estimates for 2016 Community Survey indicated the district had 914 842 people, which is a 2% increase from 892 637 in 2011 Census. In 2019 as per the ECSECC survey the district's population 885 047 which is captured as a huge decrease due to demarcation factors as mentioned above, the table below illustrates the estimated population until 2030.

FIGURE 7: TOTAL POPULATION - AMATHOLE AND THE REST OF EASTERN CAPE, 2019 [PERCENTAGE]



Source: ECSECC, 2019

When compared to other regions, the Amatole District Municipality accounts for a total population of 885,000, or 12.1% of the total population in the Eastern Cape Province, with the O.R.Tambo being the most populous region in the Eastern Cape Province for 2019. Amatole decreased in importance from ranking third in 2009 to fourth in 2019. In terms of its share the Amatole District Municipality was significant smaller in 2019 (12.1%) compared to what it was in 2009 (13.3%).

When looking at the average annual growth rate, it is noted that Amatole ranked lowest (relative to its peers in terms of growth) with an average annual growth rate of 0.1% between 2009 and 2019.

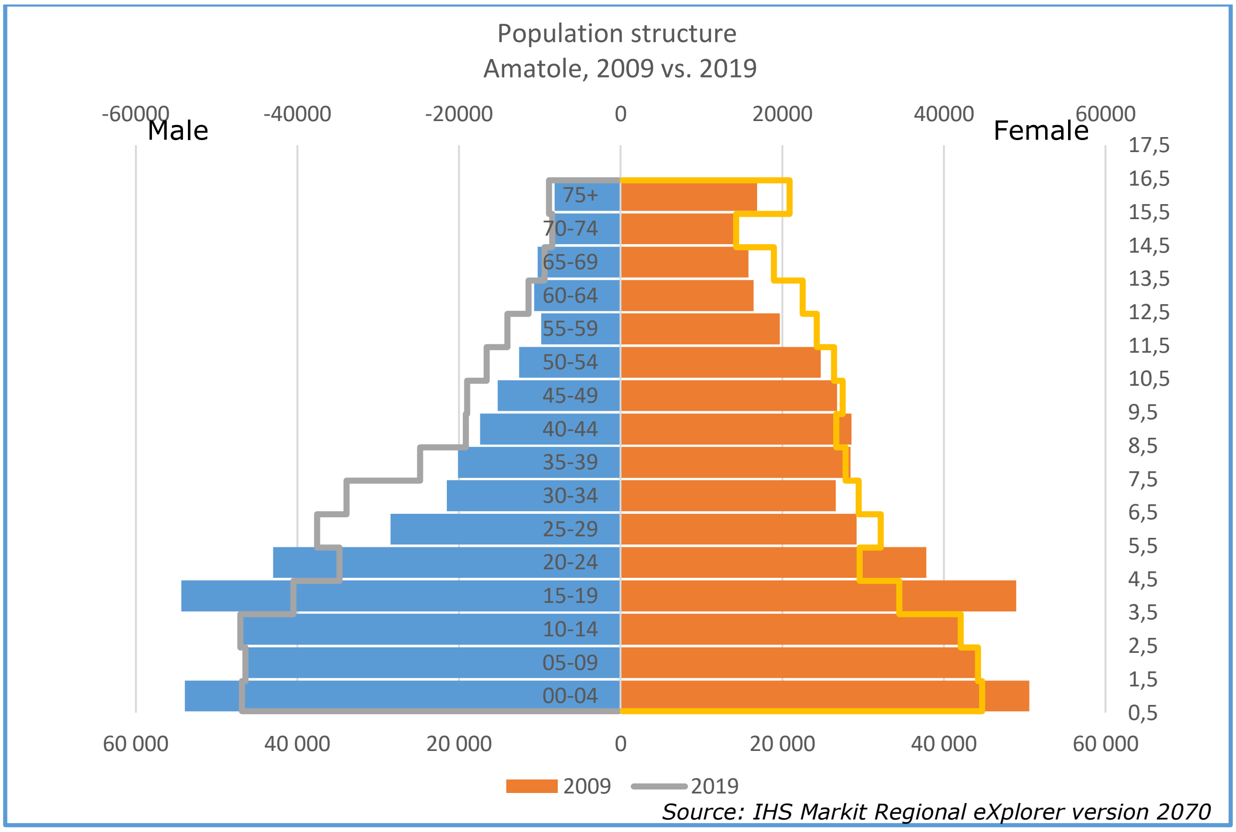
Table 7:Total Population - Local Municipalities Of Amathole District Municipality, 2009, 2014 And 2019 [Numbers Percentage]

	2009	2014	2019	Average Annual growth
Mbhashe	265,000	266,000	275,000	***0.36***%
Mnquma	254,000	247,000	249,000	***-0.19***%
Great Kei	33,300	31,300	31,000	***-0.70***%
Amahlathi	106,000	102,000	103,000	***-0.31***%
Ngqushwa	67,900	65,100	65,000	***-0.43***%
Raymond Mhlaba	154,000	158,000	162,000	***0.53***%
Amatole	880,054	869,114	885,047	***0.06***%

Source: ECSECC, 2019

The Raymond Mhlaba Local Municipality increased the most, in terms of population, with an average annual growth rate of 0.5%, the Mbhashe Local Municipality had the second highest growth in terms of its population, with an average annual growth rate of 0.4%. The Great Kei Local Municipality had the lowest average annual growth rate of -0.70% relative to the other within the Amatole District Municipality.

FIGURE 8: POPULATION PYRAMID - AMATHOLE DISTRICT MUNICIPALITY, 2019 VS. 2024 [PERCENTAGE]



Source: ECSECC, 2019

The population pyramid reflects a projected change in the structure of the population from 2019 and 2024. The differences can be explained as follows:

- In 2019, there is a significantly larger share of young working age people between 20 and 34 (22.3%), compared to what is estimated in 2024 (20.4%). This age category of young working age population will decrease over time.
- The fertility rate in 2024 is estimated to be slightly higher compared to that experienced in 2019.
- The share of children between the ages of 0 to 14 years is projected to be significant smaller (28.0%) in 2024 when compared to 2019 (30.7%).

In 2019, the female population for the 20 to 34 years age group amounts to 10.3% of the total female population while the male population group for the same age amounts to 12.0% of the total male population. In 2024, the male working age population at 11.0% still exceeds that of the female population working age population at 9.4%, although both are at a lower level compared to 2019.

2.2.2.1 Population Projections

Based on the present age-gender structure and the present fertility, mortality and migration rates, Amatole's population is projected to grow at an average annual rate of 0.7% from 885 000 in 2019 to 917 000 in 2024.

Table 8: POPULATION PROJECTIONS - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2016-2021 [NUMBERS PERCENTAGE]

	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
2019	885,000	7,290,000	59,000,000	*12.1%*	*1.50%*
2020	890,000	7,360,000	59,800,000	*12.1%*	*1.49%*
2021	896,000	7,430,000	60,600,000	*12.1%*	*1.48%*
2022	903,000	7,500,000	61,500,000	*12.0%*	*1.47%*
2023	910,000	7,570,000	62,300,000	*12.0%*	*1.46%*
2024	917,000	7,630,000	63,100,000	*12.0%*	*1.45%*
Average Annual growth					
2019-2024	***0.72***%	***0.92***%	***1.35***%		

Source: ECSECC, 2019

The population projection of Amatole District Municipality shows an estimated average annual growth rate of 0.7% between 2019 and 2024. The average annual growth rate in the population over the forecasted period for Eastern Cape Province and South Africa is 0.9% and 1.3% respectively. The Eastern Cape Province is estimated to have average growth rate of 0.9% which is higher than the Amatole District Municipality. The South Africa as a whole is estimated to have an average annual growth rate of 1.3% which is higher than that of Amatole's growth rate.

2.2.2.2 Population by Population Group, Gender and Age

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

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa, report as per Table 2 below.

Table 9: Number Of Households – Amathole And Six Municipalities, Eastern Cape And National Total, 2006-2023 [Number Percentage]

	MBHASHE	MNQUMA	GREAT KEI	AMAHLATHI	NGQUSHWA	RAYMOND MHLABA	AMATHOLE	EASTERN CAPE	NATIONAL
2006	58,6	65,0	8,7	27,6	18,5	40,0	218,0	1570,0	13000,0
2007	59,1	65,4	8,6	27,6	18,6	40,2	219,0	1590,0	13100,0
2008	60,3	66,4	8,5	27,7	18,8	40,9	223,0	1620,0	13400,0
2009	62,0	68,0	8,4	28,0	19,2	41,8	227,0	1670,0	13700,0
2010	62,3	67,9	8,2	27,7	19,0	41,7	227,0	1650,0	13900,0
2011	62,5	67,8	8,1	27,5	18,8	41,5	226,0	1700,0	14200,0
2012	62,8	67,9	8,1	27,5	18,8	41,6	227,0	1720,0	14500,0
2013	62,9	67,8	8,0	27,3	18,6	41,5	226,0	1730,0	14700,0
2014	62,8	67,3	8,0	27,1	18,5	41,3	225,0	1740,0	15000,0
2015	63,2	67,6	8,4	27,1	18,5	41,6	226,0	1770,0	15400,0
2016	63,8	68,0	8,1	27,2	18,6	41,9	227,0	1790,0	15800,0
2017	64,7	68,6	7,9	27,1	18,6	42,1	228,8	1815,6	15914,5
2018	65,2	68,9	7,9	27,0	18,6	42,3	229,5	1837,2	16192,7
2019	65,6	69,1	7,8	26,9	18,6	42,4	230,2	1858,7	16470,9
2020	66,1	69,3	7,8	26,9	18,5	42,5	230,9	1880,3	16749,1
2021	66,6	69,6	7,7	26,8	18,5	42,7	231,6	1901,8	17027,3
2022	67,1	69,8	7,6	26,7	18,5	42,8	232,3	1923,4	17305,5
2023	67,5	70,0	7,6	26,7	18,5	43,0	233,0	1944,9	17583,6
Ave %	**0,74 %**	**0,40 %**	**0,83 %**	**0,19 %**	**0,01 %**	**0,38 %**	**0,36 %**	**1,07%**	**1,45%**

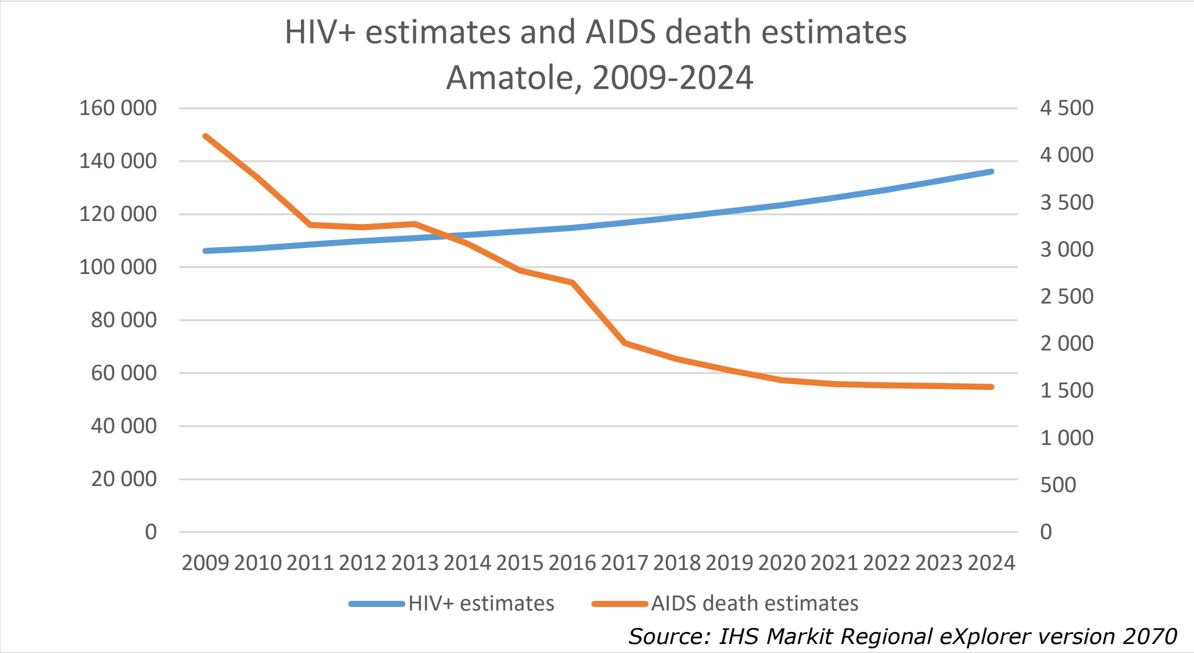
2.2.3 HIV+ AND AIDS ESTIMATES

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

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

In 2019, 121 000 people in the Amatole District Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.33% since 2009, and in 2019 represented 13.68% of the district municipality's total population. The Eastern Cape Province had an average annual growth rate of 1.84% from 2009 to 2019 in the number of people infected with HIV, which is higher than that of the Amatole District Municipality. When looking at the South Africa as a whole it can be seen that the number of people that are infected increased from 2009 to 2019 with an average annual growth rate of 2.32%.

FIGURE 9: AIDS PROFILE AND FORECAST - AMATHOLE DISTRICT MUNICIPALITY, 2009-2024 [NUMBERS]



Source: ECSECC, 2019

Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 4210 in 2009 and 1720 for 2019. This number denotes an decrease from 2009 to 2019 with a high average annual rate of -8.56% (or -2490 people). For the year 2019, they represented 0.19% of the total population of the entire district municipality.

2.2.4 ECONOMY

The economic state of Amathole District Municipality is put in perspective by comparing it on a spatial level with its neighbouring district municipalities, Eastern Cape Province and South Africa. The section will also allude to the economic composition and contribution of the regions within Amathole District Municipality. The Amathole District Municipality does not function in isolation from Eastern Cape, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

2.2.4.1 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 states. 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, where the current prices measure the economy in actual Rand, and constant prices measure the economy by removing the effect of inflation and therefore captures the real growth in volumes as if prices were fixed in a given base year.

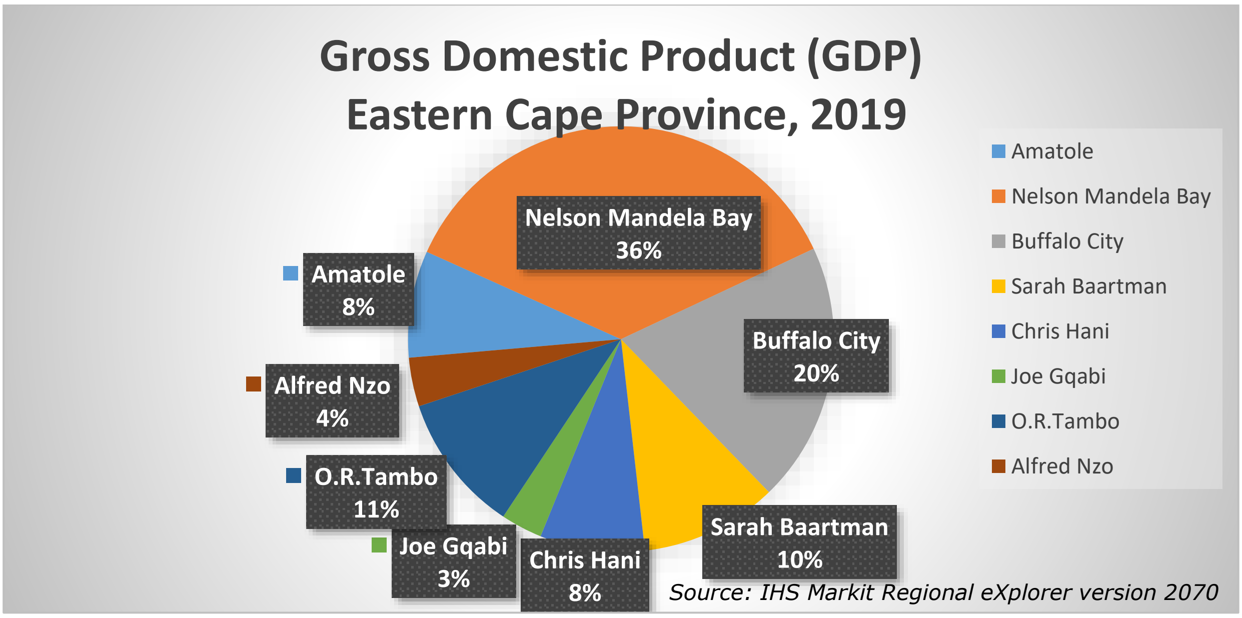
Table 10: Gross Domestic Product (Gdp) - Amathole, Eastern Cape And National Total, 2009-2019 [R Billions, Current Prices]

	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
2009	16.8	191.2	2,507.7	8.8%	0.67%
2010	18.4	211.6	2,748.0	8.7%	0.67%
2011	19.7	226.1	3,023.7	8.7%	0.65%
2012	21.8	252.2	3,253.9	8.6%	0.67%
2013	23.2	273.3	3,540.0	8.5%	0.66%
2014	24.8	293.6	3,805.3	8.4%	0.65%
2015	26.5	316.3	4,049.9	8.4%	0.66%
2016	28.0	334.5	4,359.1	8.4%	0.64%
2017	29.8	358.6	4,653.6	8.3%	0.64%
2018	31.0	375.5	4,873.9	8.3%	0.64%
2019	31.8	391.1	5,077.6	8.1%	0.63%

Source: ECSECC, 2019

With a GDP of R 31.8 billion in 2019 (up from R 16.8 billion in 2009), the Amatole District Municipality contributed 8.12% to the Eastern Cape Province GDP of R 391 billion in 2019 increasing in the share of the Eastern Cape from 8.77% in 2009. The Amatole District Municipality contributes 0.63% to the GDP of South Africa which had a total GDP of R 5.08 trillion in 2019 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2009 when it contributed 0.67% to South Africa, but it is lower than the peak of 0.67% in 2010.

FIGURE 10: GROSS DOMESTIC PRODUCT (GDP) - AMATHOLE DISTRICT MUNICIPALITY AND THE REST OF EASTERN CAPE, 2019 [PERCENTAGE]



Source: ECSECC, 2019

Amatole District Municipality had a total GDP of R 31.8 billion and in terms of total contribution towards Eastern Cape Province the Amatole District Municipality ranked fifth relative to all the regional economies to total Eastern Cape Province GDP. This ranking in terms of size compared to other regions of Amatole remained the same since 2009. In terms of its share, it was in 2019 (8.1%) slightly smaller compared to what it was in 2009 (8.8%). For the period 2009 to 2019, the average annual growth rate of 0.4% of Amatole was the sixth relative to its peers in terms of growth in constant 2010 prices.

Table 11: GROSS DOMESTIC PRODUCT (GDP) - LOCAL MUNICIPALITIES OF AMATHOLE DISTRICT MUNICIPALITY, 2009 TO 2019, SHARE AND GROWTH

	2019 (Current prices)	Share of district municipality	2009 (Constant prices)	2019 (Constant prices)	Average Annual growth
Mbhashe	4.71	14.83%	2.80	2.84	0.12%
Mnquma	8.99	28.30%	5.29	5.43	0.26%
Great Kei	4.05	12.74%	2.13	2.43	1.31%
Amahlathi	4.33	13.63%	2.65	2.62	-0.12%
Ngqushwa	3.35	10.55%	1.80	2.02	1.18%
Raymond Mhlaba	6.34	19.96%	3.64	3.77	0.32%
Amatole	**31.77**		**18.31**	**19.10**	

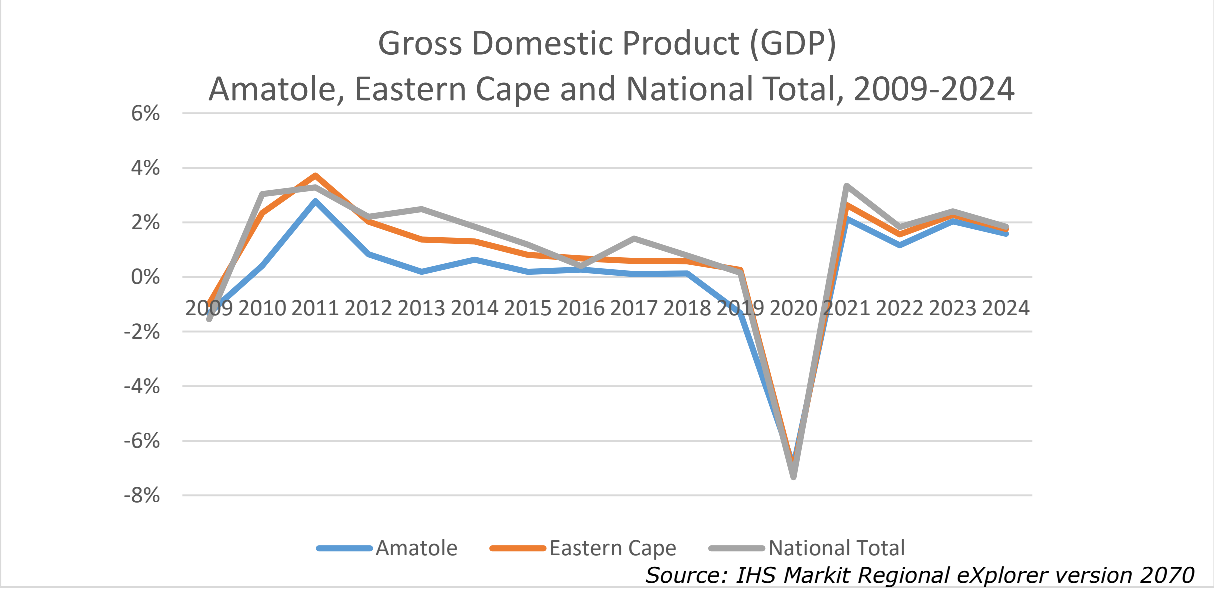
Source: ECSECC, 2019

Great Kei had the highest average annual economic growth, averaging 1.31% between 2009 and 2019, when compared to the rest of the regions within the Amatole District Municipality. The Ngqushwa Local Municipality had the second highest average annual growth rate of 1.18%. Amahlathi Local Municipality had the lowest average annual growth rate of -0.12% between 2009 and 2019.

2.2.4.2 Economic Growth Forecast

It is expected that Amatole District Municipality will grow at an average annual rate of -0.06% from 2019 to 2024. The average annual growth rate of Eastern Cape Province and South Africa is expected to grow at 0.15% and 0.34% respectively.

FIGURE 11: GROSS DOMESTIC PRODUCT (GDP) - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2009-2024 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]



Source: ECSECC, 2019.

In 2024, Amatole's forecasted GDP will be an estimated R 19 billion (constant 2010 prices) or 8.0% of the total GDP of Eastern Cape Province. The ranking in terms of size of the Amatole District Municipality will remain the same between 2019 and 2024, with a contribution to the Eastern Cape Province GDP of 8.0% in 2024 compared to the 8.1% in 2019. At a -0.06% average annual GDP growth rate between 2019 and 2024, Amatole ranked the sixth compared to the other regional economies.

2.2.5 LABOUR

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

Table 12: WORKING AGE POPULATION IN AMAThOLE, EASTERN CAPE AND NATIONAL TOTAL, 2009 AND 2019 [NUMBER]

	Amatole		Eastern Cape		National Total	
	2009	**2019**	**2009**	**2019**	**2009**	**2019**
15-19	103,000	75,000	723,000	590,000	5,250,000	4,610,000
20-24	80,800	64,400	647,000	568,000	5,310,000	4,870,000
25-29	57,700	69,800	520,000	678,000	4,570,000	5,500,000
30-34	48,100	63,400	438,000	617,000	3,780,000	5,520,000
35-39	48,600	52,600	419,000	491,000	3,300,000	4,580,000
40-44	46,000	45,800	371,000	404,000	2,810,000	3,590,000
45-49	42,000	46,500	319,000	374,000	2,470,000	3,050,000
50-54	37,300	43,000	268,000	322,000	2,100,000	2,560,000
55-59	29,500	38,300	206,000	281,000	1,700,000	2,220,000
60-64	27,200	33,900	176,000	238,000	1,360,000	1,850,000
Total	**520,000**	**533,000**	**4,090,000**	**4,560,000**	**32,700,000**	**38,400,000**

Source: ECSECC, 2019

The working age population in Amatole in 2019 was 533 000, increasing at an average annual rate of 0.23% since 2009. For the same period the working age population for Eastern Cape Province increased at 1.11% annually, while that of South Africa increased at 1.62% annually.

2.2.5.1 Economically Active Population (EAP)

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force. The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people.

People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

Table 13: ECONOMICALLY ACTIVE POPULATION (EAP) - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2009-2019 [NUMBER, PERCENTAGE]

	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
2009	172,000	1,820,000	18,300,000	9.4%	0.94%
2010	161,000	1,760,000	18,000,000	9.1%	0.89%
2011	158,000	1,770,000	18,300,000	8.9%	0.86%
2012	160,000	1,800,000	18,700,000	8.9%	0.86%
2013	168,000	1,870,000	19,400,000	9.0%	0.87%
2014	179,000	1,970,000	20,200,000	9.1%	0.89%
2015	188,000	2,050,000	20,900,000	9.2%	0.90%
2016	199,000	2,140,000	21,500,000	9.3%	0.92%
2017	212,000	2,230,000	22,100,000	9.5%	0.96%
2018	218,000	2,290,000	22,400,000	9.5%	0.97%
2019	225,000	2,350,000	22,700,000	9.6%	0.99%
Average Annual growth 2008-2019	***2.73***%	***2.55***%	***2.21***%		

Source: ECSECC, 2019

Amatole District Municipality's EAP was 225 000 in 2019, which is 25.43% of its total population of 885 000, and roughly 9.60% of the total EAP of the Eastern Cape Province. From 2009 to 2019, the average annual increase in the EAP in the Amatole District Municipality was 2.73%, which is 0.18 percentage points higher than the growth in the EAP of Eastern Cape's for the same period.

2.2.5.2 Labour Force Participation Rate

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

The following is the labour participation rate of the Amathole, Eastern Cape and National Total as a whole.

Table 14: THE LABOUR FORCE PARTICIPATION RATE - AMAThOLE, EASTERN CAPE AND NATIONAL TOTAL, 2009 TO 2019 [PERCENTAGE]

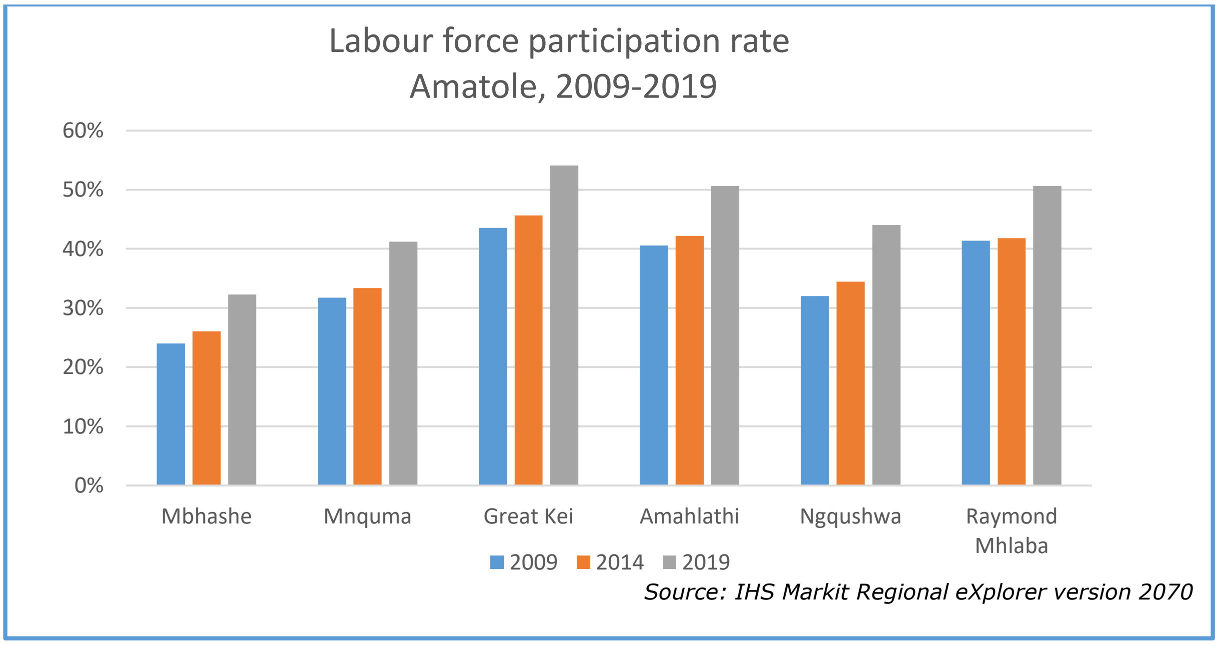
	Amatole	Eastern Cape	National Total
2009	33.0%	44.6%	55.9%
2010	30.9%	42.6%	54.1%
2011	30.3%	42.2%	53.9%
2012	30.8%	42.6%	54.3%
2013	32.4%	43.9%	55.2%
2014	34.5%	45.7%	56.6%
2015	36.1%	47.0%	57.7%
2016	38.2%	48.6%	58.8%
2017	40.4%	50.3%	59.5%
2018	41.4%	50.9%	59.4%
2019	42.2%	51.4%	59.2%

Source: ECSECC, 2019

The Amatole District Municipality's labour force participation rate increased from 33.03% to 42.25% which is an increase of 9.2 percentage points. The Eastern Cape Province increased from 44.61% to 51.39%, South Africa increased from 55.88% to 59.22% from 2009 to 2019.The Amatole District Municipality labour force participation rate exhibited a higher percentage point change compared to the Eastern Cape Province from 2009 to 2019. The Amatole District Municipality had a lower labour force participation rate when compared to South Africa in 2019.

In 2019 the labour force participation rate for Amatole was at 42.2% which is significantly higher when compared to the 33.0% in 2009. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2009, the unemployment rate for Amatole was 34.1% and increased overtime to 46.2% in 2019. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Amatole District Municipality.

FIGURE 12: THE LABOUR FORCE PARTICIPATION RATE - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2008, 2013 AND 2019 [PERCENTAGE]



Source: ECSECC, 2019

Great Kei Local Municipality had the highest labour force participation rate with 54.1% in 2019 increasing from 43.5% in 2009. Mbhashe Local Municipality had the lowest labour force participation rate of 32.3% in 2019, this increased from 24.0% in 2009.

2.2.5.3 Total Employment

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators. Total employment consists of two parts: employment in the formal sector, and employment in the informal sector.

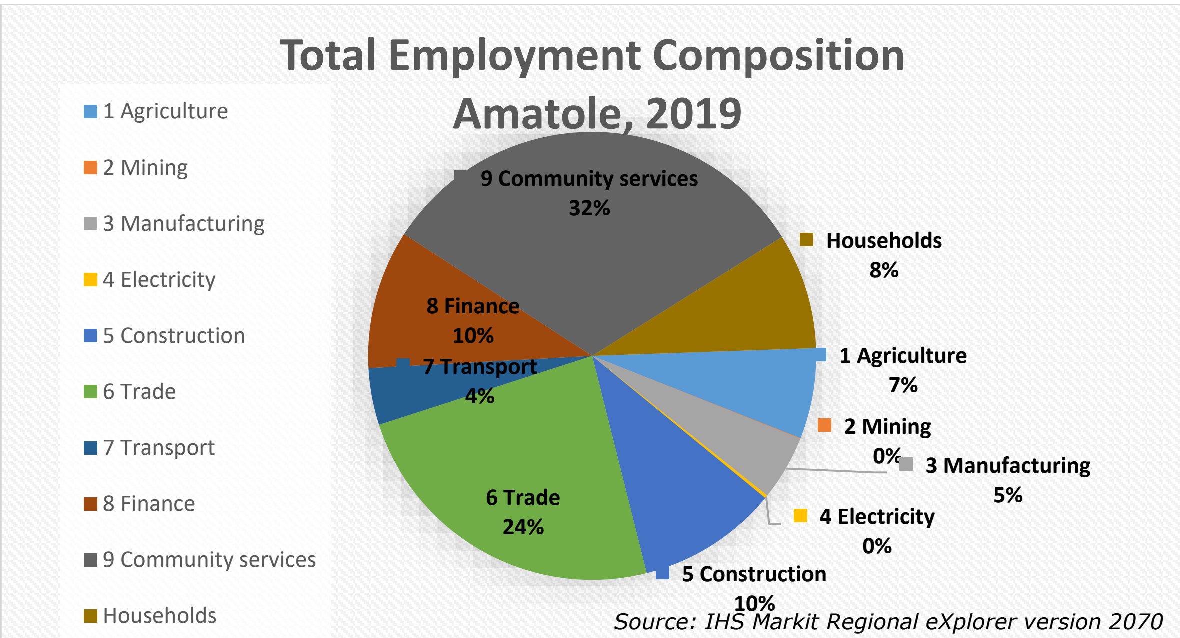
Table 15: TOTAL EMPLOYMENT - AMAThOLE, EASTERN CAPE AND NATIONAL TOTAL, 2008-2019 [NUMBERS]

	Amatole	Eastern Cape	National Total
2009	127,000	1,310,000	13,800,000
2010	120,000	1,260,000	13,500,000
2011	119,000	1,260,000	13,700,000
2012	119,000	1,270,000	14,000,000
2013	123,000	1,310,000	14,500,000
2014	131,000	1,370,000	15,100,000
2015	138,000	1,430,000	15,600,000
2016	142,000	1,470,000	15,900,000
2017	143,000	1,480,000	16,100,000
2018	141,000	1,470,000	16,300,000
2019	138,000	1,450,000	16,300,000
Average Annual growth 2009-2019	***0.80***%	***1.07***%	***1.65***%

Source: ECSECC, 2019

In 2019, Amatole employed 138 000 people which is 9.46% of the total employment in Eastern Cape Province (1.45 million), 0.85% of total employment in South Africa (16.3 million). Employment within Amatole increased annually at an average rate of 0.80% from 2009 to 2019.

FIGURE 13: TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - AMATOLE DISTRICT MUNICIPALITY, 2019 [PERCENTAGE]



Source: ECSECC, 2019

Amatole District Municipality employs a total number of 138 000 people within its district municipality. The district municipality that employs the highest number of people relative to the other regions within Eastern Cape Province is Nelson Mandela Bay district municipality with a total number of 420 000. The district municipality that employs the lowest number of people relative to the other regions within Eastern Cape Province is Joe Gqabi district municipality with a total number of 75 100 employed people.

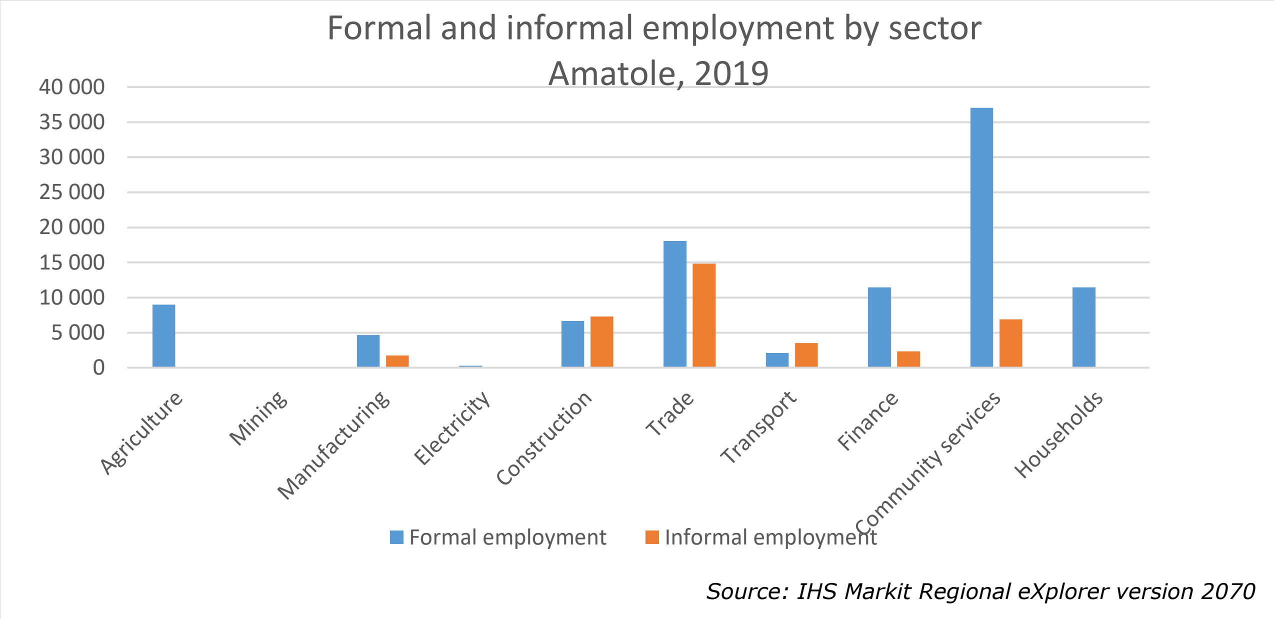
In Amatole District Municipality the economic sectors that recorded the largest number of employment in 2019 were the community services sector with a total of 44 000 employed people or 32.0% of total employment in the district municipality. The trade sector with a total of 32 900 (23.9%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 65.2 (0.0%) is the sector that employs the least number of people in Amatole District Municipality, followed by the electricity sector with 309 (0.2%) people employed.

2.2.5.4 Formal and Informal Employment

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established. Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is, however, a reality in South Africa and cannot be ignored.

The number of formally employed people in Amatole District Municipality counted 101 000 in 2019, which is about 73.33% of total employment, while the number of people employed in the informal sector counted 36 700 or 26.67% of the total employment. Informal employment in Amatole increased from 32 900 in 2009 to an estimated 36 700 in 2019.

FIGURE 14*:* FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - AMATHOLE DISTRICT MUNICIPALITY, 2019 [NUMBERS]



Source: ECSECC, 2019

In 2019 the Trade sector recorded the highest number of informally employed, with a total of 14 800 employees or 40.47% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 1 760 and only contributes 4.81% to total informal employment.

2.2.5.5 Unemployment

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

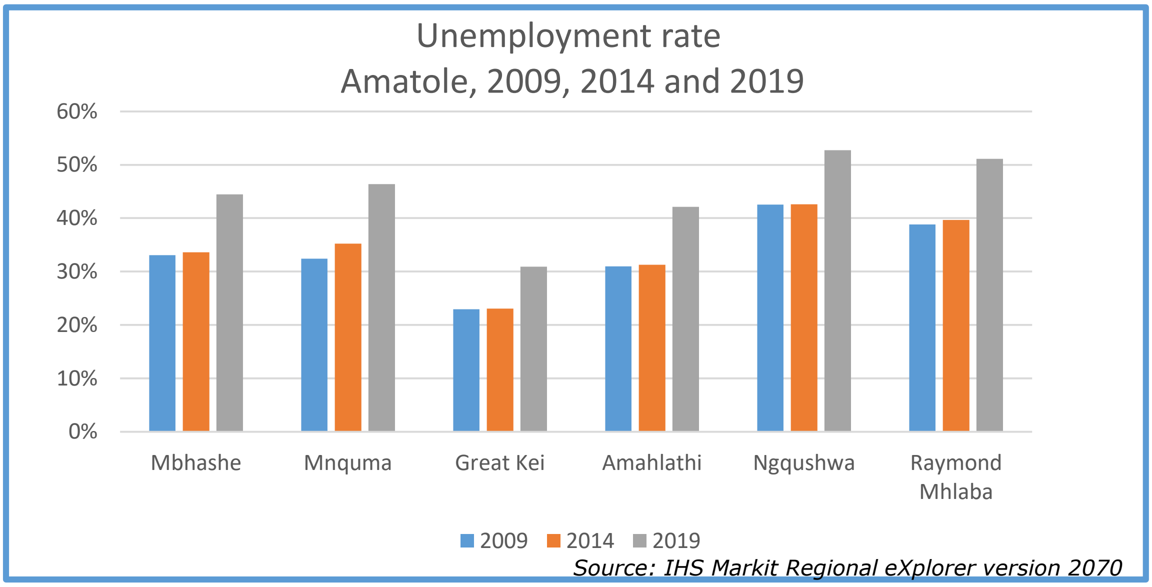
The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons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

- "Without work", i.e. not in paid employment or self-employment;
- "Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
- "Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or

private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

In 2019, the unemployment rate in Amatole District Municipality (based on the official definition of unemployment) was 46.17%, which is an increase of 12.1 percentage points. The unemployment rate in Amatole District Municipality is higher than that of Eastern Cape. The unemployment rate for South Africa was 28.37% in 2019, which is a increase of -4.06 percentage points from 24.31% in 2009.

FIGURE 15: UNEMPLOYMENT RATE - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2009, 2014 AND 2019 [PERCENTAGE]



Source: ECSECC, 2019

When comparing unemployment rates among regions within Amatole District Municipality, Ngqushwa Local Municipality has indicated the highest unemployment rate of 52.7%, which has increased from 42.5% in 2009. It can be seen that the Great Kei Local Municipality had the lowest unemployment rate of 30.9% in 2019, which increased from 22.9% in 2009.

2.2.6 INCOME AND EXPENDITURE

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

2.2.6.1 Number of Households by Income Category

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

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

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Table 16*:* HOUSEHOLDS BY INCOME CATEGORY - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2019 [NUMBER PERCENTAGE]

	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
0-2400	18	168	1,570	10.8%	1.15%
2400-6000	427	3,600	30,900	11.8%	1.38%
6000-12000	5,130	38,900	302,000	13.2%	1.70%
12000-18000	10,100	75,000	592,000	13.4%	1.70%
18000-30000	34,200	240,000	1,740,000	14.2%	1.97%
30000-42000	36,100	249,000	1,780,000	14.5%	2.03%
42000-54000	31,400	212,000	1,600,000	14.8%	1.96%
54000-72000	32,700	225,000	1,780,000	14.5%	1.84%
72000-96000	27,400	196,000	1,620,000	14.0%	1.70%
96000-132000	21,300	170,000	1,560,000	12.6%	1.37%
132000-192000	17,000	151,000	1,490,000	11.3%	1.13%
192000-360000	15,300	169,000	1,910,000	9.1%	0.80%
360000-600000	6,680	99,800	1,270,000	6.7%	0.53%
600000-1200000	3,290	67,600	934,000	4.9%	0.35%
1200000-2400000	806	23,000	323,000	3.5%	0.25%
2400000+	78	3,620	54,300	2.2%	0.14%
Total	**242,000**	**1,920,000**	**17,000,000**	**12.6%**	**1.42%**

Source: ECSECC, 2019

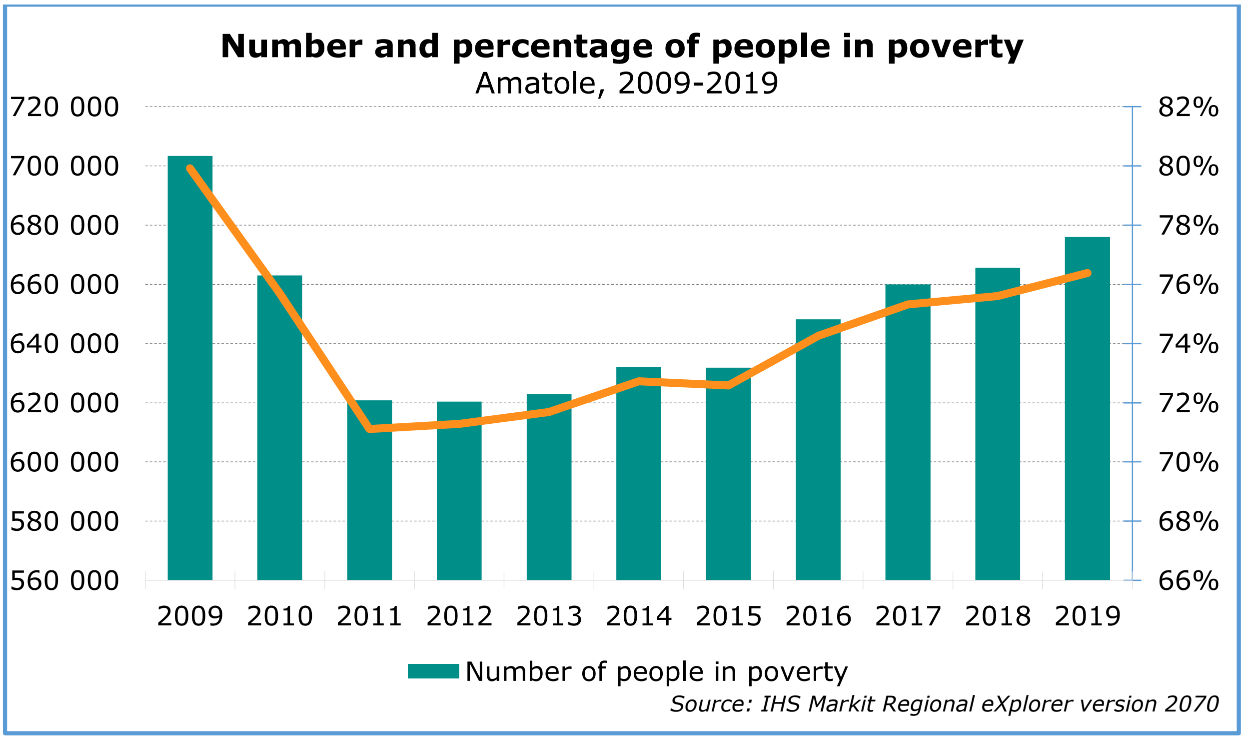
It was estimated that in 2019 20.60% of all the households in the Amatole District Municipality, were living on R30,000 or less per annum. In comparison with 2009's 44.66%, the number is about half. The 30000-42000 income category has the highest number of households with a total number of 36 100, followed by the 18000-30000 income category with 34 200 households. Only 18 households fall within the 0-2400 income category

2.2.7 DEVELOPMENT

2.2.7.1 Poverty

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

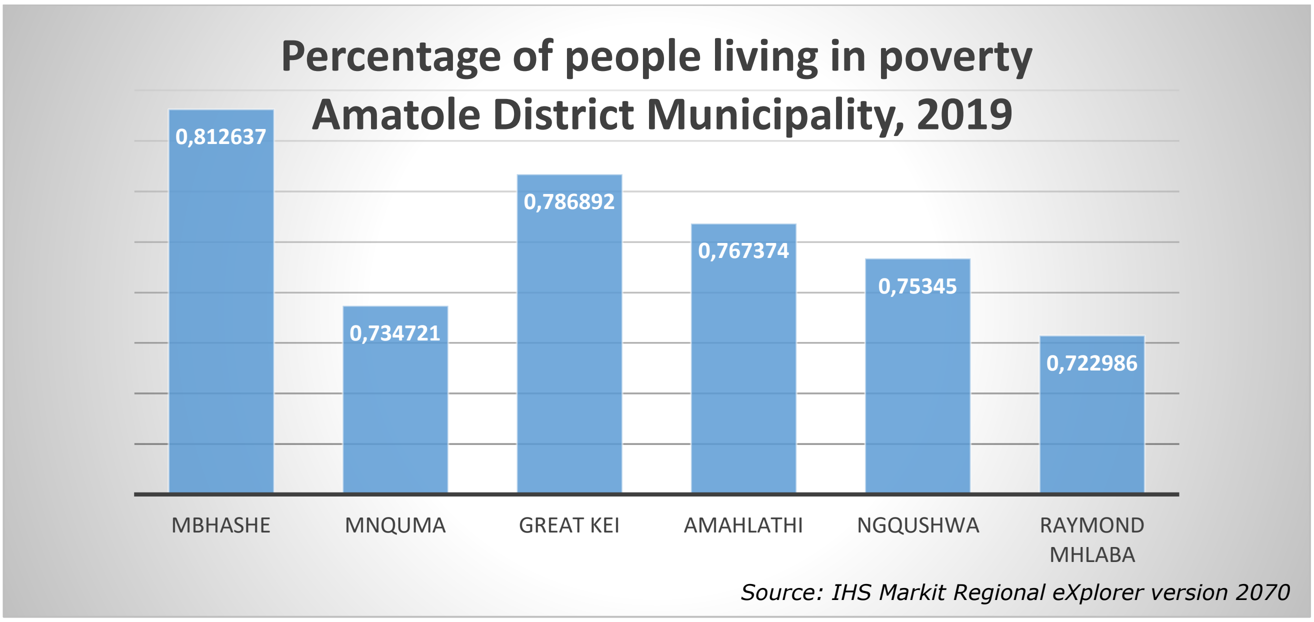
FIGURE 16*:* NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - AMATHOLE DISTRICT MUNICIPALITY, 2009-2019 [NUMBER PERCENTAGE]



Source: ECSECC, 2019

In 2019, there were 676 000 people living in poverty, using the upper poverty line definition, across Amatole District Municipality - this is 3.89% lower than the 703 000 in 2009. The percentage of people living in poverty has decreased from 79.92% in 2009 to 76.38% in 2019, which indicates a decrease of 3.54 percentage points.

FIGURE 17: PERCENTAGE OF PEOPLE LIVING IN POVERTY - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES,2019 [PERCENTAGE]



Source: ECSECC, 2019

In terms of the percentage of people living in poverty for each of the regions within the Amatole District Municipality, Mbhashe Local Municipality has the highest percentage of people living in poverty, using the upper poverty line definition, with a total of 81.3%. The lowest percentage of people living in poverty can be observed in the Raymond Mhlaba Local Municipality with a total of 72.3% living in poverty, using the upper poverty line definition.

2.2.7.2 Education

Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required. The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. IHS uses this cut-off point 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).

Table 17: HIGHEST LEVEL OF EDUCATION: AGE 15+ - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2019 [NUMBERS]

	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
No schooling	43,500	282,000	2,060,000	15.4%	2.1%
Grade 0-2	18,400	123,000	638,000	15.0%	2.9%
Grade 3-6	84,200	560,000	3,030,000	15.0%	2.8%
Grade 7-9	138,000	996,000	6,130,000	13.8%	2.3%
Grade 10-11	127,000	1,100,000	9,130,000	11.6%	1.4%
Certificate / diploma without matric	1,880	15,900	183,000	11.8%	1.0%
Matric only	87,200	979,000	11,400,000	8.9%	0.8%
Matric certificate / diploma	20,900	230,000	2,380,000	9.1%	0.9%
Matric Bachelors degree	11,400	136,000	1,760,000	8.4%	0.6%
Matric Postgrad degree	4,580	60,000	787,000	7.6%	0.6%

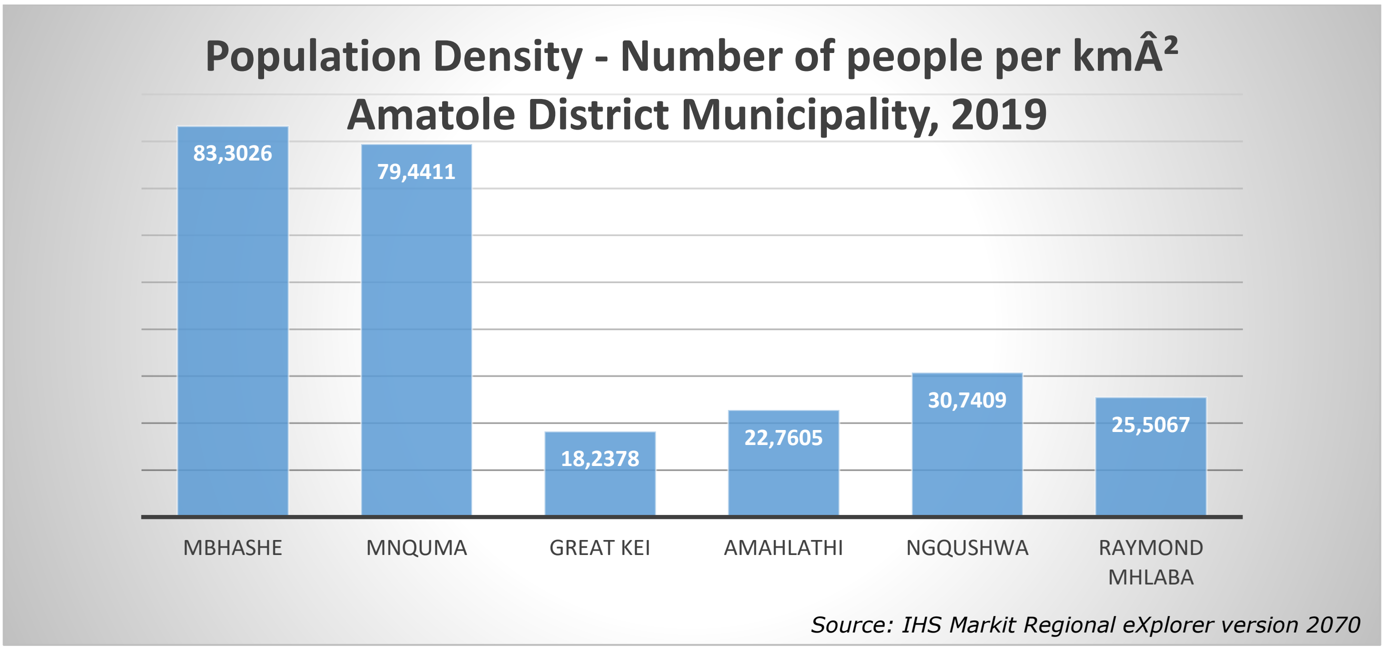
Source: ECSECC, 2019

The number of people without any schooling in Amatole District Municipality accounts for 15.43% of the number of people without schooling in the province and a total share of 2.11% of the national. In 2019, the number of people in Amatole District Municipality with a matric only was 87,200 which is a share of 8.91% of the province's total number of people that has obtained a matric. The number of people with a matric and a Postgrad degree constitutes 8.39% of the province and 0.65% of the national.

2.2.8 POPULATION DENSITY

Population density measures the concentration of people in a region. To calculate this, the population of a region is divided by the area size of that region. The output is presented as the number of people per square kilometre.

FIGURE 18: POPULATION DENSITY - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES,2019 [PERCENTAGE]



Source: ECSECC, 2019

Amatole District Municipality had a population density of 41.9 per square kilometre and it ranked highest amongst its piers in 2019. In terms of the population density for each of the regions within the Amatole District Municipality, Mbhashe Local Municipality had the highest density, with 83.3 people per square kilometre. The lowest population density can be observed in the Great Kei Local Municipality with a total of 18.2 people per square kilometre.

2.2.9 CRIME

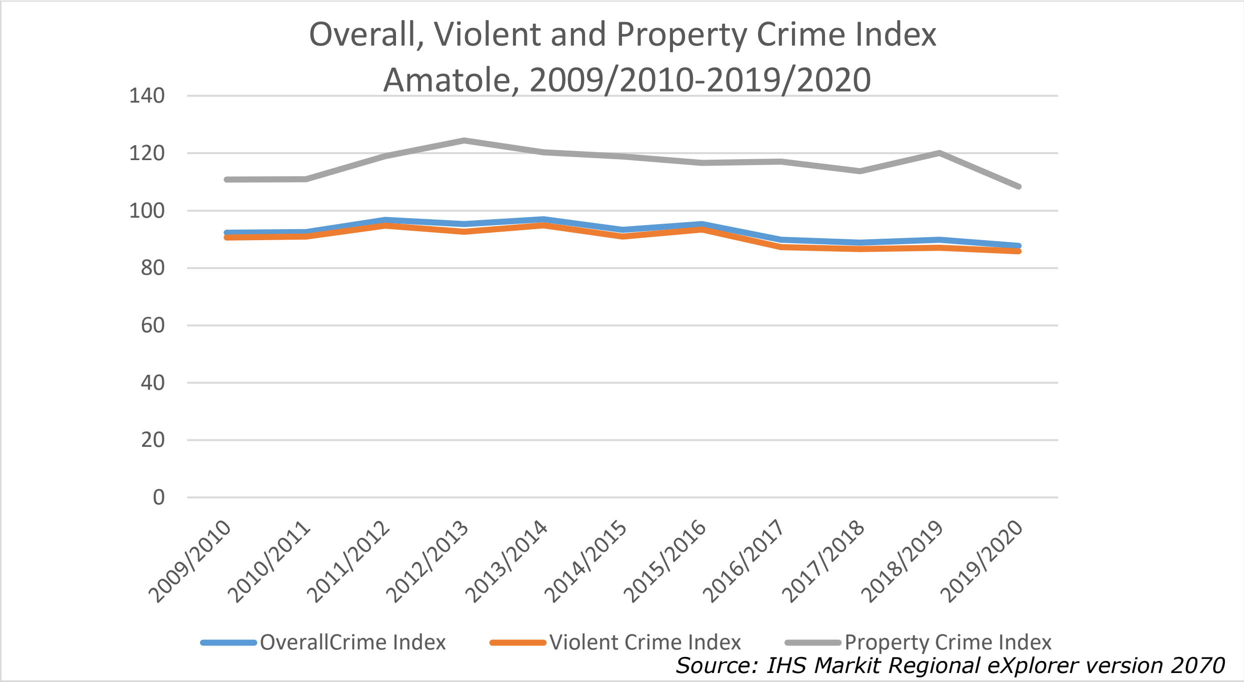
The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime.

The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

2.2.9.1 IHS Composite Crime Index

The crime index is a composite, weighted index which measures crime. The higher the index number, the higher the level of crime for that specific year in a particular region. The index is best used by looking at the change over time or comparing the crime levels across regions. The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e. violent crimes and property crimes. IHS uses the (a) Length of-sentence and the (b) Cost-of-crime in order to apply a weight to each category.

FIGURE 19: IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - AMATHOLE DISTRICT MUNICIPALITY, 2009/2010-2019/2020 [INDEX VALUE]



Source: ECSECC, 2019

For the period 2009/2010 to 2019/2020 overall crime has decrease at an average annual rate of 0.50% within the Amatole District Municipality. Violent crime decreased by 0.54% since 2009/2010, while property crimes decreased by 0.22% between the 2009/2010 and 2019/2020 financial years.

2.2.10 HOUSEHOLD INFRASTRUCTURE

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

- Access to dwelling units;
- Access to proper sanitation;
- Access to running water;
- Access to refuse removal; and
- Access to electricity.

A household is considered "serviced" if it has access to all four of these basic services. If not, the household is considered to be part of the backlog. The way access to a given service is defined (and how to accurately measure that specific Definition over time) gives rise to some distinct problems. IHS has therefore developed a unique model to capture the number of households and their level of access to the four basic services. A household is defined as a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

The next few sections offer an overview of the household infrastructure of the Amathole District Municipality between 2008 and 2018.

2.2.10.1 Household by Dwelling Type

Using the StatsSA definition of a household and a dwelling unit, households can be categorised according to the type of dwelling. The categories are:

- **Very formal dwellings** - structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards that also have running water and flush toilets within the dwelling;
- **Formal dwellings** - structures built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere etc, but without running water or without a flush toilet within the dwelling;
- **Informal dwellings** - shacks or shanties in informal settlements, serviced stands or proclaimed townships, as well as shacks in the backyards of other dwelling types;
- **Traditional dwellings** - structures made of clay, mud, reeds, or other locally available material; and
- **Other dwelling units** - tents, ships, caravans, etc.

Table 18*:* HOUSEHOLDS BY DWELLING UNIT TYPE - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2018 [NUMBER]

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Mbhashe	1,185	23,041	11,120	32,829	173	68,348
Mnquma	6,634	28,228	10,258	27,471	304	72,895
Great Kei	617	5,119	749	2,255	69	8,809
Amahlathi	2,544	13,778	4,380	8,791	133	29,627
Ngqushwa	1,038	13,181	1,649	4,131	49	20,047
Raymond Mhlaba	9,811	23,009	3,316	9,416	152	45,705
Total Amatole	**21,828**	**106,357**	**31,474**	**84,893**	**879**	**245,431**

Source: ECSECC, 2019

Amatole District Municipality had a total number of 21 800 (8.89% of total households) very formal dwelling units, a total of 106 000 (43.33% of total households) formal dwelling units and a total number of 31 500 (12.82% of total households) informal dwelling units.

The region within the Amatole District Municipality with the highest number of very formal dwelling units is the Raymond Mhlaba Local Municipality with 9 810 or a share of 44.95% of the total very formal dwelling units within Amatole District Municipality. The region with the lowest number of very formal dwelling units is the Great Kei Local Municipality with a total of 617 or a share of 2.83% of the total very formal dwelling units within Amatole District Municipality.

When looking at the formal dwelling unit backlog (number of households not living in a formal dwelling) over time, it can be seen that in 2008 the number of households not living in a formal dwelling were 110 000 within Amatole District Municipality. From 2008 this number increased annually at 0.64% to 117 000 in 2018. The total number of households within Amatole District Municipality increased at an average annual rate of 0.92% from 2008 to 2018, which is higher than the annual increase of 2.13% in the number of households in South Africa

2.2.10.2 Household by Type of Sanitation

Sanitation can be divided into specific types of sanitation to which a household has access. We use the following categories:

- **No toilet** - No access to any of the toilet systems explained below;
- **Bucket system** - A top structure with a seat over a bucket. The bucket is periodically removed and the contents disposed of. (Note: this system is widely used but poses health risks to the collectors. Most authorities are actively attempting to discontinue the use of these buckets in their local regions);
- **Pit toilet** - A top structure over a pit;
- **Ventilation improved pit** - A pit toilet but with a fly screen and vented by a pipe. Depending on soil conditions, the pit may be lined;
- **Flush toilet** - Waste is flushed into an enclosed tank, thus preventing the waste to flow into the surrounding environment. The tanks need to be emptied or the contents pumped elsewhere.

Table 19: HOUSEHOLDS BY TYPE OF SANITATION - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2018 [NUMBER]

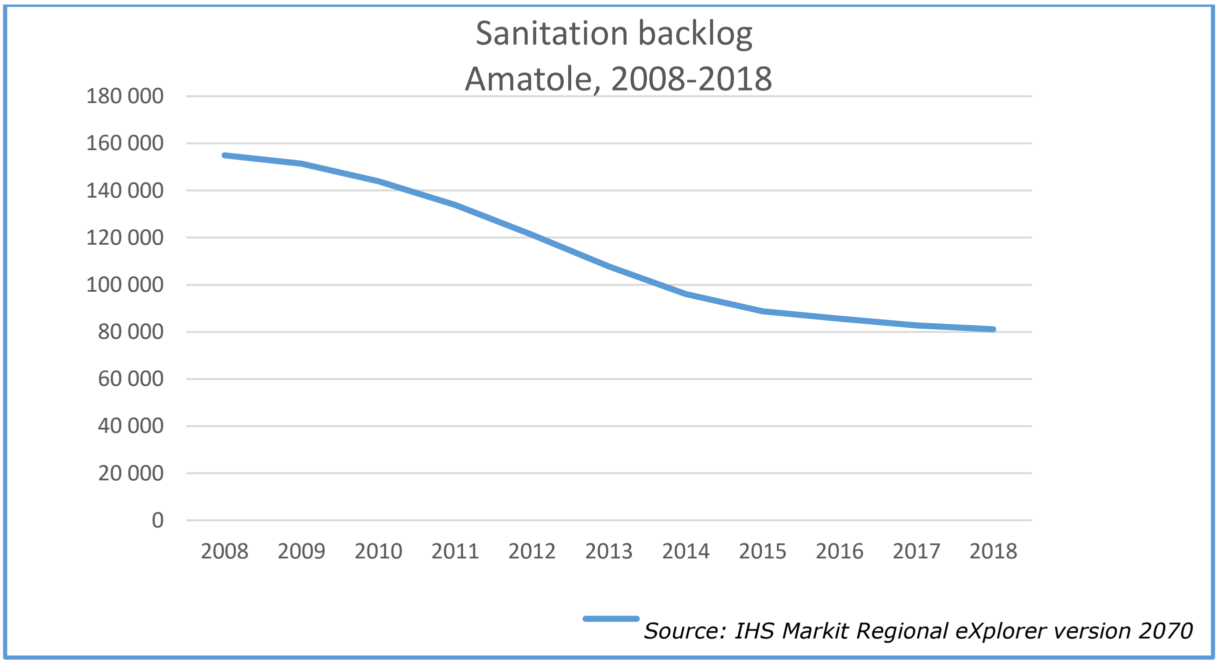
	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Mbhashe	5,714	37,165	9,930	210	15,330	68,348
Mnquma	17,363	32,748	16,894	515	5,375	72,895
Great Kei	2,468	3,174	1,572	92	1,503	8,809
Amahlathi	6,685	11,139	9,709	164	1,930	29,627
Ngqushwa	1,743	12,601	5,225	24	454	20,047
Raymond Mhlaba	22,826	10,687	9,709	865	1,617	45,705
Total Amatole	**56,799**	**107,514**	**53,039**	**1,870**	**26,209**	**245,431**

Source: ECSECC, 2019

Amatole District Municipality had a total number of 56 800 flush toilets (23.14% of total households), 108 000 Ventilation Improved Pit (VIP) (43.81% of total households) and 53 000 (21.61%) of total households pit toilets.

The region within Amatole with the highest number of flush toilets is Raymond Mhlaba Local Municipality with 22 800 or a share of 40.19% of the flush toilets within Amatole. The region with the lowest number of flush toilets is Ngqushwa Local Municipality with a total of 1 740 or a share of 3.07% of the total flush toilets within Amatole District Municipality.

FIGURE 20: SANITATION BACKLOG - AMATHOLE DISTRICT MUNICIPALITY, 2008-2018 [NUMBER OF HOUSEHOLDS WITHOUT HYGIENIC TOILETS]



Source: ECSECC, 2019

When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2008 the number of Households without any hygienic toilets in Amatole District Municipality was 155 000, this decreased annually at a rate of -6.27% to 81 100 in 2018.

2.2.10.3 Households by Access to Water

Table 20: HOUSEHOLDS BY TYPE OF WATER ACCESS - AMATHOLE DISTRICT MUNICIPALITY, 2018 [NUMBER]

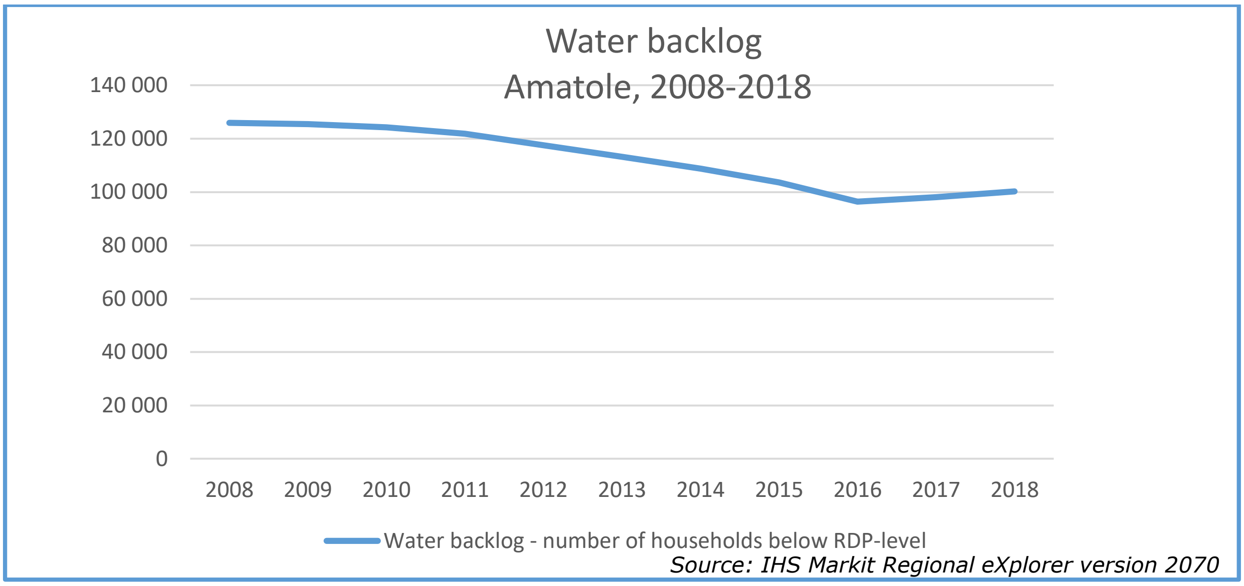
	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Mbhashe	8,997	3,310	14,167	1,982	39,892	68,348
Mnquma	14,347	4,507	20,676	8,276	25,088	72,895
Great Kei	1,115	2,394	2,485	1,192	1,624	8,809
Amahlathi	3,630	7,104	10,238	2,979	5,676	29,627
Ngqushwa	1,572	2,750	10,434	3,053	2,238	20,047
Raymond Mhlaba	9,949	11,422	16,063	4,507	3,764	45,705
Total Amatole	**39,611**	**31,487**	**74,062**	**21,989**	**78,282**	**245,431**

Source: ECSECC, 2019

Amatole District Municipality had a total number of 39 600 (or 16.14%) households with piped water inside the dwelling, a total of 31 500 (12.83%) households had piped water inside the yard and a total number of 78 300 (31.90%) households had no formal piped water.

The regions within Amatole District Municipality with the highest number of households with piped water inside the dwelling is Mnquma Local Municipality with 14 400 or a share of 36.22% of the households with piped water inside the dwelling within Amatole District Municipality. The region with the lowest number of households with piped water inside the dwelling is Great Kei Local Municipality with a total of 1 120 or a share of 2.81% of the total households with piped water inside the dwelling within Amatole District Municipality.

FIGURE 21: WATER BACKLOG - AMATHOLE DISTRICT MUNICIPALITY, 2008-2018 [NUMBER OF HOUSEHOLDS BELOW RDP-LEVEL]



Source: ECSECC, 2019

When looking at the water backlog (number of households below RDP-level) over time, it can be seen that in 2008 the number of households below the RDP-level were 126 000 within Amatole District Municipality, this decreased annually at -2.25% per annum to 100 000 in 2018.

2.2.10.4 Households by Type of Electricity

Households are distributed into 3 electricity usage categories: Households using electricity for cooking, Households using electricity for heating, households using electricity for lighting. Household using solar power are included as part of households with an electrical connection. This time series categorises households in a region according to their access to electricity (electrical connection).

Table 21: HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2018 [NUMBER]

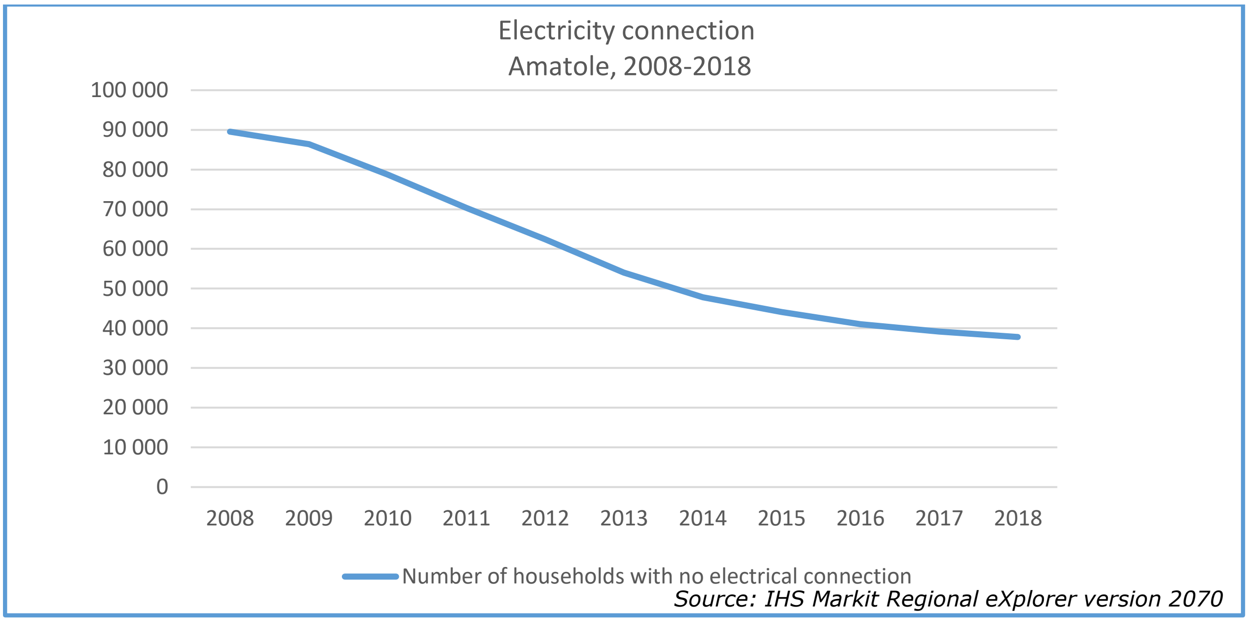
	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Mbhashe	6,956	43,114	18,278	68,348
Mnquma	4,905	54,146	13,843	72,895
Great Kei	412	7,164	1,233	8,809
Amahlathi	1,577	26,175	1,875	29,627
Ngqushwa	1,195	18,091	762	20,047
Raymond Mhlaba	1,472	42,426	1,807	45,705
Total Amatole	**16,517**	**191,115**	**37,799**	**245,431**

Source: ECSECC, 2019

Amatole District Municipality had a total number of 16 500 (6.73%) households with electricity for lighting only, a total of 191 000 (77.87%) households had electricity for lighting and other purposes and a total number of 37 800 (15.40%) households did not use electricity.

The region within Amatole with the highest number of households with electricity for lighting and other purposes is Mnquma Local Municipality with 54 200 or a share of 28.33% of the households with electricity for lighting and other purposes within Amatole District Municipality. The Region with the lowest number of households with electricity for lighting and other purposes is Great Kei Local Municipality with a total of 7 160 or a share of 3.75% of the total households with electricity for lighting and other purposes within Amatole District Municipality.

FIGURE 22: ELECTRICITY CONNECTION - AMATHOLE DISTRICT MUNICIPALITY, 2008-2018 [NUMBER OF HOUSEHOLDS WITH NO ELECTRICAL CONNECTION]



Source: ECSECC, 2019

When looking at the number of households with no electrical connection over time, it can be seen that in 2008 the households without an electrical connection in Amatole District Municipality was 89 500, this decreased annually at -8.26% per annum to 37 800 in 2018.

2.2.10.5 Households by Refuse Disposal

A distinction is made between formal and informal refuse removal. When refuse is removed by the local authorities, it is referred to as formal refuse removal. Informal refuse removal is where either the household or the community dispose of the waste, or where there is no refuse removal at all. A further breakdown is used in terms of the frequency by which the refuge is taken away, thus leading to the following categories:

- Removed weekly by authority
- Removed less often than weekly by authority

- Removed by community members
- Personal removal / (own dump)
- No refuse removal

Table 22*:* HOUSEHOLDS BY REFUSE DISPOSAL - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2018 [NUMBER]

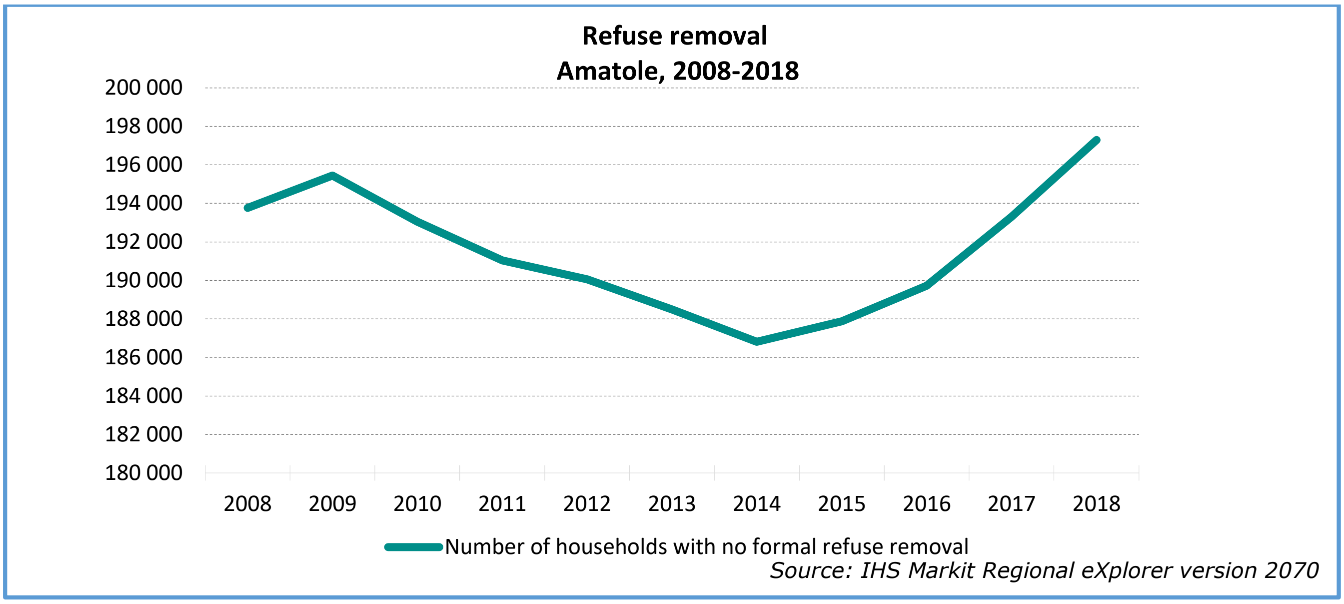
	Removed weekly by authority	**Removed less often than weekly by authority**	**Removed by community members**	**Personal removal (own dump)**	**No refuse removal**	**Total**
Mbhashe	7,297	589	2,624	48,625	9,212	68,348
Mnquma	13,402	495	1,191	53,350	4,458	72,895
Great Kei	2,571	115	299	5,257	566	8,809
Amahlathi	5,309	155	1,040	22,581	542	29,627
Ngqushwa	2,227	106	599	16,700	416	20,047
Raymond Mhlaba	14,661	1,214	1,201	27,718	912	45,705
Total Amatole	**45,467**	**2,674**	**6,954**	**174,231**	**16,106**	**245,431**

Source: ECSECC, 2019

Amatole District Municipality had a total number of 45 500 (18.53%) households which had their refuse removed weekly by the authority, a total of 2 670 (1.09%) households had their refuse removed less often than weekly by the authority and a total number of 174 000 (70.99%) households which had to remove their refuse personally (own dump).

The region within Amatole with the highest number of households where the refuse is removed weekly by the authority is Raymond Mhlaba Local Municipality with 14 700 or a share of 32.25% of the households where the refuse is removed weekly by the authority within Amatole. The region with the lowest number of households where the refuse is removed weekly by the authority is Ngqushwa Local Municipality with a total of 2 230 or a share of 4.90% of the total households where the refuse is removed weekly by the authority within the district municipality.

FIGURE 23*:* REFUSE REMOVAL - AMATHOLE DISTRICT MUNICIPALITY, 2008-2018 [NUMBER OF HOUSEHOLDS WITH NO FORMAL REFUSE REMOVAL]



Source: ECSECC, 2019

When looking at the number of households with no formal refuse removal, it can be seen that in 2008 the households with no formal refuse removal in Amatole District Municipality was 194 000, this increased annually at 0.18% per annum to 197 000 in 2018. The total number of households within Amatole District Municipality increased at an average annual rate of 0.92% from 2008 to 2018, which is higher than the annual increase of 2.13% in the number of households in South Africa.

2.2.11 TOURISM

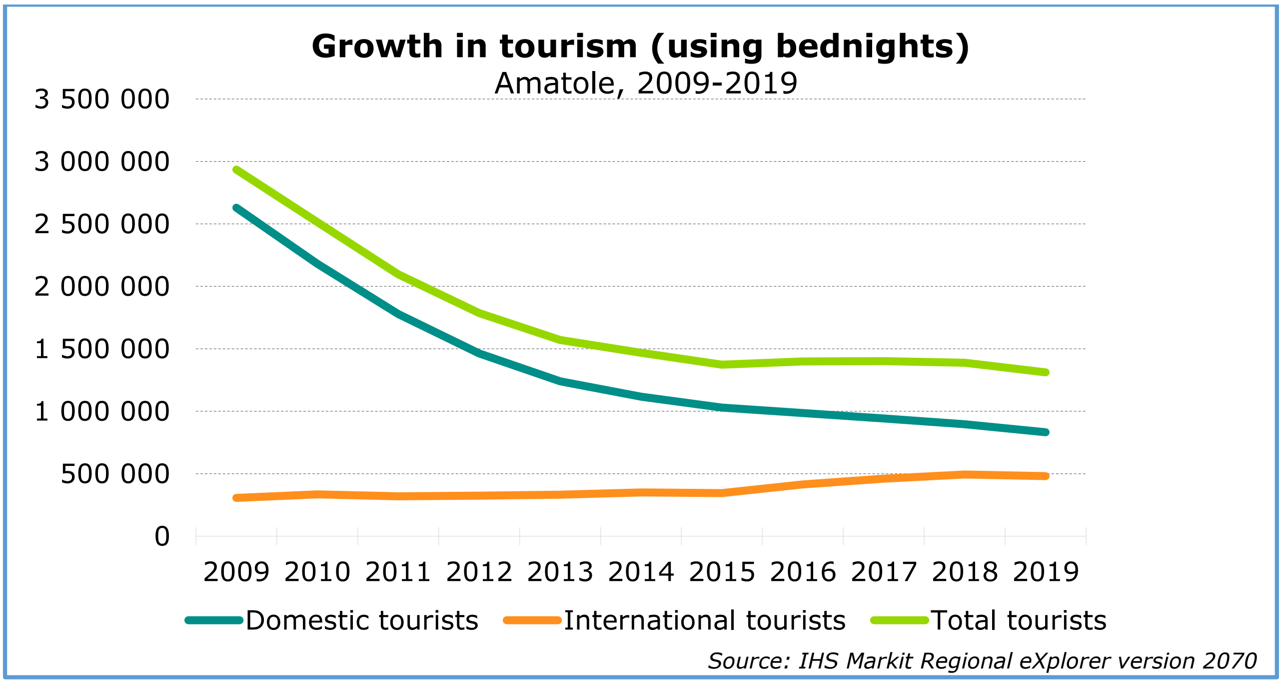
Tourism can be defined as the non-commercial organisation plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips - these are all included in tourism. As defined by the United Nations World Tourism Organisation (UN WTO), a trip refers to travel, by a person, from the time they leave their usual residence until they return to that residence.

This is usually referred to as a round trip. IHS likes to narrow this definition down to overnight trips only, and only those made by adult visitors (over 18 years). Also note that the number of "person" trips are measured, not household or "party trips".

The main purpose of an overnight trip is grouped into these categories:

- Leisure / Holiday;
- Business;
- Visits to friends and relatives; and
- Other (Medical, Religious, etc.)

FIGURE 24*:* GROWTH IN TOURISM (USING BEDNIGHTS) BY ORIGIN - AMATHOLE DISTRICT MUNICIPALITY, 2009-2019 [NUMBER]



Source: ECSECC, 2019

The number of trips by tourists visiting Amatole District Municipality from other regions in South Africa has decreased at an average annual rate of -6.76% from 2009 (509 000) to 2019 (253 000). The tourists visiting from other countries decreased at an average annual growth rate of 3.29% (from 26 200 in 2009 to 36 200). International tourists constitute 12.53% of the total number of trips, with domestic tourism representing the balance of 87.47%.

LOCAL MUNICIPAL SOCIO-ECONOMIC PROFILES

2.2.11.1 Mbhashe Local Municipality

MBHASHE LOCAL MUNICIPALITY, Comprised of 63 800 households in 2016. This equates to an average annual growth rate of 0.86% in the number of households from 2006 to 2016. With an average annual growth rate of -0.05% in the total population, the average household size in the Mbhashe Local Municipality is by implication decreasing. This is confirmed by the data depicted above, where the average household size in 2006 decreased from approximately 4.6 individuals per household to 4.2 persons per household in 2016. Relative to the district municipality, the Mbhashe Local Municipality had a higher average annual growth rate of 0.86% from 2006 to 2016. In contrast, the province had an average annual growth rate of 1.32% from 2006. South Africa as a whole had a total of 15.8 million households, with a growth rate of 1.97%, thus growing at a higher rate than the Mbhashe.

The composition of the households by population group consists of 99.5% which is ascribed to the African population group with the largest number of households by population group. The Asian population group had a total composition of 0.2% (ranking second). The White population group had a total composition of 0.2% of the total households. The smallest population group by households is the Coloured population group with only 0.1% in 2016.

The growth in the number of African headed households was on average 0.84% per annum between 2006 and 2016, which translates in the number of households increasing by 5 080 in the period. Although the Asian population group is not the biggest in size, it was, however, the fastest growing population group between 2006 and 2016 at 18.33%. The average annual growth rate in the number of households for all the other population groups has increased with 0.84%.

2.2.11.2 Mnquma Local Municipality

The ***MNQUMA LOCAL MUNICIPALITY*** comprised of 68 000 households. This equates to an average annual growth rate of 0.44% in the number of households from 2006 to 2016. With an average annual growth rate of -0.74% in the total population, the average household size in the Mnquma Local Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2006 decreased from approximately 4 individuals per household to 3.6 persons per household in 2016. Relative to the district municipality, the Mnquma Local Municipality had a higher average annual growth rate of 0.44% from 2006 to 2016. In contrast, the province had an average annual growth rate of 1.32% from 2006. South Africa as a whole had a total of 15.8 million households, with a growth rate of 1.97%, thus growing at a higher rate than the Mnquma.

2.2.11.3 Great Kei Local Municipality

GREAT KEI LOCAL MUNICIPALITY comprised of 8 070 households in 2016. This equates to an average annual growth rate of -0.78% in the number of households from 2006 to 2016. With an average annual growth rate of -1.32% in the total population, the average household size in the Great Kei Local Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2006 decreased from approximately 4 individuals per household to 3.8 persons per household in 2016. Relative to the district municipality, the Great Kei Local Municipality had a lower average annual growth rate of -0.78% from 2006 to 2016. In contrast, the province had an average annual growth rate of

1.32% from 2006. South Africa as a whole had a total of 15.8 million households, with a growth rate of 1.97%, thus growing at a higher rate than the Great Kei.

2.2.11.4 Amahlathi Local Municipality

In 2016, the ***AMAHLATHI LOCAL MUNICIPALITY*** comprised of 27 200 households. This equates to an average annual growth rate of -0.17% in the number of households from 2006 to 2016. With an average annual growth rate of -0.79% in the total population, the average household size in the Amahlathi Local Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2006 decreased from approximately 3.9 individuals per household to 3.7 persons per household in 2016. Relative to the district municipality, the Amahlathi Local Municipality had a lower average annual growth rate of -0.17% from 2006 to 2016. In contrast, the province had an average annual growth rate of 1.32% from 2006. South Africa as a whole had a total of 15.8 million households, with a growth rate of 1.97%, thus growing at a higher rate than the Amahlathi.

2.2.11.5 Ngqushwa Local Municipality

The ***NGQUSHWA LOCAL MUNICIPALITY*** comprised of 18 600 households. This equates to an average annual growth rate of 0.00% in the number of households from 2006 to 2016. With an average annual growth rate of -0.89% in the total population, the average household size in the Ngqushwa Local Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2006 decreased from approximately 3.7 individuals per household to 3.4 persons per household in 2016. Relative to the district municipality, the Ngqushwa Local Municipality had a lower average annual growth rate of 0.00% from 2006 to 2016. In contrast, the province had an average annual growth rate of 1.32% from 2006. South Africa as a whole had a total of 15.8 million households, with a growth rate of 1.97%, thus growing at a higher rate than the Ngqushwa.

2.2.11.6 Raymond Mhlaba Local Municipality

RAYMOND MHLABA LOCAL MUNICIPALITY comprised of 41 900 households. This equates to an average annual growth rate of 0.47% in the number of households from 2006 to 2016. With an average annual growth rate of 0.50% in the total population, the average household size in the Raymond Mhlaba Local Municipality is by implication increasing. This is confirmed by the data where the average household size in 2006 increased from approximately 3.7 individuals per household to 3.7 persons per household in 2016. Relative to the district municipality, the Raymond Mhlaba Local Municipality had a higher average annual growth rate of 0.47% from 2006 to 2016. In contrast, the province had an average annual growth rate of 1.32% from 2006. South Africa as a whole had a total of 15.8 million households, with a growth rate of 1.97%, thus growing at a higher rate than the Raymond Mhlaba.

CHAPTER 3:
Status Quo Analysis

CHAPTER THREE
STATUS QUO ANALYSIS

3.1 KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

VISION 2058: Dynamic Rural Economy

MTAS Pillar: Institutional Development

B2B: Building Capable Institutions and Administration

The Corporate Services (CS) Department is led by a Section 56 Manager who is ordinarily referred to as Director. The Department has three divisions which are namely, Integrated Human Resource Management (IHRM), Integrated Support Services (ISS) and the Labour Relations Division (LR). The divisions are managed by Senior Managers except for the LR Division that is managed by a manager. The structure of the Department then allows for the Divisions to be supported by Units which are managed by Unit Managers. The Department has its core staff situated in the head office in East London whilst there are some few staff members who are based in the satellite offices. The Corporate Services functions being executed in the satellite offices are personnel administrative functions like staff leave, overtime claims and other supporting functions like employee wellness and safety and Fleet Management. In a nutshell, CS provides strategic support to the provisioning of water and sanitation to the communities of Amathole district.

- The Corporate Services department exists to render a comprehensive, integrated human resource and administration function to enhance service delivery and the welfare of all employees. This is done through:

- The Promotion an effective Job Evaluation system that seeks to ensure that the jobs are properly graded.
- Promotion of sound employee relations and labour stability.
- To also promote and practise effective recruitment and retention practises and be the employer of choice.
- To encourage a culture of excellence and high work ethic.
- To promote a safe and healthy working environment for all employees
- To constantly develop individual employees and Councillors through training interventions to enhance service delivery.
- Contribute to the realisation of externally focused IDP objectives.

3.1.1 INTEGRATED HUMAN RESOURCE MANAGEMENT DIVISION

3.1.1.1 Organisational Development and Job Evaluation

Purpose: To ensure that ADM has an optimal Organisational Structure; and to ensure that all posts at ADM have the appropriate TASK Grades and that employees are remunerated accordingly.

Functions:

- The advising of departments of appropriate organisational structures
- The developing, through consultation relevant organisational structures

- The provision of a Work Study service to departments
- The keeping of relevant Organisational Charts up to date
- Ensuring that all jobs at ADM have up to date though the development of quality Job Descriptions
- Ensuring that relevant Job Evaluation processes are in place to maintain correct TASK Grades

The establishment plan was developed and tabled before Council on the 29th June 2018, where it was approved. The 2018/19 organogram has 2092 positions. This figure includes Section 55 and 56 Managers positions. Amathole District Municipality has introduced a Regional model in the structure which will enhance the existing satellite model to deliver quality and integrated services in the six local municipalities. This on-the-ground approach helps to streamline the delivery process and ensures effective and efficient response. The Regional Offices focuses on coordinating and monitoring integrated service delivery within the different satellite offices.

Amathole District Municipality Council adopted the reviewed Organisational Structure with a process plan that outlined:

- Job Architecture
- Job Descriptions development;
- Evaluation and Auditing of Job Description;
- Skills and qualifications audit
- Mutual Separation Agreement (MSA)
- Workforce Transition Process; and
- Criteria for Filling of Vacant Critical Positions

3.1.1.2 Human Resource Development

Purpose: Human Resources Development is designed to improve capacity for ADM employees and communities to reach their full potential. It builds required human capacity for ADM Council, employees and all levels of society to enable them to adequately respond to economic and social development opportunities of their communities.

Functions: The rendering of human resources development services in respect of Councillors and employees:

- The administration of learnership programmes
- The administration of Experiential Learning Programme
- The coordination of ABET Programme
- The administration of Bursary Scheme for Rare Skills(For Unemployed HDIs)
- Administration of Employee Study Assistance Scheme for employees
- The co-ordination of training and development(skills programmes)
- Administration of Internship programme.

Workplace Integrated Learning Programme (WIL)

During 2020/21, ten (10) learners were placed across the municipality to provide them with Work Integrated Learning (WIL) in order to give them the required work exposure that will enable them to graduate. Budget was allocated by Local Govt. Sector Education & Training (LGSETA) through their Discretionary grant. ADM had no budget for the programme due to financial constraints.

Internship Programme:

A total of thirty-eight (38) unemployed graduates were enrolled for the Internship Programme, and the breakdown was as follows; five (5) Interns were financed by National Treasury through Municipal Financial Grant, and thirty-three (33) Interns were financed by LGSETA.

Due to the practical work experience that the Internship candidates gain, most Interns manage to get permanently employed either by the municipality or by other Organisations.

Bursary Programme:

During 2020/21, ADM applied for Bursaries and LGSETA approved for 10 employed candidates in Civil Engineering. However, funds have not yet been made available for the programme to be implemented.

Learnership Programme:

A total of one hundred and four (104) candidates were enrolled for five Leanerships as follows;

- Water & Wastewater Process Control (10)
- Local Govt. Finance (15)

Notwithstanding the fact that "Scarce Skills" Policy does exist at ADM, but the Institution has never encountered any challenge associated with scarce skills. This policy dictates that if a position has been advertised for two times without success, then that position shall be deemed as scarce, and no such challenge has ever been experienced by ADM in this regard, as responses to advertisements are always positive from the first advertisement

Financial Viability & Management:

Both Mandatory and Discretionary Grants (funding) were applied for, through the development of the Workplace Skills Plan, and received from LGSETA. Programmes like Internships, Workplace Integrated Learning (WIL), Learnerships, Bursaries, and various training interventions were conducted utilising the LGSETA funds.

As mentioned above, these programmes were not funded by ADM, instead ADM was funded by other Institutions.

3.1.1.3 Employee Wellness and Occupational Safety

Purpose: To improve and maintain wellness of employees and to ensure health and safety of ADM employees

Functions:

- The offering of confidential professional assistance to employees who have a potential to be adversely affected by personal and work related problems

- The laying of the foundation for a sustainable, participatory and penetrating Employee Assistance Programme (EAP) and Employee Wellness Programme (EWP)
- The provision of a customized, accurate and cost effective EAP Programme and EWP toolkit
- The improvement of employee morale and the stimulation of a better work performance
- The improvement of employer care and employee loyalty
- The provision of a general framework for the management of EAP and EWP in the municipality

The provision of the HIV/AIDS Workplace programme which promotes the following:-

- Non Discrimination and non-stigmatisation in the work environment
- Preventative programmes such as HCT, condom usage and education, information and communication
- The ensuring of compliance with Occupational Health and Safety Act (Act no 85 of 1993)
- The investigation of all injuries on duty and the coordination of all reports as required by the Compensation for Occupational Injuries and Diseases Act (Act no. 130 of 1993)
- The carrying out of regular inspections in all operational areas to ensure compliance with safety standards.

3.1.1.3.1 Coronavirus Pandemic

On the 15th March 2020, Co-operative Governance Minister, Dr N Dlamini-Zuma declared a national State of Disaster in Government Gazette 43096, citing the magnitude and severity of the Covid-19 outbreak which had been declared a global pandemic, and the need to augment the measures undertaken by organs of state to deal with the pandemic. As a department that is tasked with the responsibility of looking after the wellbeing of the organization’s internal stakeholders, the Corporate Services Department had to ensure that covid-19 activities were planned and executed as laid down in various legislations that were subsequently published.

Since the declaration of the outbreak, the municipality committed itself to do whatever necessary to prevent the spread of the disease. The following activities were undertaken and are still done on a continuous basis:

- Displaying of educational posters and pamphlets in all workplaces.
- Putting of social distancing markers on entrance, exit, as well as payment points.
- Establishment of Basic Conditions Committee
- Appointment of Compliance Officers in all ADM premises.
- Screening and sanitizing of all ADM officials and stakeholders on their entrance to premises, which is done on daily basis.
- Disinfection of ADM buildings and vehicles which is done on daily basis
- Provision of officials with safety gear as required, which includes two masks to each employee.
- Regular cleaning of ablution facilities, lifts, stairs, and all other facilities that officials, councillors and external stakeholders often use.

- Development of Workplace Protocol and other Covid-19 related procedure documents in line with the prescriptions by various Government Gazettes, South African Local Government Association (SALGA) and South African Local Government Bargaining Council.
- Development of Covid-19 Risk Assessment in respect of the institution.

It was with great sadness for ADM to lose two Councillors and one official to the Covid-19 pandemic during this period.

3.1.2 INTEGRATED SUPPORT SERVICES DIVISION

The Integrated Support Services Division is a diverse portfolio that is intended to enhance the success of the Amathole District Municipality to fulfil its statutory obligations outlined in the Municipal Structures Act, 1998. It is important to note that support mechanisms outlined in the Municipal Systems Act, 2000 be put in place, which are embedded in five (5) functional units viz. Personnel Administration, Facilities Management, Records Management, Fleet Management and Security. To provide an efficient and effective auxiliary function to internal departments, within the ADM, and external stakeholders by providing the following services:

3.1.2.1 Personnel Administration

Purpose: To administer personnel management functions

Functions:

- The administration of Payroll and benefits for Councillors and employees
- The Keeping of Employee Records and to administer payroll
- The controlling of salaries and benefits
- The processing of salaries and benefits
- The payment of deductions to third parties
- The handling of queries related to salaries
- The record keeping of Councillors and employee records
- The administration of all types of Leave
- The administration of ADM Conditions of Service

Personnel Administration forms part of the Integrated Support Services Division of the Corporate Services Department and is a multi-functional unit that is the custodian of payroll, benefits of employees and councillors (Administration of Leave, Pension, Medical Aid and Group Life) which are cost drivers of significant magnitude, conditions of service, personnel records, employee statistics. With all its complexities, the unit has managed to render the administration of such to a commendable standard of efficiency.

- The Payroll function is service and figure orientated and is occupied by 5 employees that provide a service to 1600 employees in the form of Payroll Administration that is processing new and terminated employees, maintenance of employee records, processing and payment of salaries to Councillors and employees.

- The Benefit Administration function is service orientated and is occupied by two employees that provide a service to 1600 employees in the form of administrating rental allowance, housing and motor vehicle subsidy, pension benefit, medical aid benefit and Group Life.
- The Councillor Administration function_is serviced oriented and is occupied by one employee that provides a service to councillors in the form of payroll and benefits.
- Personnel costs are excessively above the National Treasury threshold in that they constitute 49% of the institution's Total Operational Expenditure whereas the National Treasury guidelines are 25%-35%, therefore the strategic plan must consider this issue in their deliberations. This (On the Financial Recovery Plan it is clear as to what must be done). The percentage of personnel costs vs total operational costs needs to be monitored monthly and reported to EMC.
- The value of leave is excessive therefore the Leave Policy was reviewed so as to assist in the reduction of the value of leave which is partly attributable to non-encashment of leave, longer Christmas Shutdown and people not taking the mandatory vacation leave.

3.1.2.2 Records Management

Purpose: The Records Management Unit is responsible for management of municipal records throughout their lifecycle.

Functions:

- To provide one–stop access to all Council's documents and information.
- To ensure that all Council's records are safely kept.
- To ensure that Council's archiving system is in compliance with the requirements of the National and Provincial Legislations.
- To ensure that the electronic data archiving system is updated on a daily basis.
- To be in charge of disposing old and/or obsolete Council records.

The National Archives and Records Services Act 43 of 1996 promotes proper management of records in governmental bodies. The Central Registry was established and resourced but is not fully utilised. A Centralization Framework Plan was developed and staff workshopped on the plan with emphasis on the importance of records management and the centralised approach. There was also a need to have working relations with Knowledge Management and Information Communication Technology Divisions to safeguard the institutional information. This has resulted in the establishment of Integrated Information, Knowledge and Records Management (IIKFM) Committee and development of IIKRM Standard Operating Procedures in 2019/2020 financial year. In compliance with the National Archives and Records Services Act, the records management function of ADM is regulated by the following approved documents:

- Records Management Policy
- File Plan
- Registry Procedure Manual

Registers are also used in registry as records control mechanisms as guided by the Registry Procedure Manual. The unit is busy with the strategies to address the implementation of the above regulated documents as they are not fully implemented. Digitization of records is at the centre of promoting proper records keeping. The district municipality has an electronic document management system which allows its users to store documents in repository within the system. These documents are accessed by registry office for recordkeeping in their electronic file plan. This allows easy access, retrieval of information by requesters and limit loss of information. Records Management Policy and Registry Procedure Manual in place. Classification system for correspondence files is in place (File Plan) Equipped Central Registry in place. Electronic Document Management System Module within SAP exists. Despite all this, the Manual retrieval of files causing unnecessary delays, records continue to be decentralised in all offices. There is a lack of proper storage space for inactive records.

Municipal Turnaround Strategy (MTAS) contribution:

- Development of a Records Management Strategy
- The review of File Plan
- Development of Retention Schedule
- Implementation of Systematic Disposal Programme
- Digitization of records management
- Development of PAIA manual in consultation with Legal Services
- ADM to avail budget for the implementation of the Strategy

3.1.2.3 Fleet Management

Purpose: The Unit is critical in the execution of ADM core function. Its core function is to acquiring, maintaining and repairing fleet timeously and to ensure the availability of fleet at all times.

Repairs and Maintenance

ADM has mutually agreed with ABSA/Transit Solution (Standard Bank) to amend the Engagement Mandate for Fleet repairs and maintenance and fuel for better efficiency, costs reduction and to improve turnaround time. This contract expired end of May 2020. Transit solution/ABSA and ADM to also mutually agree that all repairs and maintenance cost that are R50 000 and below be managed within ADM fleet unit, to improve turnaround time but using the very same process of utilizing service providers that are registered on the data base of Transit solution or ADM. Transit solution to allow ADM to reroute the vehicles where the service provider given the job is unable to meet the turnaround time.

Strategies and Plans

The unit has fleet management policy and procedure manual which were reviewed (2016/17).

In 2019/20 financial year, the unit developed Fleet Management Strategy which mainly aimed at reduction of costs as indicated in the IDP. This Strategy will be rolled out in 2020/21 financial year and is in the process of being implemented.

Vehicle Tracking and Monitoring

For security reasons, each Council vehicle is fitted with a monitoring and tracking device that captures information about the conduct of the driver namely harsh braking, over speeding, weekend reports, after hour usage, daily movement, weekly report, idling and speed before and after an accident. Already, these reports have decreased unauthorized vehicle usage as drivers are aware of the consequences that are outlined in the Fleet Management Policy and procedure manual. The contract with the Service provider (Tracker Connect) has expired in June 2020. Processes for a new Service Provider are being managed by Fleet Unit and Supply Chain Management through term tender.

Vehicle Procurement and Disposal

For the past 3 financial year the institution hasn't purchase any fleet on the other hand it reduces due to disposals and write offs. There has been no disposal of vehicles Considering the type of fleet vehicles that are available currently, it does not suffice to continue with them due to its age and kilometres however disposal can't happen due to financial constraints. During 2018/19 financial year, 10 Water tankers were procured utilizing MIG funds. These Water tankers are allocated per satellite office – one for Great Kei, one for Amahlathi, two for Peddie, two for Raymond Mhlaba, two for Mbhashe and two for Mnquma.

Licensing and Driver's Compliance

There has been a challenge in the licensing of vehicles due to the de-centralization of budget. However other licensing authorities in the district need to benefit as well. Local Authorities were approached to register ADM vehicles.

Challenges

Looking after fleet vehicles at the satellite offices is a challenge which has been alleviated by making user departments/offices accountable for the vehicles under their control. This has been incorporated in the latest reviewed Fleet Management Policy which has been approved by Council. Issues such as vehicle misuse, abuse and fuel stealing by officials are still critical issues. However, the transgressors are taken for disciplinary enquiry.

High costs in repairs and maintenance due to old fleet.

3.1.2.4 Building and Property Management

Purpose: Provision of Auxiliary Services through the following functional areas:

ADM Owned Properties

ADM has several properties scattered within its area of jurisdiction in the local municipalities. In order to avoid vandalism to these properties ADM has opted to lease them out and collects revenue in the form of rentals from the leased properties. To ensure that all Council buildings and properties are properly maintained, though the utilisation of cost effective methods. This has become one of the ADM income streams with a better managed lease agreement portfolio. ADM still has a challenge of building its own Head Office complex and satellite offices of which that exercise has been put on hold due to financial constraints.

Switchboard Services

- To provide effective telephonic communication system (land lines).
- Ensure that the system meets minimal requirements of Council's needs which must include: Voice Mail Systems, Night Line, continuous operation during working hours
- To provide new telephone lines.
- To ensure compliance with the Telephone Usage Policy by Staff.

Cleaners/Tea Servers

- To ensure that all offices and open spaces are thoroughly cleaned and maintained.
- Tea and other refreshments are provided within specific times.
- Provision of tea services during meetings and workshops.
- All ablution facilities are kept in a hygienic condition.

Security Services

- To ensure that security services are provided for Council buildings and leased premises.
- To ensure that office premises are monitored by armed response company,
- To ensure that Council's staff, assets and buildings are adequately secured.

ADM is providing security for both its Staff and Assets twenty-four hours a day around the clock. This is realized through outsourcing by appointing Service Providers to discharge of this function. Currently ADM is demarcated into three regions viz Eastern Region, Western Region and Central Region. The Tender was advertised during the month of March 2017 and closed on the 19th April 2017. It was awarded in May 2017 and is for a three-year period. The contract for these regions expired on the 30th June 2020. ADM got into short term contracts with Service Providers after the expiry of the contracts. The SCM processes are about to be concluded for new appointments.

These Service Providers post Security Officers to ADM dedicated sites. Also ADM used to have contracts for Alarm Monitoring and Emergency Repairs to ADM Alarm Systems. This cut across ADM owned and rented premises. Properties referred to include 40 Cambridge Street, Calgary Conference Centre, 14 Ply Mouth Road, Nahoon and Whelan Workshop, and satellite offices. At the expiry of these contracts the process of renewal was done but could not be completed and was put on hold due to financial constraints.

The process of re-advertising for such services is underway as RFQ has been requested from several Service Providers to ascertain the financial implications of the project and this also includes the Off-Site CCTV Camera monitoring at Whelan Depot.

Currently ADM is sitting with a compliment of 195 Guards from a number of 207 Guards during the last financial year and managing 91 sites, the number of the Guards has decreased due to lack of funds. This therefore means that the responsibilities of the District Municipality are becoming complex so should be the planning.

ADM in its Head Office premises has introduced an Access Control System limiting and controlling free movement of strangers within the offices.

Challenges

- Staff Shortage: Currently the Unit is run by one official which makes it impossible and difficult to effectively supervise the Service Providers especially over week-ends. A gap has been identified that there is a need to employ Supervisors per Region.
- Maintenance of wooden Guard rooms: This in itself is going to be an expensive exercise as most of these Guard rooms are in bad state and need some renovations.
- Building of permanent Guardrooms: Consideration is to be taken to build permanent structures.
- Lack of proper Fencing in some Plants: Attention and focus should be paid to improve and have proper fencing in place
- Lack of sufficient lighting: Some plants do not have the desired sufficient lighting so that patrols are carried out easily by the Security personnel.
- Inaccessible Plants due to Bad roads: Some of the roads leading to the plants are corroded and it is very difficult to reach such plants as one has to work on foot.
- Staff not reporting and making arrangements with Unit Managers when wanting to work over time or studying at Head Office.
- Staff not wanting to be searched at vehicle check points
- Nonexistence of CCTV Cameras at ADM Head Office in the areas of Cashier,
- Records/Registry and Server Room and strategic passages including the Municipal Manager and the Executive Mayor.
- Absence of a disclaimer sign in all ADM office premises and plants

Contracts Administration for Office Automation

- To acquire new contracts for office automation.
- To review expired contracts.

Office Accommodation

- The Unit responsible for the managing, administering and reviewing office accommodation lease agreements.
- To ensure there is adequate office accommodation.

3.1.3 EMPLOYEE RELATIONS DIVISIONS

3.1.3.1 Labour Relations

Purpose: Providing strategic advice to the District Municipality including: strategic support in negotiations and consultations on labour relations matters representing the Municipality at the Bargaining Council and related labour related institutions/ forums.

Functions:

- The management of employer/employee relations
- The provision of professional assistance on disciplinary matters
- The resolution of disputes
- The promotion of workplace transformation
- The conducting of negotiations and consultations

The primary objective of to advance economic development, social justice, labour peace and the democratization of the workplace by fulfilling the primary objects of the Act.

We provide/carry out the function in managing and controlling Administration and Implementation of the Industrial Relations function to ensure implementation and compliance with relevant legislation, SALGBC Directives and Council's Policies/procedures.

The Unit is staffed by a Manager and an Acting Senior LR Officer as the Assistant Manager is appointed to act as Security and Fleet Manager. Engagements with Organised Labour take place through the Local Labour Forum.

The Chairing of the Local Labour Forum rotates annually between Labour and employer as required by the SALGBC Collective Agreement. The meeting of the LLF are convened monthly and sit accordingly with issues of mutual interest taking centre stage in such meetings. When needs arise, Special Meetings are called by any party which requires an urgent matter to be attended. In the recent past, LLF meetings have collapsed due to the nature of issues discussed which relate to the employee salaries and benefits and such matters would end up in the SALGBC as matters in disputes which were not resolved in the LLF structure.

There has been a number of those in 2019 and 2020 and therefore, a need to build relations between employer and employees is of utmost importance and necessity moving forward

Understaffing of the Unit, rendering it incapable of dealing with the workload in terms of quantity and quality. The failure thus far of the parties at SALGBC to conclude a new Disciplinary Procedure and Code Collective

Agreement is a challenge in terms of the correct procedure for disciplinary matters. Reluctance of managers to chair proceedings where unpopular outcomes might result.

There is a pool of trained staff to chair disciplinary hearings, and these are rotated strategically in order not to impact on their day to day operations. There is a pool of trained staff to chair disciplinary hearings, and these are rotated strategically in order not to impact on their day to day operations. Even though there is a pool of trained staff to chair disciplinary enquiries, they often have other work commitments, which has a possibility of taking too long to deal and finalise cases.

The implementation of the Labour Relations Strategy is underway in the current financial year, focusing on soft issues due to budget constraints

3.2 KPA 2: SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

VISION 2058: DYNAMIC RURAL ECONOMY

MTAS PILLAR: QUALITY SERVICE DELIVERY

B2B: BASIC SERVICES

3.2.1 INFRASTRUCTRE DEVELOPMENT

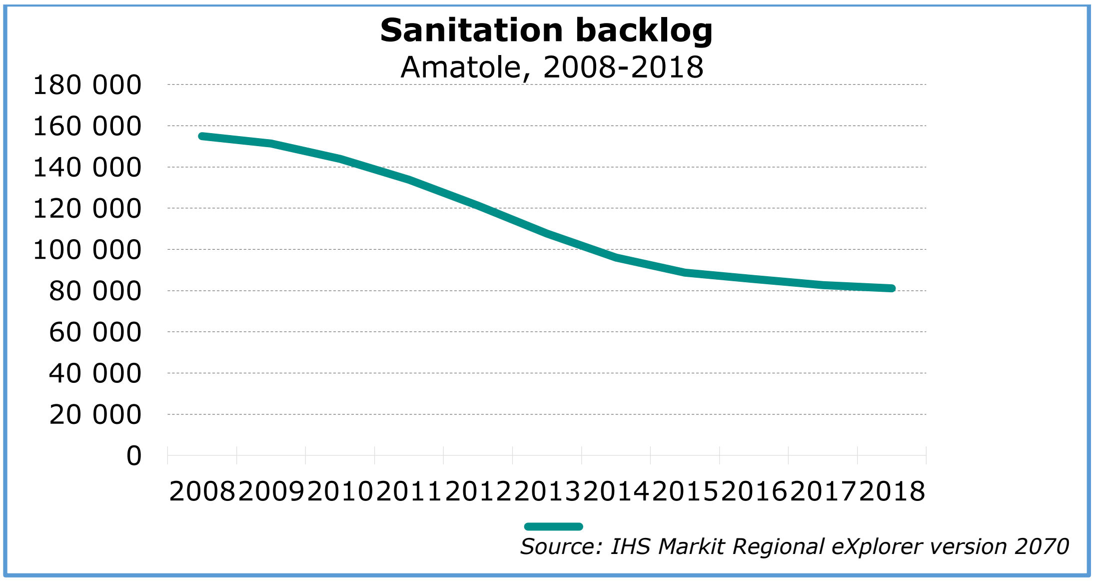
3.2.1.1 Water and Sanitation

The Amathole District Municipality as Water Services Authority (WSA) has the responsibility of ensuring that all communities residing in the municipal area have access to at least a basic supply of water and sanitation service. Amathole District Municipality has developed a 5-year Water and Sanitation Development Plan (WSDP) during the 2017-2022 IDP cycle which is reviewed every year.

3.2.1.1.1 Status of Backlog

To date, the Amathole District Municipality has managed to provide water services to 96% of households and sanitation services to 92% of households within the Amathole District Municipality. The district will conduct a backlog verification exercise that will verify the backlogs as well as the new extensions. An extensive review of the WSDP has been approved by Council in 2018 with the development of Operations & Maintenance Plan also completed in June 2019.

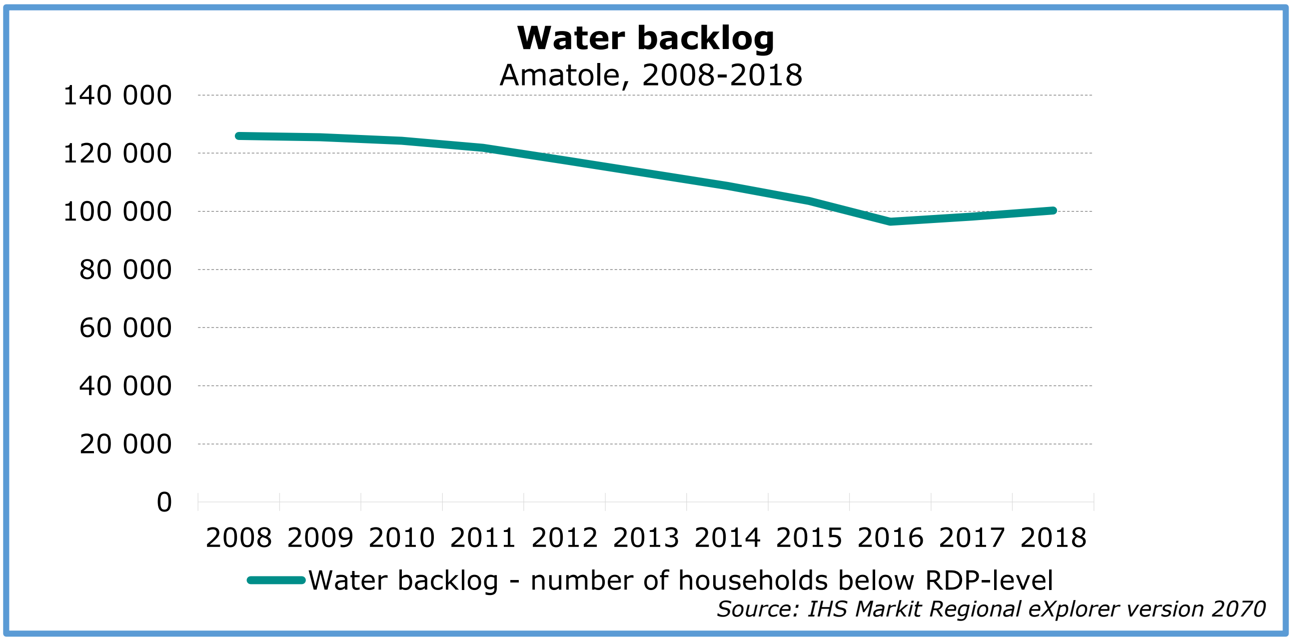
FIGURE 25: SANITATION BACKLOG - AMATHOLE DISTRICT MUNICIPALITY, 2008-2018 [NUMBER OF HOUSEHOLDS WITHOUT HYGIENIC TOILETS]



Source: ECSECC, 2019

When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2008 the number of Households without any hygienic toilets in Amatole District Municipality was 155 000, this decreased annually at a rate of -6.23% to 81 300 in 2018

FIGURE 26: WATER BACKLOG - AMATHOLE DISTRICT MUNICIPALITY, 2008-2018 [NUMBER OF HOUSEHOLDS BELOW RDP-LEVEL]



Source: ECSECC, 2019

When looking at the water backlog (number of households below RDP-level) over time, it can be seen that in 2008 the number of households below the RDP-level were 126 000 within Amatole District Municipality, this decreased annually at -2.25% per annum to 100 000 in 2018.

3.2.1.2 Water and sanitation infrastructure

Amathole District Municipality owns and operates approximately R4.5 billion worth of Infrastructure, comprised of (ADM WSDP 2017-2022; Municipal Money, 2017):

Table 23: AMATHOLE DISTRICT MUNICIPALITY WATER AND SANITATION INFRASTRUCTURE

No.	Description
1	18 ADM owned Dams supplying ADM
2	286 Boreholes currently in use
3	10 River Abstractions
4	31 ADM Owned and Operated Water Treatment Works
5	156 ADM Water Pump station (Excl boreholes)
6	15 ADM operated waste water treatment works
7	55 ADM sewage pump stations
8	7000kms of pipeline maintained by ADM
9	1264 reservoirs

3.2.1.3 Status of Amathole District Municipality WasteWater Treatment Works

The table below illustrates the status of Amathole District Municipality Waste Water treatment works which provides for further intervention required in the maintenance and or improvement of the infrastructure.

Table 24: STATUS OF AMATHOLE DISTRICT MUNICIPALITY WASTEWATER TREATMENT WORKS

Local Municipality	Name of WWTW	Current Problems	Current Interventions	Further interventions Required
Amahlathi	Keiskammahoek	Aerators require substantial maintenance	Repairing gearboxes and shafts & replacing leaking manhole	Desludge final pond
	Cathcart	Clarifier blocked & chlorination system faulty	Clear blockage on clarifier and repair chlorination system	Refurbish and upgrade WWTW's
	Stutterheim	Clarifier design fault, vandalised electrical components	Repairing vandalised components and reinstating electrical supply and chlorination system	Repair clarifier, upgrade WWTW's
	Amabele	Plant old and dilapidated	Minor refurbishment	Full refurbishment required
Great Kei	Qumrha	Chlorination system faulty and drying beds dilapidated	Repairing chlorination system and drying beds	Upgrade of sewer system in Qumrha required
	Kei Mouth	Plant under capacity	Repairing pumpstations and upgrading rising main from Morgans Bay to Kei Mouth WWTW's	Requires substantial upgrade of WWTW's as well sewer system for Kei Mouth and Morgans bay
	Chinsta	Plant under capacity	Minor refurbishment	Requires substantial upgrade of WWTW's as well sewer system for Chinsta
Mnquma	Butterworth	Plant old and dilapidated	Refurbishment underway	Plant upgrade
Mbashe	Dutywa	Plant old and dilapidated/ undersized	Refurbishment complete	Plant upgrade

Local Municipality	Name of WWTW	Current Problems	Current Interventions	Further interventions Required
Raymond Mhlaba	Middledrift	Plant old and dilapidated and undersized	Minor refurbishment underway	Plant upgrade/ merge with Middledrift prison
	Fort Beaufort	Plant old and dilapidated and undersized	Refurbishment underway	Plant upgrade required
	Seymour	Plant old and dilapidated	Refurbishment underway	Requires upgrade
	Adelaide	Clarifier collapsed	Clarifier being repaired	None
	Bedford	Plant under capacity	Minor refurbishment	Plant upgrade required
	Alice (belongs to Fort Hare)	Plant under capacity	MOU signed with Fort Hare – investigating alternative sites to construct a new WWTW's	Plant upgrade required
Ngqushwa	Peddie	Plant under capacity	Project registered with MIG, minor refurbishment underway	Plant upgrade required

The following funding has been allocated to repairs and refurbishment of Sanitation Infrastructure for the 2020/2021 financial year:

Table 25 :REPAIRS & REFURBISHMENT ALLOCATIONS

No.	Project	Amount Allocated (20/21)	Funding Source
1	Refurbishment of the Butterworth Waste Water Treatment works and sewer pumpstations	R6.6m	WSIG
2	Refurbishment of the Fort Beaufort Waste Water Treatment works and sewer pumpstations	R8.7m	WSIG
3	Emergency repairs and refurbishment of all Waste Water Treatment Works (excluding Dutywa, Butterworth & Fort Beaufort where work has been completed recently or is being implemented)	R28.8m	MIG

3.2.1.4 Status of ADM Water Treatment Facilities

ADM operates and maintains thirty-one (31) water treatment facilities. In addition, Amatola Water Board provides bulk treated water to ADM from an additional eight (8) water treatment works. The table below lists the facilities and current status:

Table 26:WATER TREATMENT FACILITIES

LM	Water Treatment Works	Status
Amahlathi	Cathcart WTW (1.5Ml/d)	Under capacity and requires upgrade. Contractor appointed, but work suspended owing to contractual issues
	Heckel WTW (0.1Ml/d)	Not operational - Eskom supply vandalised
	Kei Road WTW (4.8Ml/d)	Minor refurbishment required
	Masincedane WTW (AW Owned)	AW Owned
	Sandile WTW (AW Owned)	AW Owned
	Stutterheim WTW (6Ml/d)	Requires minor refurbishment and upgrade
	Upper Myameni (AW Owned)	AW Owned
Great Kei	Chinsta East WTW (1Ml/d)	Requires minor refurbishment and upgrade
	Haga Haga (0.3Ml/d)	Requires minor refurbishment
	Kei Bridge (1.8Ml/d)	Requires minor refurbishment and upgrade
	Kei Mouth (2Ml/d)	Requires minor refurbishment
	Morgans Bay (0.7Ml/d)	Requires minor refurbishment
Mbashe	Cwebe WTW (0.4Ml/d)	Requires minor refurbishment
	Dutywa WTW (2.6Ml/d)	Requires minor refurbishment
	Dwesa	Requires minor refurbishment
	Elliotdale WTW (0.7Ml/d)	Requires minor refurbishment
	Mbashe North WTW (3.8Ml/d)	Requires minor refurbishment
	Mendu WTW (0.3Ml/d)	Requires minor refurbishment
	Mncwasa WTW (4Ml/d)	Requires minor refurbishment
	Nqadu WTW (0.7Ml/d)	Requires minor refurbishment
	Qwaninga WTW (0.8Ml/d)	Requires minor refurbishment
	Willowvale WTW (0.7Ml/d)	Requires minor refurbishment
	Xhora WTW (12Ml/d)	New plant
Mnquma	Butterworth WTW (22Ml/d)	Requires minor refurbishment
	Kotana WTW (4Ml/d)	Requires minor refurbishment
	Ngqamakwe (0.1Ml/d)	To be superceded by Ngqamakwe Regional Scheme
	Qolora by the Sea (0.3Ml/d)	Requires upgrade
	Toleni WTW (1.7Ml/d)	Requires minor refurbishment
Ngqushwa	Glenmore WTW (AW Owned)	AW Owned
	Laing WTW (AW Owned)	AW Owned
	Peddie WTW (6Ml/d- AW owned)	AW Owned
Raymond Mhlaba	Adelaide WTW (8Ml/d)	Currently being refurbished
	Alice WTW (5Ml/d)	Requires upgrade - to be implemented by Fort Hare
	Bedford WTW (2.2Ml/d)	Currently being refurbished
	Binefield WTW (4.8Ml/d - AW owned)	AW Owned
	Debe Neck WTW (AW Owned)	AW Owned
	Fort Beaufort WTW (7Ml/d)	Requires upgrade
	Hogsback WTW (1Ml/d)	New plant
	Seymour WTW (0.7Ml/d)	Requires minor refurbishment

The following funding has been allocated to repairs and refurbishment of Water Treatment Infrastructure for the 2020/2021 financial year:

Table 27: WATER TREATMENT INFRASTRUCTURE REPAIRS AND REFURBISHMENT

No.	Project	Amount Allocated (20/21)	Funding Source
1	Refurbishment of Adelaide and Bedford Water Treatment Works	R9.2m	WSIG
2	Emergency repair and refurbishment of identified facilities	R28.8m	MIG

3.2.1.5 Key Challenges Relating to Water and Sanitation Infrastructure

The Amathole District Municipality is entirely dependent on grant funding for the construction of infrastructure to reduce water and sanitation backlogs. The speed at which backlogs can be eradicated is thus directly proportional to the size of the grant allocation. While the Amathole District Municipality is making significant progress in eradicating backlogs the following should be noted:

3.2.1.5.1 Insufficient Water sources

- Owing to the reliance on grant funding to construct infrastructure the speed at which water and sanitation backlogs can be reduced is almost entirely dependent on the size of the grant;
- Old and dilapidated infrastructure (especially old towns);
- Land claim issues during implementation of Infrastructure projects;
- Limited assessment of the integrated development needs and demand forecasting. Of particular concern is the limited long-term water resource planning;
- Limited development of bulk water resources (dams), which is further exacerbated by frequent droughts in the area, illegal connections, high water loss;
- Insufficient operating, maintenance and asset renewal budget. Currently, the rate of investment in new infrastructure is outstripping the increase in the operations and maintenance budget, which essentially means that Amathole District Municipality is having to operate more with less each year;
- Staff and skills shortages;
- Quantifiable backlogs, especially with the new extensions;
- No funding for economic development infrastructure e.g town infrastructure upgrading and coastal and tourism infrastructure;
- In our investigations, analysis and calculations we have still not categories the water services supplied to sectors such as mining, agriculture and tourism in an informed and appropriate manner; and

- In addition to the eradication of backlogs, there is ever increasing pressure on the Amathole District Municipality to improve levels of service, particularly in rural areas where the current policy is to provide communal standpipes within a 200m walking distance of each household. The demand for yard/house connections has resulted in a growing rate of illegal connections. Since neither the water supply systems nor the institutional arrangement (to either bill or disconnect) has been designed to cater for this, the result is high water losses, dysfunctional water supply schemes, poor service delivery and irate consumers. A policy has been developed to address this issue and an implementation plan is due to be rolled out during the 2020/21 financial year

3.2.1.5.2 Water Conservation and Demand Management

One of the ways of addressing the lack of sufficient water resources is to reduce and control consumption, in particular consumption caused by leaks and illegal usage. To this end, ADM appointed four water conservation and demand management specialist companies to assist with the following key activities:

- Repair of reticulation and bulk water pipe network;
- Billing Analysis
- Repair and/or replacement of bulk and zone meters;
- Consumer meter audits;
- Reservoir Repairs and Dam Repairs;
- Pump Station Repairs;
- Consumer meter installation and replacement;
- Retrofitting of internal plumbing and drainage beyond the domestic water meter; and
- Training of community plumbers.
- Water Awareness and Education

Other water conservation and demand management activities include the installation of check meters at Amatola Water billing points as well as the disconnection and restriction of consumers who fail to pay for their services or who have connected illegally.

Twenty million rand is being allocated per year to these initiatives. Substantial water savings are being made and in most cases the financial savings from the interventions, effectively pay for themselves within a year. The task is mammoth however, and substantially more investment in these initiatives is required if ADM wishes to see an impact on overall water demand during the year.

Other initiatives to reduce operational costs include an audit of all ADM's electricity connections. The first objective being to ensure that ADM is not being billed unintentionally for other consumers accounts. Once this is complete, the second objective will be to investigate ways of more efficient energy usage in order to reduce consumption.

3.2.2 EFFECTS OF COVID-19

In addition to the ongoing drought challenges, the Covid-19 pandemic has put an additional strain on water services. During the initial phases of the pandemic a number of satellite offices were periodically closed owing to staff members having become infected. In some cases, this resulted in a backlog of maintenance activities which resulted in water outages and sewage spillages.
At the same time there was great need to ensure everyone had access to safe water for hygiene purposes. The Department of Water and Sanitation (DWS), with the assistance of Amatola and Rand Water Boards, distributed over 700 plastic water tanks across the district and provided hired water tankers for the filling of these tanks. Owing to the large number of plastic tanks and the relatively small number of tankers (trucks), the tanks could not be filled as regularly as anticipated. As such the drive is to now provide as many sustainable interim water supply systems as possible.

Owing to the pandemic and the need for safe drinking water and sanitation, Treasury made an allowance for municipalities to utilize a portion of their Municipal Infrastructure Grant (MIG) funding for Covid mitigation related projects, specifically interim water supply and repairs and refurbishment projects which could be implemented quickly and would bring immediate relief. The following projects were approved during the 19/20 financial year:

Table 28:COVID-19 RELIEF PROJECTS

No.	Project	Budget	Description
1	Bucket Eradication	R15.6m	Construction of low flush latrines in Great Kei, Fort Beaufort, Adelaide & Bedford in order to eradicate the need for buckets.
2	Zincuka	R5.5m	Connection of a borehole and extension of pipelines to new villages
3	Remote Monitoring	R3m	Procurement of water quality monitoring equipment and installation of remote flow monitoring system.
4	Equipping Mputi bh's	R1.8m	Equipping of a borehole at Mphuti (Dutywa) to provide an interim supply to this village.
5	Equipping Lecani bh	R1.2m	Equipping of a borehole and installation of a tanker filling hydrant in order to speed up water delivery.
6	Equipping Qumrha bh's	R1.6m	Equipping of a borehole at Qumrha to provide an interim supply to Siviwe.
7	Backup generator and pump for Kubusi, Stutterheim	R3	Installation of a backup generator and upgrade of pump at Stutterheim raw water abstraction in order to improve reliability of water supply
8	Refurbishment of Qolora by the Sea WTW's	R1.5	Refurbishment of Qolora by the Sea raw water abstraction and treatment works in order to improve the reliability of supply.
9	**TOTAL**	**R 33m**	

Table 29:COVID-19 RELIEF REPAIRS AND REFURBISHMENT

No.	Project	Budget	Description
1	Repairs and refurbishment of water infrastructure	R32.6m	Repairs and refurbishment of various treatment facilities and pump stations
2	Repairs and refurbishment of sanitation infrastructure	R28.8m	Repairs and refurbishment of various treatment facilities and pump stations
3	Procurement of PPE	R4.7m	Procurement of PPE & sanitatisers to project ADM Essential Services Staff and communities utilising public facilities from the risk of COVID-19
4	**TOTAL**	**R66.1m**	

3.2.3 DROUGHT

Amathole District Municipality was declared a drought disaster state in December 2015 and has put in place solution orientated mechanisms such as the procuring of water tankers to cart water in the various villages affected by the drought, however, the sources have dried up. Moreover, groundwater investigations have been conducted and a number of successful boreholes have been drilled, however, many of the boreholes still need to be equipped. The areas which have been experiencing challenges due to drought are the villages and wards under Mbhashe, Mnquma, Raymond Mhlaba and Ngqushwa Local Municipalities. The table below illustrates the magnitude of the drought-affected areas within Amathole District Municipality:

Table 30: DROUGHT AFFECTED AREAS

Local Municipality	Areas Affected	No. of Villages
Mbhashe LM	Qwaninga Water Supply Ward 23	24 Villages (7271 people)
	Dwesa Water Supply Scheme Ward 29	15 Villages (5246 people)
	Mendu Water Supply Scheme Ward 29	4 Villages (1612 people)
	Nqabarha North and South Water Supply Scheme Ward 22	2 Villages (500 people)
Mnquma LM	Tholeni Water Supply Scheme Ward 9, 10, 11 and 12	35 Villages (13670 people)
Raymond Mhlaba LM	Adelaide Ward 21 – Tyoks Village	(9000 people)
	Bedford Ward 23, Ndlovini, Old Goodwin Park, Sizakhele and Old Goodwin Park	4 Villages (1500 people)
Ngqushwa LM	Thyefu Water Supply Scheme Ward 7	8 Villages (6500 people)
Great Kei LM	Soto and Mooiplaas villages Ward 4	2 Villages (5000 people)

In order to mitigate the drought conditions Mnquma, the Department of Water and Sanitation is funding the installation of a pumpstation and pipeline from Tsomo to Butterworth, via Ngqamakwe Ndabakazi. The construction period is 36 months, but the actual timeframe to complete the project will be funding dependent. The current value of the project is estimated to be R735m.

The Department of Water and Sanitation are also looking to raise the Gcuwa Weir wall in order to increase the storage capacity of the weir. Construction is likely to begin in 2021 and will take twelve months to complete.

Equipping of existing boreholes drilled through the various drought mitigation initiatives will be prioritsed as and when funding becomes available. High yielding production boreholes have been drilled near Dutywa, Ngabara, Hogsback, Adelaide and Bedford, Limited funding has prevented these from being equipped. Close to R100m will be required to bring these boreholes to full operation and pipe the water to the intended areas.

Table 31:DROUGHT FUNDING

Project	Budget Allocation 'R'000
Butterworth Water supply: Water Treatment Works (WTW) backwash water recovery	10 000
Butterworth Water supply: Augmentation of bulk water supply to Ibika from boreholes	5 000
Equipping Goshen borehole	1 000
Equipping Toise/ Wartburg borehole	4 000
Equipping “Mission” borehole in Butterworth	780
Lushington upgrade with additional borehole	3 000

3.2.4 SUSTAINABLE WATER SOLUTIONS

In order to mitigate the future effects of drought and climate change the ADM has identified the development of a number of water sources in order to provide sustainable water solutions and provide a catalyst for growth and development.

The list of projects and their current status is captured in the table overleaf.

Since these projects all require significant capital investment, smaller water solutions are being implemented in the interim. These interim projects consist mainly of ground water development. In other words the drilling and equipping of boreholes. The following project have recently or are in the process of being implemented:

- Lecani tanker filling “station” near Dutywa;
- Mphuthi borehole equipping;
- Siviwe borehole equipping;
- Goshen borehole equipping;
- Toise/ Wartburg borehole equipping;
- Teko Kona borehole equipping;
- Butterworth Golf Course boreholes equipping;

Table 32:SUSTAINABLE WATER SOLUTION PROJECTS

MUNICIPALITY	NAME OF PROJECT	BUDGET REQUESTED	CURRENT STATUS	INTERVENTION REQUIRED
Raymond Mhlaba	• Construction of Foxwood dam; • Drilling & equipping of boreholes • Equipping of boreholes drilled during last financial year in Bedford, Adelaide and Hogsback	**R2.5b** **R100m** **R30m**	• Gazetted, but no funding allocated • No funding allocated • Boreholes drilled, but no funding to equip	• Unlocking of funding • Funding • Funding
Mnquma	• Ngqamakhwe Regional Water Supply Scheme • Kolofini Wetland Rehabilitation	**R1.4b** **R6.3m**	• R724m gazetted and funded by DWS (Total project cost R862m –therefore shortfall of R138m) • No funding allocated	• Balance of funding required: R676m • Funding
Mbhashe	• Construction of Dam and Water Treatment Works for Sundwana Regional Water Supply Scheme • Equipping of Dutywa boreholes	**R650m** **R70m**	• R28.5m allocated from MIG for reticulation • Boreholes drilled, but no funding to equip	• Funding / unlocking of funding for Bulk Infrastructure • Funding
Great Kei	Extension of Kei Road Water Treatment works and bulk pipeline	**R1.1b**	Pre-feasibility undertaken. No funding allocated	Funding required for detailed feasibility and implementation
Ngqushwa and Amahlathi	Upgrade of Water Treatment Works and construction of pipeline from Sandile Dam to Peddie	**R1.5b**	Feasibility undertaken, but no funding allocated	Funding required
District Wide	Aqua Solar Hybrid Power Plant and Sea Water Desalination Plant	**R4b**	Pre-feasibility undertaken	Funding required for detailed feasibility and implementation
GRAND TOTAL:		**R17.75b**		

3.2.5 TRANSPORT

Amathole District Municipality (ADM) responsible for municipal public transport, which is a shared function with local municipalities in terms of services and infrastructure provision. Integrated Transport Plan was reviewed and approved by Council in May 2017. According to the Integrated Transport Plan (ITP), the majority of residents in the district do not have access to public transport services and/or transport facilities which are close by especially the rural areas.

Amathole District Municipality has upgraded and constructed a number of public transport facilities in the past, but some were never completed due to financial and legal challenges and they were never handed over to the Local Municipalities. An assessment of all these facilities has been done mainly the Amahlathi (Keiskammahoek), Mbashe LM (Idutywa, Elliotdale and Willowvale Public Transport) and the total budget needed to finalize them is estimated R4,7m. In 2018/19 financial year, Amathole District Municipality made available budget of R750 000 for Keiskammahoek which is on its completion stage having experienced delays. Once complete, it will be handed over to Amahlathi Local Municipality. With reference to Mbhashe Public Transport projects, funding will be sourced from partners.

The district continues to participate in the Eastern Cape Integrated Transport Planning Coordinating Committee driven by the EC Department of Transport. This committee provides a platform where all transport initiatives are ventilated where each stakeholder is required to present a progress report on the rollout of transport initiatives.

There hasn't been much improvement on the Public Transport Facilities due to the challenges mentioned above e.g shared function and lack funding dedicated for Transport Facilities. This is also exacerbated by the lack of Operation and Maintenance that is not happening in most of these facilities which then result in the upgrades that are being made by Amathole District Municipality being futile. A number of the public transport facilities continue to operate informally while other areas are faced with non-existence of facilities, some lack basic infrastructures such as toilets, shelters, paving or formal trading facilities. Fragmentation in the powers and functions between the local municipalities and the district as well as the non-core nature of the function is a major challenge. The status of the Gaps that were identified and analysed in 2012 has not changed much, refer to the table below.

Table 33: INFRASTRUCTURE IMPROVEMENTS REQUIRED AT FORMAL PUBLIC TRANSPORT FACILITIES

Public Transport Facility	Status	Universal Design Required	Shelter: Required	Redesign Required for Taxi Recan Vehicles	Immediate Repairs and Maintenance	Lighting Improvements: Required	Toilets, Washrooms required / in need of upgrade	Structure / Area Required for Trading
Adelaide	Complete	X			x	x	x	
Alice	Complete	X	x	X	x	x		x
Bedford	Complete					x	x	
Butterworth	Complete							
Centane	Not constructed	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dutywa Long Distance Facility	Complete	In progress			x	x	x	
Dutywa Local	Incomplete	X	Compl ete		x	In progress	x	x
Elliotdale	Incomplete	X	In progre ss	X	N/A	In progress	In progress	In progress
Fort Beaufort	Complete	X			x			
Keiskammah oek	Complete	X						
Middledrift	Complete	X			x	x		
Nqamakwe	Complete	X				x		
Stutterheim	Complete	X				x		
Willowvale Phase 1	Complete	X				In progress	x	
Willowvalle Phase 2	Phase 2 Not constructed	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Komga	Not constructed	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mooiplaas	Not constructed	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Amathole District Municipality is also implementing Road Asset Management System (RAMS) in the district on behalf of the National Department of Transport. A service provider was appointed in April 2019 for a period of 36 months to provide Technical support to District and its Local Municipalities. On completion of the RAMS systems, the national Department of Transport will through National Treasury fund rehabilitation, upgrading and construction of rural roads. The role of districts during the implementation phase of RAMS is still being assessed.

The Road Asset Management System (RAMS) will include a District Integrated Transport Plan where Taxi Ranks better known as Public Transport Facilities are addressed. It must also be noted that all other amenities like Clinics, Schools and Hospitals have also been captured during data collection. This process will be extended to Community Halls as well as Police Stations and Sports fields so that all amenities accessed by roads are captured. This data will be useful when relevant authority rollout their maintenance and capital plans. It must also be noted ADM is no longer active in provision of amenities be it Community Halls or Sports fields due to funding constraints.
Districts are currently also lobbying the National Department of Transport (DoT) to review the RAMS grant so that it addresses Capital budget.

In addition, the Amathole District Municipality ITP revealed a number of key public transport issues within the district as listed below:

- Funding due to non-core nature of the function
- Use of Bakkies and Un-roadworthy vehicles as public transport
- Lack of public transport Services regulation
- Enforcement of by-laws
- Buy-in at Local Level

The National Department of Transport advised the Amathole District Municipality of their intention to develop an Integrated Public Transport Network (ITPN) in Amathole District Municipality starting during the financial year 2019/2020. The primary objective of developing IPTN is to improve transport systems and to provide communities with access and mobility to basic services. IPTN will provide integrated, safe and reliable public transport services to the users. ADM as an integral part of this program will be at the forefront and will involve all local municipalities within the area of its jurisdiction. All above initiatives are in line with ADM Vision 2058 as well as the latest SONA. This program is currently at specialist procurement stage.

The Amathole District Municipality has submitted Business Plan for upgrading of strategic roads to the Transport System Upgrade Programme, for funding consideration to the Budget Facility for Infrastructure (BFI) for the 2021 Medium Term Expenditure Framework (MTEF) cycle. This initiative is in line with one of the key projects of the ADM Vision 2058, “Integrated Transport Systems”. Upgrading of these strategic roads will go a long way in supporting sustainability and integration of transport planning while promoting economic investments in the district. The district is currently awaiting response on the approval of such business plan.

The Amathole District Municipality has also submitted a Municipal Roads Situation Analysis Report to EC CoGTA to assist in speeding up the development of the comprehensive Provincial Municipal Roads Network Plan (PMRNP). This initiative is also in line with one of the key projects of the ADM Vision 2058, “Integrated Transport Systems”. Upgrading of roads will also assist in supporting sustainability and integration of transport planning while promoting economic investments in the district.

EC SALGA is also in the process of developing guiding documents that will be able to assist municipalities and relevant stakeholders to address transport challenges while ensuring objectives of transport services. To facilitate this process, District municipalities were requested to share their RAMS information with SALGA.

3.2.6 SOLID WASTE

Amathole District Municipality is responsible for the operation of Regional Waste Sites. All the Waste sites under Amathole District Municipality jurisdiction are licensed either for closure or operations with one site in the process of renewing the Licence for Operations. The Eastern Regional Solid Waste Site established in Butterworth is facing financial challenges leading to stalling of operations on the site. The district is currently engaging the two affected local municipalities in trying to come up with a workable solution where responsibility of the site will be borne by the two affected local municipalities within legislative imperatives. Interventions talking to Alternative Energy, Composting and Recycling Market are currently being investigated by the district.

The district has also applied for external funding from the Department of Environmental Affairs. Feasibility Study into the Regionalisation of the Solid Waste Service in the Western areas has been completed, however, the Institution is still hesitant in continuing with its implementation due to the challenges experienced on the Eastern Regional one as well as financial constraints.

In terms of the Environmental Conservation Act, sites are required to be engineered and operated under license issued by DWA/DEA. The number of licensed or permitted sites 13, currently out of 23 operational sites in the district, as presented in the table below:

Table 34: LICENSED SOLID WASTE MANAGEMENT FACILITIES

Waste Site	Size	Status	Comments
RAYMOND MHLABA MUNICIPALITY Alice	C	Permit Issued	GCB-
Middledrift	C	Permit Issued	GCB-
Fort Beaufort Transfer Station		Permit issued	Transfer Station
Bedford	C	Permit Issued	GCB-
AMAHLATHI MUNICIPALITY Stutterheim	GSB+	Permit Issued	GSB+
Carthcart	C	Licence	Transfer Station
Keiskammahoek	C	Permit Issued	GCB-
NGQUSHWA MUNICIPALITY Hamburg	C	Direction Issued	Transfer Station
Peddie	C	Direction Issued	GCB-
MNQUMA MUNICIPALITY			
Eastern Regional Waste Site	M	Permit Issued	GMB+
MBASHE MUNICIPALITY			
Elliotdale Waste Site	C	Permit Issued	GCB-
GREAT KEI MUNICIPALITY			
Kei Mouth	C	Licence Issued	Transfer Station
Chintsa East	C	Licence Issued	Transfer Station

Although there are a number of waste sites that are not permitted, there are plans in place to eliminate their illegality. One of these plans is a feasibility study into the provision of transfer stations in Keiskamahoek which found these feasible in Lower Mnyameni and Gwili. This project was going to be undertaken through the Keiskamahoek nine villages Restitution program, however, funds have been taken back to the funder and the project could not be implemented due to community dissatisfaction and court order that was in their favour.

Table 35: UNLICENSED SOLID WASTE MANAGEMENT FACILITIES

WASTE SITE	SIZE (What does C mean)	STATUS	ACTION
Komga	C	Unlicensed	Site is being rehabilitated and licensing process is eminent
Haga-Haga	C	Unlicensed	To be closed and rehabilitated. Waste will be transferred to Komga waste site.
Dutywa	C	Unlicensed	Waste site to be closed and rehabilitated and a transfer station is under construction.
Willowvale	C	Unlicensed	Waste site to be closed and rehabilitated and a transfer station is at Feasibility stage
Butterworth	S	Unlicensed	To be closed and rehabilitated. Waste to be taken directly to the Regional Site.
Ngqamakwe	C	Unlicensed	Waste site to be closed and rehabilitated and a transfer station is planned.
Centane	C	Unlicensed	Waste site to be closed and rehabilitated and a transfer station is planned.
Fort Beaufort	C	Unlicensed	To be closed and rehabilitated once the transfer station is operational.
Seymour	C	Unlicensed	Licence Application submitted to DEDEA. Transfer station with recycling centre to be established.
Hogsback	C	Unlicensed	Transfer station to be established.
Adelaide	C	Unlicensed	Transfer station to be established.

3.2.6.1 South African Waste Information System (SAWIS):

The South African Waste Information System (SAWIS) developed by the Department of Environmental Affairs (DEA) in 2005, is a system used by government and industry to capture routine data on the tonnages of waste generated, recycled and disposed of in South Africa on a monthly and annual basis.

3.2.7 ELECTRIFICATION

The Amathole District Municipality does not provide electrification as one of its services but rathe the service is being done by Eskom. However, there are a few local Municipality that provide this service together with Eskom and the Department of Energy. Electrification of households occurs in the backdrop of a rural bias & historical backlog. Electrification is funded by National Government via disbursement from National Treasury to the Department of Energy. Municipalities are allocated funding to electrify un-electrified areas annually and IDP prioritisation in planning areas is a key determinant. Allocations are gazetted annually per municipality once budgeting is approved. Eskom issues/advises through IDP letters with a list of projects to be done in any financial year as per stipulations of the DoRA. Monitoring of projects' progress done via DoRa Reports on a monthly basis. Budget adjustment (Re-Gazetting) for the programme happens during September.

3.2.7.1 ADM Free Basic Status Quo

Table 36: FREE BASIC STATUS QUO

Municipality	No. of Electrified customers	Configured for FBE	Collection		
			May 2020	June 2020	July 2020
Mbhashe	51,710	0	2	27	51
Mnquma	77,756	7,979	7,182	7,117	6,993
Great Kei	5,940	0	3	11	1
Amahlathi	35,438	0	13	26	10
Ngqushwa	29,201	5,082	4,371	4,341	4,366
Raymond Mhlaba	35,443	10,470	8,607	8,572	8,577
TOTAL	**235,488**	**23,531**	**20,178**	**20,094**	**19,998**

3.2.7.2 Historic Backlog

Challenges

- Backlog figures complicated by growth of extensions near electrified areas
- Costs to electrify becoming steeper as we tackle deep rural areas.
- Problems of access in certain villages making it difficult to electrify.
- Communities becoming impatient with the phasing of electrification and slow pace of electrification.
- Illegal connections.
- Infrastructure vandalism.
- Low Cost per connection (scope reduction)
- Programme delayed by Lockdown (COVID19)
- Non Payment of FBE

- Delayed or not Signed FBE SLAs
- Inadequate FBE tokens collections by beneficiaries.
- Meter change outs when faulty and number never reported to the Municipality by the beneficiary.
- Rural housing or Human settlement development (Create Scope Creep).

3.2.8 SPATIAL DEVELOPMENT

Spatial development refer to the methods and approaches used by to influence the distribution of people and activities in spaces of various scales.

3.2.8.1 Spatial Development Framework

In terms of Section 26 (e) of the Municipal Systems Act (Act No. 32 of 2000) a Spatial Development Framework (SDF) is a legally required component of a Municipality's Integrated Development Framework (IDP). In terms of the Municipal Systems Act, once the SDF is approved by the Municipal Council, it has the status of a statutory plan that serves to guide and inform all decisions made by the Municipality with regard to spatial development and land use management in its area of jurisdiction. In this regard ADM had in 2019/2020 an approved Reviewed Spatial Development Framework (SDF).

This framework is guided by a clear set of principles and comprises a number of spatial structuring elements. The Spatial Development Framework is intended to give expression to; and provide guidance on the priority areas for investment identified for the Amathole District Municipality, based on the development vision and strategies embodied in the Municipality's Integrated Development Plan (IDP) and related Sector Plans
The SDF basically:

Identify Key Spatial Development Features applicable in the District

Identify the Municipal Strategies that are adopted to achieve the development objectives, focussing on:

- Clear depiction of Specific Development Corridors and Development Nodes
- Delineating Special Development Areas (Areas of particular development potential and Areas of Special need)
- The Reviewed Spatial Development Framework (SDF is a strategic tool of the Municipality, aimed at identifying Key Spatial Development issues, Main Nodes and Zones of Potential Development.

- It takes into account the current pattern of land use and nature of development in the Municipal area
- It forms the basis for land use management and serves as a guideline to inform the Municipality in its decisions on land development (new developments and changes to existing land uses) in its area of jurisdiction.

- It is a legally enforceable component of the IDP which indicates both to Municipality and to Public where certain activities are unlikely to be permitted taking environmental conservation and other dimensions into account
- SDF serve as a Guide to Municipalities regarding their Spatial Areas of Great Need and Priorities for Investment in Development and associated interventions

In line with Spatial Planning and Land Use Management Act No. 16 of 2013 (SPLUMA) the SDF now does promote consistency and uniformity in procedures and decision-making.
It also addresses the objective that include addressing historical spatial imbalances and the integration of the principles of sustainable development into land use and planning regulatory tools and legislative instruments.

FIGURE 27: SPLUMA 2013

Therefore, the SDF provides a strategic, indicative and flexible forward planning instrument to guide decisions on land development and renders a set of Policies, Principles and Directives for Spatial Development.
ADM has established a District Municipality Planning Tribunal in line with Spatial Planning and Land Use Management Act No 16 of 2013. However, due to lack of funds ADM and LMs entered to an agreement of budgeting for the DMPT so as to ensure functionality of this structure.

The Framework

In order to ensure that development will take place in an integrated and sustainable manner, the IDPs and the SDFs of local and the district authorities have to be updated and aligned with the goals and the directives provided by various existing and new guiding documents, such as the National Spatial Development Plan and Provincial Spatial Development Plan.

ADM Revised SDF is aligned with the National Department of Rural Development and Land reform (which is assigned of Spatial Planning responsibility). Strategic Framework, with specific reference to *Outcome 2: Spatial transformation and effective land administration* with clear with Outcome indicators aligned to Government Priority Outcome 4.

The SDF in line with the IDP was reviewed on to ensure synergy between the three Spheres of Government.

ADM Policy Assessment

As mentioned it is acknowledged that Amathole District Municipality's IDP is founded on a clear Vision statement , including a Long-Term Vision of the Municipality is the following:

Vision 2058: *"Building A Smart District"*

The Mission of the Amathole District Municipality, in its developmental mandate, is dedicated in contributing to:

- Ensuring equal access to socio-economic opportunities.
- Building the capacity of local municipalities within ADM's area of jurisdiction.
- Ascribe to a culture of accountability and clean governance.
- Sound financial management.
- Political and administrative interface to enhance good service delivery.
- Contributing to the betterment of our communities through a participatory development process.

Based on a consideration of the information set out in various plans listed in the IDP, the following are taken as key focus areas for spatial development in the Amathole district: -

As a Water Services Authority and Water Services Provider in Six Local Municipalities, the focus of ADM's efforts in the provision of water and sanitation services falls on:

- Ensuring a basic minimum level of service to all communities resident in the areas of the seven LMs (i.e. excluding the area of Buffalo City Metropolitan Municipality, which is a WSA for its own area). Given the status of current Level of Service (LOS) for water provision, these areas are mainly located in the municipal areas of Mbhashe, Mnquma and Raymond Mhlaba.
- Building capacity in existing infrastructure networks in urban centres by focusing on the refurbishment and maintenance of existing plant and infrastructure in the first instance and extending capacity of networks where this is necessary
- In the medium term, to focus on the provision of adequate sanitation in rural settlements.

Recognizing the low level of socio-economic well-being of the majority of the communities residing in the district, ADM has placed a strong focus on the facilitation and support of economic development, especially through its Economic Development Agency, ASPIRE.

The key sectors where efforts to enhance competitive advantages and to seek new sectors for competitive positioning include:

- The industrial (manufacturing) sector (export focus)
- Sectors based on high-value or specialized skills (technology and innovation, arts and the development of niche market products etc.)
- The Tourism sector (eco-, adventure and experiential tourism)
- Agriculture sector
- Natural resource based enterprises (agriculture and forestry relating to enterprises such as bio-fuels, high-value crops, cotton, wool, leather, hemp, timber etc.).

The Spatial Dimensions of the above focus on Economic Development are identified as "Locality-Based Spatial Development", which includes district-wide initiatives as well as spatially specific initiatives aimed at identified development nodes (towns or centres) and transport Corridors.

It seems clear that the emphasis is likely to fall in the first instance on the regeneration of the urban economies of towns located within the Corridors associated with the main transport routes of the N2, the N6, the R63 and the R72.

Given the fragmented nature of the settlement pattern in the Amathole district, a clear emphasis is to be placed on the development over time of improved access linkages to areas where development investment and/or development potential has been identified

Land Reform and its correlative, Agrarian Reform remains a key area of focus in the district, and it is clear from an assessment of current and planned land development initiatives/projects that the existing framework of the LRSP remains valid. However, it is noted that the district is presently engaged in the formulation of an Area Based Plan (ABP) for land reform and this may amend or

As such and mentioned that Amathole District Municipality has also developed a long-term Vision 2058: Building a Smart District as well as Municipal Turn-Around Strategy (MTAS) which among its objectives is building of public confidence by ensuring the provision of services in an efficient, effective and sustainable manner. MTAS identified SDF as one of the eight pillars.

Further, as mentioned, due to change in circumstances including inter alia the spatial planning regime in the promulgation of Spatial Planning and Land Use Management Act No. 16 of 2013 with Regulations, also compelled the Municipalities to review and develop their SDFs in line with the Key Principles of Development as stated in Chapter 2 of SPLUMA.

The SDF also noted that Vision 2058 envisaged that; a Smart District vision that will take Amathole District Municipality from the present into the future; a vision that will guide us to make deliberate efforts to improve the quality of life of our people to the level of our counterparts in the Republic of South Africa and arguably abroad by the year 2058.

The purpose of envisioning a Sustainable Smart District Built Environment for Amathole District Municipality is a missioning process is to create a fertile Smart District-Built Environment for ADM by developing new ideas that will work towards 2058.

Vision 2058 document identifies that planners in the 21st century can no longer rely solely on top-down management processes that are organised and carried out exclusively by smart district environment professionals.

Implications:

The Vision 2058 document is key to guide and structure the ADM SDF. The document discusses developing the district into a smart district. As we are aware, technology advances are developing at a rapid rate. Ensuring that towns and nodes are developing in line with this concept is essential. Thus the SDF also included this concept as a component.

Thus, ADM has reviewed and adopted their Spatial Development Framework during 2019/2020 financial year.

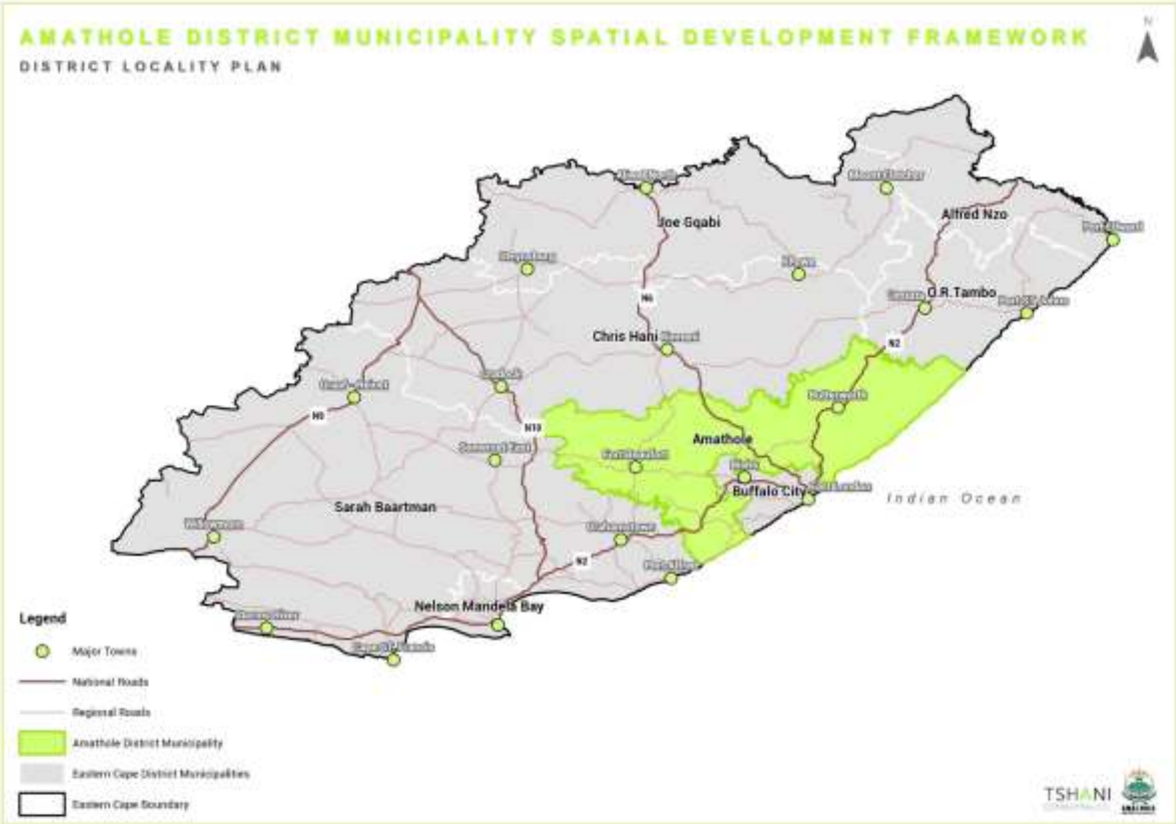
As such the SDF remained as designed to act as a Spatial Expression of the IDP in so far as it aims to illustrate Spatial Dimensions of key Strategic Focus Areas of the district that include, Economic Growth and Development, Land and & Agrarian Reform, Water & Services Development including Environmental Management

In terms of overview, the revised SDF does provide for key identifies Spatial Structuring Elements being in an SDF being Hierarchy of Settlements, Identification of Special Development Areas, Settlement Zones, Tourism Development Zones, Transport Routes, Cross Boundary Infrastructure and Generalized Area.

The Framework also acknowledges that Amathole District Municipality is one of the six (6) District Municipalities within the Province of the Eastern Cape. The other Districts are; Alfred Nzo District Municipality, O R Tambo District Municipality, Amathole District Municipality, Joe Gqabi District Municipality, Chris Hani District Municipality, and Sarah Baartman District Municipality.

Amathole District Municipality, being a ‘Category C’ Municipality, is situated in the central part of the Eastern Cape. ADM is bordered on the Eastern side by O.R. Tambo District Municipality, Chris Hani District Municipality to the north, Sarah Bartman to the West and Indian Ocean to the South.

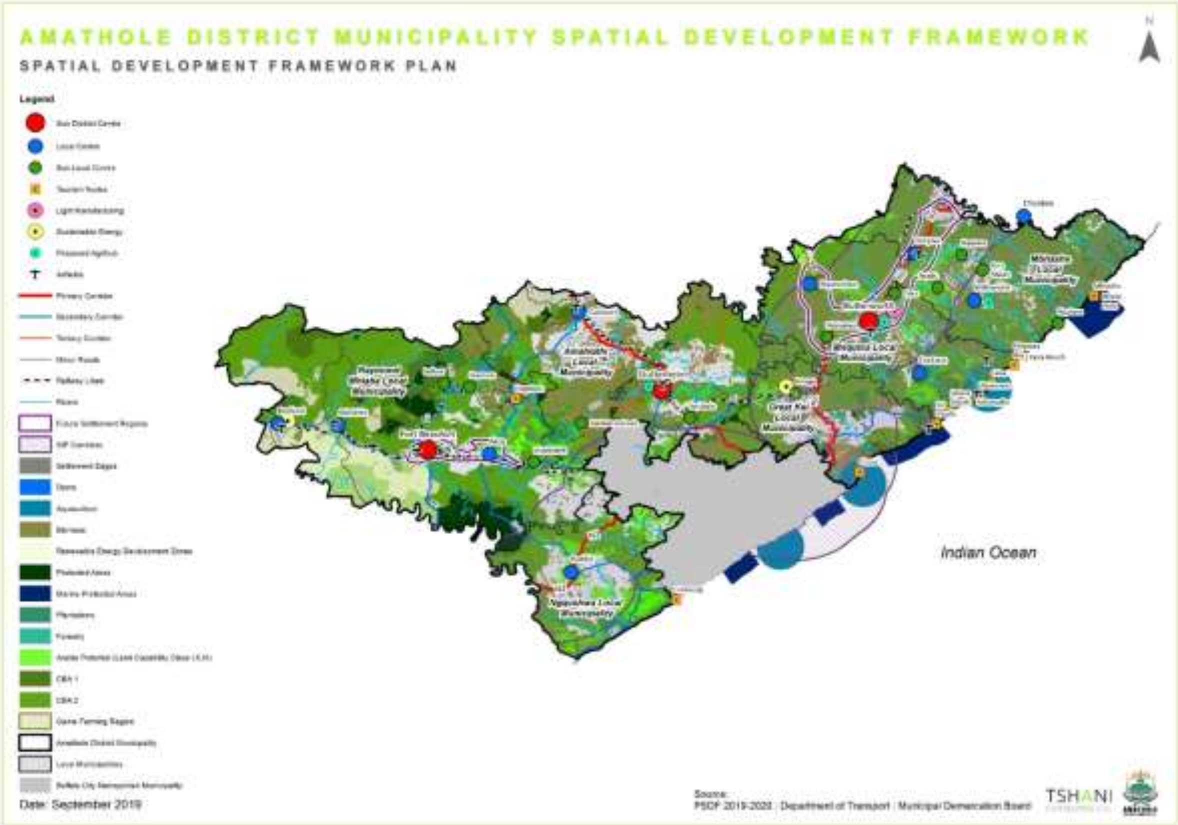
FIGURE 28: SDF AREA APPROXIMITY MAP



ADM is made up of five LMs; Amahlathi, Great Kei, Mbhashe, Mnquma, Ngqushwa and Raymond Mhlaba. The District covers an area of approximately 21 117km² which is home to an estimated Population of 880 790 persons (Statistics South Africa Community Survey 2016).

- To be a strategic, indicative and flexible forward looking planning tool, and to guide decisions on land development;
- To be a spatial image of the Integrated Development Plan; Develop a set of policies and principles and an approach for the management of spatial development;
- To guide decision-makers to make and take sound land development decisions.
- To Facilitate the social, economic, and environmental sustainability of the District by providing framework for :
  - Natural resource management;
  - Land reform and capability;
  - The conservation of prime land, wetland, biophysical (built environment), tourism and agricultural land;
  - Corridor framework

FIGURE 29: SDF LAND USE GUIDELINE MAP



The ADM SDF illustrates the above information on maps; and set out basic guidelines for a land use management system in Amathole District Municipality, with due acknowledgement of the fact that the District Municipality itself is not a land use regulator.

The map above depicts the Amathole District Municipality Spatial Development Framework. It's a map that identify areas with potential for socio-economic growth, biodiversity conservation areas, social facilities, etc.

ADM SDF was to spatially present the goals and objectives identified in the ADM Integrated Development Plan (IDP) and is envisaged to ultimately:

- align the SDF with the priorities of the IDP
- align the SDF with any development progress which may have taken place
- guide and inform all decisions made with regard to spatial development and land use management.

The District Spatial Development Framework (DSDF), as its objectives, highlights a critical necessity to create a spatially based framework for the area of the district wherein changes, needs and growth can be managed in a sustainable manner. The district spatial development framework is an indicative tool whereby identification of development potential areas, priorities in infrastructure investments and development spending that will in turn be reflected in the IDP sector plans. The IDP Sector Plans are therefore, required to respond to the spatial elements of the DSDF in their proposals regarding the land development and settlement development.

ADM SDF: "Acknowledging our space for development that focuses and exploits potential opportunities and capabilities for the betterment of community livelihoods in a sustainable manner"

3.2.8.2 ADM Spatial Development Framework Objectives

Table 37:SPATIAL DEVELOPMENT FRAMEWORK OBJECTIVES

OBJECTIVES	STRATEGIES
BASIC NEEDS: Ensuring availability-acceptable level of infrastructure and service delivery	• Social Amenities; • The development of Integrated Sustainable Human Settlements; • Communication and connectivity - technological • Develop smart strategies for the basic service delivery • Identify and prioritize areas of greatest need; • Link services and service supply networks to optimize efficiency; • Focus on involvement of all relevant stakeholders
SPATIAL FRAGMENTATION: Creating an efficient and integrated settlement pattern in Amathole District Municipality	• Consolidate and densify settlements where appropriate; • Promote the integration of sprawling settlements; • Prioritize, maintain and upgrade strategic link routes
LINKAGES AND ACCESSES: Well-structured road and rail network system to ease movement; and efficient and effective links between nodes, relevant products and services	• Identify nodes and products that require linkages; • Identify and prioritize where the need is the greatest;

LAND USE MANAGEMENT: An appropriate Land Use Management Systems in operation across the District Municipality; and security of access to land for development	• Support and implement a programme to develop appropriate new Zoning Scheme for urban and rural areas in line with the direction of new legislation; • Support Land Reform and Settlement upgrade initiatives by identifying zones of opportunities according to land needs.
ENVIRONMENT: Adhering to sound environmental practices in line with applicable legislations and protecting environmentally sensitive areas	• Support and implement a programme to develop appropriate new Zoning Scheme for urban and rural areas in line with the direction of new legislation; • Support Land Reform and Settlement upgrade initiatives by identifying zones of opportunities according to land needs.

The District Spatial Development Framework is comprised of a number of structuring elements (or "building blocks") that are derived from a variety of inputs, including Corridor Programme of ASPIRE, inputs provided by various Sector Plans, as well as the spatial data in the Eastern Cape Biodiversity Conservation Plan

The SDF provides for the following are structuring elements as proposed: -

- Sub-district centres
- District centres
- Local Centres, and,
- Tourism / Coastal Nodes

3.2.8.3 Implementation Programmes

Part of the institutionalizing process require SDFs to be legally enforceable and certain land use management tools need to be elevated to the level of becoming components of Land Use Schemes (rather than being easily amended guidelines).

The following Programmes with related projects have been identified to align with the Spatial Development Frameworks:

Environmental

- Investigate spatial planning and land use management implications in respect of climate change and adaption opportunities
- Mapping and identification of environmental sensitive areas
- Mapping of resource areas
- Establishment of an Amathole Mountains Biosphere Reserve

Social Development And Human Settlement

- Research and information sharing on population movements and migration
- Research into settlement dynamics and needs of communities in urbanising settlement environments
- Identify settlements, focus areas and centres that show signs of economic growth or development decline, conduct research into development dynamics and devise measures to maximise opportunities and development potential
- Research into settlement densities and desirable density guidelines managing edges

Rural Development

- Institute a programme focusing on improving access to land for development
- Obtain mapping of agro-ecological areas, to define and conserve natural resource areas for food security

Infrastructure

- Obtain mapping of access road upgrading and maintenance programmes to underpin rural development
- Identify and integrate strategic transport routes into SDFs
- Research alternative energy sources

Economic Projects

- Identify, analyse and map livelihood zones
- Identify and map optimal spatial locations of potential agro-industries

Human Resource

- Implementation of training and capacity building programmes for officials

Governance

- Formulate a spatial planning and land use management system which embraces the Indigenous and conventional technical principles and practices of communities
- Establish an evaluation and monitoring system for spatial planning, land use management and stakeholder participation
- The Implementation Plan is a management tool designed to illustrate the critical steps in developing the various sectors and Local Municipalities within the District. It is a guide which assists the district in being proactive in developing and identifying any challenges along the way. It also allows any person to fully understand the goals of the district

3.2.9 LAND REFORM

Amathole District Municipality developed a "Land Reform and Settlement Plan" (LRSP) that form part of the IDP. LRSP was prepared with specific reference to the key land issues relating to land reform and settlement development in the District.
The complexity of the Land Reform environment has been acknowledged throughout the LR&SP, with specific reference to the identified challenges located within the areas of land access, land tenure, and land administration.
Land reform has a composite suite of issues and interlocking components; the precise make up of which differ from one Local Municipal Area to the other.

Some of these components include:

- land identification,
- land acquisition,
- in-situ upgrade and tenure upgrade,
- land planning for residential and productive uses,
- Land-legal issues (eg. land rights audits, title adjustments, land survey, registration of ownership, etc.),
- post implementation livelihoods support,
- post implementation land use management, and
- Infrastructure/asset maintenance and operation issues."

Linked to the above, is the issue of Constitutional division of powers and functions to be performed by the three spheres of government, as well as the division of powers of functions between the Category

Bs and Category C Municipalities, as per the recommendations of the Municipal Demarcation Board in terms of the Local Government: Municipal Demarcation Act 27 of 2000.

It is acknowledged that Land Reform is a specific functional competency of the National Department of Rural Development and Land Reform.
However, it has been the policy of the National Department to ensure that the implementation of the delivery of land reform "products" is undertaken at the local level of government.

Within the ADM area of jurisdiction, the municipal assignment of powers and functions has resulted in the following division:

- Municipal Planning – assigned to the Category B municipalities;
- Settlement Planning, Planning for Land Development and Land Use Management – assigned to Category B municipalities;
- Capacity Building (in relation to abovementioned functions) – Category C municipality (ADM).

This effectively means, that within the context of the ADM LR&SP, the principle role in driving land reform processes and initiating land and settlement planning resorts with the Local Municipalities, whilst the ADM would only render support and assistance to these municipalities, in relation to the performance of these functions, when a specific need arises, or when called upon to do so by the relevant local municipality.
A visible manifestation of the implementation of the above will clearly be found in the Implementation Plan dealing with the areas of Support and Capacity Building for Local Municipalities."

It is important to add that a legislative imperative exist in specifically the Local Government: Municipal Systems Act 117 of 1998, in terms of which the District Municipality is charged with the duty to build the capacity of local municipalities within its area of jurisdiction to ensure that such municipalities are capable of performing their duties and functions (Section 83).

In broad terms, the ADM Land Reform Plan has since had substantial changes as when it was initially conceived. These changes were effected due to changes in the applicable policy and legislation, well as policy changes relating to the acceptance of the validity of land claims made in cases of loss due to betterment planning.

The key challenge for the District in Land Reform process is to deal effectively with the injustices of land dispossession, equitable distribution of ownership, reduction of poverty and economic growth, tenure security as well as system of land management which will support sustainable land use patterns. This is in line with the National Policy on Land Reform, 1997. These will be dealt with in terms of the required land related legislations.

A further area requiring some attention during this analysis phase of review is specifically the capacity building and support mechanisms in relation to project planning, management and implementation (linked to the ADM's legislative duties and obligations in relation to Land Reform, as more fully explained here above).

3.2.9.1 Sustainable Development Context

A schematic outline was provided on the structure of sustainable development and it is clear that Land Reform & Settlement Planning formed part of the economic, social and environmental sustainable development, which is influenced by land tenure, land value, land use and land development, which also interacted with each other and which flows directly from the identification of land parcels, registers and mapping.

The reviewed Land Reform and Settlement Plan remains substantially as it was when it was approved. Much work has been done over the last years but serious obstacles remain in the way of a free flow of implementation.

An assessment of the changes in the technical / operating environment for land reform and a review of the challenges facing the ongoing processes of land reform and settlement development in the Amathole District have led to changes being proposed in some of the Objectives, Strategies and Projects moving forward towards 2022 (5 year term).

These changes have, in turn, led to minor amendments in the Operational Plan of the LRSP. Principally, these amendments relate to a proposed focus on rolling out implementation in some key land reform areas:-

- The Land Restitution Cluster,
- The Model 2 Settlement Zone Planning
- TENURE Security
- Ward baed Planning
- Land Acquisition and Implementation Actions; and

- Settlement Inventory
- Building of Strategic Prtneship
- Good governance between the District Municipality, the Local Municipalities and the Provincial Department of Rural Development and Agrarian Reform.

3.2.9.2 Key Issues

Land Reform issues within the Amathole area encompass a complex array of challenges and problems located within the spheres of land access, land tenure, and land administration. The legislative framework and functional responsibility for dealing with these issues lie across all tiers of Government and between different authorities.

During the analysis these have shown as “opportunities” of the Land Reform issues in the Amathole area:

- Pace of land reform within the municipal area still lags behind nationally set targets as well as the expectations of communities, there has been a substantial increase in the delivery pace over the last 5 years;
- Land reform initiatives largely remain geographically focused and limited to certain types of interventions, to the detriment of a preferred, holistic implementation of the complete land reform package;
- Land Redistribution Planning Needs have focused on certain areas where eg. Commonage Needs are extensive throughout the district;
- Implementation capacity is viewed as a serious challenge in land reform implementation throughout the area and specifically communication of the deliverables and the rate of implementation have been of concern;
- Breakdown of Land Administration Systems (in respect of both the legislative, regulatory and administrative aspects thereof) throughout the district has led to uncertainty and tensions;
- Tenure insecurity remains prevalent notwithstanding interim.

It thus acknowledged that development should be more than the striving for material improvement, but that "Ubuntu" should form an integral part of such development strategy which will imply a striving for:

- Social Justice
- comprehensive consultation and joint decision-making
- the alleviation of all forms of suffering (or satisfaction of basic needs)

- respect for the local eco-system & local and cultural patterns, and the advancement of people through their own endeavours-freedom of expression

As such everybody had to remain committed to ensure that ultimately the IDP & LR&SP that will translate in "improved humanness" for all communities will succeed.

The Land Development Initiatives on Land Reform for the District are clearly outlined in the Revised Land Reform and Settlement Plan.

3.2.10 HUMAN SETTLEMENTS

The Constitution of the Republic of South Africa, of 1996 as amended defines the housing function as a concurrent competency of both National and Provincial spheres of Government.
However, the Department of Human Settlements requires municipalities through legislation and policies, to formulate Housing delivery goals as part of the IDP process.

Further, housing is seen as one of the primary service delivery components as a result municipalities are obliged to proactive in executing these responsibilities. It is these kind of responsibilities for municipalities that are implicitly indicated in S83(3)(a-d) of the Municipal Structures Act. ADM Housing strategy inherits its main focus from the aspirations rooted in the Freedom Charter and has shifted its focus from Housing delivery to provision of Sustainable Human Settlements. Sustainable Human Settlements and improved quality of household life are defined by:

- Access to adequate accommodation that is suitable, relevant, appropriately located, affordable and fiscally sustainable;
- Access to basic services (water, sanitation, refuse removal and electricity);
- Security of tenure irrespective of ownership or rental, formal or informal structures;
- Access to social services and economic opportunity within reasonable distance.

The outcome of achieving these is of critical importance for various reasons. Firstly, it is a requirement of the Constitution and Bill of Rights. Secondly, it is core to human dignity and social stability and is a key enabler of health, education and social cohesion outcomes. Lastly, with good planning, it can also serve as a catalyst for economic development and job creation.

Ultimately, the outcomes of the national effort around human settlements must be seen in the context of social development and transformation as well as meeting the objectives of rolling back under-development.

Amathole District Municipality plays a role with regard to housing development or sustainable human settlements development in our area, as outlined in the ADM Integrated Human Settlements Plan (Housing Strategy), (IDP Sector Plan),

Further, Amathole District Municipality made a commitment in the provision of Sustainable Human Settlements through housing development in line with applicable legislative and policy provisions.

Therefore, the role and responsibility assigned to Amathole District Municipality is not defined between any tier of local government in the legislative and policy environment except for assignment of such responsibility to local government.

Amathole District Municipality with its 6 Local Municipalities agreed that ADM will assume direct responsibility of addressing the housing needs of its inhabitants in the manner outlined hereunder, especially where there is lack of personnel in those municipalities.

This approach is as detailed in its Integrated Human Settlements Plan (Housing Strategy) (IDP Sector Plan). The outline of such a role identified through a participatory process, endorsed by all spheres of Government is as detailed hereunder:

Table 38: HOUSING SECTOR PLAN PARTICIPATORY PROCESS

ROLE	FUNCTION
Guide	▪ Development of Municipal Housing Sector Plans ▪ Help set up appropriate designed municipal housing institutional arrangements ▪ Development of user friendly manuals/models/systems
Support	▪ The planning and implementation of subsidy projects (Land, house designs, and quality, town planning layout, etc.) towards integrated settlements ▪ Help in monitoring housing projects ▪ Development and implementation of housing capacity development programmes
Co-ordinate	▪ Funding for housing related bulk infrastructure and social infrastructure; ▪ Participation of housing institutions and other relevant support agencies in local municipalities ▪ Formulation and review of housing policy and legislation
Advocate	▪ Provincially, nationally and internationally for local municipalities

Implement	▪ Where there is need (determined by both local and district municipalities) the ADM will directly implement subsidy protects in a manner that capacitates the local municipality concerned so as to perform this function in the near future

In doing so Amathole District Municipality has not lost sight of its role as a District Municipality to give a supportive role to Local Municipalities in terms of Section 83 (3) of the Municipal Structure Act, Act 117 of 1998.

The role of Amathole District Municipality as outlined in the Integrated Human Settlements Plan. This Plan therefore states that a key development issue identified during the IDP processes is also “housing development”, which was listed as one of the most important issues for the District Municipality to address.
The Plan on human settlements serves as a guiding framework for the strategic engagement of the ADM in housing development including its role in supporting the 6 Category B municipalities within its area of jurisdiction

This position has furthermore been endorsed by the National Department of Housing. In addition to the above-stated role and responsibilities of the ADM, the National Department stated that the ADM *“…could play a more prominent role in the housing development planning and co-ordinating process and perhaps the decision-making authority regarding the National Housing Programmes.”*

3.2.10.1 Policy perspective

The Minister of Housing identified key strategic areas to be focussed on during this period of IDP Cycle. The strategic areas are identified include

- Prioritisation of informal settlement eradication;
- Eradicating corrupt practices;
- Occupancy audits;
- Emergency Housing;
- Urbanisation – ensuring rural development
- Subsidised rental stock;
- Forfeiture of provincial funds in cases of under spending

ADM Housing Strategy had taken shape to such new policy shifts.

3.2.10.2 Housing Needs

The ADM Housing Strategy, and comprehensively analyse the housing needs in ADM. The analysis of the housing needs in ADM as qualified and quantified in various documents by different government institutions has been analysed. An analysis done through Expressed Needs is placing more emphasis on rural needs.

A comparison of the total needs indicate that approximately 128 425 units need to be erected within the District area, excluding the area of jurisdiction of the BCM. Further, ADM Local Municipalities expressed a much stronger need for urban housing than empirically determined through IDEA 2000. Generally, this is in line with observed migration from villages to small towns in many municipalities as mentioned above. With regard to rural housing the expressed needs differ strongly. Amahlathi, Mbhashe and Mnquma expressed a far lower need than IDEA 2000. All other municipalities expressed greater need for rural housing than the empirical method.

A detailed Housing Needs per Municipality forms part their IDPs,

- Amahlathi – 70%
- Great Kei - 87%
- Mbashe - 73%
- Mnquma 79%
- Ngqushwa 87%
- Raymond Mhlaba 58%

A clear detail of Housing Needs according to each Municipality and their IDPs is detailed comprehensively in the Strategy document. However, the new detail data recently published by the Provincial Department of Housing in relation to Housing backlog in the ADM area of jurisdiction is now as detailed hereunder in terms of percentage:

Table 39: HOUSING BACKLOG (%)

LOCAL MUNICIPALITY	PERCENTAGE BACKLOG
AMAHLATHI	8.0
BUFFALO CITY	41.1
GREAT KEI	8.5
MBASHE	11.6
MNQUMA	12.5
NGQUSHWA	10.6
Raymond Mhlaba	7.7
TOTAL	**100%**

The “Strategic Framework for Development of Sustainable Human Settlements in the Eastern Cape” stated that the housing need in ADM’s area of operation is as follows:

- Informal dwellings = 82 350;
- Backyard Shacks = 20 067;
- Traditional Dwellings = 128 861 and

Total Need = 231 278.

Amathole District Municipality is putting forward the idea of provision of adequate and sustainable human settlements for its citizens within the Housing development framework. This is clearly outlined in its Housing Vision and Mission of the said Integrated Human Settlements Plan (Strategy)

Housing Vision for ADM area of jurisdiction

- Improved housing conditions for the poor in the Amathole area.

Housing Mission for ADM area of jurisdiction

- The ADM supports, guides and co-ordinates efforts of local municipalities to improve housing conditions of the poor.
- We provide sustainable human settlements for our communities.

3.2.10.3 Key Issues

- Slow pace in issuing of Tittle deeds for public funded Housing
- Mushrooming of informal settlements
- Lengthy processes of accrediting municipalities.
- Social or community protest on housing delivery
- Scarcity of suitable land for housing development
- Reliance of public funded housing on non-renewable energy supply
- Rural – urban migration.
- Lack of opportunities and facilities in rural areas
- The financial status of municipalities
- Lack of social facilitation on housing processes
- Lack or none existence of communication channels with the potential housing beneficiaries

- Challenge in accessing state within the municipal commonage land
- Lack of commonage capacity to accommodate housing development
- Contributes towards climate change or global warming

3.2.11 SUMMARY OF BACKLOGS

Table 40:SUMMARY OF ADM BACKLOGS

Municipality	Water		Sanitation		Electricity		Roads	
	Served	Backlog	Served	Backlog	Served	Backlog	Served	Backlog
Amahlathi	33 883	203	31 695	2391	38 045	770	43.6km	506.5km
Ngqushwa	20 152	1211	18 831	2532	30 697	0	10.7km	418km
Raymond Mhlaba	41 445	531	30 262	11 714	35 583	1260	82.8km	981.1km
Mbhashe	57 736	2285	48 041	11 980	47 269	12 669	32.1km	1914.1km
Mnquma	65 437	4141	52 531	17 057	76 024	4541	87.6km	1220.2km
Great Kei	10 172	100	8472	1800	6854	400	26.1km	106.8km

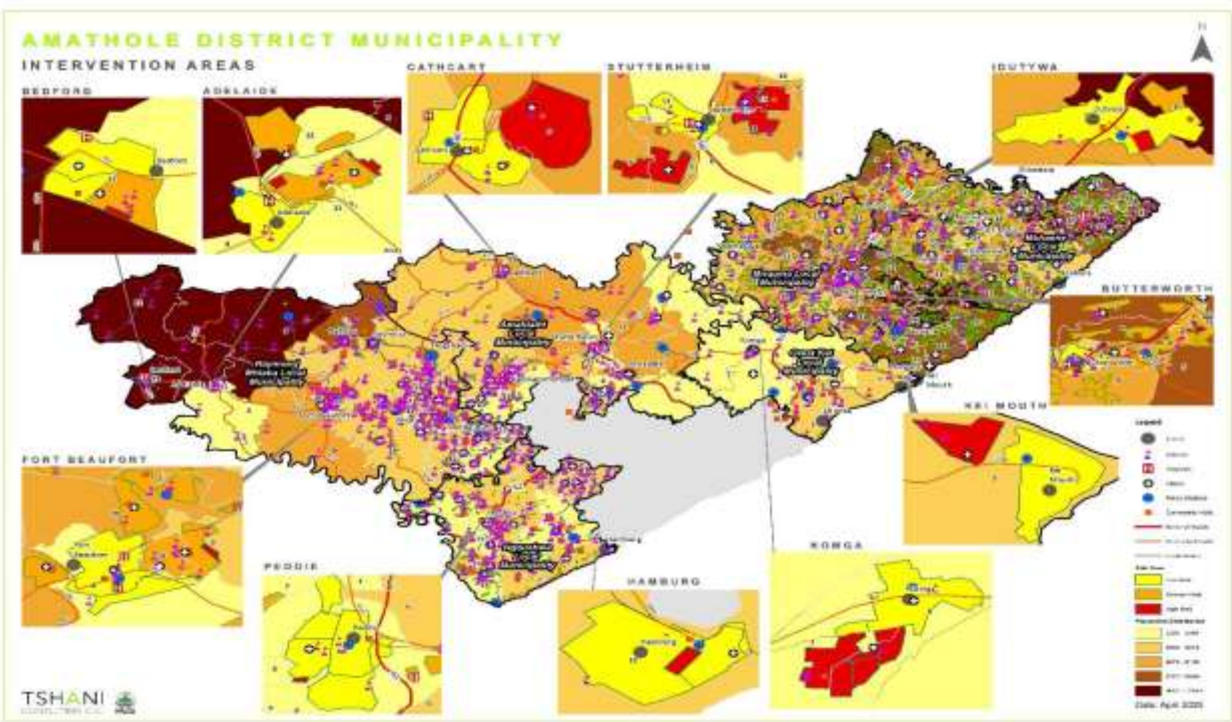
The above table depicts an overall summary of service delivery backlogs within the Amathole District jurisdiction. The table breaks down the number of communities that have been served already and those that form part of the overall backlogs. The projects are at various stages of backlogs, caused by among, other things; EIA, Lack of funding, Land ownership etc. It becomes the responsibility of a sector departments or Municipal department implementing capital projects to apply for Environmental Impact Assessment.

3.2.12 URBAN PLANNING RESPONSE TO COVID 19 PANDEMIC

The outbreak of COVID 19 Pandemic Worldwide has forced ADM to be pro-active and develop an urban response should there be an outbreak within ADM. Due to the rural nature of ADM and its vast geographical spread of the district; there were fears that there would be a catastrophe. Thus, ADM developed the Urban Response Plan to COVID 19 Pandemic. This plan identified risk areas, per wards, in all Local Municipalities within ADM. Potential Quarantine sites in all the LMs were identified, and they were in the form of social amenities (schools, Community halls, clinics, police stations, etc).

The **'High and Medium Risk Areas'** as well as '**Intervention Areas'** are also highlighted in the consolidated ADM 'High Risk Areas' plan below:

FIGURE 30: INTERVENTION AREAS



3.2.13 MUNICIPAL HEALTH SERVICES

The Municipal Health Services Unit is entrusted in terms of the National Health Act, 2003 (Act No. 61 of 2003), with the following functions:

- Water quality monitoring;
- Food control;
- Waste management
- Health surveillance of premises;
- Surveillance and prevention of communicable diseases, excluding immunisation;
- Vector Control;
- Environmental Pollution control;
- Disposal of the dead;
- Chemical Safety.

This is one of the core functions of the Amathole District Municipality (ADM) in terms of Section 32 of the Act. There Senior Manager: Municipal Health Services post has been vacant since December 2015 and currently a rotational system is being utilised which affects the continuity of programme implementation.

Subsequent to the announcement of the declaration on 15 March 2020, the President announced directives to prevent, mitigate and respond to the COVID-19 national disasters. The Minister of CoGTA issued regulations on 18 March 2020 issuing directives in terms of the Disaster Management Act which spread over a wide range of sectors. Premises preparing food were closed during lockdown level 5 and opened for deliveries during lockdown level 4 in line with restrictions on the movement of persons and goods. In response to COVID 19 Environmental Health Guidelines were developed by the National Department of Health to assist implementation at functional level and were as follows:

- Participation in the Outbreak Response Teams
- Investigation of reported cases and contact tracing
- Ensuring decontamination of households with affected people
- Management of Human Remains including monitoring of COVID 19 deaths
- Monitoring the management of health care risk waste
- Conduct health education and awareness raising

3.2.13.1 Water Quality Monitoring

The purpose of the programme is to ensure that the water supplied to communities is safe for human consumption. The water quality monitoring function is implemented according to SANS 241:2015.

There are 200 sampling sites i.e. points of use, reservoirs and treatment works. These sites cover the Amathole District Municipality area. On-site tests are done for chlorine and turbidity. A total of 2154 drinking water samples were taken of which 1902 compiled and 252 did not comply due to the presence of E. coli i.e. Health failures. Ineffective disinfection in the system being the cause of the health failures as low or no chlorine levels were detected in the affected sampling points. The overall compliance rate for the reporting period was 88 % which is below the required standard of >97% as prescribed by the Department of Water & Sanitation. The drought in the Mbhashe and Mnquma Municipal areas affected the availability of water as at some points there was no water.

3.2.13.2 Waste Water Monitoring

The programme is implemented to ensure that waste water effluent discharged into the environment complies with Authorisation and set Standards prescribed by the Department of Water Affair and

Sanitation. A total of 207 waste water samples were taken for analysis, of which 61 samples complied with the General Authorisation Standards and 146 did not comply. The overall compliance rate for the reporting period was 27%.

The challenge with wastewater is the quality of the final effluent from wastewater treatments plants and final oxidation ponds are adversely affected by population growth. This is due to the inability of the infrastructure of Waste Water Treatment plants and final oxidation ponds to effectively treat the inflow thus resulting in a poor-quality effluent being discharged, which poses a high risk of environmental pollution.

3.2.13.3 Food Control

The purpose of the programme is to ensure that food sold to the public is fit for human consumption. It encompasses the inspection of food handling premises, sampling and analysis of food and capacitation of food handlers. A total of 978 inspections were conducted, 759 compiled and 219 did not comply in terms of Regulation 638 under the Foodstuffs, Cosmetics and Disinfectants Act.

A total of 69 capacitation sessions were held for food handlers in all 6 Municipalities. The capacitation sessions held in the form of workshops and on-site education during inspections for both the formal and informal food handlers. The programme also focuses on food handlers participating in the National School Nutrition Programme (NSNP) and street vendors that are running businesses within Amathole's area of jurisdiction. This is designed to ensure food safety, improve the quality of food sold to consumers as well as the minimisation of food poisoning incidents. 18 Food samples were taken for the prevention of food borne diseases. 75 dairy farms inspections were inspected at Amahlathi, Great Kei and Raymond Mhlaba Municipalities to determine compliance with Milk 961, Regulations Relating to Hygiene requirements for Milking Sheds, 56 complied, 14 did not comply 05 are under renovation. 254 raw milk samples were taken at dairy farms and shops to determine compliance with Regulation 1555, Regulations Relating to Milk and Dairy Products, 60 complied and 194 did not comply.

Most of the structures in which the businesses are conducted are rented which presents a challenge when upgrades have to be done to the structure.

3.2.13.4 Health Surveillance of Premises

To ensure compliance with the Environmental Health Norms & Standards the following premises were inspected:

3.2.13.5 Childhood Development Centres

Early Childhood Development Centres (ECDC) are inspected to ensure a healthy and safe environment and welfare of the children accommodated. 232 Early Childhood Development Centres premises were inspected to determine compliance with Norms & Standards for Environmental Health Practitioners in all 6 Municipalities, 84 complied and 148 did not comply due to structural defects. The reports on non – complying premises are shared with the Department of Social Development for intervention.

3.2.13.6 Prisons/ Holding Cells

07 prisons and 9 holding cells were inspected and all did not comply due to structural defects. The reports on non – complying premises are shared with the Department of Correctional Services and South African Police Services for intervention.

3.2.13.7 Health establishments

A database of health establishment has been developed in all 6 Municipalities. 229 health establishments inspections were conducted, 104 complied and 125 did not comply due to structural defects, no proper storage of medical waste and general conditions of the yards. The reports are tabled and discussed at the District Health Council Meetings.

3.2.13.8 Beauty Salons

A database of beauty salons has been developed in all 6 Municipalities. 58 beauty salons were inspected. 34 complied and **24** did not comply due to no proper storage of medical waste. Premises are inspected and issued with Health Certificate when found to be compliant.

3.2.13.9 Surveillance and Prevention of communicable Diseases

The purpose of the programme is to prevent and control environmentally induced diseases and related communicable diseases, aimed at reducing their impact on human health. Hospital and Clinics were visited for the collection of diseases surveillance data and joint response is activated on serious disease outbreaks. Despite areas without water and sanitation in the Mbhashe and Mnquma Local Municipalities as outlined in the Socio-Economic Review and Outlook 2017, IHS Markit Regional Explorer version 1156, there has been no reported cases of waterborne diseases.
This indicates that the awareness campaigns being conducted throughout the district are effective in the prevention and control of waterborne diseases. Annually the unit celebrates the National Hand wash day and Toilet Day at schools and communities.

The following notifiable medical conditions were reported and investigated:

- Suspected Food Poisoning (Amahlathi and Great Kei Municipalities)
- Shigella dysentery (Raymond Mhlaba Municipality)

The challenge with the health surveillance of premises has been the process of disease notification from health facilities being delayed and the consistent non-sitting of Epidemic Preparedness Response Teams.

3.2.13.10 Vector Control

The vector control programme deals with the control of public health interest against pests, including the control of arthropods, molluscs, rodents and other alternative hosts of diseases. 160 Vector control inspections conducted in ADM offices and Satellite offices to assess vector infestation. The unit also assist with vector challenges in business premises and training of food handlers on safe usage of pesticides.

3.2.13.11 Environmental Pollution Control

There were 16 Pollution related complaints received and resolved. These were related to:

- Overflowing septic tanks and manholes
- Illegal dumping
- Keeping of animals

3.2.13.12 Disposal of The Dead

The purpose of the programme is to ensure that the funeral parlours comply with the Regulation Relating to the Management of Human Remains, Government Notice No. 363 of 22 May 2013 requirements regarding handling of corpses. A Funeral Parlour should be in possession of a Certificate of Competence, issued under these Regulations once the premises comply. A total of 206 inspections were conducted at funeral parlours in all Municipalities and the compliance rate was 65% and that of non – compliance 35%. The High rate of non- compliance of funeral parlours due to structural defects and general hygiene requirements. A total of 16 exhumations and reburials were facilitated and monitored. COVID 19 death were monitored as reported by funeral undertakers.

3.2.14 COMMUNITY SAFETY & BY-LAW ENFORCEMENT

Community Safety operates in terms of the Constitution, the National Crime Prevention Strategy, the Provincial Crime Prevention Strategy the National Establishment of Community Safety Forums Policy.

The Constitution of the Republic of South Africa as amended relates to the promotion of a safe and healthy environment. The Provincial Crime Prevention Strategy relates to multi-agency collaboration on crime prevention matters (particularly between government departments as per the. Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005) and the Policy regulates the formation and responsibilities of Community Safety Forums and is detailed enough to serve as a Terms of Reference for Community Safety Forums.

3.2.14.1 Community Safety Activities

- Supported the Local Community Safety Forums including the conducting of 3 Community Safety Audits
- Conducting of 8 Capacity Building sessions for Community Safety stakeholders and Community Groups
- 45 Initiatives were supported. The focus remained on Alcohol and Substance abuse; Road Safety in terms of scholar pedestrians, crossings and intersections as well as animals on the road; crime and social conditions affecting women and children, including Gender Based Violence and Femicide; and COVID-19 Multi-Disciplinary Awareness undertaken in the fourth quarter.
- Convened 4 District Community Safety Forum Meetings to create a District Platform for the coordination of Community Safety.

3.2.14.2 By-Law Enforcement

ADM's Municipal Code of By-laws was developed from the following by-laws that were gazetted in June and July 2010:

- Disaster Management By-law;
- Fire Safety By-law;
- Municipal Health By-law;
- Passenger Transport By-law;
- Revenue Management By-law;
- Waste Management By-law;
- Water Supply and Sanitation Services By-law; and
- Air Pollution and Control By-law.

Fire Services Issued one notice of non-compliance to fire safety regulations to the Department of Agriculture in Mbhashe in August 2019.

3.2.14.3 *National 2020 Crime Statistics vs the Eastern Cape Province [EC]

Note: Crime stats are listed per Station, per Province and Nationally – However, the policing areas which crossed Municipal and District Borders making the listing of district crime stats impossible, have been changed to match District Borders as of 2020 and thus it is hoped that they will be represented per district moving forward

Crime categories

In the 17 categories of community reported crimes, cases of carjacking have seen the biggest increase year-on-year on a National level, with the SAPS reporting 18,162 cases over the period. This equates to 50 cars being stolen in South Africa every day. This was the only crime category to see double-digit growth Nationally.

In the categories of crime detected as a result of police activity, there was a large reduction in these crimes recorded both Nationally and in the EC, mainly in the drug-related crime category. This was a similar trend to the 2018/19 stats, where the Constitutional Court ruling on the use of cannabis in the country led to a large reduction in people being arrested for marijuana-related crimes.

However, detection of sexual offences were up nationally by 20.5% but down by -4.9% in the province.

Biggest increase to biggest decrease in National crimes vs E Cape crimes in 2020 are indicated in the table below:

Table 41: NATIONAL CRIMES VS EASTERN CAPE CRIMES IN 2020

Category	National Change	E C Prov Change
Sexual offences discovered as result of police action	+20.5%	-4.9%
Driving under the influence of alcohol or drugs	+13.7%	+0.5%
Carjacking	+13.3%	+6.0%
Robbery at non-residential premises	+3.3%	+0.4%
Robbery with aggravating circumstances	+2.8%	+3%
Common assault	+2.1%	+4.9%

Truck hijacking	+1.7%	+12.7%[up by 14 cases]
Sexual Offences	+1.7%	-0.3%
Murder	+1.4%	-2.2%
Illegal possession of firearms and ammunition	+0.3%	+8.1%
Common robbery	+0.1%	-2.8%
Commercial crime	+0.1%	+15.3%[up by 1113 cases]
Shoplifting	-0.5%	+3.9%
Attempted murder	-1.8%	+4.5%
Burglary at non-residential premises	-2.1%	+0.4%
Assault with the intent to inflict grievous bodily harm	-2.5%	-3.1%
Theft of motor vehicle and motorcycle	-2.9%	-10.4%
Malicious damage to property	-4.1%	+0.1%
Stock-theft	-4.2%	+1.0%
Theft out of or from motor vehicle	**-5.5%**	**-6.3%**
Robbery at residential premises	**-5.8%**	**-2.8%**
All theft not mentioned elsewhere	**-5.9%**	**-0.4%**
Burglary at residential premises	**-6.7%**	**-5.0%**
Arson	**-7.3%**	**-4.6%**
Robbery of cash in transit	**-10.4%**	**-54.3% [down by 25 cases]**
Drug-related crime	**-26.7%**	**-12.3%**
Bank robbery	**-100.0%**	**-100%**

* Source: Business tech &SAPS crime statistics: Table amended to reflect EC Province stats in additional column.

Crime During Covid-19 Lockdown

The statistics cover all reported crimes between 1 April 2019 and March 2020, and thus exclude crime trends that happened over the course of the country's Covid-19 lockdown.

Ongoing analysis and reports of crime during lockdown pointed to a massive reduction in criminal activity during the initial stages of lockdown, especially 'hard' lockdown (level 5).

- This was seen in a **72%** reduction in murders, and an **81%** reduction in carjacking. Similar trends were seen in reported assaults, attempted murders, robbery and rape. However, these trends reversed and slowly returned to normal levels as lockdown eased.

3.2.14.4 Analysis and statistics in relation to Community Safety

For the First time in Many years the Amathole District does not have a station in the top 30 Police Stations for increases in serious crimes. However, the provincial Truck Hijacking increased by 11% and commercial crime increased by 15%.

Crime statistics are also being extrapolated into the following categories:

- Children in conflict with the law 10 to 17 years :In this category the Eastern Cape has five stations, Centane, Elliotdale, Willowvale, Tsomo and Dutywa in the top **thirty** stations in the Country. This is a cause for concern and a red flag confirming our youth need to be prioritized for multi-disciplinary intervention.
- Public Order incidents are being categorized
- Environmental categories which include land and marine animals are being categorised.
- Causative factors and liquor and drug related contact crimes are recorded and extracted.

This is in line with the new approach of Community Policing and an Integrated approach to Crime Prevention. The SAPS is the largest source of crime statistics for social and domestic crimes which previously were not recorded as such and this will be more useful for planning social and crime prevention interventions.

3.2.15 FIRE SERVICES

The ADM runs ten [10] fire services stations. Four (4) main stations located in Idutywa, Butterworth, Peddie and Qumrha and six (6) satellite stations located at Chintsa, Kei Mouth, Elliotdale, Willowvale, Hamburg and Centane. Amahlathi and Raymond Mhlaba Local Municipalities provide firefighting functions as allocated by the MEC for COGTA, but only Amahlathi has one (1) Fire Station. Great Kei

Fire Station has a control room servicing the entire district. The establishment of Fire Stations brought services closer to communities resulting in reduced response times. There are two areas in Mnquma Local Municipality (Butterworth and Ngqamakhe) that require construction of Fire Stations. The need for the construction of these Fire Stations is as per the ADM Fire Risk Management Plan. The construction of the Fire Station in Butterworth was started in 2017 and was later suspended due to financial constraints. Funds will also be sources from external sources. Fire Protection Association (FPAs) are actively operating in the areas of Stutterheim, Cathcart, Raymond Mhlaba, Mnquma/Mbhashe and Ngqushwa. Established Fire Protection Associations engage in fire prevention activities resulting in reduced fire incidents.

3.2.15.1 Fire Safety Compliance inspections

The ADM conducted one hundred and ninety-one (191) Fire Safety Compliance Inspections in the six local municipalities. From the fire compliance inspections conducted forty-five (45) were carried-out in Mnquma, thirty-six (36) in Raymond Mhlaba, thirty-seven (37) in Mbhashe, twenty-seven (27) in Amahlathi, thirty-four (34) in Great Kei and twelve (12) in Ngqushwa Local Municipality. An amount of **R81 591.40** was collected as fire safety inspections were conducted.

Challenges

- Shortage of specialised fire water tankers, aerial apparatus, aging Fire Service's vehicles and buildings (Great Kei and Ngqushwa Fire Stations).
- Shortage of firefighting equipment, such as hoses, standpipes and branches, as well as rescue equipment such as jaws of life, chain saw and quick cut.
- Unsafe conditions of the rented building utilised by Fire Services in Mnquma Fire Station.
- Climate changes continue to pose threats to lives and properties as water sources are depleted leading to water shortage for human consumption and for firefighting.
- Bad road conditions cause inaccessibility to areas affected by disasters/ fire incidents.
- Insufficient resources at Raymond Mhlaba and Amahlathi Municipalities results in inadequate provision of fire services and high reliance on the District.
- Bad access roads during rainy days in Mbhashe and Willowvale Fire Stations.
- Lack of water sources (fire hydrant, bore holes, reservoirs and earth dams) both in rural and urban settlements.

3.2.15.2 Calls Attended by Fire Services During July 2018-June 2019

Four hundred and six (406) fire calls were attended to during the 2019/20 financial year as compared to Six hundred and twenty-three (623) in 2018/2019. The decrease of fire calls maybe associated with the Covid-19 pandemic and the ensuing level 5 lockdown.

Awareness campaigns continue to be intensified in the municipalities to reduce fires and motor vehicle accidents occurrences. One hundred and ninety (190) awareness campaigns were conducted during the 2019/20 financial year. The campaigns focused more on preventing fires in informal settlements where the rate of fire incidents is high. Covid-19 awareness were also included in the campaigns where and when it was possible.

3.2.16 DISASTER MANAGEMENT

3.2.16.1 Municipal Disaster Management Centre

Section 43(1) of the Disaster Management Act 57 of 2002 requires that "Each metropolitan and each district must establish in its administration a disaster management centre for its municipal area." The Amathole District Municipality has established its disaster management centre, six Satellite Centres and one sub- Satellite. The Amathole District Municipality developed its Disaster Management Plan that is reviewed on an annual basis.

3.2.16.2 Prevention and Mitigation of disasters

The Amathole District Municipality's Disaster Management Centre is responsible to give guidance to relevant stakeholders on ways and means of determining levels of risk; assessing vulnerability of communities to disasters that may occur; increasing the capacity of communities to minimise the risk and impact of disaster that may occur; and monitoring the likelihood and state of alertness to disasters that may occur. In order to meet the above-mentioned issues, the importance of developing Community Integrated Response Plans in all six local municipalities in the ADM area of jurisdiction was identified in the Amathole District Municipality area. Thirty-five (35) Community Integrated Response Plans have been conducted during the 2019/2020financial year.

Disaster Risk Management Awareness Campaigns are also conducted to raise awareness in actions that may lead to disasters and communicate preventative measures to reduce disasters that may occur to our communities. Eighty (80) awareness campaigns were conducted physically but after the declared coronavirus pandemic they were conducted through various platforms such as, social Media, radio slots, loud-hailing in six local municipalities in the Amathole District Municipality area during the 2019/2020 financial year.

3.2.16.3 Disaster Risk Management Advisory Fora

Section 51(1) and (2) of the Disaster Management Act 57 of 2002provides for the establishment of a municipal disaster management advisory forum, a body in which a municipality and relevant role-players consult one another, coordinate their actions on matters relating to disaster management.

Members of the Disaster Management Advisory forum include Disaster Management Portfolio Councillors, Ward Councillors, Ward Committee members, Traditional leaders, Community Development Workers, Non-Governmental Organisations, Community-Based Organisations, Government Departments and other stakeholders in disaster management. A total number of four (4) Disaster Management Advisory Fora, two (2) Joint Operations Committee meetings eleven (11) Command centre and eleven Command Council meetings were convened during the 2019/2020 financial year.

3.2.16.4 Disaster Response and Recovery

During 2019/2020 financial year, severe weather elements were reported to have caused damages to dwelling houses in all six Local Municipalities in the jurisdiction of Amathole District. Damage assessments were carried out to quantify the extent of damages and it was revealed that many of the affected families had their homes' roofs damaged, leaving them exposed to the weather elements. The Disaster Management Unit has responded to hundred and seventy- one (171) disastrous incidents around the district where five hundred and nine families were affected. These incidents were both reported to the Department of Human Settlements through Local Municipalities as well as the Provincial Disaster Management Centre.

A declaration of a state of disaster due to corona virus was pronounced by State President on the 15 March 2020. Subsequent to a state of disaster a nation- wide lockdown was announced on the 23 March 2020, effective from the 26 March 2020(midnight) This was to ensure that all walks of life engage in measures to prevent the spread of the virus. Amathole District Municipality established the following structures to curb the spread of the virus namely, (2) Joint Operations Committee, 11 Command Centre and 11 Command Council Meetings.

The major challenge facing the full implementation of the disaster management function Insufficient funding for disaster response and recovery. Climate change still pose threats to the environment and economy. The absence of information management system for the management of data. Shortage of staff to adequately cover the Municipalities with high population density. Disaster mitigation strategies are not fully implemented.

3.3 KPA 3: LOCAL ECONOMIC DEVELOPMENT

VISION 2058: Dynamic Rural Economy

MTAS PILLAR: Local Economic Development

Local Economic development successes and failures at municipal level, and specifically in rural municipalities in South Africa, is deeply influenced by the constitutional imperatives for establishing developmental local government. The local planning, economic development and policy frameworks introduced between 1999 and 2006 were largely based on, and moulded according to, the wave of new public management paradigms and public sector reform 'good governance best practises' implemented in South Africa post the 1994 democratic elections. It is for this reason planning at a district level is imperative.

Flowing from the change in strategy for local development in 2000 the Local Economic Development, a Primer document provides a step-by step guide for a strategic planning process. It states that 'good practice indicates that local economic development should always be guided by a strategy. ADM developed long-term vision, Vision 2058: Building a Smart District. Vision 2058 has identified Eleven Catalytic projects as key drives of Economic development in ADM jurisdiction. Vision 2058, was followed by Municipal Turnaround Strategy (MTAS). MTAS has eight pillars, and one of those is Local Economic Development.

The desired impact for Amathole District towards 2058 is:

- A Growing, Thriving and Smart District will ensure to be one of South Africa's most Dynamic Rural Economies where families, businesses, Local Municipalities and wards thrive.
- Most Sustainable District in South Africa and a regional leader in the fight against climate change.
- Just and Equitable Amathole District Municipal area will have an inclusive, equitable economy that offers well-paying jobs and opportunity for all to live with dignity and security.
- Resilient District, our neighborhoods, our economy, and public services are ready to withstand and emerge stronger from the impacts of climate change and other 21st century threats.

The main purpose of Local Economic Development is poverty eradication and wealth creation. In line with the Economic Growth and Development Strategy is the Nine-Point Plan to boost economic growth and create much-needed jobs within ADM. ADM Catalytic projects are aligned to these projects.

Presidential Nine Point Plan

1. Resolving the energy challenge
2. Revitalizing agriculture and the agro-processing value chain
3. Advancing beneficiation or adding value to mineral wealth
4. More effective implementation of a higher impact Industrial Action Policy Action Plan (IPAP)

5. Encouraging private-sector investment
6. Moderating workplace conflict
7. Unlocking the potential of SMMEs, cooperatives, townships and rural enterprises
8. Boosting the role of state-owned companies, information and communication technology infrastructure and broadband roll-out, water, sanitation, transport infrastructure as well as science, technology and innovation
9. Operation Phakisa

3.3.1 AMATHOLE DISTRICT DEVELOPMENT AGENCY (ASPIRE)

Aspire is an Amathole District Municipality development agency. Aspire has been given new mandate since 2018/19 financial year. Their initial mandate was on Small-towns revitalization. It has since been broadened to cater for implementation of Economic Growth projects as identified in Vision 2058. Therefore, it is Aspire's role to source funds and ensures the implementation of the projects. Vision 2058 identified the following catalytic projects:

- Integrated Water Desalination Precinct
- Integrated Transport Systems
- Broadband Connectivity
- World Class Sports Academy
- Stem Skills Academy
- Technical Training Academy
- Integrated Waste Management
- Small towns Revitalisation
- Revitalisation of irrigation schemes
- Revitalisation of crop plantations.
- World Class Disaster Management Centre

3.3.2 ECONOMIC GROWTH AND DEVELOPMENT STRATEGY WITH ITS STRATEGIES

Local Economic development successes and failures at municipal level, and specifically in rural municipalities in South Africa, is deeply influenced by the constitutional imperatives for establishing developmental local government. The local planning, economic development and policy frameworks introduced between 1999 and 2006 were largely based on, and moulded according to, the wave of new public management paradigms and public sector reform 'good governance best practises' implemented in South Africa post the 1994 democratic elections. It is for this reason planning at a district level is imperative.

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- Heritage and Tourism Development
- Enterprise Development
- Agricultural Development
- Poverty Eradication
- Rural Development

The strategy has six chapters which is briefly described below:

Table 42: STRATEGY CHAPTERS

CHAPTER	FOCUS
Chapter One	This chapter deals with Amathole District Municipality's Vision for Economic Development, which are organised around principles of growth, equity, sustainability, and resiliency. This vision will indeed ensure that SMART District dream of becoming South Africa's most dynamic economies where businesses, families, municipalities and wards thrive.
Chapter Two	This chapter deals with Global Economic Growth Developmental Impact for ADM towards 2030. It is of vital importance to have this chapter in the strategy as it looks at Global Trends. This helps to know the direction the Global Trends are taking, to plan effectively. For instance, the projected economic growth between 2018-20158 is 3%. Therefore, Global Trends will determine which sectors are growing or not growing, and adjust as such.
Chapter Three	Chapter three deals with Legislative frameworks and policies that facilitate LED implementation of in South Africa. Compliance to the legal framework will ensure a credible document is developed. The existing policies and strategies form part of the baseline information. Therefore, this Strategy has considered the information in such documents and use the relevant one.

Chapter Four.	This chapter deals with planning and developing our own revenue sources. This will be done in line with the vision of poverty eradication, and all other related challenges, thereby improving the lives of the people within ADM. There is various way of doing this as stated in the document.
Chapter Five	This chapter deals with economic growth scenarios for Amathole District Municipality Economic Growth and Development Strategy towards 2030. Scenarios are used to identify possible weak signals or disruptive events, which can then be incorporated into long-range planning for development. Therefore, scenarios in ADM may include such activities as climate change, service delivery protests, just mention a few.
Chapter Six	This is the final chapter of the document. It deals with Game Changers: Green Infrastructure Initiatives for Amathole District Municipality towards 2030. Thus, Amathole District Municipality's Economic Growth and Development Plan towards 2030 recommends that our six local municipalities, local governments and departments need to engage more with the public by effectively making better use of technology and data, adopting participatory budgeting, and ensuring residents have more influence in decision-making. There is a list of potential funders attached in the strategy. Sixty game changers are identified, and in the process of prioritisation in line with the catalytic programs as stated in Vision 2058.

There are five sector plans that are developed in line with the Economic development strategy. The main purpose of these sector plans is to ensure that the bulk of the population in Amathole District Municipality benefits in the economic development section.

The economic research agenda of the Amathole District Municipality was also in line with that of other stakeholders in the development arena. It is for this reason that the institution formed strategic partnership with institutions of Higher Learning (NMMU, Fort Hare, Fort Cox etc). Such areas include but are not limited to Heritage, enterprise development, microfinance, economic research and training of officials in LED related materials.

Challenges

- Global Pandemic
- Closure of some Businesses due to the Pandemic
- Insufficient funds to implement High Impact LED programmes.
- Lack of funding for the implementation of Economic Growth and Development Programmes

3.3.2.1 Tourism and Heritage Sector Plan

Heritage and tourism are two interlinked sectors, though heritage plays a major role as a Tourist attraction. Thus, Amathole District Municipal jurisdiction is endowed with rich, both natural and cultural heritage resources, both intangibles and tangibles that are of national, provincial and local significance. To this end it has been the legal mandate of the Heritage Section to ensure heritage resources management. For a very long time such resources happened to be neglected due to a series of apartheid pieces of legislation as will become clear in the ensuing sections of this analysis.

ADM established the Amathole District Municipality Heritage Forum. The aim of setting up such a Forum was and still is to ascertain concise identification and management of heritage resources throughout our district municipal jurisdiction in order to see to it that such resources are utilized and managed in a sustainable fashion. It is in this Forum that issues of both intangibles *(memorabilia entities*) and tangibles are dealt with and taken care of as valuable heritage resources.

Given the legislative mandate provided by various post-apartheid pieces of legislation, cited earlier on, Amathole District Municipality, in a bid to help transform heritage resources identification and management, has decided to develop the Heritage Resources Management Strategy with a clear strategic plan. What seems to be clear thus far is the fact that whether one is talking of eco-or cultural tourism, the fact of the matter is that tourism is environmentally dependent. To this end, it becomes the responsibility of the Heritage Unit to identify heritage sites that have potential to contribute fundamentally towards tourism development.

This is the current situation as the Heritage Unit has identified a list of heritage sites and develops them for tourism development, understanding very well that tourism is one of our economic drivers in our municipal jurisdiction. All this is done with the context of Responsible Tourism-(**White Paper on Tourism)** that puts too much emphasis on the need to striking a balance between resource utilization and sustainability of those resources. The enhancement and protection our heritage resources have the ability to play a crucial role in the social upliftment and economic development among the ADM communities.

Lastly, the following points are at the centre for the success of the ADM Heritage Resources Management Unit:

- Adequate resources and capacity must be availed by the District to meet the goals and targets of this Section.
- Partnerships between the District and other organisations are central to the success of the Section.
- Efficient and effective use resources provided by the District and other external funders are key to the success of this Section.

On the other hand, Tourism can be defined as the non-commercial organization plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips - these are all included in tourism.

In Amathole District Municipality, the Business, relative to the other tourism, recorded the highest average annual growth rate from 2006 (21 900) to 2016 (24 800) at 1.24%. Visits to friends and relatives recorded the highest number of visits in 2016 at 164 000, with an average annual growth rate of -6.12%. The tourism type that recorded the lowest growth was Visits to friends and relative’s tourism with an average annual growth rate of -6.12% from 2006 (307 000) to 2016 (164 000).

The Visits to friends and relatives at 62.68% has largest share the total tourism within Amathole District Municipality. Leisure / Holiday tourism had the second highest share at 15.87%, followed by Other (Medical, Religious, etc) tourism at 11.96% and the Business tourism with the smallest share of 9.49% of the total tourism within Amathole District Municipality.

From 2006 to 2016, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -8.39%, while in the same period the international tourists had an average annual decrease of -0.55%. The total number of bed nights spent by tourists decreased at an average annual growth rate of -7.30% from 2.89 million in 2006 to 1.35 million in 2016.

Amathole District Municipality had a total tourism spending of R 996 million in 2016 with an average annual growth rate of 2.4% since 2006 (R 783 million). Eastern Cape Province had a total tourism spending of R 12 billion in 2016 and an average annual growth rate of 2.6% over the period. Total tourism spending in South Africa increased from R 127 billion in 2006 to R 267 billion in 2016 at an average annual rate of 7.7%.

In Amathole District Municipality the tourism spending as a percentage of GDP in 2016 was 3.57%. Tourism spending as a percentage of GDP for 2016 was 3.56% in Eastern Cape Province, 6.15% in South Africa.

The above reflects impact of the sector before the COVID 19 pandemic, currently the sector has been the most if not the number one that has suffered during the pandemic. With all the attractions, travelling and leisure activities ban during the pandemic the sector was hardest hit as it literally came to a standstill causing socio economic down fall for both private and public services. The ADM tourism was also severely affected but with the involvement of both National and Provincial partners in tourism assistance is currently being provided in a number of initiatives; such as relief grands for tourism business, innovation ways to revive the sector, it is slowly peaking up.

Challenges

- Global Pandemic due to the Lockdown Regulations
- Tourism businesses did not receive any income during the pandemic
- Decline in number of visitors due to the fear of the Pandemic

3.3.2.2 Agriculture Sector Plan

ADM has developed an Agricultural Sector Plan with the main purpose of taking the sector to the next level by introducing new means and ways of using the latest technologies. This is referred to as Agriculture 4.0. One of the economic sectors that is implemented by Amathole District Municipality is the Agricultural Development/Agrarian reform. This programme is also in-line with the National and Provincial Strategic Priorities. These are as detailed below;

Table 43: ALIGNMENT OF DALRRD OUTCOMES TO GOVERNMENT PRIORITIES

OUTCOMES	OUTCOME INDICATORS	CONTRIBUTION TO PRIORITIES
Outcome 4: Increased production in the agricultural sector	▪ 10% increase in value of agricultural production by 2025	2
Outcome 5: Increased market access and maintenance of existing markets	▪ 1.5% increase of agricultural exports ▪ 1% increase of domestic use (value added) of agricultural products	2, 3 and 7
Outcome 6: Integrated and inclusive rural economy	▪ Number of jobs created in rural areas ▪ Number of Agri-parks fully functional	4

On the basis of the above mentioned alignments ADM has abundant land that is purely agricultural. However, according to statistics, Agriculture contributes only 3% to the GVA. This is attributed to the lack of interest to agriculture by the economic active persons and the high rate of outward migration but the very same age group. Thus, this sector intends to work on unlocking agricultural opportunities that the will be sustainable and grow emerging farmers into commercial farmers. Funding is a major challenge. It has also been noted that there is lack of collaborative planning amongst departments which leads to lack of communication.

However, during the COVID 19 pandemic the sector has seen a decrease due to the pandemic, particularly exporting side of it as most of its products could not be exported out of the Country due to the lockdown.

3.3.2.3 Poverty Eradication Sector Plan

This strategy intends to vigorously fight, and remove poverty within Amathole District Municipality. As demographics are showing, about 80% of Amathole District Municipality inhabitants are living in poverty and near poverty. This strategy intends to come with some ways and means of successfully fighting poverty. However, it must be noted that the role of partnerships is key.

In order to respond to the poverty eradication strategy, the ADM intends to unlock some projects such as the Oceans Economy (blue economy), resuscitation of gardens, public open space beautification etc. ADM is currently implementing Expanded public works program as it is a national program; it aims to draw a significant number of the unemployed into productive work and to try to bridge the gap between the growing economy and large number of unskilled and unemployment people who have not yet enjoyed the benefits of economy development.

The Expanded public works program involves creating temporary work opportunities for the unemployed, while ensuring that workers gain skills and training on the jobs, so as to increase earning capacity and income in the future. EPWP is externally funded by Department of Public Works

The emphasis of the EPWP is to expand the use of labour intensive methods in government funded services delivery projects to create more work opportunities and stimulate entrepreneurial activity.

Table 44:INCENTIVE GRANT: SUMMARY OF THE IMPLEMENTATION OF THE EPWP PROGRAMME FOR 2019/20 FINANCIAL YEAR.

Project name	**Area**	**Number of contract workers**	**Total Number of Contract workers Employed per sector**
SOCIAL SECTOR			
Home based care	Toleni, Stutterheim Cathcart Ngqushwa Butterworth	11 10 10 131 19	**411**
Free basic services registration	Raymond Mhlaba, Mbashe & Mnquma	68 80 78	
Data capturers	EL	4	
Community services data collectors	EL	4	
ENVIRONMENT AND CULTURAL SECTOR			
Ngqushwa town cleaning	Ngqushwa	166	**224**
Keiskammahoek town cleaning	Amahlathi	30	
Cathcart school Cleaners	Amahlathi	20	
Mnquma cleaning of Reservoirs	Mnquma	8	
INFRASTRACTURAL SECTOR			
Great Kei care takers /pothole patchers Mnquma pothole patchers	Morgans bay and Mooiplaas Mnquma	6 38	**44**
	TOTAL		**683**

Table 45:MIG PROJECTS REPORTED ON EPWPRS AND CONTRACT WORKERS RECOGNISED BY THE SYSTEM. (Infrastructure Sector)

Project name	W/O
Accelerated Sanitation Program	120
Amahlathi Area Wide Sanitation 2 A	70
Dutywa Waste Water Treatment Works	14
Idutywa East Water Supply Scheme Contract 11	49
Mnquma Ward 14 Sanitation	28
Mbashe Region 2B	31
Mbashe Region 2C	124
Mbhashe RIGH	26
Mnquma RIGH	37
Ngqamakwe RWSS Phase 2	137
Raymond Mhlaba Region 3A	110
Xhora Water Supply Scheme	23
Total MIG work opportunities	**889**

Challanges

- EPWP Contract workers are paid through the institutional payroll.
- COIDA and UIF is deducted from EPWP Contract workers as per the Ministerial Determination and Department of Labour
- Grant allocation for 2020/21 has increased from 2,466 000 to 3 085 000.

3.3.2.4 Enterprise Development Sector Plan

ADM has made it’s priority the issue of SMME development through the Incubator programme. An Incubator Policy is in place, which focusses on improving the lives of the SMME through Construction, and Goods and Services and broader of local economy. A lot of Amathole District Municipality inhabitants are practising informal trading and their products are of poor quality. Therefore, this strategy looks at improving the lives of its inhabitants by establishing Fora, Incubators, SMMEs, Informal Trade and Cooperatives. This is done with the main purpose of making our people to commercially viable and self-developing.

It has been identified that most enterprises are informal and micro in nature. Consequently, to that, there are few in the small and medium size category. Micro business are in majority, they earn less than R5000 per month. Retail and service enterprises dominate the SMME sector followed by manufacturing related businesses. Many SMME’s operate in urban areas as compared to rural areas, and there is inadequate infrastructure for SMME development in rural areas.

Notwithstanding the success of some micro sector businesses, it was identified that these enterprises are not growing – graduate to small business category. It was also identified that there is no available comprehensive inventory (database) for SMME units within the District.

It has also emerged that most SMME's products are in poor quality. In improving the quality of their products, the District has intervened by organizing product development sessions that were conducted by Small Business Enterprise Development Agency where both SMME's and Cooperatives were trained.

The major challenges faced by SMME's in the district include;

- Global Pandemic negative impact on the operations of the SMMEs
- Closure of some business due to the pandemic
- access to market,
- marketing support,
- financial support,
- technology support,
- policy/regulatory and institutional environment.

During the COVID 19 pandemic, most of the SMME's in the district could not make a profit as a results, they had to close their operations. The Department of Trade and Industry made available SMME relief funding with conditions, of which only few from our district met the requirements and was able to benefit from the funding. Most factors that contributed negatively was the fact that some of our SMME's were not in good standing with South African Revenue Service (RSAR) and that resulted in them not being able to benefit from the fund. The following is the summary of the enterprises development priorities within the district.

3.3.2.5 Enterprise Development subsections

Co-Operatives Development

Amathole District Municipality (ADM) identified enterprise development - Co-operatives Development - as its priority area. Co-operatives Development has potential to positively contribute to the economic development of the District. Over the past years, the District has supported financially and non-financially many co-operatives in different economic sectors. ADM has a co-operatives strategy which outlines the District's plan for development of co-operatives. A baseline study on co-operatives was conducted which has identified that most co-operatives are operating in the agricultural sector, followed by manufacturing and beadwork.

Guided by national and provincial legal instruments for cooperatives development, ADM is committed to the growth and development of powerful, vibrant, viable and sustainable cooperatives within its area of jurisdiction. This shall go a long way in addressing the social and economic ills of the district.

In 2014, ADM commissioned the Cooperatives and Policy Alternative Centre (COPAC) to do a study of twenty different cooperatives within the district with the aim to know their status and needs. The twenty (20) cooperatives came from across the district and from various economic sectors. Through the findings of the study there are three categories of cooperatives in the district. These are as follows:

- Commercially viable;
- Self-developing; and
- Marginal.

A number of cooperatives in the district are in the last category of marginal as they are struggling. This, therefore, means that cooperatives development pathway ought to inform the support provided to cooperatives as required by their state.

Challenges

- are not different from those faced by SMME's in the District,
- that include: market, marketing, financial support, lack of information, skills shortage, poor product quality,
- lack of commitment amongst co-operatives and state grant dependence syndrome.

Informal Trade Development

The informal trade sector has been largely neglected in the enterprise development space, especially in formerly rural municipalities. It is a sector that is critical and has potential to dilute absolute poverty and curbing excessive unemployment within the Amathole District Municipality. Poverty, unemployment and inequalities are the primary threats identified by the national government in the New Growth Path, and the National Development Plan. There has been a great effort in previous national policy frameworks such as GEAR in the preceding years to try to curb these social ills; however they continue to be a burden in the governmental efforts to bring about a better life for all. In the recent past efforts have been made to support Cooperatives and SMMEs in the country. There has been the SMMEs Act of 1996 amended in 2006, and the Cooperatives Act of 2005, however there has been minimal support for informal traders. This was however reviewed in 2014 by the Department of Small Business Development when they developed National Informal Business Upliftment Strategy (NIBUS)

ADM has taken the initiative to support this sector, in collaboration with the all local municipalities within our district and other developmental institutions. It is for this reason that we have done a needs analysis for all informal traders within the district. There was a needs analysis that is being done within the district for informal traders in all local municipalities. Mnquma and Mbashe has the largest number of all informal traders in the district from a wide variety of sectors from the preliminary analysis. The main challenges of informal traders are quality working infrastructure, access to finance and lack of capacity in business finance management. The importance of forming organised structures was explained to them and since the majority have these structures. It was agreed that the needs and challenges of informal traders will be discussed through the recognized informal trade structures.

3.3.2.6 Film Industry Development

Amathole District Municipality identified the development of the Film and Video Industry as one of the key economic sectors that have a potential to make significant contribution towards economic development. ADM developed a framework that will support the long term sustainable growth of the film and video industry and to identify areas of focus and opportunity, highlight key catalytic projects that can stimulate growth, and recommend the appropriate institutional arrangements to ensure delivery. Through the eventual implementation of the Strategy, the goal is to create jobs, stimulate entrepreneurs, and give voice to the unique stories of the district through film.

The region is well-placed to develop a programme of co-ordinated Film Activity due to the following:

Unique Locations

Amathole District offers almost unlimited opportunities for shooting on location. There are diverse geographical settings - mountains and lakes, endless sandy beaches or rugged rocky coastlines, rolling fields and mysterious forests. Following centuries of global influences, the region's architectural styles are varied too; from quaint English cottages to German churches, industrial plants, farmhouses and city streets. This offers Filmmakers a huge choice of backdrops for their productions.

Diverse Population

Another result of the Amathole District's geographical location and the historical movement of peoples, is that the people of the Eastern Cape look like they come from just about everywhere. Filmmakers can find Masai and Chinese, Indians, Zulus, Somalis, Xhosas, English and Italians – or at the very least, people who look like they could be. The benefit of this is that Filmmakers do not need to fly talent in at additional expense.

Incubator Programme

The Incubator Programme is an attempt of enhancing economic development within the ADM region and fighting poverty to improve the standard of living of the communities through the creation of sustainable job and business opportunities.

The programme is developmental in nature and targets Small, Medium, and Macro Enterprises and Emerging Macro Enterprises with the aim of developing these companies in order to participate in the mainstream economy of the country and specifically in the Amathole Region. Amathole District Municipality has vast rural areas that accommodates its inhabitants, and most of them are unemployed and living below poverty line and some do not even have access to information that can assist them with registering their companies and meeting all the pre – qualification criteria. Thus, Incubator programme is focusing on construction and delivery of goods. Through this programme, ADM in collaboration with United Nations held a summit on Women in Construction. ADM has since implemented this programme through the Accelerated Sanitation Programme which is a three year programme.

3.3.3 ENVIRONMENTAL MANAGEMENT

3.3.3.1 Environmental Objective

To ensure promotion of environmental integrity by securing ecologically sustainable development and use of natural resources while promoting justifiable economic and social development

3.3.3.2 Natural state of the ADM local municipalities

Amathole District is generally in a good natural state, i.e., 81.52 % are areas remaining natural and 18.48 are areas where no natural habitat remains. The natural state of the district varies across the local municipalities, e.g. Great Kei, Ngqushwa and Raymond Mhlaba municipalities are in a pristine state of environment with less areas with no natural habitat remaining, whereas Mbhashe and Mnquma need some attention in terms of preserving the natural state of the environment.

The highest levels of transformation in Amathole DM have been experienced in the Mbhashe and Mnquma LM. Development pressures on the wild coast is one of the key impact drivers. Amathole ecological landscape offers opportunity in Eco-tourism, Agri-Ecology/Conservation agriculture, Environmental Projects

3.3.3.3 Biodiversity

The biodiversity of the Amathole DM is represented in 5 major biomes that describe the different biotic communities. These biomes are Savanna (34.5%), Grasslands (31.5%), Albany Thicket (29.6% of the area), Indian Ocean Coastal Belt (3.7%) and Forests (0.6%). The variety in landscape and biodiversity within the Amathole DM is recognised within the Pondoland Centre of Endemism that stretches along the east coast below the Great Escarpment. One type of forest (Licuáti forest), three types of thicket, six types of bushveld, and five types of grassland are found only within the hotspot. About 80 percent of South Africa’s remaining indigenous forests fall within the Pondoland centre of endemism. The region includes warm temperate forests that hold nearly 600 tree species, the highest tree richness of any temperate forest on the planet. The Amathole Complex is home to high biodiversity and is regarded as a centre of endemism. It falls within an area classified as Critically Endangered by the Subtropical Thicket Ecosystem Project (STEP). In the ADM there is one endangered ecosystem which is Kobonqaba Forest Complex in Mnquma local municipality. Marine protected areas in Amathole include, Amathole Marine Protected Area (MPA), Dwesa (South)-Cwebe (North) at Mbhashe and Nyara River mouth to Great Kei River mouth at Great Kei

3.3.3.4 Freshwater Ecosystems

There are 56 recorded rivers in the Amathole district municipality. Nearly the whole of the Amthole DM fall in the Mzimvubu to Keiskamma Water Management Area, with the exception of Bedford, Adelaide and Fort Beaufort which forms part of the Fish to Tsitsikamma Water Management Area. There are four major drainage regions in the ADM, i.e., Great Fish River catchment, Amathole catchment, Great kei River basin, and Mbashe River basin. The major rivers of the Amathole DM are the Koonap and Kat Rivers of the Groot Vis River in the western extent; the Keiskamma and Groot-Kei in the central extends; and the Mbhashe River in the eastern extent. The dams of the Amathole DM include: Binfield Dam, Bridle Drif Dam, Cata Dam, Debe Dam, Gcuwa Dam, Gubu Dam, Katrivier Dam, Laing Dam, Maden Dam, Mnyameni Dam, Nahoon Dam, Pleasant View Dam, Rooikrans Dam, Sam Meyer Dam, Sandili Dam, Stanford Dam, Toleni Dam and Xilina Dam. In terms of Blue drop ADM is rated at 74.62 which is a good status. There are 9565 wetlands at Amathole district municipality which are distributed as follows across the local municipalities.

Amathole DM has approximately 49 functional estuarine systems, the vast majority falling within the warm temperate biogeographic region and the few located within the subtropical region. The estuary of greatest importance is the Great Fish River, which forms the boundary between the Amathole DM and Cacadu DM to the south. This is the 13th most important estuary in South Africa due to its large size, significant habitat and biological diversity, and it is imperative that the system be effectively managed by both DMs. There are 8 other systems that are within the national top 50 in terms of estuarine importance, viz. Mpekweni, Mtati, Mgwalana, Keiskamma, Great Kei, Nxaxo/Ngqusi, Mbashe, and Xora.

3.3.3.5 Marine and Coastal

Amathole DM is situated in the central coastal portion of the Eastern Cape, between the Mbhashe River in the northeast and the Great Fish River in the southwest. The coastline extends for approximately 269 km, which accounts for about a fifth of the districts' jurisdictional boundary and roughly 34.1% of the Eastern Cape coastline. The coastline is generally warm, with humidity increasing towards the east. In total, the district covers a geographical area of 23 577 square kilometres. ADM has 21 beaches, with more recorded at Mbhashe local municipality. A number of beaches in the ADM is in a pristine nature, however general lack of infrastructure with regard to coastal amenities is a serious concern. This has a direct implication to coastal tourism and coastal public access. Health and safety is also another area of concern due to lack of lifeguards and beach health and safety services. ADM has eighteen boat launching sites which are mainly still under the management of the private bodies. The processes to transfer management is still underway as many local municipality lack required capacity and experience in this regard. List of public boat launching sites in the ADM are found in Gazette No. 3363 of the Eastern Cape.

3.3.3.6 Climate and Climate Change

The climate of Amathole varies from mild temperate conditions (14-23°C) along the coastal areas to slightly more extreme conditions (5-35°C) among the inland areas. The mountains on the northern border of the district experience winter snows and summer rainfalls. The coastline is generally warm, with humidity increasing towards the east.

Temperature is projected to increase by 2.1-2.2 inland and 1.5-1.7 degrees Celsius along the coast. Rainfall patterns will become more concentrated into heavy falls or floods and longer dry periods. Spring will be wetter than summer. In spring rainfall will increase about 10 to 12 mm towards the coast and in summer will increase about 2 to 4 mm per annum inland. Average sea levels are likely to rise by roughly 2.5 cm every 10 years. Annual stream flow in the ADM will decrease.

3.3.3.7 Air Quality

ADM ambient air quality is rated as acceptable in terms of the National Framework for Air Quality Management in the Republic of South Africa. The key sources of pollution in the ADM are:

a) Industry and Manufacturing- There are approximately 15 industrial boilers within the district. There are also a number of wood drying operations, e.g., sawmills throughout the district.

b) Residential Fuel Use- Use of wood and paraffin

c) Biomass burning- Veld fires during winter

d) Motor Vehicles and Unpaved Roads- Due to the rural extent of the District, One of the largest sources of particulate emissions is vehicular travel on unpaved roads,

Other emissions are related to waste management practices, agricultural emissions and poorly managed Mining, quarries and borrow pits

Identified priority pollutants in the ADM are:

Sulphur dioxide (SO_2), Nitrogen dioxide (NO_2), Particulate Matter (PM_{10} and $PM_{2.5}$), Carbon Monoxide (CO), Benzene, Lead.

3.3.3.8 Environmental Governance

ADM has both the Environmental management forum and Municipal Coastal Committee, which is used as a platform to share environmental projects, programs and strategies. The following environmental awareness campaigns are held annually by the ADM: (Water Week in March, Environmental week in June, Arbour week in September, Marine Week in November, Weed buster week in December, and Wetlands Month in April yearly).

ADM is not performing the function of the atmospheric licensing, it is DEDEAT's role, however assist in advocacy and support during implementation.

3.3.4 POST COVID-19 ECONOMIC STIMULUS PLAN

Due to the Global Pandemic the above projections have changed drastically. With the lock down which cause standstill in all economic sectors. the numbers have changed and presented a negative impact even more for our district which is characterized by the high numbers of poverty and unemployment.

According to the UNDP GDP it will take an approximately five years for the GDP to return to 2019 levels. The pandemic has hit hardest, female headed households, illiteracy and informal sector, and formal businesses also have been affected negatively but not as nearly as the informal sector. The country and the district at large has seen a poverty, unemployment and inequality increases.

There is an urgent need of innovative government policies in order to recover the economy which has been impacted negative by the COVID 19 pandemic. This is also causing the country to leg behind on achieving targets that are set in the Sustainable Development Goals. (SDG). The New research from United Nations Development Programme (UNDP) shows that the pandemic will cause South Africa's GDP to decrease by 7.9% in 2020 and will recover in a snail pace through 2024, leading to major setbacks in addressing poverty, unemployment and inequality of which all sphere of government will not be immune to this setback particularly local government sector.

The Minister of Cooperatives Governance and Traditional Affairs, "highlighted that the effects of the pandemic are bound to be with us for some years and that our lives have been altered and altered forever". Inequality, poverty and high unemployment rate has exposed by the COVID 19 pandemic.

It is worth noting that the ADM has pro-actively developed Post COVID 19 Economic Stimulus Plan with the primary objective as;

- To formulate an actionable short, medium and long-term plan to address the economic impact caused by COVID 19 crisis and the pre-existing low level of economic growth Post-COVID 19.
- To provide a practical guide for Amathole District Municipality on how to leverage support to the National Government in order for the district to manage and respond COVID-19 and other future communicable pandemics.

The plan outlines the enhancement and support of the identified sectors as per the Economic Growth and Development Strategy with the aim of reviving the ADM economy in order to grow and develop it. The desired results as set in the National Development Plan are to improve the livelihood of our communities, eradicate poverty, create employment and wealth creation.

Several catalytic projects have been identified and as a means of turning the situation around pertaining to post-COVID 19 Pandemic. These projects are:

- Revitalisation of Irrigation Schemes,
- District wide Transport Network for socio-economic Growth,
- Broadband Connectivity,
- Revitalisation of Industrial Parks,

The above-mentioned plan has been mainly a desktop exercise through the review of various statistical and socio-economic data, as they were presented at a national and provincial level. The IDP therefore is developed as informed by the analysis outlined in the long-term plan.

A comprehensive situational analysis builds a quantitative and qualitative baseline of the conditions of inhabitants of ADM and will be used as an on-going monitoring tool going forward. It will also help the political leadership and administrative to understand better the current situation inside and outside the area of Amathole jurisdiction. In addition, it will enhance the understanding of developments in the Macro- and Micro-environment that may influence the future of the district.

3.4 KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

VISION 2058: Resilient District

MTAS PILLAR: Sound Financial Management

B2B: Sound Financial Management

3.4.1 ESTABLISHMENT

The Budget and Treasury Office has been established in accordance with Chapter 9 of the Municipal Finance Management Act No. 56 of 2003 (MFMA) which requires every municipality to have a budget and treasury office. The Budget and Treasury office must consist of a chief financial officer designated by the accounting officer of the municipality, officials of the municipality allocated by the accounting officer to the chief financial officer; and any other persons contracted by the municipality for the work of the office.

3.4.2 BUDGETING

The Budgeting unit assists with the preparation and implementation of the municipality's budget as required in accordance with Section 80 of the MFMA. In addition, the unit prepares the monthly and quarterly reporting on the budget performance in the form of Section 71 Reports, Schedule C Report with related data strings, as well as the quarterly Section 52 d report. The reports are currently manually populated with the aim of automation directly from SAP

3.4.2.1 Systems and Processes

As regulated, ADM prepares a budget for the current year, and two outer years. This is line with the Medium Term revenue and expenditure framework (MFMA Budget Regulations) and mSCOA. In recent years, the municipality has experienced difficulties in its ability to generate its own revenue thus the dependency on grants for service delivery has grown significantly. As a results, ADM utilises the government grants as gazetted in DoRA as the basis for determining the bulk of its anticipated revenue stream. In terms of own revenue, service charges, interest on call and current accounts and VAT own revenue are the main revenue streams. These streams are yet to show signs of major growth, with service charge income being badly affected by COVID-19 with restrictions being suspended at the peak of the pandemic.

The draft Budget was tabled and approved by Council at the end of March 2021. However, the population of Schedule A format was not possible as this was restricted by National Treasury to ensure that it was only populated automatically from the financial systems. Data strings were uploaded and

the assessment of the budget was done using this information, which was not ideal. ADM submitted a balanced budget, but the budget still remains unfunded due to the huge creditor liability.
ADM has been transacting on the mSCOA chart of accounts since the 2016/17 financial year. The budget was submitted in the 6.5 version of mSCOA via the National Treasury portal for the 2021/22 financial year. It is imperative that the system produces both the budget, the Schedules and the data strings in the future to ensure consistency. Tech Mahindra has undertaken to populate the final 2021/22 budget automatically.

Despite the challenges still being experienced on SAP, the monthly reporting is done in the prescribed Schedule C format and Sec 71 reports have been manually prepared and submitted within the legislative time frames. Since the 1st of July 2019, National Treasury expected monthly reporting to only be done via the portal. ADM has managed to produce the reports manually for the portal submission for the first two quarters of the 2020/21 financial year.

Standard operating procedures have been documented for the current year budget cycle, however full alignment to the financial system is still in progress.

Challenges

- Budget constraints, poor management of budget and adherence to budgeting principles results in large volumes of budget moves from the start of the financial year;
- Poor implementation of budget policy which results in budget moved from areas without due consideration of the effect on the account that has had the budget reduced;
- Poor planning and expenditure on externally funded projects resulting in unspent amounts at year end and numerous changes to the capital budget throughout the year;
- Adjustments Budget being treated as an opportunity to address poor budgeting which occurred during the budget process;
- Service Charges income reflects what is realistically billable, but not necessarily collectable even with a corresponding provision for bad debts based on the historical collection rates budget status;
- Misallocations of expenditure on accounts and at cost centre level – tendency to allocate expenditure where budget exists and not according to the expenditure type;
- The looming risk that ADM will not be in a position to continue funding non-core functions;
- Poor systems to address and implement consequence management in place for non-adherence to budget policy;
- Poor cash flow which results in NO reserves available to balance the budget;

- Poor revenue base, and revenue collection. As a result, ADM's own revenue generated is unable to sustain operating costs;
- Budget reports such as Section 71, Section 52 d and Schedules A B and C and project reports are manually compiled due to challenges with the new system as the system is currently not able to generate reports that meet the information needs of users. This results in the risk of reporting timeframes being delayed and inaccurate figures being reported;
- Ineffective Financial Management System which result in poor reporting; i.e., the system is still not able to perform balance sheet and cash flow budgeting as required by mSCOA reforms;
- Non adherence to budget best practices, ADM does not begin the budget process by identifying projects within the IDP as required by the MFMA budget regulations and other reporting reforms i.e.; mSCOA. Currently the IDP module on SAP is NOT functional and poses difficulties to fully implement mSCOA as required;
- Increased reliance on external support for system functions which has financial implications and longer turnaround times;
- Financial control environment largely compromised, reconciliation of the VAT accounts, Debtors and other critical control accounts not fully performed as per system description; and
- Lack of understanding of the significance of the mSCOA seven segments by management and relevant officials in the value chain. This compromises the quality of accurate transacting and allocations against the segments as budgeted.

3.4.3 EXPENDITURE

The Expenditure unit exercises the requirements of expenditure management in accordance with Section 65 of the MFMA. The unit maintains a system of expenditure control which includes procedures for approval, authorisation, and payment of funds and ensures that all transactions are recorded in the financial system.

3.4.3.1 Systems and Processes

Section 65 of Municipal Finance Management Act No. 56 of 2003 supported by Treasury Circular 49, requires that all payments processed on the financial system be according to the budget, be properly processed and be due and payable in terms of policy and procedures. The relevant supporting documentation must be attached and must ensure that they are paid within 30 days of receipt. The main objective is to maintain a good working relationship between ADM and the public we serve.

This compliance remains a challenge as ADM continues to experience cash flow constraints, hence invoices are not always paid within 30 days of receipt. These challenges experienced by ADM, have resulted in 67.8% of all the invoices being paid within 30 days of receipt during the of 2019/20 and 89.6 % for the 2018/19 financial year.

Registers have been implemented to track invoices.

In addition to filing payment vouchers in hard copy, payment vouchers are also scanned and filed electronically.

A register for fruitless and wasteful expenditure is being maintained. The incidents mainly relate to interest being incurred due to late payment. This is as a direct consequence of the cash flow constraints.
Payment arrangement are entered between the municipality and service providers to avoid interest and penalties where working capital not sufficient to service the debt.
Monitoring and investigation of the instances still requires improvement. This expenditure is reported on quarterly basis to the Executive Mayor, Auditor General and CoGTA

Standard operating procedures have been documented for the Expenditure cycle, however full alignment to the financial system is still required.

Challenges

Non-Compliance with Section 65(2)(e) of the MFMA and Circular 49 of MFMA. Both these require reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.
This compliance remains a challenge as the ADM is still experiencing cash flow constraints, hence invoices cannot always be paid within 30 days of receipt.
In addition, delays in payment as a result of invoices not being verified as evidence of receipt of good and/or services, insufficient budget and non-compliance with procurement procedures have decreased. However, some of turnaround times delays for payments due to system performance inconsistencies.

- SAP is still unable to generate reports to meet reporting needs. Manual reports and registers are currently being prepared as the BI module still not operational which has a negative impact on reporting.
- Although the staff performance have improved with regards to working on the system, reliance on external support for system functions is still very much a reality. This in turn has financial implications and increases turnaround times.

- Incorrect inclusion or exclusion of VAT on purchases serves as a weakness in the administration of VAT. This has mainly occurred on general expenditure items such as travel, motor vehicle hire and conference refreshments. As a result of system configuration and when generating purchase orders. It may also result in penalties being levied by SARS for VAT being incorrectly claimed.
- VAT remains an area in the financial system that has not been finalised.

3.4.4 REVENUE

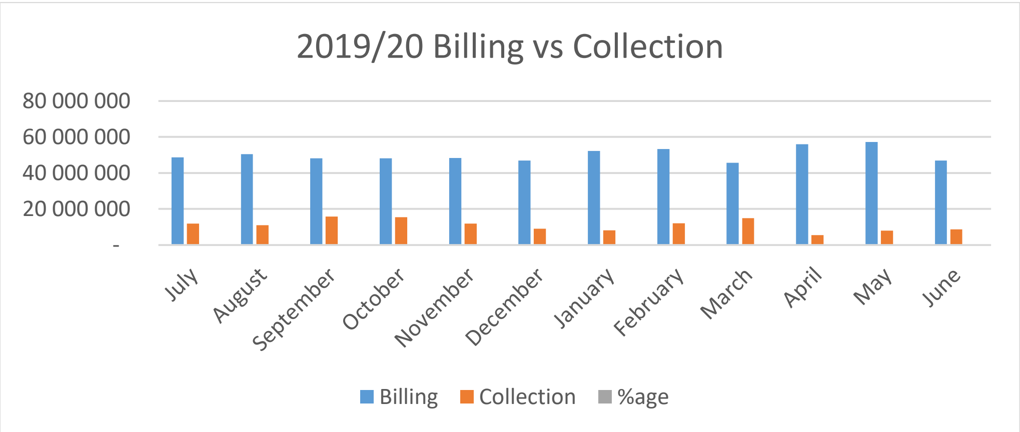
The Revenue unit exercises the requirements of revenue management in accordance with Section 64 of the MFMA. The unit bills consumers on a monthly basis, implements the approved Indigent policy and Credit Control and Debt Collection policy and maintains the consumer database.

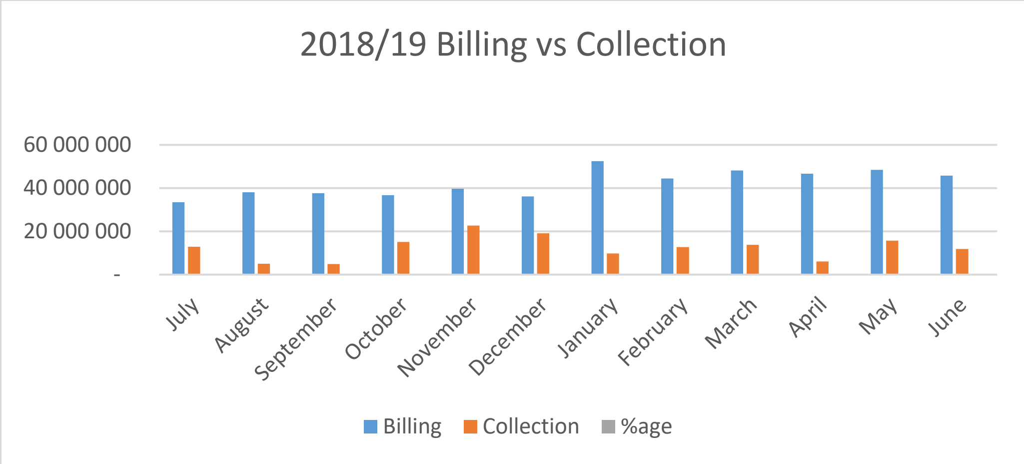
3.4.4.1 Systems and Procedures

The billing unit reads 99% of the meters and uses I-read to assist with the electronic meter reading. Consumers are billed monthly, in cases where a meter reading is not obtained, an interim reading is used based on the average historic consumption.

An average collection rate of 22% on billed revenue was collected during the 2019/20 financial year; an amount of R602 million was billed and R133 million collected. In order to facilitate the collection of amounts due, ADM makes use of alternative pay-points/methods i.e. PAY@ and speed point; use of dedicated email address and WhatsApp number for use by all the ADM consumers with account queries. Despite the attempts to improve the convenience of enabling consumers to settle accounts due, ADM continues to struggle to collect debt without leverage as depicted in the figure below

FIGURE 31:2019/20 & 2018/19 BILLING VS COLLECTION





In response to the collection trends the Revenue unit has embarked on the following interventions:

a) Establishment of a multi-faceted technical task team, this team includes members from Engineering Services, Corporate Services, Communication and ICT to address debt collection;
b) Implementation of an incentive scheme to coerce consumers to settle long outstanding debt and to improve cash flow
c) Establishment of an 8 - month partnership with a debt collector to capacitate staff in debt collection and to intensify debt collections (01 November 2019 to 30 June 2020)
d) Establishment of a call centre for collections

ADM has an approved Indigent policy which provides relief of 6kl of water per month free to indigent consumers.

In the past, the ADM indigent register reflected indigents of just over 5000, this was not indicative of the actual economic situation in the District. Ongoing indigent registration campaigns aim at assisting ADM in ensuring that qualifying indigents within the district who cannot afford to pay for services are registered as indigents in order for them to gain access to the indigent subsidies. This results in reduced ability to collect monies owed to the institution which results in the lack of an effective leverage over the ADM's customers.

In response to this, ADM embarked on a process of aligning the indigent registers and policies of the district and local municipalities. The partnership with the debt collector also assisted in identifying indigent consumers. In addition, the Indigent registration process was intensified by using the EPWP programme to assist in the field by identifying and registering indigents. These interventions have resulted in the register being updated to reflect 28 992 registered indigents for 2019/20 financial year.

The database currently reflects 51 052 active consumers. It must be noted that the information is not static it changes daily. In order to improve and maintain the accuracy and completeness of the database, the results of the partnership with the debt collector are used to update the database.

Standard operating procedures have been documented for the Revenue cycle, however full alignment to the financial system is still required.

Challenges

- The challenge around the transfer of property owned by the Local Municipalities but now occupied by owners of low cost houses has still not been resolved. This debt remains uncollectable as the Local Municipalities are charged for services and water consumption yet the beneficiaries of the houses are consuming the service.
- Cost recovery remains a challenge. Balancing the sustainability of the ADM service provision and affordability for consumers is critical.
- The Debtors module went live on 9 October 2017 on SAP, ADM continues to experience challenges from the go-live date to date, and these are attended immediately they are identified.
- The majority of the outstanding debt is within the 90 plus days, this implies that the older the debt, the less likely the recovery. It also is indicative of slow payment by consumers thereby aggravating the cash flow of the ADM.
- The number of illegal connection incidents and the enforcement of by-laws such as fines for illegal connections remains a challenge.
- The execution of restrictions and disconnections needs more improvement, but is as a result of capacity constraints experienced by the Engineering Services department. Investigation of unusual and excessive meter readings is also not prioritised by Engineering Services. All these factors have a negative impact on the collection rate.
- The collection is negatively affected by factors such as the drought disaster and the Covid -19 pandemic which continue to be experienced in the District, with consumers refusing to pay their accounts.
- A further factor is the inability to obtain meter readings from certain areas for extended time periods due to meter readers being chased away by the communities. These communities also do not pay.
- The ADM does not have any leverage to coerce consumers to pay such as the cutting of electricity before debt is settled.
- The delivery of statements to consumers is a critical factor facilitating debt collection as consumers do not pay if no statement is received. The collapse of the postal services in the District is severely retarding the delivery of statements.

- ADM continues to experience challenges around the financial system and as a consequence is unable to generate reports that reflect required information. The reconciliation of the age analysis and billing reports to the general ledger remains unresolved.

3.4.5 ACCOUNTING AND REPORTING

The accounting and reporting function is responsible for financial reporting monthly, quarterly and annually as well as the co-ordinating of all reconciliation functions and journal adjustments. The maintenance of the audit file and the compilation of the Annual Financial Statements is part of this function.

3.4.5.1 Systems and Processes

The unit also manages the bank accounts of ADM. All bank reconciliations were performed. Bank reconciliations are performed monthly. Due to continued fund management, the unit has earned interest of R19.5 million during 2019/20 towards the revenue stream of ADM.

Both the annual financial statements and consolidated annual financial statements are prepared in-house. Despite the significant challenges experienced with the new financial system the financial statements were submitted within the legislative timeframes.

Standard operating procedures have been documented for the Cash and bank cycle, however full alignment to the financial system is still required.

Challenges

- There are inadequate reconciliations of control accounts and long outstanding reconciling items are not investigated and cleared.
- Information supporting the figures in the annual financial statements is not received in a timely manner resulting in incomplete financial statements being submitted, material misstatements and scope limitations all which adversely impact the audit outcome. This is as a result of a year-end focus reporting culture.
- The level of investments and the liquidity ratio has declined and as a result the liquidity ratio has declined to well below the norm of 2. This ratio is indicative of the ability of an institution to repay its debts when due. ADM continues to experience cash flow constraints. The financial recovery is not being implemented and owned by the Departments.
- The implementation of the new financial system has been very challenging due to the inability of reports to be generated from the system to meet the information needs of users and for reporting purposes. Reports and registers are being prepared on a manual basis which increases the risk of late submission and error.

- SAP BI module, which is intended to assist the reporting function, is still not operational.
- The functionality of staff on the financial system has improved, however there is still reliance on external support for system functions which has financial implications and increases turnaround time.

The introduction of mSCOA reforms has also brought challenges around the misclassification of transactions within the ledger. It must be noted that despite the data strings having been submitted, these submissions are performed manually. This is contrary to what National Treasury requires for mSCOA compliance. The following are reasons for the non-compliance:

- The A schedule is manually prepared outside the SAP system
- The actual budget is populated using excel outside the SAP system then uploaded to the system.
- The Actual components of the budget on the system are the Income and Expenditure only. The verification of the budget by National Treasury is inclusive of budgeted Financial Position, Cash Flow and Asset Register component.
- The SAP system is not designed to provide for the budgeted Financial Position, Cash flow and Asset Register.
- Balance sheet, Cash flow and Asset Register accounts are not intended to accommodate for the upload of the budget. Reconciling the two (A schedule and Data strings) is a challenging exercise as is done manually.

ADM is therefore not mSCOA compliant. The current system support vendors are working on permanent solutions to resolve this.

3.4.6 FINANCIAL AUDIT OUTCOME

With great dissatisfaction, ADM regressed to a disclaimer audit opinion for the 2018/19 financial year for the first time. The modifications to the audit report were on Property, plant and Equipment, Payables, VAT, Leave provision, Service Charges, Inventory, Interest on overdue accounts, Grants and subsidies, Unauthorised expenditure and Cash Flow Statement.

The table below reflects the audit outcomes over the last 9 years:

Year	Audit outcome	Matters of modification
2010/11	Unqualified	
2011/12	Unqualified	
2012/13	Unqualified	
2013/14	Unqualified	
2014/15	Unqualified	
2014/15	Unqualified	
2015/16	Unqualified	
2016/17	Qualified	Property, Plant and Equipment Commitments
2017/18	Qualified	Property, Plant and Equipment Cash Flow Statements Commitments
2018/19		Property, Plant and Equipment, VAT Leave provision, Service Charges, Inventory, Interest on overdue accounts. Grants and subsidies, Unauthorised expenditure and Cash Flow Statement

The implementation and functioning of the new financial system remains as having a direct impact on the audit outcome. ADM starting transacting on the new financial system during the 2016/17 financial year.

In order to improve on the 2018/19 outcome and address the audit findings, ADM implemented the OPCAR template to manage the audit action plan and resolution of the audit findings. 106 findings were raised in the management letter, by October 2020 93% of the findings had been resolved.

The submission of the annual financial statements for audit was delayed by two months due to the COVID 19 pandemic.

Summary of progress

Total number of findings	106	
No. resolved	***98***	93%
No. in progress	***8***	7%
No. tasks identified	***0***	0%

Department	Number of issues resolved	Percentage resolved
Budget and Treasury Office	66	92%
Corporate Services	4	80%
Engineering Services	2	67%
Strategic Planning and Management	23	100%
Legal Services	2	100%
Cross-cutting	1	100%
TOTAL	**106**	**93%**

3.4.7 SUPPLY CHAIN MANAGEMENT

ADM's SCM Unit has been established and operates under the direct supervision of the Chief Financial Officer. The SCM Unit manages the supply and acquisition of various goods and services to or on behalf of the Municipality. These include tenders for construction works, general and professional services.

3.4.7.1 Systems and Processes

The SCM Unit strives to ensure that the Municipality's supply chain is sound, sustainable and accountable. The Municipality promotes Black Economic Empowerment (BEE) and local economic development, and encourages the formation of small businesses and joint venture partnerships.

The Municipality's SCM Policy makes provision for the allocation of projects to designated groups, in particular, black women and black youth owned businesses when implementing Regulation 9 of the Preferential Procurement Regulations, 2017, *e.g. sub-contracting as a condition of tender.* In line with the Constitution and Municipal Supply Chain Regulations, ADM's procurement system aims to be fair, equitable, transparent, competitive and cost effective.

During the 2019/2020 financial year a total of 253 contracts were awarded. The following table reflects the various procurement methods as well as the number of projects:

PROCUREMENT METHOD	NO.
Formal written price quotation (RFQ) (R30 000 - R200 000)	5
Competitive Bidding (Above R200 000)	220
Deviations	28
Section 32	0
TOTAL	**253**

During the 2019/2020 financial year 18.55% of contracts awarded were awarded to 50% women owned businesses. This amounts to a total expenditure of R35.1 million. A further expenditure of R1.2 million was awarded to women owned businesses during the Covid-19 pandemic.

The average turn-around time on awarding of tenders during the 2019/2020 financial year is 130,11 days from the date of tender closing.

ADM monitors the performance of contractors on a monthly basis. The performance of service providers for the 2019/2020 financial year is as follows:

- Poor 2,31 %
- Needs to Improve 2,78 %
- Acceptable 87,04 %
- Excellent 7,87 %

Standard operating procedures have been developed, approved and implemented.

Challenges

- Deviations have reduced, however, procurement deviations have not yet reached acceptable levels as anticipated.
- More detailed monitoring of service provider performance is required which often leads to termination of these suppliers.
- There is overpricing of certain commodities and this needs to be controlled.

3.4.8 ASSET MANAGEMENT

The Asset unit manages and safeguards Council's assets in accordance with Section 63 of the MFMA. Asset Management refers to all activities and processes carried out during the cycle of acquisition or construction, maintenance, renewal or refurbishment and disposal of all resources consumed during the provision of services by the municipality to the communities or customers.

3.4.8.1 Systems and Processes

These resources are consumed on the basis that there is future economic benefit derived from their consumption or their utilisation results in economic benefit for the municipality. These resources range from the water and sanitation infrastructure network used to deliver water and sanitation services to households, vehicles used by personnel to maintain the network, tools utilised in the maintenance of the network, equipment used by field and office staff during the delivery of services, furniture used by staff in support of the services to the communities, materials consumed during the construction of service facilities and work in progress in service infrastructure projects. The following is the breakdown of Amathole District Municipality asset base:

Row Labels	Sum of Carrying Value (2019/20)
Land	5 325 092
Solid waste	670 495
Operational Buildings	6 594 754
Sanitation	486 104 910
Water Supply	3 801 914 865
Community	1 558 408

Finance leased assets	454 196
Computer Equipment	30 939 208
Furniture and fittings	14 892 811
Machinery and equipment	5 329 307
Transport assets	81 988 370
Grand Total	**4 435 772 414**

Challenges

- Incompleteness of the asset register affects the reporting of ADM assets.
- Lack of asset management functionality in SAP is a challenge in managing assets as most reports are performed manually are exposed to human error.
- Weak security controls into the buildings where assets are kept.
- Lack of communication amongst asset management stakeholders.
- Dilapidated infrastructure assets leading to service delivery interruption and high level of repairs and maintenance expenditure.

3.4.9 EFFECT OF LOCKDOWN ON BTO OPERATIONS

ADM already in dire financial constraints, was placed under more pressure due to the impact of the COVID-19 pandemic. The worsened financial position, is due to the suspension of credit control measures during lockdown. Municipalities were heeding SALGA's call to not disconnect consumers who were unable to pay their electricity or water bills, and to lift existing water restrictions.

Additionally, ADM had to provide additional services to communities during lockdown, and revenue collection was negatively affected by the severe economic recession depleting more cash.

Weak economic growth within the district and its rural setting, put additional distress on consumers' ability to pay for services, and the municipality continues to be faced with a difficult fiscal environment, with significant loss of revenue placing us at the brink of financial capacity and viability. The physical verification and updating of the Assets Register, could not be 100% complete, due to officials responsible being home during lockdown.

Staff struggled working from home due to lack of tools such as laptops and connectivity. Regardless of the challenges and health risks, BTO continued with daily operations such as billing, payments, procurement and reporting.

3.4.10 CONCLUSION

Despite the numerous challenges, in particular around the financial system, that the Budget and Treasury Office (BTO) faces, the department has continued to tirelessly work at achieving its objectives and to ensure sound financial management. In view of this BTO has recognised the following achievements:

- Implementation of standard operating procedures
- Preparation of an annual budget for the 2020/21 financial year
- Manual submission of data strings for the Original Budget and Tabled Budget
- Manual submission of Schedule C monthly reports
- Submission of the data strings for the monthly in-year reports
- In-house preparation and submission of both the separate and consolidated annual financial statements within the legislated timeframes
- Weekly monitoring of the financial recovery plan adopted by Council
- Weekly monitoring of the audit action plan
- Establishment of a call centre for debt collection
- 34 242 consumers receiving free basic services were registered
- Partnered with United Nations and GIZ for the empowerment of women in business, 24.49% of the contracts were awarded to women owned businesses
- Stability of the IT System i.e. Billing, MSCOA etc.

3.5 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

VISION 2058: Just and Equitable District

MTAS PILLAR: Good Governance

B2B: Good Governance & Public Participation

3.5.1 INTERNAL AUDIT

The Amathole District Municipality (ADM) is mandated to have internal audit unit that must prepare a risk-based audit plan and an internal audit program for each financial year. That has to advise the accounting officer and report to the audit committee on the implementation of the internal audit plan.

• Section 62 (1)(c) (ii) of the MFMA states that accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the entity has and maintains effective, efficient and transparent systems of internal audit operating in accordance with any prescribed norms and standards.

• Section 165 of Municipal Finance Management Act, No.56 of 2003 states that each municipality and each municipal entity must have an internal audit function that may be outsourced if the municipality or municipal entity requires assistance to develop its internal capacity and the council of the municipality or the board of director of the entity has determined that this is feasible and cost-effective.

• Section 45 of Municipal Systems Act, No 32 of 2000 and Regulations states that the results of performance measurements with regard to each of those development priorities and objectives and against the key performance indicators and target set must be audited.

The objectives of Internal Audit are to:

- Establish the areas of risk in the area being audited;

- Establish the controls in place to address those risks and review their adequacy;
- Assess that significant financial, managerial, and operating information is accurate, reliable, and timely;
- Carry out detailed testing of the controls being relied on;
- make recommendations where weaknesses or inefficiencies are observed;

3.5.1.1 Inroads and Successes

Management support and recognition as trusted advisor.

The District Municipality, recognizing its statutory responsibility to assist in building the capacity of local municipalities in its area to perform their functions and exercise their powers – the resuscitation of the District Internal Audit Forum (DIAF) as a learning and sharing platform fulfills this role.

Initiatives are performed every quarter as the internal audit support is well received by all 6 local municipalities.

Achievement of collaboration with COGTA, SALGA, Provincial Treasury and AG SA in the area of capacity building.

The Institute of Internal Auditors South Africa (IIA SA) to presents on topics of interest at the DIAF. Through video-conferencing facilities this has been achieved.

The unit is experiencing the following challenges in performing its municipal duties:

Internal Audit is experiencing delays in producing the reports after performing audit due to delays by departments in submitting the information requested by internal audit. This issue is being addressed but there are some individuals who do not adhere to time frames.

Though there is an improvement in implementing action plans to correct discrepancies raised by auditors, there are some departments who are not implementing and that result into negative reporting by Auditor-General.

Internal Audit unit is lacking of skills to audit IT, Engineering and financial audits. The budget to outsource the functions is limited. The unit is requesting to be provided with the budget to appoint these specialists or to reskill the internal staff and equip them with necessary skills.

Internal Audit has two (2) vacancies: Internal Auditors. These posts are needed as the unit is mandated to also assist ASPIRE and local municipalities with the evaluation of the adequacy and effectiveness of internal control, risk management and good governance.

3.5.2 RISK MANAGEMENT

The role of the Risk Management unit is to develop, communicate, coordinate and monitor the enterprise risk management activities within the municipality.

3.5.2.1 Legal/Statutory Framework

a) Sections 62 requires that the accounting officer for a municipality must ensure that the municipality has and maintains an effective system of financial and risk management and internal controls.
b) Sections 78 requires that each official of the municipality must ensure that the system of financial management and internal control established for municipality is carried out within the area of responsibility of that official.
c) Section 165 requires the internal audit must advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to risk and risk management, amongst other.
d) Sections 166 requires that each municipality and each municipal entity must have an audit committee which must advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality on matters relating to risk management, amongst others.
e) The responsibilities of the Audit Committee as provided for in the Public Sector Risk Management Framework (where there is a separate Risk Management Committee), include, inter alia:
    i. Reviewing and recommending risk management disclosures in the annual report and annual financial statements;
    ii. Providing regular feedback to the accounting officer and accounting authority on the adequacy and effectiveness of risk management processes, including recommendations for improvement.
    iii. Ensuring that the internal and external audit plans are aligned to the risk profile of the municipality

3.5.2.2 Operational Framework

In 2017/18 financial year, the unit is guided by the following legislation and guidelines:

- Constitution of Republic of South Africa
- Municipal Finance Management Act
- Treasury Regulations
- Corporate Governance

3.5.2.3 Committees/Fora

In ensuring design, implementation and monitoring of risk, the following committees and fora are being utilised:

- Risk Steering Committee
- Executive Management
- Audit & Risk Committee
- ADM Internal Audit Forum

3.5.2.4 Responsibilities

Communicates with the Audit / Risk Committee regarding the status of enterprise risk management;

Takes overall responsibility for the common risk framework and coordinates the risk management activities across the Municipality;

Proposes on a methodology and framework for ERM for approval by the Council and Municipal Manager;

Undertakes a gap analysis of the Municipality's ERM process;

Performs reviews of the risk management process to improve the existing process;

Facilitates quarterly risk management assessments and risk assessments for all major changes and incidents, such as accidents, purchases of capital equipment, restructuring of operational processes etc;

Develops systems to facilitate risk monitoring and risk improvement;

Creates mechanisms for identifying nodes of change;

Consolidates all information pertaining to all risk related functions, processes and activities;

Provides input into the development and implementation of business continuity management plans;

Transfers the knowledge in respect of an effective and sustainable process of risk identification, quantification and monitoring to management;

Ensures that risk management training is conducted at appropriate levels within the Municipality to inculcate a risk management culture;

Communicates the risk strategy to all management levels and to employees; and

Ensures that the necessary risk management documentation is developed in respect of the risk management process.

Key Success Stories

- Fully functional Risk Management structures
- Updated guidelines (Policy, Framework, Terms of Reference)
- Provision of support to local municipalities and ADM agency
- Fairly Adequate risk processes (No AG finding in the last 5 years)

Challenges

Inadequate resources (staff, financial) resulting on the following:

- Operational deficiencies i.e. poor monitoring of risk activities
- Lack of information management system
- Unable to provide risk services through-out the district

3.5.3 LEGAL SERVICES

Legal Services Unit, focusing on a strategic or high level multi-faceted issue that is likely to affect the ADM and the business of the Unit, and thus should filter into the strategic planning of the Institution.

An attempt has been made to consider the issue on a district wide basis, based on the Unit's involvement in the Eastern Cape Legal Advisors Forum, (championed by the Provincial Department of Co-operative Governance and Traditional Affairs).

The instances of government, including local government, being challenged in court have steadily increased over the last five years. So much so, that at a provincial level, the cost of litigation is becoming a concern to the financial viability of the provincial government in the Eastern Cape.

Although at a municipal level, litigation costs remain significantly lower than at the provincial level, the fact remains that municipalities in the Eastern Cape, including those within the ADM, are increasingly being challenged in court. The trend is likely to continue over the next five years, unless significant interventions are made.

It is thus submitted that planning must take into consideration interventions to prevent the danger of rampant litigation becoming a reality in the coming years, if there is any chance in reversing this trend.

3.5.3.1 Risk factors

It is important that in developing strategic initiatives to counter a possible increase in litigation trend, the factors driving current litigation in the district, as well as factors that are likely to drive litigation in the future, are explored.

Outlined below are some of these factors:

Awareness of Constitutional rights:
Communities are, after twenty years of democracy, more aware of their Constitutional rights, than ever before. In particular, people are alive to the fact that they have a right to information kept by a municipality, as well as a right to ask for reasons for decisions taken by an administrative body, such as a municipality (in terms of the Promotion of Just Administration Act (PAJA).

For instance, a report marked confidential (eg a bid committee report), does not mean in law, it is confidential and cannot be handed over to a member of the public making application for the report in terms of the Promotion of Access to Information Act (PAIA). PAIA provides very few specific instances that access to information can be refused, and in all other instances, a municipality is constitutionally obliged to disclose such information if proper application is made for it.

This means that virtually every decision taken by Council, a political office bearer, the Municipal Manager or any other delegated body – such as the Bid Adjudication Committee, is open to scrutiny. More and more people are becoming aware of this fact.

Poor decision making:

In the municipal setting, decision making takes two broad forms:

- Deciding to adhere to policies and procedures in executing ones duties or conversely deciding not to adhere to them;

- Making administrative and executive decisions in compliance with the law and consistent with the tenants of good governance, or conversely making decisions contrary to what the law and good governance requires.

There appears to be an increasing perception that government in making administrative and executive decisions gets it wrong more times than right. Fuelling this perception is the reality that decisions taken on judicial review in recent times, as reported on in the press, have in most instances been set aside as either contravening PAJA, or the constitutional principle of legality ie as being ‘irrational’.

Municipalities, including the ADM, have not been immune to this perception. For example, it has been noted that recently significant tenders awarded by the ADM are often immediately followed by applications under PAIA and PAJA for all documents relating to the bid process as well as reasons for the award. Even bidders, who had no reasonable chance of being awarded the bid in question, are making these applications.

A further worrying factor is that the ADM as a responsible government has recently had to take its own decisions in the awarding of certain contracts, on review as an irregular process was followed.

The sense is then that bidders who might otherwise have had no chance of being awarded the tender due to, say, price, realise once they have access to all the relevant information, they can find a reason for a court to set the award aside (because of poor decision making in the process). If the court sets the award aside this meant that the municipality will have to re-tender and then the bidder who was overpriced the first time around, has another opportunity to bid.

On the political level decision making is also coming under closer scrutiny as explained below.

It has thus become imperative that administrative and political decisions must be informed by the law in particular the PAJA and the principle of legality.

Inability to pay for services:

The failure to pay service providers contracted to the municipality, exposes the ADM to expensive litigation. Where a contract was awarded by the ADM, and thereafter the ADM fails or cannot pay for services provided in terms of the contract, not only is the ADM exposed to having a court order the municipality to pay the service provider for the services rendered, but also having to pay interest on this amount as well as legal costs of the service provider – which would amount to fruitless and wasteful expenditure. The question then arises in these instances as to the correctness of the decision to award these contracts in the first place.

Lucrative infrastructure contracts:

Across the province, it has been noted that with the advent of the down-turn in the economy, it is apparent that people are more willing to challenge the awarding of MIG and other infrastructure contracts, which are of a substantial value, than was previously the case.

Political dynamics:

The trend of opposition parties challenging decisions made by political office bearers, observed over the last few years, is likely to continue. Furthermore, as fractures develop in dominant political parties, it is not inconceivable that internal factorial battles may give rise to decisions taken by council or political office bearers being challenged in court.

3.5.3.2 Nature of the risk to the ADM

Litigations against the ADM gives rise to two potentially damaging risks:

Financial Risk

The cost of litigation at the ADM increased from roughly R1.3 million in 2014 -2015 financial year, to over R2.2 million in the 2015-2016 financial year with a slight reduction in the 2016 -2017. Over R3 million was spent on litigation matters in the 2019-2020 financial year. This trend has been noted in other municipalities in the Eastern Cape and is set to continue

Reputational Risk

Every time a government department or municipality is found to have acted unlawfully, it means in essence that such department or municipality has acted contrary to the Constitution. Hence one adverse court ruling has a major impact on the reputation of the institution.

Mitigating the risk

As seen above from the contributing or risk factors detailed above, a key factor able to be addressed directly by the ADM, is the issue of poor decision making. Hence the issue of correct decision making becomes the most important weapon, not only to avoid the prospects of legal action arising in the first place, but also to ensure that any litigation instituted against the ADM is unsuccessful.

While the ADM cannot prevent anyone taking legal action against it, it follows that if the reputation of the ADM is one of an organisation adhering to good governance principles' i.e. making the correct decisions, the appetite for pursuing costly litigation against the ADM significantly diminishes.

The question then is how can the quality of decision making be enhanced going forward?

It is submitted that the following actions ought to be considered:

- Proper understanding and appreciation by all role players of what the law requires of them.
- Legal guidance built into the decision making process.
- Uniform implementation of consequence management to hold role-players accountable for bad decision making.

3.5.3.3 Role of Legal Services

It is submitted that Legal Services has a key role to play in respect of the first two proposed actions listed above, as follows:

1. Legal Training:

While there is, or at least should be, a clear understanding by officials of the policies and procedures governing their day-to-day duties (such as SCM processes or payment procedures etc.), persons or bodies having executive or administrative decision making authority ought to be legally trained on the PAJA and the principals of legality. (For instance, a discretionary authority to make a decision, is not unfettered, and must be exercised within the limits of reasonableness.)

Legal Services ought to conduct or facilitate routine legal training in this regard.

2. Legal guidance ought to be built into every executive or administrative decision making process. (In one district municipality in the Eastern Cape, the legal manager is required to give an opinion in respect of each item for consideration by Council, and to attend each Mayoral Committee meeting as well as other committees of council.)

   Ideally then all items/ memos for approval by Council, by the Executive Mayor, by Executive Management, by the Municipal Manager, or by any delegated authority, ought to legally vetted by Legal Services prior to such items/memos being considered by such bodies for approval.

   In instances whereby such bodies wish to make an approval other than that recommended in the item/memo, then Legal Services ought to provide opinion on the new proposed resolution, prior to it being adopted/approved.

   In instances where there is disagreement in respect of the opinion from Legal Services, the opinion of an external legal expert ought to be sought prior to any decision being taken.

3.5.4 POLICY AND RESEARCH

Vision: to provide support in the functional area of knowledge management and research in a manner that enhances planning, implementation, monitoring and evaluation to achieve the developmental goals of ADM in an Informed manner.

The Unit is currently focusing on two functional areas which are ***Knowledge Management and Research***. The focus was informed by the process of organizational re-orientation and re-configuration which has been set in motion as the latest developmental trajectory of the institution.

In addition, a new organizational culture that is being inculcated necessitated a paradigm shift towards organizational learning.

Knowledge Management has been identified as the enabler of effective and efficient institutional functionality. There has been a realization for a need to integrate Knowledge Management with related functions that include Information Management and Records Management. It is on this score that an Integrated Information, Knowledge and Records Management Framework (IIKRMF) was developed in order to achieve the desired organizational learning objectives. IIKRMF was developed through a series of consultative working sessions with other departmental Units including Information and Communications Unit as well as Records Management Unit. The process of institutionalizing the framework is still unfolding with an express purpose of initially capacitating the frontline staff, followed by the entire staff complement.

Research was identified as a strategic management tool that serves as an enabler of efficient institutional functionality. It is on this note that research function was elevated at ADM in order to yield the best results in accelerating service delivery. Research is a systematic collection, collation, analysis and interpretation of data of relevance to planning, policy development, practice and to increase the understanding about the future trends, local needs and best practices.

Research has a significant role to play in a wide range of ADM's activities across the entire spectrum of business functions. In the context of fast changing global scenarios and disruptions that include climate change, pandemics, the Fourth Industrial Revolution (4IR), research is viewed as the master and the servant of developmental discourse.

INTERNAL ANALYSIS	
STRENGHTS	**WEAKNESSES**
• Clear understanding of Knowledge management and Research Functions • Support from Executive Management • Sound Relations and cooperation with relevant units i.e. PME, IGR, Project Management Unit & Communication. • Collaboration with provincial and national government departments e.g. Cogta • Member of Eastern Cape Research Forum	• Limited Funding due to financial constraints of the institution. • Lack of funding to subscribe to research institutions and service providers with the latest data on social-economic profile of the district (e.g. Global Insight.) • Delayed implementation of M.o.Us with Research Institutions (UFH, WSU)

• Links with Office of the Premier's Policy Planning and Research Unit	
OPPORTUNITIES	**THREATS**
• Possibility of forging links with research institutions. • SALGA Resources • Finalization of M.o.U with Stats SA • Availability of institutions of higher learning at ADM's geographic space i.e. University of Fort Hare and Walter Sisulu University. • Bilateral engagement with Buffalo City Metropolitan Municipality in the fields of knowledge management, policy development, research and long term planning. • Tapping into ADM/UFH Memorandum of Understanding. • Leveraging the intellectual expertise and experiences of post graduates within the institution	• Loss of institutional memory • Coordination of exit interviews • Organizational culture that is firmly entranced in silo mentality • Poor understanding of the function by the general staff members. • Unrealistic expectations in respect of the functions of the Unit.

Policy and Research

KEY ISSUE (what is the problem)	CAUSES Why is it a problem?	EFFECTS (how does it affect operations)	DEPARTMENTS AFFECTED (which areas/departments are affected)	INTERVENTION (remedial action)
Knowledge Management	• Lack of coordination and integration in respect of Information Management, Records Management, Knowledge Management • KM management is not recognized as the strategic asset of the institution	• Disintegrated information, knowledge and records management • Institutional memory is lost when people leave the institution.	All	• Development of departmental and central repositories of knowledge and the creation of regular knowledge sharing platforms in a coordinated manner • Institutionalization of KM through a series of working sessions with individual departments. • Establishment of communities of practice for lesson sharing on KM. • Allocation of departmental KM

				champions to monitor the institutionalization of KM • Strengthening the governance structures in respect of Information, Knowledge and Records Management to give effect to the optimized functionality of the functions to secure institutional memory • Effective implementation of Information Management, Knowledge Management and Records Management.
Research	• Poor understanding of the critical importance of research as a strategic tool of municipal transformation and institutional development.	• Inability to tap into intellectual capacity of its staff members. • Does not augur with the strategic intent of creating a Smart District.	All	• Awareness raising and the harnessing of research capabilities through identification of staff with research skills. • Optimal utilization of ADM post graduates in

	• Currently, planning is not evidence based/ not informed by research outputs. • Under-resourced knowledge resource hub • Minimal Utilization of Resource Hub due to low level of awareness.			research work to inform planning, monitoring and evaluation. • Fostering collaboration with research institutions and institutions of higher learning

3.5.5 INTEGRATED DEVELOPMENT PLANNING

The Amathole District Municipality (ADM) has a legislative mandate to achieve an integrated, sustainable, social and economic development within its area of jurisdiction. This obligation is executed by adopting an integrated approach to planning and development for the entire district. Furthermore, Section 34 of the Local Government: Municipal Systems Act, No. 32 of 2000 prescribes that municipalities review their Integrated Development Plans annually, in accordance with an assessment of performance measurements, and to the extent that changing circumstances so demand. This therefore provides an opportunity for Council, together with its Administration and the community, to take stock of progress made, identify areas of improvement and reprioritise resources in line with the changing needs.

ADM has a fully-fledged Development Planning section in the Planning, Monitoring & Evaluation Unit under the Strategic Planning and Management Department. The main purpose of establishing this unit is to ensure management and coordination of a district-wide Integrated Development Plan.

To support and enhance planning in the district, the Standing Committees resemble the 5 Key Performance Areas of Local Government. This enables issues of planning to find space for discussion in Council committees. For ADM to have an integrated development plan, it is very crucial that all spheres of government plan together so as to arrive at an integrated development plan that reflects district-wide planning. Thus a District Wide Planning and Economic Forum was established to ensure horizontal and vertical alignment of plans and processes throughout the District.

3.5.5.1 Capacity Building Initiatives

The Provincial IDP assessments afford the District an opportunity to play its monitoring and support role to municipalities as stipulated by the Constitution. In addition, the assessments provide an indication of the ability and readiness of municipalities to deliver on their legislative and constitutional mandates.

ADM provides technical support to all ADM Local Municipalities in the review of the IDPs and ensuring that all municipalities falling within the District comply with relevant legislation. As a result, the comments from the MEC in the previous years, show that municipalities in the District have been improving with no regression.

Amathole District Municipality’s long-term Plan being Vison 2058 Strategy identifies various key outcomes, and a number of related outputs, that intend to realise the long-term vision. The five-year turnaround strategy then translates these desired outcomes into medium-term programmes for implementation. It is therefore the focus of this IDP review to prioritize linking all these strategies together and serve as a vehicle for implementation of their short to medium term priorities.

3.5.6 ORGANISATIONAL PERFORMANCE MANAGEMENT

ADM Performance Management Framework requires that once organisational objectives and targets have been set, these must be cascaded down to the relevant departments and subsequently to individuals. Section 56 Managers (Directors/HOD's) must develop and sign performance agreements and plans that will contribute towards the achievement of the municipality's set objectives and targets. The table below reflects the performance of the institution over the past 4 years:

Table 46: ADM ANNUAL ORGANISATIONAL PERFORMANCE – 4 YEARS

ANNUAL ORGANISATIONAL PERFORMANCE COMPARISON OF ADM OVER 4 YEARS				
	2016/2017	2017/2018	2018/2019	2019/2020
Annual Overall Performance	137%	124%	120%	113%

The comparative analysis depicted in the tables above indicates that 2019/20 results of key performance area has drastically dropped from the previous years.

Out of 38 key performance indicators, there are only 14 targets that are achieved, with 9 of them are achieved at 100% and 5 of them at more than 100%. This drastic drop in performance can be associated with the fact that Covid-19 lockdown regulations prohibited proceedings of many key performance projects and programs of the municipality.

3.5.7 INDIVIDUAL PERFORMANCE MANAGEMENT

In cascading the performance management system to the levels below the managers reporting directly to the Municipal manager, Amathole District Municipality has developed an Employee Performance Management policy, which is consistently reviewed as part of the review process. This policy outlines how planning, monitoring, review, reporting of individual performance should be done. It also has provision for performance rewards and the approach in managing poor employee performance.

The overall total of employees whom their performance was evaluated during **2019/2020** performance cycle was **1457**, of which **84%** of the total employees' performance was fully effective whereas 1**6%** was not fully effective for **2018/2019** performance cycle. However, **52%** of those employees qualified for performance rewards whereas **48%** did not qualify for performance rewards. Out of **52%** of employees qualified for performance rewards, **44%** received **3 special leave days** and **8%** received **4 Special leave days**.

3.5.8 PROJECTS OFFICE

This Unit was established as a result of the disparity between service delivery the financial reports as evidenced by the SDBIP. At the time it had been discovered that the performance of each department could not provide any alignment between the SDBIP and financial project expenditure. Reasons for this ranged for under projections, to misalignment of SDBIP targets with financial projections for projects and the absence of some projects in the SDBIP. These reasons necessitated the restructuring of the Municipal Manager's office in that, there had to be a central unit which would assist the municipal manager to monitor project implementation and financial control. Thus, this unit was established to develop processes and systems to assist the Municipal Manager with project identification, allocation, management, monitoring and evaluation and reporting. During the 2017/2018 financial year a resolution to disband the Project Management Unit was taken.

Challenges

Currently the unit is struggling to aligns itself with the strategic goals of the institution as there has been no clear guideline on way forward after the disbarment of the unit.

3.5.9 STAKEHOLDER RELATIONS

This is a fairly new unit that was formed by merging three erstwhile units, these being, Municipal Support Travel Desk and Intergovernmental Relations. The main purpose for this merger is to make sure that our interaction with other stakeholders is properly coordinated and managed from one unit. The stakeholders we are referring to are local municipalities, state owned entities, government departments, tertiary education institutions and any other structure that operates within the local government sphere. For the purpose of this situational analysis we will deal with the various sub units separately.

3.5.10 INTERGOVERNMENTAL RELATIONS

The Constitution of the Republic of South Africa, Chapter 3, and section 41 requires an Act of Parliament to establish and provide for structures and the institutions to promote and facilitate intergovernmental relations. Also in terms of Intergovernmental Relations Framework Act, 2005, section, the objective is to provide within the principles of cooperative government set out in chapter 3 of the constitution a framework for the national government, provincial government and local government and all organs of state to facilitate coordination in the implementation of policy and legislation.

These structures are meant to facilitate corporate government through communication, consultation and joint decision making. It is the role of the district forum to serve as a consultative forum for the district, the local municipalities, sector departments and other key stakeholders in the area of its jurisdiction on matters of mutual interest. Through implementation of intergovernmental relations, ADM is bound to achieve the following objectives of the Act:

- Coherent Government,
- Effective Provision of Services,
- Monitoring and Implementation of Policies and Legislation, and
- Realisation of National Priorities

3.5.11 STRUCTURAL ARRANGEMENT

3.5.11.1 Municipal Manager's Forum

ADM introduced a new approach to its intergovernmental engagements. A number of changes were thus effected to mark the dawn of the new and the withering away of the old. Of note was the phasing out of the 'traditional' technical IGR structure and the re-engineering of the Municipal Manager's Forum to be the technical IGR forum instead. This meant that the Municipal Manager's Forum will be the structure that will sit in preparation of the District Mayors Forum (DIMAFO).

3.5.11.2 District Wide Director's Forums

In the old approach, the District Technical IGR Forum was preceded by the IGR Core team meeting, a forum constituted by the ADM IGR unit, one senior manager from each ADM directorate, IGR officers from the ADM local municipalities, COGTA. OTP and Treasury. In the current approach, District Wide Director's forums take the place of the District IGR Core Team. The Directors Forums are convened and chaired by the ADM directors. The forums are constituted by directors from the sector departments. It is in these forum that a cross pollination of ideas takes place about integrated planning and service delivery. The district wide forums decided what should go to the Municipal Managers Forum.

3.5.11.3 District Mayors Forum (DIMAFO)

This structure is chaired by the ADM Executive Mayor and consists of all mayors of local municipalities, mayoral committee members of the district municipality, Municipal Manager of the district, ADM departmental directors, all Municipal Managers of the local municipalities, Directors of the sector departments within the jurisdiction of ADM or their representatives and representatives of SoEs (when requested). The agenda of this structure is set by the Municipal Managers Forum. All its resolutions are reported back in the next forum in the following quarter. This forum is also meant to be a platform that will produce a consensus position on how the district should be viewed. The district view is presented on platforms like the political MunMec and the PCF by the district Executive Mayor.

3.5.11.4 The Secretariat

In the newly reconfigured structure, the IGR unit ceases to provide the secretariat services to the technical IGR forum (MMs Forum) and the political forum (DIMAFO). The function of the secretariat for all the district IGR forums, starting from the district wide directors' forums, the MMs forum and the DIMAFO is done by the Council Support Unit.

3.5.11.5 The IGR unit

The IGR unit deals with the stakeholders invited to the ADM IGR structures. The unit explain the content issues to the invited stakeholders. It ensures that the correct presentation is forwarded and that all those invited to attend the meetings. The unit is also responsible for making follow ups to the resolutions made in the IGR structures for implementation by the relevant stakeholders.

3.5.11.6 Areas of Relations

ADM, its municipalities and the other spheres of government including the sector departments have from time to time meet to discuss issues of alignment of programmes policies, strategies and plans. The plans and policies of the other spheres should always be guided by the needs of the district and the local state. There are also areas of planning that need greater collaboration between the spheres of government, for example the IDP processes. In all the stages of the IDP the three spheres of government are set to work together albeit with challenges. As the IGR Act stipulates, all the role players that are responsible for the delivery of services have to meet under one roof at least once to discuss plans and collaboration. Currently departments plan and forward their plans to the district to include in their IDPs.

There is also the issue of oversight and consultation with the communities. Here one can witness much of the relations between the three spheres of government. There is Mayors Imbizo, the Provincial Exco Outreach, the public hearings done by the National Assembly and the Executive.

3.5.11.7 Municipal Input and Strategic Focus

The strategic focus of the municipality is to have its IDP the Master Plan of all government stakeholders and all other role players in the municipality. The district's input is to be the convener of all the stakeholders in the district in matters of planning service delivery to the communities and the people at large. During the planning phases of the IDP there is a lot of engagements with the other spheres of government as the district is not the sole actor in matters pertaining to the satisfaction of the needs of the population in the district. The collaboration with other spheres of government makes the district to be able to account on all matters in the IDP including those whose role is understood to belong to the other spheres of government. So in a nutshell the district municipality accounts for all the service delivery projects in its jurisdiction.

3.5.11.8 Partnerships, MoUs and Bilaterals

ADM Council acknowledges that the task of fulfilling the goals and projects set out in its long term Vision 2058 needs partnerships collaboration with other role players. These partnerships enhances the potential of the district in dealing with the plight facing its people. In the past a number of MoUs and MoAs were signed by the ADM Council with some municipalities abroad eg Kampala Central City Authority, in Uganda, Oxfordshire County Council and Glasgow City Council in Scotland. The duration of their period lapsed and there has been no indication from Council to renew them. A lot of benefits was achieved through these strategic partnerships and the end result was development of capacity of ADM officials to in various fields of their functions, some new programmes were also initiated as a result of the information exchanges derived from the platforms created by the partnerships.

In the 19/20 financial year ADM reviewed and renewed the MoU signed with the University of Fort Hare. A meeting was convened between delegations of ADM and University of Fort Hare to discuss the MoU. A technical committee consisting of ADM officials and University officials was established to report back to the Principal Structure. Due to the student's unrest there were some delays in the setting up of work streams to ensure implementation of the projects and programmes identified by the two institutions. Also the conditions enforced by the National lockdown due to the Corona virus have caused a slowdown and impacted negatively on the progress that could have taken place.

Later in the year a Memorandum of Agreement was entered to between ADM, its entity ASPIRE and the Eastern Cape Development Corporation. The aim is to position ADM as a film destination. The targeted beneficiaries is the youth of ADM. Some films have already been shot in some ADM local municipalities like Ngqushwa and Mbhashe. ADM seeks to consolidate the relationship into a long term to ensure the development of the film industry in the district to increase its revenue.

ADM aware of its status as a Water Service Authority decided to enter into a cooperative agreement with Amatola Water Board. Its purpose is to ensure that ADM raises its ability of Water provision to the local municipalities and their respective communities. Amatola Water Board supplies ADM with bulk water to support its drought stricken communities, the agreement was initially signed until end of June 2020 but has since been renewed and extended further.

ADM seeks to communicate effectively with the communities in its local municipalities. Through the Communications unit a Memorandam of Agreement was signed with the community radio stations in some of the local municipalities. This means ADM can reach out to the majority of its constituency through radio broadcast. This gives the councillors and ADM officials an easy platform to access its communities for its campaigns and programmes. At the time of writing the report ADM is discussing signing of another Memorandum of Understanding with Nelson Mandela University.

3.5.12 TRAVEL DESK

Subsequently to the adoption of ADM's transformation agenda, it was resolved that Amathole District Municipality shall generate its capacity to handle the responsibility for travelling, accommodation and conferencing for cost reduction purposes. This function has since been in operation since October 2013. Since the inception, there has been some savings made with regards to travelling and accommodation. To this fact, ADM contributes in supporting the SMME's through bookings made by the unit. Currently, there are negations between ADM and LM's within the district to enter into MOU with the view of building the LM's capacity not to outsource this service so as to cut on cost.

The in-house service on travelling and accommodation has since yielded economic benefits for both ADM as an organisation and SMME's. Travel Desk supports the SMME's on a rotational basis within and outside ADM's area of jurisdiction. Those that are not registered with National Treasury are encouraged to do with the assistance of SCM programs.

3.5.13 MUNICIPAL SUPPORT

3.5.13.1 Corporate Services

In line with Section 2 (a) of the Skills Development Act 97 of 1998 that aims to develop the skills of the South African workforce; improve productivity in the workplace and the competitiveness of employers; deliver of social services and promote self-empowerment Human Resource Development. ADM has conducted the following programmes to support its Local Municipalities;

- Training of 15 interns from Mbhashe, Mnquma and Ngqushwa LMs.
- Organized a training of 17 councilors of ADM and its Local Municipalities on a Governance Learnership programme to capacitate them on Governance issues.
- Applied to LGSETA for experiential learners for ADM and its 6 Local Municipalities. These learners were allocated on IT, PMs, Labour Relations and IGR

Job Grading

In trying to make a systemic comparison between jobs to assess their relative worth for the purpose of establishing a rational pay structure, the Grading Committee, championed by ADM is evaluating jobs for the District and its six local municipalities on an ongoing basis.

- Training of Job Description writers poses a challenge on the quality of Descriptions submitted to the committee.
- A lot of job descriptions had to be deferred due to poor quality of Job descriptions.
- Job Grading evaluators of Mnquma, Ngqushwa and Amahlathi were trained to enhance them to be on par in submission to completed quality Job Descriptions at Municipal level.

Records Management

In order to make useful data accessible and disposing off of unwanted and outdated data, so that relevant data can be accessed faster, we facilitated Inspection of Records for filing and disposal at Mnquma and Raymond Mhlaba Local Municipalities. Office space is still a challenge in all municipalities.

3.5.14 COMMUNICATIONS & CUSTOMER CARE UNIT

The Amathole District Municipality (ADM) Communications Policy stipulates that government communications is a coordinated function. The policy recognizes communication as a coordinated strategic and support function of government that must be observed by all government spheres. By nature, communication activities are structured within a specific framework, which is coordinated, integrated and streamlined. ADM's communication programme and strategy each year is guided by the President's State of the Nation Address, the State of the Province Address, the National Communications Strategy, and the IDP priorities. In the context of intergovernmental relations, The Presidency and Government Communications and Information Systems (GCIS) are custodians of government communications.

The Republic of South Africa has also made provisions for a legal, statutory and operational framework such as the recently approved National Communication Framework, within which government communications can be achieved.

3.5.14.1 Legal/Statutory Framework

Section 152 (1) of the Constitution of the Republic of South Africa states that municipalities must "encourage the involvement of communities and community organisations in matters of local government".

The **Local Government Municipal System Act 32, 2000, as amended, Chapter 4 (16)** (a) (i) stipulates that "A municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose – encourage and create conditions for the local community to participate in the affairs of the municipality including in preparation, implementation and review of its integrated and development plan."

Intergovernmental Relations Act 13, 2005, provides for cooperative government between the three spheres of government and all state organs within those spheres and to facilitate co-ordination in the implementation of policy and legislation including effective provision of services. Local Government Municipal Structures Act informs and states the goal of Communications Unit as that of continuously building public trust and confidence in the integrity of the municipality and government as a whole.

Furthermore, the ADM Communications Policy states the following;

- ADM has a responsibility to provide information to its internal and external stakeholders; and
- It is also guided by the SALGA National Communications Conference held in Tshwane on 8-10 May 2006 that resolved on a new communications model for local government.

The National and Provincial Government has over the years adopted or made pronouncements on the Batho Pele Principles, Back to Basics and just recently an Integrated Service Delivery Model otherwise known as the "District Development Model" with the aim of improving service delivery and promote a caring and responsive people-centred government.

3.5.14.2 Operational Framework

In 2017/18 financial year, Council approved the Communications Policy, the Communications Strategy as well as Customer Care Policy and Charter which will be reviewed after 5 years.

The ADM Communications Policy states that a series of forums for government communicators at national, provincial and local level have been established to ensure collective planning and strategizing around all government communications.

Among these forums is the Local Government Communicators Forum (LGCF) which was established to provide a platform for sharing of information about local government issues and best communication practices. It is driven by the Communications Office of the Eastern Cape Department of Cooperative Governance and Traditional Affairs (CoGTA-EC).

ADM also established the District Communicators Forum (DCF) in 2002. Communicators and Public Participation and Communication Portfolio Heads as well as Community Development Workers from all the local municipalities, and communicators from all local municipalities, and communicators from government departments in the district are invited to attend and participate. Among other things, the Forum enables communicators in the district to jointly highlight ADM's success stories while coordinating promotional programmes and projects. The ADM Director of Strategic Planning and Management/Senior Manager: Communications and Customer Care provide technical assistance to the Forum.

Local Communicators Forums should also be established at local municipalities. These Forum meetings should include the communicators and relevant portfolio head from local municipalities, ward committee representatives, Community Development Workers and communication officials from government departments and SoEs in the local municipalities.

In terms of the SDBIP, the Communication and Customer Care Unit is responsible for ensuring effective two-way communication between ADM and communities as well as its internal and external stakeholders by promoting ADM's programmes as reflected in the institution's IDP; resolving all customer complaints and providing communication support to Local Municipalities situated within Amathole.

The Communications and Customer Care has two (2) management vacancies and two (2) Customer Care Officers. The Unit currently comprises of one (1) Senior Manager, one (1) Divisional Administrator, one (1) Customer Care Manager, Senior Customer Care Officers in five (5) of the seven satellite offices, a Senior Media Production Officer, Communications Officer, Assistant Manager: Web & Content Management. The Unit has made concerted efforts to communicate on an ongoing basis with the public utilizing print and electronic media. It also communicates directly with stakeholders through water forums, walk-in at satellite offices, media releases/public notices, website, newsletters (internal & external), developing infographics, Mayoral Imbizo's and other public participation platforms.

3.5.14.3 Environmental Scan – General

The current ADM Communications Strategy contains a Communication Action Plan that is reviewed annually to ensure relevance; this plan contains an Annual Communication Cycle that serves as a guiding framework for communication activities and programmes.

The ADM through the Communication & Customer Care Unit has been visibly and audibly showing improvement in the communication service and as the voice of government in the media, it has been consistently reflective. The functionality of communication in the district is also gaining momentum through efforts made to improve internal and external communications thus widening the available communication platforms and service delivery proactiveness.

Institutional Capacity Building and Training in Batho Pele Principles and Customer Services for Satellite Offices and frontline staff is key in brand repositioning. The satellite centres and frontline staff are the touchpoint for the district's clientele to engage with the municipality. There is constant improvement in the turn-around time for acknowledging and referral of customer queries which is currently done under 24hours.

3.5.14.4 External Environment

The ADM in its commitment to deliver selfless, excellent and sustainable services has taken a futuristic outlook on service delivery through the development of the vision 2058 concept. The concept has mega projects planned which are aimed at bringing new opportunities and fostering cooperation between stakeholders, local government and their residents. This initiative will create good relations between the institution and its stakeholders.

Notably the National and Provincial spheres of government have moved towards giving tangible support to the district. This includes, but not limited to; the Strategic intervention of Municipal Infrastructure Support Agent (MISA), the financial injection from the Department of Water and Sanitation towards drought alleviation in a form of water infrastructure for the district. All these interventions impact on the public perception of the ADM constituencies.

The ADM brand has taken a knock in how it has been reported on in the media space owing to a variety of issues relating to governance. This has led to the development of a brand repositioning strategy. The strategy entails the brand transformation plan which has three (3) pillars, namely outreach programs, stakeholder engagements and image building.

The none reliability of services rendered to communities such as constant water outages, sanitation backlogs, billing system challenges also contribute to the unfavourable outlook of brand ADM. The issue of persistent drought that ADM grapples further exacerbates the negative brand outlook.

3.5.15 INFORMATION AND COMMUNICATION TECHNOLOGY

The IT unit provides and supports the municipality with the following services:

- IT User Support
- IT Infrastructure
- Business Information System
- Geographic Information System Services

3.5.15.1 MSCOA Compliance and Disaster Recovery

ADM embarked on a process to procure a fully integrated system (ADMaC – Accurate Data Management Capsule) in 2014/15. The system is operational with some transactional challenges including maturity of the organisation in its use. ADM has adopted to implement the concept of a SAP Centre of Excellence as part of supporting the SAP functional areas. A SAP Centre of Excellence (COE) have been established to place the Governance, Strategy and Operational Management of ADM's investment in the SAP ERP system in One Centralised and Consolidated Institutional Organ.

The SAP COE consists of a multi-disciplinary team working to improve the utilisation of SAP in ADM and provide a better return on investment.

The objective of the SAP COE is to:

- Institutionalise SAP in ADM
- Institute Ways of working and key processes
- Institutional development in the use of SAP

ADM procured a disaster recovery infrastructure as part of ADMaC and is functional currently located at the head office. An assessment is currently taking place to procure offsite storage facility for a preferred site for the disaster recovery that will include environmental monitoring to serve as a failover in the event of a disaster to avoid data loss.

Challenges

- Over the years there has been challenges of copper theft and that continues to be the case which is a risk due to downtime.

3.5.15.2 IT Governance

ADM has adopted IT Governance Framework called the Corporate Governance of ICT Framework (CGICTF) together with a policy and charter as an integral part of its corporate governance arrangements. More emphasis and oversight is required to ensure that Corporate Governance of ICT and Governance of ICT is in place and effective as this has been raised by the Auditor General and is reflected in the repetition of audit findings.

3.5.15.3 GIS

The Amathole District Municipality Geographic Information System Shared Service Centre (ADM GIS SSC) provides centralised spatial information management, mapping, analysis and dissemination services to the ADM and local municipalities. The centre is a collaboration of effort to meet the spatial needs of ADM's internal departments and its LMs and one of the core functions of the centre is to maintain key datasets of spatial information and provide online information.

The ADM GIS SSC performs the following duties:

- To co-ordinate spatial information activities in the Amathole District through collaboration and dedication for the benefit of the region.
- To provide spatial data services to officials and service providers doing work for ADM, local municipalities and government.
- To provide a data capture service of spatial data on priority data.
- To ensure priority GIS data is current, complete and accurate through maintenance of the data.
- To maintain GIS software required by both ADM and the LMs.
- To provide technical support and GIS training on software.

And maintains the following key datasets and applications:

- Cadastral Land Audit
- Land Use Management Plans
- Property Base Workflow System
- GIS system integration of water and Billing data
- Website update support
- Social Facilities dataset

Amathole District Municipality (ADM) has implemented an ESRI-based Corporate Geographic Information System (GIS). The goal is to create a single consolidated, structured and documented spatial information system. Procedures have been implemented for maintaining some of this data, while other data still requires some considerable work in order to get it to the level of quality that the municipality requires.

Very importantly, GIS is a vital tool to support the Municipal Integrated Development Plans (IDPs), undertaken in accordance with the ADMs Spatial Development Framework and with projects that have a recorded spatial location. In addition, from 1 July 2011, the Auditor-General requires valuation and financial asset registers down to component-level with spatial co-ordinates according to Generally Accepted Municipal Accounting Practice (GAMAP). GIS is the only technology that will allow ADM to manage its assets spatially in a visual manner and thereby ensure that all its assets are recorded.

A Corporate GIS implementation initiative was embarked upon in 2006 with the aim of upgrading the ADM GIS from a standalone GIS to an integrated system that delivers on the needs of the business.

The ADM GIS is required to make a critical contribution to the planning processes in the District. A spatial land audit that is GIS based supports the Spatial Development Framework and Land Use Management Systems (LUMS) at both District and at Local Municipality levels. Critically, the GIS supports the maintenance and monitoring of these plans as the environment changes. Examples of these changes are municipal boundary demarcation adjustments, land subdivision and ownership transfer, zoning changes in line with SPLUMA implementation, urbanisation and even longer term changes such as climate change.

Challenges

- Lack of GIS Awareness at Local Municipalities
- Lack of IT infrastructure at LM's
- Insufficient funding – Reviewal of GIS Strategy (adopted in 2012)
- LM's commitment and co-operation
- Staff turnover and sustainability of the SSC at LM level
- Responsibility of key people within LMs is not visible – feedback from the GIS SSC meeting is not taken to the respective LMs

3.5.15.4 IT User Support

- Desktop hardware support services
- Desktop Application Support Services
- Printer Support Services
- Internet Support Services
- VOIP Support Services

ADM uses a Virtual Private Network (VPN) to connect the satellite offices to the head office so that there could be access to business applications, central storage of information, provide for telecommunication services (Telephony) and internet access.

Due to fewer users and management of connectivity costs, Fire Stations, Water Treatment Works and Waste Water Treatment Works are provided connectivity via 3G Cards and they are connected and have access with emails and Internet.

IT User support also provide services such as:

- Provide hardware and software support to user's machines Desktop and Laptops, upgrade windows to all machines to Windows 10 of all machines.
- Provide support to Multifunction printers for all Departments and Satellite office.
- Provide first line support to all users of ADM, HOD'S and Mayoral Committee members.

3.5.16 SATALLITE OFFICES

Senior Managers: Satellite are responsible to overseer the overall operations at satellite offices.

- Implementation of the satellite / regional model and systems of delegations in ensuring effective management of the satellite office

- Facilitate service delivery interventions where possible to ensure effective service delivery
- Represents the Office of the Municipal Manager on IGR taking place within their space
- Enhance cooperation with Local Municipalities and other spheres of government- IGR
- Provide daily reports on water supply to the Office of the Municipal Manager

STRENGTHS	WEAKNESSES
• Implementation of the satellite model and systems of delegations	• Poor coordination of ADM programs and events to be held at local municipal jurisdiction
• Effective management of ADM resources and assets at satellite offices	• Limited financial resources to effectively address service delivery challenges
• Improved turn-around time on service delivery programs	• Not sufficient human resource capacity to render effective quality services to the communities
• On time response to emergencies and other service delivery challenges	• Poor working relations with other ADM internal departments
• Good relationship with local municipalities	
OPPORTUNITIES	**THREATS**
• Accessibility of ADM offices and service delivery by community members • Improved working relationship with local municipalities and other sector departments as well as government institutions	• Limited support to local municipalities due to financial constraints • Un-coordinated service delivery programs

KEY ISSUE(WHAT IS THE PROBLEM)	CAUSES(WHY IT IS THE PROBLEM)	EFFECTS (HOW DOES IT AFFECT OPERATIONS)	DEPARTMENTS AFFECTED (WHICH AREAS/DEPARTMENTS ARE AFFECTED)	INTERVENTION (remedial action)
• Poor coordination of programs and events to be implemented at satellite jurisdiction	• Silos mentality / territorial • Lack of understanding of the satellite model	• Limited information to the Senior Managers Poor attendance	• Institutional	• Improved coordination

• Limited human resource capacity	• Delays on implementation of the new organizational structure	• Not enough human resource to attend to service delivery issues	• All ADM departments	• Fast-track the relocation process to satellite offices to maximise efficiency
• Formal signing of delegation letters by Senior Managers with Municipal Manager	• Legal scrutiny	• Senior Managers might ecxesice powers that are not formally delegated to them Poor accountability by sub-ordinates	Institutional	Formal signing of delegations
Conditions of ADM fleet and low turn-around time for repairs	• Financial constraints • Poor performance by the service provider	• Delay in attending on service delivery issues and other emergencies	• Corporate Services and Engineering	• Improve control measures on utilisation of fleet • Assess and monitor performance of the service provider

				• Procure new fleet to improve service delivery •

Satalite Offices Recommendations

- Improve coordination of service delivery at satellite jurisdiction and involve Senior Managers to enhance monitoring
- Finalization of relocation of staff to satellite to improve human resource capacity and improve service delivery
- Improve turn-around time on repairs of fleet and water tankers to improve supply of water to the communities
- Formal deployment of Councillors to Satellite to enhance oversight role and engagement with communities
- Formal signing of delegation litters by Senior Managers with Municipal Manager

3.5.17 LEGISLATIVE SUPPORT SERVICES

The core functions of the Legislative Support Services unit are as follows:-

- Provide support to the Speaker in the execution of his legislated and delegated responsibilities.
- Support the functioning of Section 79 committees.
- Coordinate the functioning of the office of the Chief Whip.

3.5.17.1 Moral Regeneration Movement

The Moral Regeneration Movement (MRM) Strategy adopted by Council in 2012 demonstrates the District Municipality’s commitment and effort to facilitate, encourage and co-ordinate programmes aimed at restoring moral fibre in our communities. The MRM Strategy focusses on two pillars, namely, family and education, which were found to be most important and of high impact in addressing moral regeneration. MRM structures have been established at the district and local level and are guided by the

Strategy in executing their mandate. ADM assisted 2 Local Municipalities to resuscitate and launch their MRM structures.

Positive values awareness campaigns are conducted on a quarterly basis targeting schools, traditional councils and civil society to promote good ethics and behaviour. During the Covid-19 lockdown period ADM MRM conducted awareness campaigns through local radio stations. For the 2019/2020 financial year a total of 10 positive values campaigns were conducted.

Challenges

- The functionality of Local MRM structure is hampered by lack of financial support from their respective Local Municipalities.

3.5.17.2 Oversight

The Municipal Public Accounts Committee was established in terms of Section 79 of the Municipal Structures Act (117 of 1998) to assist Council to fulfil its oversight function. The Committee is guided by its Terms of Reference and holds its meetings according to the Schedule of Meetings adopted by Council. Oversight on the MFMA Section 52(d) reports is conducted on a quarterly basis and the Committee submits reports to Council. MPAC also investigates other issues referred to it by Council, including recoverability of unauthorised, irregular, fruitless and wasteful expenditure. The Committee ensures community participation in the evaluation of municipal performance and during the 2019/2020 financial year annual report public hearings were held during the months of September/ October 2019. The committee visits service delivery projects to assess progress in implementation and community satisfaction and follow up is done on issues raised by communities. The committee has consistently submitted oversight reports on the Annual Reports of ADM and Aspire (ADM entity), in compliance with Section 129 of the MFMA.

In line with MTAS which puts emphasy on the importance of sound leadership development, three (3) training interventions were conducted for the current MPAC to capacitate them to exercise their mandate effectively. The first one was an induction workshop conducted by SALGA in February 2017 in collaboration with other stakeholders to familiarise MPAC members with their roles and responsibilities. Two other in-depth training interventions were subsequently conducted in February 2018 by the Nelson Mandela Metropolitan University and in June/July 2019 by GIZ in partnership with Afesis Corplan. The training covered critical aspects in exercising oversight.

Challenges

In the past two financial years visits to projects sites were impeded by budgetary constraints and in 2019/2020 this was exacerbated by the Covid-19 restrictions.

3.5.17.3 Whippery

The ADM has services of a fulltime Whip of Council responsible for ensuring functioning of the Whippery System. The Whips Committee (which comprises Whips from different political parties), a multi-party coordination of inputs of political parties in Council meets four days before the sitting of Council to prepare and ensure smooth running of the Council.

A District Whips Forum has been established as a platform for Whips of Local Municipalities and the District to share experiences on matters of common interest. The Forum operates in terms of the adopted terms of reference. The Whips Forum is responsible for coordination of initiatives to combat circumcision related deaths in the district and local municipalities.

<u>Challenge</u>

The operations of the Whips Forum have been hindered by the lockdown, i.e. no meetings were convened since March 2020.

3.5.17.4 Women's Caucus

The Women's Caucus is a multi-party Committee of Council established in terms of section 79 of the Municipal Structures Act, and Rule 11 of the Standing Rules to guide council in mainstreaming gender issues. Programs include the celebration of international women's day, door to door campaigns to assess community needs especially those that affect women and children and support to victims of gender based violence.

<u>Challenge</u>

The Committee has not been operational since the commencement of the term of the current Council, however progress has been made in that a Chairperson has now been appointed.

3.5.18 EXECUTIVE SUPPORT SERVICES

The unit's core functions include, inter alia:-

- To provide strategic and administrative support to the Executive Mayor and the Mayoral Committee by creating an enabling environment to interface with communities
- Creating sustainable positive relationship between the council & the public;
- Managing & coordinating all public, council, council-sponsored events and activities;
- Ensuring that public participation is an integral part of service delivery;
- Mainstreaming the special programmes into main activities and programmes of the District Municipality;
- Creating structured platforms and institutional arrangements for effective participation of vulnerable groups in decision making, monitoring and evaluation of policies and programmes;
- Combating the spread and mitigate the impact of HIV& AIDS and TB pandemic in the District Municipality; and
- Advancing government priorities on health and wellbeing of the nation through sport and recreation in the district.

3.5.18.1 Special Programs

The Special Programmes Mainstreaming Strategy is in place to ensure mainstreaming of the following special programmes components across the district, and into the programmes and operations of ADM departments:

- Youth Development
- People with Disabilities
- Children's Development
- Women Empowerment
- Older Person's Welfare

In the process of rolling out the strategy, a number of capacity building programmes are conducted on a quarterly basis. These include awareness campaigns, skills development workshops and resource mobilization. 11 capacity building programmes were conducted.

From 2017, ADM partnered with some private companies as part of their social corporate responsibility, to refurbish identified Early Childhood Development Centres (ECDCs) in various LMs within ADM's district. The companies, which include Lateral Unison, AngloGold Ashanti, Standard Bank and Maximum

Profit Recovery (MaxProf) contributed funds towards major renovations to 6 ECDCs and also purchased educational toys, food parcels and other equipment. The partnership is an ongoing arrangement which will see more ECDCs benefitting.

The HIV/AIDS, TB and Cancer Implementation Plan (2017-2022) which is aligned to the National Strategic Plan on HIV, STIs and TB (2017-2022) was adopted by Council in 2017. The objective of the plan is to facilitate a coherent approach towards the implementation of programmes and strategies that seek to reduce the spread and impact of HIV, STIs, TB within ADM jurisdiction. District Aids Council meetings are convened on a quarterly basis and education and awareness programmes targeting areas with high infection rates are conducted quarterly. 4 HIV/AIDS capacity building programmes were conducted. One of the achievements was the launch of a District Men's Parliament.

Challenges

- No centre of coordination for HIV and AIDS programmes at local level due to non-functional Local AIDS Councils. ADM provides support to LMs to resuscitate the structures but despite those efforts the LACs are still not functional.
- DAC did not convene for the last two quarters of 2019/2020 due to lockdown and no HIV/AIDS programmes were conducted.

3.5.18.2 Sport Development

ADM developed a District Sports Development Strategy to ensure the co-ordination, development and wellness of its citizens within the district, as well as to foster social cohesion and unity among employees. Programmes being implemented in line with the strategy include employee sport programmes which include sports tournaments and participation in the Southern African Inter-Municipal Sports Association (SAIMSA) games. Talent identification initiatives also take place through community sport development tournaments and Steve Vukile Tshwete games. Capacity building programmes are also conducted for sport structures and promotion of sport for designated groups, i.e. goalball and women rugby tournaments. 4 sport development programmes were conducted.

Challenges

No sports programmes were implemented since March 2020 as a result of the nation-wide suspension of sports activities due to lockdown regulations.

3.5.18.3 Public Participation

Every municipality is required by Section 16 of the Municipal Systems Act, Act 32 of 2000, to develop a culture of municipal government that complements formal representative government with a system of participatory governance. ADM's MTAS also stipulates that in pursuit of responsible and responsive local government, ADM should give particular emphasis to the need for communication and for inclusive platforms for citizen engagement.

Various public participation activities

ADM developed a Public Participation and Petitions Management policy which clearly articulates the methodology that will be employed in interfacing with the communities. The policy also gives members of the public a right to petition and outlines the processes to be followed when a petition has been lodged until it has been responded to.

In line with the policy, a range of public participation activities are held throughout the year as indicated below:-

Water Forum meetings/ Service delivery campaigns

Water and service delivery forum meetings are held at various municipalities as a way of consultation between political leadership and communities, as well as other ADM stakeholders. The purpose of these meetings is to create awareness and to educate people on water conservation and service delivery issues.

Mayoral Imbizo

Two Mayoral Imbizos are held annually. The purpose is to promote interfacing with the communities and also give feedback on issues raised for the attention of the municipality as well as to furnish and update communities on all projects of the municipality. However, during 2019/2020 only one Mayoral Imbizo was held due to lockdown.

Annual Report Public Hearings

The Annual Report Public Hearings take place in the 2nd quarter of the financial year. It is per the prescripts of Chapter 4 of the Municipal Systems Act read with Circular 63 of the MFMA, that municipalities are encouraged to display good governance by accounting to the public on all matters relating to finances and performance.

IDP and Budget Roadshows

In accordance with legislation, IDP has to be taken to public for their comments. The unit has a responsibility to invite views from the public through IDP and Budget road-shows. The event takes place during the third to the fourth quarter of the financial year. In 2020 the roadshows had a different approach due to strict restrictions on gatherings as a result of Covid-19 lockdown regulations. The roadshows were conducted virtually through community radio stations.

District Speakers' Forum

The department is responsible for the co-ordination of the District Speakers Forum which is a forum of Speakers from all the Category B Municipalities within ADM. This forum enables speakers to share lessons on matters pertinent to the legislative sector in local government.

Challenge

Operations of the Forum were negatively affected by the lockdown.

Civic Education

ADM rolled out the district-wide Civic Education Programme to empower its citizens to understand issues relating to the functioning of government institutions especially in areas such as, inter alia; the rights of citizens with regard to the services rendered to them, responsibility of citizens with regard to support, defence and promotion of democracy, responsibility of citizens with regard to voting, public participation and reporting practices, available mechanisms for citizens to voice their complaints with government and the private sector. 3 programmes were conducted.

Petition Management

Petitions are an important instrument to enable communities to engage the municipality on matters of service delivery. One of the key pillars of democracy is to ensure responsiveness of government to citizens or community needs. The Office of Speaker is responsible for the coordination of petitions to ensure that they are attended and responded to within a reasonable period of time. 3 petitions which relate to poor workmanship on built toilets and lack of water were received. All petitions were resolved.

3.5.18.4 Functionality of Council structures

Council Support unit ensures the effective functioning of Council and its structures. It provides secretariat services to all Council structures, which include Section 79 and 80 Committees, Mayoral Committee, Council and other Ad-hoc meetings. The unit is also assigned with the responsibility of developing an annual Schedule of Meetings. Most statutory meetings convene as scheduled, there are few instances where a meeting has to be rescheduled due to lack of quorum. A report on the functionality of Council and its structures is presented by the Speaker to Council on a quarterly basis. Since the fourth quarter of 2019/2020 meetings sat virtually in line with the lockdown regulations, which prohibited gatherings. There is a resolutions tracking system to assess progress in implementation of resolutions taken by Council.

CHAPTER 4:
2021/22 Strategies, Objectives and Projects

CHAPTER FOUR
2021/22 OBJECTIVES, STRATEGIES & PROJECTS

The Institutional Strategic Planning session conducted on 16-19 February 2021 confirmed the following strategic goals and objectives for the five key performance areas:

KPA 1 - MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

		Strategic Objectives
Outcome	Quality basic education	✓ To attract, retain, build capacity and maximise utilisation of ADM human capital by 2022 ✓ Ensure integrated and responsive ICT function by 2022 ✓ To ensure district-wide implementation, monitoring and evaluation of the IDP by 2022 ✓ Ensure a coherent Spatial Development Framework that guides and informs land development in the district by 2022
	Skilled and capable workforce to support an inclusive growth path	
	All people in SA are and feel safe	
	Responsive, accountable, effective and efficient Local Government system An efficient, effective and development oriented public service and an empowered, fair and inclusive citisenship	
National priority	Strengthen skills and human resource base	
	Pursuing African advancement and enhanced international co-operation	
	Building a developmental state including improvement of public services and strengthening democratic institutions	
Provincial priority	Strengthen education, skills and human resource base	
District intended outcome	Improved organisational stability and sustainability	

KPA 2- SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

		Strategic Objectives
Outcome	A long and healthy life for all South Africans	✓ Provision of adequate infrastructure and safe drinking water to all communities by 2022 ✓ Provision of sustainable and environmentally friendly sanitation
	Sustainable human settlement and improved quality of household life	
National priority	Sustainable human settlement and improved quality of household life	

	Massive programme to build social and economic infrastructure	and services to all communities by 2022 ✓ To ensure reduction of the prevalence of communicable diseases by 2022 ✓ Enhance the provision and standardisation of fire services by 2022 ✓ Facilitate sustainable coordination, monitoring and evaluation of disaster relief and response by 2022 ✓ All households to have access to public transport facilities, within 2km walking distance by 2022 Facilitate sustainable coordination, monitoring and evaluation of disaster relief and response by 2022
	Sustainable resource management and use	
Provincial priority	Massive programme to build social and economic infrastructure	
	Building cohesive, caring and sustainable communities	
District intended outcome	Sustainable delivery of improved services to all households	
KPA 3- LOCAL ECONOMIC DEVELOPMENT		
		Strategic Objectives
Outcome	Responsive, accountable, effective and efficient local government system	✓ To promote holistic sustainable regional economic development by 2030
	Decent employment through inclusive economic growth	
	Skilled and capable workforce to support an inclusive growth	
	An efficient, competitive and responsive economic infrastructure network	
National priority	Decent employment through inclusive economic growth	
	An efficient, competitive and responsive economic infrastructure network	
	A long and healthy life for all South Africans	
Provincial priority	Massive programme to build social and economic infrastructure	
	Speed up growth and transforming the economy to create decent work and sustainable livelihood	
	Strengthening education, skills and human resource base	

	Intensifying the fight against crime and corruption	
	Rural development, land and agrarian reform and food security	
District intended outcome	Improved municipal economic viability	
Political commitment	Creation of decent work and sustainable livelihoods	
	Rural development, food security and land reform	
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT		
		Strategic Objectives
Outcome	Responsive, accountable, effective and efficient local government system	✓ To ensure sound and sustainable management of municipal finances by 2022
National priority	Intensify the fight against crime and corruption	
Provincial priority	Intensifying the fight against crime and corruption	
District Strategic goal	To improve overall financial management in the municipalities by developing and implementing appropriate financial management policies, procedures and systems.	
Political commitment	Fight against crime and corruption	
KPA 5- GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
		Strategic Objectives
Outcome	Responsive, accountable, effective and efficient local government system	✓ To ensure clean and accountable governance in the district by 2022 ✓ To promote effective communication of ADM's business to its stakeholders by 2022
	An efficient, effective and development oriented public service and an empowered, fair and inclusive citisenship	
	Vibrant, equitable, sustainable rural communities contributing towards food security for all	
	Create a better South Africa, a better Africa and a better world	
National priority	Building a capable state	
	Intensify the fight against crime and corruption	
	Building a developmental state and improving the public services and strengthening democratic institutions	
	Pursuing African advancement and enhanced international cooperation	
Provincial priority	Building a developmental state and improving the public services and strengthening democratic institutions	

	Intensifying the fight against crime and corruption	
	Build cohesive, caring and sustainable communities	
District intended outcome	Entrenched culture of accountability and clean governance	
Political commitment	Fight against crime and corruption	

The institution made a bold decision in developing outcome-based indicators which are as per the following tables which provide a detailed breakdown of objectives that indicate what the district municipality can reasonably achieve within the available resources, as well as strategies and programmes that provide the concrete interventions that the district municipality will implement to attain its objectives:

4.1 2020-2021 OBJECTIVES AND STRATEGIES

KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	OUTCOME INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
Skills development	To attract, retain, build capacity and maximise utilisation of ADM human capital by 2022	MTI 1	Implementation of the Human Resources Development Strategy	No. of Councillors & Administrators capacitated	MTI 1/1	50 Councillors trained	50 Councillors & Administrators capacitated	50 Councillors & Administrators capacitated	50 Councillors & Administrators capacitated	Director Corporate Services
				No. of Qualified Students with access to Internship	MTI 1/2	35 interns	10 Qualified Students with access to Internship	10 Qualified Students with access to Internship	20 Qualified Students with access to Internship	Director Corporate Services
				% Skilled and self-sustainable communities	MTI 1/3	10 Workplace Integrated Learning Students	5% Skilled and self-sustainable communities	10% Skilled and self-sustainable communities	15% Skilled and self-sustainable communities	Director Corporate Services
Employment Equity	To attract, retain, build capacity and		Implementation of the	No. of people from employment	MTI 1/4	Females and People living with	16 people from employment	17 people from employment	18 people from employment	Director Corporate Services

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	OUTCOME INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
	maximise utilisation of ADM human capital by 2022		Employment Equity Plan	equity target groups employed in the 3 highest levels of management		Disabilities: 2	equity target groups employed in the 3 highest levels of management	equity target groups employed in the 3 highest levels of management	equity target groups employed in the 3 highest levels of management	
Labour Relations			Implementation of Labour Relations Strategy	% Improved organisational stability and sustainability	**MTI 1/5**	**70** % organisational stability and sustainability	71% Improved organisational stability and sustainability	72% Improved organisational stability and sustainability	73% Improved organisational stability and sustainability	Director Corporate Services
Human Resources			Migration of personnel	% of personnel transitioned into the new organogram	**MTI 1/6**	Nill	100% of personnel transitioned into the new organogram	100% Maintenance phase	100% Maintenance phase	Director Corporate Services
Information and Communication Technology	Ensure integrated and responsive Information and	**MTI 2**	Digitalisation of Municipal business processes	No.of business processes digitalised	**MTI 2/1**	2	2 business processes digitalised	1 business processes digitalised	1 business processes digitalised	Director: Strategic Planning & Management

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	OUTCOME INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
	Communication Technology function by 2022									
Performance Management	To ensure district-wide monitoring and evaluation of the IDP by 2022	**MTI 3**	Create high-performance culture throughout the organisation	% improvement of institutional performance	**MTI 3/1**	77% on 18/19 annual report	77% improvement of institutional performance	78% improvement of institutional performance	80% improvement of institutional performance	Director: Strategic Planning and Management
			Establishment of Effectively functioning regional office model	No. of established effective functioning regional service points	**MTI 3/2**	Satellite Model	3 established effective functioning regional service points	3 established effective functioning regional service points		Director: Strategic Planning and Management

KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
Water	To provide adequate infrastructure and safe drinking water to all communities by 2022	**SDI 1**	Implementation of the Water Services Development Plan (WSDP)	No. of households with access to basic level of water (connected to water supply)	**SDI 1/1**	221159 HH (backlog 18 841)	4900 households with access to basic level of water	5200 households with access to basic level of water	5500 households with access to basic level of water	Director: Engineering
				% of Water infrastructure Refurbished as per Implementation Plan	**SDI 1/2**	20% Progress for Adelaide & Bedford WTW	100% of Water infrastructure Refurbished as per Implementation Plan	100% of Water infrastructure Refurbished as per Implementation Plan		Director: Engineering
				% of formalised of rural households in	**SDI 1/3**	95%	98% formalised of rural households in selected	100% formalised of rural households in		Director: Engineering

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
				selected villages with access to higher level of water services (Yard water connection)			villages with access to higher level of water services (Yard water connection)	selected villages with access to higher level of water services (Yard water connection)		
				% sampling points coverage	SDI 1/4	100 % coverage of sampling points/programme	100% sampling points coverage	100% sampling points coverage	100% sampling points coverage	Director: Community Services
Sanitation	To provide sustainable and environmental friendly sanitation services to all	**SDI 2**		No. of households with access to basic level of sanitation (VIP Toilets)	SDI 2/1	201107 HH with VIP toilets	10 000 Access to Improved sanitation level of service (VIP Toilets)	10 000 Access to Improved sanitation level of service (VIP Toilets)	10 000 Access to Improved sanitation level of service (VIP Toilets)	Director: Engineering

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
	communities by 2022			No. Households with access to improved sanitation level of service (Low flush)	**SDI 2/2**	1025 Households with access to improved sanitation level of service (Low flush	200 Households with access to improved sanitation level of service (Low flush)	500 Households with access to improved sanitation level of service (Low flush)	800 Households with access to improved sanitation level of service (Low flush)	Director: Community Services
			Implementation of the Wastewater risk abatement plan	% sampling frequency	**SDI 2/3**	100% in sampling frequency	100% in sampling frequency	100% in sampling frequency	100% in sampling frequency	Director Community Services
				% of Wastewater Infrastructure Refurbished as per Implementation Plan	**SDI 2/4**	70% Progress Refurbishment (Butterworth and Fort Beaufort WWTW)	30% of Wastewater Infrastructure Refurbished as per Implementation Plan(Butterworth and Fort Beaufort WWTW)	60% of Wastewater Infrastructure Refurbished as per Implementation Plan	40% of Wastewater Infrastructure Refurbished as per Implementation Plan	Director Engineering

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
Municipal Health services	To ensure reduction of the prevalence of communicable diseases by 2022	**SDI 3**	Reduce the non-compliance through increasing the inspection frequencies over the Norms and standards	% Increased businesses that comply with environmental health standards	**SDI 3/1**	75% business complying	5% Increase businesses that comply with environmental health standards	5% Increase businesses that comply with environmental health standards	5% Increase businesses that comply with environmental health standards	Director: Community Services

KPA 3: LOCAL ECONOMIC DEVELOPMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
Economic Development	To promote holistic sustainable regional economic development by 2030	**LED 1**	Implementation of the Economic Growth and Development Strategy	No. of Economic opportunities supported across the District	**LED 1/1**	6 Economic opportunities supported	6 Economic opportunities supported across the District	6 Economic opportunities supported across the District	6 Economic opportunities supported across the District	Director: LHSED
				No. of jobs created through local economic development including capital projects	**LED 1/2**	600 jobs created through local economic development including capital projects	700 jobs created through local economic development including capital projects	800 jobs created through local economic development including capital projects	900 jobs created through local economic development including capital projects	Director: LHSED
				No. of municipalities with improved local	**LED 1/3**	2 municipalities with improved local	2 municipalities with improved local	2 municipalities with improved local	2 municipalities with improved local	Director: LHSED (ASPIRE)

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
				economic viability		economic viability	economic viability	economic viability	economic viability	

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
Financial Management	To ensure sound and sustainable management of municipal finances by 2022	**MFV 1**		No. of Credible Budgets	**MFV 1/1**	18/19 Budget	1 Credible Budget	1 Credible Budget	1 Credible Budget	Chief Financial Officer
				Financial viability expressed by Debt Coverage ratio	**MFV 1/2**	45%	47%	49%	51%	Chief Financial Officer
				Financial viability expressed by Outstanding service debtors to revenue ratio	MFV 1/3	95%	133%	133%	133%	Chief Financial Officer
				Financial viability expressed by Cost Coverage ratio	MFV 1/4	1	1	1	1	Chief Financial Officer

				% Reduction of Irregular, fruitless and wasteful, unauthorised expenditure	**MFV 1/5**	R124 646 794	50% Reduction of Irregular, fruitless and wasteful, unauthorised expenditure	75% Reduction of Irregular, fruitless and wasteful, unauthorised expenditure	85% Reduction of Irregular, fruitless and wasteful, unauthorised expenditure	Chief Financial Officer
			Monitor all awarded contracts and commitments	Awarding of tenders within an average of 90 days	**MFV 1/6**	90 Days	Awarding of tenders within an average of 90 days	Awarding of tenders within an average of 90 days	Awarding of tenders within an average of 90 days	Chief Financial Officer
Expenditure Management			Monitoring and acceleration of expenditure patterns	% of capital budget actually spent on capital projects	**MFV 1/7**	Nil	100% of capital budget actually spent on capital projects	100% of capital budget actually spent on capital projects	100% of capital budget actually spent on capital projects	Director Engineering
				% budget actually spent on implementing Workplace Skills Plan	**MFV 1/8**	Nil	100% budget actually spent on implementing Workplace Skills Plan	100% budget actually spent on implementing Workplace Skills Plan	100% budget actually spent on implementing Workplace Skills Plan	Director Corporate Services

				% of invoices for all capital projects funded with grants paid within 30 days	**MFV 1/9**	Nil	100% of invoices for all capital projects funded with grants paid within 30 days	100% of invoices for all capital projects funded with grants paid within 30 days	100% of invoices for all capital projects funded with grants paid within 30 days	Chief Financial Officer
Revenue Enhancement			Implement Credit Control and Indigent Policy	% Improved revenue base	**MFV 1/10**	40% revenue collection	70% Improved revenue base	80% Improved revenue base	90% Improved revenue base	Chief Financial Officer

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIA
Governance	To ensure clean and accountable governance in the district by 2022	**GGP 1**	Strengthening of oversight, accountability and Service Delivery	% Audit Findings Resolved	**GGP 1/1**	20% Auditor General findings resolved	100 % Audit Findings Resolved (19/20)	100 % Audit Findings Resolved (20/21)	100 % Audit Findings Resolved (21/22)	Chief Financial Officer
				No. of Credible Integrated Development Plans	**GGP 1/2**	20/21 IDP Review of 2017-2022 IDP	1 Credible Integrated Development Plan (21/22)	1 Credible Integrated Development Plan 2022-2027	1 Credible Integrated Developmen t Plan 2023/24	Director: Strategic Planning
Executive Mayor's Legacy Projects			Implementation of the Executive Mayor’s Legacy Projects	No of Executive Mayor’s Legacy Projects implemented	**GGP 1/3**	Nil	4 Mayor’s Legacy Projects implemented	8 Mayor’s Legacy Projects implemented	12 Mayor’s Legacy Projects implemente d	Director: Strategic Planning
Moral Regeneration movement			Implementation of the Moral Regeneration	No. of positive value campaigns implemented	**GGP 1/4**	Nil	6 positive value campaigns implemented	8 positive value campaigns implemented	12 positive value campaigns implemente	Director: Strategic Planning

			Movement Strategy	within the district			within the district	within the district	d within the district	
Communication	To promote effective communication of ADM's business to its stakeholders by 2022	**GGP 2**	Implementation of communication strategy	No. of communication initiatives undertaken	**GGP 2/1**	21 initiatives	18 Communication initiatives undertaken	19 Communication initiatives undertaken	20 Communication initiatives undertaken	Director: Strategic Planning
			Establishment of an automated customer care system	No. of local municipalities implementing automated customer care systems	**GGP 2/2**	1 automated customer care systems	2 of local municipalities implementing automated customer care systems	2 of local municipalities implementing automated customer care systems	2 of local municipalities implementing automated customer care systems	Director: Strategic Planning
Public Participation			Enhance communication between ADM and external stakeholders	No. of public participation programs conducted	**GGP 2/3**	8 programs	12 public participation programs conducted	16 public participation programs conducted	20 public participation programs conducted	Director: Strategic Planning

4.2 2021/22 LOCAL MUNICIPAL TOP 10 NEEDS ANALYSIS/PRIORITIES

Mbashe LM	**Mnquma LM**
Water (Boreholes) Sanitation Dipping Tanks Access roads Construction of bridge Community Halls Mobile Clinics Shearing Sheds ECDC Sport field	Road construction and maintenance Electricity Health Care services Water Sanitation Community/Youth Development programmes Sport Field Housing Speed humps Stock Dams Dipping Tanks
Great Kei LM	**Ngqushwa LM**
Sanitation Community hall Electricity Street light Youth Centre Renovation of Komga swimming pool Mobile clinic Sport field	Community hall Clinic Road sideways Ngqushwa stadium High mast lights Children's park with gym facilities Fencing of camp Elderly care centre Woodlands educare centre Internal Roads
Raymond Mhlaba LM	**Amahlathi LM**
Ageing electricity infrastructure Cemetery sites Fire Station building Maintenance/construction of roads Dam Scooping Electrification of areas without electricity Non-licensed waste disposal sites Installation of high Mast Lights in identified areas Social amenities Water scarcity/outages	Roads Water and Sanitation Job creation and youth development programmes Fencing and bridges (graveyards, veld and camps) Heath care services Education (Building of school premises for children) Community halls High mast lights Revitalization of towns Beautification of Amahlathi small towns) Site allocation Sport Facilities

4.3 2021/22 IDP/BUDGET ROADSHOW COMMENTS

RADIO STATION	ISSUE RAISED	RESPONSE
FORT HARE FM Listernership Coverage: 116 000 Entire ADM	Concern was raised about Projects which are taking long to finish at Kubusi village.	Cllr. Zuka promised to follow up on the matter. He asked the community to make enquiries via the satellite office
	Concerns were raised regarding incorrect billing.	ADM acknowledges the challenge and encourages individuals to engage the municipality when they suspect an error.
NGQUSHWA FM Listernership Coverage: 50 000 Covers Entire Ngqushwa LM, parts of Raymond Mhlaba, Great Kei and Mnquma and Mbhashe	Anonymous from Prudo has indicated that Prudo has borehole engine, reservoir and tanks that are not working he ask Municipality if they can assist to repair those sources so that they can utilize them for getting water.	ADM is currently refurbishing the infrastructure in question. A service provider was also sent recently in Prudo to assist restore water.
	An anonymous caller complained that she received a billing statement even though she stays in rural areas and is without a meter box	ADM will investigate and assist the caller accordingly. The caller was given a number to call for further enquiries
	Siyanda Gxulu asked what plans are there for Seymour with regards to provision of water	Seymour has benefited from various water projects. Many areas now have water access. However, drought plays a major role in the intermittent water supply
UCR FM Listernership Coverage: 154 000 Covers entire Mbhashe	No calls were made during the show. However the Executive Mayor together with the Mayoral Committee have made a prior Imbizo to the areas that are covered by UCR FM where the communities engaged extensively.	
KHANYA FM Listernership Coverage: 40 000 Covers Mnquma, parts of Great Kei and Mbhashe	What is the plan of the municipality with regards to water services at Nkantolo village	ADM will place water tanks at strategic points in the village.
	Extension 2 currently has no water and there is no water carting taking place.	The current water outages at extension 2 are because of a burst pipe. The contractor is on side fixing the pipe
	The tanks at mission village stand empty. There is a request for a truck to fill the 2 tanks with water	ADM will send officials to fill the tanks with water
	Mqambeli village at ward 10 has no water. The community request that the ward be considered in the coming IDP	The village will be considered. ADM will ensure that the village benefits from interventions meant to mitigate against drought such as placing of water tanks and carting of water
	Mrhawuzeni village in Centane does not have water and sanitation services.	A contractor to build toilets will be appointed and introduced to the community. Trucks carting water will be directed to the area

4.4 2021/2022 MSCOA COMPLAINT PROJECTS - AMATHOLE DISTRICT MUNICIPALITY EXTERNALLY FUNDED PROJECTS

4.4.1 Amathole District Municipality Three Year MIG Capital Plan

MIG THREE YEAR CAPITAL PLAN 2021 to 2024	2021/22	2022/23	2023/24	Region
PMU OPERATING BUDGET	22 723 050	24 683 000	25 853 000	ADM: HEAD OFFICE
Personal Protective Equipment	500 000	-	-	ADM: WHOLE
Bende Water Supply Scheme	10 104 265	19 437 645	20 000 000	EC121 MBHASHE
Elliotdale Waste Water Treatment Works Feasibility Study	1 500 000	5 000 000	25 000 000	EC121 MBHASHE
Equipping boreholes in Mantaneni (Mphuthi Dam)	500 000	-	-	EC121 MBHASHE
Idutywa East Water Supply Scheme Phase 2, Idutywa east water supply project	3 005 211	-	-	EC121 MBHASHE
Lencani Village Water Tanker Refill Station	150 000	-	-	EC121 MBHASHE
Mbhashe Area Wide Sanitation: Mbhashe Region 1 Sanitation; Mbhashe Region 1b Sanitation Project: Phase 2	1 500 000	-	-	EC121 MBHASHE
Mbhashe Area Wide Sanitation: Mbhashe Region 2 Sanitation Project: Phase 2				
Mbhashe Elliotdale Region 2B Sanitation Project: Phase 2	800 000	-	-	EC121 MBHASHE
Mbhashe Region 2C Sanitation Project: Phase 2	500 000	-	-	EC121 MBHASHE
Mbhashe Region 2D Sanitation Project: Phase 2	1 000 000	-	-	EC121 MBHASHE
Mbhashe Region 3B Sanitation Project: Phase 2	800 000	-	-	EC121 MBHASHE
Mgwali North Water Supply Scheme	6 927 073	700 000	20 000 000	EC121 MBHASHE
Mgwali South Water Supply Project; Mgwali South Water Supply Phase B	39 509 738	42 000 000	10 000 000	EC121 MBHASHE
Remote Monitoring Infrastructure Upgrade (Bulk Water Supply)	500 000	-	-	EC121 MBHASHE
Repairs and Refurbishment of Water Infrastructure: Mbhashe	500 000	-	-	EC121 MBHASHE
Sewage Reticulation in Willowvale	800 000	-	-	EC121 MBHASHE
Shixini Water Supply Scheme	1 260 844	-	-	EC121 MBHASHE
Upgrading of Bulk Collector Sewers to Accommodate Future Development in Dutywa	1 000 000	20 000 000	20 000 000	EC121 MBHASHE
Upgrading of Water Storage & Reticulation to Accommodate Future Development in Dutywa				
Ward 31 Water Supply Scheme	8 181 805	5 300 175	20 000 000	EC121 MBHASHE

MIG THREE YEAR CAPITAL PLAN 2021 to 2024	2021/22	2022/23	2023/24	Region
Bawa Falls Water Supply	10 710 676	10 371 093	20 000 000	EC122 MNQUMA
Cafutweni Water Supply Scheme (Revised Scope)	11 630 671	10 000 000	25 000 000	EC122 MNQUMA
Centane Phase 4 Water Supply	31 783 694	29 454 050	35 000 000	EC122 MNQUMA
Centane Sanitation Project: Phase 2	1 000 000	-	-	EC122 MNQUMA
Crouch's Bush Water Supply Phase 3	1 000 000	10 000 000	25 000 000	EC122 MNQUMA
Gcuwa West Regional Water Supply	5 064 910	-	-	EC122 MNQUMA
Ibika–Centani Water Supply Phase 3	41 932 516	50 000 000	-	EC122 MNQUMA
Mnquma Area Wide Sanitation Region 2 Phase 2	5 000 000	10 000 000	5 000 000	EC122 MNQUMA
Mnquma Area Wide Sanitation Region 2B Phase 2	2 000 000	-	-	EC122 MNQUMA
Mnquma Region 1A Sanitation Project	1 500 000	-	-	EC122 MNQUMA
Mnquma Region 3 Sanitation Project	100 000	-	-	EC122 MNQUMA
Ngqamakhwe Regional Water Supply Phase (1 - 4)	25 812 406	40 000 000	25 000 000	EC122 MNQUMA
Ngqamakhwe Ward 17&19 Sanitation Project	100 000	-	-	EC122 MNQUMA
Nxaxo & Cebe Water Supply Scheme Phase 2	41 723 980	40 000 000	10 000 000	EC122 MNQUMA
Qolora by the Sea Water Scheme Upgrade	500 000	-	-	EC122 MNQUMA
Repairs and Refurbishment of Water Infrastructure: Mnquma	500 000	-	-	EC122 MNQUMA
Sundwana Water Supply Scheme, Sundwane Water Supply Scheme Including Other Villages	15 225 846	25 000 000	30 000 000	EC122 MNQUMA
Zizamele Sewerage Reticulation Phase 2	1 173 502	2 413 359	30 000 000	EC122 MNQUMA
Chintsa Bulk Services Upgrade (Water and Waste Water Treatment Works)	1 100 000	1 000 000	15 000 000	EC123 GREAT KEI
Cwili Interim Water Services	1 100 000	1 000 000	15 000 000	EC123 GREAT KEI
Emergency Interventions at Sewage Systems in the Amathole District Municipality – Great Kei LM	500 000	-	-	EC123 GREAT KEI
Equipping of Qumrha Boreholes	150 000	-	-	EC123 GREAT KEI

MIG THREE YEAR CAPITAL PLAN 2021 to 2024	2021/22	2022/23	2023/24	Region
Great Kei Area Wide Sanitation: Phase 2	1 000 000	-	-	EC123 GREAT KEI
Kei Bridge Komga Water Treatment Works	9 814 925	8 732 377	20 000 000	EC123 GREAT KEI
Kei Mouth pipe replacement	1 100 000	1 000 000	15 000 000	EC123 GREAT KEI
Morgan's Bay/Igxara Sanitation	350 000	-	-	EC123 GREAT KEI
Repairs and Refurbishment of Water Infrastructure: Great Kei	500 000	-	-	EC123 GREAT KEI
Upgrading of Haga-Haga Water Treatment Works's	1 100 000	1 000 000	15 000 000	EC123 GREAT KEI
Amabele Pipe Replacement	500 000	608 050	15 000 000	EC124 AMAHLATI
Amahlathi Area Wide Sanitation Phase 2	3 000 000	-	-	EC124 AMAHLATI
Amahlathi Area Wide Sanitation Region 2A: Phase 2	2 000 000	-	-	EC124 AMAHLATI
Amahlathi Area Wide Sanitation Region 3A: Phase 2	2 500 000	-	-	EC124 AMAHLATI
Carthcart Bulk Services Upgrade	29 441 996	40 000 000	20 000 000	EC124 AMAHLATI
Emergency Interventions at Sewage Systems in the Amathole District Municipality – Amahlathi LM	500 000	-	-	EC124 AMAHLATI
Keilands Mission Water Supply	2 000 000	5 000 000	12 000 000	EC124 AMAHLATI
Komga Commonage Settlement Project -Bulk Water	9 783 960	1 414 534	500 000	EC124 AMAHLATI
Rabula Water Supply Extensions	1 500 000	5 000 000	15 000 000	EC124 AMAHLATI
Repairs and Refurbishment of Water Infrastructure: Amahlathi	500 000	-	-	EC124 AMAHLATI
Stutterheim Raw Water Supply Upgrade	-	-	-	EC124 AMAHLATI
Stutterheim Sewer Pipe Replacement Programme	1 729 384	-	-	EC124 AMAHLATI
Stutterheim Water Pipe Replacement Programme	2 728 875	3 523 577	5 000 000	EC124 AMAHLATI
Zingcuka Water Supply	100 000	-	-	EC124 AMAHLATI
Emergency Interventions at Sewage Systems in the Amathole District Municipality – Ngqushwa LM	500 000	-	-	EC126 NGQUSHWA
Ngqushwa Region 2C Sanitation Project	1 000 000	-	-	EC126 NGQUSHWA

MIG THREE YEAR CAPITAL PLAN 2021 to 2024	2021/22	2022/23	2023/24	Region
Ngqushwa Villages Water Reticulation - Budget Maintenance	1 594 023	-	-	EC126 NGQUSHWA
Peddie Wastewater Treatment Works	35 748 410	45 000 000	20 000 000	EC126 NGQUSHWA
Repairs and Refurbishment of Water Infrastructure: Ngqushwa	500 000	-	-	EC126 NGQUSHWA
Amathole District Municipality Bucket Eradication COVID 19 Interventions	50 000	-	-	EC129 NKONKOBE/NXUBA
Bedford & Adelaide Bucket Eradication Programme - Phase 6	10 045 083	-	-	EC129 NKONKOBE/NXUBA
Bulk Water Supply to Ekuphumleni & 9 Villages - Phase 5	1 000 000	-	-	EC129 NKONKOBE/NXUBA
Emergency Interventions at Sewage Systems in the Amathole District Municipality – Raymond Mhlaba LM	500 000	-	-	EC129 NKONKOBE/NXUBA
Fort Beaufort Bulk Water Services Upgrading	14 635 007	-	-	EC129 NKONKOBE/NXUBA
Hogsback Water Treatment Works and New Reservoir	4 821 115	-	-	EC129 NKONKOBE/NXUBA
Kolomane Bulk Water Supply Phase 3	1 000 000	-	-	EC129 NKONKOBE/NXUBA
Nkonkobe Area Wide Sanitation Region 3A	1 000 000	-	-	EC129 NKONKOBE/NXUBA
Nkonkobe Region 2A Sanitation Project	1 000 000	-	-	EC129 NKONKOBE/NXUBA
Nxuba - Adelaide and Bedford Bucket Eradication Phase 4: Upgrading of Bedford Waste Water Treatment Works	1 247 654	-	-	EC129 NKONKOBE/NXUBA
Repairs and Refurbishment of Water Infrastructure: Raymond Mhlaba	500 000	-	-	EC129 NKONKOBE/NXUBA
West Victoria East Water Supply Phase 4	5 000 000	-	-	EC129 NKONKOBE/NXUBA
TOTAL:	**454 461 000**	**493 660 000**	**517 060 000**	

MIG THREE YEAR CAPITAL PLAN 2021 to 2024	2021/22	2022/23	2023/24	Region
Ngqushwa Villages Water Reticulation - Budget Maintenance	1 594 023	-	-	EC126 NGQUSHWA
Peddie Wastewater Treatment Works	35 748 410	45 000 000	20 000 000	EC126 NGQUSHWA
Repairs and Refurbishment of Water Infrastructure: Ngqushwa	500 000	-	-	EC126 NGQUSHWA
Amathole District Municipality Bucket Eradication COVID 19 Interventions	50 000	-	-	EC129 NKONKOBE/NXUBA
Bedford & Adelaide Bucket Eradication Programme - Phase 6	10 045 083	-	-	EC129 NKONKOBE/NXUBA
Bulk Water Supply to Ekuphumleni & 9 Villages - Phase 5	1 000 000	-	-	EC129 NKONKOBE/NXUBA
Emergency Interventions at Sewage Systems in the Amathole District Municipality – Raymond Mhlaba LM	500 000	-	-	EC129 NKONKOBE/NXUBA
Fort Beaufort Bulk Water Services Upgrading	14 635 007	-	-	EC129 NKONKOBE/NXUBA
Hogsback Water Treatment Works and New Reservoir	4 821 115	-	-	EC129 NKONKOBE/NXUBA
Kolomane Bulk Water Supply Phase 3	1 000 000	-	-	EC129 NKONKOBE/NXUBA
Nkonkobe Area Wide Sanitation Region 3A	1 000 000	-	-	EC129 NKONKOBE/NXUBA
Nkonkobe Region 2A Sanitation Project	1 000 000	-	-	EC129 NKONKOBE/NXUBA
Nxuba - Adelaide and Bedford Bucket Eradication Phase 4: Upgrading of Bedford Waste Water Treatment Works	1 247 654	-	-	EC129 NKONKOBE/NXUBA
Repairs and Refurbishment of Water Infrastructure: Raymond Mhlaba	500 000	-	-	EC129 NKONKOBE/NXUBA
West Victoria East Water Supply Phase 4	5 000 000	-	-	EC129 NKONKOBE/NXUBA
TOTAL:	**454 461 000**	**493 660 000**	**517 060 000**	

4.4.2 Amathole District Municipality Regional Bulk Infrastructure Grant - Budget 2021/22 To 2023/24

Project Name	Region	Funds Centre	Funded Program	Fund	Functional Area	2021/2022	2022/2023	2023/2024	TOTAL
Xhora East Water Supply	EC121 MBHASHE	55100	SCOA_087	1604100010	55100	20 000 000	4 000 000	-	24 000 000
Sundwana Water Supply	EC121 MBHASHE	55100	SCOA_087	1604100010	55100	2 000 000	20 000 000	40 000 000	62 000 000
Ngqamakhwe Bulk Water Supply	EC122 MNQUMA	55100	SCOA_087	1604100010	55100	133 715 000	258 237 000	204 237 000	596 189 000
TOTAL:						**155 715 000**	**282 237 000**	**244 237 000**	**682 189 000**

4.4.3 Water Services Infrastructure Grant (Wsig) Three Year Capital Plan

Project Name	Water/Sanitation	New/Replacement	Local Municipality	2021/22	2022/23	2023/24	Fund Centre	Fund	Functional Area
Cathcart Sanitation	S	New	EC124 AMAHLATI	500 000	-		55100	1604100011	55100
Cintsa Dam Refurbishment	W	Replacement	EC123 GREAT KEI	500 000	3 000 000	-			
Corrosion Evaluation of Rural reservoirs (Feasibility Study)	W	Replacement	EC123 GREAT KEI	1 500 000	-				
Dontsa Water Supply	W	New	EC124 AMAHLATI	1 000 000	5 000 000	5 000 000			
Fort Beaufort Waste Water Treatment Works	S	Replacement	EC129 NKONKOBE/NXUBA	7 900 000	-				
Refurbishment of Adelaide Canal	W		EC129 NKONKOBE/NXUBA	21 000 000	5 000 000				
RHIG - Ward 11 & 14	W	New	EC122 MNQUMA	3 000 000	3 000 000	3 000 000			
Emergency Interventions at Water and Sewer Systems	W/S	Replacement	ADM: WHOLE DISTRICT	-	8 000 000	20 400 000			
Feni Village Package Plant	W	New	EC126 NGQUSHWA	-	2 500 000	-			
Upgrading Siviwe Sewer Reticulation	S	Replacement	EC123 GREAT KEI	500 000	5 000 000	5 000 000			
Districtwide Refurbishment of Water Retaining Structures	W	Replacement	ADM: WHOLE DISTRICT	-	3 000 000	8 000 000			
Augmentation of Dutywa Water Supply	W	New	EC121 MBHASHE	29 529 275	15 000 000	15 000 000			

Equipping of Adelaide and Bedford Boreholes	W	New	EC129 NKONKOBE/NXUBA	1 000 000	5 000 000	2 000 000			
Assessment of Fish River Intake	W	Replacement	EC129 NKONKOBE/NXUBA	1 000 000	10 000 000	5 000 000			
Refurbishment of Qumrha Reservoirs	W	Replacement	EC123 GREAT KEI	-	4 000 000	-			
Non-Revenue Water Loss Control Project: Alice WSS	W	Replacement	EC129 NKONKOBE/NXUBA	7 570 725	-	-			
Non-Revenue Water Loss Control Project: Fort Beaufort WSS	W	Replacement	EC129 NKONKOBE/NXUBA	-	7 500 000	-			
Non-Revenue Water Loss Control Project: Stutterheim WSS	W	Replacement	EC124 AMAHLATI	-	-	7 500 000			
TOTAL:				**75 000 000**	**76 000 000**	**70 900 000**			

4.4.4 SECTOR DEPARTMENT PROJECTS

4.4.4.1 Department of Sports, Arts & Culture

PROJECT NAME	MUNICIPALITY	BUDGET 2021/2022	DURATION
Alice Public library	Raymond Mhlaba	R 300 000	01/11/2017-30/06/2021
Fort Beaufort library		R 9 000 000	01/04/2016-31/03/2024
Nyara Library		R 0	1/04/2015-31/03/2024
Fort Beaufort Museum		R 405 000	01/04/2016-31/03/2024
Butterworth Borehole		R 621 000	02/10/2020-31/03/2024
Iduywa Library	Mbhashe	R 0	01/04/2016-31/03/2024

4.4.4.2 Department of Health

PROJECT NAME	MUNICIPALITY	BUDGET 2021/2022	DURATION
Butterworth Hospital: urgent Repairs and Maintenance to staff Accommodation and Ems and external wor	Mnquma	R 8 158 00	03/04/2017- 31/08/2022
Tafalofefe Hospital Phase 03: Accommodation and Building Repairs		R 2 625 000	03/04/2017-31/05/2023
Tafalofefe Hospital - Water and Sanitation plant upgrade		R 1 01 000	08/06/2020-30/11/2022
Tafalofefe Hospital: Water and Sanitation Potable water treatment		R 1 068 000	18/08/2011-31/05/2022
Ngqamakhwe CHC - Water Supply and Waste Water Treatment Works		R 3 00 000	09/07/2018-31/05/2022
Butterworth Hospital Water & Sanitation		R 1 000 000	01/05/2018-31/03/2023
SS Gida Hospital - Renovations & refurbishments	Amahlathi	R 7 966 00	01/02/2018- 29/04/2022
Stutterheim Hospital -Upgrading of Hospital		R 4 158 00	01/01/2000- 18/03/2024
Komga Hospital-Health Professional accommodationStage 4: Design	Great Kei	R 1 500 00	25/05/2017- 29/07/2022
Winterberg TB Hospital:Upgrading and Renovations Phase 1	Raymond Mhlaba	R 400 100	10/07/2019-08/02/2023
HT Commissioning – Victoria Hospital		R 1 600 00	30/Apr/19-31/Mar/22

4.4.4.3 Department of Agriculture & Rural Development

PROJECT NAME	MUNICIPALITY	BUDGET 2021/2022	DURATION
Waterfall Citrus Farm-Construction of storage facility with ablution facilities	Mnquma	R 0	01/Feb/22- 30/Mar/23
Amathole Stock Water: Drought Relief (Boreholes)	Amathole	R 228 000	03/Apr/20- 07/Jul/21
Siyakhula eHlobo Agricultural Coop-Gap Certifcation		R 75 000	03/Apr/20- 31/Mar/22
Mqonci Fencing		R 516 000	01/09/2020-31/03/2023
Amathole Citrus Joe Modise		R 0	03/09/2020-31/03/2024
Tyhefu irrigation scheme -Planning		R 0	01/04/2021- 31/03/2024
Amathole Citrus Krila Farm		R 0	03/09/2020-31/03/2023
Amathole Citrus Craighead Farm		R 0	03/09/2020-31/03/2023
Mnqaba James Shearing shed		R 0	03/09/2020- 31//2023
Feni sheariing		R 0	03/09/2020-31/03/2024
Gqoloma shearing shed		R 0	03/09/2020-31/03/2022
Mimosa Diptank		R 650 000	03/09/2020-31/03/2022
Bhongweni shearing shed		R 0	03/09/2020-22/03/2024
La Rochelle Farm		R 0	03/09/2020 -29/03/2024
Nontshinga Diptank renovation		R360 000	03/09/2020 31/03/2022
Amathole Dam Scooping retention		R 52 000	03/09/2020-30/06/2021
Amathole Dam scooping retention-Amahlathi		R 49 000	03/09/2020-30/06/2021
Amathole Dam scooping retention- Mnquma		R53 000	03/09/2020- 30/06/2021
Nontshinga dip tank rennovations - labourers		R 90 175 00	01/04/2021-01/03/2022
Kibiti Farming		R 950 165	03/09/2020-31/03/2022
Waterfall Citrus Farm- Tree seedlings		R 950 000	01/04/2021-31/03/2022
Krila Citrus Farm-Tree seedlings		R1 330 000	01/04/2021-30/03/2023
Craighead Citrus Farm- Tree seedlings		R 1100 00	01/04/2021-31/03/2022
Fort Cox Piggerysewer Upgrade		R 586 000	01/04/2021-01/04/2022
Summerfield 2.10 Fencing		R 645 000	03/09/2020- 31/03/2022

Seven Fountain(Sixhenxe) Fencing		R 645 000	03/09/2020-31/03/2022

4.4.4.4 Office of the Premier

PROJECT NAME	MUNICIPALITY	BUDGET 2021/2022	DURATION
Ngqamakwe	Mnquma	R 5 000 000	01/04/2020-31/03 2024
Mbhashe roads	Mbhashe	R 5 000 000	01/04/2020-31/03 2024
Great Kei	Great kei	R 5 000 000	01/04/2020-31/03 2024

4.4.4.5 COGTA

PROJECT NAME	MUNICIPALITY	BUDGET 2021/2022	DURATION
Amagqunukhwebe	Raymond Mhlaba	R 1 050 000	03/05/2021-31/03/2022

4.4.4.6 Department of Transport

PROJECT NAME	MUNICIPALITY	BUDGET 2021/2022	DURATION
Centane to Qholorha Ph3	Mnquma	R 300 000	01/04/2021-31/03/2022
Centane to Qholorha Ph 4 of 4		R20 000	02/04/2018-31/03/2025
Emazizini to R72	Amathole	R15 000	01/04/2021-31/03/2023
Elliotdale DLTC	Mbhashe	R 967 000	01/04/2021-31/03/2022
SLA: Willowvale to Dwesa Nature Reserve via Msengeni Ph 2 of 4		R 53 103 98	30/06/2019-31/03/2024
SLA Willowvale to Dwesa Nature Reserve		R 54 703 00	01/04/2020-31/03/2024
R72 to Hamburg	Ngqushwa	R 40 000 00	01/04/2016-31/03/2024
SLA: Raymond Mhlaba	Raymond Mhlaba	R 40 000 00	31/12/2020-31/03/2022

4.4.4.7 Department of Public Works

PROJECT NAME	MUNICIPALITY	BUDGET 2021/2022	DURATION
Household Contractor Programme in Amathole Municipality	Amathole	R1 856 00	01/06/2018-29/03/2022
Household Contractor Programme in Amathole Municipality		R 4 98 00	01/04/2019-31/03/2024
Upgrade of Swerage System at Ex-Butterworth College Offices	Mnquma	R 15 000	05/04/2021-30/06/2022

4.4.4.8 Department of Human Settlements

PROJECT NAME	MUNICIPALITY	BUDGET 2021/2022	DURATION
Alice - Golf course - 283 subs	Raymond Mhlaba	R 0	01/09/1996-31/12/2021
Alice - Mavuso 300 Subs		R 6 094 00	24/04/2018-25/05/2023
Bedford - 172 Subs		R 6 080 00	13/12/2020-31/03/2023
Bedford - 172 Subs		R 0	26/03/2004-31/07/2022
Bedford - Goodwin Park - 200 subs		R 0	17/11/2000-31/03/2022
Fort Beaufort - Katberg 233 Subs		R 0	13/06/2014-14/06/2022
Fort Beaufort - R/land Ph 1 (Hillside) - 638 subs		R 0	06/05/2014-30/06/2023
Fort Beaufort - R/land Ph 1 (Hillside) - 638 subs		R 0	23/07/2013-01/11/2023
Fort Beaufort - Readsdale 500 subs		R 0	12/12/2000-11/03/2022
Butterworth - Hlobo 500	Mnquma	R 0	23/08/2017-31/03/2023
Butterworth - Mchubakazi 692 Units BNG		R 0	13/12/2020-31/03/2023
Butterworth - Siyanda Zizamele - 1244		R 1 550 00	31/0/2011-31/03/2023
Butterworth Mgcwe 500		R 0	13/12/2020-31/03/2023
Elliotdale - 292 subs	Mbhashe	R 0	13/12/2020-31/03/2023
Elliotdale - 292 subs		R 0	01/04/2014-20/02/2023
Elliotdale - 400		R 0	13/12/2020-31/03/2021
Willowvale - 97 subs			05/05/2017-30/04/2022
Willowvale - Ngqaqini Destitute 50 Subs			05/05/2017-30/04/2022
Peddie - 23 Units Destitute	Ngqushwa	R 0	13/12/2020-31/12/2023
Peddie - Gcinisa 500		R 0	13/12/2020-31/03/2021
Peddie - Hamburg 500		R 0	13/12/2020-31/03/2021
Peddie - Mphekweni 500 subs		R 6 200 00	13/12/2020-31/03/2021
Peddie - Mphekweni 500 subs		R 0	01/07/2014-30/06/2022
Peddie - Mphekweni 500 subs		R 0	13/12/2020-31/03/2021
Kei Mouth Ckwili	Amahlathi	R 13 680 00	29/05/2015-29/06/2023
Kei Road - Northern Node 421subs		R 1000	13/12/2020-31/03/2024
Keiskammahoek - Masincedane 1255		R1 150 00	13/12/2020-31/03/2024
Komga - 1140 units Komga Zone 10 - 570 subs		R 34 364 00	13/12/2020-31/03/2024
Stutterheim -Frankfurt 300			12/01/2016-30/09/2022
Stutterheim - Kubusie 1328 subs			13/12/2013-30/06/2022

4.4.4.9 Department of Safety & Liason

PROJECT NAME	MUNICIPALITY	BUDGET 2021/2022
Social crime prevention programmes	Amathole DM	R 175 000
Unannounced visits at police stations	Amathole DM	NCI
Monitor Frontline Service Delivery point	Raymond Mhlaba	NCI
Assess compliance to Domestic Violence Act by SAPS	Amathole DM	NCI
Conduct Policing Accountability Engagements (Imbizo)	Amathole DM	R 145 000
Capacitate CPFs	Amathole DM	R 40 000
Support CSFs (meetings and programmes)		R 70 000

4.4.4.10 Department of Education

PROJECT NAME	BUDGET 2021/2022	DURATION	MUNICIPALITY
DOE Disaster Package	R12 876	01/Apr/18 31/Mar/24	Amathole
Flower Junior Secondary school	R15 000	01/Apr/21 31/Mar/22	Mbhashe
Byletts combined School (phase I)	R 1 793 896	19/Jan/17 31/Mar/23	Great Kei
Healdtown Comprehensive School	R 3746433,6	19/Jun/17 31/Mar/23	Raymond Mhlaba
Masizame sp school	R 2 866	24/Jun/16 31/Mar/22	Mnquma
Mngazana Js School	R 2 866	24/Jun/16 31/Mar/22	Mbhashe
Msento junior Secondary school	R 2506,78	24/Jun/16 31/Mar/22	Mnquma
St Matthews SSS (New Boys Hostel)	R 278311,564	26/Oct/18 01/Nov/21	Amahlathi
Siyazakha High School	R 2866,46	20/Jan/18 30/May/21	Great Kei
AMATOLA WATER - O&M (Implementation Cluster project)	R 12 025	01/Apr/19 31/Mar/23	Amathole
Blythswood High School	R5877525,469	01/Apr/15 31/Mar/22	Mnquma
Blythswood Institution -Hostels	R 4746,8317125	24/Jun/16 31/Mar/24	
Nqaba Primary School	R 1 008 122	01/Apr/20 31/Mar/25	Raymond mhlaba
Alice Primary School	R 934 799	12/Jul/17 31/Mar/22	
Alice Js School	R 340 858	20/Mar/15 31/Mar/22	
Masibonisane Senior Secondary School	R 859 561	01/Apr/20 31/Mar/25	Ngqushwa
Masihlangane Secondary School	R 489 448	01/Apr/20 31/Mar/24	Amahlathi
Phandulwazi Agricultural high School	R 6 331 780	30/Mar/20 31/Mar/25	Raymond Mhlaba
Ayliff P School	R 300 000	01/Apr/16 31/Mar/24	Ngqushwa
Fort Beaufort Primary school	R 1 121 158	30/Mar/20 31/Mar/24	Raymond Mhlaba
Kentani JS School	R 2 924 860	20/Mar/15 31/Mar/22	Mnquma

Mqambeli Js School	R 2 630 585	01/Apr/16 31/Mar/22	
Cegcuana Junior Secondary School	R 145 287	27/Oct/11 31/Mar/22	
Alice P School	R 340 858	02/May/17 31/Mar/22	Raymond Mhlaba
Lengeni JS SCHOOL	R 1 028 445	21/Sep/16 30/Nov/21	Mnquma
Mamfeneni Primary Junior school	R 587 303	04/May/17 30/Nov/21	Mbhashe
Healdtown Comprehensive School (Ren Hostel + Hall)	R50 248	22/May/17 31/Mar/22	Raymond Mhlaba
Zanokhanyo Junior Secondary school	R 1 000 000	01/Apr/21 31/Mar/22	Mnquma
Mcitwa Sp School -ACM	R 94 317	26/Jul/13 31/Mar/22	Mbhashe
Imingcangathelo High School	R 38250,44	01/Apr/15 31/Mar/22	Raymond mhlaba
Nqabara Senior Secondary school	R 100 173	01/May/18 31/Mar/22	Mbhashe
German village Primary School	R 691 840	01/Apr/16 31/Mar/25	Ngqushwa
Gqumahashe junior Primary school	R 548 987	02/Apr/15 31/Mar/25	Raymond Mhlaba
James Nguza JSS	R 1 685 478	02/Feb/15 31/Mar/22	Mnquma
Amatolaville primary School	R 255 294	01/Nov/17 31/Mar/24	Amahlathi
Mdizeni primary School	R 1 400 000	13/Mar/17 31/Mar/23	Raymond Mhlaba
Healdtown Comprehensive School	R 68 386	22/May/17 22/May/21	
Josi marela senior Secondary school	R 800 000	13/Mar/17 13/May/22	
Khwezilesizwe Primary school	R 1 877 269	13/Mar/17 31/Mar/23	
Enkwenkwezini Secondary school	R 548 987	16/Jul/18 30/Jun/22	
Kubusie Combined School	R 548 978	03/Apr/17 31/Mar/25	Amahlathi
Rabula senior Secondary school	R 151 000	21/Jul/17 30/Mar/22	
Nomaka Mbeki S.S.S.	R15 000	07/Mar/18 31/Mar/22	Mbhashe
Nqabane Senior Secondary school	R 889 340	01/Apr/21 31/Mar/22	
Sonwabile primary School	R 847 568	01/Apr/21 31/Mar/22	Amahlathi
Sikhulule Public School	R 354 158	01/Apr/21 31/Mar/22	
Upper Qora JSS	R 259 086	01/Apr/21 31/Mar/22	Mnquma
Newtown High School	R 1 000 006	01/Apr/21 31/Mar/24	Raymond Mhlaba
Mendu Junior SS School	R 578 124	01/Apr/18 31/Mar/22	Mbhashe
Siyibane Sp School	R10 000	13/Apr/16 31/Mar/25	
Thubalethu s school (Ren Hostels)	R 2 384 357	02/Apr/18 31/Mar/25	Raymond Mhlaba
Healdtown Comprehensive School	R 155 248	29/Mar/17 31/Mar/25	
Sinethemba anta Primary school	R10 000	26/May/12 31/Mar/25	
Healdtown Comprehensive School	R50 000	01/Feb/17 31/Mar/25	
Auxiliary Services (Exams) Zwelitsha (Completion 2)	R1 000 000	26/Nov/16 31/Mar/23	Amathole
Nomaheya junior Secondary school	R 16309,97	19/Mar/14 31/Mar/22	Mnquma
Ganizulu Senior Secondary school	R 920 546	01/Apr/17 31/Mar/25	Mbhashe
Document Management Centre	R 20 227 538	01/Apr/15 31/Mar/24	Amathole
Gangatha Junior Secondary school	R 20 000	23/Apr/18 31/Mar/22	Mbhashe
Melani l/hp school	R 2 224 980	07/Sep/17 31/Mar/24	Raymond mhlaba
Mente Junior Secondary school	R1000	20/Mar/18 31/Mar/24	Mnquma
Vukile tshwete s School	R 16 494 606	20/Mar/15 31/Mar/23	Amahlathi
Zanewonga Senior Secondary school	R 302 650	11/Oct/19 30/May/21	Mnquma
Krazukile ss school	R 2 239 860	01/Apr/15 31/Mar/23	
Mirrlees Junior Secondary school	R 2 000	01/Apr/18 31/Mar/22	
Mfiki l/hp school	R 761 230	20/Mar/15 31/Mar/22	Raymond mhlaba
Daluxolo junior Secondary school	R 37 206	01/Apr/18 31/Mar/22	Mnquma
Cebe js school	R 11 143 893	20/Mar/15 31/Oct/23	
Mazizini high school	R 15 000	01/Apr/18 31/Mar/22	Mbhashe
Gwebityala ss school	R 820 840	31/Mar/15 31/Mar/24	
Gwabe sp school	R 10 000	30/Jun/15 31/Mar/25	
Eyabantu ss school	R 6 973 509	19/Jan/18 31/Mar/24	Raymond Mhlaba
Service delivery model	R 31 286	01/Apr/19 28/Nov/24	
Candu junior Secondary school	R 15 000	01/Apr/18 31/Mar/22	Mbhashe

Govan Junior Secondary school	R 15 000	01/Apr/18 31/Mar/22	Mnquma
Adelaide js school	R 6 028 455	01/Apr/15 31/Mar/24	Raymond Mhlaba
Tyali high school	R 10 674 954	20/Mar/15 31/May/22	Mnquma
Tongani junior	R 12 359 210	01/Apr/18 31/Mar/22	Mbhashe
Mathumbu	R 160 410	01/Apr/19 31/Mar/22	
Enoch mamba	R 165 249	01/Apr/19 31/Mar/22	
Zwelitsha customer Care centre	R 283 000	01/Apr/18 30/May/21	
Butterworth high School	R 1 891 906	01/Oct/12 31/Mar/25	Mnquma
Mpozolo Senior Secondary school	R 13 764 471	20/Mar/15 31/Mar/24	Mbhashe
Heshangophondo ps(clsrms)	R 142 821	01/Apr/15 31/Mar/22	Raymond mhlaba
Daluxolo jss	R 35 000	01/Apr/15 31/Mar/22	Mnquma
Fort Warwick farm School	R 614 242	30/Mar/20 30/May/25	Great kei
Mhala Junior Secondary School	R 20 802	12/Jun/12 31/Mar/22	Mbhashe
Ndibaniso hs (mdibaniso)	R 7697,64	01/Apr/15 21/Mar/22	Raymond Mhlaba
Nobumba ps	R 11221,53	02/Jul/12 31/Mar/22	Ngqushwa
Nondwe ss school	R 19725,22	18/Mar/14 31/Mar/22	Mnquma
Zweliwelile sss	R 13 186	06/Nov/13 31/Mar/22	Mbhashe

CHAPTER FIVE
SECTOR PLAN ANALYSIS & POLICIES

5.1 SECTOR PLAN ANALYSIS

An analysis was conducted in respect of various sector plans developed for the district. Some of these sector plans were found to be still relevant and required minor update. Others required review, whilst new ones were developed. Below is a list of sector plans per the cluster approach:

ECONOMIC DEVELOPMENT	LAND CARE DEVELOPMENT	SOCIAL AND HEALTH SERVICES	GOVERNANCE OPERATIONS	FINANCIAL VIABILITY
Economic Growth And Development Plan	Coastal Management Plan	Integrated Waste Management Plan	Employment Equity Plan	Revenue Enhancement Strategy
	Integrated Environmental Management Plan	District Community Safety Plan	Communications Strategy	Supply Chain Management Strategy
	District Spatial Development Framework	Water Services Development Plan	Brand Repositioning Strategy	Financial Recovery plan
	Disaster Management Plan	Municipal Health Services Strategy	Geographic Information System (GIS) Strategy	
	Air Quality Management Plan	HIV/AIDS, STI, TB & Cancer Strategy	Establishment Plan	
		Fire Risk Management Plan	IT Master Plan	
		Occupational Wellness Strategy	Talent Retention Strategy	
		Employee Wellness Strategy	Business Continuity Plan	
		District Sport Development Strategy	Organisational development Strategy	
		Integrated Sustainable Human Settlement Strategy	Public Participation and Petitions Strategy	
		Occupational Wellness Strategy	Human Resources Plan	
			Human Resources Development Strategy	
			Fleet Management Strategy	

5.2 LIST OF SECTOR PLANS

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
LHSED	Integrated Environmental Management Plan-	21 June 2012		**Economic development** Ensure effective utilisation of natural resources (Renewable energy, coastal economy, bioprospecting) **Social equity** Environmental empowerment services (campaigns, Symposiums, conferences, etc.) **Environmental integrity** Mainstream environmental management (partial) -Environmental policy formulation	- Under-utilisation and misuse of biological resources - The gradual and constant Southward Migration of Nama Karoo
	Air Quality Management Plan -	June 2013		Objective 1: To ensure that staff are designated to the required roles for effective air quality management and that they are adequately trained for their roles Objective 2: Identify sources of emissions in the district. Objective 3: Minimise emissions from scheduled and non-scheduled processes Objective 4: To engage stakeholders in government, industry and the community	Ambient air quality is rated as acceptable Key pollutant- Timber, mining, veld fires, domestic Traffic congestion (s02, c02) Poor waste management, agricultural emissions, poorly managed Mining, quarries and borrow pits
	Renewable Energy and Greenhouse Gas Inventory	05 July 2013		1. Reduce ADM Organisational Greenhouse Gas Emissions?? 2.Facilitate the undertaking of a GHG Inventory 3.Fostering a Favourable environment for Renewable Energy Investment 4.The Detailed Land Audit to assist renewable energy investment	Over-reliance on coal-based energy Land Tenure Regulatory Requirements (permits &licenses) Investment promotion (driver and champion) Infrastructure development master plans (include R.E infrastructure)

				5. Mainstream greenhouse gas reduction measures	
	Climate Change Vulnerability Assessment And Response Framework-	March 2011		1.Determining ADM's vulnerability and affected sectors 2.Facilitate response mechanisms to climate change (R.E, Water harvesting, Greening, Land care, Capacity building and awareness) 3.Mainstreaming of climate change	Temperature rise beyond global average limit (+2.50c Inland vs - 20c) Prolonged drought poses a direct threat to human life and economy of the region Extreme weather conditions pose a direct threat to the core function of Amathole district municipality (Water service provision
	Coastal Management Plan	2016/17		1.Fostering Cooperative Governance on coastal issues 2.Ensuring Coastal Planning and Development 3.Consideration of Climate Change and Dynamic Coastal Processes 4.Management of coastal pollution 5.Management of Estuaries	Underutilisation of marine & coastal resources Exploitation of marine resources Coastal equity Institutionalisation and localisation of oceans economy
	ADM Incubator	2018/19		To ensure that ADM caters for her SMMEs and Cooperatives by providing growth opportunities.	Lack of development for SMMEs within ADM due to lack of proper financial
	Economic Growth and Development Policy and its 5 sector plans (agriculture sector plan, Heritage and Tourism plan, Enterprise Developments strategy, Poverty eradication strategy, and Rural development strategy.	2018/19		To ensure alignment with Vision 2058. To ensure sustainable economic development within ADM.	Lack of alignment with Vision 2058. Lack of long term planning pertaining to
ENGINEERING	Water Services Development Plan(WSDP)	2018	2019	To ensure the provision of water services is in an efficient, affordable, economical and sustainable manner to the communities.	Drought Inadequate Bulk Water Resources Inadequate Operational budget to operate and maintain new infrastructure Unauthorised water connections High Water Losses and Non-Revenue Water Poor wastewater management Poor Asset Management

					Demand of water services in Informal Settlements Existing infrastructure condition is deteriorating due to continued under-funding for essential maintenance/ replacement of ageing assets over an extended period - maintenance of infrastructure is currently reactive No programme to ensure maintenance (Emptying) of the VIP pits is done by owners
	Integrated Waste Management Plan	2017	2018	The primary objective of IWM planning is to integrate and optimise waste management services, thereby maximising efficiency and improving the quality of life of all citisens while the associated environmental impacts and financial costs are minimised	Inadequate funding to operate existing regional solid waste site. Unavailability of funding to rollout the Western Regional Solid Waste Site Feasibility Study. The causal effects of poor service delivery are, in the main, insufficient resources, inadequate policy guidelines, inadequate planning, inadequate management and lack of technical expertise and capacity. The cleansing and waste disposal services within the district are inadequate though in some instances are satisfactory The urgent need to close all illegal individual solid waste sites in the district. Unavailability of land to construct waste facilities including Transfer Stations. Mushrooming of community settlement around the permitted landfill site Minimal public education on waste management other than greening campaigns are in place Burning of waste common at dumpsites
	Integrated Transport Plan	2017	2018	To improve Public Transport Service and Operations in both urban and rural areas with a focus on developing public transport in rural areas.	Poor Road Infrastructure Public Transport Unit Organogram (Buy-in at Local Level) Use of Bakkies and un-roadworthy vehicles Lack of Public Transport Facilities Funding due to non-core nature of the function Lack of Public Transport Services Regulations

					Enforcement of by-laws. Delays with development of IPTN in ADM
STRATEGIC PLANNING& MANAGEMENT	Communication Strategy	2017/18	2018/19	To effectively communicate ADM's business to all stakeholders	To bridge information gap between ADM and its stakeholders To communicate the priorities of the IDP To promote, protect and preserve brand ADM
	Brand Repositioning Strategy	2018/19	2018/19	To reassure stakeholders of our commitment to the provision of quality services thus repositioning brand ADM	Unwillingness of **customers to pay** their financial obligations to ADM for services rendered. Investors unwilling to support Development Agency (**ASPIRE**) business plans. Poor attendance of ADM outreach programs
CORPORATE SERVICES	Human Resource Plan	2018/19	2018/19	To ensure an informed forward planning in respect of human capital Build and Sustain a capable, Well-Trained Workforce	Accurate and reliable HR data Organogram which is aligned to ADM functions
	Establishment plan	2019/20 (New)		To develop a framework for organisational development	To ensure a sound OD environment
	Talent Management Strategy	2019/20	New	To ensure that a capable workforce is retained	Provision of suitable human capital to deliver on the ADM mandate
	Fleet Management Strategy	2014/15	2019/20	To provide a cost effective ADM fleet that is responsive to institutional needs	Outline the best possible fleet provisioning model for ADM that is cost effective and efficient
	Integrated Wellness	2019/20	New	To ensure a comprehensive wellness programme for all ADM staff for optimal results	To provide a structured and comprehensive wellness programme for all staff at ADM
COMMUNITY SERVICE	District Community Safety Plan	2004	2006-2018. Major review in 2010-2011	To facilitate a co-ordinated multi-sectoral collaborative approach to crime prevention in the Amathole district.	Control and prevent crime through proactive planning and effective regulation of activities in municipal areas Facilitate a co-ordinated multi-sectoral collaborative approach to crime prevention in the Amathole district. Empower communities to take responsibility for communal and personal safety and enforce their rights. Create a physical environment within Amathole that deters criminality and facilitates effective crime control Create a socio economic environment within Amathole that deters criminality through social crime prevention

	Disaster Management Plan	2015/2016	2017/2018	The plan seeks to identify and clarify roles and responsibilities of internal and external stakeholders throughout the entire cycle of disaster management	Serve as the foundation and guide for local municipal disaster risk management planning and risk reduction; Prevention and reduction of disaster risks; Mitigation of impacts; preparedness for effective response to disasters; Minimize loss and property damage; and quick recovery from the impacts.
	Fire Risk Management Plan	2012/2013	2017/2018	Prevention of fire occurrences Combating of fires	Promote compliance with various legislation relating to fire risk. Minimise the negative impact of fires on life, property and the environment. Promote the involvement of all stakeholders in fire risk management. Set up institutional and stakeholder mechanisms to implement the Plan. Development of fire risk reduction strategies for priority fire risks. Standardisation of Fire Services within the District.
	Municipal Health Services Strategy	2015/16	2017/18	To address Communicable diseases, Health care risk waste, vector control and environmental pollution issues that have a negative impact on public health. Alignment of the Municipal Health Services strategy with the District health plan.	Reported food poisoning cases have become more frequent, especially in boarding schools. Social determinants of health and diseases: participate in implementation of cross-cutting plans in the district which contribute towards the achievement of the goals of the Municipal Health Strategy. Environmental pollution. Healthcare risk waste management at health facilities. Emerging communicable diseases as a result of climate change

BUDGET AND TREASURY OFFICE	Revenue Enhancement Strategy	2009	2018	Stabilize the financial and economic sustainability of ADM in order to broaden the income base and increase revenue.	Completeness of Revenue chain by: Billing all billable consumers within the District which includes meter management Indigent registration to all qualifying customers Tariff Setting aiming at full recovery of costs associated with water supply
	Supply Chain Management Strategy	2012	2020/2021	To give effect to Section 217 of the Constitution, 1996. To implement a policy that is fair, equitable, transparent, competitive and cost effective. To comply with the regulatory framework prescribed in Chapter 2 of the Regulations and any minimum norms and standards prescribed in terms of Section 168 of the MFMA. To be consistent with other applicable legislation. To not undermine the objective for uniformity in SCM systems between organs of state in all spheres. To be consistent with national economic policy concerning the promotion of investment and doing business with the public sector.	Empowerment goals Demand management Acquisition management Logistics management Disposal management Risk management Performance management
	Financial Recovery plan	2015	2018	The principal strategic objectives of the financial recovery plan are to place the municipality in a sound and sustainable financial condition as soon as possible by: • Improving the financial viability and management as well as the control environment; • Focusing the municipality's resources on its core function of service delivery and infrastructure development; • Tightening the governance aspects of the municipality.	Review the current budgeting approaches and process as well as expenditure and management systems to ensure efficient and effective service delivery in line with ADM's priorities. To review revenue management processes to maximise revenue generation possibilities and improve revenue performance.

LESS	Special Programmes Strategy	2013	2015	To ensure that we lobby, support, coordinate, facilitate and implementation of the mainstreaming of designated groups within the district	Lack of skills, inaccessibility on public facilities. Orphans and Vulnerable Children which contribute to high number of drop outs. Lack of funding for community projects which contribute to upliftment of socio-economic standards. Lack of reasonable accomodation for vulnerable groups. Empowerement for all vulnerable groups Poverty Gender based violence Cultural attitudes Stigma, denial and discrimination Mobility and labour migration Illiteracy Informal settlements
	Sports Development Strategy	2013	2015	To manage, promote and co-ordinate sport and recreation activities within the ADM	Lack of sporting and recreational facilities/infrastructure Limited resources for skills development

5.3 LIST OF BY-LAWS

- Water Supply and Sanitation Services By-Laws
- Revenue Management By-Law
- Municipal Health Services By-Law
- Fire Services By-Law
- Disaster Management By-Law
- Air Pollution By-Law
- Waste Management By-Law
- Passenger Transport Services By-Law

5.4 LIST OF POLICIES

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
LHSED	ADM Incubator Policy	2018/19		To ensure that ADM caters for her SMMEs and Cooperatives by providing growth opportunities.	To ensure that ADM caters for her SMMEs and Cooperatives by providing growth opportunities.
STRATEGIC PLANNING& MANAGEMENT	ICT Corporate Governance Charter	2010/11	2018/19	To ensure: a) Compliance to prescriptive landscape. b) Creation of the enabling environment for CGICT and GICT. c) The alignment and implementation of business and ICT strategies. d) Conformance and performance measurement and reporting and e) How business owners will oversee ICT service delivery in support of their business enablement.	To define the roles and responsibilities of structures to ensure Corporate Governance and Governance of ICT is implemented at ADM.
	ICT Backup Policy	2010/11	2018/19	To ensure all relevant systems are backed up and that in the event of system failure, data loss is minimised.	To ensure that ADM is able to recover data and systems in the event of a disaster
	ICT Security and Authorisation Policy	2010/11	2018/19	To define the security requirements for the proper and secure use of the Information Technology services at ADM.	To address risks associated with information assets: 1. Uncontrolled access, connections, and unintentional user errors.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
					2. Security of the information systems compromised by unsupported business practices. 3. Ensuring the integrity and validity of data. 4. Poor operating procedures. 5. Malicious code and viruses. 6. Uncontrolled system or data changes. 7. Internet and public domain access. 8. Breach of legislation or non-compliance with regulatory or ethical standard.
	ICT Change Management Policy	2018/19	2018/2019	The management process shall ensure that changes proposed are reviewed, authorised, tested, implemented, and released in a controlled manner; and that the status of each proposed change is monitored.	1. Change monitoring 2.Segregations of duties 3.Good governance 4.Approval of change
	Customer care policy	2013	2018		
	Risk Management Policy		2019		
	Communications Policy	2013	2019		

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
LESS	Public Participation & Petitions Policy Framework	2005	2018	1) To ensure the maximum participation of communities in the affairs of the municipality. 2) To ensure accountability of ADM to its communities.	1) Uncoordinated public participation activities/ processes between the District and LMs. 2) Duplication and misalignment between the policy and the Rules of Order in respect of petitions management.
CORPORATE SERVICES	Fleet Management Policy (review)	2002/03	2019/2020	To provide, maintain and manage ADM fleet to realise the Municipalities vision, mission and goals.	The Corporate Services Department will be responsible for the administration and reporting on Council vehicles. However, such reporting will be complemented by reports that will be furnished by the various departments that will be allocated vehicles on a permanent basis. Maintenance and repairs records will be presented by the Fleet Management Unit for reporting purposes.
	Recruitment & Selection Policy (review)	2003/04	2019/2020	Legislation imperative	Comply with the relevant Municipal Regulations on Minimum Competency Levels upon embarking on recruitment and selection processes. Comply with relevant Municipal Regulations on appointment and conditions of employment for municipal manager and senior managers reporting directly to municipal manager.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
				Ensure that positions that are filled are critical	The Corporate Services Department shall ensure that critical positions are prioritised when vacant and budgeted positions are filled.
				To tighten the panel from TG 14 and above	TASK Grade 14 and above Head of Department or his/her nominee Director Corporate Services or his/her nominee Representative per Union (observer status) Corporate Services Department official (Admin Support)
				To tighten the panel from TG 1 to 13 and ensure fairness prevails	TASK Grade 1 to 13 Relevant Head of Department/nominee A line department representative Representative per Union (observer status) Corporate Services Department representative A representative from another department will be co-opted when Corporate Services posts are filled.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
					It is the prerogative of the Municipal Manager to attend any selection process if s/he so decides.
	Transfer & Secondment Policy (review)	2011/2012	2019/2020	To ensure employees are utilized to meet the organisation's human resources needs and enhance their productivity. To enhance the skills' levels of employees by exposing them to particular jobs and work environment at other employers or entities. To play a meaningful role in providing expertise to other employers or entities for their proper functioning.	Processes on transfers initiated by employee. Processes on transfers initiated by employer. The terms and conditions of secondment have to be agreed beforehand and that secondment terms should be set out in a written agreement between the releasing and recipient organisation.
	Leave Policy (review)	2003/2004	2019/2020	To inform employees of their entitlements and requirements regarding all types of leave	Types of leave and their conditions: • Annual • Accumulative • Sick • Family Responsibility • Maternity • Parental • Special • Study & Examination
	Overtime / Emergency Work Policy (review)	2012/13	2018/19	To regulate the performance of overtime work by ADM employees as per BCEA 1997 To regulate the performance of emergency work by ADM employees as provided in Collective Agreement in Conditions of Service	• Roles and responsibilities • Unstructured Overtime • Structured Overtime • Submission of claims Abuse of overtime

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
	Cellphone Policy (review)	2002/2003	2019/2020	To provide clear directives and procedures with regard to the approval and payment of cellphone allowances.	Procedures in applying for cellphone allowance. Conditions and restrictions of use. Provision of cellphone allowance.
	Subsistence & Travel Policy (review)	2005/2006	2019/2020	Regulate how subsistence & travelling costs are paid to staff members and Councillors required to undertake approved council business.	Payment of subsistence & travel costs which involves incurred expenses for travelling, lodging, meals and other costs for attending conferences, meetings, seminars, trainings and other duties as approved by the employer.
	Employee Wellness Policy (review)	10 2005/06	2019/2020	To offer confidential assistance to employees who has the potential? to be adversely To institutionalise responsible gambling at work-place To lay foundation for sustainable, participatory and penetrating Employee Assistance Programmes (EAP) and Employee Wellness Programmes (EWP). To provide a customised, accurate and cost-effective EAP and EWP toolkit. To improve employee morale and stimulate better performance. To increase employer care and employee loyalty to the employer. To provide a general framework for the management of EAP and EWP in the municipality.	The supervisor or manager shall be responsible for identifying the problem with the employee when job performance is below standard. The supervisor shall not be responsible for diagnosing the nature of a personal problem and the Employee Assistance Programme shall not interfere with an employee's private and social life. The Employee Assistant Programme shall apply equally to all employees and the categories of persons mentioned in section 5. The employee Assistance programme is designed to encourage employees to voluntarily seek help (self-referral) for personal problems. The Employee Assistance Programme shall be strictly voluntary and not mandatory. Confidentiality shall be the cornerstone of the Employee Assistance Programme. Employee access to the programme shall be unfettered and not be conditional on consent to release information to management.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
					Information shall not be released to anyone without the employee's written consent. Information pertaining to an employee shall be legally confidential. Using the service of the Employee Assistance Programme shall not jeopardise an employee's current job opportunity for promotion or advancement. Employee Assistance program shall constitute an additional form of assistance to employees upon realisation of disadvantaging inadequacy of the available HR remedies or benefits. The Employee Assistance Programme shall not alter management's responsibility to maintain discipline or the employer's right to take disciplinary measure within the framework of the disciplinary procedure and code, nor shall it alter the union's prerogatives to seek any desirable remedies in terms of the law. The Employee Assistance Programme is not designed to assist in "conflict resolution" between employees and /or managers. The Employee Assistance Programme may be used to help the employee deal with \ consequences of conflict that maybe work-related.
	Occupational Health & Safety Policy (new)	2019/2020	2019/2020	To provide a healthy and safe environment for all ADM employees in line with the provisions of Occupational Health & Safety Act	Compliance with the OHS Act and the Compensation for Occupational & Injuries & Diseases Act and the regulations framed under these acts.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
	Substance Abuse Policy (review)	2004/2005	2019/2020	To minimise/eliminate the abuse and dependence on alcohol and/or drugs amongst employees and to assist where possible in the rehabilitation of those who have alcohol and/or drugs problem.	No employee with blood alcohol concentration above 0.00% shall be allowed to commence or continue with his/her work. No employee shall be allowed to drive municipal vehicle, operate any machinery, maintain/repair vehicles and/or machinery or perform any duty after consumption of any intoxicating substance. No drugs allowed in the premises of municipality except medicines prescribed or supplied by registered medical practitioner and taken as prescribed. Roles and responsibilities of Employers/Supervisors. Testing for Alcohol & Drugs/Intoxication and Searches. Rehabilitation and Education. Helping employees to help themselves.
	Covid-19 Special Purpose Municipal Danger Allowance Policy (new)	2019/2020	2019/2020	To inform the basis upon which a municipality may pay a danger allowance as a goodwill of the municipality in appreciation and recognition of the employee who may on occasion or continuously be subjected to life threatening situations in the course of duty during the lockdown and associated period as a result of Covid-19 pandemic crisis.	Framework of Danger Classification as per Department of Employment and Labour Workplace Preparedness Guidelines. Health and Safety Measures Hazardous Environment Measures
	Essential User Car Scheme Policy (review)	2010/2011	2019/2020	To supplement municipal fleet and reduce risk associated with utilisation of municipal vehicles to ensure the transportation of officials to various sites where they are required to perform their work.	Subsidised vehicles and criteria for participation. Employees that qualify to partake in the scheme and calculation of allowance. Termination of the scheme

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
	Internship Policy (new)	2017/2018	2017/2018	To provide an opportunity for interns to use the workplace as an active learning environment. To provide opportunities for new entrants to the labour market with a view to acquire skills that would make them employable. To improve employment prospects of persons previously disadvantaged by unfair discrimination;	Structured approach and set of guidelines for management of internship.
	Training & Development Policy for Councillors (reviewed)	2014/2015	2017/2018	Training and Development of Councillors help ADM to achieve its goals by adding value to its Councillors; develop and upskill councilllor competencies; effectively improve Job Performance and provide job related knowledge. Training & development meant to increase motivation & engagement; reduce employee turnover, and manage risk associated with lack of training.	Training and development plans and programmes for all Councillors shall support the Municipality's strategies, action plans, human resources planning process, as well as any other present and future training and development needs. Training Needs Analysis Induction Programme In-service training Adult Basic Education and Training (ABET)
	Training & Development Policy for Officials	2014/2015	2017/2018	Training and Development of Officials help ADM to achieve its goals by adding value to the employees; develop and upskill employee competencies; effectively improve Job Performance and provide job related knowledge to ADM staff. Training & development meant to increase motivation & engagement; reduce employee	Training and development plans and programmes for all Officials shall support the Municipality's strategies, action plans, human resources planning process, as well as any other present and future training and development needs. Training Needs Analysis

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
				turnover, and manage risk associated with lack of training.	
	Learnership Policy (new)	2017/2018	2017/2018	To provide a mechanism for the dual combination of structured learning and workplace practical learning. To increase the leaner's chances of employability/promotability.	Management of learnership programmes and contractual obligations. Roles and responsibilities Compensation and benefits.
	Workplace Integrated Learning (WIL) Policy (new)	2017/2018	2017/2018	To expose undergraduates to real life situations and enable them to understand the theoretical knowledge and develop appropriate skills for their future involvement.	It is mandatory for all departments to host Workplace Integrated Learning Learners at all times. Procedures and processes for placement of learners. Allowance for Workplace Integrated Learning.
	T.A.S.K. Job Evaluation Policy	2017/2018	2017/2018	To ensure uniform norms and standards are met in the description of similar jobs and grading by applying scientific method in the determination of relative value of jobs and/or group of jobs. To ensure that a single, independent, reliable and transparent job evaluation system is implemented.	The wage curve shall be applicable and utilised as provided by the SALGBC as published in 2010 for all categories of municipalities. No job/s at ADM shall be advertised or filled without having been subjected to T.A.S.K. job evaluation process. All jobs that have changed substantially in duties and responsibilities, shall undergo a re-evaluation in terms of guidelines and procedures of this policy. All jobs shall be re-evaluated at least every 3 years to ascertain that changes or none

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
					thereof have been effected in the job description.
	Records Management Policy	2007/08	2018/19	To manage records in a well-structured record keeping system in accordance with the records management Principles contained in the National Archives and Records Service Act, 1996;	Inadequate resources. Records keeping and records management practices in compliance with the requirements of the Act. Support the conduct of business in an orderly, efficient manner.
	Telephone Usage Policy	2010/2011	2019/2020	Regulates the use of the municipality's telephones (landlines) to ensure that telephones are available and are used to conduct official business in the direct support of assigned duties and responsibilities of users, and the delivery of municipal services.	Responsibility of council to provide municipality offices with reliable telephone services. Telephone usage control measures.
BUDGET AND TREASURY OFFICE	Indigent Policy		2019	To register all ADM consumers who meet the qualification criteria in order to benefit from the Indigent subsidy	Domestic consumers not applying for indigent subsidy as they have full access to water due to non-restrictions RDP properties still under Local Municipalities' ownership leading to rightful owners not able to apply for the subsidy
	Asset Management Policy	2006	2018	The MFMA was introduced with the objective to ensure sound and sustainable management of the fiscal and financial affairs of Municipalities and their entities. Consistent with the regulatory framework in which the Municipality operates, it is important that an Asset Management Policy should promote efficient and effective management, monitoring and	ROLES AND RESPONSIBILITIES Asset Acquisition Measurement of asset Maintenance of assets Depreciation and Asset impairment Asset disposal Asset Register Maintenance

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
				control of assets and the objectives of having an Asset Management Policy are: • To ensure accurate recording of asset information. • To ensure the accurate recording of asset movements. • To ensure compliance with Council's Insurance Policy, Supply Chain Management Policy and Payment Procedure. • To ensure the effective and efficient control, utilisation, optimisation of usage, safeguarding and management of ADM's assets. • To ensure that all responsible parties are aware of their roles and responsibilities regarding the assets of the municipality. • To prescribe the accounting treatment of assets acquired and used in accordance with the applicable accounting standards approved by National Treasury. • To prescribe the administrative guidelines and internal control procedures to be followed by persons in control of assets with regard to management (including safeguarding and maintenance) of those assets. • To comply with current legislation. • To emphasise a culture of accountability over fixed assets. • To ensure that fixed assets are not written off and disposed of without proper authorisation. • To ensure that preventative measures are in place to eliminate theft, loss and misuse.	

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
	SCM Policy Goods & Services	19 August 2005	14 December 2018	The objectives of this Policy are: ○ To give effect to section 217 of the Constitution of the Republic of South Africa Act 108 of 1996; ○ To implement a policy that is fair, equitable, transparent, competitive and cost effective; ○ To comply with all applicable provisions of the Municipal Finance Management Act 56 of 2003; ○ To ensure consistency with all other applicable legislation, including: the Preferential Procurement Policy Framework Act 5 of 2000 and its Regulations; the Broad-Based Black Economic Empowerment Act 53 of 2003 and its Regulations; the Local Government : Municipal Systems Act 32 of 2000 and its Regulations; and - the Promotion of Administrative Justice Act 3 of 2000. This policy will also strive to ensure that the objectives for uniformity in supply chain management systems between organs of state in all spheres, is not undermined and that consistency	TO PROVIDE A FRAMEWORK FOR THE PROCUREMENT OF GOODS AND SERVICES.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
				with national economic policy on the promotion of investments and doing business with the public sector is maintained.	
	SCM Policy Infrastructure & Delivery Management	24 March 2017	24 March 2017	The objectives of this Policy is to establish an appropriate supply chain management system for infrastructure delivery.	To provide a framework for the procurement of goods and services related to infrastructure/ built environment.
	Banking and cash Management policy	2013		This policy is intended to provide a framework for ensuring the proper management of its cash resources so as to ensure:- That sufficient cash resources are available to finance the capital and operating budgets of the municipality. That there is effective control over the management of bank accounts.	The Municipality must have a primary bank account. If the Municipality has only one bank account, that account is its primary bank account. However, if the Municipality has more than one bank account, it must designate one of its bank accounts as its primary bank account. The following money must be deposited into the Municipality's primary bank account – a) all allocations to the Municipality; b) all income received by the Municipality on its investments; c) all income received by the Municipality in connection with its interest in any municipality entity, including dividends; d) all money collected by an external service-delivery mechanism on behalf of the Municipality; and

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
					e) any other amounts of money as may be prescribed.
	Investment policy	May 2017		The Council has a responsibility to invest these public revenues knowledgeably and judiciously and must be able to account to the community in regard to such investments. The investment policy of the Council must, therefore, be aimed gaining the highest possible return on investments, without incurring undue risks, during those periods when such revenues are not needed for capital or operational purposes.	Where large sums of money are available for investment the CFO shall ensure that they are invested with more than one institution, whether practicable, in order to limit the risk exposure of the Municipality. To this effect, not more than 20% of Council's investment portfolio should be held with any specific institution The CFO shall further ensure that, as far as it is practically and legally possible, the Municipality's investments are so distributed that more than one investment category is covered (that is, call, money market and fixed deposits). Investments will be diversified across institutions, types of investment and investment maturities.
COMMUNITY SERVICES	By-Law Implementation and Enforcement Policy	2018	N/A	To give formal recognition of the ADM's constitutional obligations to implement and enforce its by-laws by setting out the guiding principles to be followed in implementing and enforcing its by-laws.	Develop internal enforcement capacity to effectively monitor implementation and enforcement of its by-laws, including the establishment of a by-law enforcement office/unit; Ensure that those appointed to enforce its by-laws, are adequately trained and meet the

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
					requirements as set out in the Criminal Procedures Act 51 of 1977 to be municipal peace officers; Develop a by-law enforcement or policing strategy together with a relevant procedural framework, consistent with all legislative requirement pertaining to law enforcement.
	Disposal of the Dead Policy	2017/2018		To define the process and procedure to be followed in the disinterment and re-interment of human remains.	Risk of disease spreading from unsafe handling of dead bodies.
	Milk policy	2013/2014	2017/2018	To set out requirements and application procedures for the Certificate of Acceptability as required by legislation	(a) Uncontrolled distribution and sale of raw milk. (b)Risk of food poisoning from contaminated milk
	Health Care Waste Risk Management Policy	2013/2014	2017/2018	Improve the standard of health care waste risk management for public and private health care providers Assist in the prevention of Environmental Pollution.	Health Care Waste Risk Management Policy
	Informal Trading Policy	2013/2014	2017/2018	To provide guidance for informal trading stakeholders and to ensure that traders operate in an orderly and hygienic manner.	Risk of sale and consumption of foodstuffs that are not fit for human consumption by the public

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
				To strengthen the regulation and the prevention of conditions of the environment that may pose a risk to human health through the identification, assessment, monitoring and evaluation of such conditions.	

CHAPTER 6: Financial Analysis

CHAPTER SIX
FINANCIAL ANALYSIS

6.1 INTRODUCTION

This chapter aims at outlining the financial plan for the Amathole District municipality. The Financial Plan is essential to ensure that the municipality continues to implement its mandate effectively without eroding its capital base and to move towards self-sufficiency in meeting the growing demands of service delivery.

The municipality aims to fully comply with prevailing municipal financial legislation to ensure sound financial management and governance to attain a clean audit outcome. It is important that the financial affairs of the municipality are managed in an efficient and effective manner to sustain a sound financial position towards sustainable service delivery. The multi-year financial plan for the IDP is prepared for five (5) years. Based on this plan, considering the particular requests from the community and new strategic agenda set by the new council the development of the 2021-2022 financial plan has to be adopted with the IDP.

The municipal strategic agenda has to be influenced by the tone from the SONA, SOPA, National Budget Speech and Institutional Strategic planning session of the ADM. These documents take into consideration the vision 2058 and Municipal Turnaround Strategy (MTAS) which considers the strategic objectives and strategies supporting the ADM mandate.

The accuracy of the financial plan is subject to many inherent influences. These variables and risks can be divided into two main groups, being external influences and internal influences. The external influences include unforeseen political and economic changes or circumstances and climatic conditions. While internal influences include tariff increases, efficiencies in service delivery and administration support and salaries and wages.

This IDP is, therefore, the guiding document for the budget planning process. The outcome of this Integrated Development Plan is the alignment of the planning process and resource allocations to the requirements of the strategic direction. The proposed financial plan continues to expose a number of complex challenges such as the persistent drought in various parts of the district, struggling finances which result in late payment of service providers, the inability to deliver essential services to communities and good governance which are linked to the audit outcomes. Nonetheless, none of these challenges are insurmountable if partnerships can be established with other spheres of government working together towards a common vision. In terms of National Treasury's Municipal Budget and Reporting Regulations, the budget of a municipality is only required to encompass planning periods of the next financial year and the two outer financial years thereafter.

6.2 FINANCIAL FRAMEWORK

The uniqueness of the district in which the ADM has jurisdiction, in comparison to other municipalities, must be considered when assessing its financial viability and sustainability. The ADM can be categorized as a rural municipality that is still in the stages of development and thus requires significant additional resources and funding to accomplish expected development and service delivery. Demographics of the district indicate a population of 892 637 of which 580 000 are categorized as living below the poverty line. These stats, therefore, are translated to mean that almost 70% of the population in the district are unable to pay for municipal services. All six Local Municipalities including the District Municipality are grant dependent as a consequence of its rural status and poverty. These dynamics also impact the level of affordability for services
From a financial perspective the financial viability and sustainability of the municipality remains a priority. To realize the financial viability of the ADM, a credible budget reflecting realistically collectable revenue and realistic projections for both revenue and expenditure is vital. It can only be realized if the following financial strategies are put in place to improve the situation.

From a financial perspective the financial viability and sustainability of the municipality remains a priority. To realize the financial viability of the ADM, a credible budget reflecting realistically collectable revenue and realistic projections for both revenue and expenditure is vital. It can only be realized if the following financial strategies are put in place to improve the situation.

6.2.1 Revenue Enhancement Strategy

As per MFMA, No 56 of 2003, Section 64 stipulates that:

The Accounting Officer of a municipality is responsible for the management of the Revenue of the municipality and must take all reasonable steps to ensure that the municipality has effective revenue collection systems consistent with Section 95 of the Municipal Systems Act and the Municipality's credit control and debt collection policy.

It is essential that ADM has access to adequate sources of revenue from its own operations and intergovernmental transfers to enable it to carry out its functions. It is furthermore necessary that there is a reasonable degree of certainty with regard to the source, amount and timing of revenue. The latest DoRA has laid out the level of funding from National Government that will be received for the 2020/2021 to 2022/2023 financial years.

6.3 REVENUE ENHANCEMENT

The average collection rate is low at 26% as at the end of the second quarter ending December 2019. This is completely unsustainable and a prime condition for financial distress. The collection rate is below the norm of 95% required to sustain the municipality and to ensure that it at least meets its financial and service delivery obligations. This rate needs to be increased and arrear debt needs to be collected so as to obtain additional cash and to ensure collection of the current and outstanding debt.

As at 29 February 2020 an amount of R95 million has been collected. Strategies need to be put in place to collect the remaining outstanding debt.

To achieve a target of 95% in the short to medium term and exceeding it in the long term will require rigorous and creative solutions on the entire revenue collection value chain. The following actions are therefore recommended for the various components of the revenue value chain:-

- Installation of infrastructure to enable accurate water meter readings and disconnection/ connection to separate and identifiable consumers
- Protection of meters from vandalism and illegal connections
- A systematic data cleansing process must be initiated to ensure correct details of account holders or property owners and the classification or reclassification of standards of services being rendered, and where appropriate correcting the tariff that each property is charged

- Accurate meter reading by meter readers, who are easily identifiable by consumers and property owners, must be put in place
- Consistent billing cycles and accurate and timely bills must be assured
- Efficient and effective credit control management policies and procedures applied with clear delegations of authority and monthly reporting to Council on actions taken
- Disconnections and reconnections need to be properly scheduled to optimize speedy payments and behavioural changes. This function should also be reviewed to ensure that Council has overall control of its processes and infrastructure
- Improvement of customer service to ensure quality management, communication and implementation of Batho Pele principles must be given priority. The establishment of an effective and efficient Call Centre operations could address customer relationship issues, provided it is managed well
- Enforcement of bylaws, in particular
- Establishment of a permanent Revenue Protection Section, to detect illegal connections and institute surveillance equipment to arrest those who connect themselves illegally
- Establishment of a debt collection call centre
- Legal processes for the collection of over-due consumer accounts must be put in place
- Daily and monthly reporting of progress must be done by Management
- Communication between Departments to resolve customer queries and reduce the turnaround time of queries must be improved
- Cash flow targets should be set and form part of the performance measures of management
- Oversight by the Council must be strengthened.

6.3.1 Sufficient and sustainable revenue base

The ADM requires access to sufficient and sustainable revenue sources from both its own operations and from government transfers in the form of grants in order to perform its duties and responsibilities. The timing of the receipt of revenue resources is of critical importance as it has a direct impact on the cash flows of the municipality. Without the receipt of revenue, suppliers cannot be paid for services rendered and goods received, which ultimately affects service delivery.

To this end the latest DoRB sets out the funding that will be received from National Government for the 2020/21 - 2022/23 financial years.

6.3.2 Cash flow position and sustainability

The availability of cash and sound cash management is critical for the short, medium and long-term existence of the municipality. The ADM operates in an environment of limited resources and must therefore make use of the available resources in an effective, efficient and economical manner. The ADM remains grant dependent however this can be changed in the future if a dedicated unit will look into the IDP and mobilize resources for the institution.

The debtors' turnover/debtors' days has a significant impact on the liquidity/availability of the cash of the ADM as suppliers are to be paid within 30 days of receipt of the invoice in terms of Section 65(2)(e) of the MFMA, while the average debtors' days exceeds 90 plus days. This implies that cash is flowing out at a faster rate than it is flowing into the municipality.

In an ideal situation, the operating budget should produce annual operating surpluses so as to improve the ADM's cash reserves. Capital expenditure is financed by external grants, with ADM still not incurring external borrowings. ADM is aware that its budget should be balanced and funded, meaning that the expenditure must be covered by realistically anticipated revenue to be received or collected. However, with the high fixed salary costs, this is proving very difficult to achieve.

Services are to be provided at both an affordable and sustainable level. The service charges levied by the ADM reflect a 10% increase in the 2021/22 financial year, focusing on a cost reflective tariff. The Equitable share grant received from National Government is used mainly to provide basic services to poorer households. The low level of indigent registration has a negative impact on the level of equitable share allocated to ADM. Unfunded mandates remain a financial strain on the ADM's revenue sources.

6.3.3 Accountability and transparency

The ADM is accountable to taxpayers and communities, who are the providers of the resources, on how resources are utilized, managed and safeguarded. Hence the IDP and budget processes are open to public participation. Appropriate internal controls are in place in order to prevent and detect prospective corruption. The ADM has reporting procedures to produce financial information for both management and oversight decision purposes. The financial system continues to increase the risk of complete and accurate information being produced

6.3.4 Development and investment

ADM has not engaged in borrowing from borrowing institutions i.e. banks and DBSA to finance infrastructure in the current year and has no intention of borrowing in the long term. ADM is working towards meeting the national water service delivery targets of “adequate potable and effective supply of safe water to all by 2023 and adequate and sustainable sanitation to all by 2023. ADM as the Water Services Authority (WSA) in its area of jurisdiction is facing enormous water and sanitation backlogs. Given the history of underdevelopment in the rural areas, ADM has made strides in pushing backwards the frontiers of poverty. ADM is however aware that the greater part of restoring the dignity of its people and providing them with sustainable and efficient municipal services remains a fundamental task in the current dispensation.

In an attempt to effectively eliminate service delivery backlogs, ADM has embarked on sanitation projects that prioritize the use of SMME’s within the district. This strategy is two-fold in that it seeks to reduce backlogs and to support small business development. ADM’s budget therefore recognizes the call made by the Minister of Finance for Government to set aside at least 30 percent of public procurement to SMMEs, cooperatives, township and rural enterprises, and to continue investing in small business incubation. In addition to promoting SMME’s and cooperatives, ADM focuses on promoting women owned businesses.

6.4 ASSET MANAGEMENT

The ADM continues to ensure the safeguarding and sound management of all its assets. This is mainly achieved by the implementation of the reviewed Asset Management Policy. This policy outlines the processes for the recognition, measurement and disposal of assets, including the preparation of a GRAP compliant asset register. Allocations to repairs and maintenance and the refurbishment of existing infrastructure must be prioritized as an uncontrolled increase in infrastructure refurbishment backlogs will negatively impact the financial sustainability, reliability and quality of municipal services.

Over and above the afore-mentioned the following must be taken into consideration:

- Adequate budget provision for asset maintenance over its economic lifespan
- Maintenance of assets according to an infrastructural asset maintenance plan
- Maintain a system of internal control of assets to safeguard assets
- Replacement/renewal of ageing assets to ensure the ongoing functionality of municipal infrastructure.
- Ensure all assets owned and/or controlled are insured except where specifically excluded by policy.

6.5 FINANCIAL MANAGEMENT STRATEGIES

With framework as a background, strategies and programmes have been identified and form part of this Long-Term Financial Plan to achieve the desired objective and that is the financial viability and sustainability of the Municipality.

Financial management strategies are important to guide the municipality in maximizing the available financial resources to ensure long-term financial viability through the following strategies:

- Manage revenue, expenditure, assets and liabilities in a responsible manner
- Well thought-out budgetary and financial planning processes in line with budget and reporting regulations
- Effective supply chain management
- Effective cash flow management
- Applying full credit control measures within the boundaries of legislation and fairness to prevent an escalation in non-recoverable outstanding debt
- Ensure compliance with prescribed accounting standards and adherence to all legislation requirements
- Optimal functioning of the financial system (SAP)

- Continue the implementation of public participation in the budget process
- Training and development of employees to achieve levels of compliance according to the regulation on minimum competency levels
- Prepare risk register and apply risk control
- Implement internal controls, procedures, policies and by-laws to regulate fair, just and transparent transactions
- Prepare annual financial statements in accordance with the accounting standards

6.5.1 Capital Financing Strategies

One of the greatest challenges facing municipalities is the decline in public trust in service delivery. Investment in municipal infrastructure is critical to sustaining growth, rehabilitating ageing infrastructure and eradicating service delivery backlogs.

The strategies are:

- The capital programme of the ADM is based on priorities, programmes and projects of the IDP
- Expedite spending on the capital budget especially projects that are funded from conditional grants
- Explore alternative ways to find capital expenditure from own revenue contribution
- Analyze feasibility and impact on the operating budget before capital projects are approved

6.5.2 Operational Financing Strategies

Financial planning and effective management of municipal cash resources will ensure that the municipality meets its service delivery mandate. The strategies are:

- Ensure integrity of billing systems and accuracy of accounts
- Eliminating spending on non-priority items
- Develop a Generally Recognised Accounting Practice (GRAP) and mSCOA compliant Medium Term Revenue and Expenditure Framework (MTREF) Budget.
- Develop and implement a uniform budget reporting framework compliant with National Treasury's Municipal Budget and Reporting Regulations. Implementation of a budget module on the financial system.

- Ensure 100% spending of government conditional grants
- Effective cash flow management to ensure a sufficient and sustainable cash position
- Enhance budgetary controls and financial reporting
- Direct available financial resources towards meeting the projects as identified in the IDP
- Improve supply chain management processes in line with regulations

6.5.3 Cost-Effectiveness

Cost-effectiveness is very important to ensure an effective and efficient municipality that is able to render affordable, accessible and quality services in the long term. Maintaining affordable tariffs will contribute to the wealth of the municipality's community. However, the balance between affordable and cost effectiveness still needs to be achieved. Cost effectiveness can be achieved through:

- Structure tariffs to generate resources to fund maintenance, refurbishment and expansion of infrastructure to provide services
- Ensure that water and sanitation tariffs are fully cost-reflective
- Eliminate non-priority spending
- Facilitate delivery of large capital projects to be appropriated for three financial years and beyond
- Free basic services policies to adequately address provision of free basic services to poor households
- Invest surplus cash not immediately required at the best available rates

6.5.4 Municipal Budgeting

Section 16(2) of the Municipal Finance Management Act No.56 of 2003 indicates that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. The mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

The annual budget is the central financial planning document, directed by the IDP that embodies all revenue and expenditure decisions. It establishes the level of services to be provided by each department. The budget will be subject to monthly control and be reported to Council with recommendations of actions to be taken to achieve the budget goals. The budget will be subject to a mid-term review, which will result, if needed, in a Revised Budget.

The Act does not prevent the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

Section 14 of the Municipal Budget Reporting Regulations requires the annual budget to be credible, realistic and funded such that it is capable of being approved and implemented as tabled. For effective planning and implementation of the annual budget, the draft service delivery and budget implementation plan may form part of the budget documentation tabled to council.

Budget Assumptions in preparation for MTREF Budget 2021-2024:

- There will be no increase in salaries for staff, directors or Councillors
- Salary figures based on warm bodies paid in February 2021, with no vacant positions budgeted for, except for the vacant post of Director Corporate Services
- Electricity budgeted for at a 16% increase on the 2021/22 allocation level as the proposed increases for bulk electricity range between 16 and 20% in line with NERSA application for increases
- Bulk Water budgeted costs to increase by 8.28% in line with Amatola Water's previously proposed increases. ADM will engage and negotiate with Amatola on the increase level

- Qualifying level of income for indigent registration is two times the old age pension grant amount
- A differentiated approach in applying parameters in the operating budget based on trends of previous expenditure, cost containment considerations and strategic needs will be applied. This will vary from an increase of 3.9 % in 2021/22 financial year and 4.2% and 4.4% for the outer two years. This is based on CPI inflation rate estimated in MFMA Circular 108 published on 8 March 2021
- The draft tariffs for 2020/21 will be increased by 10%. This is higher than the 3%-6% inflation band, as specified in MFMA Circular No 108, but with the two major cost drivers of water provision, bulk water purchases and electricity going up by far more that the maximum of the inflation band, ADM needs to start bridging the gap between affordable and sustainable tariffs
- National and Provincial allocations as per the 2021 Division of Revenue Bill and the 2021 Provincial Government gazette will be included in the budget
- Due to limited revenue sources, ADM can only afford to subsidize R15 000 000 towards operations of ASPIRE.
- ADM has budgeted for service charges on the basis of billing in 2020/21 financial year, with a targeted increase of 10% in billing and a collection rate of 40%, as well as a provision for bad debt of 79%
- ADM needs to adopt a double edge sword approach to improve financial sustainability – it is not enough to only focus on reducing expenditure, but need to focus on enhancing revenue as well
- Credit control policy and restrictions needed to be strictly implemented to improve the collection rate. A 95% collection rate would be needed for financial sustainability. ADM is not even achieving a third of this

6.6 THREE YEAR FINANCIAL PLAN

Budgeting is primarily about the priorities and choices that the Municipality has to make in deciding how to meet the agreed set of policy objectives through better service delivery.
With the compilation of the 2021/20 to 2022/24 MTREF, each strategic department had to review the business planning process and setting of priorities and targets. These have essentially informed the detailed operational budget appropriations three-year capital programme and

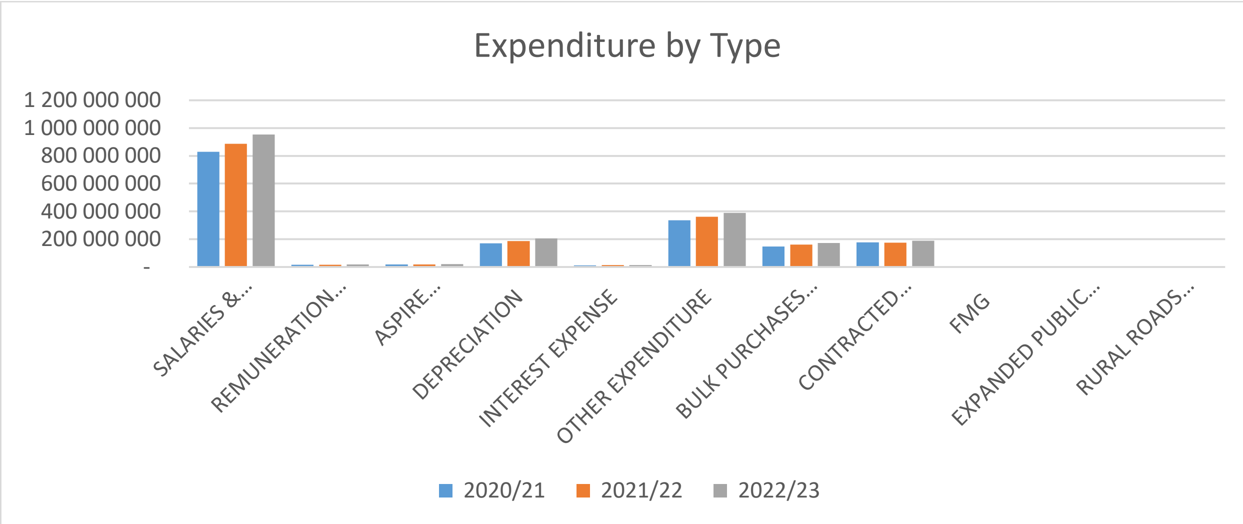
beyond so as to align with the five-year IDP. The medium term revenue and expenditure framework requires a budget for the 2021/22 financial year and a forecast for the outer two years. This is aligned with the DoRA allocations, which cover a three year period. Year one being actuals allocations, with the outer two years being indicative allocations.

Tables Reflected below are the budgeted income and expenditure for 2020/21 to 2022/23:

Table 47: budgeted income and expenditure for 2020/21 to 2022/23

EXPENDITURE BY TYPE	**2020/21** **R**	**2021/22** **R**	**2022/23** **R**
SALARIES & CONTRIBUTIONS	828 865 233	886 867 485	952 428 725
REMUNERATION OF COUNCILLORS	16 174 700	17 323 104	18 553 045
PROVSION FOR BAD DEBTS	221 309 141	234 587 689	248 662 951
ASPIRE CONTRIBUTION	19 026 548	19 901 769	20 817 250
DEPRECIATION	170 317 363	187 349 108	206 084 037
INTEREST EXPENSE	13 170 601	14 057 500	15 005 150
OTHER EXPENDITURE	337 677 628	362 599 408	389 090 961
BULK PURCHASES WATER	148 372 152	160 657 367	173 959 795
CONTRACTED SERVICES	176 805 651	175 746 884	189 052 908
FMG	947 826	1 184 783	1 184 783
EXPANDED PUBLIC WORKS PROGRAMME	3 085 000	-	-
RURAL ROADS ASSET MANAGEMENT GRANT	2 577 391	2 719 130	2 876 522
TOTAL OPERATING EXPENDITURE	**1 938 3329 234**	**2 062 994 227**	**2 217 716 127**

FIGURE 32: OPERATING INCOME FROM 2020/21 TO THE FORECAST YEAR OF 2022/23 PER SOURCE



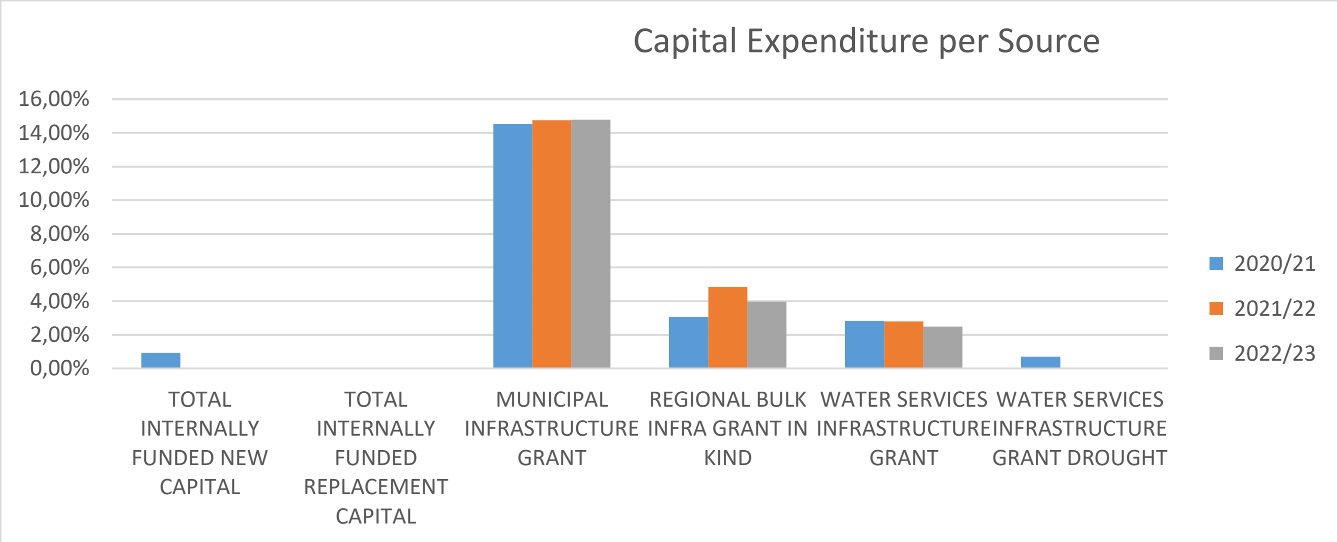
The graph above reflects the operating income from 2020/21 to the forecast year of 2022/23. Income increases steadily over the years. Service charges is reflected at billed amounts with a corresponding Bad Debt provision, to reflect realistically collectable income. Bad debt provision is therefore no longer regarded as a non cash flow item.

6.6.1 Capital Financing Strategies

Table 48: Capital Source (VAT excl.) from 2020/21 to the forecast year of 2022/23

CAPITAL SOURCE (VAT EXCL)	2020/21	2021/22	2022/23
TOTAL INTERNALLY FUNDED NEW CAPITAL	23 136 828	17 631 828	17 631 828
TOTAL INTERNALLY FUNDED REPLACEMENT CAPITAL	1 056 053	1 056 053	1 056 053
TOTAL INTERNALLY FUNDED CAPITAL	**24 192 881**	**18 687 881**	**18 687 881**
CAPITAL GRANTS AND SUBSIDIES	**526 463 481**	**600 491 315**	**603 602 546**
MUNICIPAL INFRASTRUCTURE GRANT	361 975 229	395 505 446	420 041 120
REGIONAL BULK INFRA GRANT IN KIND	76 227 383	129 964 130	112 952 730
WATER SERVICES INFRASTRUCTURE GRANT	70 608 696	75 021 739	70 608 696
WATER SERVICES INFRASTRUCTURE GRANT DROUGHT	17 652 174	-	-
TOTAL CAPITAL EXPENDITURE	**550 656 362**	**619 179 196**	**622 290 427**

FIGURE 33: CAPITAL EXPENDITURE GROWTH FOR THE NEXT 3 YEARS



Internally funded capital expenditure has decreased in the 2021/22 level from 2020/21 financial year, as the financial system is no longer budgeted for. The internally funded capital expenditure is towards the replacement of IT infrastructure, which is still under funded. Programs and Projects are set only within three years, this is based on the confirmed financial resources through own funding and grants.

6.6.1.1 Municipal Infrastructure Grant (MIG)

The largest infrastructure transfers over the MTREF years remains the MIG, which supports government's objectives of expanding the delivery of basic services to poor households and the alleviation of poverty. The grant also seeks to stimulate economic development and job creation over the medium term. Below is a table depicting the municipality's MIG allocation in terms of DoRA for the 2021/22 financial year and outer two years:

Table 49: Municipal Infrastructure Grant (MIG)

GRANT	2020/21	2021/22	2022/23	2023/24
MIG	425 418 000	454 461 000	493 660 000	517 060 000
% increase/(decrease)	(0.7%)	7%	9%	5%

It is evident from the table above that the MIG grant is increasing year on year from 2021/22. The allocation decreases from 2019/20 to the forecast in 2020/21. The outer years are forecast at a 9% and 5% increase. The municipality is wholly dependent on grants to construct infrastructure

6.6.1.2 Amathole District Municipality Externally Funded Projects 2021/2022

6.6.1.3 Water Services Infrastructure Grant (WSIG)

The Water Services Infrastructure Grant has been gazetted an amount of R75 000 000 for the 2021/22 financial year. This grant is aimed at facilitating the planning and implementation of various water and sanitation projects to accelerate backlog reduction. It is also intended to provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritized areas. It aims to support the existing bucket eradication programme intervention in formal residential areas and support drought relief projects in affected municipalities. The grant is increasing by 6% in the 2021/22 financial year, followed by a 6% decrease in both the first and second outer years.

Table 50: Water Services Infrastructure Grant (WSIG)

GRANT	2020/21	2021/22	2022/23	2023/24
WSIG	80 000 000	85 000 000	80 000 000	75 000 000
% increase/(decrease)	(22%)	6%	(6%)	(6%)

GRANT	2020/21	2021/22	2022/23	2023/24
WSIG DROUGHT RELIEF	20 000 000	0	0	0

6.6.1.4 Rural Bulk Infrastructure Grant (RBIG)

This grant is an "allocation – in – kind" which implies that the funds received from this grant will not necessarily be transferred directly to the ADM, instead the RBIG programme targets projects that cut across several municipalities for large bulk projects. In the ADM this will be implemented to fund bulk infrastructure needed to provide reticulated water and sanitation to individual households in the Mbhashe and Mnquma local municipalities. An amount of R155 715 000 has been gazetted for RBIG. The table below indicates that the grant fluctuates drastically without a definite trend being evidenced.

Table 51: Rural Bulk Infrastructure Grant (RBIG)

GRANT	2020/21	2021/22	2022/23	2023/24
RBIG	86 366 000	155 715 000	282 237 000	244 237 000
% increase/(decrease)	(13%)	70%	13%	(13%)

6.7 POLICIES

It is the aim of ADM to achieve a stable and resilient financial position with the ability to withstand economic impacts; to adjust efficiently to the community's changing service requirements; to effectively maintain, improve and expand the Municipality's infrastructure; to manage the Municipality's budget and cash flow to the maximum benefit of the community; to prudently plan, coordinate and implement responsible and sustainable community development and growth; and, to provide a high level of protective services to assure public health and safety.

Based on the financial framework, financial strategies and the general financial objective, ADM must develop financial policies to support its strategies and objectives. ADM's financial policies shall also address the following financial goals:

(a) To keep ADM in a financially sound position in both the long- and short-term;

(b) To maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating and contingent obligations;

(c) To apply credit control policies which maximise collection while providing relief to indigents;

(d) To implement credit control policies that recognise the basic policy of customer care and convenience;

(e) To operate utilities in a responsive and financially sound manner;

(f) To maintain and protect existing infrastructure and capital assets;

(g) To direct the ADM's financial resources toward meeting the goals of the Municipality's Integrated Development Plan (IDP).

The Budget and Treasury Office are therefore reliant on the following policies to assist in the achievement of its respective IDP priorities and financial objectives:

- Banking and Cash Management Policy
- Investment Policy
- Budget Policy
- Tariff Policy
- Debt Collection and Credit Control Policy
- Indigent Policy
- Asset Management and Disposal Policy

- Supply Chain Management Policy: Goods & Services
- Supply Chain Management Policy: Infrastructure & Delivery Management
- Cost Containment Policy
- Insurance Policy

All policies and by-laws are reviewed annually and adopted by Council with the exception of the Banking and Cash Management Policy and the Investment Policy. These two policies are reviewed tri-annually due to the high probability of no amendments and the objective of the ADM is to maintain adequate financial resources in order to be able to provide a sustainable and satisfactory level of municipal services to the community of the district. ADM constantly monitors its financial position and financial performance to ensure that it is able to withstand political and economic changes by remaining liquid

Banking and Cash Management and Investment Policy

The ADM is required to manage its bank accounts in accordance with the Municipal Finance Management Act 2003 (Act No 56 of 2003) (MFMA). The banking and cash management policy thus intends to provide a framework for ensuring the proper management of its cash resources so as to ensure that sufficient cash resources are available to finance the capital and operating budgets of the municipality and that there is effective control over the management of bank accounts.

The ADM Council as the trustee of public revenues, which it collects, and therefore it has an obligation to the community to ensure that the municipality's cash resources are managed effectively and efficiently in accordance with the municipal investment regulations published in Government Gazette 27431 of 1 April 2005. The Council of ADM therefore has a responsibility to invest public funds according to the policy and legislation so as to exercise due care when making investments as set out in the Municipal Finance Management Act (Act no. 56 of 2003) and Municipal Regulations. All Investments made by the ADM, must be in accordance with the Investment policy of ADM and the Regulations In terms of the MFMA. The primary objective of the Investment policy is the preservation and safety of the cash resources of the municipality.

Budget policy

The annual budget is the guiding document for financial planning and is aligned with the IDP objectives and strategies. The budget is the annual financial plan for each department within the ADM and is subject to a mid-term review, which may result in an adjustment to the originally approved budget. The Budget policy outlines the principles which the municipality will follow in preparing each medium-term revenue and expenditure budget framework. It further sets out the responsibilities of the executive mayor, the accounting officer, the chief financial officer and other senior managers and managers in compiling the budget. ADM remains committed towards developing a credible and funded budget.

Revenue policies

ADM will continue to estimate revenue sources in a conservative manner based upon realistically anticipated collectable revenue. ADM sets service charges that attempt to find the balance between affordability to the consumers and sustainability to the municipality. The **Tariff Policy** thus provides a framework in which the ADM can institute and maintain a tariff policy, which is transparent, cost-effective for the Municipality and is easily understood by all. The policy outlines the principles to be employed by the ADM in the levying of fees for services provided by the municipality. The Tariff Policy intends to guide the annual setting of tariffs for water, sanitation, fire, rentals and sundry services. The Tariff Policy is reviewed annually and adopted with the budget. The detailed listing of all tariffs is outlined in the Budget Document.

It is essential that funds are available to meet all expenditure of either a capital or operating nature as and when such expenditure has to be incurred. A proper credit control policy will assist the ADM in ensuring liquidity.

As payments by the consumers have a major effect on cash flow, credit control on the various services of the ADM is covered in the **Credit Control and Debt Collection Policy**. Statements are generated for all consumer accounts on a monthly basis indicating amounts due for municipal services rendered, arrear amounts as well as payment due dates. Interest is charged monthly on arrears, except where Council has granted exemptions in accordance with its budget-related policies and within the prescribed framework. This policy includes Credit control procedures and mechanisms as well as debt collection procedures and mechanisms.

As a developmental institution, ADM is committed to supporting measures that assist and empower its community. It is accepted that large sections of the community cannot exist without intervention and it is therefore the duty of ADM to support and to ensure that citizens are able to access their constitutional right to have access to a basic level of services. ADM therefore adopts an Indigent Policy which embodies an indigent support programme not only providing procedures and guidelines for the subsidization of service charges to indigent households in the district, but also to increase the quality of life of the beneficiaries by assisting them to exit from their indigence. ADM has a credible indigent register that is reviewed annually. Write offs are submitted to Council on a quarterly basis. The municipality holds registration and awareness campaigns. ADM is intensifying the registration of indigent consumers throughout the district using the EPWP programme as an enabler as well the Local Municipalities.

Asset Management Policies.

The ADM **Asset Management Policy** endeavours to promote efficient and effective management, monitoring and control of all the ADM's assets. The policy outlines objectives to ensure accurate recording of asset information, accurate recording of asset movements and compliance with the Council's **Insurance Policy**, Supply Chain Management Policy for Goods and Services, Supply Chain Management Policy for Infrastructure Procurement and Delivery Management and payment procedures. The policy further sets out to ensure the effective and efficient control, utilization, optimization of usage, safeguarding and management of the ADM's assets and that all responsible parties are aware of their roles and responsibilities regarding the assets of the municipality. The policy prescribes the accounting treatment of assets acquired and used in accordance with the applicable accounting standards

Supply Chain Management Policy

The objective of the ADM **Supply Chain Management Policy for Goods and Services** is to ensure sound, sustainable and accountable supply chain management within the district. The policy ensures that goods and services are procured in a fair, equitable, transparent, competitive and cost-effective manner. In addition to the SCM Policy for Goods and Services, the ADM as adopted a **SCM Policy for Infrastructure Procurement and Delivery Management**. The objectives of this policy is to establish an appropriate supply chain management system for infrastructure delivery. ADM has a fully-fledged unit that facilitates supply chain. All the committees have been established and are functional. ADM has a Contract Manager to ensure that all contracts awarded to service providers are appropriately managed and monitored. The municipality has reviewed its SCM strategy and policies to align with SCM regulations.

6.8 REVENUE BASE

In order to serve the community and to render the services needed, revenue generation is fundamental for financial sustainability. The reality is that ADM is faced with developmental backlogs and poverty challenging its revenue generation capacity. The needs (being capital or operational of nature) always exceed the available financial resources. This becomes more obvious when compiling the annual budget and matching it with the community's needs as recorded in the IDP. This is not a phenomena unique to ADM and therefore available financial resources should be utilised where it delivers the biggest impact on outcomes that will improve the quality of life of our local communities.

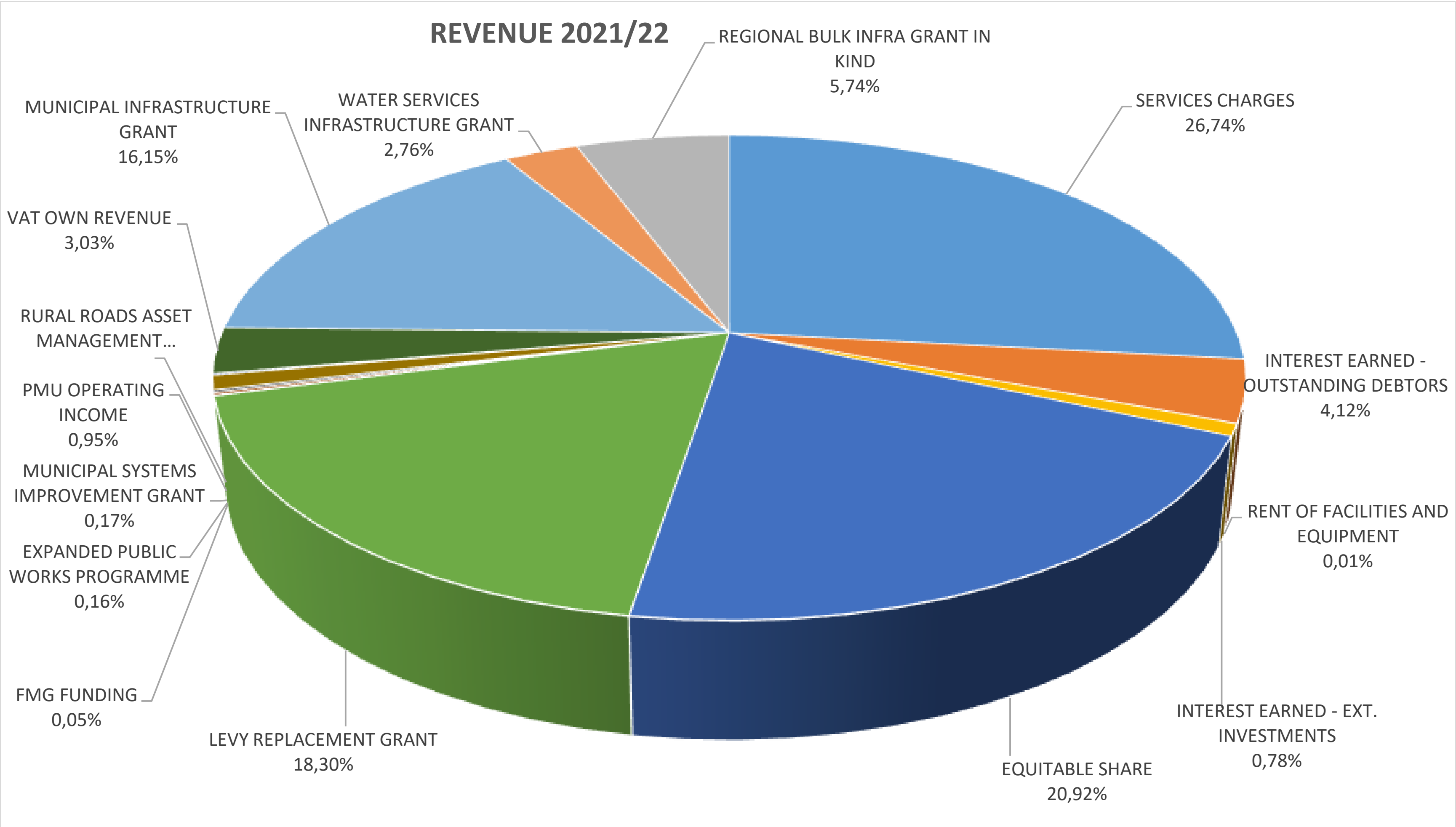
Despite the challenges, ADM remains committed to improving the quality of life of all its citizens in the district. In accordance with Section 18 of the MFMA, municipalities are to table a funded and credible budget, based on realistic estimates of revenue that are consistent with their budgetary resources and collection experience. The needs of the communities and local municipalities are to be met within the financial capacity and resource constraints of the municipality. The reality is that the needs always exceed the available financial resources

This is glaringly obvious during the annual budget compilation hence the available resources are to be prioritized to improve the quality of life of the community. The ADM has very few significant sources of discretionary or revenue. These include:

- Service Charges
- Equitable Share
- Levy replacement Grant

The figure below indicates all the revenue sources utilized to fund the 2021/22 operating budget:

FIGURE 34:BUDGETED FINANCIAL PERFORMANCE 2020/21 - REVENUE BY SOURCE



The total operating revenue, excluding capital transfers, forecasted for the 2021/22 financial year reflects an increase of 11% amounting to R72 million. The service charge increase being attributable to the anticipated 10% increase in billing and the 10% increase in tariffs. As depicted in the pie chart above, the ADM's primary revenue source is grant income at 68%. The secondary revenue source is service charges at 27%. Interest earnings of R18.7 million was budgeted for the 2021/22 budget, which contributes to less than 1% of the total revenue. The interest earnings are not re-invested to allow the investments to grow and increase earning potential but are fully utilized to fund operating expenditure. Investments in the past were built up during the time that the municipality levied Regional Service Charges.

Investments held now by the municipality are held to cash-back the portion of the unspent conditional grants. All commitments of the municipality should be cash-backed, these are growing at a greater percentage than the investments, rendering this impossible for items such as leave and depreciation.

The local government equitable share allocation is based on achieving the Constitutional requirements as provided for in sections 214 and 227 of the Constitution and reflects a less than inflationary increase. In terms of these provisions, local government is entitled to an equitable share of nationally-raised revenue to enable municipalities to provide basic services to communities and to assist municipalities in maintaining functioning administrations.

Equitable share takes into account the fiscal capacity, fiscal efficiency, developmental needs, extent of poverty and backlogs in municipalities. It is an unconditional grant which has the following components on it in terms of the Division of Revenue Act, 2021 (DoRA).

BS = Basic services component
I = Institutional component
CS = Community services component
R = Revenue adjustment factor
C = Correction and stabilization factor

The ADM prioritizes its budget towards poor households for the provision of free basic services. The affordability threshold that informs the equitable share formulae at National Treasury is set at twice the old age pension grant per month and is based on the 2011 Census data. ADM has subscribed to this threshold in its indigent policies. The ADM is working towards achieving a consolidated indigent database and register throughout the District thereby ensuring alignment with the Local Municipalities and reducing duplicated efforts. This initiative has been strengthened through the use of EPWP interns who are conducting indigent registration campaigns.

Below is a table depicting the municipality's Equitable Share allocation in terms of DoRA for the 2020/21 financial year and outer two years.

Table 52: Municipality's Equitable Share allocation in terms of DoRA for the 2021/22 financial year and outer years

GRANT	2021/22	2022/23	2023/24
Equitable Share	500 987 000	524 944 000	518 205 000
% increase/(decrease)	1.78%	4.78%	(1.3%)

From the above table it is evident that the increase in the equitable share for the 2021/22 financial year is way below the inflation rate. ADM remains grant dependent and if this grant is reduced, it will severely impact the service delivery to communities. A total amount of R500 987 000 for Equitable Share (ES) has been gazetted for the 2021/22 financial year. Equitable share increases by 4.78% in the first outer year and decreases by 1.3% in the second year, which is also way below the forecast inflationary increases.

Levy Replacement Grant

The Minister of Finance announced in the 2005 Budget that Regional Services Council (RSC) Levies will be phased out with effect 1 July 2006. However, for municipalities to meet their expenditure obligations, especially in terms of poverty alleviation and social and economic development, it was important to maintain the existing levels of revenue. Hence the national government compensated municipalities for lost revenue within the national budget framework through the Levy Replacement Grant.

The RSC Levy Replacement Grant for the 2021/2022 financial year and outer years reflects an 7% growth rate as detailed below:

Table 53: RSC Levy Replacement Grant for the 2021/2022 financial year and outer years

GRANT	**2021/22**	**2022/23**	**2023/24**
Levy Replacement Grant	438 275 000	470 031 000	500 943 000
% increase	8%	7%	7%

It is evident that the increase in the Levy replacement grant is above inflation for all three years. A total amount of R438 275 000 being for the Levy Replacement Grant (LR) has been gazetted for the 2021/22 financial year. The LRG has increased by 7% for both outer years. Any reduction or removal of this grant will severely impact the operations of ADM.

Service Charges & Tariff-Setting. The Amathole District Municipality continues to service a very rural and poverty-afflicted district. This is evidenced in the outstanding debt that is due to the municipality in respective of service charges with 80% of the debt being comprised of domestic consumers. In addition, the collection rate is very low with only 22% of the current debt being collected. ADM is providing for an 79% provision for bad debts. The municipality is looking into new and innovative strategies to increase the collection rate. Any viable and relevant recommendations from the Section 139(5)(a) intervention will be implemented to assist in improving collections

Only 39 847 debtors were registered for indigent status up to March 2021. This also has an adverse impact on the debt of the municipality as the outstanding debt is growing each month. The ownership challenge surrounding the RDP houses in the local municipalities is a contributing factor to the low collection rate and the municipality is exploring alternative solutions to resolve this issue. This will also assist the local municipalities in reducing their obligations.
ADM has implemented several revenue collection strategies:

- Registration of consumers receiving free basic services to ensure
- completeness of the indigent register;
- Debt collection call centre was established in house, however it is not operating effectively as staff are of the view that they are being demoted working in a call centre;

- Estate lates and RDP houses have been identified and written off as bad debt to assist in reducing the debt;
- Piloting an initiative with the LM's in which the leverage of electricity can be used to enforce debt collection
- Implementing the Rural yard connection policy which is aimed at legalising the illegal connections.
- Combined indigent registration campaigns with the LM's
- Moving towards electronic statements
- Created a portal link for consumers to register and download their own monthly statements
- Dedicated email and whatsapp for the consumers to address queries
- Restriction of government departments and businesses.

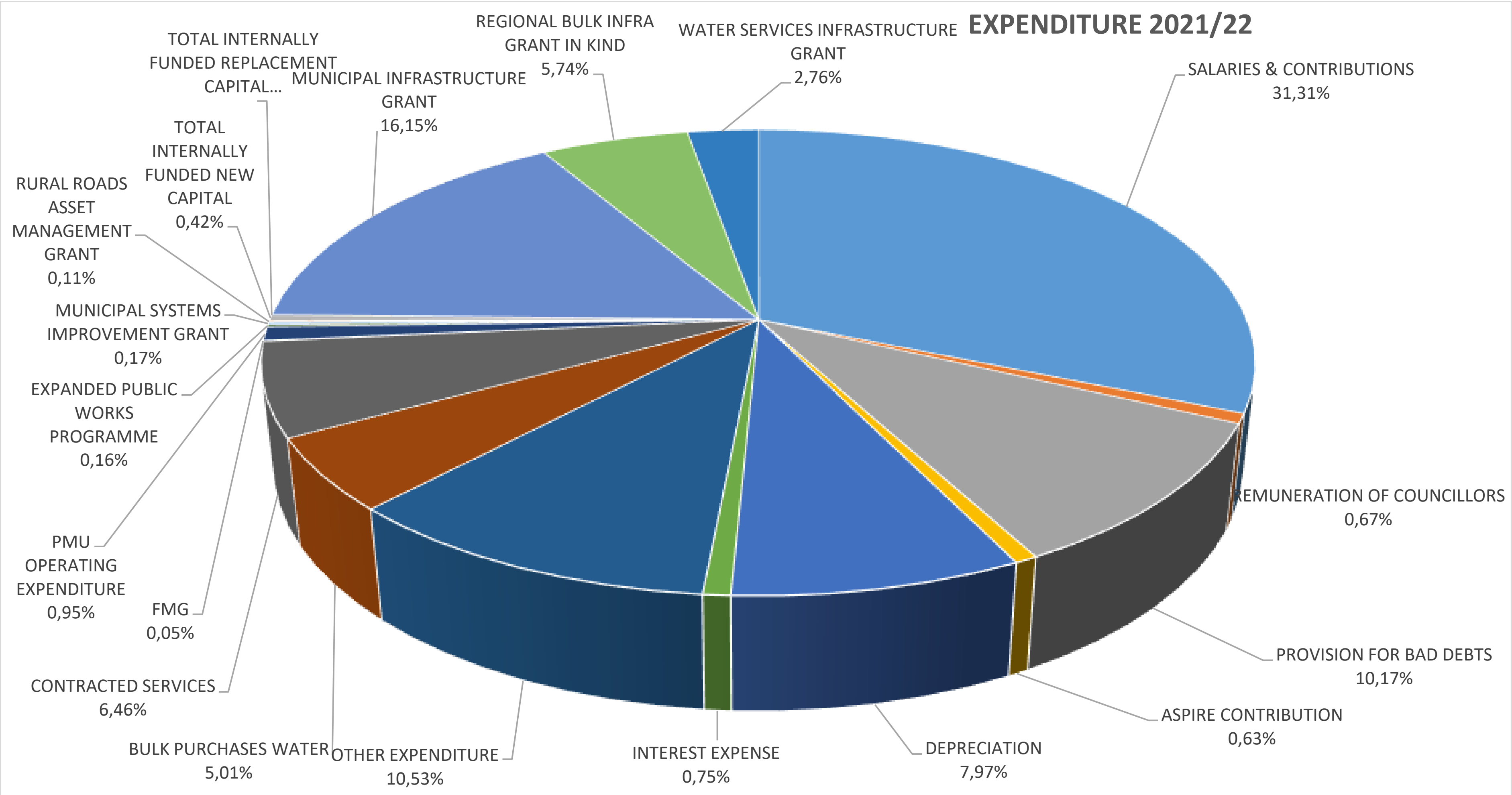
The existing fees, tariffs and charges are reviewed annually in order to ensure that the revenue attributable to fees and charges are maximized and that the bases for determining fees and charges are cost reflective and/or market related. The balance between affordability and sustainability remains a challenge and the current tariffs levied are not indicative of cost-recovery. The tariffs have been increased by a flat rate of 10% for the 2021/22 financial year.

6.9 EXPENDITURE MANAGEMENT

In accordance with Section 65(2) (e) of the MFMA, municipalities are required to pay all money owing within 30 days of receiving the relevant invoice or statement. The ADM pays around 89% of its invoices within 30 days (this varies from month to month). This lower than required rate is as a direct result of the severe cash flow constraints that are being experienced by the ADM. In an effort to achieve full compliance with the MFMA, the municipality has established processes and procedures for payments such as the centralization of the receipt of invoices and the maintenance of a register so that invoices can be tracked. In addition payment arrangements are entered to with service providers to avoid interest and penalties and also to manage the negative relationship of payment period between collection from consumers and payment of suppliers. However, the issue of non-compliance will only be resolved once the cash situation stabilizes, despite processes in place to ensure that non-payment is not due to internal delays.

Best practice relating to operating expenditure management includes prioritizing infrastructure repairs and maintenance and ensuring that budgeted expenditure is funded by realistically anticipated revenue sources.

FIGURE 35:BUDGETED FINANCIAL PERFORMANCE 2020/21 - EXPENDITURE BY TYPE



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The ADM's main operating expenditure category is employee-related costs representing 43% of the operating expenditure and 31% of the overall expenditure. This operating expenditure category has decreased slightly but remains the biggest challenge to achieve a funded budget ADM's collection rates are too low, the tariffs are not cost reflective, due to the consideration of affordability and expenditure levels are too high, especially with the high and ever-increasing salary levels. ADM has strategies that it intends implementing to address the situation. ADM has to improve its collection rate to 95% and reduce cash expenditure to achieve a balanced budget

The various strategies developed to address the situation include:

- Implementation of the Municipal Turnaround Strategy (MTAS)
- Implementation of the new institutional organogram
- Implementation of cost reduction measures and strict belt tightening
- Implementation of the key strategies in the Financial Recovery Plan
- Review of the Revenue Enhancement Strategy
- Implementation of a cost reduction plan
- Tighten controls over contract management
- Review of policies with financial implication

6.9.1 Salaries, Contributions and Remuneration of Councillors

ADM has reviewed its organogram in an attempt to bring the staff costs in greater alignment with the recommended norm by National Treasury. Policies are reviewed to assist in the reduction of the employee related costs. These policies are thoroughly work-shopped and tabled to Council for approval before being implemented. Should the Municipality be successful in its plan to develop and implement this policy, it is envisaged that the salary bill would decrease by 50% in 2023. The total Salaries budget, including social contributions and remuneration of Councillors, constitutes an amount of R845 039 933 being 33% of the overall annual draft budget for 2020/21. When comparing salaries against the total operating budget, this constitutes 43% of total operations.

The ADM remains committed to spending its allocations so as to ensure service delivery to its community.

6.9.2 Bulk water purchases

These purchases are anticipated to increase by 8.28% from the Amathole Water Board for 2020/21. The average annual tariff increases by Amathole Water have been around 9% while the municipality on average has only being increasing tariffs by 6%. Bulk water purchases are one of the most significant expenditure items for the municipality and thus contributing to the costs of providing water not being recovered. The 2020/21 bulk water purchases are budgeted at R148 372 152.

6.9.3 Repairs and Maintenance

The repairs and maintenance budget, which applies to the whole District, has decreased from R31 241 511 to R20 616 561 in the 2020/21 budget. ADM is aware of its need to allocate sufficient funding for repairs and maintenance, but this is practically impossible given the financial situation of the institution. Alternative revenue sources need to be sought in order to ensure that sufficient funding is allocated to maintain ADM assets.

6.10 FINANCIAL MANAGEMENT

6.10.1 Ongoing Sustainability of the Municipality

In order to assess the liquidity of the Amathole District Municipality on an on-going basis, various financial ratios, trend analysis and other measurement mechanisms are utilized to assess the cash position to support the implementation of the Budget.

The following ratios have been included in the IDP in order to assess the adequacy of the available cash and cash equivalents to meet the Amathole District Municipality's commitments arising from the approved Budget:

- Liquidity ratio
- Debt Coverage ratio
- Creditors Payment Rate

6.10.2 Liquidity Ratio (current ratio)

This ratio provides an indication of the municipality's ability to pay its short-term debts in the short-term (viability of an entity). This ratio focuses on current assets (debtors, bank and cash, inventory) and current liabilities (trade and sundry creditors, provisions, accruals).

The ratio currently is well below with the norm of 2:1. The decrease in the ratio from June 2014 can mainly be attributed to the decrease in the cash reserves. It is highly undesirable in the short to medium term that this ratio has declined to below 2:1 and must be turned around. This ratio is indicative of cash flow constraints. Spending has to be monitored so as to prevent increasing the cash flow constraints.

Over-reliance on the equitable share tranches is also very much evident. MISA has implemented a Turnaround Strategy project at the ADM. This project is at a stage where the situational analysis has been performed and the strategy is now being developed. It is highly anticipated that this turnaround strategy will assist the ADM in improving its financial status and sustainability.

Table 54: Ratio: 2015/16-2020/21

Ratio	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Liquidity ratio (current ratio)	0.8: 1	0.7: 1	0.9: 1	0.8 : 1	0.6 : 1	1.1 : 1

6.10.3 Debtors Collection Rate

A ratio of 22% is calculated using the current billing and current receipting only. The municipality currently has a provision for bad debts that constitutes 80% of the total outstanding debt. This provision is based on past collection trends and risk associated with each debtor category and complies with the GRAP standards. ADM has established a task team to intensify the debt collection so as to improve the cash situation. The municipality continues to identify new strategies to assist in improving the collection rate.

Table 55: Debtors Collection Rate 2015/16-2020/21

Debtors Collection Rate	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Current billing vs current receipts	48%	50%	50%	53%	24%	22%
Total debt vs total receipts	24%	20%	18%	43%	6%	6%

6.10.4 Creditors Payment Rate

The ratio must be compared to the municipality's credit terms which it receives from customers and that determined by the MFMA to determine whether the management of accounts payable is effective or not. The longer the credit terms the better for the municipality as the credit is usually interest-free.

Trade creditors carry no explicit cost. However, when cash discounts are being offered, the cost of not taking the discount is an implicit cost. Additional strain is placed on working capital requirements if creditor's payment days are significantly less than the debtor's collection period. This is the current scenario experienced at ADM as suppliers are paid within 30 days while revenue is only received after 90 plus days.

Payment can only be made upon receiving the original invoice. The Budget and Treasury office has implemented procedures and controls to ensure that invoices are received and paid within the legislative timeframes. Payment within 30 days of receipt of invoice. This intervention has greatly improved the payment turn-around times to ensure compliance with the MFMA. The municipality is continually trying to improve controls and procedures to streamline the process and compliance and exercises all reasonable steps to ensure compliance with the MFMA in paying invoices. The cash flow constraints of the municipality are the main contributor to not achieving the 100% payment of suppliers within 30 days.

The significant decline in the percentage is as a direct result of the severe cash flow constraints being experienced by the ADM, hence the ADM is not able to pay its suppliers when the debt is due.

Table 56: Creditors Payment % within 30 days 2015/16-2020/21

Creditors Payment % within 30 days	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	88%	81%	61%	70%	89%	30.6%

6.10.5 Cash Flow Position

The ADM has experienced a significant decrease in its cash reserves over the past few years. This can be attributed to the fact that the creditors are to be paid within 30 days and that debtors pay in. The municipality is grant dependent and the significantly low collection rates coerce the municipality to be heavily reliant on the equitable share and levy replacement grant tranches.

Table 57: Cash Flow Position 2017/18-2020/21

CASH FLOW	2017/18 R	2018/19 R	2018/19 R	2019/20 R	2020/21 R
Net cash inflow / (outflow) from operating activities	(185 355 278)	(28 734 520)	340 843 195	189 726 088	88 288 987
Net cash inflow / (outflow) from investing activities	(191 323 791)	(5 323 791)	(330 789 626)	(233 450 644)	0
Net cash inflows / (outflow) from financing activities	3 001 974	13 220	(144 261)	(3 000 000)	450 491
Net (Decrease) /Increase in cash flows	(373 677 095)	(34 045 091)	9 909 308	1 864 655	85 288 987

Operating activities is reflecting an inflow as the municipality has been able to bill consumers monthly. Investing activities include the purchase of assets, with the net outflow being in most financial years a result of an increase in the infrastructure assets. The negative cash outflow from investing activities during 2019/20 is mainly attributable to the purchase of infrastructure using the grant funds.

The ADM reflects a net increase in cash, which is a direct result of grant receipts.

6.11 CONCLUSION

The application of sound financial management principles for the compilation of a financial plan must be considered on an on-going basis through which the integration of the IDP and Budget is ultimately achieved. The continued improvement and development of an effective financial planning process aids the actualisation of fulfilling the municipality's facilitating role to capacitate the community to build a prosperous future for all. The budget is to contain realistic and credible revenue and expenditure forecasts which provide a sound basis for improved financial management of limited financial resources and service delivery improvements and implementation within the district.

The enhanced application of sound financial principles and management will assist in striving towards financial viability and that municipal services are provided economically to all communities. In addition, it will strengthen the transparency and accountability of public finances. The strategy towards cash backing and cash funded budgets will certainly ensure the sustainability of the Municipality over the short-, medium- and long-term

CHAPTER 7:
Performance and Management

CHAPTER SEVEN
PERFORMANCE MANAGEMENT

7.1 PERFORMANCE MANAGEMENT SYSTEM

The Municipal Systems Act (2000) enforces the idea of a local government Performance Management System (PMS) and requires all municipalities to:

- Develop a performance management system;
- Set targets, monitor and review performance based on indicators linked to their IDP;
- Publish an annual report on performance for the councillors, staff, the public and other spheres of government;
- Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government;
- Conduct an internal audit on performance before tabling the report;
- Have their annual performance report audited by the Auditor-General; and
- Involve the community in setting indicators and targets and reviewing municipal performance.

In responding to the above requirements, Amathole District Municipality developed the following tools aimed at operationalising its Performance Management System.

- Performance Management Framework;
- Performance contracts and agreements;
- Service Delivery & Budget Implementation Plan;
- Procedure Manual for Management of Performance Information;
- Accountability Agreements and Performance Promises;
- Reporting tools;
    - Quarterly performance assessment reports;
    - Mid-year performance report;
    - Annual Performance report; and
- Performance scoring tool/ Electronic performance system.

7.1.1 The Performance Management Framework (PMF)

For purposes of monitoring and evaluation, Amathole District Municipality adopted a Performance Management Framework in 2002. The PMF was reviewed in 2007 to be in line with the 2006 Regulations. This has since been reviewed on a yearly basis in line with the IDP and review process. The PMF is currently undergoing a major review.

The Performance Management framework is a municipal policy document that defines and describes the municipal performance management system, including how it operates. The framework constitutes council policy with regards to:

- The requirements that a PMS of Amathole will need to fulfil;
- The principles that will inform its development and application;
- A model that describes what areas of performance will be managed, in Amathole District Municipality;
- What processes will be followed in managing performance;
- What institutional arrangements are necessary for this;
- Who will take responsibility for parts of the system;
- How this links to personnel performance management, especially s56 managers;
- Establishment of structures to evaluate performance; and
- Management of Municipal Entities and Service Providers performance.

Amathole District Municipality makes use of the Municipal Scorecard Model as a model for performance management. The Municipal Scorecard Model is now reviewed and is based on one scorecard namely, the SDBIP (Service Delivery and Budget Implementation Plan) Scorecard. The Municipal Scorecard Model embodies five Key Performance Areas adopted by the then Department of Local Government and Traditional Affairs in the Five Year Local Government Strategic Agenda. Performance is then measured according to the five KPAs. The Municipal Scorecard Model is based on the *Balanced Scorecard* methodology by Drs Robert Kaplan & David Norton but customised by aligning the 5 Key Performance Areas with the traditional 4 Perspectives of performance management. This then caters for measuring the elements of performance management as required for the *Balanced Scorecard* such as Costs, Inputs, Outputs, Outcomes and Process. The Heads of Department will be primarily responsible for performance on the SDBIP Scorecard. As such, the SDBIP Scorecard is closely linked and forms the largest component of how a Head of Department's performance will be appraised. Furthermore, the SDBIP Scorecard will be cascaded down to the departments where it will be monitored.

Departments in the municipality are constituted by sections and the head of each section is responsible for reporting to the Head of Department. SDBIP Scorecards and performance reports must be formulated at departmental meetings constituted at least by the Head of Department and section heads. Sectional planning must be informed by the SDBIP Scorecard and performance reporting must feed into the SDBIP

Scorecard report. Therefore each section must have its own implementation plan that contributes to the overall implementation of the SDBIP Scorecard. The District Municipality will facilitate the implementation of a coordinated annual cycle of municipal performance management within the district area. This cycle will have agreed critical dates and timelines for the following activities:

- Development of Institutional Scorecard (Top Layer SDBIP) as part of the District IDP Process;
- Development of Departmental Scorecards ((Bottom Layer SDBIP);
- Conclusion of Performance Contracts, Performance Agreements, Accountability Agreements and Performance Promises;
- Completion of the first quarter reviews and audits;
- Completion of the midyear/ second quarter reviews and audits;
- Completion of the third quarter reviews and audits;
- Completion of the annual reviews and audits;
- Preparation of the Annual Performance Report; and
- Submission of inputs to the Annual Report.

7.1.2 Performance Reporting & Reviews

Amathole District Municipality reports performance twice a year as legislated to management, the Audit Committee, Council and the Public. In addition, a quarterly report is also prepared and sent to Internal Audit to be audited, prior it being sent to the Executive Mayor and the Audit Committee.

7.1.2.1 Departmental Reviews

It is intended that departments review their performance monthly, using their SDBIP Scorecards. Decision-makers should be immediately warned of any emerging failures to service delivery such that they may intervene if necessary. Departments should use these reviews as an opportunity for reflection on their goals and programmes and whether these are being achieved. Minutes of these reviews should be forwarded to the office of the Municipal Manager. Changes in indicators and targets may be proposed at this meeting but can only be recommended for approval by the Municipal Manager to the Executive Mayor.

On a monthly basis, the Head of Department (HOD) will submit a report on the department's performance using the SDBIP Scorecards to Executive Management Committee (EMC). HODs will formulate their SDBIP Scorecard reports by taking into account the performance of the various units/sections within each department. The SDBIP Scorecard requires inputs from each unit/section such that a comprehensive report is collated on the performance of each department. The Unit Manager/Sectional Head is responsible for the provision of unit/sectional reports to the HOD.

7.1.2.2 Municipal Manager's Review Panel

Twice annually, the review panel set up by the Municipal Manager will review the departmental performance (HOD or manager reporting directly to the municipal manager) using the SDBIP Scorecards for departments. The Municipal Manager will then submit reports from this review to the Audit Committee then to the Executive Mayor to submit to council. The Municipal Manager's Review Panel will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, the Municipal Manager can endorse these, for recommendation to the Executive Mayor for approval. In preparation for and prior these reviews, the office of the Municipal Manager must develop an analysis of performance.

7.1.2.3 Executive Mayor's Review Panel

Twice annually, the review panel set up by the Executive Mayor will review the top institutional performance (municipal manager) using the Top layer SDBIP. The Executive Mayor will then submit reports from this review to Council. The Executive Mayor's Review Panel will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, a recommendation will be submitted to the Executive Mayor for approval.

7.1.2.4 Audit Committee Reviews

On a quarterly basis, the Audit Committee will review the top institutional performance (Municipal Manager) using the Top layer SDBIP. Another function that is linked to the Audit Committee is the auditing and assurance guarantee on the assessment and processes of the framework and the system. This is further detailed in section dealing with Auditing and Quality Control. The report will be submitted to the Executive Mayor quarterly and to council bi-annually.

The Audit Committee will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Furthermore, they will verify and give assurance to the process of reviews undertaken by the panels and recommendation. Where targets need to be changed, a recommendation will be submitted to the Executive Mayor for approval.

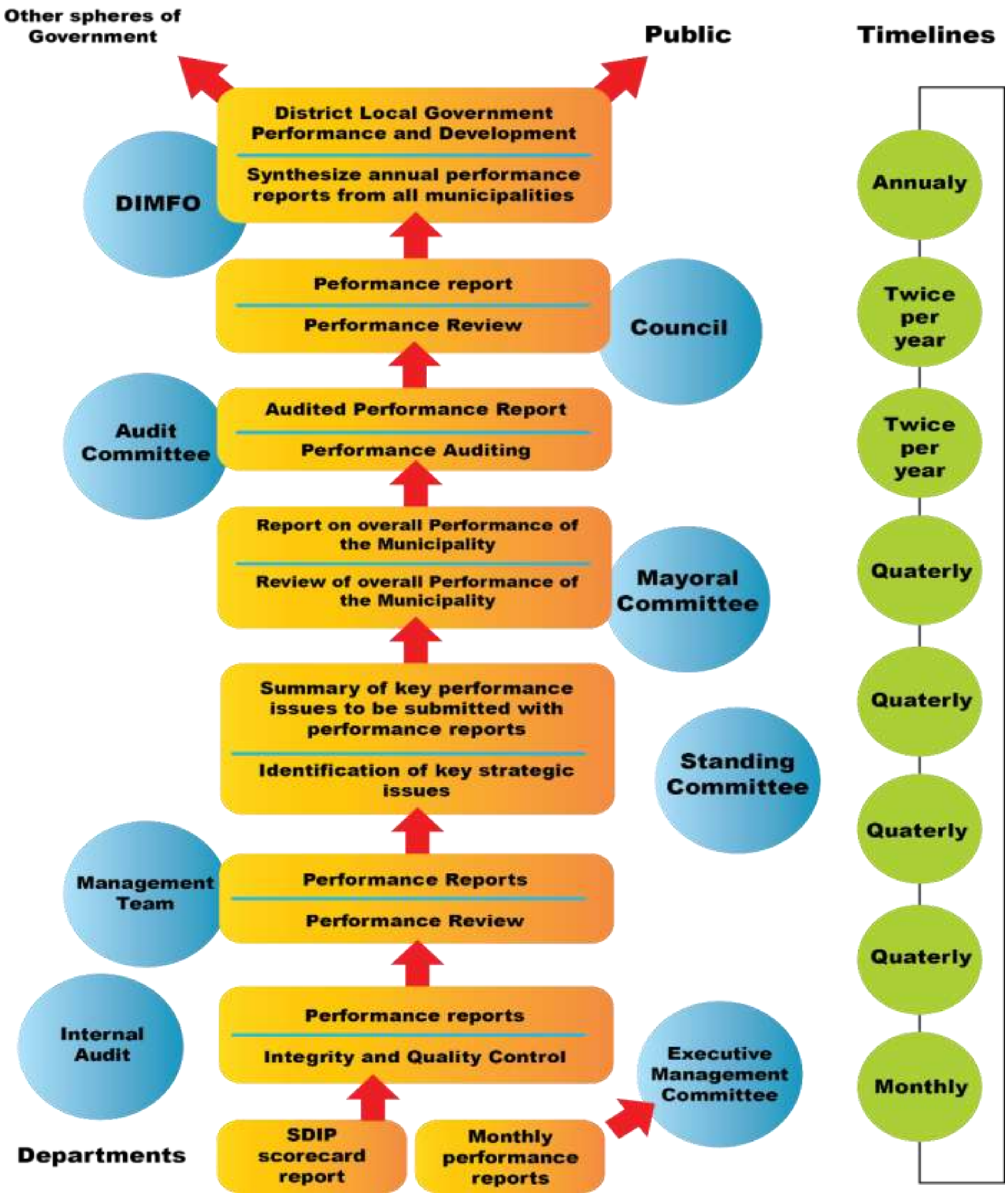
7.1.2.5 Council Reviews

At least twice annually, the council will be required to review municipal performance based on the performance report submitted by the Executive Mayor. The council will use the report submitted by the Executive Mayor from the Audit Committee. The first review will be in January in preparation for the budget adjustments. The second review will be an annual performance review. This will form part of the annual report as required by the Municipal Systems Act. A report will be submitted annually to the provincial government in the form of an annual report. A report annually will also be submitted to the Inter-Governmental Forums established by Amathole District Municipality in the form of a citisen's report on performance of the municipality.

7.1.2.6 Public Reviews

The Municipal Systems Act requires the public to be given the opportunity to review municipal performance and they will be part of the panels established by the district municipality. Furthermore, a citisen's report will be produced for public consumption and tabled to the IDP Representative Forum established by Amathole District Municipality. A citisen's report should be a simple, easily readable and attractive document that summarises the performance of the municipality public consumption. Annually an annual report will be developed and be open for public comments on the assessment of the municipality's performance. It is also proposed that a public campaign be annually embarked on to involve communities in the review of municipal performance. Such a campaign could involve the following methodologies:

Various forms of media including radio, newspapers and billboards can be used to convey the communities' report. The public should be invited to submit comment via telephone, fax, email and public hearings to be held in a variety of locations. The diagram below provides a picture of the annual process of reporting and reviews:


Other spheres of Government
Public
Timelines
District Local Government Performance and Development
Synthesize annual performance reports from all municipalities
DIMFO
Annualy
Peformance report
Performance Review
Council
Twice per year
Audited Performance Report
Performance Auditing
Audit Committee
Twice per year
Report on overall Performance of the Municipality
Review of overall Performance of the Municipality
Mayoral Committee
Quaterly
Summary of key performance issues to be submitted with performance reports
Identification of key strategic issues
Standing Committee
Quaterly
Quaterly
Management Team
Performance Reports
Performance Review
Quaterly
Internal Audit
Performance reports
Integrity and Quality Control
Executive Management Committee
Monthly
Departments
SDIP scorecard report
Monthly performance reports

7.1.3 Auditing and Quality Control

The Office of the Municipal Manager will be required on an ongoing basis to coordinate and ensure good quality of reporting and reviews. It will be its role to ensure conformity to reporting formats and check the reliability of reported information, where possible. The municipality's internal audit function will be continuously involved in auditing the performance reports, evidence file and SDBIP scorecards. As required by the regulations, they will be required to produce an audit report on a quarterly basis, to be submitted to the Municipal Manager, Executive Mayor and Audit Committee. The Audit Committee will also be tasked with assessing the reliability of information reported. Also, the Municipality will need to appoint a Performance Evaluation Committee to assess s56 and the Municipal Manager's annual performance. The composition of the Committee must adhere to the one prescribed in the 2006 Regulations.

7.2 INDIVIDUAL PERFORMANCE

In cascading the performance management system to the levels below the managers reporting directly to the Municipal manager, Amathole District Municipality has developed Employee Performance Management policy. This policy outlines how planning, monitoring, review, reporting of individual performance should be done. It also has provision for performance rewards and the approach in managing poor employee performance.

All Amathole District Municipality employees including General Assistants sign Accountability Agreements or Performance Promises in the beginning of the financial year. Employees on Task Grade 11-20 sign Accountability Agreements (AA) whereas employees on Task Grade 4-10 sign Performance Promises (PP). Their performance is being reviewed every quarter based on what an individual employee has signed in his or her Accountability Agreement or Performance Promise.

The Amathole District Municipality performance framework makes a provision that employees who demonstrate excellent and outstanding performance are rewarded. The rewards process has been placed on hold due to financial constraints that the institution is facing. In as much as Amathole District Municipality rewards those employees who are performing very well, it also ensures that all those who are demonstrating poor performance are assisted by their supervisors using the approach that is outlined in the Employee Performance Management Policy.

7.3 EVALUATION AND IMPROVEMENT OF PERFORMANCE MANAGEMENT SYSTEM

7.3.1 Organisational Performance Management

TABLE 8.1: AMATHOLE DISTRICT MUNICIPALITY ANNUAL ORGANISATIONAL PERFORMANCE- 4 YEARS

ANNUAL ORGANISATIONAL PERFORMANCE COMPARISON OF ADM OVER 4 YEARS				
	2015/2016	2016/2017	2017/2018	2019/2020
Annual Overall Performance	82%	81%	74%	68%

The performance of the institution has dropped drastically during the year under review. Challenges experienced during the 3rd and the 4th quarter of the year can be associated with the Covid 19 pandemic and the industrial action during the months of November and December 2019.

Amathole District Municipality make use of an electronic system called Action Assist, which acts as catalyst for the inculcation of performance management across the organisation and this system can be applied at all levels.

7.3.2 Individual Performance Management

In cascading the performance management system to the levels below the managers reporting directly to the Municipal Manager, Amathole District Municipality has developed an Employee Performance Management policy, which is consistently reviewed as part of the review process. This policy outlines how planning, monitoring, review, reporting of individual performance should be done. It also has provision for performance rewards and the approach in managing poor employee performance. All Amathole District Municipality employees, reviews are conducted every quarter and scores allocated for performance. The reviews thereof are conducted by the respective supervisors for each individual employee.

It is important to note that there are no definitive solutions to managing municipal performance, the process of implementing a performance management system must be seen as a learning process, where there is a conscious buy in to incremental improvement of the way the system works in order to fulfil the objectives of the system and address the emerging challenges from a constantly changing environment.

AMATHOLE
DISTRICT MUNICIPALITY

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