AMATHOLE
DISTRICT MUNICIPALITY

VISION
2058
BUILDING A SMART DISTRICT

FINAL INTEGRATED DEVELOPMENT PLAN
(5TH GENERATIONAL IDP)

2022/23
2026/27

OUR LOCAL Municipalities

MNQUMA LM

NGQUSHWA LM

RAYMOND MHLABA LM

AMAHLATHI LM

GREAT KEI LM

MBHASHE LM

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 developed 2022/2023-2026/2027 Integrated Development Plan and Budget for the year 2022/2023. 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, caused by Covid 19 outbreak, and other related socio-economic challenges. Of course, 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 of the pandemic whilst attending to the needs of our communities on the ground.

This being the first review of the IDP after the local government elections held in November 2021, we take five year strategic outlook, on possible mechanisms to accelerate our efforts in the provision of quality, sustainable 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 in the last term. The amount of work we have put in the past financial years is testimony to our commitment to serve our communities and turn this municipality around despite the many challenges we face.

Against the persistent drought that dominated a greater part of the last term and other 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.

In collaboration with the Department of Water and Sanitation the implementation of Ngqamakhwe Regional Water Supply Scheme which entails the construction of bulk water supply from Tsomo to Ngqamakhwe is underway with a total budget of R 725 million. This is a major infrastructure investment that will turn the water situation in Ngqamakwe around and 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 and
- Economic Growth and Development Strategy and its Sector Plans.

We have also recorded significant advances in the following areas

- Implementation of Water Conservation and Demand Management Initiatives
- Major Review of Water Services and Development Plan
- Identification, packaging and lobbying for Sustainable Water Solutions
- Identification of Sustainable Waste Water Treatment Solution
- Accelerated Sanitation Programme
- Roll Out of Rural Yard Connection Policy
- Development and implementation of Standard Operating Procedures (SOPs)

- We have also taken steps to strengthen the Satellite Office Model with delegation of powers to Senior Managers and allocation of Members of the Mayoral Committee to satellite offices to ensure proximity of the Executive to communities.

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 programs, 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. N. NDIKINDA

EXECUTIVE MAYOR

EXECUTIVE SUMMARY BY MUNICIPAL MANAGER

The 2022/2023-2026/2027 Integrated Development Plan (IDP) development process provided ADM with an opportunity to reflect, review and refocus on the developmental local government bestowed unto ADM as enshrined in the Constitution of the Republic of South Africa. This process provided an opportunity to account on the path that has been traversed by Council in the past five years. towards developmental local government.

The Local Government sphere is in its last cycle for the current term of Municipal Councils with the upcoming local government elections which will usher in the 6th term. This calls for the commencement on the development of 6th Generation Integrated Development Plans together with the District Development Model as a mechanism of a One Plan for all of government in the municipal space.

During this current term, Amathole District Municipality has set a strong foundation of its long term plan of Envisioning an Amathole Smart District towards 2058, known as **"Vision 2058: Building a Smart District".** One of the key enablers towards 2058 is building Strategic Partnerships which share in our vision and can contribute to its realization. ADM has forged partnerships with the ECDC and the University of Fort Hare in this regard. Further to this engagements with Infrastructure South Africa have been undertaken.

A critical milestone has been the implementation of the Municipal Turnaround Strategy in its strive to **"Bringing ADM Back to its Former Glory"** since 2018, following the development of a Diagnostic Report together with the Municipal Infrastructure Agency (MISA). ADM has made a footprint in all pillars of the MTAS Framework, however the Organisation Development and Design has been slow in the attainment of the targets against the timeframe set. In the year under review there has been acceleration towards the development of Job Description and Job evaluation process. The next phase of migration into the staff establishment will the focus area. In addition, ADM will explore various funding options of the Mutual Separation Agreement as mean to reduce our salary bill.

Amathole District Municipality continues to render services in the provision of water and sanitation services as both a Water Services Authority (WSA) and a Water Service Provider (WSP), which are functions assigned for us to implement without fail. The drought in the district is still upon us and therefore continuous effects are made to lobby funding for the Sustainable Water Solution and addressing the refurbishment of the aging infrastructure.

COVID 19 Pandemic has put water and sanitation provision in the spotlight. Some of the solutions being implemented are as per the outcomes of the Water and Sanitation Indaba held in 2019. There has been temporary solution such as water carting and allocation of water tanks in strategic locations to ensure accessibility of this scarce resource to ADM's communities. Further to this there has been drilling of boreholes as part of exploring the underground water sources. In the long term, the development of the Aqua/Solar Hybrid Sea Water Desalination Plant is the sustainable water solution for the entire District including the construction of the Fox Wood Dam in Raymond Mhlaba.

The 2020 Institutional Strategic Planning Session held in February 2021 in close cooperation with our six local municipalities and our strategic stakeholders provided an account of the path that have been traversed by the institution during this current term and to develop a clear plan for the next financial year, looking towards the 6th Term of Local Government.

ADM Council has been faced with many challenges ranging from financial constraints, service delivery protests and labour unrests. Further to this, the COVID 19 Pandemic has forced the Municipality to think outside the box and be innovative and creative in service delivery. To ensure

business continuity and communication internally and externally Information and Communication Technology became the key enabler.

In fulfilment of the its responsibilities, the ADM Institutional Strategic Planning session resolved that the 2021/22 Strategic Focus areas as the:

- 2021 Service Delivery Outreach Programme
- Satellite Office Outreach Programme
- Move towards fully implementing Water Services Provision including Ngqushwa and Raymond Mhlaba
- Initiation of Labour Relations Act Section 189 discussion
- Streamlining ADM Service Delivery model to two options
- Capacity Assessment of Local Municipalities for the devolving of Fire Services function for their implementation
- Capacity Assessment and devolving of Regional Waste disposal sites to Mbhashe and Mnquma Local Municipalities
- Supporting the Section 139 (5) (a) Eastern Cape Provincial Government intervention and Section 154 requested from National and Provincial Government
- Communication and Marketing of ADM and ASPIRE Programmes

Further to this, the following focus areas still remain matters of emphasis, namely:

- Effective Satellite Office Model
- Building ADM as a Smart District
- Resource Mobilisation
- Service Delivery and Infrastructure
- Organisational Re-design
- Financial Recovery Plan
- Revenue Enhancement
- Core functions
- Planning, ICT, Communication and Financial Systems
- Stakeholder Relations and Public Participation

Amathole District Municipality has welcomed the Eastern Cape Provincial Government invoking of Section 139 5(a) into Amathole District Municipality and Council has further resolved to officially request support from National and Provincial Government in line with the 154 of the Constitution. As ADM, we view this intervention as strengthening of the Municipal Turnaround Strategy.

While the National Treasury is developing the Mandatory Financial Recovery Plan to be implemented by Amathole District Municipality, ADM continues to implements its Voluntary Financial Recovery Plan as a move towards a financially sustainable institution. More than ever before, the impact of COVID 19 pandemic resulted in the development of the Post COVID 19 Economic Recovery Plan as part of creating a conducive environment to diversify the District's economy thus contributing to various Revenue Enhancement sources and mechanisms.

ADM's Development Agency, ASPIRE, will continue to be the driving machinery of the District catalytic and strategic projects. This is part of strides of Envisioning 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.

Amathole District Municipality 2021/22 IDP and Budget has and will continue to 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.

Going into the next term of administration, ADM will continue to make strides in the alignment of Vision 2058, Municipal Turnaround Strategy and the District Development Model by utilizing the IDP as its implementing tool.

Indeed, the past four years has not been an easy journey, it had its ups and downs, successes and failures but the interface between Political and Administrative leadership is the anchor of ***"Bringing ADM 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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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. INTRODUCTION

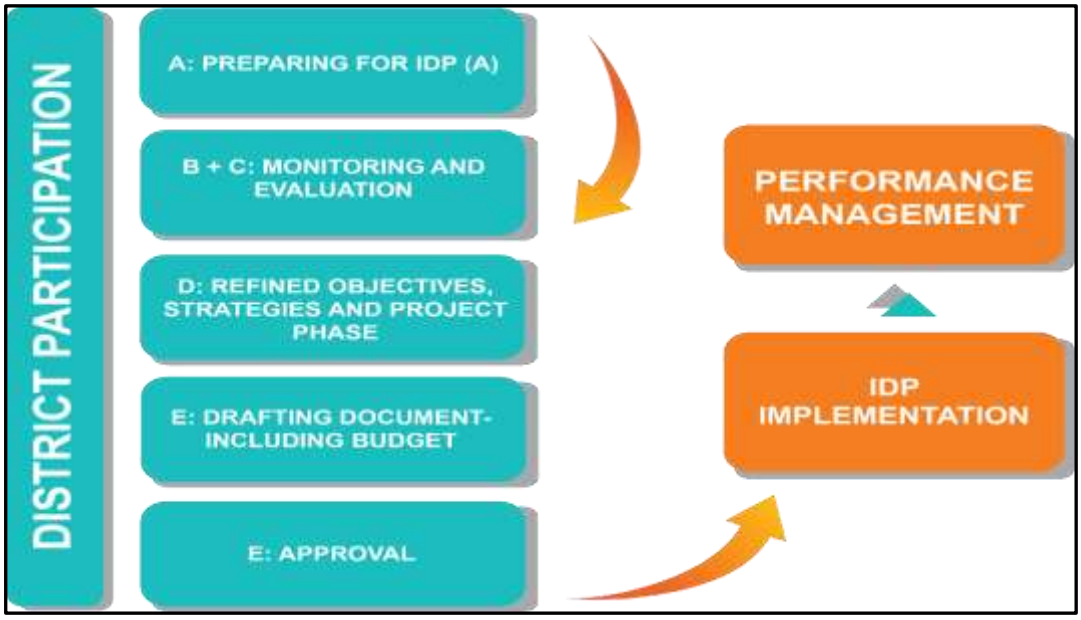
Amathole District Municipality (ADM) is required by Section 25 of the Local Government: Municipal Systems Act 32 of 2000 to develop a 5-year plan i.e Integrated Development Plan (IDP) that will guide planning of the entire space. This plan has to be reviewed annually to take stock of what has happened 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 2021 adopted its **District IDP Framework Plan** together with the IDP/PMS/Budget Process Plan which was later reviewed and taken to council in December 2022. 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 2022/23-2026/27 IDP development, PMS and Budget processes.

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

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

Particular attention was paid to the development of the 5 year Outcome Strategies and Objectives for the DDM IDP, SDBIP & Budget linkages, a 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 15-17 February 2022. The objective of the session was to facilitate a framework that will guide the municipality's strategic direction as to be reflected in the 5-year IDP (2022/23-2026/27). The 2022/23-2026/27 Draft IDP and 2022/2023 Draft Budget for will be tabled in Council on the 29th of March 2022. Following which the documents will be published and the IDP and Budget Roadshow taken place in April 2022 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
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

AMATHOLE DISTRICT MUNICIPALITY ACTION PLAN - PARTICIPATION STRUCTURES & MEETING DATES	
PRE-PLANNING (July – August)	
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. In which chapter of the Municipal System's Act 32 of 2000 elaborates how it should be done. 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

Name of Forum	Purpose	Stakeholders
Water and service delivery forum	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	▪ ADM and Local Municipal Political Leadership, ▪ Ward councillors, ▪ Traditional Leaders ▪ Ward committees, ▪ community development workers, ▪ Communities, ▪ Religious sector, ▪ Business sector and ▪ Ratepayers associations.
Mayoral Imbizo	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,	
Annual Report Public Hearings	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	

Name of Forum	Purpose	Stakeholders
IDP and Budget Roadshows	In accordance with legislation, IDP has to be taken to public for their comments and inputs.	
Civic Education	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.	▪ ADM and Local Municipal Political Leadership, ▪ Ward councillors, ▪ Traditional Leaders ▪ Ward committees, ▪ community development workers, ▪ Communities, ▪ Religious sector, ▪ Business sector and ▪ Ratepayers associations
District Speakers' Forum	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.	ADM Speaker and Speakers of Local Municipalities

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.

It however worth to note that the Municipality is reviewing its powers and functions

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 3: 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 4: 5 YEAR IDP ASSESSMENTS

KPAs	RATING 2017/18	RATING 2018/19	RATING 2019/20	RATING 2020/21	RATING 2021/22
Spatial Planning, Land, Human Settlements and Environmental Management	High	High	High	High	High
Financial Planning and Budgets	Medium	High	High	High	Medium
Good Governance and Public Participation	High	High	High	High	High
Local Economic Development	High	High	High	High	High
Institutional Arrangements	High	Medium	High	High	Medium
Basic Service Delivery	High	High	High	High	High

- The Municipality retained an overall of High rating score for the last five years (2017-2022) on its IDP assessments.
- All the issues that were raised have will be addressed in the 2022/23-2026/27 IDP and a process plan has been done to address some as depicted below:

Table 5: IDP ASSESSMENT ISSUE PROCESS PLAN

KPA	ISSUES FROM COGTA	COMMENTS FROM THE AFFECTED DEPARTMENT	TIMEFRAME
Spatial Planning, Land Human Settlement and Environmental Management	• No findings		
Service Delivery and Infrastructure Planning	• The municipality must reflect on plans and budget for non-motorised roads facilities. • The municipality must develop a Trade	According to section 84 of Municipal Structures Act (act 117 of 1998) Districts are responsible for integrated development planning, regulation of passenger transport services and development of a transport strategy and plan for the District culminating into a development of a District Integrated Transport Plan (DITP). Non-Motorized Infrastructure Plan is thus one of the chapters of the DITP. Budgeting for roll out of Non-Motorized Transport facilities is done on Local Municipality level as part of the normal road rollout thus a local function. This Policy is developed towards addressing and mitigating negative impact of inadequately disposed trade effluent on environmentally sensitive resources such as rivers, etc. Currently ADM does not have targeted industries within its	

KPA	ISSUES FROM COGTA	COMMENTS FROM THE AFFECTED DEPARTMENT	TIMEFRAME
	Effluent Policy and budget for its operations and maintenance. • The Municipality must budget for public transport facilities and reflect on the IDP. • The municipality must develop a plan for Coastal Zone Management and establish a Coastal Management committee. • The municipality must reflect on the Disaster management framework • The municipality must reflect on the disaster vulnerability and risk assessment reports. • The municipality must reflect on the emergency procurement measures contained in the Disaster Management Plan • The municipality must develop an infrastructure maintenance Plan and reflect in the IDP.	area of jurisdiction which explains lack of this policy. Only when such industries develop will ADM be able to develop such policy. Development of such policy should be spearheaded by our department of Community services whos mandate is mainstreaming of environmental protection initiatives. Also ADM's "Water and Sanitation bylaw" covers same. As already alluded to the above bolete number 1, Districts are responsible for integrated development planning, thus implementation is a local function . The Disaster Management Framework is a chapter in the Disaster Management Plan but will now indicate on the narrative part of the IDP. The disaster vulnerability and risk assessment reports are part of the Disaster Management Plan and will elaborate on the narrative of the IDP document. The emergency procurement measures will be elaborated on the narrative part. ADM has developed the Infrastructure Maintenance plan and is currently implemented with quarterly target clearly detailed in the SDBIP .	
Financial Planning and Budgets	• The municipality must incorporate in the IDP an Annual Financial Statement/ Year end preparation plan • The municipality must reflect whether there is a separate bank account for projects, if not separate bank account must be opened for conditional grants • The municipality must budget for repairs and maintenance • The municipality must spend 100%of it's grants • The municipality must budget for councillors and employees as per norms and standards • The municipality must service its creditors on time in line with the norms and standards	AFS preparation plan will be included in the new IDP Each Grant has its own bank account The municipality does budget for Repairs and Maintenance It is the target for each project manager to spend 100% of its grant Budgeting for employees and Councillors is done per norms and standards ADM aims at paying its creditors within 30 days, but cash flow constraints hinder this The collection rate was not reduced in the adjustment budget, and all means to ensure a	

KPA	ISSUES FROM COGTA	COMMENTS FROM THE AFFECTED DEPARTMENT	TIMEFRAME
	• The municipality should collect its revenue at least more than 50% from the consumers in terms of financial norms and standards. • The municipality must be in compliance with MFMA regarding the mSCOA • The municipality must highlight budgte allocated for indigent beneficiaries. • The municipality must highlight the previous year's expenditure on indigent beneficiaries • The municipality must reflect on the staff establishment for free basic services office • The municipality must reflect on the Free basic services integration plans with its local municipalities	50% collection rate are to be put in place The indigent beneficiary costs are reflected as a reduction in service charges and not as an expense as it is classified as revenue foregone Levels will be reflected of prior year indigent subsidies 13 staff members are in the free basic services office	
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 legal management system • The municipality must indicate findings on predetermined objectives and compliance issues. • The municipality must reflect on its contribution towards the development of ward based plans in its local municipalities.	The LMs has established the War Rooms with some functional others to be resuscitated. The district working with the province are providing support to LMs as the District has no wards. The Municipality has developed the plan and is under reviews for approval with the 2022/23 IDP The performance finding is qualified, and the Municipality is gradually infusing the C88 guides to the SDBIP and Reporting. Draft outcome based SDBIP to be tabled in the March Council and Final Approval May 2022 The district is participating in the IGR and IDP Structures of the LMs. Further the LMs Managers and the political Leadership participates in the Districts Directors Forums and the District Mayors Forums.	
Institutional Arrangements	• The municipality must indicate both the political and administrative seat • The municipality must reflect whether the Municipal Manager and all other Section 56 managers are currently filled • The municipality must reflect on the vacant and filled posts per department • The municipality must indicate critical and scarce skills that are a challenge • The municipality must reflect on the compliance on Occupational Health Safety • The municipality must reflect the acton	• The 2021/22 IDP does reflect the political and administrative seat of the municipality. Page 89(MTI) • There is no reflection on the filling of positions for MM and Sect 56 Managers & the inclusion will be made in the 2022/23 IDP • There is also no reflection of vacant versus filled posts and an inclusion will be made in the 2022/2023 • There is a reflection on the issue of critical skills even though ADM does not have scarce skills at the moment. Page 92(Learnership) • The compliance on Occupational Health & Safety will be reflected on the 2022/2023 as there is currently no reflection in the 2021/22 IDP • The Dept accepts that there is no reflection on the Action Plans to address	

KPA	ISSUES FROM COGTA	COMMENTS FROM THE AFFECTED DEPARTMENT	TIMEFRAME
	plans to address the challenges mentioned in the ICT Policy Framework	the challenges mentioned in the ICT policy and will ensure that such are included in the 2022/2023 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	2022/23-2026/27 OBJECTIVES, STRATEGIES AND PROJECTS
CHAPTER 5	SECTOR PLANS
CHAPTER 6	FINANCIAL ANALYSIS
CHAPTER 7	PERFORMANCE MANAGEMENT

CHAPTER ONE: STRATEGIC OUTLOOK

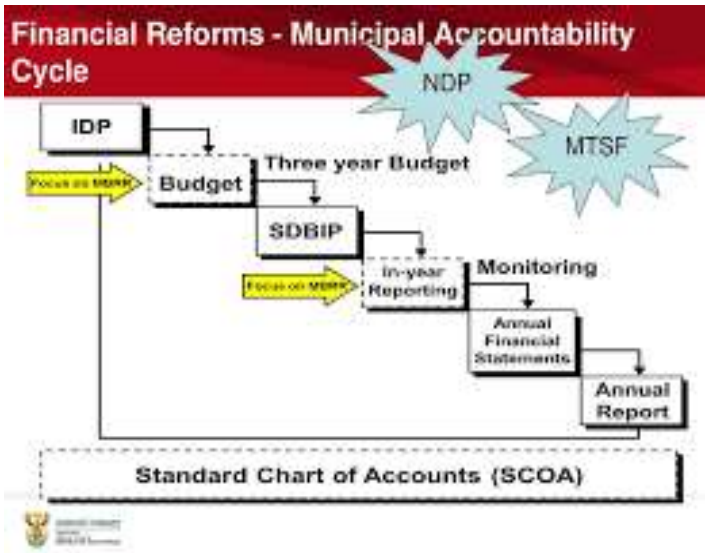
CHAPTER ONE
STRATEGIC OUTLOOK

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(ADM). However, the Municipality takes into considerations its own long term plans that inform the development 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 remain the same as for the new term 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

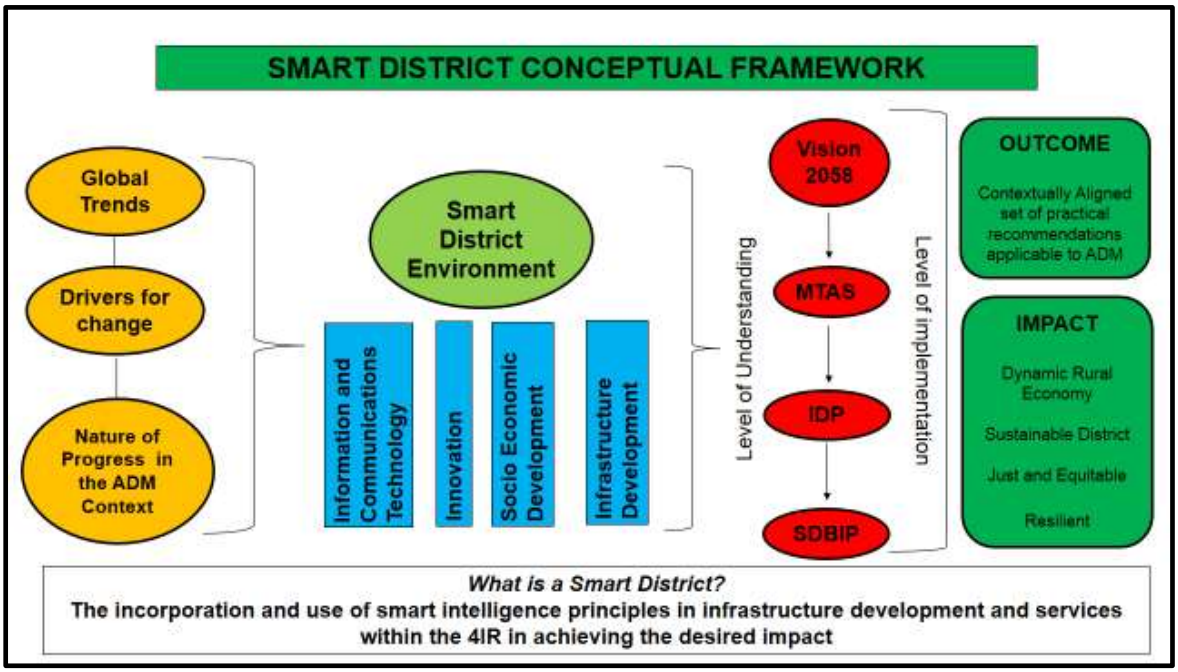
Accountability - We are committed in being held to account by our stakeholders and primary customers.

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 is however due for a major review so as to be aligned with the Council's new term.

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 5 and 6 below.

FIGURE 5 LINKING IT ALL TOGETHER FOR AMATHOLE DISTRICT MUNICIPALITY

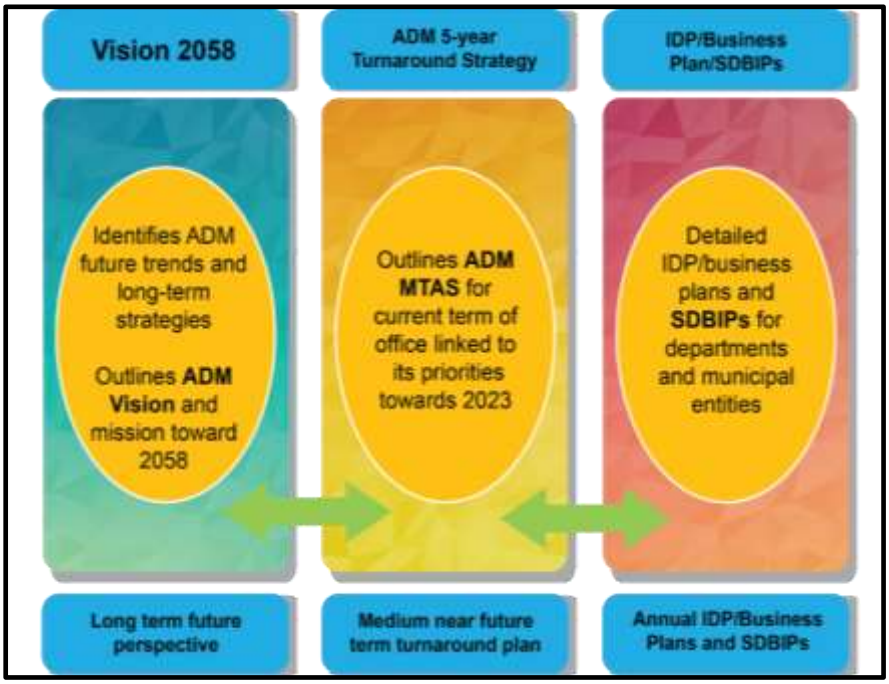


FIGURE 6 :SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS (SDBIP)

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.

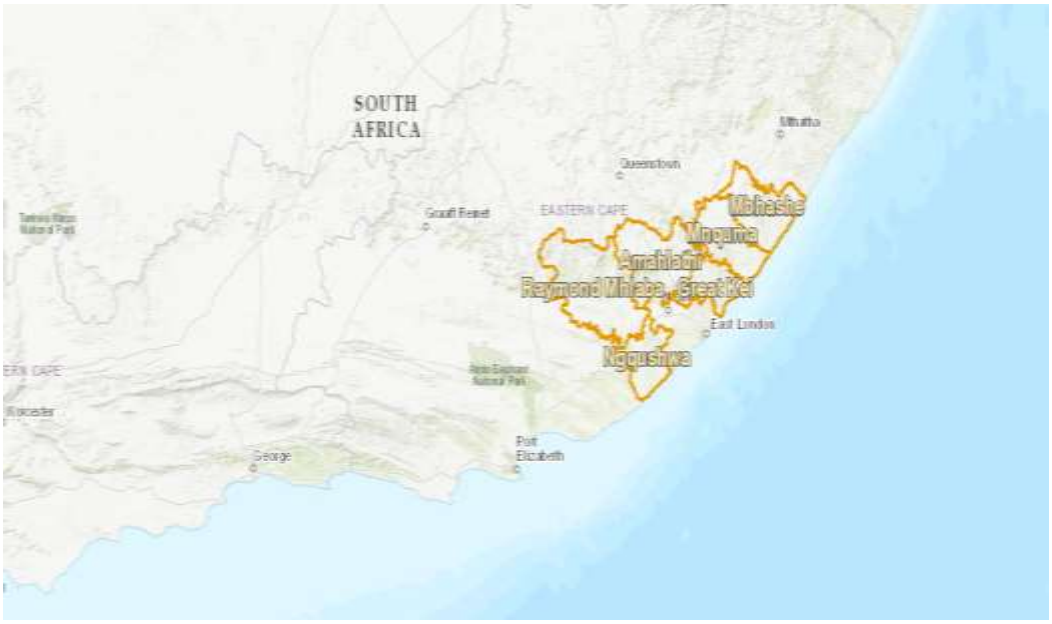
CHAPTER TWO:
GEOGRAPHIC & DEMOGRAPHIC PROFILE
SITUATIONAL DATA

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

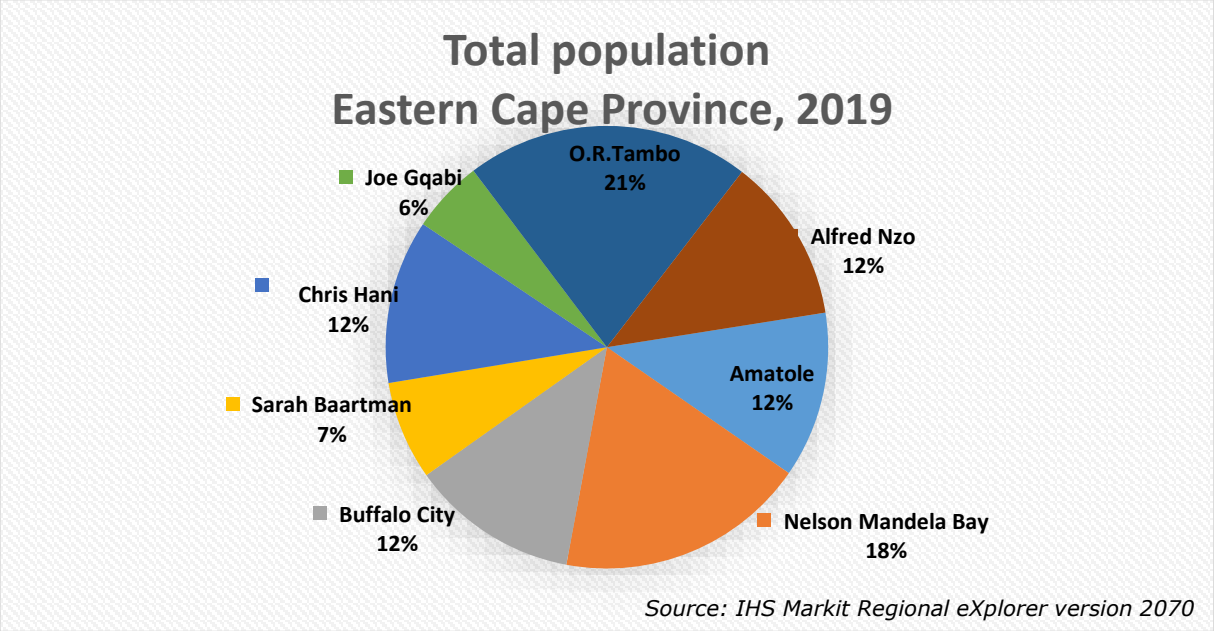
"Demographics", or "population characteristics", includes analysis of the population of a region. Distributions of values within a demographic variable, and across households, as well as trends over time are of interest. In this section, an overview is provided of the demography of the and all its neighbouring 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.

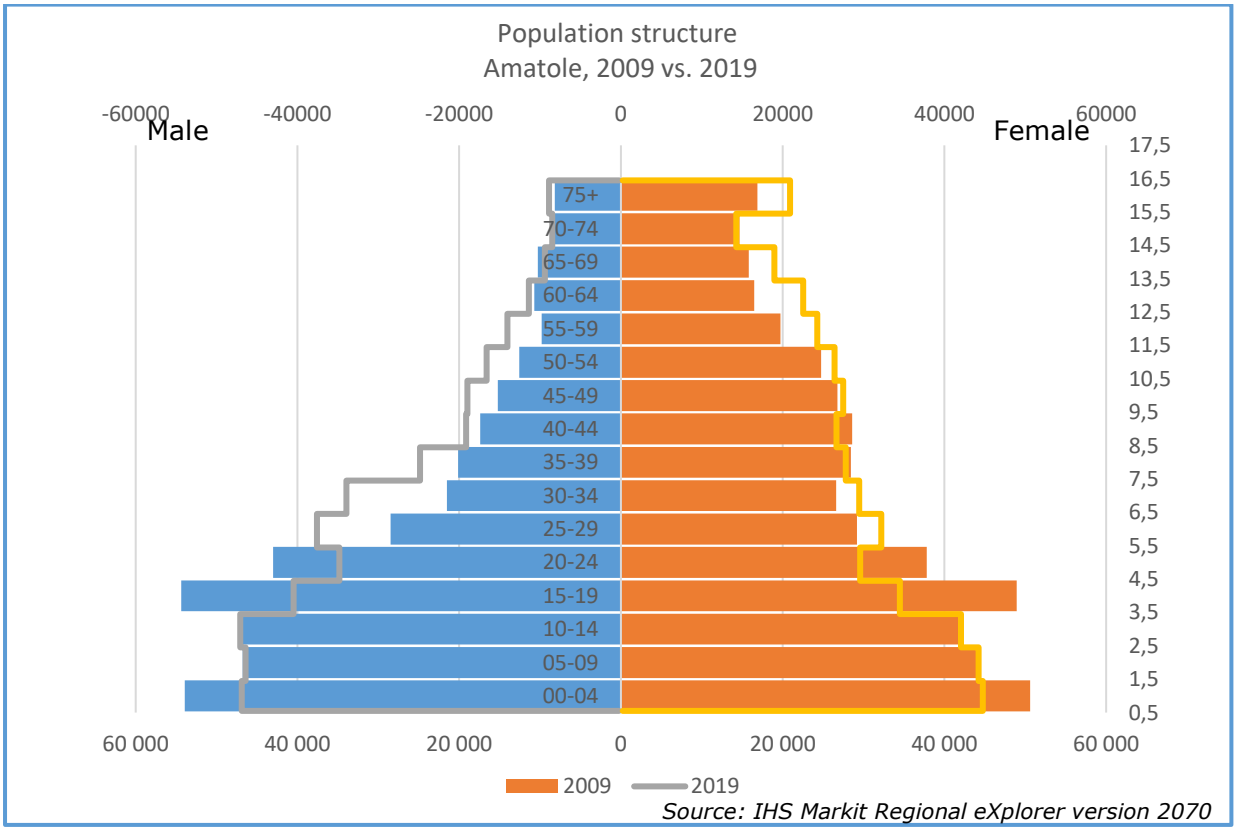
Table 6:Total Population - Local Municipalities Of Amathole District Municipality, 2009, 2014 And 2019 [Numbers Percentage]

	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 7: 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 8: 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%**

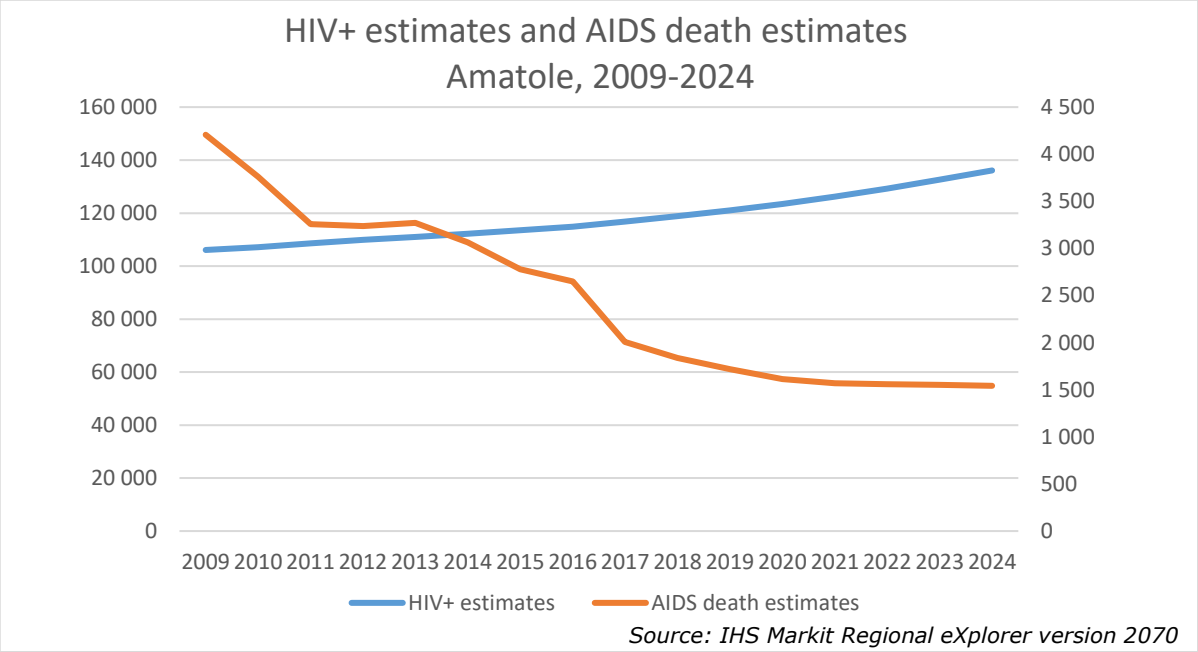
2.2.3 HIV+ AND AIDS ESTIMATES

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.

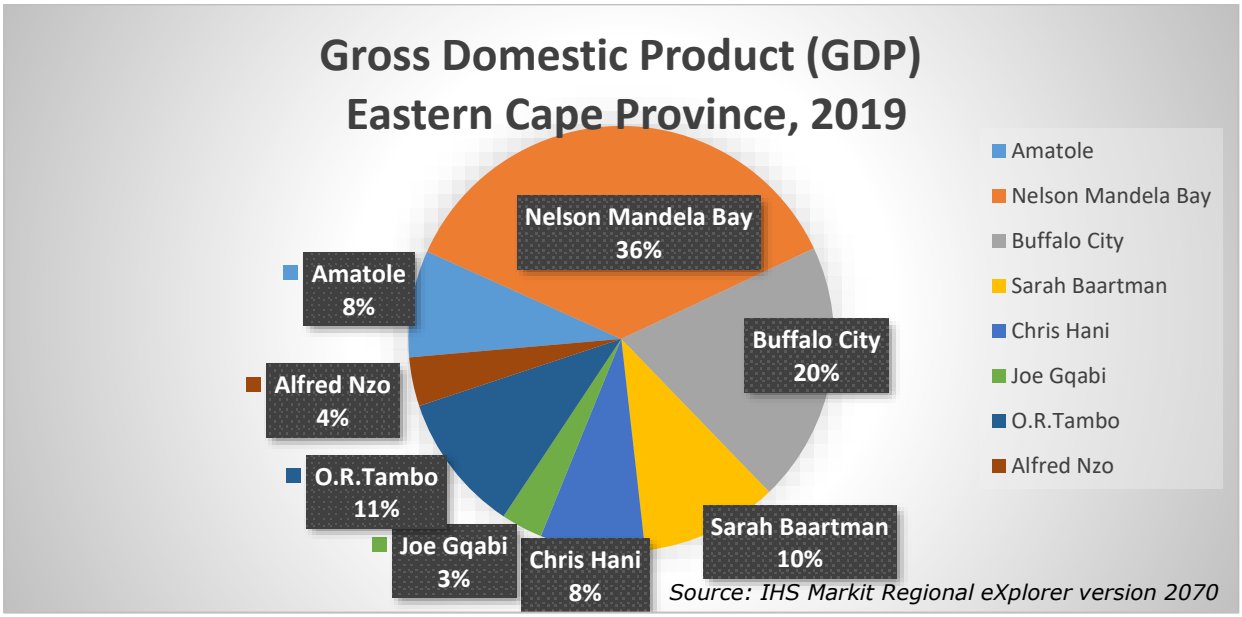
Table 9: Gross Domestic Product (Gdp) - Amathole, Eastern Cape And National Total, 2009-2019 [R Billions, Current Prices]

	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 10: 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**	

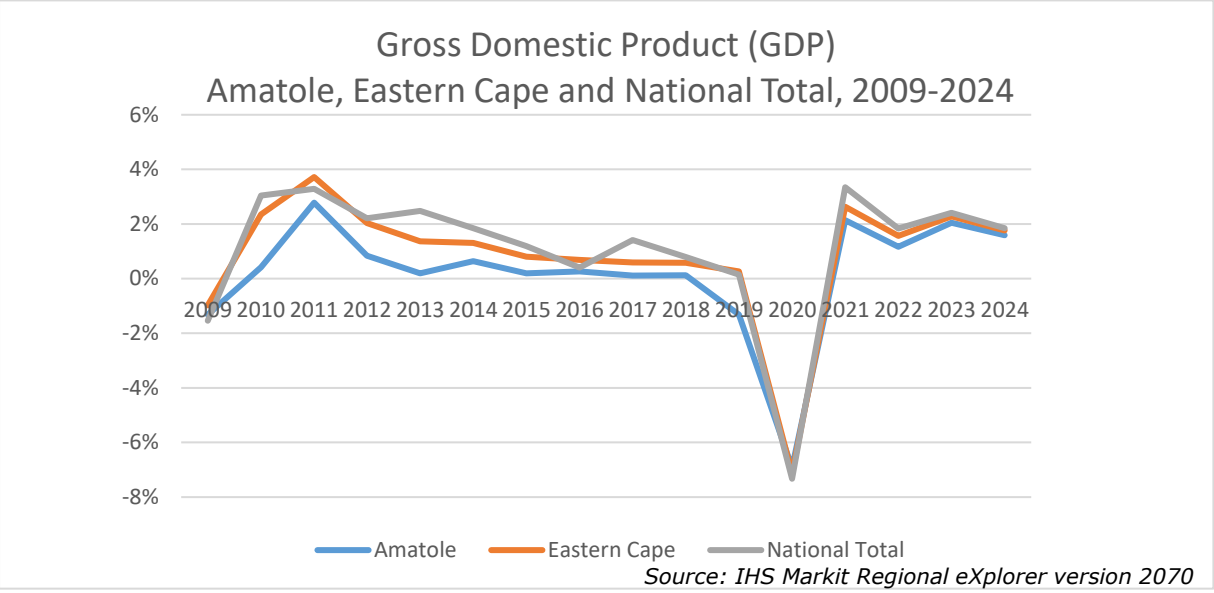
Source: ECSECC, 2019

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 11: 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 12: 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 13: 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%

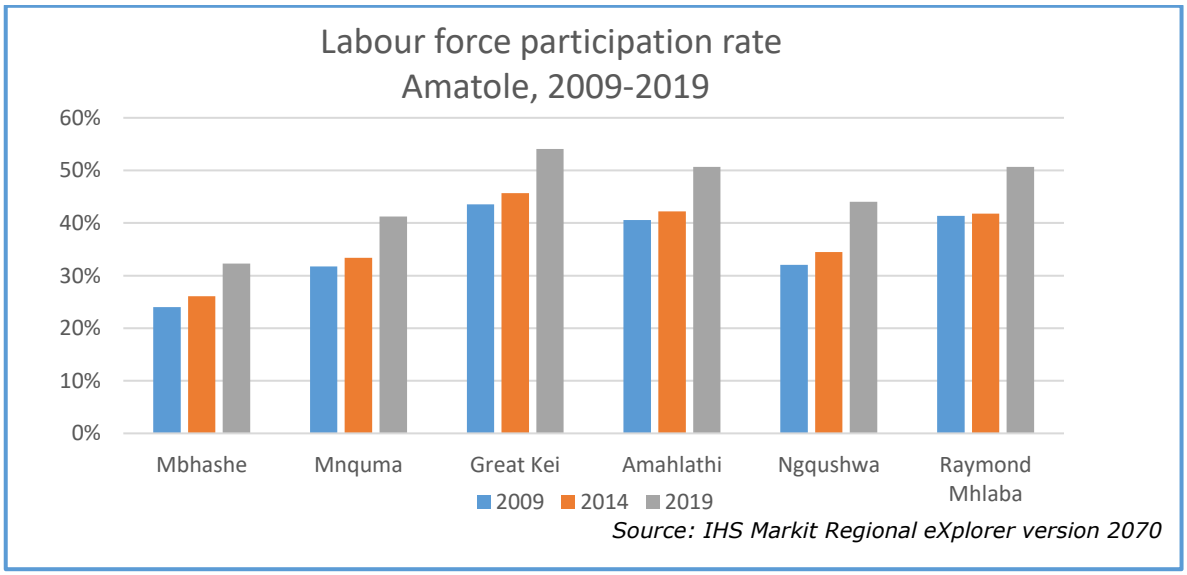
Source: ECSECC, 2019

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.

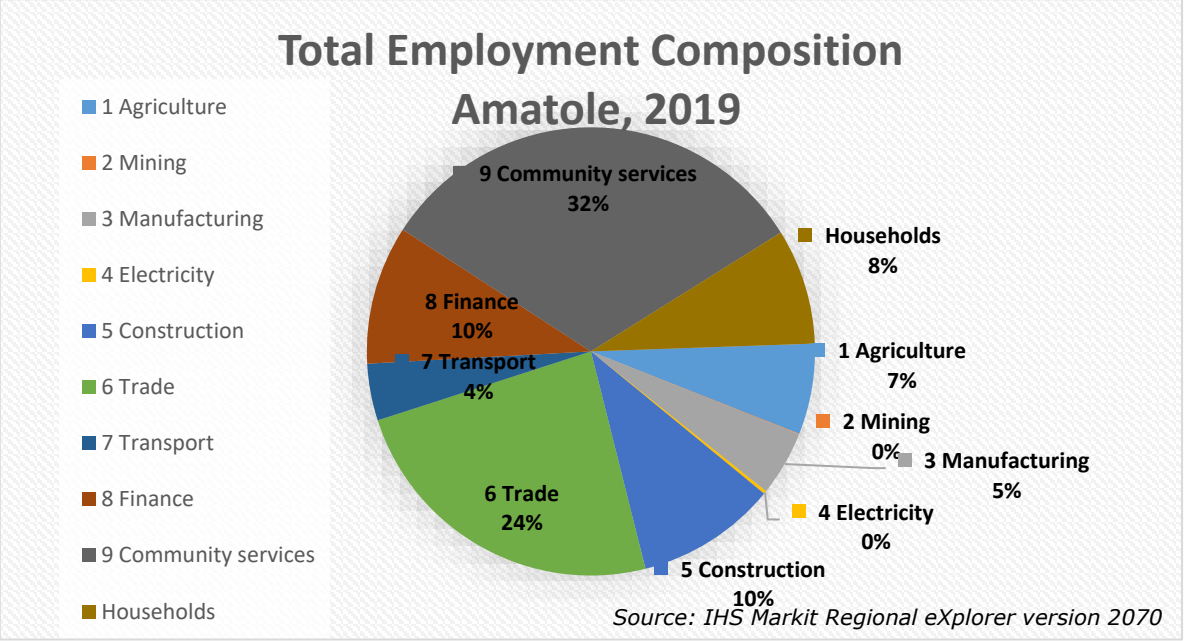
Table 14: TOTAL EMPLOYMENT - AMAThOLE, EASTERN CAPE AND NATIONAL TOTAL, 2008-2019 [NUMBERS]

	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.

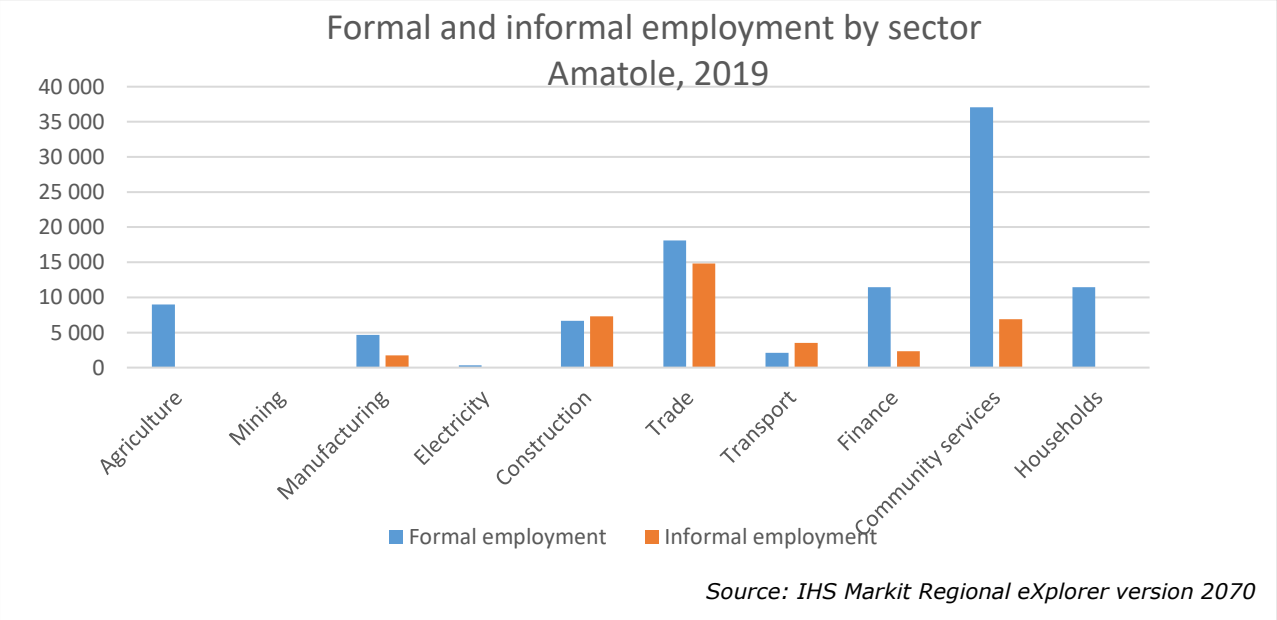
In Amatole District Municipality the economic sectors that recorded the largest number of employment in 2019 were the community services sector with a total of 44 000 employed people or 32.0% of total employment in the district municipality. The trade sector with a total of 32 900 (23.9%) employs the 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

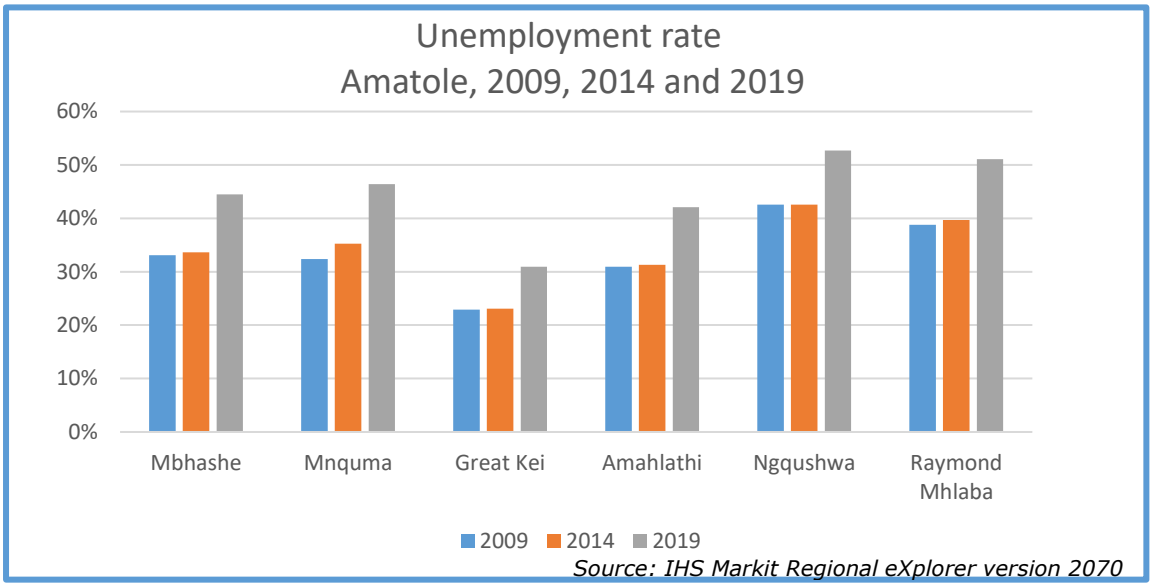
The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It, therefore, excludes people who are not actively seeking work (referred to as discouraged work seekers).

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 15: 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

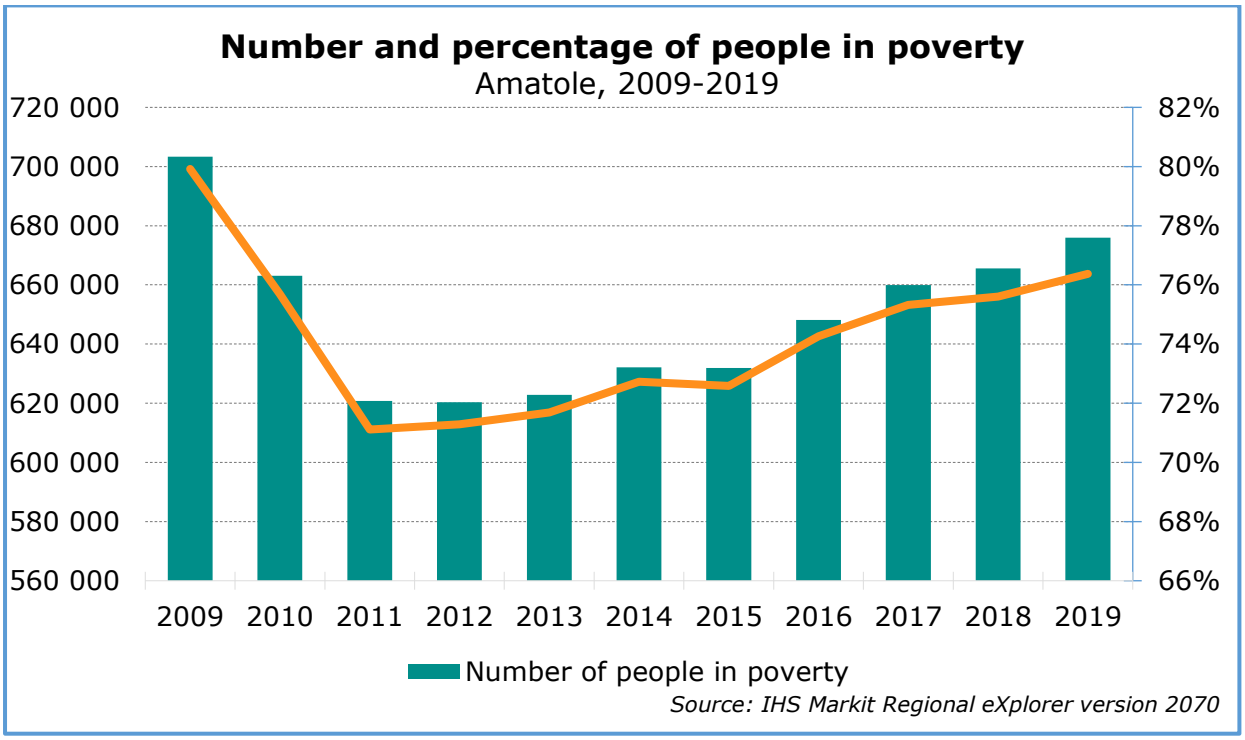
It was estimated that in 2019 20.60% of all the households in the Amatole District Municipality, were living on R30,000 or less per annum. In comparison with 2009's 44.66%, the number is about half. The 30000-42000 income category has the highest number of households with a total number of 36 100, followed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

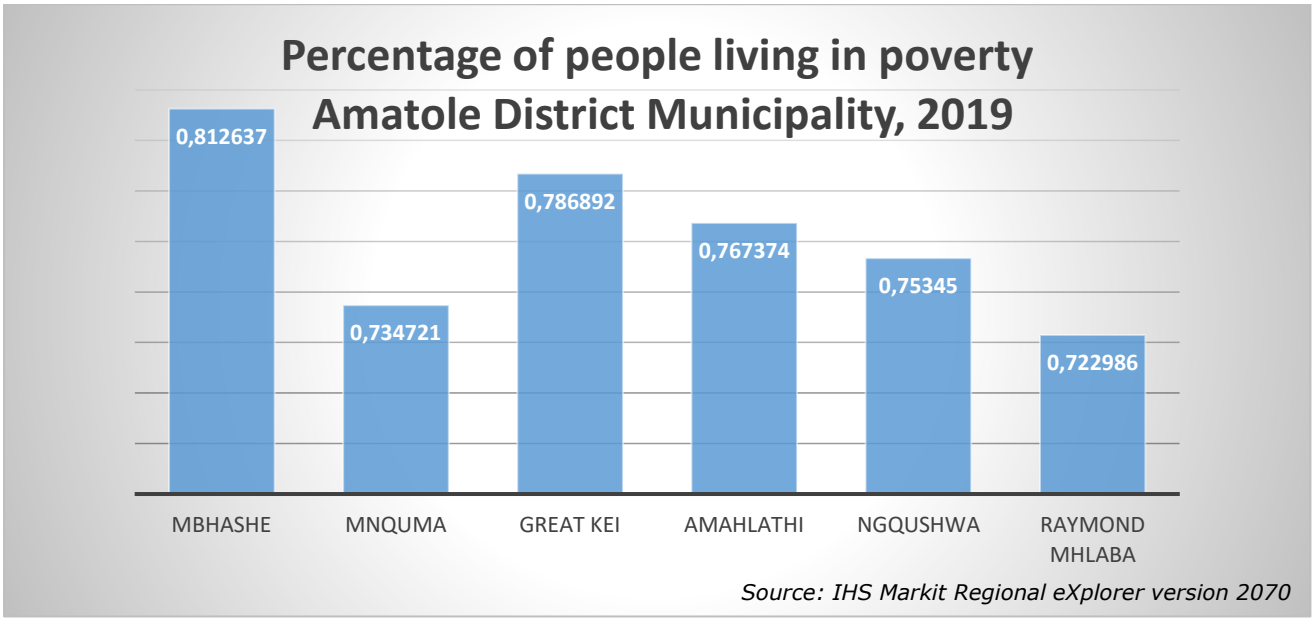
FIGURE 16: NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - AMATHOLE DISTRICT MUNICIPALITY, 2009-2019 [NUMBER PERCENTAGE]



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 16: 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%

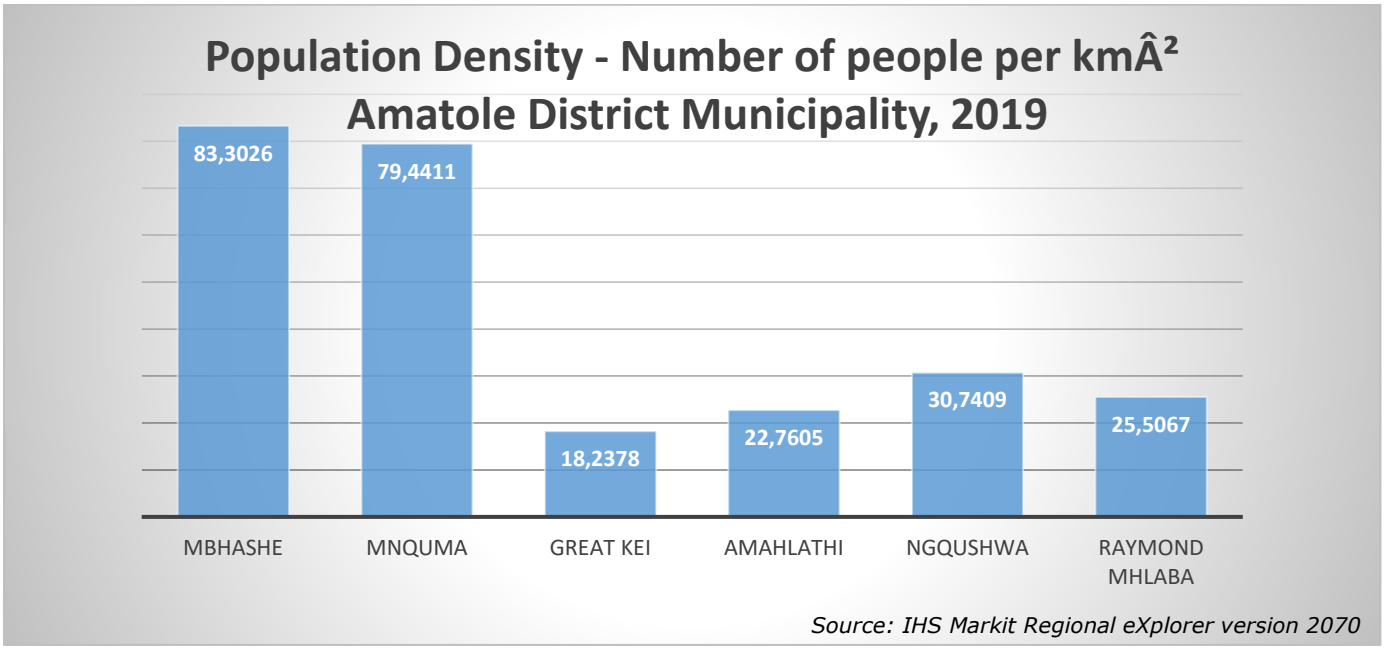
Source: ECSECC, 2019

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.

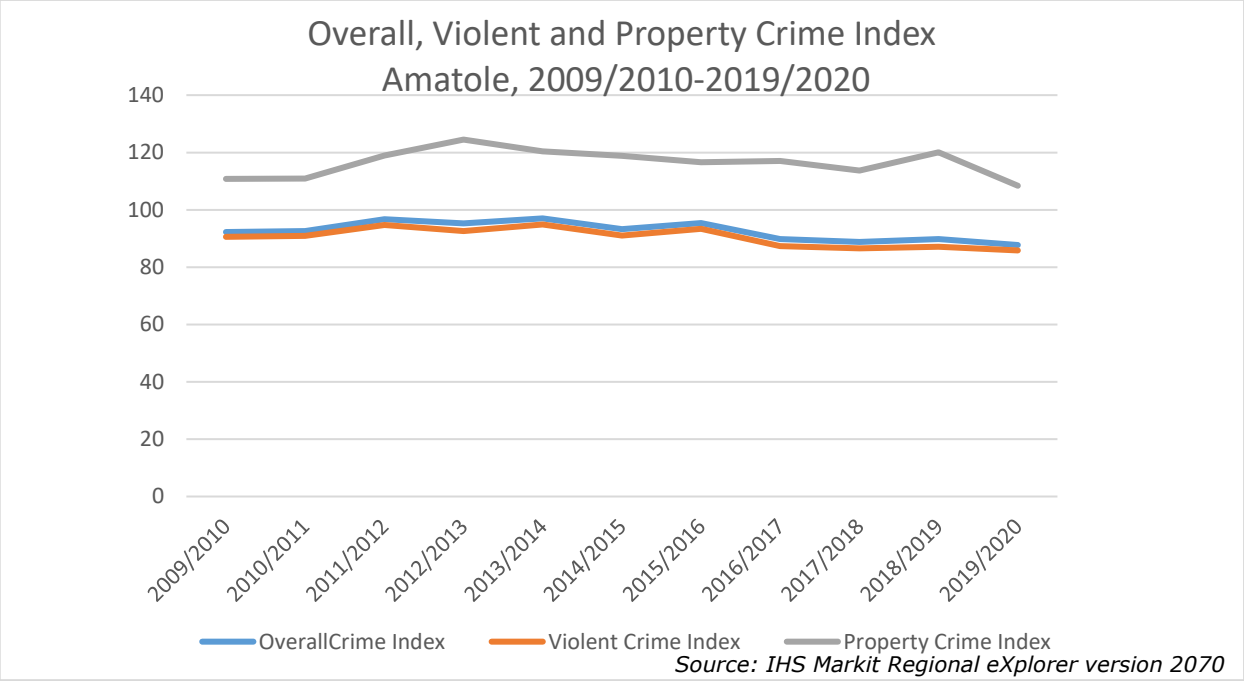
The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

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 17*:* 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 18: HOUSEHOLDS BY TYPE OF SANITATION - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2018 [NUMBER]

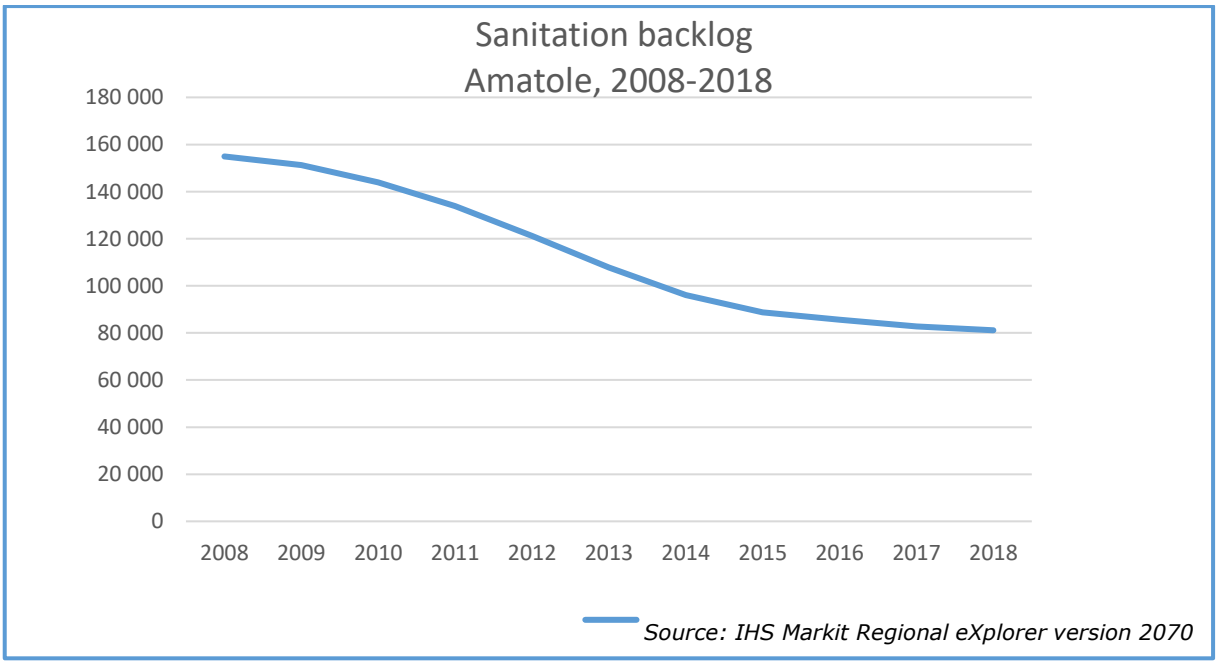
	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Mbhashe	5,714	37,165	9,930	210	15,330	68,348
Mnquma	17,363	32,748	16,894	515	5,375	72,895
Great Kei	2,468	3,174	1,572	92	1,503	8,809
Amahlathi	6,685	11,139	9,709	164	1,930	29,627
Ngqushwa	1,743	12,601	5,225	24	454	20,047
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 19: HOUSEHOLDS BY TYPE OF WATER ACCESS - AMATHOLE DISTRICT MUNICIPALITY, 2018 [NUMBER]

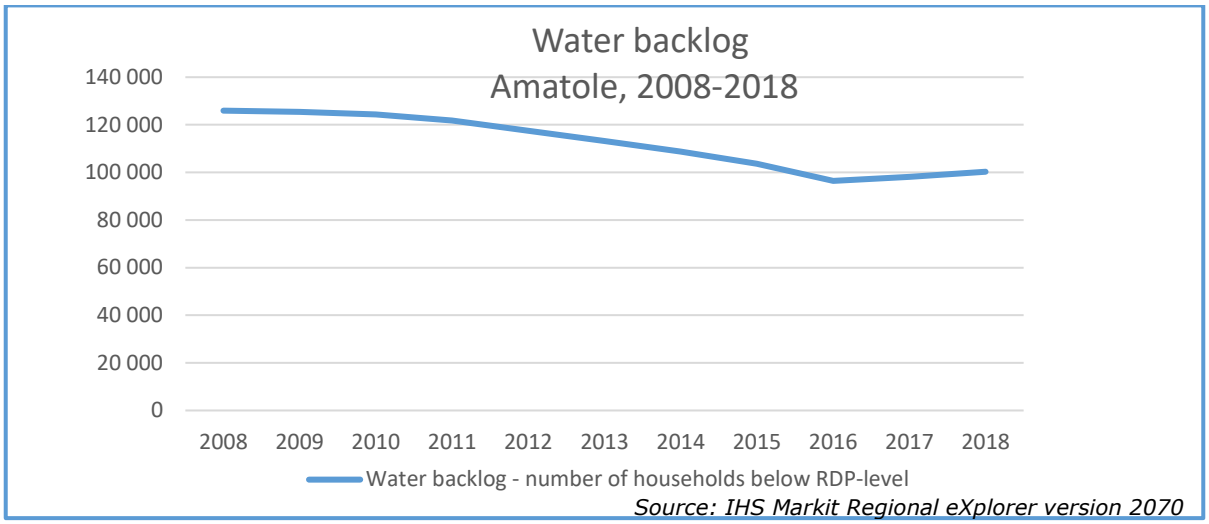
	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Mbhashe	8,997	3,310	14,167	1,982	39,892	68,348
Mnquma	14,347	4,507	20,676	8,276	25,088	72,895
Great 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 20: HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2018 [NUMBER]

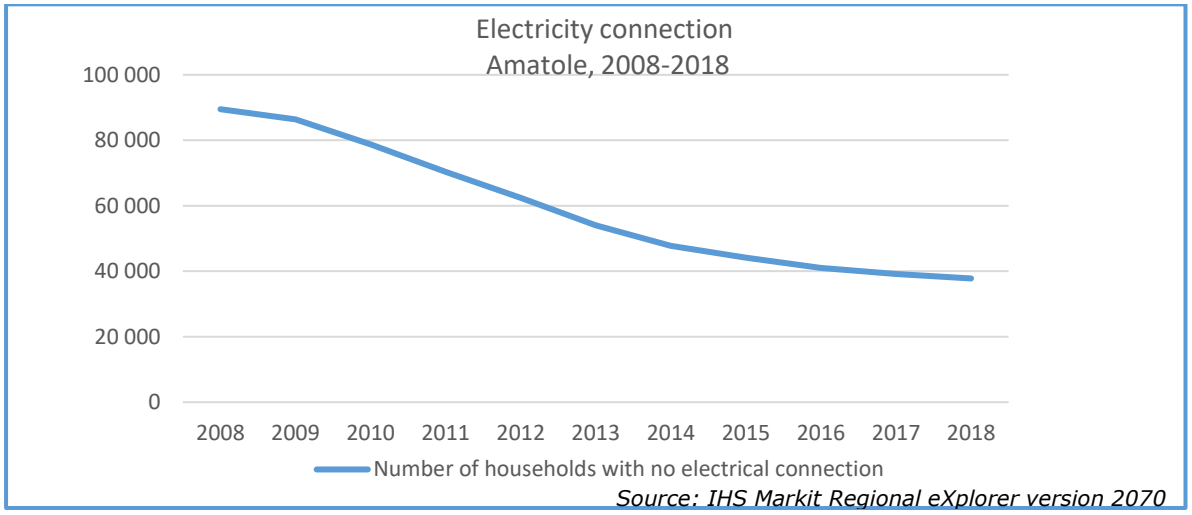
	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Mbhashe	6,956	43,114	18,278	68,348
Mnquma	4,905	54,146	13,843	72,895
Great Kei	412	7,164	1,233	8,809
Amahlathi	1,577	26,175	1,875	29,627
Ngqushwa	1,195	18,091	762	20,047
Raymond Mhlaba	1,472	42,426	1,807	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 21*:* HOUSEHOLDS BY REFUSE DISPOSAL - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2018 [NUMBER]

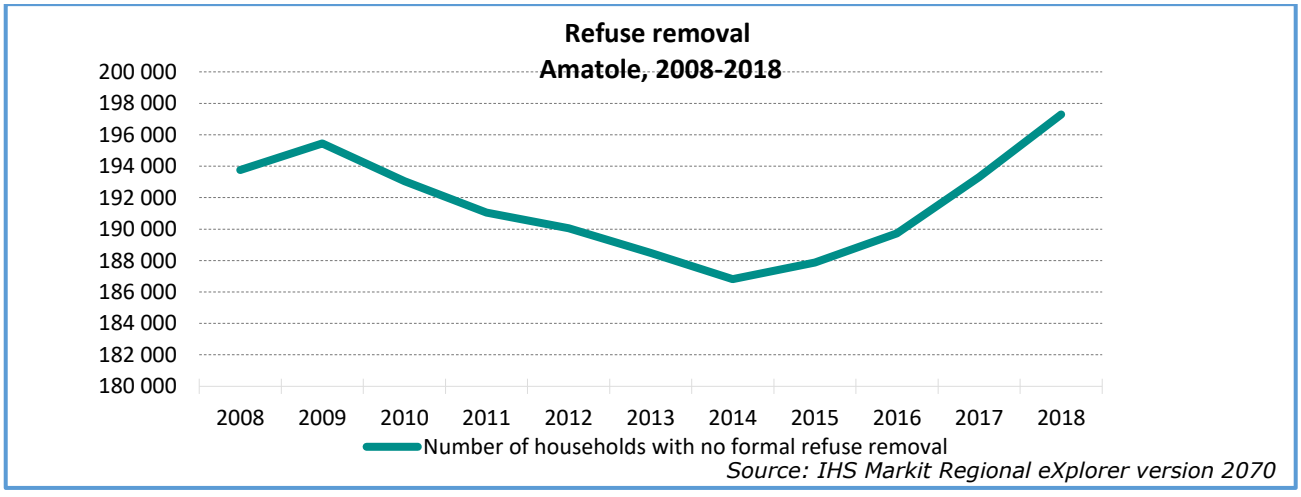
	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Mbhashe	7,297	589	2,624	48,625	9,212	68,348
Mnquma	13,402	495	1,191	53,350	4,458	72,895
Great Kei	2,571	115	299	5,257	566	8,809
Amahlathi	5,309	155	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

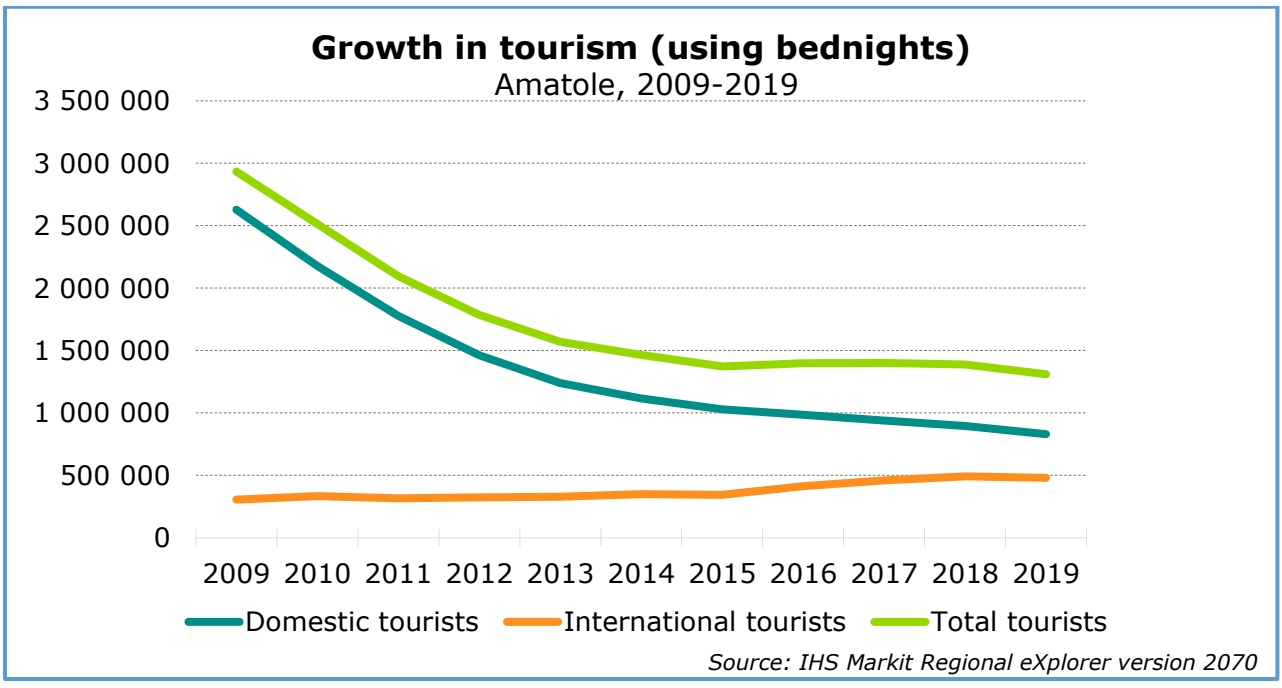
Tourism can be defined as the non-commercial organisation plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips - these are all included in tourism. As defined by the United 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 THREE:
STATUS QUO ANALYSIS

Change Benefits	STATUS QUO Benefits
Change Costs	Status QUO Costs

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

A diagnostic analysis was undertaken by ADM in conjunction with Municipal Infrastructure Support Agency (MISA)/Lidwala to determine the overall size of the workforce as well as its composition, demographical and educational levels. The aim was also to determine the numbers per occupational level and functional area of responsibility, as well as the number of vacancies. The analysis also covered the total volume of work, type of work and skills requirements per occupational category.

Notably, in the status quo analysis, there were discrepancies regarding positions in the staff establishment that were not in line with the powers and functions of a Water Services Authority, incorrect skills levels of positions and the bloated Budget & Treasury Office.

As a response to the findings, ADM adopted a Municipal Turnaround Strategy and a broader Vision 2058 Developmental Plan which is a 40 year prognosis. Four (4) visions emerged from the strategic document namely; Dynamic Rural Economy, Sustainable District, Just, Equitable and Resilient District with the main focus on developing a Smart District by 2058. This became a conceptual framework mapping out the envisaged Amathole in 2058 was subsequently endorsed by Council, a Vision 2058. The framework presents various scenarios to be employed by the former in conducting its business. Thus, new comprehensive mechanisms ADM needed to concentrate on in order to turn the institution around and realize a secure and sustainable future were developed and built in a Municipal Turnaround Strategy (MTAS), which consists of wide-ranging implementation pillars.

As part of the MTI component and its contribution to the pillar that deals with a Resilient district, the department will roll out programmes which will ensure that ADM is stabilized financially and administratively, and such programmes are listed below.

The implementation of the job evaluation programme which is linked to the reviewal of the Establishment Plan will ensure that the cost of employment is brought to acceptable levels. There are also two other programs that are interlinked in their nature and they are employee retrenchments and the implementation of Mutual Separation Agreements (Voluntary). Both these interventions which will be rolled-out over the next five years and seek to stabilize the organization and ensure that the majority of institutional resources are utilized on service delivery initiatives.

The implementation of the Makhanda High Judgement which set aside the illegal standardization and re-categorisation further enhance the objective to lower the cost of employment within Amathole District Municipality.

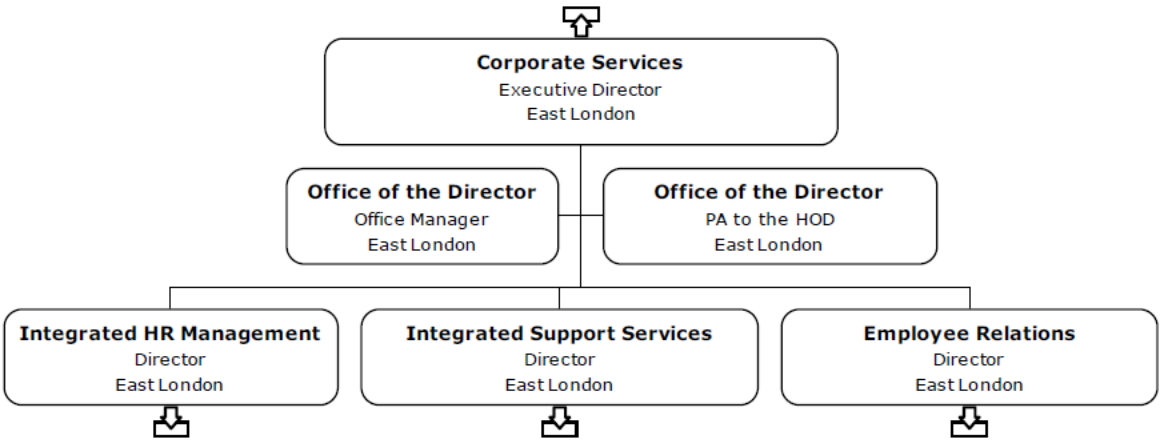
On the other hand, the Municipal Turnaround Strategy (MTAS), prompted the review of the Organisational Structure to properly align the Organogram with the mandate and core business of the organisation. The MTAS emerged with eight pillars and for purposes of this chapter, the focus will be on Institutional Development which “seeks to build a culture of excellence and a value based organization through, amongst others, organizational development and design”.

3.1.1 DIRECTORATE OVERVIEW

The establishment plan was developed and tabled before Council on the 29th June 2018, where it was approved. The 2018/19 organogram contains 2092 employees and this figure includes Section 55 and 56 Managers positions.

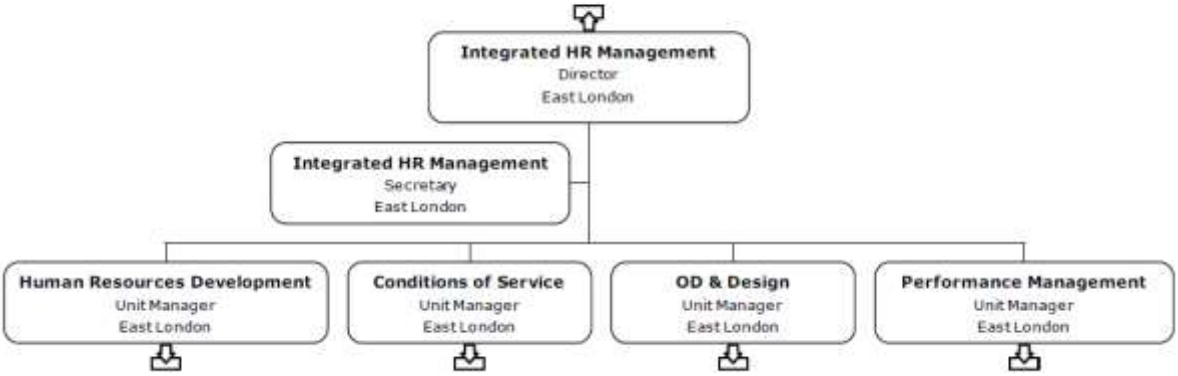
The Corporate Services (CS) Department is led by a Section 56 Manager who is ordinarily referred to as Executive Director. The Department has three divisions which are namely, Integrated Human Resource Management (IHRM), Integrated Support Services (ISS) and the Labour Relations Division (LR).

The 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 Structure of Corporate Services at a micro level is as follows:-



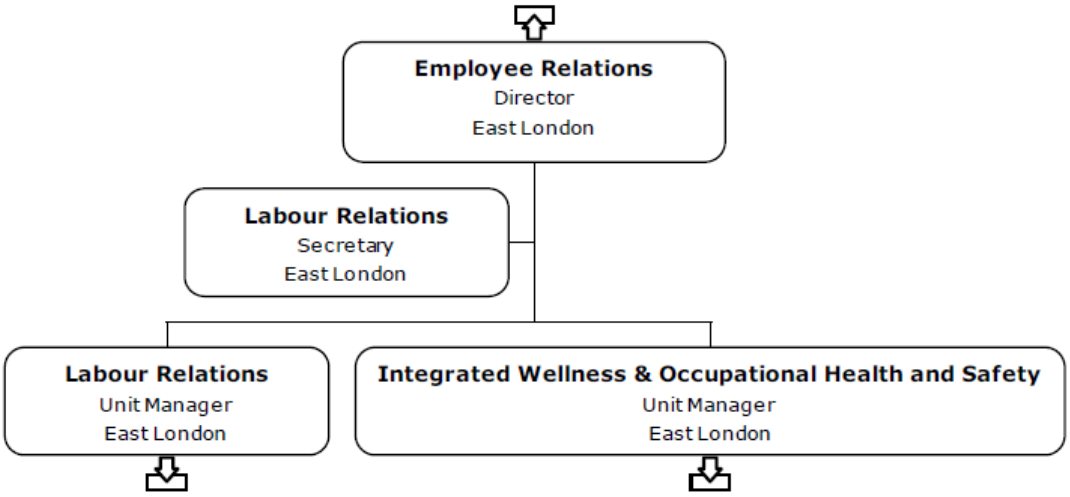
The department is structured such that there are three Divisions in the form of :-

INTEGRATED HR MANAGEMENT DIVISION



INTEGRATED SUPPORT SERVICES DIVISION

EMPLOYEE RELATIONS DIVISION



KEY FUNCTIONS OF THE DEPARTMENT

- Recruitment & Selection
- Organisational Development and Job Evaluation
- Human Resource Development
- Performance Management
- Fleet Management
- Facilities and Security Services
- Records Management
- Personnel Management (Payroll Currently, moved to BTO)
- Council Support
- Labour Relations
- Employee Wellness

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.

The department is the custodian of a range of Human Resources Policies which include:- Human Resource Development Strategy, Fleet Management Strategy, Workplace Skills Plan, Employment Equity Plan, Occupational Health & Safety Strategy, Human Resource Plan, Employee Wellness Strategy, Recruitment & Selection Policy, Leave Policy, Records management Strategy. Some of the Polices are reviewed annually whilst some are reviewed as and when needed.

This is done through:

- The Promotion an effective Job Evaluation system that seeks to ensure that the jobs are properly graded and audited.
- 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

The main strategic objectives for the division are to attract, retain, build capacity, maximise utilization of human capital and ensure labour peace by 2026 whilst remaining aligned to all spheres of organisation and the Employment Equity Plan that is currently in place. The Corporate Services Divisions strive to provide a safe working environment for all the municipal employees in order to deliver a productive workforce. Being part of those departments that support service delivery within the organization, it remains at all material times, critical for the department to be pro-active whilst being response to the needs and aspirations of the service delivery objectives of the organization and with that, the department ensures that the machinery & resources of the organization are properly aligned in order to ensure that Amathole District Municipality is able to deliver on its Constitutional mandate as a district municipality

3.1.1.1 Organisational Development and Job Evaluation

As part of the broader strategy on institutional arrangement, ADM decided on a list of key interventions that were to enable the Municipality to move closer to the envisaged goal, while ensuring that all functions are at accurate skills levels and T.A.S.K grades as contained in the South African Local Government Association Job Evaluation Policy. The list, accompanied by the envisioned deliverables and a comprehensive implementation plan was submitted and approved by Council. To-date, a significant ground in respect of implementation plan has been covered and concluded.

ADM contracted a service provider to assist in extensive organisational re-engineering of the institution. Both ADM and the service provider agreed on the expected outcomes of deliverables and developed a Process Plan for the implementation thereof, and such was adopted by Council. The Process Plan included, but not limited to the following deliverables:

Table 22: JOB EVALUATION PROCESS PLAN

Deliverables	Status
Organisational review and design (organisational structure)	Completed
Job evaluation training and coaching	Completed
Job description writing and review	Completed
Skills Qualification Audit	Completed
Develop criteria to identify critical skills	Completed
Develop a workforce Migration Plan	Completed
Job Evaluation and Auditing	In progress
Mutual Separation Agreement (MSA)	In progress

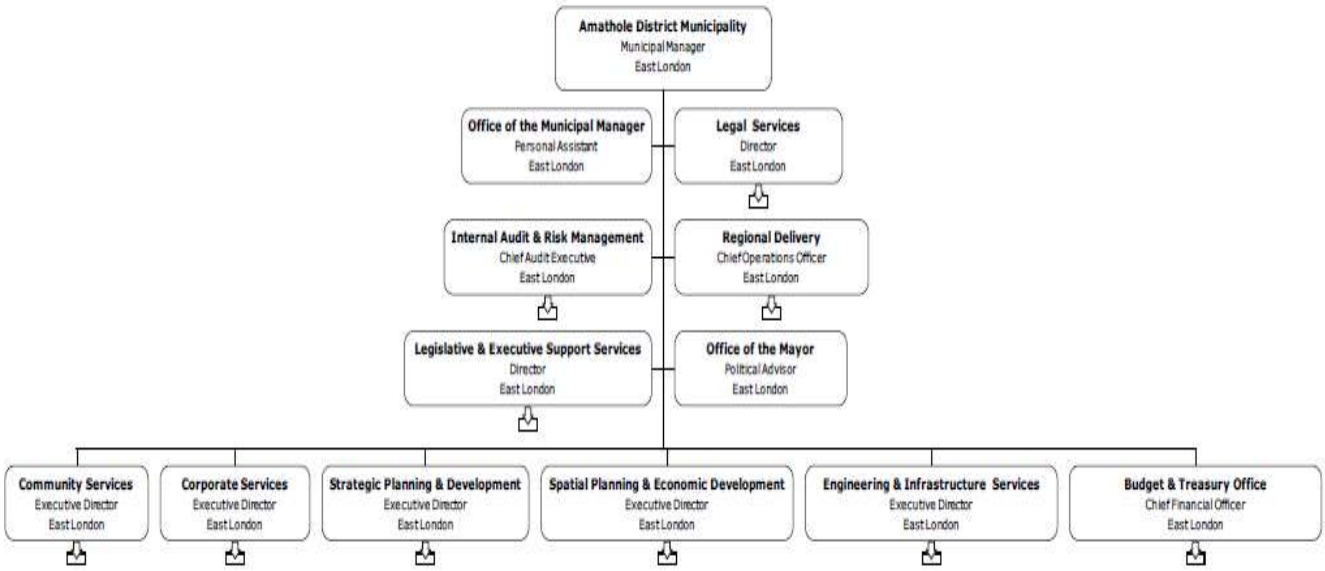
The approved structure for the year 2018/2019 has not yet been implemented because of the above processes that are still in progress, which are critical to deal with the anomalies in the current structure.

The following are Directorates as contained in the approved structure and the vacancy status of the positions are reflected: -

Table 23: SECTION 56 & 57 MANAGERS

Department	Status	Incumbent
Municipal Manager	Filled	Dr Thandekile T Mnyimba
Chief Financial Officer	Filled	Mr Lucky M Mosala
Director: Strategic Planning & Management	Filled	Ms Akhona Tinta
Director: Corporate Services	Filled	Mr Khayalethu Mrali
Director: Community Services	Vacant	- -
Director: Engineering Services	Filled	Mr Makaya Dungu
Director: Land Human Settlements & Economic Development	Filled	Mr Simphiwe Mnweba

The structure of the institution at the micro level is as follows:-



The information below is based on 2013/2014 structure as it is the organogram that is currently used.

Table 24: 2013/14 ORGANOGRAM

Department (2013/14)	Number of Positions	Filled	Vacancies
Office of the Municipal Manager	47	29	18
Strategic Planning & Development	94	45	49
Budget & Treasury Office	298	188	110
Corporate Services	165	94	71
Engineering & Infrastructure Services	1312	793	519
Community Services	265	182	83
Spatial Planning & Economic Development	55	33	22
Legislative and Executive Support Services Unit	63	46	17
TOTAL	**2299**	**1410**	**889**

The above table depicts, the vacancy rate is 39%, and filled positions are at 61%. Amathole District Municipality has not been faced with any challenge when recruiting to fill positions. Thus therefore, no occupation that could be categorized as scarce skill in the institution so far. Number of positions budgeted for are 1483 (one thousand four hundred and eighty- three), positions vacated on 31 January 2021 backwards are not funded as per Budget and Treasury Office.

3.1.1.2 Human Resource Development

Rendering of human resources development services is done in respect of Councillors and employees. Other functions include the following:

- Administration of learnership programmes
- Administration of Experiential Learning Programme
- Coordination of ABET Programme
- Administration of Bursary Scheme for Rare Skills (for Unemployed HDIs)

- Administration of Employee Study Assistance Scheme for employees
- co-ordination of training and development (for Councillors & Officials)
- Administration of Internship programme.

LGSETA Grants

Every financial year the municipality applies for funding for both Mandatory and Discretionary Grants. This is always received due to complying with the LGSETA requirement of submitting a credible Workplace Skills Plan. The funding received from the SETA is utilised for programmes such as Internships, Workplace Integrated Learning (WIL), Learnerships, Skills programmes and Bursaries.

Human Resource Development (HRD) Strategy

The HRD Strategy was developed in 201 and reviewed in 2017 Implementation of programmes in the strategy commenced soon after the former's approval. Programmes were designed to cater for ADM employees, Councillors and the unemployed youth. This includes facilitation of a learnership where ADM implemented a New Venture Creation Learnership for unemployed learners with disabilities. Skills programmes implemented for unemployed included garment making, wiring and beading as well as leather making. The Unit also managed to do Career Guidance Expos in the Local Municipalities within the district. In line with the Strategy, a partnership was also forged with an FET where Workplace Integrated Learning (WIL) learners doing farming were placed for practical purposes. Some of the programmes could not be implemented either due to lack of funding or that they are not the competence of the district. This includes programmes such as facilitating the increase of ECD sites, AET sites and SMME market linkage and improving the District's General Education and Training (GET) performance.

Workplace Integrated Learning Programme (WIL)

During 2021/22, ten (10) learners were placed in Local Municipalities to provide them with Work Integrated Learning (WIL). This will give them the required work exposure that is a requirement which 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 Sixteen (16) unemployed graduates were enrolled for the Internship Programme, and the breakdown was as follows; three (3) Interns were financed by National Treasury through Municipal Financial Grant, and thirteen (13) 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 2021/22, ADM applied for Bursaries but LGSETA did not offer Amathole any bursaries for the year under review.

Learnership Programme:

A total of forty – eight (48) candidates were enrolled for 3 Learnerships as follows;

- Water and Wastewater Treatment Process Control Supervision (15)
- Municipal Finance (23)
- Water & Wastewater Learnership (10)

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

3.1.1.3 Employee Wellness and Occupational Safety

The Unit has 3 Strategies namely, namely; the Occupational Health and Safety, HIV and Aids, and Employee Wellness Strategies. The strategies were developed and approved in 2012/2013 Financial year and were all reviewed in 2018/19. Implementation of both strategies is currently in process.

Programmes are currently implemented and sponsored at this stage are:

- Financial Health Programmes
- Nutritional health workshops and coaching
- Family Planning Workshop
- HIV & AIDS workshops which includes counselling and testing
- Educational workshops on all health-related issues including TB and other lifestyle related conditions.
- Nutritional, Dental and mental health programmes.
- Workshop for peer educators on various health related topics.
- Workplace inspections
- Occupational Health and Safety Compliance workshops
- Workplace incidents and accident workshops.
- Health and Wellness Expositions
- Workshops on occupational related diseases and conditions.

Due to the number of workshops intervention that are continuously facilitated/conducted, there is a noticeable decrease in workplace injuries. The Unit has a challenge on the implementation of two major programs, viz; the Medical Surveillance and Workplace Risk Assessment. Non availability of funding makes it difficult to execute these programs.

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 and are as follows:

- ADM Covid 19 compliance plan
- National Guidelines for management of Covid 19 at the workplace

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 three Councillors and two officials to the Covid-19 pandemic during this period.

3.1.1.4 Recruitment and Selection

The unit is charged with the responsibility to implement the Talent Management Strategy and is also responsible for ensuring compliance with the Employment Equity Act 55 of 1998 requirements.

The vacant and extremely needed positions are temporarily filled through contract employments, acting, transfers and secondments. This kind of staff utilisation has been triggered by the imposition of a

moratorium to fill vacant positions, which inevitably dictated that recruitment and selection processes be stalled, whilst the staff migration process has not yet been completed. Staff will be migrated to the latest approved organogram when the time is ripe, and it is at that moment when placement processes will unfold. Acting of staff in positions will then be reduced drastically and vacant positions, minimised.

Here under is the depiction of a vacancy rate and compressed report on staff utilization processes:

Table 25: VACANCY RATE PER DEPARTMENT: MARCH 2022 (ACTIVE & DORMANT POSITIONS)

DEPARTMENT	POSTS	VACANCIES	VACANCY RATE
Municipal Manager's Office	48	18	38%
Legislative & Executive Support Services	64	17	27%
Strategic Management	95	49	52%
Budget & Treasury Office	299	110	37%
Community Services	266	84	31%
Land, Human Settlement & Economic Development	56	22	40%
Corporate Services	166	71	43%
Engineering Services	1312	519	39%
TOTAL	**2306**	**890**	**39%**

Table 26: EXISTING FIXED-TERM CONTRACTS OF EMPLOYMENT POSITIONS

DEPARTMENT	NUMBER OF EMPLOYEES INVOLVED
Budget and Treasury Office	2
Corporate Services	8
Strategic Planning & Management	10
Municipal Manager's Office	1
TOTAL	**21**

Table 27: ACTING NUMBER OF EMPLOYEES IN POSITIONS PER DEPARTMENT

DEPARTMENT	NUMBER OF EMPLOYEES INVOLVED
Budget and Treasury Office	17
Community Services	14
Corporate Services	13
Engineering Services	20
Land, Human Settlement & Economic Dev.	2
Strategic Planning & Management	9
TOTAL	**75**

Table 28: EMPLOYEE TRANSFERS IN POSITIONS PER DEPARTMENT

DEPARTMENT	NUMBER OF EMPLOYEES INVOLVED
Budget and Treasury Office	1
Engineering Services	1
Municipal Managers Office	1
Strategic Planning & Management	3
TOTAL	**6**

Table 29: STAFF SECONDMENTS AND ADDITIONAL RESPONSIBILITIES

DEPARTMENT	NUMBER OF EMPLOYEES INVOLVED
Budget and Treasury Office	2
Corporate Services	1
Engineering Services	1
Municipal Managers Office	1
Strategic Planning & Management	3
Land, Human Settlement & Economic Development	1
Erstwhile Legislative & Executive Support Services	4
TOTAL:	**13**

3.1.1.4.1 Employment Equity

The current Amathole District Municipality (ADM) Employment Equity Plan was reviewed in 2019 and adopted by Council for a period that will end on 30 June 2022. The Plan seeks to achieve reasonable progress towards employment equity in the workforce. The institution also makes submissions to

The current Amathole District Municipality (ADM) Employment Equity Plan was reviewed in 2019 and adopted by Council for a period that will end on 30 June 2022. The Plan seeks to achieve reasonable progress towards employment equity in the workforce. The institution also makes submissions to Department of Labour around equity targets annually. The Employment Equity Committee is functional and the meetings take place quarterly with the exception of the period commencing 26 March 2020 in which the national economic lockdown and COVID-19 alert levels were declared. The standing committee meetings comprising of Skills Development & Employment Equity Technical and Steering with one representative per Department, a Union representative from each labour movement and a Councillor leading in the Steering committee, were resuscitated in the 3rd quarter of 2020/2021. That renders a hope of conducting business-as-usual concept going forward.

There are given national and provincial set goals of 45.4 and 48.7% respectively in the female category, which Amathole District Municipality has to comply with regard to its employment equity targets,a the end of June 2021, Amathole District Municipality stood at 44% on female employees. Due to the implementation of the MTAS, a moratorium on the filling of vacant positions was then enacted; this, however, has had a negative impact in the achievement of set targets. This simply means, one of the objectives of the Employment Equity Plan is to address the non-compliance issue in terms of reaching the national and provincial set goals. In other words, where there are race or gender inequalities , recruitment and selection processes are a remedy in addressing them and therefore, the objective cannot be achieved or realized if recruitment and selection processes are suspended because there will be no filling of vacancies to address the race and gender inequalities.

With regards to people with disabilities, both the national and provincial goal stand at 2%, while Amathole District Municipality stands at 0.3%. To meet the 2% recommended national goal, ADM needs to have 1.7% and that is an equivalent of 25 employees. If everything remains constant, the institution needs 25 more PwDs to meet the recommended national and provincial goal of 2%.

On the analysis of the staff profile it was found that the main challenges for ADM include the following: -

- Under representation of females in the top management occupational level
- Under representation of females and coloured race in the senior management occupational level
- Under representation of coloured race in the professionally qualified occupational level
- Under representation of coloured race in the skilled technical occupational level
- Under representation of females and coloured race in the semi- skilled occupational level
- Under representation people with disabilities in all occupational level.

Remedial Actions

The selection panel is served with a designed template reflecting occupational level actuals and goals for each ADM recruiting Department. The template's purpose is to guide the selection panel on the filling of vacancies to ensure the selection process is responding to the objectives as outlined in the Employment Equity plan with the aim to address the race and gender inequalities in the workplace.

3.1.2 INTEGRATED SUPPORT SERVICES

Integrated Support Services 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 must be put in place, with focus on:

- Personnel Administration,
- Facilities Management,
- Records Management,
- Fleet Management
- Security Services.

3.1.2.1 Personnel Administration

- 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 five 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 who provides a service to councillors in the form of payroll and benefits.

Challenges

- Personnel costs are excessively above the National Treasury threshold in that they constitute 42% 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.
- The percentage of personnel costs versus total operational costs need 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 officials not taking the mandatory vacation leave.
- The Leave Policy has now been reviewed to reflect that Mandatory leave not utilised will be forfeited after the end of a Leave Cycle
- Overtime is now capped at 40 hours per month to reduce high overtime costs. Any overtime in excess of 40 hours is converted to leave.

3.1.2.2 Records Management

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.
- A Records Management Strategy with the implementation plan to ensure that systems are optimally improved has been developed and approved by Council. The implementation plan will assist in guiding day-to-day decisions and also to evaluate progress, distinguish unclear roles and responsibilities and changing approaches when moving forward.

Digitization of records is at the centre of promoting proper records keeping. The district municipality has SAP system with electronic document management module 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. The challenge is that the system is not fully utilized by all staff and majority of operations are still on paper

Despite all this, the bulk of information is still filed manually causing unnecessary delays in retrieval, records continue to be decentralised in all offices. There is a lack of proper storage space for inactive records. In 2020/2021 financial year, the ADM has since transferred council minutes that dates between 1962 and 1992 to Provincial Archives repository.

In an effort to capacitate ADM officials on the importance of records management in the public sector, ADM periodically conducts workshops in collaboration with the Provincial Archives Office in the Eastern

Cape Department of Sport, Arts and Culture. The workshop is normally attended by representatives from all departments. Key focus areas are the records management concept, use of file plan and its benefits, disposal of records, benefits of sound records management system and consequences of ineffective records keeping system.

Inspection of records management was also conducted by the Eastern Cape Provincial Archives. It was based on compliance of central registry with records management practices, norms, and standards. Centralization of records, implementation of file plan, systematic disposal program and storage of inactive records were all identified as areas in which the municipality do not fully comply.

In 2021/2022 financial year, the classification system or File Plan is being reviewed. Consultations and workshops were conducted during the reviewal of the file plan. The recommendation for approval of File Plan by Council was obtained from the Provincial Archivist.

Challenges

- Digitization of records to meet the institutional strategic objective of being a smart district.
- Inadequate space for archives.
- Non-compliance to records management policy and file plan.

3.1.2.3 Fleet Management

A 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 was rolled out during the 2020/21 financial year and is in the process of being implemented. ADM has 278 Vehicles as of April 2022.The Fleet Management Procedure manual stipulates that vehicles will be replaced every 5-7 years or 150 000 km for sedans and 7-10 years or 300 000 km for bakkies and trucks, Plant Machinery and Fire Engines, subject to the overall condition of the vehicle. One hundred and seventy-three (173) vehicles have exceeded their lifespan, and this translates to 59% of the fleet.

Repairs and Maintenance

ADM participates in the RT46-2020 contract on the provision of vehicle management to the state for a period of 5 years from 1 April 2021 to 31 March 2026. Repairs, maintenance and fuel management are outsourced. Monthly meetings are convened with the contracted service provider to discuss issues around the turnaround time i.e. turnaround time to fix service delivery service vehicles depends on the extent of the damage, it could be 72hrs and up to more than a month, efficiency in costs incurred on repairs and maintenance, i.e. inspections are conducted by the service provider on all vehicles with repair costs exceeding R20 000 to prevent abuse by merchants.

Vehicle Tracking and Monitoring

Fleet is one of the main cost drivers in the municipality and therefore to intensify controls and 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. ADM has a tracking system in place.

Vehicle Procurement and Disposal

In the past 3 financial years the institution hasn't purchased any fleet due to financial constraints, on the other hand the number of vehicles get reduced due to disposals and write offs. There has been no disposal of vehicles owing to the fact that there are no financial resources to replace the vehicles. 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. There are different models that can be used by the Municipality to acquire vehicles for business purposes, they are leasing, outright purchasing and a subsidized scheme. Out of the three models, there most viable option that can be used by the municipality is the outright purchase.

Licensing and Driver's Compliance

The Municipality has an Accident Committee to focus on cases where accidents.

Challenges

- Looking after fleet vehicles at the satellite offices has proven to be a challenge which has been alleviated by assigning the responsibility to manage and control vehicles to the Senior Managers in satellite offices as per the delegations from the accounting officer.
- This will be incorporated in the Fleet Management Policy when it is reviewed.
- Vehicle misuse and abuse and fuel theft by officials is still a challenge. However, discrepancies in fuel utilisation and mismanagement of vehicles are reported to relevant departments to take appropriate action.
- High costs in repairs and maintenance due to old fleet.

Remedial Actions

- Conduct roadshows on fleet usage to officials
- Disposal of old fleet and purchase new fleet
- Supervisors be held liable for officials not adhering to the fleet management policy.

3.1.2.4 Building and Property Management

ADM Owned Properties

ADM has several properties scattered within its area of jurisdiction in the local municipalities. Some of these properties were inherited in the former Republic of South Africa and were registered under the Local Municipalities. In total, ADM has 692 properties including Ducats, Mthontsi and Needs Camp human Settlements that have pending transfers to their rightful beneficiaries. To avoid vandalism to these properties ADM has opted to lease them out and collect revenue in the form of rentals from the leased properties. To ensure that all Council buildings and properties are properly maintained, through 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, an exercise which has been put on hold due to financial constraints.

For ADM to be where it should, be it is important to pursue turnaround strategies, where the institution will be able to build the “culture of excellence and a value-based organization four aspects, one of which is financial viability. The strategy cannot be separated from sound monetary management aspiration, which constitutes one of the eight development pillars to enable the institution to propel forward towards the direction of realizing its vision 2058.

ADM has adopted a Financial Recovery Plan that was conceived and partially implemented to mitigate cash flow constraints, but for this to effectively occur it must be linked, inter alia, to effective utilization of ADM own properties to minimize rental costs. Part of the programme is the renovation and refurbishment of 40 Cambridge and Whelan workshop for office accommodation of staff that is located at its Head Office in Chiselhurst, following a twelve months’ notice to terminate the rental contract.
An Immovable Property Management policy has been developed and submitted to the Executive Management Committee and Local Labour Forum for comments. The policy will be tabled in the May/June 2022 Council meeting for adoption.

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.
- Creating awareness of the function of voice recording messages to all officials for telephone handsets. This function can assist when officials are out of office in meetings, absent etc, upon their return they could access recorded voice messages from their telephones. This will also avoid the switchboard getting congested with calls being returned to the boar that was unanswered. This will also assist in customer care and by returning of calls for revenue and services delivery queries etc,

- 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.

Challenges

- High rental payments due to lack of ADM owned office accommodation at Main office and satellite offices.
- High payment of rates due to Incomplete land transfers to local municipalities for properties obtained through the devolution of powers and functions.
- Non-existence of a property management policy to guide management of the properties
- Non /late payment of ADM owned properties' rentals by Tenants.

Security Services

ADM is providing security services 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.

ADM used to have contracts for Alarm Monitoring and Emergency to protect certain ADM owned and rented properties. 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.

3.1.3 EMPLOYEE RELATIONS

3.1.3.1 Labour Relations

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.

Local Labour Forum

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 meetings 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 the past 5 years and therefore, a need to build relations between employer and employees is of utmost importance and necessity moving forward. Matters that are generally tabled before the LLF include the non-payment of salary increases in July of each year due to the financial instability of ADM and the employer would ordinarily table an item advising Organised Labour about the process of applying of an exemption. The application for exemption started in 2020 until todate whilst the SALGBC s processing the Exemption Applications. This kind of item would sometimes lead to a deadlock and collapsing of the Local labour Forum meetings.

Other issues that have been under discussion at the LLF include the tabling of reviewed policies attached to the employee benefits and the reviewed Organogram which has been streamlined to respond to the mandate of the organisation. Discussions in the LLF have not been plain sailing as Organised labour does not seem eager to engage on this matters of institutional importance however, the employer component will not tire to persuade all the stakeholders to work jointly in addressing the challenges of the organisation as outlined in the Municipal Turnaround Strategy.

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.

Disciplinary Cases

The Division facilitates the sitting and conclusion of disciplinary matters. There are six precautionary suspensions that took place in the last 3 years and are currently running. There are a number of disciplinary and grievance matters that are dealt with that are separate from the precautionary suspensions which the organisation has now prioritised to ensure that they are brought to finality within the first year of the 5 year Term. Disciplinary cases will always be there in an organisation due to the

fact that human beings are involved however, the number of cases at a time should be managed and kept and a minimal level and avoided where possible if issues can be resolved amicably.

Covid-19 Danger Allowance

Arising out of the declaration of the State of Disaster in March 2020, many municipalities around the country faced demands from employees and organised labour for a Danger Allowance to be paid to employees due their potential exposure to the risk of contracting the virus. ADM has also received a request for a Local Labour Forum (LLF) to discuss the very issue of Danger Allowance. The SA Local Government Association (SALGA) issued an Advisory Guide on Danger Allowance Measures During the Covid 19 Period, dated 17 April 2020.

In the guide, SALGA acknowledged that the issue of a Danger Allowance is a policy matter rather than a collective bargaining issue, either at divisional or central level. Municipalities have the jurisdiction to determine the applicability and quantum, subject to risk assessment and budget availability. The matter was subjected to the LLF on more than one occasion and the parties could not agree on the wayforward. Organised Labour are adamant that each qualifying employee should be paid an amount of R2000 backdated to 2020 and the employer component is concerned that the funds are not available to absorb this cost due to the fact that the Annual Budget does not even suffice to service the monthly salary bill let alone an added cost.

High Court Judgment on Standardization and Recategorization

Following a challenge by ADM for the review of both the decisions to standardize salaries and the recategorization of the Municipality from Grade 6 to 7, the High Court on the 19th of August 2021 found both processes unlawful and reviewed and set them aside.

Implications of this decision impact on salaries and associated benefits attained through these processes. Anticipating this, the High Court remitted discussions on the matter to the LLF for consultation, negotiation and decision-making. Whilst the court judgment is favourable to ADM, it still requires Organised Labour to accept as is, or to offer or request other options, which may take some time.

The employer has developed a Process Plan which indicates clearly what steps will be followed in implementing the Court Judgement and that Process Plan has already served before Council. The Process Plan proposes that a Team of Experts be appointed to compile figures pertaining to each employee and how they benefitted from both processes and thereafter, the final report will be tabled before the LLF for a decision. Following discussion of the matter in the LLF, the Implementation will then follow.

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

In 2017 with the assistance of the Municipal Infrastructure Support Agent (MISA), ADM started a review process of determining what the best institutional arrangements for water services would be. This was part of the adopted five-year Municipal Turnaround Strategy (MTAS) which sought to reposition ADM and to improve service delivery performance in an efficient, effective, and economic manner, hence the slogan ***"Bringing ADM 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 to realise accelerated service delivery by Amathole District Municipality.

Furthermore, **building of public confidence** in ensuring that Amathole District Municipality community trusts 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** as contained in the following figure (ADM TURNAROUND STRATEGY 2018 – 2023). The stated "TURNAROUND STRATEGY" is part of the Municipality Council recently adopted Amathole Smart District towards 2058: "***Vision 2058: Building a Smart District***", which is a 40-year prognosis in preparation of the 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 presented to the United Nations and UNESCO during 2019. 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.

The **Municipal Strategic Self-Assessment** (MuSSA) is a carefully structured, comprehensive municipal self-assessment that provides a wealth of semi-quantitative information as to the Institutional "business health" of municipal water and sanitation services.

This assessment was done through the tracking of current and expected future performance, the identification of key areas of vulnerability and these will allow ADM to effectively plan and direct appropriate resources. The following were areas of concern needing intervention:

- Infrastructure Asset Management (IAM)
- Operation & Maintenance of Assets
- Financial Management
- Revenue Collection
- Financial Asset Management
- Water and Sanitation Service Quality
- Water Resource Management (WRM)

- Basic Sanitation
- Wastewater/Environmental Safety & Regulatory Compliance

ADM is developing a Municipal Priority Action plan (MPAP) template assessment where contribution factors and actions are developed in addressing above areas of concern.

The Strategic Session resolved on a number of solutions that must be implemented with the aim to ensure efficiency, effectiveness, and sustainability of service delivery. These include the following:

- co-sourcing of critical service delivery activities to ensure efficiency, effectiveness, and sustainability
- Reviewal of institutional arrangement for Alternative Service Delivery Model for the District Municipality to take full accountability of the service (from source to tap) and exclude any third party in the provision of the service
- Improved asset functionality and asset resilience
- Development of Integrated and sustainable energy mix
- Improved business process
- Improved Access to Water and Sanitation Services
- Improved quality of water and wastewater discharge in line with Blue and Green drops certification programme.

Other focus areas in the 2022-2027 term are :

- Financial sustainability where the District Municipality will be focusing on the implementation of Rural Yard Connection

3.2.1.1 DIRECTORATE OVERVIEW

The Directorate has the responsibility to ensure that it provides new water and sanitation infrastructure, provision of water and sanitation service, maintaining the existing infrastructure and also refurbish or upgrade the existing infrastructure within the District. Apart from building of infrastructure it also provides a coordination role for all infrastructure development activities across the District from different stakeholders be it Provincial of National Departments. The Directorate consists of the following units:

- Project Management Unit
- Water Services provision Unit
- Planning Unit
- Water Quality and Transport Planning Units

3.2.1.2 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. A new 5-Year Plan will be developed during the 2022-2023.

The Water Services Act, 1997 (Act No. 108 of 1997) places a duty on Water Services Authorities to prepare a Water Services Development Plan as part of the process of preparing any integrated

development plan. ADM has reviewed its Water Services Development Plan (WSDP) in 2017/18 and the 2018/19 WSDP report stated the water backlog is approximately **17%**, representing 37 316 households and households with no sanitation or below minimum standard (minimum being VIP) to be approximately **29%**, representing 63 941 households.

3.2.1.2.1 Status of Backlog

The Water Services Act, 1997 (Act No. 108 of 1997) places a duty on Water Services Authorities to prepare a Water Services Development Plan as part of the process of preparing any integrated development plan. Section 15 (5) of the Water Services Act, 1997 states that:

- *A water services development plan must form part of any integrated development plan contemplated in the Local Government Transition Act, 1993 (Act No. 209 of 1993).*

ADM has reviewed its Water Services Development Plan (WSDP) in 2017/18. Informing the WSDP were Water and Sanitation Master Plans that were developed for most of the municipalities in 2013 which need to be reviewed to reflect the new infrastructure development, refurbishment and upgrades that were completed since then. The severe drought during 2016 to date, old infrastructure, funding constraints, high water loss and low levels of revenue collection have been constant challenges that the ADM has faced in trying to meet its objectives.As the Water Service Authority (WSA), ADM has the responsibility of ensuring that all residents residing in the municipal area have access to at least a basic supply of water (communal supply) and sanitation service (VIP).

ADM has implemented many new projects and therefore there has been an improvement in the eradication of backlogs (water and sanitation). The tables below illustrate the improvement in the eradication of the backlogs since the 2017/18 financial year. The 2018/19 water backlog is stated at **14%** (32 028 households) that is an improvement of 3% from the previous financial year.

Table 30: IMPROVEMENT IN ERADICATING THE WATER BACKLOG

LM	Urban / Rural	2018/19		2017/18	
		Water backlog HH	Water Backlog Population	Water backlog HH	Water Backlog Population
Amahlathi	Rural	2 296	8 326	2 296	8 326
	Urban	170	612	170	612
TOTAL		**2 466**	**8 938**	**2 466**	**8 938**
Great Kei	Rural	48	183	48	183
	Urban	0	0	0	0
TOTAL		**48**	**183**	**48**	**183**
Mbhashe	Rural	15 126	64 134	17 194	73 134
	Urban	0	0	0	0
TOTAL		**15 126**	**64 134**	**17 194**	**73 134**
Mnquma	Rural	12 003	43 211	15 223	56 146
	Urban	0	0	0	0
TOTAL		**12 003**	**43 211**	**15 223**	**56 146**
Ngqushwa	Rural	2 135	7 273	2 135	7 273
	Urban	51	180	51	180
TOTAL		**2 186**	**7 453**	**2 186**	**7 453**
Raymond Mhlaba	Rural	192	700	192	700
	Urban	7	25	7	25

TOTAL		**199**	**725**	**199**	**725**
ADM TOTAL		**32 028**	**124 644**	**37 316**	**146 579**
		14%		**17%**	

The 2018/19 sanitation backlog is stated at **24%** (54 230 households). The table below shows how ADM has improved in terms of eradicating the sanitation backlog.

Table 31: IMPROVEMENT IN ERADICATING THE SANITATION BACKLOG

LM	Urban / Rural	2018/19		2017/18	
		Sanitation backlog HH	Sanitation Backlog Population	Sanitation backlog HH	Sanitation Backlog Population
Amahlathi	Rural	6 188	22 277	9 837	35 418
	Urban	113	407	113	407
TOTAL		**6 301**	**22 684**	**9 950**	**35 825**
Great Kei	Rural	329	1 250	329	1 250
	Urban	128	486	128	486
TOTAL		**457**	**1 736**	**457**	**1 736**
Mbhashe	Rural	13 014	55 179	17 267	73 203
	Urban	6	25	6	25
TOTAL		**13 020**	**55 204**	**17 273**	**73 228**
Mnquma	Rural	11 371	40 936	11 927	42 938
	Urban	8	29	8	29
TOTAL		**11 379**	**40 965**	**11 935**	**42 967**
Ngqushwa	Rural	4 967	16 590	5 403	18 030
	Urban	0	0	0	0
TOTAL		**4 967**	**16 590**	**5 403**	**18 030**
Raymond Mhlaba	Rural	16 184	56 806	17 763	62 315
	Urban	1 922	7 193	1 922	7 193
TOTAL		**18 106**	**63 999**	**19 685**	**69 508**
ADM TOTAL		**54 230**	**201 177**	**64 703**	**241 294**
		24%		**29%**	

There has been increasing pressure on ADM to improve the levels of service, particularly in the rural areas where ADM Councilors are reporting a growing number in water and sanitation backlogs. To address the reported deficiency in water and sanitation services, ADM Executive Management has directed the Engineering Department to expedite the backlog verification survey, a project already identified in the SDBIP for the 2021 / 2022 financial year. The objective is to determine the extent of adequate water and sanitation services provided, as well as identify needs and gaps to step up and accelerate service delivery to communities. For the backlog survey, the original settlement baseline data as provided by Stats SA has been amended to include sub-place areas with different type of settlements. This resulted in a temporary increase of the total number of settlements from 1918 to 2236. The reason was to allow for an understanding of the service level at a micro level. It is highlighted that out of 2236 settlements, 493 (22%) could not be categorised due to various reasons. However, a verification process for those settlements is underway. The interim report on water and sanitation backlog survey for the 2021/ 2022 Financial Year is provided as follows:

3.2.1.2.2 Water

Water Services Infrastructure Supply Level Profile

According to the National norms and standards for domestic water and sanitation Services, 2017, the basic level of water supply in the form of yard connections to all households. ADM also adopted the yard connection policy, however, the RDP standard of standpipes accessible within 200m of homes is generally still applicable. As per the Table below, the interim water backlog in the district is 95 000.

FIGURE 25: WATER BACKLOGS

	No. of households						
Section: Water Services Infrastructure Supply Level Profile	**Amahlathi**	**Great Kei**	**Mbhashe**	**Mnquma**	**Ngqushwa**	**Raymond Mhlaba**	**Grand Total**
Flowing water stream/river			189			11	**200**
Unprotected spring			1 580	68			**1 648**
Stagnant water - dam/pool			391	86		55	**532**
Protected spring			265				**265**
Rainwater tank in the yard	322		26 648	16 634	27	947	**44 578**
Communal water tank			2 147	3 693			**5 840**
Hand pump							
Water vendor-carrier/tanker			378	1			**379**
Standpipe in the neighbouring settlement	518		176	500			**1 194**
Standpipe	19 603	6 247	44 419	60 207	27 174	24 984	**182 634**
Borehole in the yard	1		3	3	14	1	**22**
Yard connection	5 111	1 536	543	3 114	3 195	2 789	**16 288**
House connection	3 412	4 929	824	7 411	1 281	18 791	**36 648**
Number of h/holds in need of extension & with no access	7 142	1 341	44 868	33 863	4 324	3 462	**95 000**

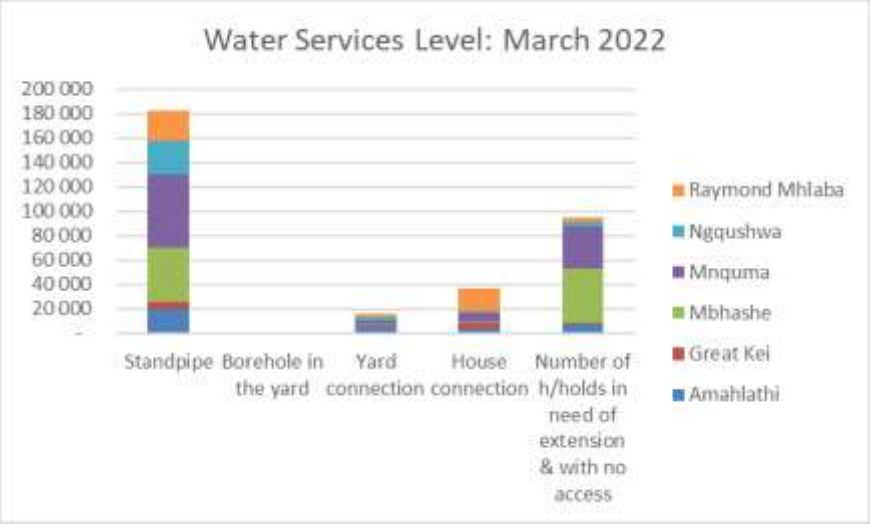
The following Table though highlights the direct backlog figure of 54 636 households. The direct backlog is defined as any services below the RDP standard, however this figure might change as data cleansing and verification continues.

FIGURE 26: WATER BACKLOGS BELOW RDP HOUSE STANDARD

	No. of households						
Section: Water Services Infrastructure Supply Level Profile	**Amahlathi**	**Great Kei**	**Mbhashe**	**Mnquma**	**Ngqushwa**	**Raymond Mhlaba**	**Grand Total**
Flowing water stream/river			189			11	**200**
Unprotected spring			1 580	68			**1 648**
Stagnant water - dam/pool			391	86		55	**532**
Protected spring			265				**265**
Rainwater tank in the yard	322		26 648	16 634	27	947	**44 578**
Communal water tank			2 147	3 693			**5 840**
Hand pump							
Water vendor-carrier/tanker			378	1			**379**
Standpipe in the neighbouring settlement	518		176	500			**1 194**
Total direct water backlog	**840**	**-**	**31 774**	**20 982**	**27**	**1 013**	**54 636**

The following figures give graphical representations of the water services levels as at March 2022.

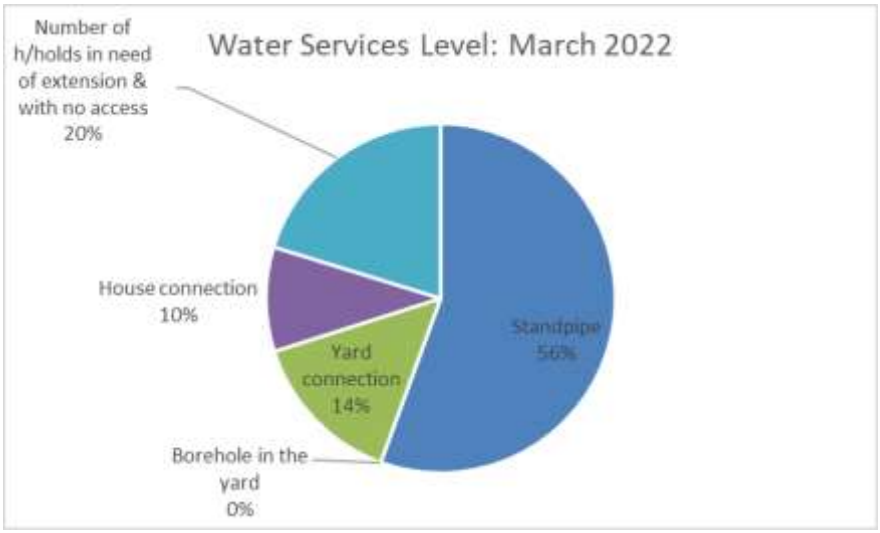
FIGURE 27: WATER SERVICES LEVEL PER LOCAL MUNICIPALITY



It is highlighted that the bulk of the water services backlogs to include number of households in need of extension and / or with no access is found within the eastern side of the district, namely within the Mbashe and Mnquma local Municipalities.

Also, and as provided for by the Figure below, ADM total water services backlog stands at 20% and this represents 95 000 of households. As indicated, the final verification survey will confirm or infirm the current data.

FIGURE 28: WATER SERVICES LEVEL



3.2.1.2.3 Sanitation

Sanitation Services Infrastructure Supply Level Profile

The basic level of sanitation service is the Ventilated Improved Pit Latrine (VIP), so any toilet facility below this level, e.g., bucket toilet, chemical, or pit without ventilation is regarded as backlog. As per the

table below, sanitation backlog in the district is **29 718 households**. It is further reminded that these are interim results pending the finalisation/ data cleansing of the survey as explained above.

FIGURE 29: SANITATION SERVICES INFRASTRUCTURE SUPPLU LEVEL PROFILE

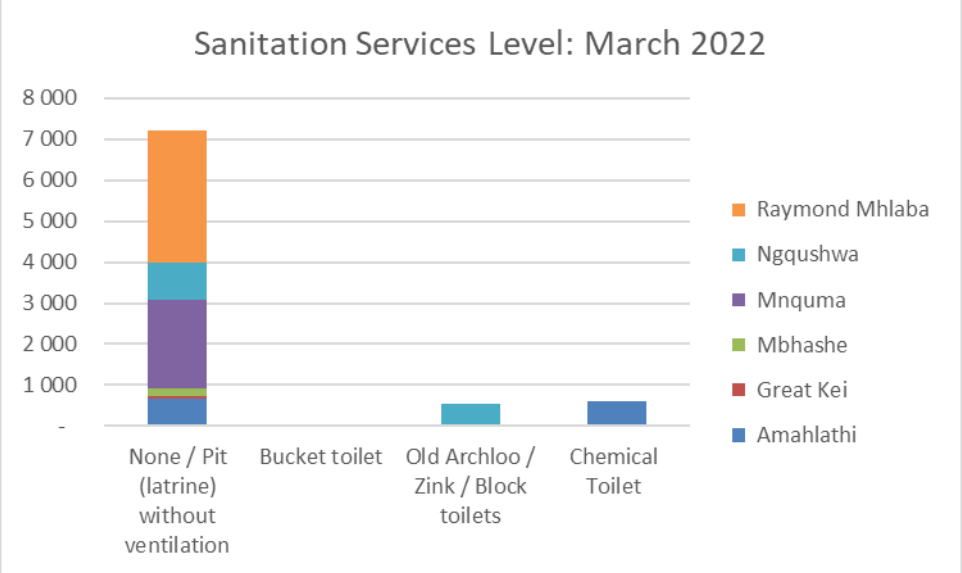
	No. of households						
Type of toilet facilities	**Amahlath**	**Great Kei**	**Mbhashe**	**Mnquma**	**Ngqushwa**	**Raymond Mhlaba**	**Grand Total**
VIP toilet	27 914	6 180	81 761	89 214	26 417	26 013	**257 499**
Double VIP toilet							
Urine diversion toilet(UD)						225	**225**
Pour flush	776	290	899	1 480	518	4 062	**8 025**
Low flush							
Flush toilet (with small bore)							
Flush toilet (with septic tank)	69	2 730		299	15	637	**3 750**
Flush toilet (with conservancy tank)	543		2		949	385	**1 879**
Flush toilet	2 894	4 580	533	6 651	1 633	11 817	**28 108**
Number of h/holds in need of extension & with no access	2 061	273	8 021	6 065	4 540	8 758	**29 718**

FIGURE 30: ADDITIONAL DIRECT BACKLOG DATA

	No. of households						
Type of toilet facilities	**Amahlath**	**Great Kei**	**Mbhashe**	**Mnquma**	**Ngqushwa**	**Raymond Mhlaba**	**Grand Total**
None / Pit (latrine) without ventilation	678	44	207	2 164	898	3 204	**7 195**
Bucket toilet							
Old Archloo / Zink / Block toilets					537		**537**
Chemical Toilet	600						**600**
Total sanitation backlog	**1 278**	**44**	**207**	**2 164**	**1 435**	**3 204**	**8 332**

The following figures give graphical representations of the sanitation services levels as at March 2022.

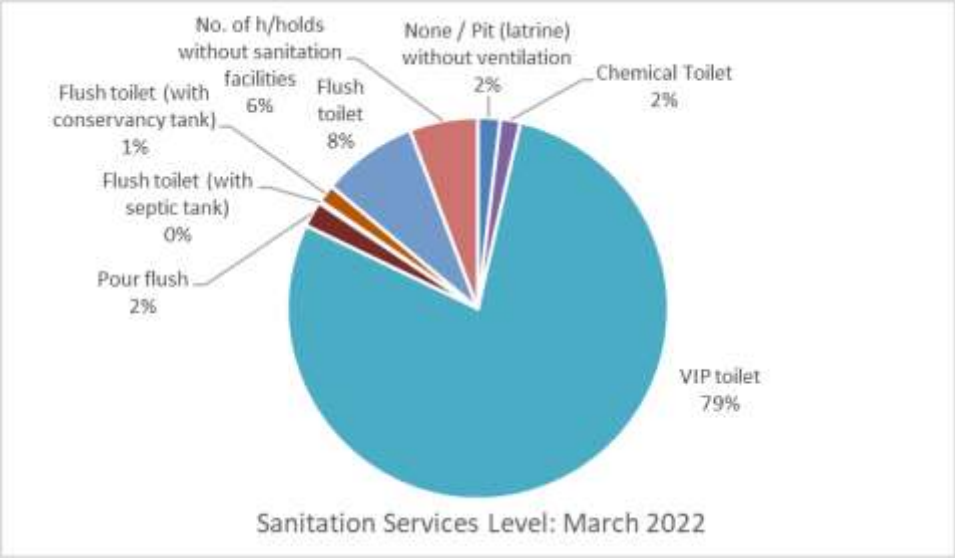
FIGURE 31: SANITATION SERVICES LEVEL PER LOCAL MUNICIPALITY



It is highlighted that most sanitation services backlogs to include number of households with None / Pit latrines without ventilation are located within Mnquma and Raymond Mhlaba local Municipalities. Also,

and as provided for in Figure below, ADM total water services backlog stands at 10% of settlements representing 29 718 households approximatively. Once again and as indicated previously, the final verification survey will confirm the current data.

FIGURE 32: SANITAION SERVICES LEVEL



3.2.1.3 WATER AND SANITATION INFRASTRUCTURE

Amathole District Municipality owns and operates approximately R4.5 billion worth of Infrastructure. ADM's responsibilities include the operation and maintenance of dams, boreholes, treatment facilities and pump currently consisting of:

Table 32: 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

**These figures are continually updated as new infrastructure is completed and capitalised*

3.2.1.3.1 Status of Wastewater Treatment Works

Wastewater treatment is a process used to remove contaminants from wastewater and converted into an effluent that can be returned to the water cycle. Wastewater is treated in varies processes i.e., aerobic, and anaerobic processes:

Anaerobic

- Pond system

Aerobic

- Activated sludge system
- Biofilter system
- Aerator system

Department of Water and Sanitation as part of their regulatory role have issued number of Directives against the Municipality which have been responded in addressing non-compliance.
The District Municipality has attained 54% in respect of the Green Drop which is a decrease from 60% it attained in 2013. A number of plants are currently undergoing Refurbishment interventions to improve the Green Drop score.

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

Table 33: 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	Clarifier repaired, upgrading of WWTW's is underway.
	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 Qumhra required
	Kei Mouth	Plant under capacity	Repairing pumpstations and upgrading rising main from Morgans Bay to Kei	Requires substantial upgrade of WWTW's as well sewer system

Local Municipality	Name of WWTW	Current Problems	Current Interventions	Further interventions Required
			Mouth WWTW's	for Kei Mouth and Morgans bay
	Chinsta	Plant under capacity	Minor refurbishment	Substantial upgrade of WWTW's as well sewer system for Chinsta at design stage
Mnquma	Butterworth	Plant old and dilapidated	Refurbishment complete	Plant upgrade
Mbashe	Dutywa	Plant old and dilapidated/ undersized	Refurbishment complete	Plant upgrade
Raymond Mhlaba	Middledrift	Plant old and dilapidated and undersized	Minor refurbishment of sewer line completed	Plant upgrade/ merge with Middledrift prison
	Fort Beaufort	Plant old and dilapidated and undersized	Refurbishment being completed	Plant upgrade required
	Seymour	Plant old and dilapidated	WWTW upgrade completed	Requires upgrade
	Adelaide	Clarifier collapsed. Switch gear, pipework modifications and pumps refurbished.	Clarifier being repaired	None
	Bedford	Plant under capacity	Minor refurbishment	Plant upgrade underway
	Alice (belongs to Fort Hare)	Plant under capacity	MOU signed with Fort Hare –New WWTW's at design stage	Plant upgrade at designs stage
Ngqushwa	Peddie	Plant under capacity	Project registered with MIG, minor refurbishment underway	Plant upgrade at Service Provider procurement stage

The following funding has been allocated to repairs and refurbishment of Sanitation Infrastructure for the 2022/2023 financial year:

Table 34 :REPAIRS & REFURBISHMENT ALLOCATIONS

No.	Project	Amount Allocated (22/23)	Funding Source	Status
1	Emergency Interventions at Water and Sewer Systems	R4m*	WSIG	Assessments of water and wastewater systems have been concluded with interventions currently ongoing.
2	Upgrading Siviwe Sewer Reticulation	R5m	WSIG	Technical planning is being completed by end of this financial with implementation going to continue in the next financial year.
3	Rural House Hold Sanitation Mnquma Ward 11&14	R2m	WSIG	Procurement is being concluded with rolling of implementation to continue as soon as possible.

3.2.1.3.2 Status of ADM Water Treatment Facilities

Water is obtained from two sources i.e. ground water and surface water which requires a specific treatment processes i.e. fluctuation, settling, filtration and disinfection. There has not been assessment on the Blue Drop as yet by the Department of Water and Sanitation. 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 35:WATER TREATMENT FACILITIES

LM	Water Treatment Works	Status
Amahlathi	Cathcart WTW (1.5Ml/d)	This is operational but operating over capacity and requires upgrade. Contractor on site.
	Heckel WTW (0.1Ml/d)	This is operational. Requires minor refurbishment
	Kei Road WTW (4.8Ml/d)	This is operational. Minor refurbishment required
	Masincedane WTW (AW Owned)	AW Owned. This is operational.
	Sandile WTW (AW Owned)	AW Owned. This is operational. Requires upgrading.
	Stutterheim WTW (6Ml/d)	This is operational. Requires minor refurbishment and upgrade
	Upper Myameni (AW Owned)	This is operational. AW Owned
Great Kei	Chinsta East WTW (1Ml/d)	This is operational. Refurbishment and upgrade at design stage.
	Haga Haga (0.3Ml/d)	This is operational. Requires minor refurbishment
	Kei Bridge (1.8Ml/d)	This is operational. Requires minor refurbishment and upgrade
	Kei Mouth (2Ml/d)	This is operational. Requires minor refurbishment
	Morgans Bay (0.7Ml/d)	This is operational. Requires minor refurbishment
Mbashe	Cwebe WTW (0.4Ml/d)	This is operational. Requires minor refurbishment
	Dutywa WTW (2.6Ml/d)	This is operational. Requires minor refurbishment
	Dwesa	This is operational. Requires minor refurbishment
	Elliotdale WTW (0.7Ml/d)	This is operational. Requires minor refurbishment
	Mbashe North WTW (3.8Ml/d)	This is operational. Requires minor refurbishment
	Mendu WTW (0.3Ml/d)	This is operational. Requires minor refurbishment
	Mncwasa WTW (4Ml/d)	This is operational. Requires minor refurbishment
	Nqadu WTW (0.7Ml/d)	This is operational. Requires minor refurbishment
	Qwaninga WTW (0.8Ml/d)	This is operational. Requires minor refurbishment
	Willowvale WTW (0.7Ml/d)	This is operational. Requires minor refurbishment
	Xhora WTW (12Ml/d)	New plant
Mnquma	Butterworth WTW (22Ml/d)	This is operational. Requires minor refurbishment
	Kotana WTW (4Ml/d)	This is operational. Requires minor refurbishment
	Nggamakwe (0.1Ml/d)	This is operational. To be superceded by Nggamakwe Regional

		Scheme
	Qolora by the Sea (0.3Ml/d)	This is operational. Requires upgrade
	Toleni WTW (1.7Ml/d)	This is operational. Requires minor refurbishment
Ngqushwa	Glenmore WTW (AW Owned)	This is operational. AW Owned
	Laing WTW (AW Owned)	This is operational. AW Owned
	Peddie WTW (6Ml/d- AW owned)	This is operational. AW Owned and requires upgrading.
Raymond Mhlaba	Adelaide WTW (8Ml/d)	Requires minor refurbishment
	Alice WTW (5Ml/d)	At Contractor procurement stage – to be implemented by Fort Hare
	Bedford WTW (2.2Ml/d)	This is operational. Minor refurbishment on going.
	Binefield WTW (4.8Ml/d – AW owned)	This is operational. AW Owned
	Debe Neck WTW (AW Owned)	This is operational. AW Owned
	Fort Beaufort WTW (7Ml/d)	This is operational. Upgrade on going.
	Hogsback WTW (1Ml/d)	New plant
	Seymour WTW (0.7Ml/d)	This is operational. Requires minor refurbishment

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

Table 36: WATER TREATMENT INFRASTRUCTURE REPAIRS AND REFURBISHMENT

No.	Project	Amount Allocated (20/21)	Funding Source	Status
1	Emergency Interventions at Water and Sewer Systems	R4m	WSIG	Assessments of water and wastewater systems have been concluded with interventions currently ongoing.
2	Districtwide Refurbishment of Water Retaining Structures	R3m	WSIG	Specialist service provider appointed and currently busy with Technical Report.
3	Augmentation of Dutywa Water Supply	R15m	WSIG	Procurement is being concluded with rolling of implementation to continue as soon as possible.
4	Cintsa Dam Refurbishment	R3.5m	WSIG	Procurement is being concluded with rolling of implementation to continue as soon as possible.
6	Refurbishment of Qumrha Reservoirs	R2m	WSIG	Procurement is being concluded with rolling of implementation to continue as soon as possible.
7	Refurbishment of Adelaide Canal	R5m	WSIG	Procurement is being concluded with rolling of implementation to continue as soon as possible.
8	Equipping of Adelaide and Bedford Boreholes	R5m	WSIG	Procurement concluded and at implementation stage.
9	Assessment of Fish River Intake	R5m	WSIG	Procurement is being concluded with rolling of implementation to continue as soon as possible.

10	Dontsa water supply	R6m	WSIG	Procurement is being concluded with rolling of implementation to continue as soon as possible.
11	Feni Village Package Plant	R2.5m	WSIG	Procurement is being concluded with rolling of implementation to continue as soon as possible.
12	Non revenue water loss control project :Fort Beaufort WSS	R10m	WSIG	Procurement is being concluded with rolling of implementation to continue as soon as possible.
13	Refubishment of Ncwasa water scheem	R8m	WSIG	Procurement is being concluded with rolling of implementation to continue as soon as possible.

**The amount allocated is for both Water and Sewer Systems*

Challenges

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:

3.2.1.3.3 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 is being rolled out.

3.2.1.4 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 will appoint a conservation and demand management specialist company 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;
- 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. These initiatives continue to provide positively into the revenue collection initiatives of the institution. Water Balance Calculations have become possible and assist with identification of problem areas where Municipal water is lost so as to inform relevant mitigation interventions. New Smart Meters will installed targeting Municipal Councillors and employees as well as Government departments and employees residing within the ADM area of jurisdiction.

Ten million rand has been allocated for the 2022/23 fy for 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. MISA is currently in the process of developing a Energy Master Plan for Renewable Energy Resources in the Amathole District Municipality. Progress is currently at Specialist Service provider procurement

3.2.1.5 RURAL YARD CONNECTION POLICY

Amathole District Municipality adopted the policy on the 29th June 2018. The purpose of this policy is to provide a framework for the ADM to respond to the ever increasing demand for yard/erf water connections in the “Rural “areas of the ADM, as well as the pending or likely changes in National Legislation. Following piloting of yard connections in two rural villages ADM adopted an approach targeting rolling out of the policy in households of all ADM officials, ADM Councillors and all officials working for government departments residing within the jurisdiction of ADM . The Rural Yard Connections Pilot project previously implemented in Ngqushwa (Dabani and Shushu Villages) and Amahlathi (Kwazidenge Village) has managed to afford ADM lessons that have been shared and being utilized going forward. The “Water Week” sessions, Ïmbizos” and “Stakeholder Engagement Sessions” undertaken by the Executive Mayor continue to provide a much needed enabling platform for much needed community engagements. These sessions should be rolled out throughout the district.

ADM has also decided on appointing a Contractor that will be responsible for installations and disconnections of water meters thus complementing internal resources of the municipality. ADM will also be appointing a smart meter supplier who will be responsible for supply and installation of smart meters in the whole district. This resource will also go a long way in ensuring speedy installation of water meters throughout the district thus eliminating illegal connections. Appointment of this contractor is currently at procurement stage with work expected to start during this current financial year. The challenges encountered during the piloting phase of the roll out has necessitated the development of the Standard Operating Procedure (SOP) which currently informs the implementation of this policy .It is coming out clear in the SOP that proper communication coupled with clear public awareness is the most important stage in the roll out of this policy .

The Implementation Plan for installation of rural water meters has also been developed. This plan has identified activities that detail what needed to happen, the responsible official as well as progress of each activity. This plan has emphasises the role of each department in ensuring the successful implementation of this plan.

3.2.1.6 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 37: 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 (20 000 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	(16 000 people)
	Bedford Ward 23, Ndlovini, Old Goodwin Park, Sizakhele and Old Goodwin Park	4 Villages (14 000 people)
	Debe Neck	25 Villages (12 000)
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 R1.3b and is currently at construction stage. 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 2022 and will take twelve months to complete. The Department of Water and Sanitation has also prioritized the drilling and equipping of boreholes in various areas of the district, i.e., Teko Kona, Ward 28, etc. Close to R100m will be required to bring these boreholes to full operation and pipe the water to the intended areas.

Table 30:DROUGHT FUNDING

No.	**Project**	**Amount Allocated (20/21)**	**Funding Source**	**Status**
1	Augmentation of Dutywa Water Supply	R13.23m	WSIG	Procurement is being concluded with rolling of implementation to continue as soon as possible.
2	Refurbishment of Adelaide Canal	R4.41m	WSIG	Procurement is being concluded with rolling of implementation to continue as soon as possible.
3	Equipping of Adelaide and Bedford Boreholes	R4.41m	WSIG	Procurement is being concluded with rolling of implementation to continue as soon as possible.
4	Feni Village Package Plant	R2.64m	WSIG	Procurement is being concluded with rolling of implementation to continue as soon as possible.
5	Emergency water supply to Mkhonkhoto Village	R1.5m	MDRG	Procurement is being concluded with rolling of implementation to continue as soon as possible.
6	Emergency water supply to various villages in Mbashe and Mnquma Local Municipalities	R11.7m	MDRG	Procurement is being concluded with rolling of implementation to continue as soon as possible.

7	Non-Revenue Water Loss Control Project	R8.8m	WSIG	Procurement is being concluded with rolling of implementation to continue as soon as possible.

ADM operates in an environment where there are two established water sources to tap entities (ADM and BCMM) and a bulk water provider (Amatola Water). While challenged as is the case with all WSA's in the country. As an accountable authority in terms of the constitution and subsequent laws, ADM needs to be enabled to have a more direct ability to undertake its mandate.

Local Municipality	Facility Name	Priority	Intervention	Progress	Funding (MIG,WSIG, RBIG,MDRG &MISA)	Sho
Amahlathi	Cathcart	Moderate	Bulk water upgrade	Contractor on site	MIG	N/A
	Stutterheim	Low				
	Sandile	Moderate	Bulk water upgrade		WSIG/MIG	N/A
	Kie Road	Moderate	Upgrade rising main from Kie Bridge		MIG	N/A
Great Kei	Kie Bridge (Qumrha)	Moderate	Upgrade rising main from Kei Bridge	Consultant procument at BEC/BAC stage	MIG	N/A
	Cintsa East	Moderate	Bulk Water and sewerage upgrade. Dam Refurbishment	Detailed Design stage.Refubishment at contractor procument stage	MIG	N/A
	Morgans Bay					
	Kei Mouth	Moderate	Borehole Refubishment	Construction Stage	WSIG	R0.
Mnquma	Butterwoth	High Risk	Tsomo Bulk Water Pipeline Ngqamakwe DWS planning raising of the Gcuwa Dam wall. Department of forestry ,Fisheries and the Environment(DFFE) planning	Tsomo bulk water pipeline at implementation stage .	MIG	N/A
	Zalu,Mcelwana,Ngqunge,Esichotyeni,Gcinza and Mndundu	High Risk	Drilling and equipping of boreholes	Project of contractor procument stage	MDRG	N/A
	Kotana	Moderate	Drilling and equipping of boreholes	Ongoing	WSIG	N/A
	Qolora by sea	Modorate	Drilling and equipping of	Ongoing	WSIG	N/A

			boreholes			
	Toleni	Moderate	Drilling and equipping of boreholes	Ongoing	WSIG	N/A
Mbhashe	Idutywa		Upgrading od water storage and reticulation	Funding application		N/A
	Willowvale					N/A
	Nqadu	Moderate	Drilling and equipping of borehole	Contractor appointment	WSIG	N/A
	Nqabara	Moderate	Bulk water upgrade			N/A
	Qwaniga	Moderate	Refurbishment	Construction stage (Contractor delays)	WSIG	N/A
	Madaka, Nkawukazi,Ntabeni,Mazangwe and Manthsilibeni	High Risk	Drilling and equipping of borehole	Progress at contractor procument stage	MDRG	N/A
	Mncwasa	Moderate	Bulk water upgrade	Planning Stage	MIG/WSIG	N/A
	Cwebe	Moderate	Cwebewater supply scheme	Construction stage	MIG	N/A
	Mendu	Moderate				N/A
	Thsinira	Moderate				N/A
	Elliotdale	Moderate	Bulk water upgrade	Construction stage	MIG	N/A
Ngqushwa	Peddie	Moderate	Peddie WTW upgrade by AW	Planning stage	WSIG	N/A
	Bedford	Very high	Fish River Intake Upgrade Equiping of Bore Holes	Procement stage	WSIG	N/A
	Adelaid	Very high	Fish River Intake upgare. Refubishment Adelaide canel Equiping of boreholes	Procument stage	WSIG	N/A
	Seymor					
	FortBeaufort	Moderate	FortBeafor but water supply project	Construction stage	MIG	N/A
	Alice	Moderate	Bulk water	Detailed design stage	Fort Hare	N/A
	Hogsburg					
Raymond Mhlaba debe Nek		Very high	Masincedane Bulk Water Pipeline Upgrade	Contractor procument stage	WSIG	N/A

3.2.1.7 COVID-19 PANDEMIC

At the peak of the pandemic the provision of water and sanitation services was affected an the institution had to re configure its business model.

The ongoing drought challenges, the Covid-19 pandemic has put an additional strain on water services. 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 during the 2020/21fy. 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.

Table 28:COVID-19 RELIEF REPAIRS AND REFURBISHMENT

No.	Project	Budget	Description	Status
1	Repairs and refurbishment of water infrastructure	R4m	Repairs and refurbishment of various treatment facilities and pump stations	Assessments of water and wastewater systems have been concluded with interventions currently ongoing.
2	Repairs and refurbishment of sanitation infrastructure	R41.41m	Repairs and refurbishment of various treatment facilities and pump stations	Assessments of water and wastewater systems have been concluded with interventions currently ongoing.
4	**TOTAL**	**R45.41m**		

3.2.1.8 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.

Table 31: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	**R3.3b** **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:		**R12.2b**		

3.2.1.9 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 2020. 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). 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.

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.

Amathole District Municipality is also implementing Road Asset Management System (RAMS) in the district on behalf of the National Department of Transport. Currently, the Institution is in process of appointing a specialist service provider so as to provide the specialist technical support to the 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 that ADM is no longer active in provision of amenities be it Community Halls or Sports fields due to funding constraints.

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.

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.

3.2.1.10 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. A Memorandum of Understanding has since been entered between ADM and Mnquma Local Municipality. Relevant legislative processes are currently unfolding towards final transfer of the asset. 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 38: 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

Tthere 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 39: UNLICENSED SOLID WASTE MANAGEMENT FACILITIES

WASTE SITE	SIZE	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.

3.2.1.11 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.

3.2.1.12 ELECTRIFICATION

The Amathole District Municipality does not provide electrification as one of its services but rather 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.

3.2.1.13 ADM Free Basic Status Quo

Table 40: FREE BASIC STATUS QUO

MUNICIPALITY	NO. OF ELECTRIFIED CUSTOMERS	CONFIGURED FOR FBE	COLLECTION			CONFIGURED VS ELECTRIFIED
			NOV 2021	DEC 2021	JAN 20202	
MBHASHE	62,159	662	482	500	465	1.0
MNQUMA	76,304	3,707	3,277	3,266	3,195	4.86
GREAT KEI	6,214	597	547	537	527	9.61
AMAHLATHI	32,697	125	9	9	94	0.38
NGQUSHWA	29,334	7,463	5,967	5,923	5,843	25.44
RAYMOND MHLABA	37,023	8,669	8,074	7,997	7,923	23.42
TOTAL	**243,731**	**21,223**	**18,361**	**18,232**	**18,048**	**64.71**

3.2.1.14 Historic Backlog

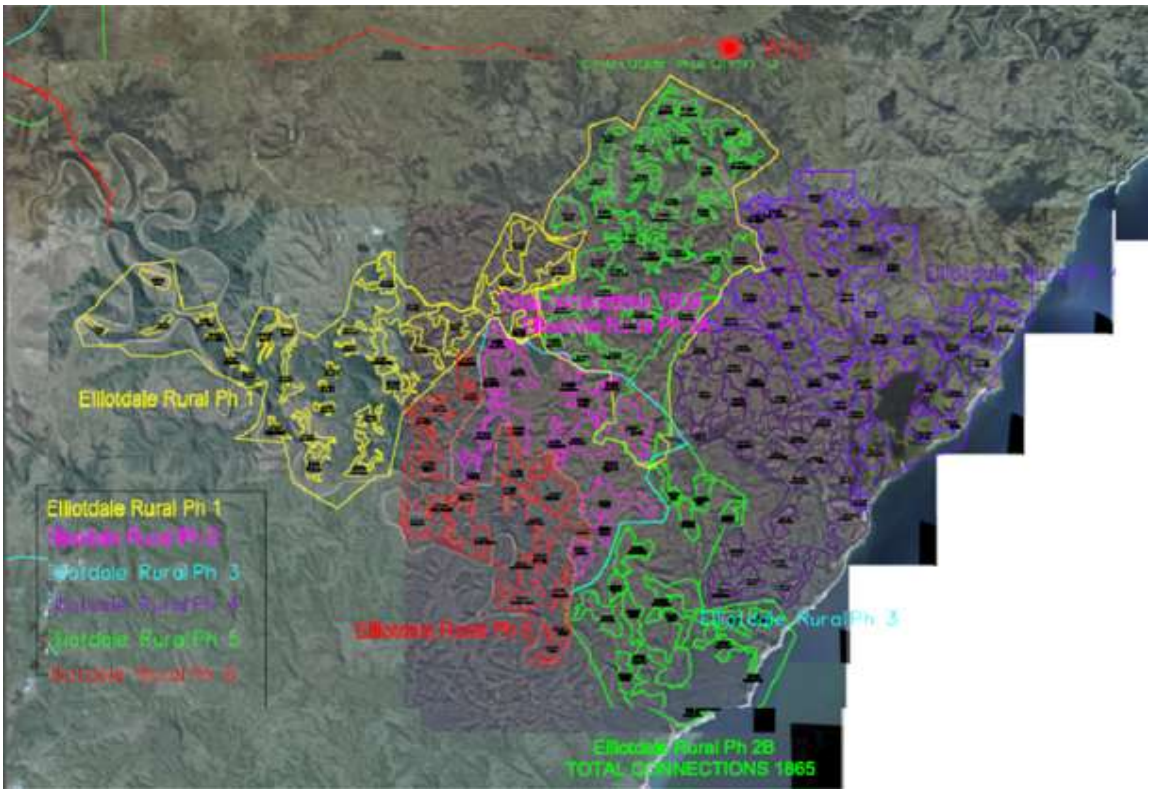
- **Mbahse Local Municipality: Elliotdate**

FIGURE 33: HISTORIC BACKLOGS

Municipality	Historic Backlog	Eskom Electrified	Remaining Backlog	% Achieved	% Remaining
Mbhashe	64802	60588	4214	93.4	6.6

NEW EXTENSIONS			
Municipality	New Extensions Backlog	Remaining Historic Backlog	Current Backlog
Mbhashe	3745	4214	7959

FIGURE 34: ELLIOTDATE HISTORIC BACKLOG AREA



Challenges

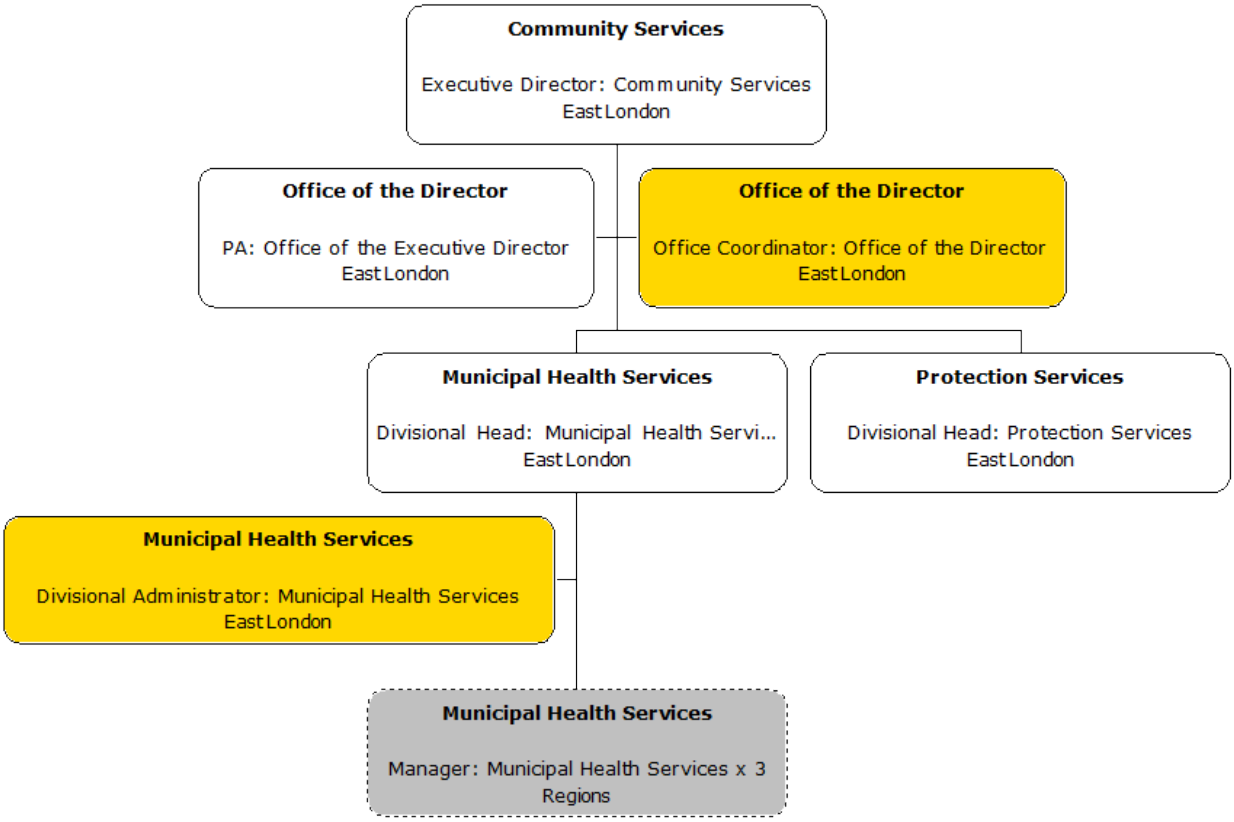
- Backlog figures complicated by growth of extensions near electrified areas
- Costs to electrify becoming steeper as we tackle deep rural areas.
- Problems of access in certain villages making it difficult to electrify.
- Communities becoming impatient with the phasing of electrification and slow pace 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 Humansettlement development (Create Scope Creep).

3.2.2 MUNICIPAL HEALTH SERVIVES, COMMUNITY SATEFY & BY-LAW IMPLEMENTATION

Community Services is a service delivery department that comprises of two divisions namely: Municipal Health Services and Protection Services. Protection Services have got three units (i.e. Community Safety and By-Law Enforcement Unit, Fire Services Unit and Disaster Management Unit). Within the Vision 2058, the department finds dominance on the Provision of a Resilient District. Within the Municipal Turn Around Strategy, the directorate find its dominance on the Building of Public Confidence as it has to ensure that the community trust the provision of services in an efficient, effective, and sustainable manner.

3.2.2.1 DIRECTORATE OVERVIEW

FIGURE 35 DIRECTORATE OVERVIEW



3.2.2.2 MUNICIPAL HEALTH SERVICES

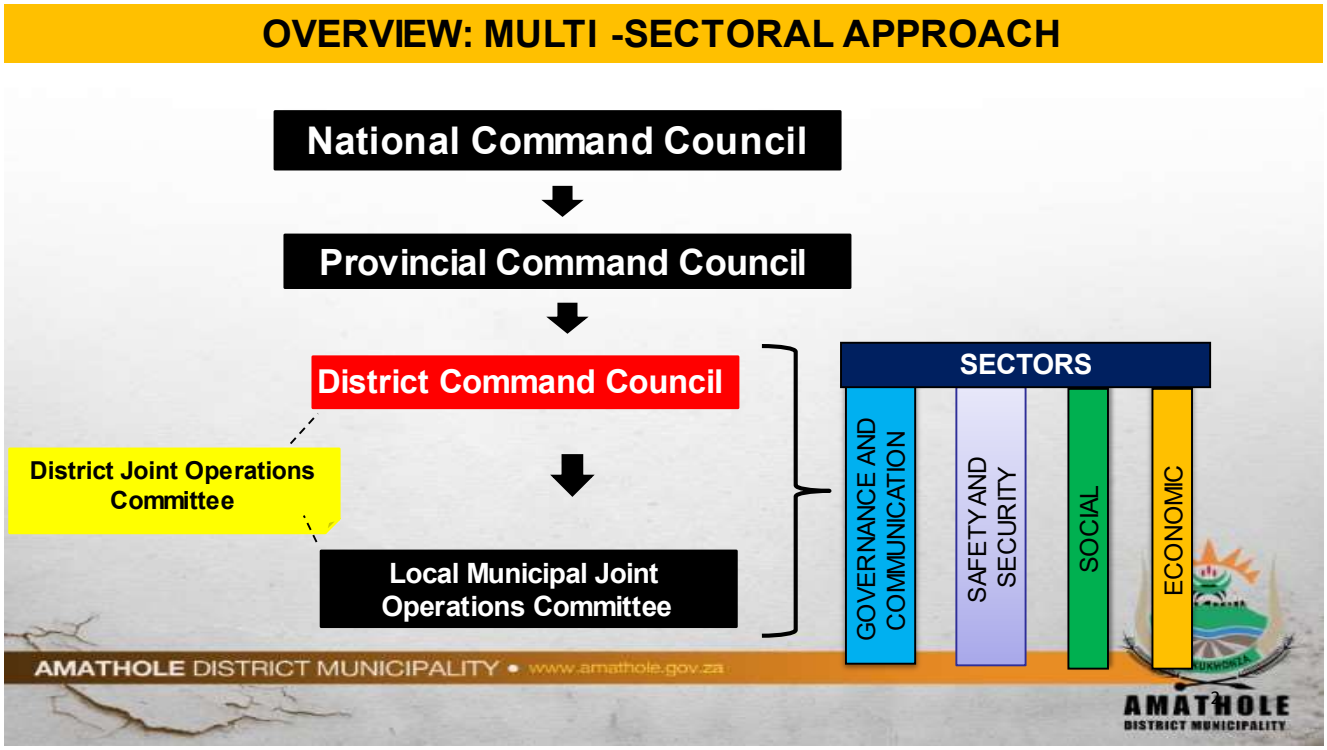
The Section of Municipal Health Services is one of the Core functions of a District Municipality as stated in Section 84(1)(i) of the Municipal Structures Act 117 of 1998. The Municipal Health Services Section is entrusted in terms of the National Health Act, 2003 (Act No. 61 of 2003), with the following 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.

The Section played an important role of ensuring compliance of businesses to the Covid 19 protocols to reduce the spread of the disease. The plan of the section comprised the playing a role in outbreak response teams lead by the Provincial Department of Health, investigation of reported cases inclusive of contact tracing, facilitate decontamination of households with affected people, management of Human Remains including monitoring of COVID 19 deaths, Monitoring of the management of health care risk waste and conducting health education and awareness raising.

Inspection of business premises and sharing information about the spread of Covid 19 with business managers has been undertaken. Non-compliant businesses were directed to comply with the Covid 19 regulations. A total of 642 food premises were visited four times a year, 165 day care centres as well as 67salons were visited twice a year including 70 accommodation establishments and 59 mortuaries that were inspected to promote the compliance to Covid 19 protocols. COVID 19 deaths were monitored as reported by funeral undertakers. A high level of compliance to Covid 19 protocols has been achieved with the collaboration of other external stakeholders.

FIGURE 36: OVERVIEW MULTI-SECTORAL APPROACH



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

Therefore, the Section has been acting in line with the National Department of Health Directive.

3.2.2.1 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 191 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 1837 drinking water samples were taken of which 1624 compiled and 213 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.

Compliance and Non-compliance

Drinking water samples taken and measured against the South African National Standard, SANS 241:2015 for the period are as follows:

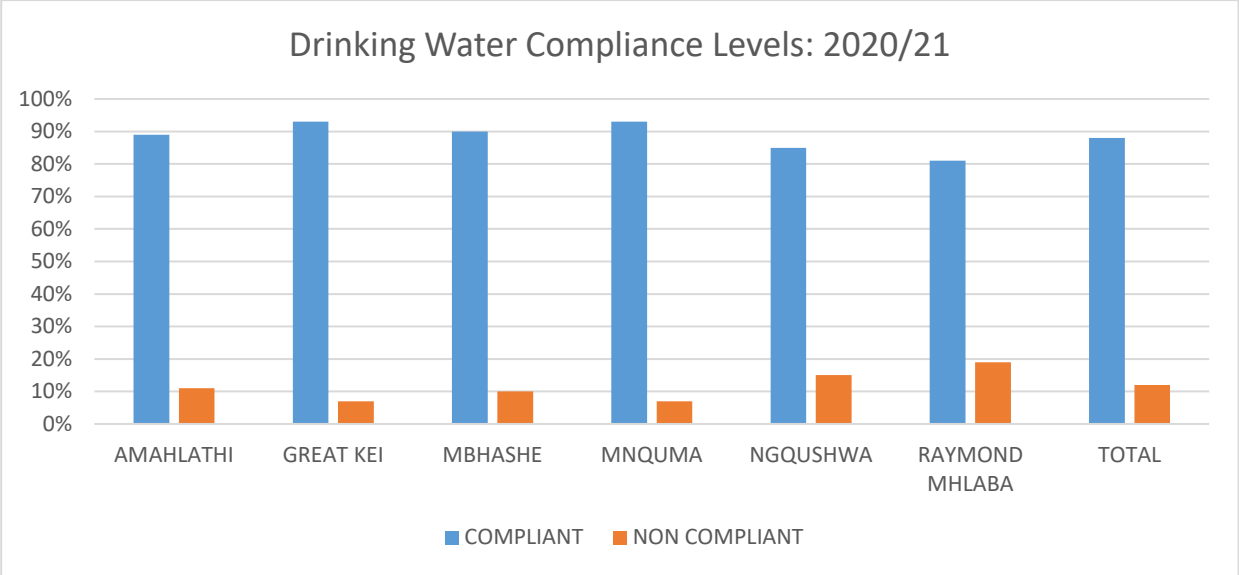
Table 41.1: Potable water Compliance and Non-Compliance per Annum

PERIOD	TOTAL	COMPLIANCE	NON-COMPLIANCE
2016/2017	1940	1752(90%)	188(10%)
2017/2018	1953	1809(93%)	144(07%)
2018/2019	1793	1682(94%)	111(26%)
2019/2020	1953	1809(93%)	144(7%)
2020/21	1837	1624 (88%)	213 (12%)
TOTAL	**9696**	**8676(90%)**	**1020(10%)**

Table 42: Potable water Compliance and Non-Compliance per quarter

LOCAL MUNICIPALITY	TOTAL	COMPLIANT	NON COMPLIANT
AMAHLATHI	386	345 (89%)	41 (11%)
GREAT KEI	288	268 (93%)	20 (7%)
MBHASHE	207	186 (90%)	21 (10%)
MNQUMA	355	329 (93%)	26 (7%)
NGQUSHWA	215	182 (85%)	33 (15%)
RAYMOND MHLABA	386	314 (81%)	72 (19%)
TOTAL	**1837**	**1624 (88%)**	**213 (12%)**

FIGURE 37: DRINKING WATER COMPLIANCE LEVELS



3.2.2.2 WasteWater 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 1028 waste water samples were taken for analysis, of which 338 samples complied with the General Authorisation Standards and 690 did not comply, in the past 5 financial years. The overall compliance rate for the reporting period was 33%.

Table 43.1 : Compliance and Non-compliance Per Annum

PERIOD	COMPLIANCE	NON-COMPLIANCE	TOTAL
2016/2017	28(12%)	199(88%)	227
2017/2018	80(41%)	117(59%)	197
2018/2019	95(49%)	100(51%)	195
2019/2020	87(43%)	117(57%)	204
2020/2021	48 (23%)	157 (77%)	205
TOTAL	**338(33%)**	**690(67%)**	**1028**

FIGURE 38 WASTEWATER COMPLIANCE LEVELS

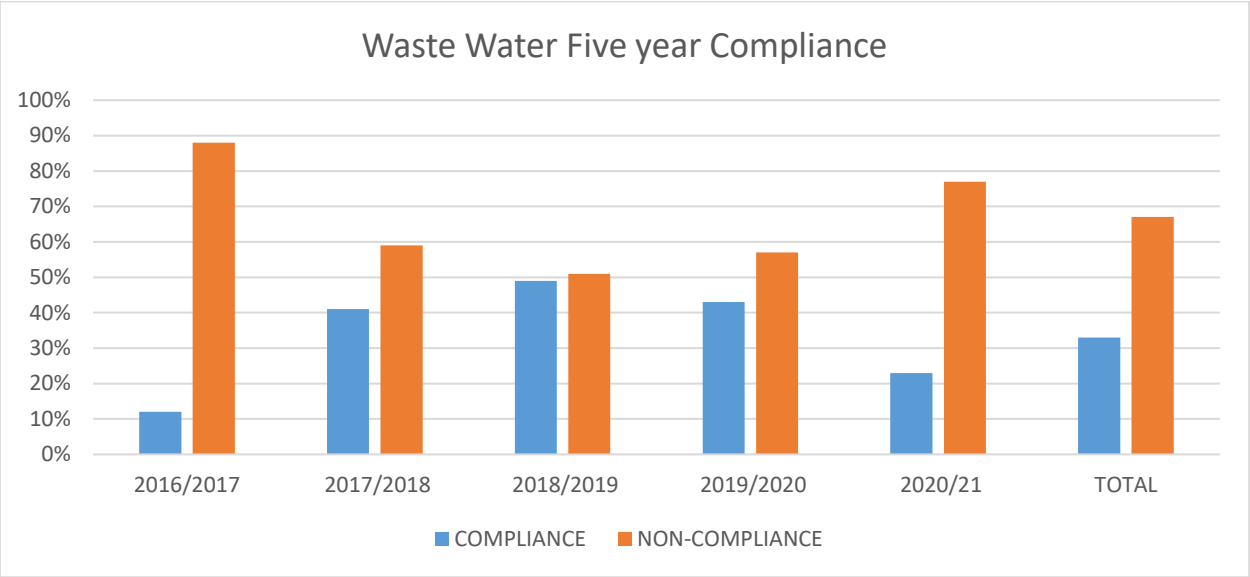
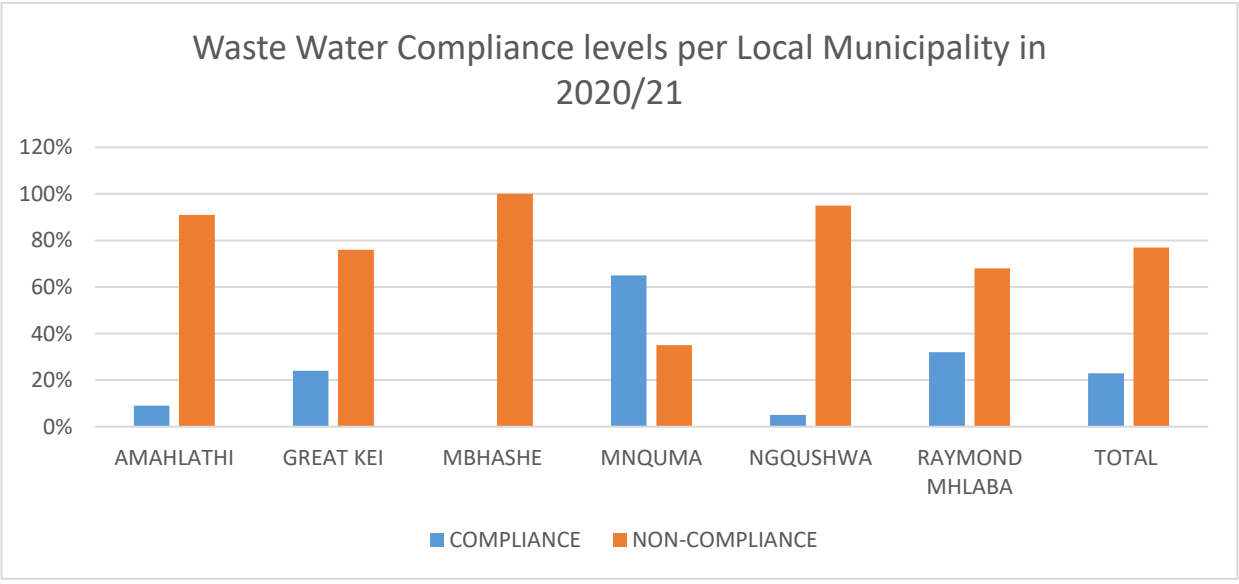


Table 44: Compliance and Non-Compliance of Samples taken per Municipality

LOCAL MUNICIPALITY	COMPLIANCE	NON-COMPLIANCE	TOTAL
AMAHLATHI	06 (09%)	60 (91%)	66
GREAT KEI	08 (24%)	25 (76%)	33
MBHASHE	00	01 (100%)	01
MNQUMA	11 (65%)	06 (35%)	17
NGQUSHWA	01 (05%)	19 (95%)	20
RAYMOND MHLABA	22 (32%)	46 (68%)	68
TOTAL	**48 (23%)**	**157 (77%)**	**205**

FIGURE 39: WASTEWATER COMPLIANCE LEVELS PER LOCAL MUNICIPALITY



The above is the graphical presentation of waste water compliance levels per Local Municipality Area in 2020/21

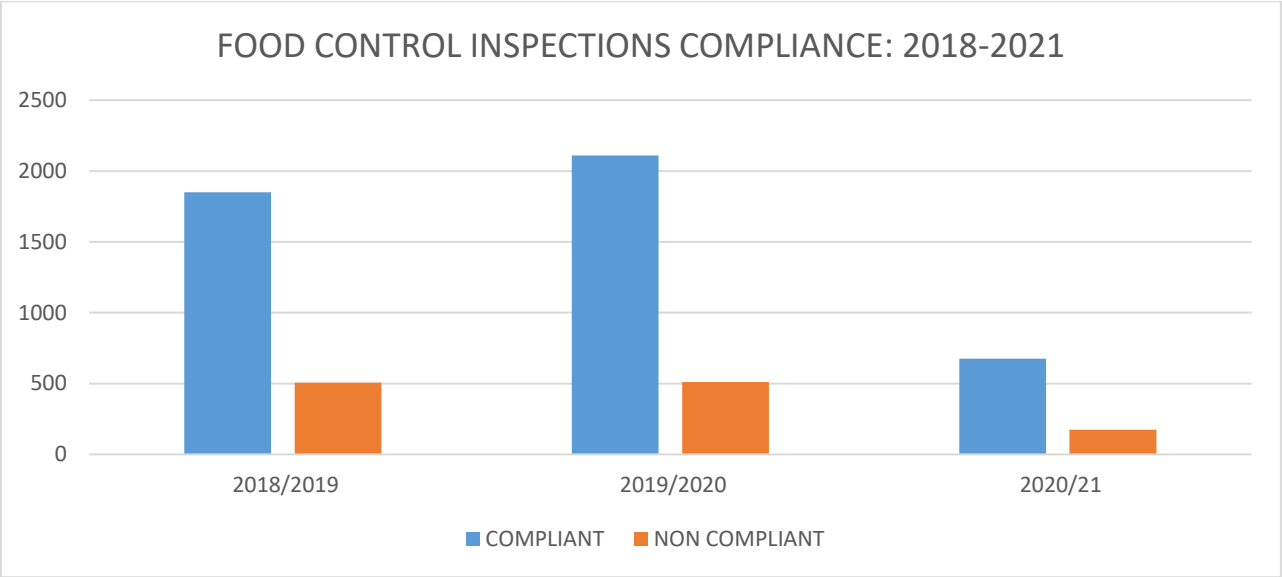
The challenge with wastewater is the quality of the final effluent from wastewater treatments plants and final oxidation ponds are adversely affected by population growth. This is due to the inability of the infrastructure of Waste Water Treatment plants and final oxidation ponds to effectively treat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

3.2.2.3 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 852 inspections were conducted, 676 compiled and 175 did not comply in terms of Regulation 638 under the Foodstuffs, Cosmetics and Disinfectants Act.

A total of 62 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. 52 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, 45 complied, 07 did not comply 05 are under renovation. 250 raw milk samples were taken at dairy farms and shops to determine compliance with Regulation 1555, Regulations Relating to Milk and Dairy Products, 34 complied and 216 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.

FIGURE 40: FOOD CONTROL INSPECTIONS



3.2.2.4 Health Surveillance of Premises

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

3.2.2.5 Childhood Development Centres

Early Childhood Development Centres (ECDC) are inspected to ensure a healthy and safe environment and welfare of the children accommodated. 234 Early Childhood Development Centres premises were inspected to determine compliance with Norms & Standards for Environmental Health Practitioners in all 6 Municipalities, 89 complied and 145 did not comply due to structural defects. The reports on non – complying premises are shared with the Department of Social Development for intervention.

3.2.2.6 Prisons/ Holding Cells

05 prisons 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.

3.2.2.7 Health establishments

A database of health establishment has been developed in all 6 Municipalities. 290 health establishments inspections were conducted, 83 complied and 207 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.

3.2.2.8 Beauty Salons

A database of beauty salons has been developed in all 6 Municipalities. 52 beauty salons were inspected. 25 complied and 27 did not comply due to no proper storage of medical waste. Premises are inspected and issued with Health Certificate when found to be compliant.

3.2.2.9 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)

Awareness campaigns are conducted throughout the Amathole District Municipality's area of jurisdiction empowering the communities to prevent the occurrence and spread of the different types of communicable diseases. 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.

3.2.2.10 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.

3.2.2.11 Environmental Pollution Control

There were 05 Pollution related complaints received and resolved. These were related to:

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

3.2.2.12 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 207 inspections were conducted at funeral parlours in all Municipalities and the compliance rate was 67% and that of non – compliance 33%. The High rate of non- compliance of funeral parlours due to structural defects and general hygiene requirements. A total of 13 exhumations and reburials were facilitated and monitored.

3.2.2.3 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 establishment of Community Safety Forums Policy that regulates the formation and responsibilities of Community Safety Forums. It is detailed enough to serve as Terms of Reference for Community Safety Forums. It also requires District and Metropolitan Municipalities to assist and capacitate Local Municipalities to establish and sustain Community Safety Forums and where they are unable to do so, to ensure these forums remain active.

3.2.2.3.1 Community Safety Activities

All targets, as amended for COVID, for the Unit were achieved for the period from 2017 to 2022. Despite the world being affected by COVID 19, and the resulting reduction in personal interaction with communities during and after the lockdown and subsequent disaster levels. During this period alternate ways of interacting with communities, i.e. loud-hailing instead of gatherings, were used. In addition to this, the multi-disciplinary approach with stakeholders was embraced and collective information sharing was done to ensure communities remained abreast of COVID 19 requirements and other issues affecting their livelihoods like water availability, changes in the disaster status and health and safety. As soon as personal and group interactions were allowed under COVID 19 protocols, these were resumed.

Community Safety Capacity Building Programs; Community Safety Initiatives, Community Safety Forums convened / Supported and Ward Based Audits targets and achievements:

Table 45: Community Safety Initiatives

Activities	2017/18 Target	2017/18 Actual	2018/19 Target	2018/19 Actual	2019/2020 Target	2019/20 Actual	2020/21 Target	2020/21 Actual	2021/22 Target
Capacity Building Sessions Held	4	7	4	12	4	8	4	13	6
Community Safety Initiatives supported	8	33	8	25	10	45	10	25	10
Community Safety Forums Convened / Supported	24	30	4	4	CC	CC	CC	CC	14
Community Safety Audits	0	0	0	0	4	3	4	7	6

- The 2019/2020 number of initiatives achieved was high. They were mostly multi-disciplinary with the focus being on COVID 19 Safety and awareness on Gender Based Violence and Femicide.
- The Support to Community Safety Forums Target was changed from convening District Community Safety Forums [which are only held quarterly] to include support to Local Forums in 2021/22 after the COVID level was decreased, thus the target increased from 4 to 14.
- Capacity Building sessions increased after lockdown as schools were very keen to host multidisciplinary safety sessions and this was done. These were in smaller groups than pre-covid and were done mostly outdoors whilst observing COVID 19 protocols. Educators also attended capacity building.
- In 2019/2020 – Ward Based Community Safety Audits were included in the Targets of the Unit after staff took part in training and practical sessions, under the guidance of The German Development Corporation, to be able to conduct and lead these audits.
- The targeted 4 Safety Audits were not achieved in the second half of 2019/20 due to the COVID 19 lockdown and nature of the audits being Interactive [one on one] within communities. This target was adjusted accordingly for the fourth Quarter. Data collected during these audits include:
    - Youth that are not gainfully employed and lack of diversionary activities
    - Gender Based Violence and Femicide - especially alcohol induced.
    - Gang or Turf clashes
    - Drug abuse and dependency as early as primary school
    - Alcohol abuse at unregulated alcohol serving establishments - Operating times and selling to under aged users.
    - Social and cultural practices of dealing with criminals adopted due to a lack of satisfactory police intervention [e.g. compensation for rape- flogging of suspected criminals]

- Moral degeneration with priorities being possessions-wealth instead of family values

- The Forum Meetings were replaced by multi-disciplinary COVID Councils for the duration of the Lockdown.
- Targets for 2021/22 will be met.

Lessons learned during the COVID restrictions, and the use of technology will be taken forward into the future operations of the Community Safety Unit where possible as some of these have proven to be both resource and time-saving, e.g. virtual meetings and interactive virtual training.

3.2.2.3.2 By-Law Enforcement

8 by-laws were promulgated in 2010 but the approval of Fines had not taken place thus implementation excluded punitive measures. The laws were as follows:

- 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.

As these are the two core functions of the Amathole District Municipality, they are being reviewed to provide for better and sustainable implementation of these functions and to improve safety and service provision (i.e. responsible and accountable service providers and responsible users of ADM services) to the communities served by the ADM. The implementation of these by-laws is also being supported by the ADM's establishment plan of having a by-law enforcement unit to support the function.

- In 2017/18 19 Municipal Health and 11 Fire Services Officials were appointed as Peace Officers, Thus enabling them to implement punitive measures according to the ADM's by-Laws and the Criminal Procedures Act.
- In 2018/19 the Establishment Plan included a By-law Enforcement Unit to coordinate the implementation. To date the posts have not been filled due to financial constraint but the following has been achieved:
- On 25 June 2018 Council approved a By-law Implementation and Enforcement Plan towards improving the implementation of Councils By-laws.

- The fine schedules were provided to and signed off by all magistrates in the ADM in 2018/2019
- In 2019/2020 the ADM's Municipal Codes book was published.

Crime Statistics

Crime statistics are listed per Station, per Province and Nationally and there are 17 Priority Crimes – The Eastern Cape statistics clearly show a reduction in serious crimes in the categories perpetrated against strangers during lockdown restriction periods. The Crime statistics now also extract farm murders as a category and also record and report on causative factors of crimes. This is helpful for various stakeholders to determine specific areas of required intervention for crime prevention and social intervention. Ongoing analysis and reports of crime during lockdown pointed to a massive reduction in criminal activity during the initial stages of lockdown. An overall reduction in crime for the year is evident with the following being noteworthy. 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 in the 2019 / 2020 statistics, however, these trends slowly increased again returning to pre covid levels by the second quarter of 2021/ 2022.

Table 46 Annual Crime Statistics in Eastern Cape

2020 / 2021 Annual Crime Statistics EASTERN CAPE							
CRIME CATEGORY	2016 /2017	2017 /2018	2018 /2019	2019 /2020	2020 /2021	Count Diff	% Change
CONTACT CRIMES (CRIMES AGAINST THE PERSON)							
Murder	3628	3815	3965	3879	3713	-166	-0.04279
Sexual Offences	8050	8094	8731	8708	7445	-1263	-0.14504
Attempted murder	2110	2232	2305	2409	2104	-305	-0.12661
Assault with the intent to inflict grievous bodily harm	23241	23133	24125	23376	20238	-3138	-0.13424
Common assault	11100	11171	11943	12527	11399	-1128	-0.09005
Common robbery	3707	3463	3769	3663	2736	-927	-0.25307
Robbery with aggravating circumstances	13688	13485	13578	13983	11458	-2525	-0.18058
Total Contact Crimes (Crimes Against The Person)	65524	65393	68416	68545	59093	-9452	-0.13789
Total Sexual Offences							
Rape	6836	6821	7305	7282	6114	-1168	-0.1604
Sexual Assault	753	805	890	896	891	-5	-0.00558
Attempted Sexual Offences	301	318	388	396	320	-76	-0.19192
Contact Sexual Offences	160	150	148	134	120	-14	-0.10448
Total Sexual Offences	8050	8094	8731	8708	7445	-1263	-0.14504
SOME SUBCATEGORIES OF							

AGGRAVATED ROBBERY							
Carjacking	955	999	1048	1111	996	-115	-0.10351
Robbery at residential premises	2171	2184	2188	2120	2101	-19	-0.00896
Robbery at non-residential premises	2369	2395	2373	2382	1954	-428	-0.17968
Robbery of cash in transit	11	23	46	21	32	11	0.52381
Bank robbery	1	0	1	0	1	1	1 Count Higher
Truck hijacking	82	92	110	124	159	35	0.282258
CONTACT-RELATED CRIMES							
Arson	748	605	698	666	560	-106	-0.15916
Malicious damage to property	12062	11422	12040	12055	11113	-942	-0.07814
Total Contact-Related Crimes	12810	12027	12738	12721	11673	-1048	-0.08238
PROPERTY-RELATED CRIMES							
Burglary at non-residential premises	7755	7446	7691	7477	7717	240	0.032098
Burglary at residential premises	24385	23758	23393	22233	18521	-3712	-0.16696
Theft of motor vehicle and motorcycle	2739	2443	2384	2135	1529	-606	-0.28384
Theft out of or from motor vehicle	12195	11649	11671	10931	8349	-2582	-0.23621
Stock-theft	6023	6217	6736	6800	6399	-401	-0.05897
Total Property-Related Crimes	**53097**	**51513**	**51875**	**49576**	**42515**	**-7061**	**-0.14243**
OTHER SERIOUS CRIMES							
All theft not mentioned elsewhere	24486	23174	24277	24188	21068	-3120	-0.12899
Commercial crime	6567	6437	7283	8396	8665	269	0.032039
Shoplifting	5408	4645	4711	4896	3266	-1630	-0.33292
Total Other Serious Crimes	36461	34256	36271	37480	32999	-4481	-0.11956
Total 17 Community Reported Serious Crime	**167892**	**163189**	**169300**	**168322**	**146280**	**-22042**	**-0.13095**
CRIME DETECTED AS A RESULT OF POLICE ACTION							
Illegal possession of firearms and ammunition	2045	2142	1995	2156	1685	-471	-0.21846
Drug-related crime	17710	18936	15213	13343	9780	-3563	-0.26703
Driving under the influence of alcohol or drugs	6090	5648	5269	5293	1936	-3357	-0.63423
Sexual Offences detected as a result of police action	337	275	81	77	26	-51	-0.66234
Total Crime Detected As A Result Of Police Action	**26182**	**27001**	**22558**	**20869**	**13427**	**-7442**	**-0.35661**

Way Forward for Community Safety both Provincially and in the ADM

Moving into the next IDP period, the priorities for the Provincial Safety Plan will include dealing with “gang” crime in collaboration with SAPS and the department of Justices but are also supporting school and community programs, social crime prevention and rehabilitation and the control of liquor outlets. The Department of Justice is also separating GBV&F from other assaults in their statistics and prioritizing these

cases for prosecution. The aligning of SAPS operational borders to match those of the Municipal Demarcation Board means that moving forward, crime statistics from stations located in the ADM will not be influenced by figures from overlapping areas. e.g. previously parts of Ndlambe were included in the Ngqushwa statistics: this was the case in many of the areas bordering the ADM.

The Community Safety Priorities for the ADM in line with National, Provincial and SALGA priorities include: Supporting Local Municipalities towards achieving sustainable Community Safety Forums, Coordinating stakeholders in dealing with GBV and Femicide. Capacity Building of key community groups and members, new Portfolio Councillors in conjunction with key stakeholders, e.g. SALGA, Social Development, Department of Education, NGO's, Department of Justice and Community Policing groups and sector departments. The ADM Moral Regeneration Movement is also being supported in its GBV & F programs. The District Community Safety Plan also requires a major review in 2022 / 2023 and mans of achieving this are being sought.

Achievements

The aligning of SAPS operational borders to match those of the Municipal Demarcation Board means that moving forward, crime statistics from stations located in the ADM will not be influenced by figures from overlapping areas. e.g. previously parts of Ndlambe were included in the Ngqushwa statistics: this was the case in many of the areas bordering the ADM.

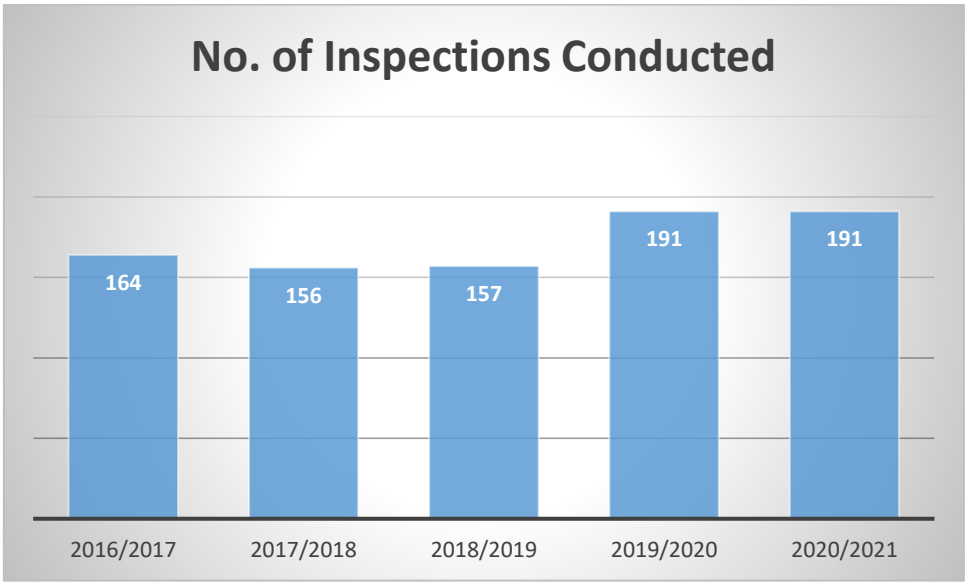
Challenges

- The inability of Local Municipalities to sustain their Community Safety Forum structures with no dedicated staff or resources results in haphazard addressing of social crime prevention and the disintegration of relationships with support stakeholders. Raymond Mhlaba Municipality has not had a functional Community Safety Forum for the past five years. The ADM has assisted in the establishment of the forum but then it becomes defunct. The other five municipalities have Forums which are at various levels of functionality with support from the ADM. Mbhashe is the only Local Municipality with a Community Development Worker [CDW] as the operational official for the Community Safety Forum and is fully functional.
- Implementation of by-laws and the filling of positions in the By-law enforcement unit is delaying implementation which has the potential to reduce unaccounted for water losses and revenue collection.

3.2.2.3.3 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.

FIGURE 41: FIRE INSPECTIONS CONDUCTED



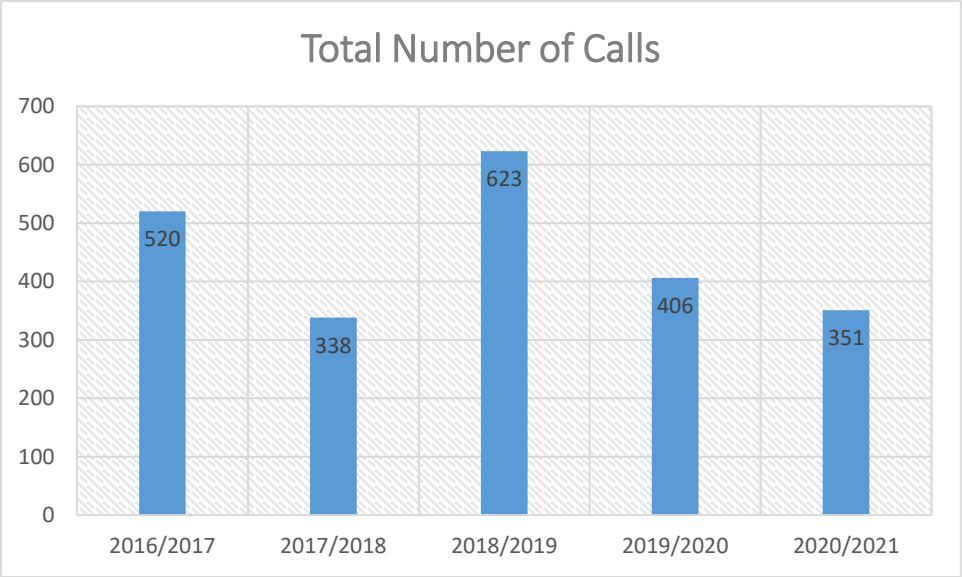
Fire Safety Compliance Inspections

Between 2016 to 2019 financial years, the amount of compliance inspections conducted at businesses with flammable substances was averaging between 156 to 160.During the 2019/2020 and 2020/2021 financial years, it increased to 191.This increase maybe attributed to the Covid 19 pandemic, whereby people opened new businesses to supplement their income.

Challenges

- Shortage of specialised fire water tankers, aerial apparatus, aging Fire Service's vehicles and buildings (Great Kei and Ngqushwa Fire Stations).
- Shortage of 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. A business plan for a new Fire station and Training Centre in Butterworth has been developed.
- There is no Fire station in Nqamakwe causing delays in response time in cases of emergency. A process to approach the Mnquma Local Municipality to request land to build a satellite fire station in Nqamakwe is underway.
- 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. A plan in place for procuring portable pumps which will assist in drawing water from dams and swimming pools.
- Business plans have been submitted for purchasing of new fire engines and for the building of a new fire station and traing centre.
- New fire hoses and standpipes have been procured, and provision has been made in the new budget for procurement of jaws of life, chain saws and quick cuts.
- The procurement process for portable pumps are on going to assist with water shortage

FIGURE 42: NUMBER OF FIRE CALLS RECIEVED



Calls Attended: 2020/2021

In the 2016/2017 financial year 520 incidents were responded to which decreased to 338 in the 2017/2018 financial year. 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, this decreased in the 2020/2021 year to 351. In the 2020/2021 financial year the 351 incidents responded to; 49% were vegetation fires, 20.2% formal dwellings and 15,6% being motor vehicle accidents. 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 and 190 in 2020/2021 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.

- In the 2017/2018 financial year 520 incidents were responded to; of which 35% were vegetation fires, 27% formal dwellings and 20% being motor vehicle accidents.
- In the 2018/2019 financial year 623 incidents were responded to; of which 31% were vegetation fires, 22% formal dwellings and 20% being motor vehicle accidents.
- In the 2019/2020 financial year 406 incidents were responded to; of which 31,2% were vegetation fires, 20% formal dwellings and 34,9% being motor vehicle accidents.
- It's clear that vegetation fire is the most frequently occurring fires due to the large area covered that include rural farming area, as well as the continued drought.

3.2.2.4 DISASTER MANAGEMENT

3.2.2.4.1 Municipal Disaster Management Centre

Section 43(1) of the Disaster Management Act 57 of 2002 requires that “Each metropolitan/district must establish in its administration a disaster management centre for its municipal area.” The Amathole District Municipality has established its disaster management centre and is operational. Six satellite centres in Local Municipalities and one sub-satellite centre were established. The District Disaster Management Centre ensures a well-coordinated approach to disaster risk management within the district and provide support to its Local Municipalities who has limited capacity and resources.

In terms of the National Disaster Management Policy Framework the District Disaster Management Centre meets minimum requirementsin terms of paragraph 1.5 of the National Disaster Management Framework, 2005 (NDMF) read with paragraph 1.2.2.2, sets out the minimum physical infrastructure requirements of a Disaster Management Centre.

3.2.2.4.2 Disaster Risk Management Advisory Fora

Section 51(1) and (2) of the Disaster Management Act 57 of 2002, states that all the district municipalities must establish a Municipal Disaster Risk Management Advisory Forum. The Amathole District Disaster Risk Management Advisory Forum was established. It is a legislative mandate for a municipality to establish such a forum to coordinate strategic issues related to disaster risk management. The Forum assists in approving and review of the disaster risk management plans for the district before they are submitted to Council. All role players which includes Disaster Management Portfolio Councillors, Ward Councillors, Ward Committee members, Traditional leaders, Community Development Workers, Non-Governmental Organisations, Community-Based Organisations and Sector Departments, representatives of national umbrella organisations for women, children, the elderly and people living with disabilities within the district, form part of the forum. The main purpose of the Municipal Disaster Management Advisory Forum (MDMAF) is to ensure that the principles of co-operative governance, integrated and coordinated disaster risk management and external stakeholder participation are applied. The District Disaster Risk Management Advisory Forum is functional and seats on a quarterly basis.

3.2.2.4.3 Interdepartmental Disaster Risk Management Committee

According to section 1.3.1.3 of the National Disaster Management Framework, 2005 compels all metropolitans and districts to establish Interdepartmental Disaster Risk Management Committee (IDRMC). ADM established the IDRMC in March 2020 to assist in monitoring, assessing, and coordinating departmental disaster risk management planning and implementation, placing particular focus on risk reduction policies, practices and strategies.

3.2.2.4.4 Disaster Risk Assessment

Risk and Vulnerability Assessment study was conducted in 2015. Review Risk and Vulnerability Assessment study will be undertaken subject to funds availability.

- Hydro-meteorological - Drought
- Disease / Health - Disease: Human
- Transport Hazards - Road Transportation
- Civil Unrest - Crime
- Hydro-meteorological Hazards - Floods (River, Urban & Dam Failure)
- Fire Hazards - Formal & Informal Settlements / Urban Area
- Hydro-meteorological Hazards - Severe Storms (Wind, Hail, Snow, Lightning, Fog)
- Fire Hazards - Veld/Forest Fires
- Disease / Health - Disease: Animal
- Pollution - Water Pollution (Fresh and Sea)

Climate changes result in severe weather events which cause the above hazards to have a negative impact when interacting with lives and property. Incidents of severe weather conditions resulted in dwelling structures. It has become apparent that risks from all angles in the district have to be considered. Strengths such as Disaster Risk Management Ward Structures are targeted and utilised in focused awareness programs aimed at reducing risk. A lot of risks are closely related and directly or indirectly influence each other.

These priority risks should also be reflected in the future budgets and the ADM IDP. There should be specific focused actions to reduce vulnerability, minimize hazards and to increase resilience with relation to these risks by all functional units of the ADM. The Risk and Vulnerability Assessment is included in the Disaster Risk Management Plan.

3.2.2.4.5 Disaster Risk Reduction and Planning

As per section 53 of the Disaster Management Act 57 of 2002, section 3.1.1.2 of the National Disaster Management Policy Framework of 2005 and the Municipal Systems Act 32 of 2000, the Amathole District Municipality has developed a Level 2 Disaster Risk Management Plan which is a core component of the IDP. The Plan aims to reduce, remove, prevent or respond to the internationally recognised causal factors of disasters. Each municipal department and municipal entities in the district and its local municipalities with disaster risk management responsibilities must develop and submit Disaster Risk Management Plans to the National Disaster Management Centre (NDMC), and the Provincial Disaster Management Centre (PDMC).

It is vital that disaster management principles of risk reduction, prevention and mitigation are part of every programme and project.

Amathole District Municipality also developed a Municipal Disaster Risk Management Policy Framework as per section 42 of the Disaster Management Act 57 of 2002 which was adopted by Council in 2015/2016 financial year. The Disaster Risk Management Policy Framework aims to ensure an integrated, coordinated and uniform approach to disaster risk management in the district by all municipal departments; statutory functionaries of municipalities; all municipal entities operating in its area; non-governmental organisations involved in disaster risk management; and sector departments. The ADM Disaster Risk Management Policy Framework is consistent with the Provincial and National Disaster Risk Management Policy Frameworks. The Disaster Management Policy Framework has a chapter in the Disaster Risk Management Plan. The document is reviewed on an annual basis and need a major review.

3.2.2.4.6 Prevention and Mitigation of disasters

The District 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 an importance of developing Community Integrated Response Plans in all six local municipalities in the ADM area of jurisdiction was identified. These Community Integrated Response Plans seeks to build resilience of communities to disasters by strengthening disaster preparedness for effective response at all levels. The plan also serves to confirm arrangements at ward level to effectively address disaster response issues in order to lessen the impact of disasters once they occur. Integrated Disaster Response Plans developed for municipalities Will form part of the 2022/2023 Service Delivery Implementation Plan.

ADM Disaster Management Centre in conjunction with Local Municipalities and other stakeholders established Disaster Management Ward Based Committee that actively participate in disaster risk management programs at a ward level. Its participation assists by increasing the level of awareness within the communities and improve response times on reported incidents.

3.2.2.4.7 Disaster Response and Recovery

In terms of sections 52 and 53 of the Disaster Management Act of 2002, a disaster management plan for a municipal area must contain contingency plans and emergency procedures in the event of a disaster, providing for the allocation of responsibilities to the various role-players and co-ordination in the carrying out of those responsibilities for prompt disaster response and relief.

Severe weather elements caused damages to dwelling houses in all six Local Municipalities in the jurisdiction of Amathole District. Multi stakeholder damage assessments carried out to quantify the extent of damages and many of the affected families, leaving them exposed to the weather elements. These incidents are reported to the Department of Human Settlements through Local Municipalities. During these incidents, allocation of responsibilities to the various role-players are carried out and ADM coordinates those responsibilities and submit a consolidated report to the Provincial Disaster Management Centre.

A declaration of a state of disaster due to coronavirus (COVID-19) pandemic was pronounced by State President on the 15th March 2020. Subsequent to a state of disaster a nation- wide lockdown was announced on the 23rd March 2020, effective from the 26th March 2020 (midnight). In response to the coronavirus pandemic, a Joint Operations Committee was established on the 19th March 2020. Subsequent to that a District Command Council headed by Mayor was established and a technical structure (District Command Centre) headed by the Municipal Manager were established. Meetings are held on a monthly basis to ensure that all walks of life engage in measures to prevent the spread of the virus.

According to Section 53(2) of the Disaster Management Act Municipalities are required to establish emergency procedures for the procurement of essential goods and services in the event of a disaster occurring in its area of jurisdiction. The procedures for emergency procurement are in accordance with the Municipal Finance Management Act, No. 56 of 2003 and the Council's Supply Chain Management Policy and Procedures.

Challenge

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.

Disaster Responses in 2021/21

- 137 awareness campaigns were conducted in six local municipalities in the Amathole Municipality during 2020/2021 financial year.
- During 2020/2021 financial year severe weather elements were reported to have damaged dwelling structures, vehicles and road infrastructure leaving 460 families homeless and 562 houses partially damaged in Amathole Municipality area of jurisdiction.
- 48 Community Integrated Response Plans have been conducted during 2020/2021 financial year.
- Thirty-two (32) District Command Centre and twenty-nine (29) District Command Council meetings were coordinated during the 2020/2021 financial year.

Challenges

- No dedicated person responsible to ensure implementation of the disaster management function at Local Municipal level at Great Kei, Mbhashe and Mnquma Local Municipalities.
- Covid - 19 vaccination hesitancy;
- Placement of disaster management function at different departments in Local Municipalities making it difficult to coordinate its implementation

Recommendations

- That focal points at local municipal level should be appointed to serve in disaster management structures i.e Advisory fora, Technical Advisory Committees etc.

3.2.3 SPATIAL DEVELOPMENT

One of the pillars of ADM's Municipal Turn-Around Strategy, is Spatial Planning Spatial Planing is central in the successful implantation of Vision 2058: Building a Smart District. Thus, the location of the Catalytic Projects lies squarely on the areas identified in the Spatial Development Franweork. Spatial development refers to the methods and approaches used by to influence the distribution of people and activities in spaces of various scales.

3.2.3.1 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).

The framework is guided by a clear set of principles and comprises a number of spatial structuring elements. It 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 43: 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.

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.

Policy Assessment

It has been 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 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.

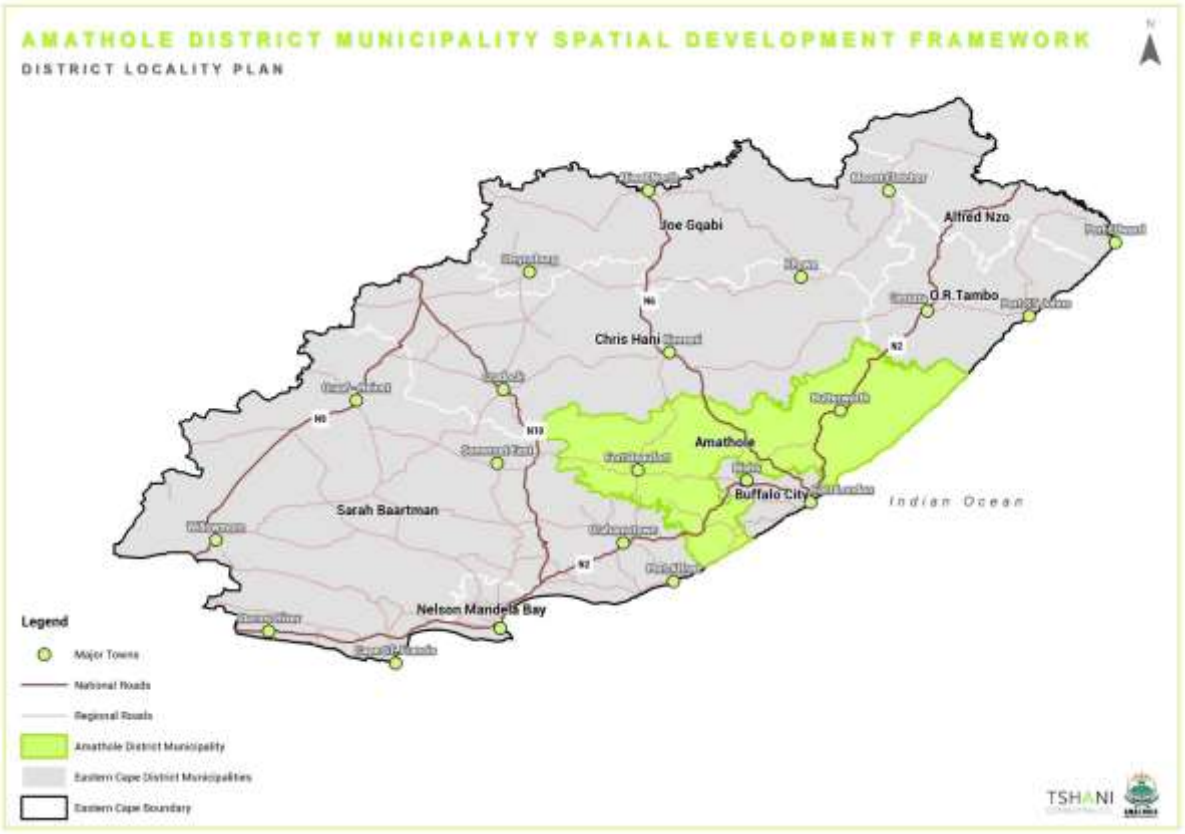
As such the SDF remained as designed to act as a Spatial Expression of the IDP in so far as it aims to illustrate Spatial Dimensions of key Strategic Focus Areas of the district that include, Economic Growth and Development, Land and & Agrarian Reform, Water & Services Development including Environmental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

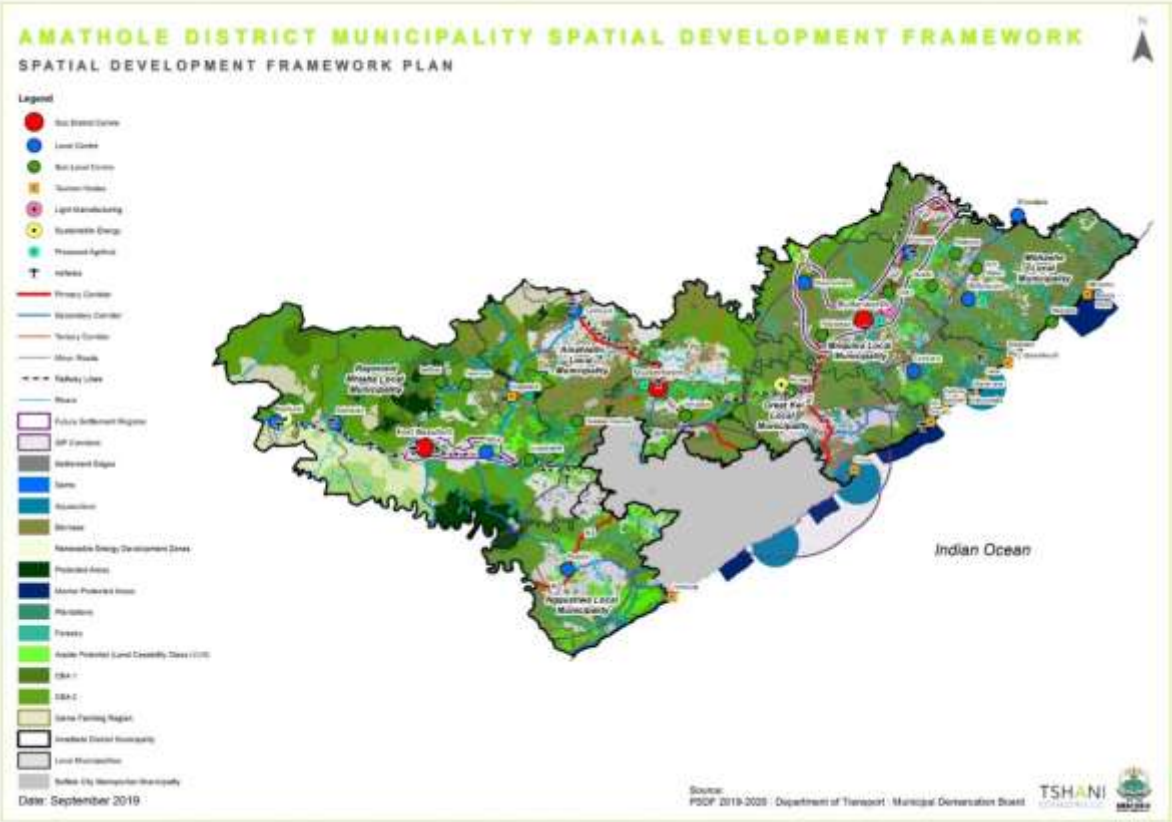
FIGURE 44: SDF AREA APPROXIMITY MAP



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 45: 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”

3.2.3.1.1 Spatial Development Framework Objectives

Table 47: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: -

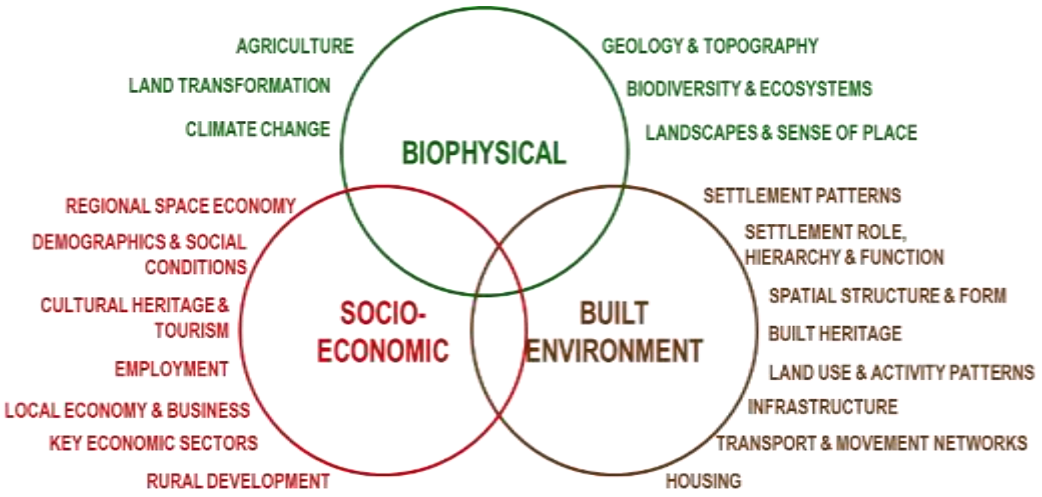
- Sub-district centres
- District centres
- Local Centres, and,
- Tourism / Coastal Nodes

3.2.3.1.2 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 SDF, therefore, becomes a tool that guides various elements of development, and as such ADM Spatial Development Framework (as aligned to SPLUMA), is developed around three pillars/framework that encapsulate all development elements. These pillars are depicted in the following diagram. The aim is to emphasise the inter-connectedness of development elements.

FIGURE 46 : SDF PILARS



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3.2.3.1.3 Spatial Frameworks

PILLAR/SPATIAL FRAMEWORK	DEFINITION/OBJECTIVE
Biophysical	To Ensure that smart infrastructure is designed to address the issues of climate change as well as to capitalise on the biodiversity areas through conservation and the promotion of these through tourism.
Built Environment	The objective is to achieve efficient integrated spatial development of infrastructure and transport systems in shared focus areas through: ▪ Elimination of infrastructure backlogs growth through improving transport infrastructure Establishing centralized infrastructure planning, implementation, and monitoring capacity to enhance socio-economic impact of spending; and increasing efficiency gains and job-creation. Identification and packaging strategic infrastructure projects and programs to boost economic growth and attract private investment
Socio- Economic	to achieve integrated development and meet the pro-poor policies. This pillar is also aimed at employment generation; Increased growth and output; More even income distribution; More equal spatial distribution of economic activity; Transforming ownership and control of production Enhanced technological capacity

The aim of aligning plans with SDF is significant and is realized through the objective of SDF as expressed below:

- The ultimate goal of SDF is to achieve the desired spatial form of the municipality.
- This Spatial Form is derived from the process of attaining the aspirations of:
- The NDP and other relevant government policies
- The application of principles set out in SPLUMA
- The vision for the development of the municipality (Vision 2058) through:-
- Available financial, environmental and land resources available in the municipal space; to improve social, economic and environmental context of the municipality.

The issues highlighted above can be achieved when spatial perspective becomes the center of alignment and co-ordination, forming the platform for discussions on the development potential of the space economy and serving as a frame of reference for guidi actions.

The pursuit of alignment is based on the premise that improved integration contribute to the input coming from development plans (Sector Plans)

Therefore the objective for alignment is

- to ensure that plans are responsive to their local context and are focused on the vision and strategic direction of the Institution.
- to ensure and harness coherent development so that the limited resources available are utilized efficiently and in a purposeful manner.

Assessment Focus

The assessment of alignment is always based on the guidelines and potential opportunities reflected on the district economic space. These include inter alia:-

- Utilisation of spatial restructuring elements
    - Areas identified as development Nodes and Corridors for the district
    - Special Development Areas identifying priority areas for water and sanitation so as to address backlogs.
    - Level of development based on existing level of basic and social infrastructure
    - Socio economic profile
    - Land use profile
    - Key Environmental Informants and Land Use Management Guidelines to ensure a more sustainable approach to urban and rural development.

Assessment of alignment

As captured earlier in the report, the objective of assessing alignment is to ensure that various plans (sector Plans) developed are responsive to needs and development challenges in the district. Alignment also cultivates for attainment of the strategic direction of development of the district.

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.

3.2.3.2 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).

3.2.3.2.1 Sustainable Development

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.

Challenges

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 that ultimately will ensure that 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.

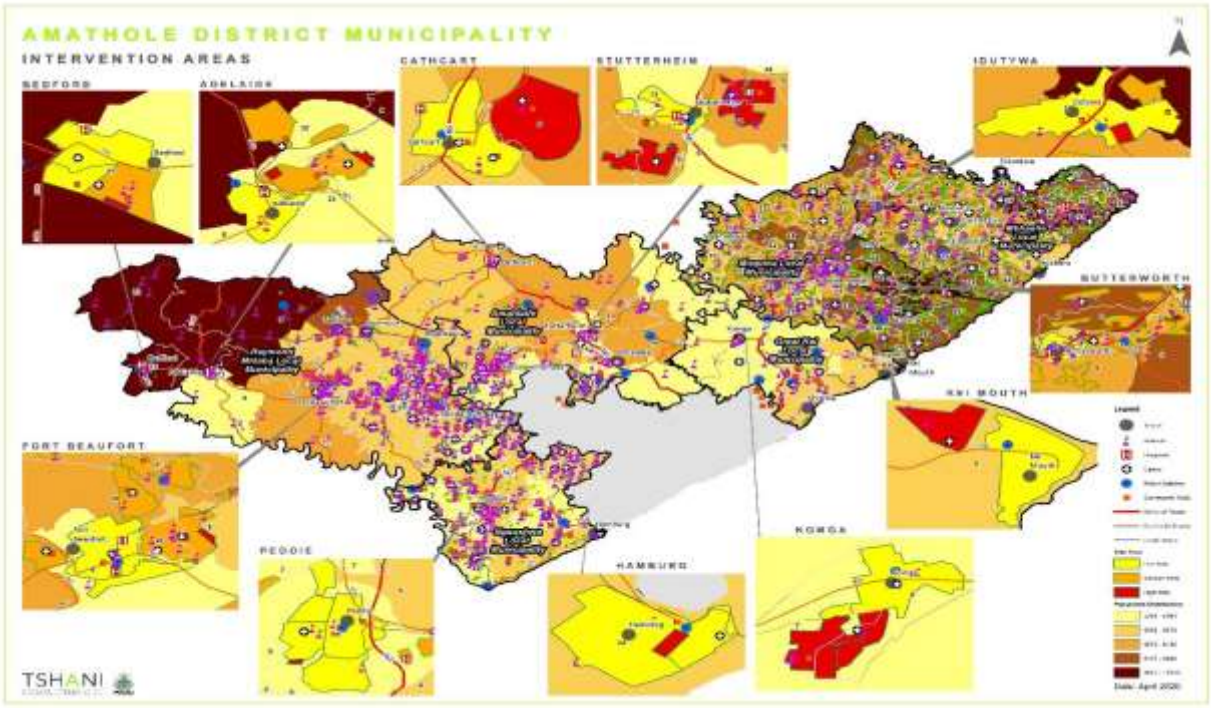
3.2.3.2.2 Urban Planning Response to Covid 19 Pandemic

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 47: INTERVENTION AREAS



3.2.3.3 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.

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. 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). The municipality made a commitment in the provision of Sustainable Human Settlements through housing development in line with applicable legislative and policy provisions. 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 48: 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

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."*

In ensuring that all the set objectives are achieved key strategic programmes were identified and are as listed below :

- Housing Consumer Education
- LM Financial Viability Assessment on Housing Implementation
- Facilitate Land Release for Housing Delivery at LMs
- Feasibility Study on Appropriate Technologies
- Farm Residents Housing Assistance Programme
- Social Housing Implementation
- Housing Finance Risk Register
- Housing Finance Risk and Fraud Plan
- Settlements Inventory Management
- Urban Renewal Programme Pilot project -

As such the following elaboration depicts work done to date in ensuring the set functional areas in the district are achieved.

3.2.3.3.1 Housing Status

As indicated in the preceding paragraphs, the inefficiency in the supply of human settlements is manifested by presence of informal settlements. As per the latest census, the district has recorded a total of 12022 informal settlements in all its informal settlements. The new centralised needs register that will reflect the actual demand for the district is in progress.

Housing Supply

One of the critical elements necessary for the provision of Human Settlements is **land identification as well as the nature tenure applicable on identified land for human settlement development.** The current situation in the district reflects a mixture of commercial farms served by local centres and vast tracts of communal owned land, which is settled by large numbers of villages.

Housing Projects Implemented by Local Municipalities

The table here below, reflect the various ***implemented housing projects*** within the district, as per the Housing Strategies, aimed at addressing identified housing needs as reflected by the demand.

Table 49: Implemented Housing Projects

MUNICIPALITY	HOUSING DELIVERY	PLANNED PROJECTS	BLOCKED PROJECTS
RAYMOND MHLABA	4647	11751	3722
NGQUSHWA	2300	3720	1920
MNQUMA	1038	3125	340
MBHASHE	10566	12468	389
GREAT KEI	21301	9202	362
AMAHLATHI	4025	6295	3554
TOTAL (ADM)	**43 877**	**46 561**	**10 287**

A further ouline of work done to date include the Tenure Security in line with the provisions of both Section 25 and 26 of the Constitution. To date a total of 26 000Title Deeds were expected to be issued and a total of 17 908 have since been issued with 8 092 being worked out for transfer.

3.2.3.3.2 Title Deeds

Table 50: Number of Projects per Local Municipality

Local Municipality	No of Projects	No of Expected Title Deeds	Subsidised	Outstanding Title Deeds
Mbhase	6	1 599	1 599	707
Mnquma	8	4 672	4 672	3 818
Great Kei	5	1 684	1 684	406
Ngqushwa	5	1 978	1 978	58
Raymond Mhlaba	32	13 170	13 370	2 643
Amahlathi	15	2 897	4 811	460
ADM	**71**	**26 000**	**28 114**	**8 092**

3.2.3.3.3 Issues for Consideration

The supply reflected above are only for projects that are directly implemented by ADM.

In terms of the supply shown above, the pace of delivery has been very low. The slow pace of delivery could be attributed to the following factors:

- Lack of well-located and suitable land for housing
- Lack of suitable data on size and nature of backlog
- Inadequate project management and monitoring capacity
- Disjuncture in the planning and implementation of infrastructure programmes

Based on the analysis of Human Settlement status Quo in ADM, which took into consideration of the following aspects like:

- Complex **division of powers and functions between province, district and local level** contributes to slow pace of delivery
- Appropriate **linkages between housing development and infrastructure** provisioning
- Linkages between Land Reform programs for Rural Development
- Strategic approach in dealing with land invasions on municipal commonages **to curb development of informal settlements**
- Constant **update on LM's sector plans**
- The **Security Tenure** continues to be a problem more especially in communal areas
- Some **SDF's are not clear in depicting land for human settlement** development.
- ADM locality
- Settlements Patterns

- ADM role in development of Human Settlements as well as the analysis of ADM demographics, following had negative impact in the progress to development of Human Settlements
  - Lack of knowledge on all existing and enabling policies and Programs that cater for the district demographics.
  - Land invasions that takes place at local space constantly undermines the efforts of eradication of informal settlements whilst on the other hand there are unclear procedures for attainment of appropriate tenure in communal areas.
  - Lack of strategic partnership between Government, and private institutions (Banks)
  - Consideration of the impact of climate change on built environment.
  - Consideration of alternative technologies.
  - Linkage and alignment of Housing Chapters (Provincial, District and Local)

3.2.3.3.4 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

3.2.3.3.5 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.

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 51: 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
- 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

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

Housing Mission

- 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.

Challenges

- 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.

3.2.3.4 GEOGRAPHIC INFORMATION SYSTEM (GIS)

GIS is a critical decision support tool for ADM that supports good governance, asset management, spatial planning, revenue management. Amathole District Municipality (ADM) is implementing an Environmental Systems Research Institute (ESRI) - based Corporate Geographic Information System (GIS), an international supplier of GIS software, web GIS and geodatabase management applications. 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 datasets still require some considerable work 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.

ADM has invested and deployed a fully functional GIS unit that also supports the local municipalities through a Shared Services model. The cornerstone of a successful GIS implementation is in collaboration with town planning, land administration and development planning. The major initiatives that form a very strong base for this system are:

- **Land Audit**

  Physical land audit and verification of land parcels and ownership, including property information was conducted and completed during the 2012/13 financial year covering the whole district. Furthermore, there were corrections done on irregularities found and this meant continuous maintenance of the cadastral data that includes the ERF numbers with DEEDS data. The latest currently is as of March 2021.
- **Social/Local facilities/amenities**

  Physical field capture was undertaken in 2012/13 financial year for capturing of all social facilities within the district that were identified through a User Requirement Assessment including schools, community halls, clinics, heritage sites, churches, shops, etc. Continuous updates of these on a quarterly basis is done through shared services. The biggest challenge is that it is a field capture activity, so it requires personnel to go out in the field.
- **Land Use Management System**

  This is the update of the Land Use Plans and Zoning Schemes on GIS thus updating regularly through shared services. The collaboration is done with Municipal Support Unit of ADM.
- **Property Base Workflow System**

  This system is a which was developed and rolled out to municipalities in 2014/15 financial year. This system has captured the processes followed by municipalities in processing the applications with regards to land and property ownership. The biggest challenge is the alignment with SPLUMA as it will depend on how the district and municipalities will implement. There is a great dependency on SPLUMA for this.

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.

GIS SSC Duties

- Service Level Agreements (SLA) were signed between ADM and its LMs for the implementation of the SSC
- 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.

Initiatives

- Scanning of all building plans - ongoing exercise, make them available into the GIS website - ongoing
- Established GIS Shared Services Committee that sits on a quarterly basis – comprised of (Cooperative Governance And Traditional Affairs (COGTA), Public Works Department, ADM and its LMs
- Established Individual LMs GIS Steering Committees that sit monthly – comprised of COGTA, ADM and LM officials
- Internal GIS Steering Committee sits quarterly which is formed by ADM Internal business departments
- Each Local municipality has a dedicated GIS server and GIS Software licence (COGTA) with its own data which is updated quarterly or as and when required
- GIS System integration of water and billing data (live link) - Spatial linkage to the ADM financial
- system for water revenue enhancement
- Spatial referencing of 20/21 ADM projects
- Capturing of IDP projects onto GIS
- Mapping of Complaints Register
- Mapping of VIP toilets, illegal connections, sampling points
- Updating the SDF onto GIS
- Making the information available to all through the GIS Website: www.amatholegis.gov.za

- The website is available 24/7 and it allows everyone to query, view and print maps in a simple to
- use environment.

ADM has signed an SLA with the National Department of Agriculture, Land Reform and Rural Development (Chief Directorate: National Geo –Spatial Information) (NGI). The main purpose is to make available to all interested organizations and individuals in the public and private sectors and to local communities in both rural and urban areas; geospatial information including mapping products for the purpose of sound decision-making and planning in the development and management of the country. ADM will then assist in the dissemination process of this information and where appropriate, add value to this information thereby enriching this its usefulness to the LMs and third parties.

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

KPA 3: LOCAL ECONOMIC DEVELOPMENT

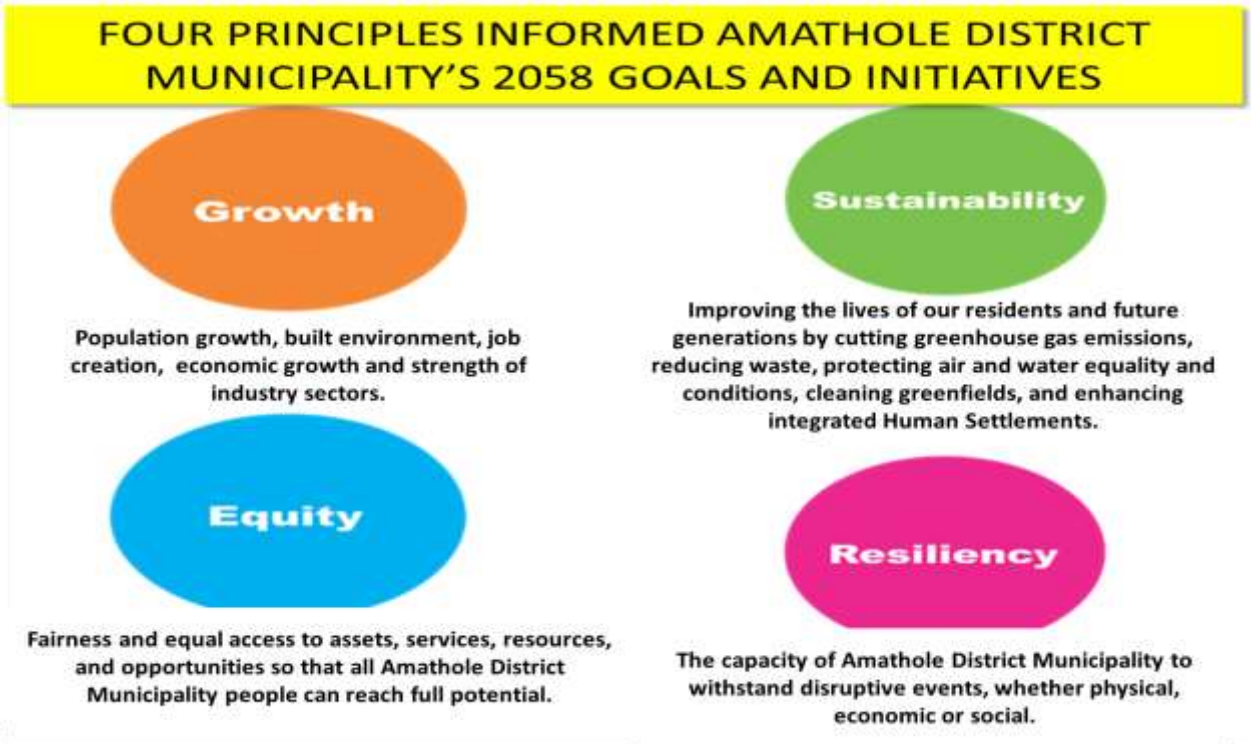
VISION 2058: Dynamic Rural Economy

MTAS PILLAR: Local Economic Development

Over the years ADM has identified Local Economic Development as a catalyst for the growth of the District Municipality. However, due to a variety of challenges the district did not achieve the intended results. A change of strategy was needed hence the development of long-term vision: Vision 2058, Building a Smart District. Central to Vision 2058 is the identified of four visions, which are:

- **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.

FIGURE 48: SCHEMATIC SUMMARY THE VISIONS



In line with the four visions identified above, ADM has identified 11 Catalytic Projects which if they are properly implemented may change the economic outlook of the district. The Catalytic project are:

- 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

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 MTAS PILLAR: LOCAL ECONOMIC DEVELOPMENT

In ensuring that Vision 2058 is implementable, ADM developed a second strategic Document called Municipal Turn Around Strategy (MTAS). MTAS has identified 8 pillars that are envisaged to be used as vehicles for Vision 2058 implementation. Of the 8 pillars, one of those is Economic Development. The led to the development of the Economic Growth and Development strategy with five (5) sector plans. The purpose of the strategy is to collate all economic information, investigate, coordinate and integrate available options, and opportunities to broaden the economic base of the Amathole. Furthermore, it is also aimed at ensuring that the municipality can efficiently and effectively facilitate the creation of an appropriate enabling

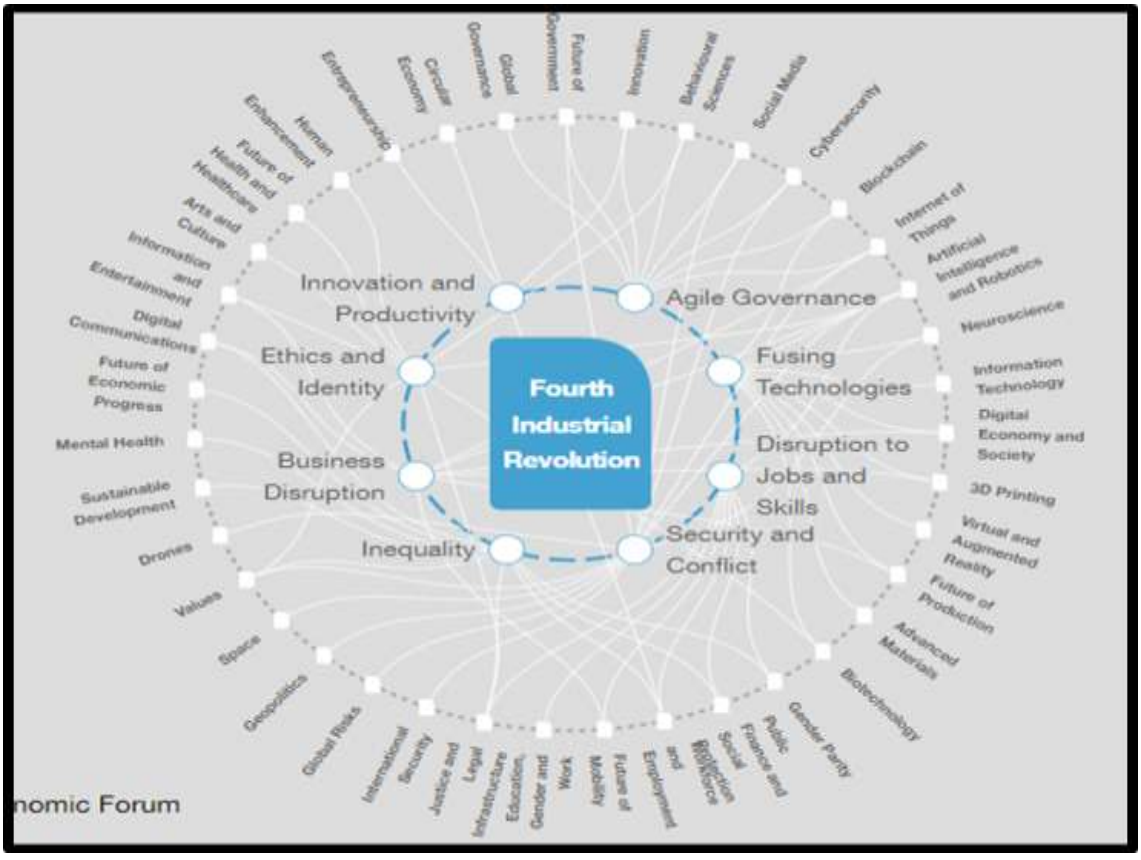
environment conducive to economic development and investment as to grow the economy of the district. The strategy also offers the Amathole District Municipality, the private sector, and the local community, the opportunity to work together to improve the district economy. It will focus on enhancing the local business and competitive environment and thus increase sustainable growth and development in the area and ensure that this growth is inclusive of all communities. It will focus on identifying current resources and infrastructure available within the local municipal area. It will also aim to assess which skills are available, what the needs are and what needs to be done to sustainably grow the economy and generate opportunities for all the stakeholders. The following are the key focus sectors;

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

3.3.1.1 Sixty (60) Game Changers

In ensuring that the Catalytic Projects are successfully implemented in a sustainable way, the institution has developed 60 Game Changes that are aligned to the projects. Thus, there is a synergy between the Catalytic Projects and Game changers. Below is the list of the Sixty (60) Game Changers:

FIGURE 49: 60 GAME CHANGERS



3.3.2 DEPARTMENT OVERVIEW

SPED is made up of Spatial Planning and Economic Department Units. The combination of the two sections is made feasible by the SDF as prime land pockets are identified. SPED in conjunction with ASPIRE are the heartbeat of Economic Development in ADM. Thus, the two arms of ADM champion Resource Mobilization for the implementation of the Catalytic Projects as specified in Vision 2058.

Economic Development has several units which are aligned to specific sector plans as discussed above, viz;

- Heritage and Tourism
- Environment Management
- Enterprise Development
- Agriculture

FIGURE 50: DIRECTORATE OVERVIEW

3.3.3 POST COVID-19 ECONOMIC STIMULUS PLAN

In 2019, the whole world was engulfed by the deadly pandemic called COVID 19. This pandemic not only killed a lot of people, but its effects were also felt economically. South Africa lost a net 1.4 million jobs in 2020 and risks a jobless economic recovery in 2021. Historical linkages between economic and employment growth suggests that, based on our GDP forecasts, South Africa should add more than 400,000 jobs this year (PwC's South African Economic Outlook 2021 (September 2021). However, the country lost nearly 300,000 formal jobs during the first half of the year. (As such, it also now has the highest unemployment rate in the world.) Many jobs are also in jeopardy following the social unrest seen in July.

South Africa's economic outlook has been under pressure from, amongst other factors, continued lockdown restrictions and the continued risks of electricity load-shedding. In light of the social unrest seen in July, it is

critically important for the economy to grow and regain the jobs lost due to COVID-19. PwC's South African Economic Outlook 2021 (Septmber 2021) report updates our different forward-looking scenarios for the South African economy in 2021-2022. Our economic forecasts are influenced by assumptions about the adverse impact of COVID-19 lockdown restrictions, electricity load-shedding and July's unrest, combined with the positive impact of fiscal and monetary policy support measures.

Key content in this edition includes:

- South Africa now has the highest unemployment rate in the world after losing nearly 300,000 formal jobs during the first half of 2021.
- Key uncertainties - for example, income tax rates, increased load shedding, a slowdown in the COVID-19 vaccine rollout, and the risk of further social unrest – need to be addressed to avoid jobless economic growth.
- A fit-for-purpose education system is needed to create a skilled workforce for the South African labour market.
- A change in educational and societal behaviour is needed to create a culture of lifelong learning – there are ways that we can work together to start turning this crisis into an opportunity for change.
- At the current average daily vaccine rate, it could take another longer before 67% of the adult population is fully vaccinated. This will negatively affect economic growth as failure to vaccinate by the economically active population group may lead to sick and high death rate as the pandemic is deadly.
- The recent easing of lockdown restrictions could see GDP growth of 3.0% this year, or as high as 4.5% under our upside scenario.

It is for this reason planning is imperative, especially; from National, Provincial, District and to the Local level. Thus, 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. Vision2058, was followed by Municipal Turnaround Strategy (MTAS). MTAS has eight pillars, and one of those is Local Economic Development.

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

Over and above these projects, ADM has also identified the following quick-wins:

a) **Strategically Locating Film and Television Development**

- Raymond Mhlaba LM: The Dam Series created 451 job opportunities, mainly for young people of Amathole and 11 SMMEs that benefited during the filming of the series.
- Ngqushwa LM: Survivor Season 9 created job opportunities to a value of more than R1m for the local communities, with post-production currently underway

b) **Promoting Creative Arts Sector**

- Capacitated 30 designers in New Venture Creation for local fashion designers
- Capacitated15 young people from Raymond Mhlaba LM in Film Development and skills transfer programmes with accredited outcomes

c) **Establishment of a Bee Keeping Processing Plant in Ngqushwa**

- Construction is currently underway

d) **SMME Contractor Incubator Programme:**

- 105 SMMEs were employed in a three-year cycle implementation, and this is still on-going
- Road maintenance with SANRAL

e) **Revitalisation of Irrigation Schemes**

- Zanyokwe Irrigation Scheme
- Construction of Market Centre in Keiskammahoek

f) **Sewing equipment to SMMEs in Stutterheim** under Amahlathi Local Municipality as part of inputs into the development of these enterprises.

3.3.4 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, the expansion of scope affected ASPIRE's Business Model and the role in bring fruition Vision 2058 for the people of Amathole. ASPIRE will focus more on the e implementation of the projects, while ADM will be more on Policy formulation. Thus, ASPIRE is the catalyst to promote and implement sustainable spatial and social economic development in the Amathole District.

3.3.5 ECONOMIC GROWTH AND DEVELOPMENT

Economic growth is the steady process by which the productive capacity of the economy is increased over time to bring about rising levels of national output and income. Whereas, economic development means an improvement in the quality of life and living standard, e.g. measure of literacy, life-expectancy and health care. Thus, central to Economic Growth and Development is the goal of Wealth Creation that leads to improved Community livelihoods and Integrated Sustainable Development.

The economic state of Amatole 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 Amatole District Municipality.

Table 52 Gross Domestic Product (GDP) - Amatole, Eastern Cape and National Total, 2010-2020 [R billions, Current prices]

	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
2010	17.6	211.6	2,748.0	*8.3%*	*0.64%*
2011	18.8	226.0	3,023.7	*8.3%*	*0.62%*
2012	20.9	252.3	3,253.9	*8.3%*	*0.64%*
2013	22.6	273.2	3,540.0	*8.3%*	*0.64%*
2014	24.3	293.6	3,805.3	*8.3%*	*0.64%*
2015	26.2	316.3	4,049.9	*8.3%*	*0.65%*
2016	27.7	334.4	4,359.1	*8.3%*	*0.64%*
2017	29.7	358.6	4,653.6	*8.3%*	*0.64%*
2018	31.2	375.5	4,873.9	*8.3%*	*0.64%*
2019	32.2	387.4	5,077.6	*8.3%*	*0.63%*
2020	31.6	378.1	4,973.0	*8.4%*	*0.64%*

Source: IHS Markit Regional eXplorer version 2142

With a GDP of R 31.6 billion in 2020 (up from R 17.6 billion in 2010), the Amatole District Municipality contributed 8.36% to the Eastern Cape Province GDP of R 378 billion in 2020 increasing in the share of the Eastern Cape from 8.34% in 2010. The Amatole District Municipality contributes 0.64% to the GDP of South Africa which had a total GDP of R 4.97 trillion in 2020 (as measured in nominal or current prices).It's

contribution to the national economy stayed similar in importance from 2010 when it contributed 0.64% to South Africa, but it is lower than the peak of 0.65% in 2015.

3.3.5.1 STRATEGY CHAPTERS

Table 53: 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

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. ADM has identified and packaged the following Heritage and Tourism Sites:

Table 54: Heritage and Tourism Sites

HERITAGE SITE	MUNICIPALITY
Maqoma Heritage Route	Raymaond Mhlaba LM
Sandile Heritage Route	Amahlathi LM
Phalo Heritage Route	Mnquma and Mbhashe LMs
Makanda Heritage Route	Ngqushwa LM

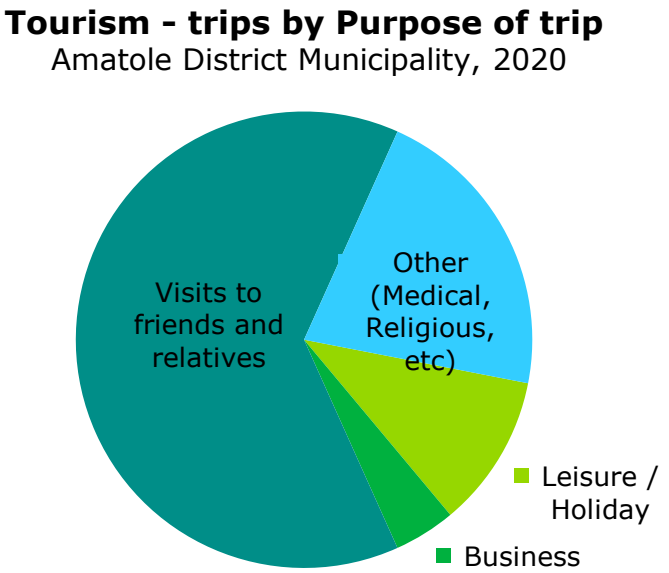
The above heritage routes were named after the great Xhosa Kings, Chiefs and Prophets which played a great role in wars of land depositions during the colonial error.

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 Amatole District Municipality, the Other (Medical, Religious, etc), relative to the other tourism, recorded the highest average annual growth rate from 2010 (66 000) to 2020 (22 800) at -10.07%. Visits to friends and relatives recorded the highest number of visits in 2020 at 67 800, with an average annual growth rate of -14.74%. The tourism type that recorded the lowest growth was Leisure / Holiday tourism with an average annual growth rate of -16.30% from 2010 (68 900) to 2020 (11 600).

FIGURE 51: TRIPS BY PURPOSE OF TRIP - AMATOLE DISTRICT MUNICIPALITY, 2020 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2142

The Visits to friends and relatives at 63.43% has largest share the total tourism within Amatole District Municipality. Other (Medical, Religious, etc) tourism had the second highest share at 21.34%, followed by Leisure / Holiday tourism at 10.87% and the Business tourism with the smallest share of 4.36% of the total tourism within Amatole District Municipality.

However, the number of trips by tourists visiting Amatole District Municipality from national and International has decreased at an average annual rate of -14.65% from 2010 (464 000) to 2020 (95 300). The tourists visiting from other countries decreased at an average annual growth rate of -8.15% (from 27 400 in 2010 to 11 700). International tourists constitute 10.95% of the total number of trips, with domestic tourism representing the balance of 89.05%. Lately, this can attributed to the strict Covid 19 Lockdown Regulations that has suffocated the Tourism Sector.

Table 55: Tourism Routes

TOURISM SITES	MUNICIPALITY
Amathole Mountain Escape	Raymond Mhlaba LM
Friendly N6	Amahlathi LM
Wild Coast	Mnquma & Mbhashe LM
Sunshine Coast	Ngqushwa LM

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

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 56: 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.

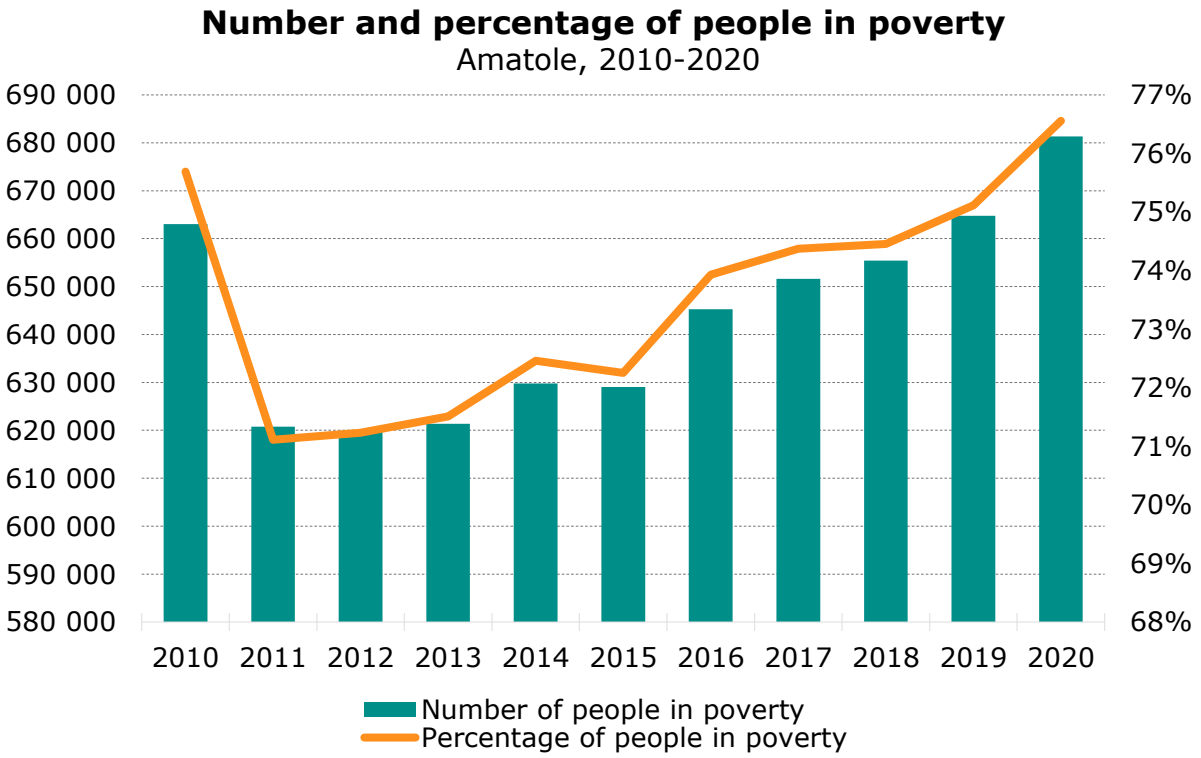
Moreover, during the COVID 19 pandemic the sector has seen a decrease due to the pandemic, particularly exporting side of it as most of its products could not be exported out of the Country due to the lockdown.

In an attempt of revitalization of the agricultural sector, DRDAR has identified a variety of programs as a means of economic stimulus within ADM. These include Keiskammahoek Market Centre and the Revitalisation of Irrigation Schemes like Zanyokhwe and Kieskammahoek Schemes.

Poverty Eradication Sector Plan

This Sector Plan advocates for well-nourished and healthy population by 2030. Thus, it 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.

FIGURE 52 NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - AMATOLE DISTRICT MUNICIPALITY, 2010-2020 [NUMBER PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2142

In 2020, there were 681 000 people living in poverty, using the upper poverty line definition, across Amatole District Municipality - this is 2.76% higher than the 663 000 in 2010. The percentage of people living in poverty has increased from 75.69% in 2010 to 76.56% in 2020, which indicates a increase of -0.869 percentage points.

In order to respond to the poverty eradication strategy, the ADM intends to unlock some the Catalytic Projects as identified above .

3.3.5.2 EXPANDED PUBLIC WORKS PROGRAM

The Minister of Department of Public Works, MEC for Roads and Public Works in the Eastern Cape and Amathole District Municipality Mayor entered into a Protocol agreement, whose purpose was:

- To establish an agreed framework for cooperation and coordination between the parties;
- To promote the objectives of the EPWP through mainstreaming the use of labour-intensive employment in the delivery of public infrastructure, goods and services in the municipalities;
- To confirm the municipalities' agreement and commitment to achieving the targeted number of WOs/FTEs in the Municipality by 2019 as specified in the Annexure to this Protocol;
- To promote the management and reporting on the EPWP incentive grant to increase labour-intensive employment through EPWP projects and programmes that maximize job creation;
- To confirm the agreement and commitment of the Municipality to :-
    - establish capacity (human resource) within the municipality to implement, monitor and report the progress in line with EPWP requirements for reporting;
    - ensure that EPWP universal principles are adhered to in the implementation of the EPWP projects;
    - develop and implement EPWP policy that ensures that all the four sectors and their programmes are implemented;
    - ensure that EPWP principles and requirements embedded to all the municipal projects and contracts;
    - promote job creation through labour intensive implementation of municipal projects;
    - adhere to the clauses contained in the incentive agreement; and
    - develop reports on an annual basis which accounts on the achievements against the protocol and policy.
- To specify the institutional structures that will oversee, monitor and report on progress in implementing the EPWP and achieving the EPWP targets; and
- To provide for mutual assistance and support in respect of the programmes and initiatives of the EPWP. This Protocol shall not limit the constitutional and statutory powers and functions of the parties.

In order to achieve the purposes of this Protocol; the three spheres have adopted and undertake to comply with the principles of cooperation as listed in the protocol agreement. Therefore, three spheres performed their obligations as guided by Protocol in accordance with applicable laws. As per the Phase 3 protocol agreement, ADM was supposed to create Work Opportunities over the period of five years (which is the duration of the agreement). Each year with its own target. The table below depicts ADM's Annual Targets.

The column on Work Opportunities (WO) refers to paid work created for an individual on an EPWP project for any period of time, within the employment conditions as outlined in the Ministerial Determination 4: EPWP Works as gazetted by the Department of Labour and the code of good practice for special public works programmes.

The Full Time Equivalents (FTEs) means 230 person days of work (i.e. 365 days less 104 weekend days, less 10 public holidays and less 21 annual leave days but inclusive of paid sick leave) created by an EPWP project or programme within a financial year. Full-time equivalent is the same as person-years of-work.

Key Aspect of Phase 4

To achieve better synergy between our wide range of PEPs and other poverty alleviation, employment, enterprise development and skills development initiatives, Phase 4 will ensure the that the key aspects of phase 4 are adhered with:

- Fostering compliance with core universal principles to be progressively realised.
- Adherence to the EPWP minimum wage and employment conditions under the Ministerial Determination.
- Selection of workers based on a clearly defined process and defined criteria.
- Work provides or enhances public goods and community services.
- Minimum labour intensity appropriate to sector.
- Increased community participation for more visibility and ownership in poor communities enhancing social cohesion.
- Increase scope of infrastructure maintenance which provides longer duration work opportunities.
- More emphasis on monitoring and evaluation of assets created and their impact on communities and beneficiaries' post-participation.

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 57:INCENTIVE GRANT: SUMMARY OF THE IMPLEMENTATION OF THE EPWP PROGRAMME FOR 2021/22 FINANCIAL YEAR.

Project name	Area	Profile id	Reported no. of beneficiaries
Waste & Environment Management	Mnquma, Raymond Mhlaba & Ngqushwa	104773	132
EPWP Support Officers	East London Head office & Mbhashe	104776	4
Cooperate Service Intern. Program	East London Head Office	104782	10
Cooperatives Support	Great Kei, Ngqushwa & Mnquma	104785	80
Great Kei Sanitation Project	Great Kei and Mnquma	104771	75
Home Base Care	Raymond Mhlaba, Ngqushwa & Amahlathi	104493	120
Total	**421**		

Table 58:MIG PROJECTS REPORTED ON EPWPRS AND CONTRACT WORKERS RECOGNISED BY THE SYSTEM. (Infrastructure Sector)

PROJECT NAME	No. of Participants reported
Ngqushwa Region 2c Sanitation	239
ADM Bucket Eradication Fort Beaufort	147
ADM Idutywa Low Flush	43
Gcuwa west water Supply Phase 3	15
ASAP	300
Mgwali South Water Supply	12
Ngqamakhwe west water supply phase 3	16
Ngqamakhwe RWSS Phase 2	193
Mbhashe region 2c	126
Raymond Mhlaba region 2A Wide sanitation	22
Great Kei Sanitation	17
ADM Elliotdale	10
ADM Komgha/Draaibosch low flush	39
Total	**1179**

Table 44:MIG JOBS CREATED BUT COULD NOT BE VALIDATED BY EPWPRS(Infrastructure Sector)

KPI	Activity/ Project	deliverables
BL8	Implementation of EPWP	438 jobs

The EPWPRS validated work opportunities aligned with Department of Public Works Financial year is **1600.**Jobs created under MIG but not validated by the EPWP Reporting system is **438.** The total number of jobs created under EPWP for 2020/2021 is **2038.**

Milestone

- ADM EPWP is leading in employment of women in the region.
- In 2020/2021 financial year were achieved 64% overall in job creation.
- The incentive grant has increased from 3 085000 to 3 860 000 in 2021/2022

Challenges

- Lack of resources in our Satellite offices to assist EPWP Contract workers
- Non reporting of job created by other departments to improve EPWP numbers.

3.3.5.3 ENTERPRISE DEVELOPMENT

Amathole District Municipality (ADM) identified enterprise development as a catalyst for economic growth and development. Enterprise Development Sector Plan advocates for technology-based and export-focused manufacturing sector, which is dynamic and competitive with effective entities that add value to the locally abundant natural resources by 2030. This is done through the implementation of programs which are

internally and externally funded by a variety of stakeholders. ADM in conjunction with other stakeholders are ensuring that programs and projects implemented benefits locals in the form of:

- SMMEs
- Cooperatives
- Informal Traders, etc

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.

However, ADM and ASPIRE are working tirelessly doing Resource Mobilisation so as to ensure that funds are available and

3.3.5.4 FILM INDUSTRY DEVELOPMENT

Amathole District Municipality has developed a Film Development by law as means to facilitate and regulate filming industry within the Amathole Municipal area, to provide for the issuing of a film permit; to provide for filming in environmental sensitive areas; to provide for the use of municipal services during filming; to provide for the duties of film permit holder, location manager or nominated official; to provide for prohibitions, offences and penalties and to provide for matters incidental thereto.

Through the eventual implementation of the bylaw, the goal is to create jobs, stimulate entrepreneurs, and give voice to the unique stories of the district through film. As spin-off from the movie 'The Dam' shot; ADM in Conjunction with Amasomi Production capacitated a total of 25 Emerging Film Makers within ADM. This activity took place during February 2022 as part of Executive Mayors 100 days in office.

ADM, ASPIRE, ECDC and Ngqushwa LM have facilitated that shooting of Survivor Season 9. This took place at Fish River Resort in Ngqushwa LM.

3.3.6 ENVIRONMENTAL MANAGEMENT

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

FIGURE 53: ENVIRONMENTAL FRAMEWORK PLAN

3.3.6.1 Natural state

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

3.3.6.2 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.

ADM working with Department of Forestry, Fisheries and Environment have appointed a Service Provider for the development of ADM Biosphere Reserve which traverses three ADM local municipalities; Amahlathi, Raymond Mhlaba and Ngqushwa.

3.3.6.3 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.

3.3.6.4 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.

3.3.6.5 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. Since ADM has been experiencing severe drought conditions over the years, ADM has sourced funds from DFFE. The drought is conditions are the effects of Climate Change. Therefore, ADM and DFFE are implementing an Adaptive Capacity Facility Human Settlement Pilot Project (ACFHSPP) under Environmental Affairs (DFFE).

DFFE has sourced funds on behalf of ADM from the Government of Flanders in Belgium. ADM is one of the beneficiaries of the £4.99million to be shared amongst the three South African District Municipalities. In ADM, the projects is implemented at Xhilinxi Dam in Mnquma.

3.3.6.6 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:

- 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.
- Residential Fuel Use- Use of wood and paraffin
- Biomass burning- Veld fires during winter
- 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 (SO2), Nitrogen dioxide (NO2), Particulate Matter (PM10 and PM2.5), Carbon Monoxide (CO), Benzene, Lead.

For areas that are found to be not in compliance with the National Framework for Air Quality Management, interventions and campaigns such as Arbor Day/week are performed. Tree planting during the Arbor week have a balancing factor in carbon emissions as they take in Carbon Dioxide and release Oxygen.

3.3.6.7 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.

Table 59: Environmental Interventions

March	April	June	September	November	December
Water Week	Wetlands Week	Environmental Week	Arbor Week	Marine Week	Weed Buster Week

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 INTRODUCTION

The Budget and Treasury Office complies with the approved legislation, reforms and accounting standards when carrying out the functions of supply chain, budgeting and reporting.

Through the Municipal Strategic Self-Assessment (MuSSA) the department has identified that we are inundated with serious challenges of financial distress. The average collection rate is low and below the Treasury norm. 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.

The diagnostic report highlighted the following problems:-

- ADM is in a dire and deteriorating financial situation, with expenditure consistently exceeding income by hundreds of millions of rands per annum. The main causes of this situation are the high personnel expenditure, low tariffs, weak billing and revenue collection, over-supply of free water, and water losses.
- Financial constraints, insufficient technical staff, and a lack of efficient and effective standard operating procedures being the root causes of weaknesses with the operation and maintenance of the water and waste water treatment plants in the municipality, resulting in problems with the reliability of water and sanitation service delivery as well as a deteriorating situation regarding meeting potable water quality and waste water effluent standards

The Municipal Turnaround Strategy framework is based on eight (8) development pillars inclusive of the 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.

In response to the MuSSA, the Amathole District Municipality embarked on the development of a Municipal Turnaround Strategy to improve the sustainability and service delivery within the district. The Budget and Treasury Office's focus areas encompassed the increase in collections and the billing database and the decrease in key cost drivers such as employee costs, fuel, bulk purchases and cost recovery.

3.4.2 MUNICIPAL TURNAROUND STRATEGY STATUS

Table 60: Municipal Turnaround Strategy Status

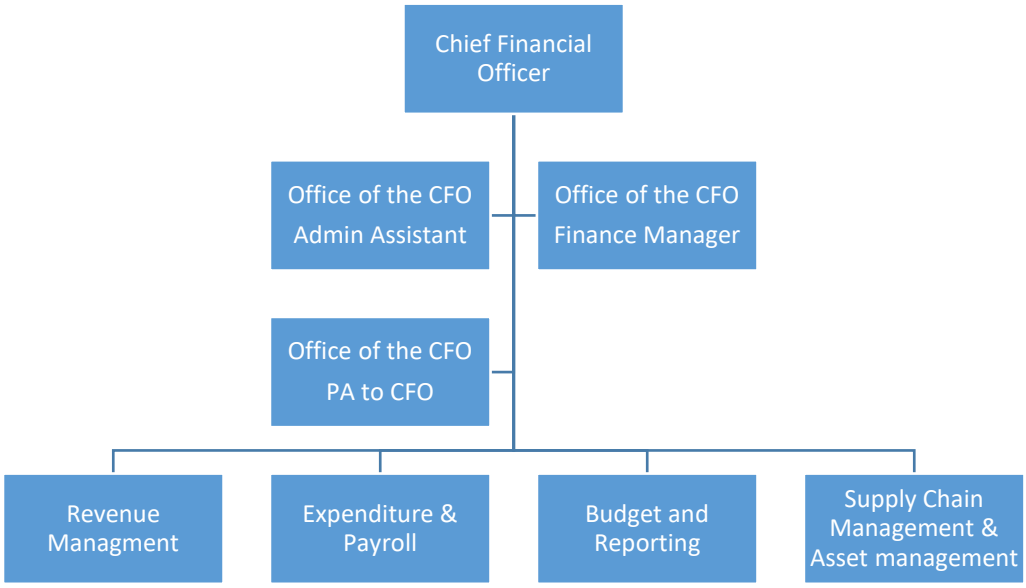
Strategic issues	Operational issues of strategic importance	Operational issues	Progress	Challenges	Intervention	Milestones Achieved
Cost Reduction Cost Recovery Building of Reserves Business Continuity	Implementation of Financial Recovery Plan Improvement of Auditor General Opinion Settlements of Historical Debt	Improve functionality of Revenue Collection Team in order to improve collection rate Long Term Financial Planning Business License Registration function to DM from LMs Review of Employee Benefits Policies	**FRP is implemented** and currently weekly progress meeting are taking place chaired by the AO **Regularity Audit** is underway however the indications are positive for the Improvement Weekly **OPCAR meeting to monitored**.	Slow progress in some of the line items which affect progress (non achievement of targets) Serious structural challenges with the SAP still a risk for the improvement of the Audit PPE still a challenge and still a risk	Review of FRP as matter of URGENCY Review of the Long Term Financial Plan Implementation of the Transfer identified properties Political intervention to the No-Go Area Funding and Installation of the pre-paid meters	• Development and Implementation of 3 Year Voluntary Financial Recovery Plan • Development and Implementation of Revenue Collection Strategies • Identification of Land Parcels for Financial Sustainability • Implementation and monitoring of Operation Clean Audit (OPCAR) to improve audit outcome • Implementation of Gender Preferential Procurement Programme with UN Women • Balanced Budget but unfunded due to amount owed to creditors

3.4.3 DIRECTORATE OVERVIEW

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.

In 2018/19, Amathole District Municipal Council reviewed and approved its Organisational Structure as part of the Organisational and Development Programme in line with the Municipal Turnaround Strategy. In its adoption, Council approved a process plan on the which to ensure the full implementation of the Structure. Below is an illustration of the BTO Structure

FIGURE 54 DIRACTORATE OVERVIEW



3.4.4 BUDGETING

The Budgeting is responsible for the preparation and coordination of the budget. The Budget office also prepares the monthly and quarterly reports for monitoring the performance of the budget. The current term of Council is taking over from the planning foundation that was laid in moving towards a sustainable municipality. Various mechanisms were undertaken to improve the financial position of the municipality commencing with the MTAS and the financial recovery plan.

The budget for the 2021/22 financial year has improved from the previous two years with a balanced budget however it remains unfunded due to non-cash items such as depreciation and provision for bad debts. Going forward the budget attempts to address the unfunded situation of the municipality and all strides are made towards this. The draft and final budget are to be approved by Council in the prescribed format and within the legislated timeframes.

3.4.4.1 Budgeting Principles

The preparation of the budget is governed by the MFMA and budget regulations. The following principles are applied when preparing the budget:

- The budget must be in the format prescribed by the regulations as contemplated by the MFMA;
- The budget must reflect the realistically expected revenues by major source for the budget year concerned taking into account actual collection levels;
- The expenses reflected in the budget must be divided into the different votes of the municipality;

- Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget;
- The institution shall prepare three-year budget (medium term revenue and expenditure framework (MTREF)) and that be reviewed annually and approved by Council;
- The budget must also contain the information related to the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the prior year, and the forecasted revenues and expenses for the current year;
- The actual revenues and expenses for the previous financial year, and the estimated revenues and expenses for the current year

Systems and Processes

As regulated, ADM prepares a budget for the current year, and a forecast for the 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 result, 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. Service Charge income is reflected at a realistically collectable level and makes a minor contribution to the overall income of the institution

The draft and final Budget were tabled and approved by Council in the prescribed Schedule A format within the legislative time frames. The SAP service provider was responsible for populating Schedule A for the 2021/22 budget and transfer of skills is underway, to enable ADM to do its own population in future once the SAP system has been properly configured. ADM submitted a deficit budget, and the budget still remains unfunded due to the creditor liability and Bad Debt Provision.

ADM has been transacting on the mSCOA chart of accounts since the 2016/17 financial year. The budget was submitted in the correct version of mSCOA via the National Treasury portal for the 2021/22 financial year by the SAP service provider. The implementation of the budget module on SAP still needs to be implemented and the full automation of the budget submissions are still a work in progress.

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 quarter of the 2021/22 financial year.

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 result in either unspent amounts or overspending in other areas. The constant changes to the capital budget throughout the year bear testimony to this.
- Adjustments Budget process is believed to be able to solve all problems of poor budgeting or insufficient funds. However, without a marked increase in collection rates, there are no additional funds to be distributed, and departments need to re-prioritise needs within their limited budgeting envelope.
- 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.
- Projects not properly planned – merely a wish list and funding required not accurately calculated, but merely estimated, which often means that funds are committed in areas where there will be non-performance whereas other areas have had to implement strict budget cuts.
- 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 its core operating costs.
- Budget reports such as Section 71, Section 52 d and Schedules A, B and C and project reports still require a measure of manual intervention due to challenges with the SAP 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 results in poor reporting, i.e., the system is still not able to perform balance sheet and cash flow budgeting as required by mSCOA reforms
- Nonadherence 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.
- 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.

3.4.5 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.

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 57.09% of all the invoices being paid within 30 days of receipt during the of 2020/21 and 67.8% for the 2019/20 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. However other service providers do charge interest and penalties which results to an increase in the fruitless and wasteful expenditure for the past and current year 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 has 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.
- The vacancies rate within the unit strains performance as workload increases as the municipality enter in transactions with new service providers.

3.4.6 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.

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. ADM makes use of alternative means to deliver statements such as sending electronic statements via email and sms. An average collection rate of 25% on billed revenue collected, which is below the National Treasury norm of 95%. In order to facilitate the collection of amounts due, ADM makes use of alternative pay-points/methods and introduced an increased communication tools i.e.

- PAY@ (Ackermans, Boxer, Bradlows, Checkers, Game, Pep, Shoprite, PicknPay, Spar, USave, Russels, Builders, Makro
- Speed point
- Use of dedicated Revenue email address – revenue@amathole.gov.za
- WhatsApp number 063 455 0524 for use by all the ADM consumers with account queries and comments
- Portal link - http://amathole.cabedocs.com for consumers to access their monthly invoices

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 tables below:

Table 61:2021/22 & 2020/21 Billing vs collection

Quarter	BILLING AND COLLECTION 2021/22			BILLING AND COLLECTION 2020/21		
	Billing	Collection	%age	Billing	Collection	%age
Quarter 1	194 024 319	48 072 423	25%	145 483 097	29 502 724	20%
Quarter 2	177 181 539	39 257 833	22%	141 032 659	33 096 643	23%
Quarter 3	190 460 865	49 595 247	26%	190 634 290	26 694 008	14%
Quarter 4 (estimated for 21/22)	176 780 685	49 337 279	28%	164 061 206	65 955 771	39%
TOTAL	**738 447 408**	**186 262 782**	**28%**	**596 360 942**	**141 529 580**	**24%**

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

- Ongoing robust collection task team meeting comprising of members from Engineering Services, Corporate Services, Communication, Legal services Unit and ICT to address debt collection; it has now been extended to Provincial Treasury, COGTA and Finance Work Stream
- Implementation of an incentive scheme to coerce consumers to settle long outstanding debt and to improve cash flow, the scheme is for a period of 4 months i.e. July 2021 to October 2021
- Establishment of a debt collection call centre.
- Implementation of disconnections and restrictions.
- Roll out of the rural yard collection policy.
- Installation and replacement of water meters.

ADM has an approved Indigent policy which provides relief of 6kl of water per month free to indigent consumers for a period of 24 months. 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. These interventions have resulted in the register being updated to reflect 44 245 as at 30 March 2022. Standard operating procedures have been documented for the Revenue cycle.

Challenges

- SAP modules that are not fully functional.
- ADM declared as a drought stricken municipality, consumers not willing to pay for municipal services that are interrupted
- Meter readers being chased away in some areas like Xholora and Cathcart, leading to increased debt that is not collectable
- Covid – 19 pandemic that negatively affected the entire economy of the country
- The challenge around the transfer of properties owned by the Local Municipalities but occupied by owners of low cost houses has still not been resolved.
- Cost recovery remains a challenge. Balancing the sustainability of the ADM service provision and affordability for consumers is critical.
- Monitoring of the consumer so as not to reach 90 days.
- 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.
- 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.

3.4.7 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.

Systems and Processes

All bank reconciliations are performed monthly. Cash management is strictly monitored to earn interest income on unused funds. The annual financial statements and consolidated annual financial statements are

prepared in-house. Despite the significant challenges experienced with the financial system the financial statements were submitted within the legislative timeframes. Standard operating procedures have been documented for the Cash and bank cycle.

Challenges

- There are inadequate reconciliations of control accounts and long outstanding reconciling items are not investigated and cleared mainly as a result of migration from the legacy system and that the financial system is not fully functional.
- 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 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.

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 partially automated
- 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 fully mSCOA compliant. The current system support vendors are working on permanent solutions to resolve this.

3.4.8 FINANCIAL AUDIT OUTCOME

With much disappointment ADM received a qualified audit opinion for the 2016/17 financial year for the first time in six years. The qualifications were on Infrastructure Assets and Capital Commitments. Despite the efforts, ADM maintained a qualified audit opinion in the 2017/18. In 2018/19, received the shattering outcome of a disclaimer opinion. The municipality worked tirelessly to improve the opinion and managed a slight improvement in the 2019/20 financial year with an adverse audit opinion. This opinion was unfortunately maintained in the 2020/21 financial year despite all the efforts made to improve the audit outcome.

Table 62: Audit outcomes over the last 8

Year	Audit outcome	Matters of qualification
2016/17	Qualified	Property, Plant and Equipment Commitments
2017/18	Qualified	Property, Plant and Equipment Cash flow statement Commitments
2018/19	Disclaimer	Property, Plant and Equipment Revenue and Receivables VAT Cash flow statement Unauthorised expenditure
2019/20	Adverse	Property, Plant and Equipment Revenue and Receivables Payables Leave provision Cash flow statement Unauthorised expenditure
2020/21	Adverse	Property, Plant and Equipment Revenue from non-exchange transactions Payables from exchange transactions Operating costs Inventory consumed Cash flow statement Segment reporting Statement of Budget vs Actual Comparison Commitments Unauthorised expenditure Irregular Expenditure

It must be noted that the implementation and functioning of the new financial system has had 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 2020/22 outcome and address the audit findings, ADM implemented the OPCAR template to manage the audit action plan and resolution of the audit findings. 26 findings were raised that affect the audit report.

3.4.9 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.

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 ADM asset base is comprised of tangible and intangible assets as defined by GRAP. The following is the breakdown of Amathole District Municipality asset base:

Table 63: ADM Asset base breakdown

Row Labels	Sum of Carrying Value (2021/22) R
Land	5 325 092
Solid waste	2 177 566
Operational Buildings	6 067 179
Sanitation	240 502 406
Water Supply	4 085 514 455
Community	978 670
Finance leased assets	265 344
Computer Equipment	25 084 355
Furniture and fittings	11 757 261
Machinery and equipment	2 005 735
Transport assets	44 484 881

Grand Total	**4 424 162 942**

Challenges

- Lack of work resources ie laptops act as a hindrance to efficient service delivery.
- 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 communication between the asset management stakeholders.
- Dilapidated infrastructure assets leading to service delivery interruption and high level of repairs and maintenance expenditure.

3.4.10 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.

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 2021/2022 financial year a total 120 contracts were awarded thus far. The following table reflects the various procurement methods as well as the number of projects:

Table 64: Procurement Method

PROCUREMENT METHOD	NO.
Formal written price quotation (RFQ) (R30 000 - R200 000)	7
Competitive Bidding (Above R200 000)	10
Deviations	8
Panel	95
Section 32	0
TOTAL	**120**

During the 2021/2022 financial year 30,83% of contracts awarded were awarded to 51% or more women owned businesses. The average turn-around time on awarding of tenders during the 2021/2022 financial year is 150 days from the date of tender closing. ADM monitors the performance of contractors monthly. The performance of service providers for the 2021/2022 financial year is as follows:

- Poor 6,5 %
- Needs to Improve 0 %
- Acceptable 81,08 %
- Excellent 12,43 %

Standard operating procedures have been developed, approved and implemented.

Declaration of Invalidity of the Preferential Procurement Regulations, 2017

National Treasury advised on 25 February and 3 March 2022, that the Preferential Procurement Regulations, 2017 has been declared invalid by our courts. This excludes procurement with a rand value of less than R30 000 obtained through quotations and petty cash. Draft Preferential Procurement Regulations, 2022 was issued on 10 March 2022 for comment. Comments on the Draft Preferential Procurement Regulations, 2022 were to be submitted by 11 April 2022. As the Municipal Supply Chain Policy is done in line with the preferential procurement system as per section 217(2) of the Constitution. ADM can therefore not use the supply chain management policy in its current format and await the approval of the Draft Preferential Procurement Regulations, 2022. Once the Draft Preferential Procurement Regulations, 2022 have been approved the Municipality's supply chain management policy and standard operating procedures will need to be amended accordingly and submitted to Council for adoption. This is placing ADM in an arduous position as the budget is approved with the related policies, one of which is the Supply Chain Management policy.

Unauthorised, Irregular and Fruitless and Wasteful Expenditure (UIF&W)

The UIF&W expenditure is detected and reported on a monthly and quarterly basis through Section 71 and 52(d) of the MFMA. This is investigated and where there is negligence the amount is recovered and written off if its due to cash flow constraints of the municipality.

Table 65: Unauthorised, Irregular and Fruitless and Wasteful Expenditure

	2021/22 R	2020/21 R	2020/19 R
Unauthorised expenditure	0	0	13 165 331
Fruitless and wasteful	1 089 307	6 960 460	3 793 446
Irregular expenditure	9 769 486	39 232 551	103 819 538

The following steps have been taken to prevent the recurrence of this non-compliance:

- The Supply Chain Management Policy has been reviewed.
- Development and implementation of standard operating procedures
- Entering into payment arrangements

Challenges

- Deviations have reduced, however, procurement deviations have not yet reached acceptable levels as anticipated.
- The turn-around time on awarding of tenders needs to improve.
- 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.
- Increase in litigation on awarded contracts.

3.4.11 VOLUNTARY FINANCIAL RECOVERY PLAN

Amathole District Municipality Council approved a Voluntary Three Year Financial Recovery as part of building a sound financial institution in line with its Municipal Turnaround Strategy. Subsequently ADM was placed under Section 139 (5)(a) which requires the implementation of a mandatory financial recovery plan. The targets are in the process of being implemented and workstreams have been established and convene to monitor implementation progress.

The focus areas of the mandatory financial plan include:

- Governance
- Institutional
- Finance Management
- Service delivery

The ADM has an approved Cost containment policy which is based on the Cost containment MFMA regulation.

The following activities are undertaken as part of the implementation of Cost Containment:

- Cost of Employees (includes Councillors) was reduced from 39% in 2019/2020 to 34% in 2020/21
- Municipal Manager and Directors sacrificed Cost of Leaving Adjustment and Performance Bonus since 2018/19 to date.
- Reduction of the operating subsidy to the municipal entity ASPIRE

Key Focus Areas and Challenges

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

- Documentation of standard operating procedures
- Preparation of an annual budget for the 2021/22 financial year
- Noticeable reduction of Unfunded Budget and Deficit budget of R80 mil in 2021/22 relates to cash backing Provision for Bad Debts
- Adjustment, Draft, Final Budgets and Section 72 Reports all submitted within legislative time frames
- Submission of data strings for the Original Budget and Tabled Budget
- Submission of Schedule C monthly data-strings
- VAT returns submitted timeously each month
- Over R300m has been recovered from VAT since 2017
- In-house preparation and submission of both the separate and consolidated annual financial statements within the legislated timeframes
- Despite the cash flow challenges, an average of 60% of all invoices were paid within 30 days of receipt
- Additional 39 245 consumers receiving free basic services were registered
- Awarded 120 tenders during 2021/22 so far
- Focus on the empowerment of women in business, 30.83% of the contracts were awarded to women owned businesses
- Work in Progress register is being reconstructed.

Recommendations

- Support Engineering Department in developing detailed Maintenance Management plans including the funding required.
- Implement the utilization of ADM owned land and property strategy.
- Re-structure/Re-organise/Co-Source the entire Asset unit.
- Detailed cash-flow management for new works and maintenance.
- Ring fence a portion of the grants such as MIG, WSIG for refurbishment and replacement.
- Political intervention and support on matters of indigent registration, restrictions, meter reading and illegal connections.
- Revenue Enhancement through outsourcing of restrictions on a commission basis, implementation of prepaid meters and smart meters, and registration of peace officers to implement by-laws and ABC budgeting.
- A fully functional financial system.

- Review of rental agreements to ensure escalation is in place and that instalments are not inflated.
- Review of contractual commitments to reduce OPEX costs such as security, rental and leasing.
- Review of the Financial Recovery Plan.
- Implementation of Budget reforms
- Address the issue of the unfunded budget.
- Solicit intervention for no go areas.
- Develop by-laws for alternative water solutions and service provision.
- Implementation of MTAS in its entirety.

3.5 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

VISION 2058: Just and Equitable District

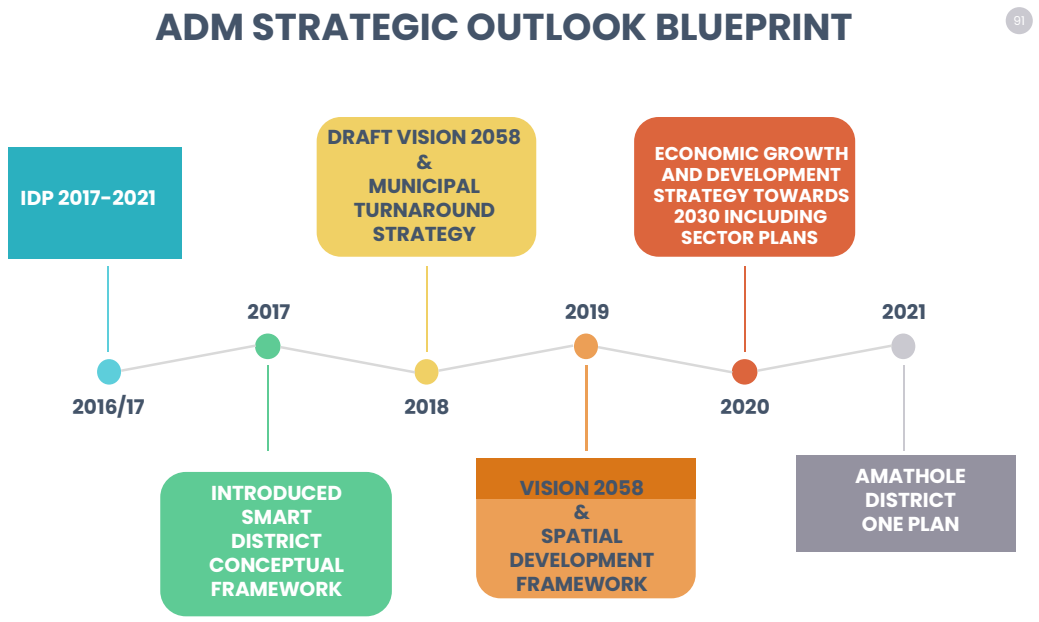
MTAS PILLAR: Good Governance

B2B: Good Governance & Public Participation

3.5.1 INTRODUCTION

During the 2017-2021 term of local government, Amathole District Municipality undertook a major review of its Strategic Outlook informed by the demographic profile of the District and in response to the socio-economic challenges which are being faced by the District. This strategic outlook translated to the blueprint journey which informs the long-, medium- and short-term plan for the District and its Local Municipalities.

The graphic below provides the journey which has been undertaken by Amathole District Municipality in this regard.

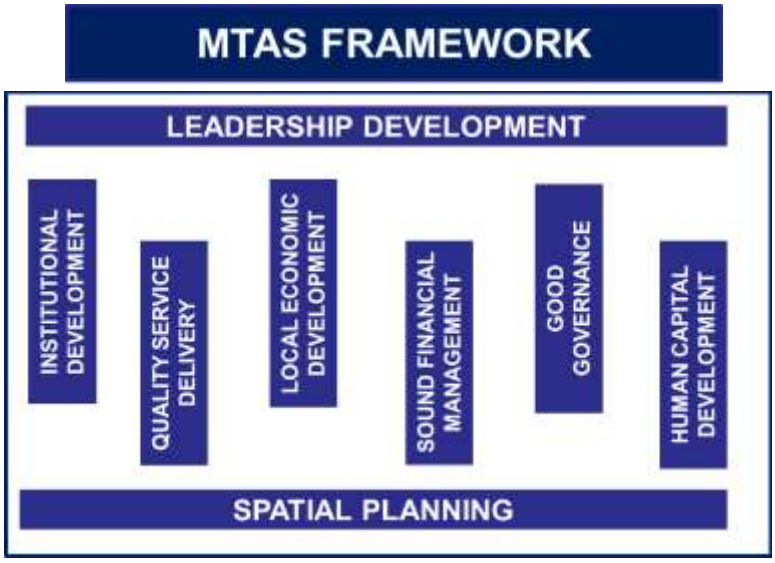


Amathole District Municipal Council has endorsed the ADM Strategic Outlook Blueprint for the 5th term of local government. This will ensure continuity in pursuit of the Four Vision of ***"Vision 2058: Building a Smart District" being:***

- A Dynamic Rural Economy
- A Sustainable District
- A Resilient District
- A Just and Equitable District

In terms of the Four Vision of Amathole District Municipality, the Directorate of Strategic Planning and Management including the Office of the Municipal Manager focuses its efforts on being a **Just and Equitable District and Resilient District** while contributing to the other two vision of Vision 2058. In doing such it is pursuing programmes that are targeted at integrating the communities of ADM in ensuring opportunities are being afforded which result in dignity and security for all.

Furthermore, in ensuring that ADM is the vehicle to achieve Vision 2058, ADM has been implementing its Municipal Turnaround Strategy (MTAS) is inculcating a culture of excellence and building a value-based organisation. The framework which has been implemented by ADM MTAS in the last term, which will be implemented in the current term:



The Directorate of Strategic Planning and Management has been coordinating the interventions and partnerships in the realisation of the objectives of the Municipal Turnaround Strategy. In addition, the Office of the Municipal Manager has been focusing mobilisation of the support in implementation of MTAS and strengthening the oversight capabilities of ADM Council and its Committees in ***"Bringing ADM Back to its Former Glory"***. In addition, the pillars which were a focus for the Directorate has been:

- Leadership Development
- Good Governance
- Institutional Development

3.5.2 DIRECTORATE OVERVIEW

In 2018, ADM approved a staff establishment as part of its Municipal Turnaround Strategy in improved performance and efficiency towards its core mandate and constitutional obligation of a developmental local government.

In improving operations, the Office of the Municipal Manager is made up of the following units:

- Legal Services
- Internal Audit and Risk Management
- Regional Delivery
- Legislative and Executive Support Services.

It is worth noting that the Unit Heads report directly to the Municipal Manager but administratively report to the Executive Director of Strategic Planning and Management.

FIGURE 55: DIRECTORATE OVERVIEW OF THE OFFICE OF THE MUNICIPAL MANAGER

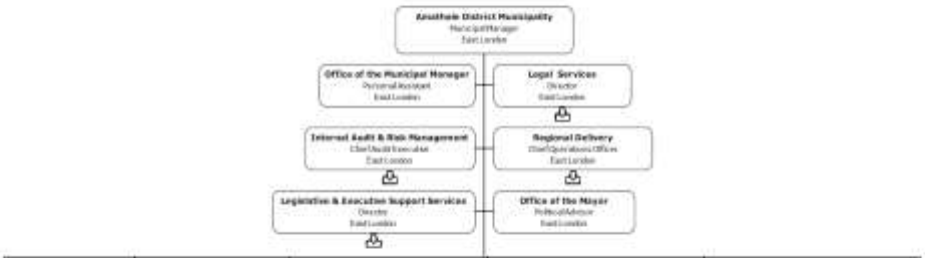


Table 66: DIRACTORATE FUNCTIONS OF THE OFFICE OF THE MUNICIPAL MANAGER

Name of Unit	LEGAL SERVICES	INTERNAL AUDIT & RISK MANAGEMENT	REGIONAL DELIVERY	LEGISLATIVE AND EXECUTIVE SUPPORT SERVICES
Function Unit	• Provide guidance to Council to ensure legal compliance with all applicable legislations. Further is to work with departments to ensure clean and accountable governance. • Ensure lessening of the legal risks of the institution, by ensuring such, a fraud and risk	• To advise the accounting officer and report to the audit committee on the implementation of the internal audit plan. • develop, communicate, coordinate and monitor the enterprise risk	Coordination of ADM decentralized service delivery through Satellite Offices.	To provide strategic and administrative support to Political Offices and ADM Council including its structures by creating an enabling environment to interface with communities

	register has been developed to manage fraud and corruption in the institution	management activities within the municipality.		

The Directorate of Strategic Planning and Management is headed by an Executive Director. The purpose of the Directorate is to provide guidance and leadership in institutional strategic planning and institutional operational management with the following units:

- Planning, Monitoring and Evaluation
- Communications and Corporate Branding
- Information and Communication Technology
- Stakeholder Relations

FIGURE 56: DIRECTORATE OVERVIEW OF STRATEGIC PLANNING AND MANAGEMENT

Table 67 DIRACTORATE FUNCTIONS OF THE STRATEGIC PLANNING AND MANAGEMENT

Name of Unit	PLANNING, MONITORING AND EVALUATION	COMMUNICATIONS & CORPORATE BRANDING	ICT	STAKEHOLDER RELATIONS
Function Unit	Development, coordination and facilitation of integrated, sustainable, social and economic development within its area of jurisdiction including performance monitoring and evaluation	Ensuring provision of coordinated, integrated and streamlined information to the communities and stakeholders of Amathole in a timely, accurate and accessible manner	Provision of ICT enabling support towards improving institutional efficiency and effectiveness	Coordination and Integration of Intergovernmental Relations, International Relations and Stakeholder Relations for Amathole District

3.5.3 REGIONAL SERVICE DELIVERY

In bringing services closer to its communities, ADM decentralized service delivery to its Satellite Offices as part of its Service Delivery Model however, its functionality and operations are not achieving its desired

objectives resulting in lack of public confidence and its inability to deliver services in a reliable, consistent and sustainable manner.

3.5.3.1 Diagnostic Analysis on ineffective functionality of Satellite Offices

In addressing the challenges faced by the Satellite Offices, the following factors were unpacked in diagnosis the root cause of the challenges faced in the effective functioning of the satellite offices:

Structures

- The staff establishment approved by Council in 2018 was not fully addressing the coordinating of satellite office functionality in line with ADM's core business.
- The inappropriate location of ADM Satellite Offices and sub-Satellite Offices pose a challenge for the functioning of the offices in terms of working tools and equipment and also the ease of access for communities.
- Lack of political oversight on Satellite Offices

Systems

- The ERP system is not responsive to local government sector thus posing a challenge in improving institutional coordination and efficiency.
- Lack of automated and digitalized business processes.

Policies and Procedures

- Lack of uniformity in implementation of business processes in functions and service delivery standards per satellite office
- Poor implementation of SOPs and Business Processes covering planning, implementation and operation processes

Human Capital

- Shortage of skilled technical staff, such as chemical engineers, electromechanical engineers, Environmental Health Practioners and Artisans

3.5.3.2 Strategies Implemented as a move towards improving Satellite Office Functionality

The following strategies have been implemented in the last term as a move towards improving the efficient and effectiveness of the Satellite Offices:

- Delegations to Senior Managers in the Satellite Office to improve management and operations.
- Review of Organisational Structure to respond to ADM Core Mandate and the Centralisation of Satellite Office Leadership, management and functionality through the Regional Office Model.
- Deployment of the Members of the Mayoral Committee in overseeing service delivery of the Satellite Offices and political oversight in improving Communication, Public Participation and Outreach
- Stakeholder Engagement and Management through Water and Sanitation Forums and Local IGR Forums
- Human Resource Development for developing long-term technical and behavioural competencies described in the Workplace Skills Plan (WSP) in line with powers and function.
- Monthly and Quartley Reports on Performance and Functionality of Satellite Offices to Council Structures
- Improvement of quality service delivery in uniform Standard operating Procedures (SOPs) and Business Processes for all Satellite Offices.

3.5.3.3 Strategies still to be implemented in improving Satellite Office Functionality.

Over and above the strategies implemented above in improving the effectiveness of Satellite Office, the following strategies have been identified for implementation:

- Co-source of core business and support functions to supplement key skills required for efficient and effective operations
- Placement and Migration of Staff to Regional Offices
    - Putting in place up-to date role profiles and job descriptions reflecting the outputs and competency requirements of all positions
    - Relocation of essential services and service delivery personnel to Regional and Satellite Offices
- Performance contracts/agreements based on job descriptions and functions
- Supervision and Consequence Management
- Ensuring quality service delivery in uniform Standard operating Procedures (SOPs) and Business Processes in all Satellite Offices by
    - Adhering to Service Standards as per Service Delivery Charter
    - Consistency in business operations
    - Improving efficiency
    - Improving internal and external Communication

- Enhancing collaborations with other stakeholders

- Procurement and Implementation of an Integrated Information and Financial Management System
- Unified Telecommunication Systems
    - Telephony, instant messaging, video conferencing, screen sharing, voice mail, e-mail and data transfer – are integrated for ease of communication between Satellite Office, Head Office and ADM communities
- Digitalization and Automation of ADM Business Processes
    - Dual Fleet Management Systems
    - Revenue Enhancement
    - Customer care system
    - Leave Management and Time and Attendance
    - Electronic Records Management System
- Establishment and operations of Regional
    - Depot Management Systems
    - Mechanical Workshop Systems
    - Stores Management Systems
- Construction of ADM Satellite Offices and sub-satellite office in ADM properties in common architectural design in addressing working space and improving corporate branding
- Development of an appropriate Regional Office Model leadership profile which requires engineering and managerial skills for efficient service delivery
- Recruitment and filling of essential services personnel to be responsive to immediate service delivery needs

3.5.4 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.

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 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.

3.5.4.1 District Development Model

The District Development Model offers ADM an opportunity to realise its vision by ensuring joint and collaborative planning. The DDM stipulates the following 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 at 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 the 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.

The **One Plan** outlines the objectives, outputs, roles and responsibilities and commitments which have already been made by the various spheres of government and outlines the focus areas which require immediate intervention by all spheres of government in Amathole District such as:

- Sustainable Bulk Water Services Solutions, requiring **R12.06 billion;**
- Sustainable Bulk Waste Water Treatment Works Solutions, requiring **R1.9 billion;**
- Drought Relief Initiatives, requiring **R944 million**;
- Water Infrastructure Maintenance of **R434 million**;
- Waste Water Treatment Works Infrastructure Maintenance **R64.4 million; and**
- Waste Water Treatment Works Infrastructure Refurbishment **R26.5 million.**
- Utilisation of alternative technologies for Surfacing of Provincial and Access Road including Municipal Road Network, requiring **R11.6 billion**.

As key enablers for infrastructure and socio-economic development.

Furthermore, the table below illustrates the current infrastructure investments being made by all sphere of government within ADM, however, it must be noted that this list is not comprehensive as data is being collated.

Table 68: National Government Sector Departments Commitments

SPHERE	TOTAL BUDGET	NUMBER OF PROJECTS
Department of Agriculture, Land Reform and Rural Development	R 167 004 582.20	19
Department of Higher Education and Training	R 669 045 877.47	69
Department of Water and Sanitation	R 155 715 000.00	3
ESKOM	R55 500 000.00	2
Department of Small Business Development	NOT INDICATED	9
Department of Environment, Forestry and Fisheries	R 140 038 213.00	5
TOTAL	**R1 187 303 672.67**	**107**

Table 69: Eastern Cape Government Sector Departments Commitments

DEPARTMENT	TOTAL BUDGET	NUMBER OF PROJECTS
OTP	R 15 000 000.00	3 projects
COGTA	R 1 050 000.00	1 Project
Dept of agriculture & rural dev	R 15 266 500.00	16 Projects
Dept of Health	R7 832 300.00	11 projects
Dept of Social dev	R 3 786 000.00	3 Projects
Dept of Transport	R 20 091 698.00	8 Projects
Dept of Public works	R 250 400.00	3 Projects
Dept of Human settlement	R 6 912 800.00	8 projects
Eskom	R 116 076 000.00	17 Projects
Dept of Sport, Arts & Culture	R1 032 600.00	4 Projects
Dept of Safety & Liaison	R 430 000.00	4 Projects
TOTAL	**R187 728 298.00**	**78 Projects**

Table 70: Amathole District And Local Municipalties

SPHERE	TOTAL BUDGET	NUMBER OF PROJECTS
ADM	R 685 176 000.00	95
Raymond Mhlaba	R 38 000 000.00	17
Mnquma	R 128 973 000.00	53
Great Kei	R 43 495 200.00	9
Amahlathi	R 29 558 000,00	9
Ngqushwa	R 16 742 091.00	5
Mbhashe	R 3 589 391 126,94	18
TOTAL	**R 4 531 335 417.94**	**206**

Amongst other strategic decisions is to strengthen integration, coordination, monitoring and evaluation of government programs and projects together with the other sphere of government, ADM has reconfigured its IGR structures through the following institutional arrangements to support the Monitoring and Evaluation of **Amathole District One Plan: Building a Smart District**:

- **Political Oversight:** Speakers Forum and District Mayors Forum
- **Technical:** Municipal Managers Forum and District-Wide Director Forum.

3.5.4.2 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.

3.5.5 STAKEHOLDER RELATIONS

The Stakeholder Relations Unit was established in 2018 staff establishment plan wherein the following objectives were set:

- To create platforms for stakeholder engagement, consultations and management
- To be an information hub for all ADM stakeholder related activities.
- To create platforms for information sharing and exchange with all relevant stakeholders internal and external of the ADM.
- To report on the monitoring of the implementation of projects implemented within the jurisdiction of ADM.
- To represent ADM in some provincial platforms on the mandate of the Director: Strategic Planning and Planning
- To facilitate and co-ordinate Travel arrangements for ADM Executives and officials

3.5.5.1 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

3.5.5.2 Structural Arrangement

During the 2017-2021 term of local government, Amathole District Municipality reconfigured its Intergovernmental Relations (IGR) Structures and Municipal Support in order to have streamlined and focused hands-on and meaningful impact in coordination and integration of the various stakeholders in achieving the local government agenda. In doing such, the following structures were established:

FIGURE 57: OVERVIEW OF IGR STRUCTURES

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.

Below is the ongoing discussion which are still be dealt with in the District Wide Directors Forum as standing items and matters of strategic importance.

Table 71 the District Wide Directors Forum as standing items and matters of strategic importance

NAME OF FORUM	STRATEGIC IMPORTANCE	MATTERS OF STRATEGIC IMPORTANCE
Community Services Forum	• Functionality of District Command Centre and District Command Council • Local JOCs	• Business Licenses • Greenest Municipality Competition
Finance Forum	Mutual debt owed, payment arrangements and set-offs between ADM and LMs	• Debt management and credit control challenges • State of readiness for the MFMA audit • Lockdown impact on credit control activities

NAME OF FORUM	STRATEGIC IMPORTANCE	MATTERS OF STRATEGIC IMPORTANCE
Infrastructure Forum	• Status of current drought conditions • Water Conservation and Demand Management	• Support LM on development of TORs for Storm Water Plans • Expenditure and Performance on MIG, RBIG, WSIG and roll over application • EPWP and Roads • Bulk Infrastructure for Human Settlement Projects
Corporate Services Forum	• Functionality of District Job Evaluation Forum • percentage of the Salary bill versus Operational Budget	• Update on the Covid-19 cases and related response • Reviewal of HR related Policies • Functionality of the Local Labour Forum • Active Labour Relations Cases
Planning and Development Forum	• District Development Model • Transfer Deeds for RDP Beneficiaries • Economic Growth and Development initiatives • Progress on Section 139 and Section 154 Interventions in the District	• District Wide IDP Review Process Plan and Implementation • Implementation of Circular 88 from National Treasury on Outcome-Based-Indicator

Municipal Manager's Forum

The Municipal Manager's Forum continues to sit each quarter with all Local Municipal Managers, Heads of Sector Departments based within the district as well as government institution. It is preceded by District Directors Wide Forums which process reports and make recommendations to the MM's Forum. There are clear Terms of Reference which are a guiding and a binding document that were approved and signed by all Municipal Managers within the district. This Forum serves as a Technical IGR Forum which prepares, process reports and make recommendations to the District Mayors Forum (DIMAFO). Other reports are then escalated to the Provincial and National IGR Forums for support and by in. Feedbacks and progress are then provided on each MM's Forum in the form of Action Issues which are developed out of resolutions of the previous Forum.

The following are the matters which are ongoing on the agenda of the Municipal Managers Forum:

- State of Governance for the District and Local Municipalities
- Reviews of Organogram and High Salary Bill
- Electrification Roll Out Program
- Implementation of programme by Department of Transport and SANRAL By-Pass
- Addressing Housing Backlogs and housing for the destitute
- Status of Drought including Water Conservation and Demand Management
- Progress on implementation of Sustainable Water Solutions

- District Wide State of Finances
- District Wide Debt Set Off arrangements
- Improvement of Revenue Enhancement
- Progress on Section 139 and 154 Intervention by COGTA
- Support provided to Amalgamated Municipalities
- District Wide Communication Programme
- District Development Model
- Integrated Development and Planning

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.

- *State of Governance of District Municipality and Local Municipalities*

DIMAFO continues to receive the reports on the state of governance of the District and the Local Municipalities and supports or make proposal on the areas of intervention in a collaborative approach to address the challenges faced by the district and its local municipalities

- *Delivery of Human Settlements*

ADM must monitor the implementation of the Human Settlements consistently as it is a very important matter of public interest and a cause for protests in the local municipalities. The focus of this item is handing over of title deeds, addressing backlogs and implementation of projects in municipalities.

- *Electrification*

DIMAFO received progress report on the electrification of the communities of IGR. The project closely monitored are in Mbhashe Local Municipality and Amahlathi Local Municipalities as they are hot spots in address connections to the grid.

- *Construction and Maintenance of Roads*

As part of Public Infrastructure investment and ensuring access to social amenities and access to the district's economic nodes, DIMAFO continuously monitors the construction and maintenance of municipal access roads and provincial road network.

- *Monies Owed and set offs*

DIMAFO monitors the debt owed to municipalities and the progress on the set-off arrangements between District and Local Municipalities debt as part of reducing the debt owed and improving financial sustainability of the municipalities.

- *Drought/Water and Sanitation*

ADM is declared a drought-stricken area. Raymond Mhlaba, Mbhashe and Mnquma municipalities are hit hard by drought. DIMAFO closely monitored the implementation of mitigation initiatives and provision of reliable supply of water and conservation in this area.

- *District Development Model / One Plan*

The monitoring and oversight of the District Development Model is a standing item on the District Mayors Forum. Invite is extended to the National and Provincial District Development Model champions.

District Speakers Forum

In the 2020/21 Financial Year the convening of the District Speakers Forum was revived, however due to the local government elections and local government transition there were in consistent sitting. The following are standing items on the agenda:

- Reports from Moral Regeneration Movement
- Functionality of Council Structures
- Public Participation
- Progress on Initiation Programme
- Ward Committee Reports

3.5.5.3 Strategic Partnership and International Relations

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 enhance 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 e.g. Kampala Central City Authority, in Uganda, Oxfordshire County Council and Glasgow City Council in Scotland. The duration of their period lapsed. A lot of benefits was achieved through these strategic partnerships and the 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.

MOU with University of Fort Hare

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. The MOU is currently dormant; however, it is being revived.

MOU with ASPIRE and ECDC

A Memorandum of Agreement was entered to between ADM, its entity ASPIRE and the Eastern Cape Development Corporation. The focus area of implementation by ECDC and ASPIRE under the period review is Film and Television development. The aim of this programme is to position ADM as a film destination.

The partnership has yielded the filming of *The Dam* series in Raymond Mhlaba Local Municipality unlocking 451 job opportunities, mainly for young people of Amathole and 11 SMMEs that benefited during the filming of the series.

ASPIRE, in partnership with ECDC and MNET has shot a film called Survivor SA season 9, the film was shot at Fish River Resort under Ngqushwa Local Municipality. The total budget of the projects amounts to R 66,9 million. This initiative resulted in creation of jobs for 180 people where 30 were casuals who generated income of more that R1million from 6 December 2021 till end of February 2022. In partnership with ECDC and the Afrokaans production company, Prodhoe Community were handed over with school jerseys and tie and some food parcels. The direct benefits of the ASPIRE investment will be realised through Marketing and Promotion of ADM Tourism, Investment Opportunities and Social Cohesion.

MOU with Amatola Water

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.

As per the resolution of the 2021 Institutional Strategic Planning Session, ADM is gradually alienating its partnership with Amatola Water in building its own capacity to provide services to communities of ADM in its totality.

MOU with Community Radio Stations

ADM seeks to communicate effectively with the communities in its local municipalities. Through the Communications unit a Memorandum of Agreement was signed with the community radio stations in some of the local municipalities. This means ADM can reach out to much 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.

3.5.6 LEGISLATIVE AND EXECUTIVE SUPPORT SERVICES

The Office of the Municipal provides support to the Legislative (ADM Council and its Structures) and Executive (Executive Mayor and its Mayoral Committee) in order to ensure a functional political and administrative interface.

3.5.6.1 Legislative Support Services

Legislative Support Services has been established to provide support to the Speaker of Council in the execution of his legislated and delegated responsibilities. In addition, support is also provided in the functioning of Section 79 committees including coordinating the functioning of the office of the Chief Whip.

In execution of the legislated and delegated responsibilities, there are programmes that are in place to support the legislative support services. These are elaborated on below:

3.5.6.2 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 programs 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 4 of its 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 Executive Committee conducted awareness campaigns through local radio stations. For the 2019/2020 financial year a total of 10 positive values campaigns were conducted.

A challenge is still being experienced in the functionality of Local MRM structure is hampered by lack of financial support from their respective Local Municipalities.

3.5.6.3 Municipal Public Accounts Committee (MPAC)

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 2021.

3.5.6.4 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.

3.5.6.5 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. During the period under review the Women Caucus has been active in supporting families who have fallen victim to gender-based violence.

The District Women's Caucus will amongst other programs be addressing the challenges experienced by the Committee relate to the non-functionality of Women Caucus structures in some local municipalities which affects the co-ordination of programs in that space.

3.5.7 EXECUTIVE SUPPORT SERVICES

The Executive Support Services provides strategic and administrative support to the Executive Mayor and the Mayoral Committee by creating an enabling environment to interface with communities and provide good governance. There are specific programmes which are also championed by the Political Leadership of the Municipality led by the Executive Mayor and the Members of the Mayoral Committee. These are:

3.5.7.1 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, several capacity building programmes are conducted on a quarterly basis. These include awareness campaigns, skills development workshops and resource mobilization.

3.5.7.2 HIV/AIDS, TB and Cancer

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. The implementation plan serves as a roadmap for the next stage towards a future where these three diseases are no longer public health problems.

This plan sets out the destinations (8 goals) - of our shared journey and establishes landmarks in the form of specific measurable objectives. The purpose of the NSP is to enable the many thousands of

organisations and individuals who drive the response to HIV, TB and STIs to act as a concerted force, moving in the same direction.

The 8 Goals serve as base of reporting mechanisms in all spheres of governments and all stakeholders that drive the response to HIV/AIDS, STI and TB. This ensures the response to HIV pandemic is moving in one direction and all stakeholders act as concerted force. Furthermore, will serves as a tool to co-ordinate and direct District's effort in the fight against HIV pandemic. In this regard, ADM us through the District AIDS Council implementing its own District Implementation Plan (2017-2022). 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 for member organisation are conducted on a continuous basis. One of the achievements was the launch of a District Men's Forum and the launch of Local AIDS Councils. Amathole has also been recognized as one of the few Districts/Metros in the country to achieve the UNAIDs 90-90-90 targets which are:

- By 2020, 90% of all people living with HIV will know their HIV status.
- By 2020, 90% of all people with diagnosed with HIV infection will receive sustained antiretroviral therapy.
- By 2020, 90% of all people receiving antiretroviral therapy will have viral suppression.

There are challenges that are currently being faced by the non-functionality of some Local AIDS Councils. ADM will continue to provide support to LMs to resuscitate the structures to improves the Local AIDS Council functionality.

3.5.7.3 Executive Mayor Legacy Projects

The concept of the Mayoral Legacy Projects is linked to Vision 3 of the bigger ADM as a Smart District - Vision 2058 for a "Just and Equitable District" – offering an opportunity for all to live in dignity whilst prioritizing for psychological needs within the context of families and communities. 4 Mayoral Legacy Projects were approved for implementation, namely:

- Early Childhood Development Centres,
- Recreational Facilities,

- Shelters for Orphaned and Vulnerable Children (OVCs) and
- Socio - Economic Infrastructure.

The Business Plan development was undertaken for the:

- Early Childhood Development Centres
- Recreational Parks

The implementation of the Mayors Legacy Projects is done through advocacy, lobbying, intersectoral collaborations and capacity development through partnerships that we created with private companies as part of their social corporate responsibility, to build and or refurbish identified Early Childhood Development Centres (ECDCs) in various LMs within ADM's district.

The strategic partners in the implementation of the Executive Mayors Legacy Programmes include companies such as Lateral Unison, Harmony Gold, Standard Bank and Maximum Profit Recovery (Max-Prof) whom contributed towards major renovations including educational toys, food parcels and other equipment for the ECDs.

3.5.7.4 Sport Development

As part of Social Cohesion and unlocking talent in the District, Sport Development has been the cornerstone. Due to the hard lockdown during the COVID 19 Pandemic, no sports programmes were implemented for the great part of year 2020 and beginning of 2021.

However, with the adjusted lockdown levels, sports programmes have resumed accordingly with some school sports leagues and tournaments taking place under strict covid conditions. Employee wellness sports games have also resumed with ADM participation in a tournament hosted by Buffalo City Metro meant to encourage Municipal employees in the Eastern Cape to go for vaccination

3.5.7.5 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. 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 quarterly. The purpose is to promote interfacing with the communities. The imbizo s a platform to give feedback on issues raised for the attention of the municipality as well as to update communities on all projects of the municipality. These are coordinated by the district in consultation and collaboration with the relevant local municipality and sector departments within that local municipality.

Annual Report Public Hearings

The Annual Report Public Hearings take place on the 1st quarter of the financial year. As 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. In 2021 the MPAC 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

IDP and Budget Roadshows

In accordance with legislation, IDP has to be taken to public for their comments ADM 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. These roadshows were also conducted virtually via radio stations and other media platforms owing to lockdown regulations at the time.

3.5.8 COMMUNICATIONS, COPORATE BRANDING & CUSTOMER CARE

The Amathole District Municipality (ADM) Communications Policy stipulates that government communication 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.

3.5.8.1 General Communication Environmental Scan

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 pro-activeness.

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.

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 institution recognizes Social Media as an important communication platform with which to engage stakeholders on various institutional programs as well as receive feedback from them. Due to the nature of the platform, it is necessary that measures be put in place to control how the institutional image is represented and positioned in the platform. Subsequently, a Social Media policy was developed and approved by council in 2021.

3.5.8.2 COVID 19 Response Plan: Communications and Customer Care

During the COVID 19 Pandemic, ADM Communication was central in the dissemination of information to ADM communities. The graph below illustrates the Communications and Customer Care Strategy implementation Plan which was undertaken.

FIGURE 58: COMMUNICATION & CUSTOMER CARE STRATEGY & IMPLEMENTAION PLAN

3.5.8.3 ADM Brand Repositioning Strategy

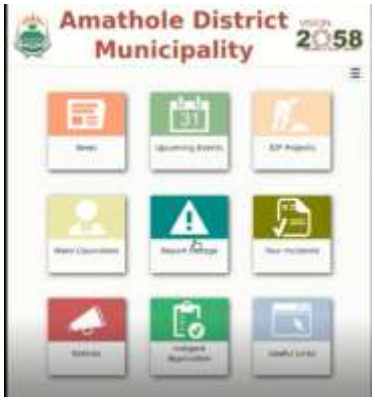
The ADM brand has taken a knock in how it has been reported on in the media space owing to a variety of issues relating to governance. This has led to the development of a brand repositioning strategy. The strategy entails the brand transformation plan which has three (3) pillars, namely outreach programs, stakeholder engagements and image building. This is illustrated in the diagram below.

FIGURE 59: THE BRAND TRANSFORMATION PLAN

3.5.8.4 Automated Customer Care System

As part of improving efficiencies in customer care, ADM has automated its Customer Care System as part of Citizen Engagement and interface. This initiative was made possible by the Governance Support Programme II through GIZ. The Citizen Engagement APP also provides a platform for the community to lodge a complaint and obtain a reference number in order to track progress on the attendance of the query as well as ease of access to improve customer experience.

FIGURE 60: CITIZEN ENGAGEMENT APP



3.5.8.5 Institutional Arrangements to support Communications

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.

3.5.9 INFORMATION AND COMMUNICATION TECHNOLOGY

Information and Communications Technology in ADM is a critical enabler which ensures there is seamless communication in improving institutional efficiency. Due to the COVID 19 Pandemic, ADM had to improve its IT Maturity levels in order to ensure Business Continuity and ensure ease of communication through ICT enabled tools and usage.

ADM together with its Local Municipalities ensured that during the COVID 19 Pandemic that there was:

- ICT Business Continuity Plans and Procedures
- Activation of Cloud Services in supplementing storage of information and exchange of information
- Virtual Private Network for ease of access
- Provision of collaborative tools

3.5.9.1 IT Governance

ADM has adopted the IT Governance Framework and Charter in compliance with the Municipal Corporate Governance of ICT Policy Framework (MCGICTPF) 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. Two committees have been setup namely IT change Management committee to guide changes in the IT environment (Applications and Infrastructure) and the IT Steering Committee as an oversight on IT operations, IT Risks, IT investment choices, projects implementation and any other matters that have a bearing on IT performance.

An IT Master plan which is a five-year document has also been adopted to guide overall municipal IT investment. The masterplan defines possible projects that are recommended for the municipality to implement to achieve the objectives of a smart district.

3.5.9.2 IT User Support

The following are service provided for in user support within ADM:

- Desktop hardware support services
- Desktop Application Support Services
- Printer Support Services
- Internet Support Services

- VOIP Support Services

There are challenges being experienced by the users mainly on the laptops and and desktops that need urgent replacement. There are initiatives such as the refurbishment of laptops and desktops to improve the lifespan of the tools.

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. Therefore, ADM will be implementing a Unified Telecommunications systems as part of improving Telephony, instant messaging, video conferencing, screen sharing, voice mail, e-mail and data transfer for integration and ease of communication between Satellite Office, Head Office and ADM communities.

3.5.9.3 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.

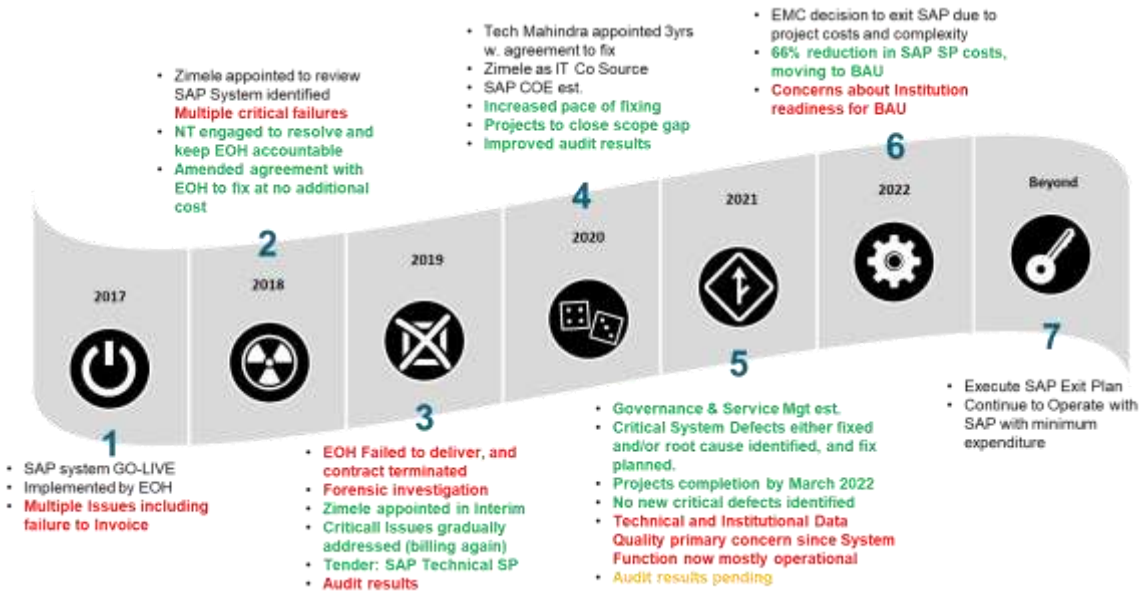
A SAP Centre of Excellence (COE) have been established to place the Governance, Strategy and Operational Management of ADM's investment in the SAP ERP system in One Centralised and Consolidated Institutional Organ. The SAP COE consists of a multi-disciplinary team working to improve the utilisation of 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

Due to the financial position of ADM and the non-response of SAP system in a local government environment, ADM has taken a decision to exit the SAP system and manage the transition into a new financial and information management system in a responsible and diligent manner in order to ensure institutional data is managed and protected. Below is the journey that has been undertaken by ADM in improving the functionality of SAP System:

FIGURE 61 SAP SYSTEM FUCTIONALITY



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. Main challenges on the Establishment of a Disaster Recovery Center have been copper theft and that continues to be the case which is a risk due to downtime.

3.5.10 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.

The objectives of Internal Audit are to perform objective examinations of evidence for the purpose of providing independent assessments to the Council, Audit and Risk Committee and management on the adequacy and effectiveness of risk management, control and governance processes of ADM. Internal audit assessments include whether:

- Risks relating to the achievement of the ADM's strategic objectives are appropriately identified and managed.
- The actions of the ADM's employees and contractors are in compliance with the ADM policies, procedures and applicable laws, regulations and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.

- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the ADM.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, utilized efficiently, and adequately safeguarded.

An Audit and Risk Committee is in place to provide quality assurance and oversight to Council and provides reports on a regular basis.

During the last term, ADM received support from the Governance Support Programme II in strengthening the Internal Audit function as a key in improving Good Governance. The implementation of the GIZ-Government Support Program II in partnership with the National Treasury, introduced as a Capacity Development Project for Internal Audit Units. ADM and all 6 local municipalities participate in the on-going project. In-kind internal audit services rendered to Aspire and support initiatives to local municipalities. Sustained collaboration and support by COGTA, SALGA, Provincial Treasury, The Institute of Internal Auditors South Africa (IIA SA) and AG SA in the area of capacity building.

As part of strengthening the capabilities of Internal Audit, an appointment of an internal audit co-source partner to augment the technical and human resource capacity constraints faced by the unit was undertaken with focus on the matters of strategic importance for the institution.

There are still challenges being experienced such as the non-adherence by departments in submitting the information requested by internal audit, however Standard Operating Procedures (SOPs) are being reviewed and there are regular engagements on audits that are being undertaken. Though there is an improvement in implementing action plans to correct discrepancies raised by auditors, the progress is still slow and that result to negative reporting by Auditor-General. Moreover, in improving the audit process, ADM is considering the procurement of a CAATs (computer assisted audit techniques).

3.5.11 RISK MANAGEMENT

In 2017/18 financial year, the Risk Management is operating within the parameters of the law and has put in place institutional arrangements to support its operations. This is to ensure that the design, implementation and monitoring of risk is being undertaken through the following committees:

- Risk Steering Committee.
- Executive Management (Risk Management Committee),
- Audit and Risk Committee
- ADM Internal Audit Forum

The abovementioned structures are functional and guided by the Risk Management Strategy, Policies and Frameworks including the provision of support to local municipalities and ADM agency. It is worth noting that there are adequate risk processes that ADM has put in place.

However, there are still challenges being faced by the institution in implementation of risk management in that there are inadequate resources both financial and non-financial for the full performance of risk management. In response to such ADM, through the Internal Audit Co-Source will be supplementing the capacity of Risk Management in performance of its function.

3.5.11.1 Top 5 Strategic Risks

The following are considered as top five (5) risks in order of priority

Table 72: Top 5 Strategic Risks

No	Risk Title	Description
1.	Inability to operate as a going concern	Due to high expenditure, the organization is struggling to meet operational demands
2.	Inability to provide adequate water infrastructure and sustainable safe drinking water	High demand of water provision and backlog
3.	Disintegrated water service delivery model	Cost of water provision is in excess of revenue collection.
4.	Effects of climate change	Effect of climate change makes it a priority for the organization to respond due to water requirements
5.	Poor document & information management	Effective information and documentation is a priority for the institution

It is worth noting that there are regular progress updates on the mitigation of these risks and reduction of the exposures to addressing these risks.

3.5.12 LEGAL SERVICES

Legal Services has a key role to play in respect of ensuring that the decisions taken by Council and its structures, as well as administration, are legally compliant and that legal support is available to various departments as and when they require it, by providing legal advice and assistance to the Council and the administration of the municipality to ensure the proper protection of the municipality's interests, and compliance by the municipality with its legal obligations and responsibilities.

3.5.12.1 Legal Guidance and Training

The legal guidance ought to be built into every executive or administrative decision-making process. All items that are tabled to ADM Council Structures take into consideration the legal implications. There is also a panel of legal services support to provide expertise on areas, as and when required. Moreover, Legal Services ought to conduct or facilitate routine legal training on new developments and changes in the institution in this regard.

3.5.12.2 Litigation Management Strategy

ADM has a Litigation Management Strategy in which Legal Services is responsible for the implementation. The Litigation Management Strategy outlines the response to managing litigations in the institution in assessing the trends which are a root cause in the litigations which the municipality is attending too. In addition, the root causes to the current litigations that are being experienced by the Municipality are:

- **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).

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.

- **Poor decision making:**

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'. ADM, have not been immune to this perception.

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.

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.

In response to ensure that there is a reduction in the cost of litigation, ADM is implementing an Alternative Dispute Resolution (ADR) mechanism instead of challenging the matters in court as part of reducing the costs of litigation.

3.5.12.3 Institutional Arrangements to support Legal Services

The following institutional arrangements are in place to support Legal Services:

- **Disciplinary Board**

The Disciplinary board was established on the 01 August 2021, the purpose of the Disciplinary Board is to address matters of financial misconduct by ADM employees and to give effect to the concept of consequence management

- **District Wide Legal Services Forum**

A District Wide Legal Service Forum is in place to support the learning and sharing of expertise in support of legal services by ADM and its Local Municipalities.

CHAPTER FOUR:
2022/23- 2026/27
OBJECTIVES, STRATEGIES & PROJECTS

CHAPTER FOUR
2022/23-2026/27 OBJECTIVES, STRATEGIES & PROJECTS

The Institutional Strategic Planning session conducted on 14-17 February 2022 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	
	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	
	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	
	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	
	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	
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	
	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	Fight against crime and corruption	

commitment		

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 taking into considerations provisions made by circular 88 of the MFMA:

4.1 2022/23-2026/27 OBJECTIVES AND STRATEGIES

4.1.1 KAP 1 Municipal Transformation and Institutional Development

Priority/Focus Area	STRATEGIC OBJECTIVE	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 2025/27
Effective and efficient Human Capital	To achieve a lean and affordable structure which is in line with the powers & functions of ADM by 2027	Reduced redundancies and increased organizational efficiencies	% of Staff Migrated into the New Organogram.	No of officials migrated and placed in the organogram as per the percentage of the staff establishment.	MTI 01	0%	75% of Staff Migrated into the New Organogram..	100% of Staff Migrated into the New Organogram.	100% of Staff Migrated into the New Organogram.	100% of Staff Migrated into the New Organogram.	100% of Staff Migrated into the New Organogram.
		Affordable Cost of Employment	% reduction of human Capital Cost with adequately compensated staff	Measuring the percentatge cost of the reduction of the salary bill as per the initiatives taken (Labor Relations Act 139, MFRP	MTI 02	How much is the structure costing now	% reduction of human Capital Cost with adequately compensated staff	% reduction of human Capital Cost with adequately compensated staff	% reduction of human Capital Cost with adequately compensated staff	% reduction of human Capital Cost with adequately compensated staff	% reduction of human Capital Cost with adequately compensated staff
Integrated and coherant Human Resource Management System.	To maximarly utilise the Human Resources for improved Service Delivery by 2027	Improved Municipal Capabilities.	% Improvement of individual perfomance against tartges set.	Measure the perfomance of individual employees as per the Perfomance Management Framework and the Change Management Strategy.	MTI 03	90%	93% Improvement of individual perfomance against tartges set.	96% Improvement of individual perfomance against tartges set.	99% Improvement of individual perfomance against tartges set.	100% Improvement of individual perfomance against tartges set.	100% Improvement of individual perfomance against tartges set.
			No. of internal candidates capacitated on training nterventions.	No. of internal candidates capacitated on training intervetions as per the WSP.	MTI 04	134	80 of internal candidates capacitated on training nterventions.	85 of internal candidates capacitated on training nterventions.	90 of internal candidates capacitated on training nterventions.	100 of internal candidates capacitated on training nterventions.	100 of internal candidates capacitated on training nterventions.
			% of municipal skills development levy recovered	Maximize collection of all levies due as per the LGSETA Regulations for skills development	MTI 05	20%	20% of municipal skills development levy recovered	20% of municipal skills development levy recovered	20% of municipal skills development levy recovered	20% of municipal skills development levy recovered	20% of municipal skills development levy recovered
Human Capital Development	To improve the human capital profile of the District 2027	Improved employability	No. of leanership candidates	No. of leanership candidates provided with work place to enabale to graduate.	MTI	10	10 leanership candidates	10 leanership candidates	10 leanership candidates	10 leanership candidates	10 leanership candidates

Priority/Focus Area	STRATEGIC OBJECTIVE	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 2025/27
			No. of lterns candidates	No. of lnterns provided with work place to enabale to graduate.	MTI	10	10 lterns candidates	10 lterns candidates	10 lterns candidates	10 lterns candidates	10 lterns candidates
Fleet Management	To ensure an efficient, effective and economical usage of fleet that enables basic service delivery by 2027.	Cost effective fleet Management.	% reduction on fleet operating costs.	To measure the efficiency, effectiveness and economic usage of fleet towards Service Delivery.	MTI	0% reduction of costs (To get baseline from BTO as per the MFRP)	5% reduction on fleet operating costs.	10% reduction on fleet operating costs.	15% reduction on fleet operating costs.	20% reduction on fleet operating costs.	25% reduction on fleet operating costs.
Records Management	To improve electronic documents and records Management System by 2027	Improved information and knowlage management	% implementation of the electronic records management system.	To measure the development and implementation of the electronic documentation and records management system.	MTI	0%	10% implementation of the electronic records management system.	20% implementation of the electronic records management system.	30% implementation of the electronic records management system.	40% implementation of the electronic records management system.	50% implementation of the electronic records management system.

4.1.2 KAP 2 Basic Service Delivery and Infrastructure Investment

Priority/Focus Area	STRATEGIC OBJECTIVE	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 202627
Water Quality	Improved water and waste water quality through an inclusive and integrated approach by 2027	Improved quality of water and Wastewater.	% Micro compliance sampling points complying with SANS 241 -	Measuring improvement of water quality against South African National Standards.	SDI	95%	96% Micro compliance sampling points complying with SANS 241 -	97% Micro compliance sampling points complying with SANS 241 -	100% Micro compliance sampling points complying with SANS 241 -	100% Micro compliance sampling points complying with SANS 241 -	100% Micro compliance sampling points complying with SANS 241 -
			% Operational Compliance sampling points complying with SANS 241 -	Measuring improvement of water quality against South African National Standards.	MTI	85%	90% Operational Compliance sampling points complying with SANS 241 -	% Operational Compliance sampling points complying with SANS 241 -	% Operational Compliance sampling points complying with SANS 241 -	% Operational Compliance sampling points complying with SANS 241 -	% Operational Compliance sampling points complying with SANS 241 -
			% Micro Compliance of wastewater samples compliant to Water Use License conditions.-	Measuring improvement of waste water quality against South African National Standards.	SDI	95%	**60%** Micro Compliance of wastewater samples compliant to Water Use License conditions.-	% Micro Compliance of wastewater samples compliant to Water Use License conditions	% Micro Compliance of wastewater samples compliant to Water Use License conditions	% Micro Compliance of wastewater samples compliant to Water Use License conditions	% Micro Compliance of wastewater samples compliant to Water Use License conditions
Water	To provide safe adequate infastructure and safe drinking water to all communities by 2027	Improved access to water	No. of households with access to basic water supply	Measuring the provision of safe drinking water to all communities.	SDI	229 113 HH (backlog 8 183)	1 000 Households with access to basic water supply	1200 Households with access to basic water supply	1300 Households with access to basic water supply	1400 Households with access to basic water supply	1500 Households with access to basic water supply
Asset management	Renew and maintain the water and Infrastructure Asserts by 2027	Improved asset Management	Number of assets refurbished.	Reporting on the refurbishment work to be done on existing plants.	SDI	What has been done to date. Mantananc e plan	7 assets refurbished	5 assets upgraded or refurbished	5 assets upgraded or refurbished	6 assets upgraded or refurbished	6 assets upgraded or refurbished
Sanitation	To provide sustainable and environmentall y friendly sanitation Services to all communities by 2027	Improved access to sanitation	No. of households with access to basic level of sanitation services to improve living standards.	To measure the provision of pit latrines and the low flush toilets.	SDI	233 613	8000 households with access to basic sanitation	5000 households with access to basic sanitation	5000 households with access to basic sanitation	5000 households with access to basic sanitation	5000 households with access to basic sanitation

Priority/Focus Area	STRATEGIC OBJECTIVE	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 202627
Rural yard connection	formalise ilegal connections by 2027	Rural yard connections installed	number of meters installed	Measurement of households formaly connected to water network and metered.	SDI	200 meter installations	8000 meters installed	8001 meters installed	8002 meters installed	8003 meters installed	8004 meters installed
Fire and Disaster Services	Facilitate sustainable coordination, monitoring and evaluation of disaster response and recovery by 2027	Mitigated effects of fires and disasters.	No. of fire related reported deaths reduced per 100 000 population.	To measure the reduction of reported deaths caused by fire.	SDI	31	20 Fire related reported deaths reduced per 100 000 population	16 Fire related reported deaths reduced per 100 000 population	12 Fire related reported deaths reduced per 100 000 population	08 Fire related reported deaths reduced per 100 000 population	04 Fire related reported deaths reduced per 100 000 population
Municipal Health	To ensure the prevalence of communicable diseases by 2027	Improved municipal health.	% of businesses that comply with Environmental Health Standard.	To measure reduction of the non-compliance of busineses through increasing the inspection frequencies over the norms and standards	SDI	75%	75% of businesses that comply with Environmental Health Standard.	75% of businesses that comply with Environmental Health Standard.	75% of businesses that comply with Environmental Health Standard.	75% of businesses that comply with Environmental Health Standard.	75% of businesses that comply with Environmental Health Standard.

4.1.3 KAP3 Local Economic Development

Priority/Focus Area	STRATEGIC OBJECTIVE	5 YEAR OUTCOMES	INDICATOR	INDICATOR CODE	BASELINE	TARGET 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 2026/27
Environmental Management		Improved Air Quality;	Annual number of days with good air quality;	LED	4 Passive Samples compliying PM 10 (air quality management plan)	4 Passive Samples compliying PM 10 (air quality management plan)	4 Passive Samples compliying PM 10 (air quality management plan)	4 Passive Samples compliying PM 10 (air quality management plan)	4 Passive Samples compliying PM 10 (air quality management plan)	4 Passive Samples compliying PM 10 (air quality management plan)
		Coastal and inland water resources maintained	ENV5.1 Recreational water quality (coastal):	LED	4 beach water tested in line with WESSA guidelines	4 beach water tested in line with WESSA guidelines	4 beach water tested in line with WESSA guidelines	4 beach water tested in line with WESSA guidelines	4 beach water tested in line with WESSA guidelines	4 beach water tested in line with WESSA guidelines
Sustainable Energy	To promote a holistic sustainabel regional development by 2030	Improved energy sustainability	Renewable energy capacity available within the Municipal jurisdiction as a percentage of ESKOM supply capacity to the Municipality.	LED	2 municipalities with identified with Renewable energy capacity	3 municipalities with identified with Renewable energy capacity	3 municipalities with identified with Renewable energy capacity	Resource mobilisation for 3 municipalities	Resource mobilisation for 3 municipalities	N/A
Sustainable Energy	To promote a holistic sustainabel regional development by 2030	Growing inclusive growing economies	1. Gross Value Added (GVA) by the municipality per capita;	LED	GVA 0.27	GVA 0.27	GVA 0.28	GVA 0.29	GVA 0.30	GVA 0.31
		Improved levels of economic activity in Municipal ecenomic spaces	1. No. of jobs created through LED including Capital Projects	LED	4000 jobs created through local economic development including capital projects	5000 jobs created through local economic development including capital projects	6000 jobs created through local economic development including capital projects	7000 jobs created through local economic development including capital projects	8000 jobs created through local economic development including capital projects	9000 jobs created through local economic development including capital projects
				LED	2 municipalities with improved local economic viability nodes	2 municipalities with improved local economic viability nodes	2 municipalities with improved local economic viability nodes	2 municipalities with improved local economic viability nodes	2 municipalities with improved local economic viability nodes	2 municipalities with improved local economic viability nodes
		Improved ease of business within the Municipal Area	1. No of economic projects implemented in partmenership with relevant stakeholders;	LED	2 economic projects implemented in partmenership with relevant stakeholders;	3 economic projects implemented in partmenership with relevant stakeholders;	3 economic projects implemented in partmenership with relevant stakeholders;	3 economic projects implemented in partmenership with relevant stakeholders;	3 economic projects implemented in partmenership with relevant stakeholders;	3 economic projects implemented in partmenership with relevant stakeholders;
			2. R-value of investment inflows	LED						

4.1.4 Municipal Financial Viability & Management

Priority/Focus Area	STRATEGIC OBJECTIVE	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 2026/27
Financially viable institution	To ensure sound and sustainable financial Institution by 2027	Improved financial sustainability and liability Management	% of total operating revenue to finance total debt;	Measurement of improved total operating revenue to finance total debt;	MFV	47%	45% of total operating revenue to finance total debt;	40% of total operating revenue to finance total debt;	35% of total operating revenue to finance total debt;	30% of total operating revenue to finance total debt;	25% of total operating revenue to finance total debt;
			% change in the cash backed reserves	Measurement of % change of cash backed reserves.	MFV	0%	0.1% change in the cash backed reserves	0.1% change in the cash backed reserves	0.1% change in the cash backed reserves	0.1% change in the cash backed reserves	0.1% change in the cash backed reserves
		To promote holistic sustainable regional economic development by 2030	% of invoices for all capital projects funded with grants paid within 30 days	Monitoring payment of invoices for all capital projects funded with grants paid that they are paid within 30 days of receipt by BTO (Excluding those with disputes)	MFV	99%	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	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
		Improved liquidity management	% Change in cash and cash equivalent	Measuring improved liquidity of the Municipality in terms of change in cash equivalent.	MFV		5% Change in cash and cash equivalentChange in cash and cash equivalent	7% Change in cash and cash equivalent	9% Change in cash and cash equivalent	11% Change in cash and cash equivalent	13% Change in cash and cash equivalent
Enhanced municipal budgeting and budget implementation	To ensure sound and sustainable financial Institution by 2027	Improved revenue and debt Management.	% change in Gross Consumer Debtors' (Current and Non-current)	Measuring of change in Gross Consumer Debtors' (Current and Non-current)	MFV	86%	0.5% change in Gross Consumer Debtors' (Current and Non-current)	1% change in Gross Consumer Debtors' (Current and Non-current)	1.5% change in Gross Consumer Debtors' (Current and Non-current)	2% change in Gross Consumer Debtors' (Current and Non-current)	2.5% change in Gross Consumer Debtors' (Current and Non-current)
			% of Revenue Growth excluding capital grants	Measuring the Revenue Growth excluding capital grants	MFV	6%	6% of Revenue Growth excluding capital grants	6% of Revenue Growth excluding capital grants	6% of Revenue Growth excluding capital grants	6% of Revenue Growth excluding capital grants	6% of Revenue Growth excluding capital grants
			% net operating surplus margin	Measurement of net operating surplus margin	MFV	-7%	-4%	-1%	1%	2%	3%

Priority/Focus Area	STRATEGIC OBJECTIVE	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 2026/27
			% of residential properties in the billing system as a percentage of residential properties in the valuation roll	Measument of residential properties in the billing system as a percentage of residential properties in the valuation roll	MFV	75%	75%	75%	76%	76%	77%
			% of non-residential properties in the billing system as a percentage of non-residential properties in the valuation roll	Measurement of non-residential properties in the billing system as a percentage of non-residential properties in the valuation roll	MFV		25%	25%	24%	24%	23%
		Enhanced municipal budgeting and budget implementation	% of expenditure against total budget.	Measurement of % expenditure against total budget.		98%	98%	98%	98%	98%	98%
Expenditure Management	To ensure sound and sustainable financial Institution by 2027	Improved expenditure Management	FM4.1 Percentage change of unauthorised, irregular, fruitless and wasteful expenditure	Measuement f Percentage change of unauthorised, irregular, fruitless and wasteful expenditure	MFV		20%	20%	20%	20%	20%
Supply Chain Management	To ensure sound and sustananble management of municipal finances by 2027	Improved Supply Chain Management.	% change in amount of irregular expenditure as a result of SCM Transgressions.	Measurement of % change in amount of irregular expenditure as a result of SCM Transgressions.	MFV	16%	3.2%	3.2%	3.2%	3.2%	3.2%

4.1.5 Good Governance and Public Participation

Priority/Focus Area	STRATEGY FOR IMPLEMENTATION	5 YEAR OUTCOMES	INDICATOR	INDICATOR DESCRIPTION	INDICATOR CODE	BASELINE	TARGET 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 2026/27
Public Participation	Implementation of the Public Participation Startegy	Improved council functionality	2. Functionality of the Municipal Public Accounts Committee (MPAC)	Monitoring functionality of the Municipal Public Accounts Committee (MPAC)	GGP	4 seatings	4 seatings and monitoring of the resolutions.	4 seatings and monitoring of the resolutions.	4 seatings and monitoring of the resolutions.	4 seating's and monitoring of the resolutions.	4 seating's and monitoring of the resolutions.
Communications	Implementation of Communication Strategy	Marketing initiatives conducted on the institutional Vision 2058	Number of Vision 2058 Marketing Initiatives Implemented.	Enhancement of Communication between ADM and External Stake Holders	GGP		4 Vision 2058 Marketing Initiatives Implemented.	5 Vision 2058 Marketing Initiatives Implemented.	6 Vision 2058 Marketing Initiatives Implemented.	7 Vision 2058 Marketing Initiatives Implemented.	8 Vision 2058 Marketing Initiatives Implemented.
Governance	Strengthening of oversight, accountability and Service Delivery	Improved Municipal Administration	Unqualified audit opinion	Monitoring implementation of the Audit Action Plan to improve the Audit.	GGP	Adverse opinion	Unqualified audit opinion	Unqualified audit opinion	Clean Audit Opinion	Clean Audit Opinion	Clean Audit Opinion

4.2 2022/23-2026/2027 LOCAL MUNICIPAL TOP 10 NEEDS ANALYSIS/PRIORITIES

Mbashe LM	**Mnquma LM**
Roads- new and maintenance Community Halls Bridges Dipping Tanks and Dam scooping Sport fields Toilets Water Fencing of fields Early Childhood Development Centres Electricity- infills and new extensions	Roads Water Community Halls Clinics Sport fields Electrification Dipping tanks Youth programmes
Great Kei LM	**Ngqushwa LM**
Agric – Park New Landfill Site Oceans Economy Coastal Management Agriculture & Farmer Support Integrated Roads Network Mini Mall Pricinct Technical Education Collage Acquisition of Yellow Plan Implementation of the Land Audit and its recommendation	Water Refurbishment of boreholes Sanitation RDP Houses Community Halls Internal Streets & Access Roads Electrification of village extensions High mast lights Dam scooping Sport fields
Raymond Mhlaba LM	**Amahlathi LM**
Still finalizing the process	Youth Centre Roads Water and Sanitation Fencing and bridges Job creation Health Education Community halls Revitalization of towns Site Allocation High mast lights

4.3 2022/23-2026/2027 IDP/BUDGET ROADSHOW COMMENTS

(To take place in April 2022)

RADIO STATION	ISSUE RAISED	RESPONSE

4.4 2022/23-2024/2025 MSCOA COMPLAINT PROJECTS - AMATHOLE DISTRICT MUNICIPALITY EXTERNALLY FUNDED PROJECTS

4.4.1 Amathole District Municipality Three Year MIG Capital Plan

PROJECT NAME	2022/2023 VAT EXCLUSIVE PROJECT AMOUNT	2023/2024 VAT EXCLUSIVE PROJECT AMOUNT	2024/2025 VAT EXCLUSIVE PROJECT AMOUNT	REGION
PMU Operating Budget	24 683 050	25 853 000	27 097 600	ADM: HEAD OFFICE
Personal Protective Equipment	4 478 261	1 791 304	895 652	ADM: WHOLE DISTRICT
Bende Water Supply Scheme	16 457 265	19 704 348	13 434 783	EC121 MBHASHE
Elliotdale Wastewater Treatment Works Feasibility Study	895 652	8 956 522	13 434 783	EC121 MBHASHE
Idutywa East Water Supply Scheme Phase 2, Idutywa east water supply project	1 343 478	4 746 957	1 791 304	EC121 MBHASHE
Mbhashe Area Wide Sanitation: Mbhashe Region 1 Sanitation; Mbhashe Region 1b Sanitation Project: Phase 2	447 826	447 826	1 791 304	EC121 MBHASHE
Mbhashe Area Wide Sanitation: Mbhashe Region 2 Sanitation Project: Phase 2	447 826	447 826	895 652	EC121 MBHASHE
Mbhashe Elliotdale Region 2B Sanitation Project: Phase 2	447 826	447 826	1 791 304	EC121 MBHASHE
Mbhashe Region 2C Sanitation Project: Phase 2	447 826	447 826	1 791 304	EC121 MBHASHE
Mbhashe Region 2D Sanitation Project: Phase 2	447 826	447 826	1 791 304	EC121 MBHASHE
Mbhashe Region 3B Sanitation Project: Phase 2	447 826	447 826	1 791 304	EC121 MBHASHE
Mgwali North Water Supply Scheme	14 509 565	4 478 261	4 478 261	EC121 MBHASHE
Mgwali South Water Supply Project; Mgwali South Water Supply Phase B	14 420 000	17 913 043	8 956 522	EC121 MBHASHE
Sewage Reticulation in Willowvale	1 450 957	8 956 522	8 956 522	EC121 MBHASHE
Shixini Water Supply Scheme	9 046 087	4 478 261	8 956 522	EC121 MBHASHE
Upgrading of Bulk Collector Sewers to Accommodate Future Development in Dutywa	895 652	21 495 652	17 913 043	EC121 MBHASHE
Upgrading of Water Storage & Reticulation to Accommodate Future Development in Dutywa	895 652	22 391 304	17 913 043	EC121 MBHASHE
Ward 31 Water Supply Scheme	10 165 652	895 652	895 652	EC121 MBHASHE

PROJECT NAME	2022/2023 VAT EXCLUSIVE PROJECT AMOUNT	2023/2024 VAT EXCLUSIVE PROJECT AMOUNT	2024/2025 VAT EXCLUSIVE PROJECT AMOUNT	REGION
Bawa Falls Water Supply	8 134 106	13 434 783	8 956 522	EC122 MNQUMA
Cafutweni Water Supply Scheme (Revised Scope)	13 434 783	7 523 478	17 913 043	EC122 MNQUMA
Centane Phase 4 Water Supply	43 061 397	35 826 087	35 826 087	EC122 MNQUMA
Centane Sanitation Project: Phase 2	80 609	-	1 791 304	EC122 MNQUMA
Crouch's Bush Water Supply Phase 3	268 696	-	-	EC122 MNQUMA
Gcuwa West Regional Water Supply	5 430 542	-	-	EC122 MNQUMA
Ibika–Centani Water Supply Phase 3	44 782 609	44 782 609	17 913 043	EC122 MNQUMA
Mnquma Area Wide Sanitation Region 2 Phase 2	8 956 522	4 478 261	4 478 261	EC122 MNQUMA
Mnquma Area Wide Sanitation Region 2B Phase 2	447 826	447 826	447 826	EC122 MNQUMA
Mnquma Region 1A Sanitation Project	447 826	447 826	447 826	EC122 MNQUMA
Mnquma Region 3 Sanitation Project	447 826	447 826	447 826	EC122 MNQUMA
Ngqamakhwe Regional Water Supply Phase (1 - 4)	35 826 087	22 391 304	35 826 087	EC122 MNQUMA
Nxaxo & Cebe Water Supply Scheme Phase 2	35 826 087	8 956 522	26 869 565	EC122 MNQUMA
Sundwana Water Supply Scheme, Sundwane Water Supply Scheme Including Other Villages	13 515 935	4 662 989	8 956 522	EC121 MBHASHE
Zizamele Sewerage Reticulation Phase 2	13 434 783	17 913 043	4 478 261	EC122 MNQUMA
Chintsa Bulk Services Upgrade (Water and Wastewater Treatment Works)	447 826	8 956 522	6 269 565	EC123 GREAT KEI
Cwili Interim Water Services	447 826	8 956 522	5 373 913	EC123 GREAT KEI
Great Kei Area Wide Sanitation: Phase 2	447 826	447 826	447 826	EC123 GREAT KEI
Kei Bridge Komga Water Treatment Works	8 790 759	15 046 957	6 269 565	EC123 GREAT KEI
Kei Mouth pipe replacement	447 826	8 956 522	6 269 565	EC123 GREAT KEI
Morgan's Bay/Igxara Sanitation	295 565	4 567 826	447 826	EC123 GREAT KEI
Upgrading of Haga-Haga Water Treatment Works's	447 826	8 956 522	6 269 565	EC123 GREAT KEI

PROJECT NAME	2022/2023 VAT EXCLUSIVE PROJECT AMOUNT	2023/2024 VAT EXCLUSIVE PROJECT AMOUNT	2024/2025 VAT EXCLUSIVE PROJECT AMOUNT	REGION
Amabele Pipe Replacement	544 601	13 434 783	2 686 957	EC124 AMAHLATI
Amahlathi Area Wide Sanitation Phase 2	268 696	-	89 565	EC124 AMAHLATI
Amahlathi Area Wide Sanitation Region 2A: Phase 2	447 826	-	89 565	EC124 AMAHLATI
Amahlathi Area Wide Sanitation Region 3A: Phase 2	268 696	-	89 565	EC124 AMAHLATI
Cathcart Bulk Services Upgrade	35 826 087	10 747 826	8 956 522	EC124 AMAHLATI
Keilands Mission Water Supply	4 478 261	10 747 826	4 478 261	EC124 AMAHLATI
Komga Commonage Settlement Project -Bulk Water	1 298 696	358 933	496 550	EC123 GREAT KEI
Rabula Water Supply Extensions	895 652	11 643 478	1 791 304	EC124 AMAHLATI
Stutterheim Raw Water Supply Upgrade	92 181	-	-	EC124 AMAHLATI
Stutterheim Sewer Pipe Replacement Programme	89 565	-	-	EC124 AMAHLATI
Stutterheim Water Pipe Replacement Programme	3 155 899	895 652	-	EC124 AMAHLATI
Ngqushwa Region 2C Sanitation Project	895 652	-	-	EC126 NGQUSHWA
Ngqushwa Villages Water Reticulation - Budget Maintenance	895 652	4 478 261	8 956 522	EC126 NGQUSHWA
Peddie Wastewater Treatment Works	4 478 261	13 434 783	26 869 565	EC126 NGQUSHWA
Bedford & Adelaide Bucket Eradication Programme - Phase 6	3 582 609	3 582 609	8 956 522	EC129 NKONKOBE/NXUBA
Bulk Water Supply to Ekuphumleni & 9 Villages - Phase 5	4 478 261	4 478 261	8 956 522	EC129 NKONKOBE/NXUBA
Fort Beaufort Bulk Water Services Upgrading	26 869 565	19 704 348	53 739 130	EC129 NKONKOBE/NXUBA
Hogsback Water Treatment Works and New Reservoir	8 060 870	1 791 304	2 686 957	EC129 NKONKOBE/NXUBA
Kolomane Bulk Water Supply Phase 3	1 791 304	1 791 304	895 652	EC129 NKONKOBE/NXUBA
Nkonkobe Area Wide Sanitation Region 3A	895 652	895 652	895 652	EC129 NKONKOBE/NXUBA
Nkonkobe Region 2A Sanitation Project	895 652	895 652	447 826	EC129 NKONKOBE/NXUBA
Nxuba - Adelaide and Bedford Bucket Eradication Phase 4: Upgrading of Bedford Wastewater Treatment Works	4 478 261	2 686 957	13 434 783	EC129 NKONKOBE/NXUBA
Repairs and Refurbishment of Water Infrastructure: Raymond Mhlaba	-	-	4 478 261	EC129 NKONKOBE/NXUBA
West Victoria East Water Supply Phase 4	2 686 957	2 686 957	8 956 522	EC129 NKONKOBE/NXUBA
TOTAL:	**444 724 170**	**465 803 617**	**488 228 063**	

4.4.2 Amathole District Municipality Regional Bulk Infrastructure Grant - Budget 2022/23 To 2024/25

PROJECT NAME	2022/23 PROJECT VALUE	2023/24 PROJECT VALUE	2024/25 PROJECT VALUE	REGION
Xhora East Water Supply	13 239 130	-	-	EC121 MBHASHE
Sundwana Water Supply	-	35 304 348	35 304 348	EC121 MBHASHE
Ngqamakhwe Bulk Water Supply	183 525 239	180 261 352	214 560 409	EC122 MNQUMA
TOTAL:	**196 764 370**	**215 565 700**	**249 864 757**	

4.4.3 Water Services Infrastructure Grant (Wsig) Three Year Capital Plan

PROJECT NAME	2022/23 VAT EXCLUSIVE PROJECT VALUE	2023/24 VAT EXCLUSIVE PROJECT VALUE	2024/25 VAT EXCLUSIVE PROJECT VALUE	REGION
Emergency Interventions at Water and Sewer Systems	26 478 261	18 005 217	22 065 217	ADM: WHOLE DISTRICT
Districtwide Refurbishment of Water Retaining Structures	4 413 043	7 060 870	5 331 839	ADM: WHOLE DISTRICT
Augmentation of Dutywa Water Supply	8 826 087	13 239 130	13 239 130	EC121 MBHASHE
RHIG - Ward 11 & 14	1 765 217	2 647 826	2 647 826	EC122 MNQUMA
Cintsa Dam Refurbishment	882 609	-	-	EC123 GREAT KEI
Corrosion Evaluation of Rural reservoirs (Feasibility Study)	441 304	-	-	EC123 GREAT KEI
Upgrading Siviwe Sewer Reticulation	4 413 043	4 413 043	6 178 261	EC123 GREAT KEI
Refurbishment of Qumrha Reservoirs	882 609	-	-	EC123 GREAT KEI
Cathcart Sanitation	8 826 087	-	-	EC124 AMAHLATI
Dontsa Water Supply	2 647 826	4 413 043	4 413 043	EC124 AMAHLATI
Non-Revenue Water Loss Control Project: Stutterheim Water Supply Scheme	6 619 565	6 619 565	5 295 652	EC124 AMAHLATI
Feni Village Package Plant	882 609	-	-	EC126 NGQUSHWA
Fort Beaufort Wastewater Treatment Works	882 609	-	-	EC129 NKONKOBE/NXUBA
Refurbishment of Adelaide Canal	882 609	-	-	EC129 NKONKOBE/NXUBA
Equipping of Adelaide and Bedford Boreholes	1 765 217	1 765 217	1 765 217	EC129 NKONKOBE/NXUBA
Assessment of Fish River Intake	4 413 043	4 413 043	4 413 043	EC129 NKONKOBE/NXUBA
Non-Revenue Water Loss Control Project: Alice Water Supply Scheme	441 304	-	-	EC129 NKONKOBE/NXUBA
Non-Revenue Water Loss Control Project: Fort Beaufort Water Supply Scheme	441 304	-	-	EC129 NKONKOBE/NXUBA
TOTAL:	**75 904 348**	**62 576 957**	**65 349 230**	

4.4.4 SECTOR DEPARTMENT PROJECTS

4.4.4.1 Department of Safety & Liaison

LINKAGE TO PROVINCIAL PRIORITY (PMTSF)	ACTIVITY	VENUE (POLICE STATION AREA)	BUDGET
Priority 6 Social Cohesion and Safer Communities	Social crime prevention programmes	Cathcart, Chungwa, Msobomvu, Alice, Middledrift, Bluewater, Elliotdale, Centane, Tyefu, Fort Beaufort, Bell and Keiskammahoek	R190 000
	Unannounced visits at police stations	Seymour, Butterworth, Bluewater, Peddie, Stutterheim, Willowvale, Steve Vukile Tshwete, Kubusie Drift, Moyeni, Centane, Bolo, Bedford, Thomas River, Balfour, Mooiplaas, Elliotdale, Kei Road, Hogsback, Cathcart, Ngqamakhwe, Bell, Fort Beaufort, Adelaide, Doringkloof, Keiskammahoek, Komga, Kolomane, Middledrift, Tyefu, Alice	NCI
	Monitor Frontline Service Delivery point	Nqadu Great Place	NCI
	Court Watching Brief Programme - Assess SAPS efficiency in relation to cases withdrawn and struck off the roll	Butterworth and Peddie Courts	NCI
	Conduct Policing Accountability Engagements (Imbizos focusing on SAPS service delivery)	Komga, Peddie, Adelaide, Stutterheim, Ngqamakhwe, Bolo, Centane, Willowvale	R170 000
	Capacitate CPFs	All CPFs in the district	R50 000
	Assess CPFs on functionality	Kei Mouth, Bolo, Kolomane, Butterworth, Kei Road, Bedford, Kei Bridge, Hogsback, Steve Vukile Tshwete, Komga, Hamburg, Dutywa	NCI
	Support CSFs (meetings and programmes)	All municipalities as per invitations	R60 000
	Establish and Monitor Safety Patrollers at identified schools (EPWP)	Hlumani High – Komga Sea View High – Elliotdale Vukile Tshwete – Keiskammahoek	As per Ministerial Determination

		Charles Sojola - Hamburg	

4.4.4.2 Department of Sports, Arts & Culture

4.4.4.3 Department of Health

4.4.4.4 Department of Agriculture & Rural Development

4.4.4.5 Office of the Premier

4.4.4.6 COGTA

4.4.4.7 Department of Transport

4.4.4.8 Department of Public Works

4.4.4.9 Department of Human Settlements

4.4.4.10 Department of Education

4.4.4.11 ESKOM

LOCAL MUNICIPALITY	BUDGET
Mbhashe	R 97 380 085.00
Mnquma	R 21 560 000.000
Amahlathi	R11 920 000.00
Raymond Mhlaba	R 31 300 000.00
Great Kei	R 11 665 000.00
Ngqushwa	R 6 380 000.00
TOTAL	**R 180 205 085.83**

CHAPTER FIVE:
SECTOR PLAN ANALYSIS & POLICIES

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	
	Land reform & settlement 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	
			Human Resources Plan	
			Human Resources Development Strategy	
			Fleet Management Strategy	

5.1.1 List of sector plans

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
SPATIAL PLANNING & ECONOMIC DEVELOPMENT	Integrated Environmental Management Plan-	21 June 2012	2017/8	**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	2017/8	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	2017/8	1. Reduce ADM Organizational 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	Over-reliance on coal-based energy Land Tenure Regulatory Requirements (permits &licenses) Investment promotion (driver and champion) Infrastructure development master plans

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
				renewable energy investment 5. Mainstream greenhouse gas reduction measures	(include R.E infrastructure)
	Climate Change Vulnerability Assessment And Response Framework-	March 2011	2018/9	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	2017/8	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	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	2018/19	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

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
	development strategy.				
	Land Reform and Settlement Plan	2016/7	2019	Land reform has a composite suite of issues and interlocking components that differ from one Local Municipal Area to the other. Some of these components include: • in-situ upgrade and tenure upgrade, • land planning for residential and productive uses, • Land-legal issues; land rights audits, title adjustments, land survey, registration etc.), • post implementation livelihoods support, • implementation land use management, • Infrastructure/asset maintenance and operation issues." • land identification, and land acquisition,	• **Land reform initiatives largely remain geographically focused**; • **Land Redistribution**, Planning Needs to focus on Commonage Needs; • **Tenure insecurity** remains prevalent notwithstanding interim. • **Breakdown of Land Administration Systems** on legislative, regulatory and administrative; • **Pace of land reform** within the municipal area still lags behind nationally • **Building of strategic partnerships** to improve service delivery • **Support on Project Implementation** and **Capacity Building** for local Municipalities • **Co-ordination of the M&E** function to ensure ongoing measurement of land reform implementation • **Comprehensive Rural Development Programme** to comprehend, input by municipal role with regard to Rural Development Programs in so far as their role is concerned • **Integration of Livelihood Programs into Land Development** of livelihood programs through planning Process

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
	Integrated Human Settlements Plan	2017/8	2019	To provide Sustainable Human Settlements and improved quality of household life 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.	▪ Slow pace in issuing of Title deeds for public funded Housing ▪ Mushrooming of Informal Settlements & Backyard shacks ▪ 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 ▪ Lack of opportunities and facilities in rural areas ▪ Lack or none existence of communication channels with the potential housing beneficiaries ▪ Challenge in accessing state within the municipal commonage land ▪ Housing Entity support requirements ▪ Lack of commonage capacity to accommodate housing development ▪ Contributes towards climate change or global warming

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
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 optimize waste management services, thereby maximizing efficiency and improving the quality of life of all citisens while the associated environmental impacts and financial costs are minimized	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.

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
					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
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	2021/2022 (Review)	To develop a framework for organisational development	To ensure a sound OD environment
	Talent Management Strategy	2019/20	2021/2022 (No Review Conducted)	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
	Human Resource Development Strategy	2018/19 (New)	2021/2022 (No Review conducted)		
	Integrated Wellness	2019/20 (New)	2021/2022 (No Review conducted)	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

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
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.

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
					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.	Empowerment goals Demand management Acquisition management Logistics management Disposal management Risk management Performance management

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
				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.	
	Financial Recovery plan	2019	2021	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.
	Asset Management Strategy	2012	2020	• To assist with detailed plans for acquisitions and replacements, operation and maintenance as well as disposals in terms of the municipality's policies; • informing the IDP (and revised IDP) and then the annual budget, using the detailed plans; • funding each approved asset management plan appropriately through the budget; including in the Service Delivery and Budget Implementation Plan (SDBIP) the measurable objectives and targets of each asset management plan; reporting on the performance of assets as measured in terms of service delivery based	maximise the service potential of existing assets by ensuring that they are appropriately used; maintained, safeguarded and that risks are mitigated; • optimise the life cycle costs of owning and using these assets by seeking cost-effective options throughout an asset's life cycle; • reduce the demand for new assets through optimal use of existing assets and management of demand through the use of non-asset service delivery options;

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
				upon an approved SDBIP, budget and IDP.	
STRATEGIC PLANNING& MANAGEMENT	Communication Strategy	2017/18	2021/22	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	2021/22	To reassure ADM Strategic Partners and stakeholders of the Municipalities commitment to the provision of quality services, thus repositioning brand ADM	Unwillingness of **customers to pay** their financial obligations to ADM for services rendered. Poor attendance of ADM outreach programs
	Special Programmes Strategy	2013	2021.22	To ensure the lobbying, support, coordination, facilitate and implementation of the mainstreaming of designated groups Programs within the district plans.	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	2021.22	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

5.2 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

5.3 LIST OF POLICIES

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
SPATIAL PLANNING & ECONOMIC DEVELOPMENT	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.
	EPWP Policy	2004/05	2020/2021	Poverty alleviation through job creation utilising EPWP	Adjudication of projects to be implemented in accordance to the four sectors based on the proposals/business plans singed by accounting officers and submitted to the Department of Public Works. Projects centralisation, coordination and reporting of all EPWP projects to be done by LED All EPWP/job creation programmes being institutionalized at LED

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
	Land Invasion Policy	New	2021/22	To assist the Municipalities to combat land invasion which tends to put the Municipality under pressure in terms of service delivery and regulate unnecessary haphazard urban area To put measures in place to handle invasions and to spell out procedures to deal with land invasion within District Municipal Local Areas, be it state land (Municipal, Provincial or National), Unregistered or privately-owned land. To assist municipality to control and manage the land available in terms of open spaces.	• alternative tactics that the poor, powerless and homeless people adopt to access land on which to build their shelter. • consequence of desperation for space to put up a shelter. • lack the resources to build shelter formally and legally. Hence, homeless resort to non-formal and illegal means to access land to build their shacks. • pervasiveness of poverty in our human settlements with resultant invasion and re-invasion of land and buildings • eviction still remains a challenge for land, housing and planning policy makers.
STRATEGIC PLANNING& MANAGEMENT	ICT Corporate Governance Charter	2010/11	2021/22	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	To define the roles and responsibilities of structures to ensure Corporate Governance and Governance of ICT is implemented at ADM.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
				and reporting and e) How business owners will oversee ICT service delivery in support of their business enablement.	
	ICT Backup Policy	2010/11	2021/22	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	2021/22	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. 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	2021/22	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	2021.22	To guide the actions of staff when dealing with customers. To provide service excellence when	1..Customer Service excellence. 2. To close the gap on lodging of query and response time;

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
				ever customers make contact with the municipality to ensure that getting it right the first time is the customer experience. To incorporate the eight Batho Pele principles that is intended at transforming public service.	3. Information dissemination.
	Communications Policy	2013	2021.22	The objective of this policy is to provide clear guidelines for communications in the ADM and the principles that guide communications within the communications division. The different roles and responsibilities of communications within the ADM are clarified, and the policy indicates when information should be communicated and by whom. This policy will thus ensure that communication takes place in a coordinated and uniform way so that the municipality speaks with one voice.	Provide the public with timely, accurate, clear and complete information about its policies, Continuously ensure that the municipality is visible and accessible to the public; To consult with the public, listens to and takes account of people's interests and concerns Continue to build public trust and confidence in the integrity of the municipality Ensure that communication is integrated and coordinated within the three spheres
	Public Participation & Petitions Policy Framework	2005	2022	To ensure the maximum participation of communities in the affairs of the municipality. To ensure accountability of ADM to its communities.	Uncoordinated public participation activities/ processes between the District and LMs. Duplication and misalignment between the policy and the Rules of Order in respect of petitions management.
	Risk Management Policy		2021.22	To give effect to the implementation of the risk management policy and sets out all risk management activities planned for the year.	To provide value for its stakeholders. Uncertainty and the challenge for management to determining how much uncertainty to accept as it strives to grow stakeholder value. Enables management to effectively deal with uncertainty and associated risk and opportunity, enhancing the capacity to

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
					build value.
CORPORATE SERVICES	Immovable Property Management policy (review)	2020	2021/2022	To regulate the management of all Amathole District Municipality owned properties and those that are rented by municipality	To ensure accountability and compliance.
	Recruitment & Selection Policy (review)	2003/04	2021/2022	Legislation imperative Ensure that positions that are filled are critical To tighten the panel from TG 14 and above	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. The Corporate Services Department shall ensure that critical positions are prioritized when vacant and budgeted positions are filled. TASK Grade 14 and above Head of Department or his/her nominee Director Corporate Services or his/her nominee Representative per Union (observer status)

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
				To tighten the panel from TG 1 to 13 and ensure fairness prevails	Corporate Services Department official (Admin Support) 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. It is the prerogative of the Municipal Manager to attend any selection process if s/he so decides.
	Placement Policy (review)		2021/2022	To provide guidelines of the matter of placement of staff to Head Office or Satellite. To Also provide clarity on types placements and roadmap of placement the employer can engage to in placing the employees	Too allow smooth placement and transfer of staff
	Leave Policy (review)	2003/2004	2021/2022	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

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
	Overtime and Emergency Work Policy (review)	2012/13	2021/2022	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
	Cellphone Policy (review)	2002/2003	2021/2022	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	2021/2022	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.
	Covid 19 Policy (New)	2021/2022	2021/2022	The purpose of this policy is to ensure a safe work environment for all employees, contractors, visitors, suppliers and members of the public (ADM Community) and to prevent the spread of "COVID-19". The document also provides a summary of the Disaster Management guidelines and directions for the management of leave during the COVID-19 pandemic,	To ensure compliance with COVID-19 regulations
	Vehicle Allowance Policy (review)	2010/2011	2021/2022	Define the set Travel allowances for the qualifying managers to be paid on a monthly basis. Set down the conditions and procedures whereby employees may qualify for the Travel allowance scheme.	To accommodate all employees between Task Grades 1 and 20 who travel in executing their duties.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
	Internship Policy (review)	2017/2018	2021/2022	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 (review)	2014/2015	2021/2022	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 (Review)	2014/2015	2021/2022	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 turnover, and manage risk associated with lack of training.	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		
	Records Management Policy (Review)	2007/08	2021/2022	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.
	Immovable Property Management policy (review)	2020	2021/2022	To regulate the management of all Amathole District Municipality owned properties and those that are rented by municipality	To ensure accountability and compliance.
	Recruitment & Selection Policy (review)	2003/04	2021/2022	Legislation imperative Ensure that positions that are filled are critical	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. The Corporate Services Department shall ensure that critical positions are prioritized when vacant and budgeted

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
				To tighten the panel from TG 14 and above	positions are filled. 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. It is the prerogative of the Municipal Manager to attend any selection process if s/he so decides.
	Placement		2021/2022	To provide guidelines of the matter of placement of staff to Head Office or Satellite. To Also	Too allow smooth placement and transfer of staff

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
	Policy (review)			provide clarity on types placements and roadmap of placement the employer can engage to in placing the employees	
	Leave Policy (review)	2003/2004	2021/2022	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 and Emergency Work Policy (review)	2012/13	2021/2022	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
	Cellphone Policy (review)	2002/2003	2021/2022	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	2021/2022	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.
BUDGET AND TREASURY	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

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
OFFICE					RDP properties still under Local Municipalities' ownership leading to rightful owners not able to apply for the subsidy
	Credit control and debt collection policy		2021	• In terms of section 99 of the Local Government: Municipal Systems Act, the Municipality's executive committee or executive mayor as the supervisory authority must oversee and monitor the implementation and enforcement of the Municipality's credit control and debt collection policy and by-laws enacted in terms of section 98, as well as the performance of the municipal manager in implementing the policy and by-laws.	(b) Debt collection procedures and mechanisms; (c) Provide for indigent consumers that is consistent with its rates and tariff policies and any national policy on indigents; (d) Realistic targets consistent with: i) general recognized accounting practices and collection ratios; and ii) the estimates of income set in the budget less an acceptable provision for bad debts
	Budget policy		2020	The objective of the budget policy is to set out: • The principles which the municipality will follow in preparing each medium-term revenue and expenditure budget framework • The responsibilities of the executive mayor, the accounting officer, the chief financial officer and other senior managers and managers in compiling the budget • To establish and maintain procedures	a) The mayor shall coordinate the processes for preparing the annual budget, and for reviewing the municipality's IDP and budget related processes, to ensure that the budget, the IDP, and the policies are mutually consistent and credible b) The mayor shall give political guidance over the budget

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
				to ensure adherence to Amathole District Municipality IDP and budget processes	processes and the priorities that must guide the preparation of the budget c) The Chief Financial Officer and the Strategic Manager shall draft the IDP and Budget process plan for the municipality, and ensure that this plan is adopted by Council before 31 August, preceding the year to which it relates d) The IDP/Budget process plan shall indicate the key deadlines for the review of the IDP as well as the preparation of the medium-term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.
	Cost containment policy		2019	To ensure that the resources of the municipality are used effectively, efficiently and economically; • To implement cost containment measures	All commodities, services and products covered by a transversal contract concluded by the National Treasury must be

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
				The purpose of the policy is to regulate spending and to implement cost containment measures at Amathole District Municipality	considered before approaching the market, to benefit from savings where lower prices or rates have been negotiated. Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing, printing of agendas and brochures and other inducements as part of, or during election periods or to fund any activities of any political party at any time. Expenditure on tools of trade for political office bearers must be limited to the upper limits as approved and published by the Cabinet member responsible for local government in terms of the Remuneration of Public Office Bearers Act, 1998.
	Asset Management Policy	2006	2020	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	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		
				should promote efficient and effective management, monitoring and 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.	a)

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
				To ensure that preventative measures are in place to eliminate theft, loss and misuse.	
	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.
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 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	2017/2018		To define the process and procedure to be	Risk of disease spreading from unsafe

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1st Adoption Financial Year	Last Review Financial Year		
	Dead Policy			followed in the disinterment and re-interment of human remains.	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. 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.	Risk of sale and consumption of foodstuffs that are not fit for human consumption by the public

CHAPTER SIX: FINANCIAL ANALYSIS

Financial Analysis

CHAPTER SIX
FINANCIAL ANALYSIS

6.1 INTRODUCTION

This chapter aims at outlining the financial plan for the Amathole District municipality. A financial plan is a budget, in other words a plan for spending and saving future income. This plan allocates future income to various types of expenses, such as salaries, insurances and also reserves some income for short term and long-term savings. 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 three 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 must 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:

6.1.1 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 regarding 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 2022/2023 to 2025/2026 financial years.

Revenue Enhancement

The average collection rate is low at 24%. 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.

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, for illegal disconnections
- 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
- 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.

6.1.2 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 2022/23 - 2024/25 financial years.

6.1.3 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 and all creditors 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 reflected a 10% increase in the 2021/22 financial year, focusing on a cost reflective tariff. For the 2022/23 financial year, an increase of 15% is anticipated. This increase is a direct response to the increase in the direct costs to provide services.

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.

6.1.4 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

6.1.5 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. As at 31 March 2022, 30,83% of the projects were awarded to women-owned businesses.

6.2 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:

- Development of Standard Operating Procedures
- Adequate budget provision for asset maintenance over its economic lifespan
- Ensuring complete recording of asset information
- The accurate recording of asset movements
- Exercising strict physical control over all assets (Security, safekeeping, housekeeping, physical verificatiom)
- 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.

6.3 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
-

6.3.1 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 where projects that are funded from conditional grants such as MIG, RBIG and WSIG
- Analyze feasibility and impact on the operating budget before capital projects are approved

- Re-priotise allocations towards maintenance of existing infrastrucutre

6.3.2 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 to speed up service delivery by improving turnaround time in tender awarding
-

6.3.3 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

6.3.4 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 2022-2023:

- A 5% increase for directors and Councillors salaries was budgeted for
- Salary figures based on warm bodies paid in February 2022, with no vacant positions budgeted for, except for the vacant post of Director Community Services

- A provisional increment based on the Reserve Bank January 2022 CPI Forecast of 4.9% has been considered for the staff increase, as stipulated in the Bargaining Council Wage agreement and MFMA circular 115
- Electricity budgeted for at a 9.61% increase on the 2022/23 allocation level, in line with the increases for bulk electricity approved by NERSA's
- Bulk Water budgeted costs to increase by 13.50 % in line with Amatola Water Board's proposed increase. Over and above the 2022/2023 draft budget, ADM has an obligation to pay an amount of R3 553 783 per month in lieu of old outstanding Amatola Water debt, which will have a huge impact on the cash flow for the year
- 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 4.9 % in 2022/23 financial year and 4.4% and 4.5% for the outer two years. This is based on CPI inflation rate estimated in MFMA Circular 115 published on 4 March 2022.
- The draft tariffs for 2022/23 will be increased by 15%. This is higher than the 3-6% target range of the inflation band, as specified in MFMA Circular No 115, but with the major cost drivers of water provision, bulk water purchases, electricity and salaries going up by 13.5%, 9.6% and 4.9% and 2.5% notch respectively, ADM needs to factor these in, albeit more that the maximum of the inflation band. ADM needs to start bridging the gap between affordable and sustainable tariffs
- National allocations as per the B6-2022 Division of Revenue Bill (DoRB)
- Due to limited revenue sources, ADM can only afford to subsidize R10 000 000 towards the operations of ASPIRE
- ADM has budgeted for service charges on the basis of billing in 2021/22 financial year, with an increase of 15% in tariffs
- ADM needs to adopt a double-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

- Provision for bad debt is 30% lower than the previous year level due to the large proposed write off in 2021/22
- Interest on post retirement costs has now been aligned to mSCOA and assigned to employee costs

6.4 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 2022/23 to 2024/25 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 2022/23 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.

Table 73: budgeted income and expenditure for 2022/23 to 2024/25

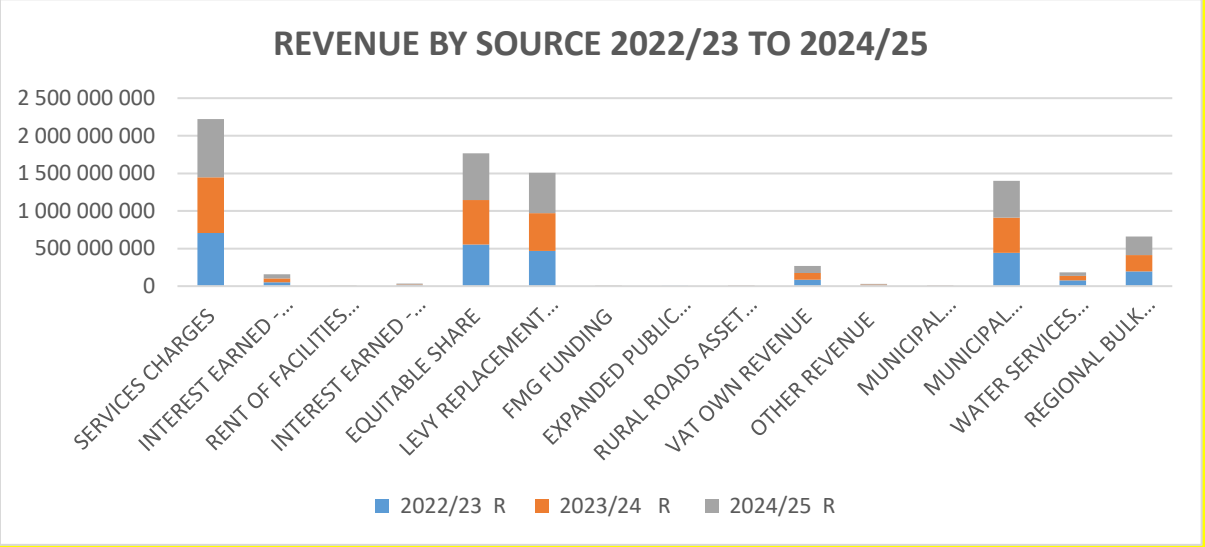
BUDGETED FINANCIAL PERFORMANCE						
REVENUE BY SOURCE 2022/23 TO 2024/25						
DETAILS	**2022/23 R**	**% INCOME**	**2023/24 R**	**% INCOME**	**2024/25 R**	**% INCOME**
SERVICES CHARGES	708 448 044	27.01%	739 619 783	26.94%	772 902 699	26.69%
INTEREST EARNED - OUTSTANDING DEBTORS	50 000 000	1.91%	52 200 001	1.90%	54 549 002	1.88%
RENT OF FACILITIES AND EQUIPMENT	385 327	0.01%	402 282	0.01%	420 385	0.01%
INTEREST EARNED - EXT. INVESTMENTS	11 100 000	0.42%	11 588 400	0.42%	12 109 878	0.42%
EQUITABLE SHARE	555 585 000	21.18%	588 865 000	21.45%	622 889 000	21.51%
LEVY REPLACEMENT GRANT	470 031 000	17.92%	500 943 000	18.25%	534 165 000	18.45%
FMG FUNDING	1 200 000	0.05%	1 250 000	0.05%	2 668 000	0.09%
EXPANDED PUBLIC WORKS PROGRAMME	4 999 000	0.19%	-	0.00%	-	0.00%
RURAL ROADS ASSET MANAGEMENT GRANT	2 733 913	0.10%	2 744 348	0.10%	2 843 478	0.10%

VAT OWN REVENUE	85 613 199	3.26%	88 662 378	0.39%	96 075 472	3.32%
OTHER REVENUE	10 241 488	0.39%	10 651 148	0.15%	11 173 260	0.39%
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	4 895 000	0.19%	4 180 000	0.15%	4 180 000	0.14%
TOTAL OPERATING INCOME	**1 905 231 971**	**72.65%**	**2 001 106 340**	**72.90%**	**2 113 976 174**	**73.01%**
CAPITAL GRANTS AND SUBSIDIES	**717 392 887**	**27.35%**	**743 946 273**	**27.10%**	**781 376 832**	**26.99%**
MUNICIPAL INFRASTRUCTURE GRANT	444 724 170	16.96%	465 803 617	16.97%	488 228 062	16.86%
WATER SERVICES INFRASTRUCTURE GRANT	75 904 347	2.89%	62 576 956	2.28%	43 284 013	1.49%
REGIONAL BULK INFRA GRANT IN KIND	196 764 370	7.50%	215 565 700	7.85%	249 864 757	8.63%
TOTAL INCOME	**2 622 624 858**	**100%**	**2 745 052 613**	**100.00%**	**2 895 353 006**	**100.00%**

EXPENDITURE BY TYPE 2022/23 TO 2024/25

DETAILS	**2022/23** **R**	**% EXPENDITURE**	**2023/24** **R**	**% EXPENDITURE**	**2024/25** **R**	**% EXPENDITURE**
SALARIES & CONTRIBUTIONS	797 819 710	31.09%	788 309 540	30.76%	820 671 065	29.99%
REMUNERATION OF COUNCILLORS	15 128 649	0.59%	15 794 310	0.62%	16 856 651	0.62%
PROVSION FOR BAD DEBTS	305 843 004	11.92%	285 000 000	11.12%	295 000 000	10.78%
ASPIRE CONTRIBUTION	10 000 000	0.39%	10 440 000	0.41%	10 909 800	0.40%
DEPRECIATION	204 444 817	7.97%	239 681 529	9.35%	263 649 682	9.64%
FINANCE CHARGES	97 971	0.004%	107 768	0.00%	118 545	0.00%
OTHER EXPENDITURE	278 534 512	10.85%	240 677 206	9.39%	265 858 475	9.72%
BULK PURCHASES WATER	139 348 494	5.43%	156 070 305	6.09%	174 798 741	6.39%
CONTRACTED SERVICES	79 759 602	3.11%	79 626 581	3.11%	81 589 243	2.98%
INVENTORY CONSUMED	23 876 033	0.93%	26 001 942	1.01%	28 256 200	1.03%
INVENTORY VIP'S	18 952 797	0.74%	13 414 357	0.52%	22 170 081	0.81%
TOTAL OPERATING EXPENDITURE	**1 873 805 589**	**73.02%**	**1 855 123 538**	**72.38%**	**1 979 878 484**	**72.36%**
TOTAL INTERNALLY FUNDED NEW CAPITAL	2 950 000	0.89%	3 100 000	0.00%	3 100 000	0.11%
TOTAL INTERNALLY FUNDED CAPITAL	**22 950 000**	**0.89%**	**3 100 000**	**0.12%**	**3 100 000**	**0.11%**
CAPITAL GRANTS AND SUBSIDIES	**669 278 824**	**26.08%**	**704 716 326**	**27.50%**	**753 278 719**	**27.53%**
MUNICIPAL INFRASTRUCTURE GRANT	398 375 294	15.52%	429 221 496	16.75%	440 712 558	16.11%
REGIONAL BULK INFRA GRANT IN KIND	196 764 370	7.67%	215 565 700	8.41%	864 757	9.13%
WATER SERVICES INFRASTRUCTURE GRANT	74 139 160	2.89%	59 929 130	2.34%	62 701 404	2.29%
TOTAL CAPITAL EXPENDITURE	**692 228 824**	**26.98%**	**707 816 326**	**27.62%**	**756 378 719**	**27.64%**
TOTAL EXPENDITURE	**2 566 034 413**	**100.00%**	**2 562 939 864**	**100.00%**	**2 736 257 203**	**100.00%**
SURPLUS / (DEFICIT)	**56 590 445**	**2%**	**182 112 749**	**7%**	**159 095 803**	**6%**

FIGURE 62: OPERATING INCOME FROM 2022/23 TO THE FORECAST YEAR OF 2024/25 PER SOURCE

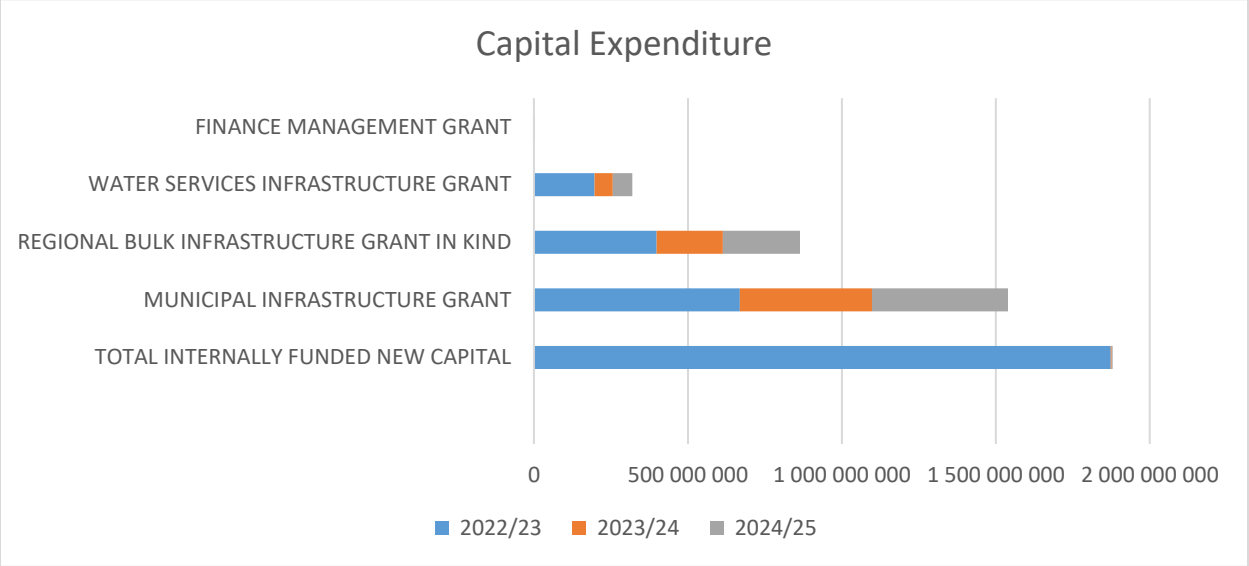


6.4.1 Capital Financing Strategies

Table 74: Capital Source (VAT excl.) from 2022/23 to the forecast year of 2024/25

DETAILS	2022/23	2023/24	2024/25
	R	R	R
TOTAL INTERNALLY FUNDED NEW CAPITAL	1 873 805 589	2 750 000	2 600 000
MUNICIPAL INFRASTRUCTURE GRANT	669 278 824	429 221 496	440 712 558
REGIONAL BULK INFRASTRUCTURE GRANT IN KIND	398 375 294	215 565 700	249 864 757
WATER SERVICES INFRASTRUCTURE GRANT	196 764 370	59 929 130	62 701 404
FINANCE MANAGEMENT GRANT	250 000	350 000	500 000
TOTAL CAPITAL EXPENDITURE	**3 138 224 077**	**707 466 326**	**755 878 719**

FIGURE 63: CAPITAL EXPENDITURE GROWTH FOR THE NEXT 3 YEARS



Internally funded capital expenditure has decreased in the outer two years from 2022/23 financial year, as the existing 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.

6.4.1.1 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 2022/23 financial year and outer two years:

Table 75: Municipal Infrastructure Grant (MIG)

GRANT	2021/22	2022/23	2023/24	2024/25
MIG	454 461 000	669 278 824	429 221 496	440 712 558
% increase/(decrease)		47%	36%	3%

The MIG allocation shows a dramatic increase of 47% from 2021/22 to 2022/23 and then just as dramatic a drop in 2023/24 of 36% with a marginal increase of 3% in the last year of the MTREF. The municipality is wholly dependent on grants to construct infrastructure.

6.4.1.2 Amathole District Municipality Externally Funded Projects 2021/2022

6.4.1.3 Water Services Infrastructure Grant (WSIG)

The Water Services Infrastructure Grant has been gazetted an amount of R196 764 370 for the 2022/23 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. The grant is increasing by 6% in the 2022/23 financial year, followed by a 6% decrease in both the first and second outer years.

Table 76: Water Services Infrastructure Grant (WSIG)

GRANT	2021/22	2022/23	2023/24	2024/25
WSIG	75 000 000	196 764 370	59 929 130	62 701 404
% increase/(decrease)	-	162%	(70%)	5%

6.4.1.4 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 two municipalities for large bulk projects in Mbhashe and Mnquma. 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 77: Rural Bulk Infrastructure Grant (RBIG)

GRANT	2021/22	2022/23	2023/24	2024/25
RBIG	155 715 000	398 375 294	215 565 700	249 864 757
% increase/(decrease)		156%	(0.46)	16%

6.5 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. It also governs the rules regarding what constitutes a budget move which can be approved at Head of Department Level and what constitutes a budget virement, which needs Council approval.

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.

6.6 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.

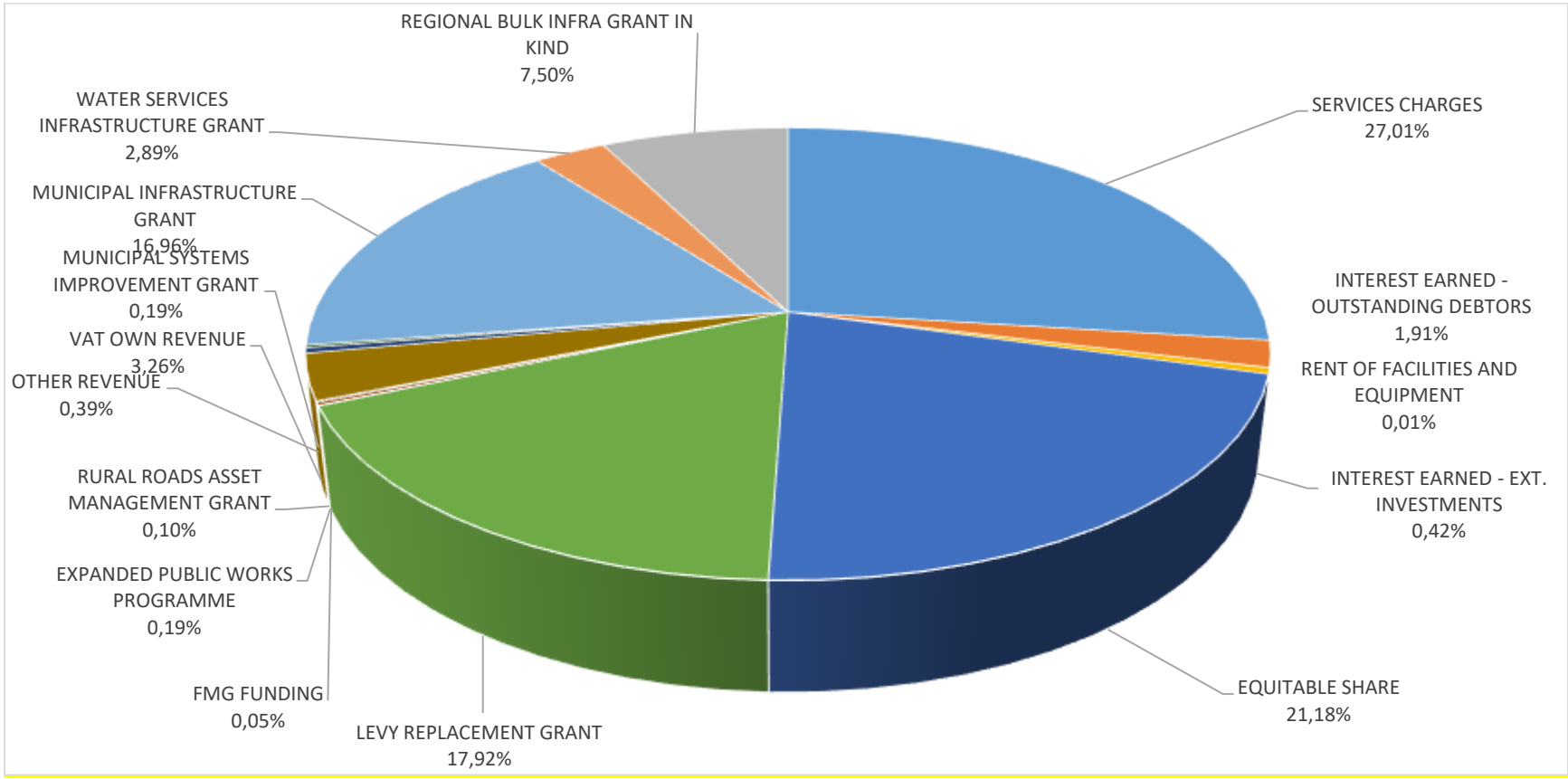
Despite the challenges, ADM remains committed to improving the quality of life of all its citizens in the district. In accordance with Section 18 of the MFMA, municipalities are to table a funded and credible budget, based on realistic estimates of revenue that are consistent with their budgetary resources 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 2022/23 operating budget:

FIGURE 64:BUDGETED FINANCIAL PERFORMANCE 2022/23 - REVENUE BY SOURCE



The total operating revenue, excluding capital transfers, forecasted for the 2022/23 financial year reflects an increase of 10% amounting to R228 million. The service charge increase being attributable to the anticipated 15% % increase in tariffs. As depicted in the pie chart above, the ADM's primary revenue source is grant income at 70%. The secondary revenue source is service charges at 27%. Interest earnings of R112 million was budgeted for the 2022/23 budget, which contributes to less than 1% of the total revenue.

Investments held 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, bad debts 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 an 11% 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 considers 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, 2022 (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. Below is a table depicting the municipality's Equitable Share allocation in terms of DoRA for the 2022/23 financial year and outer two years.

Table 78: Municipality's Equitable Share allocation in terms of DoRA for the 2022/23 financial year and outer years

GRANT	2022/23	2023/24	2024/25
Equitable Share	555 585 000	588 865 000	622 889 000
% increase/(decrease)	-	6%	6%

From the above table it is evident that the increase in the equitable share for the 2022/23 financial year is above the forecast inflation rate. The direct costs to provide services to the community however increase at rates above 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 R555 585 000 for Equitable Share (ES) has been gazetted for the 2022/23 financial year. Equitable share increases by 6% in the outer years.

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 2022/2023 financial year and outer years reflects an 7% growth rate as detailed below:

Table 79: RSC Levy Replacement Grant for the 2022/2023 financial year and outer years

GRANT	2022/23	2023/24	2024/25
Levy Replacement Grant	470 031 000	500 943 000	534 165 000
% increase	-	7%	7%

It is evident that the increase in the Levy replacement grant is above inflation for all three years. A total amount of R470 031 000 being for the Levy Replacement Grant (LR) has been gazetted for the 2022/23 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 24% 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 44 245 debtors were registered for indigent status up to February 2022. 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. Set-off arrangements with local municipalities have also been implemented. Both initiatives will 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;
- Estate lates and RDP houses have been identified and written off as bad debt to assist in reducing the debt;
- Implementing the Rural yard connection policy which is aimed at legalising the illegal connections.
- Combined indigent registration campaigns with the LM’s
- Issuing electronic statements to consumers
- 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
- Installation of prepaid water meters.

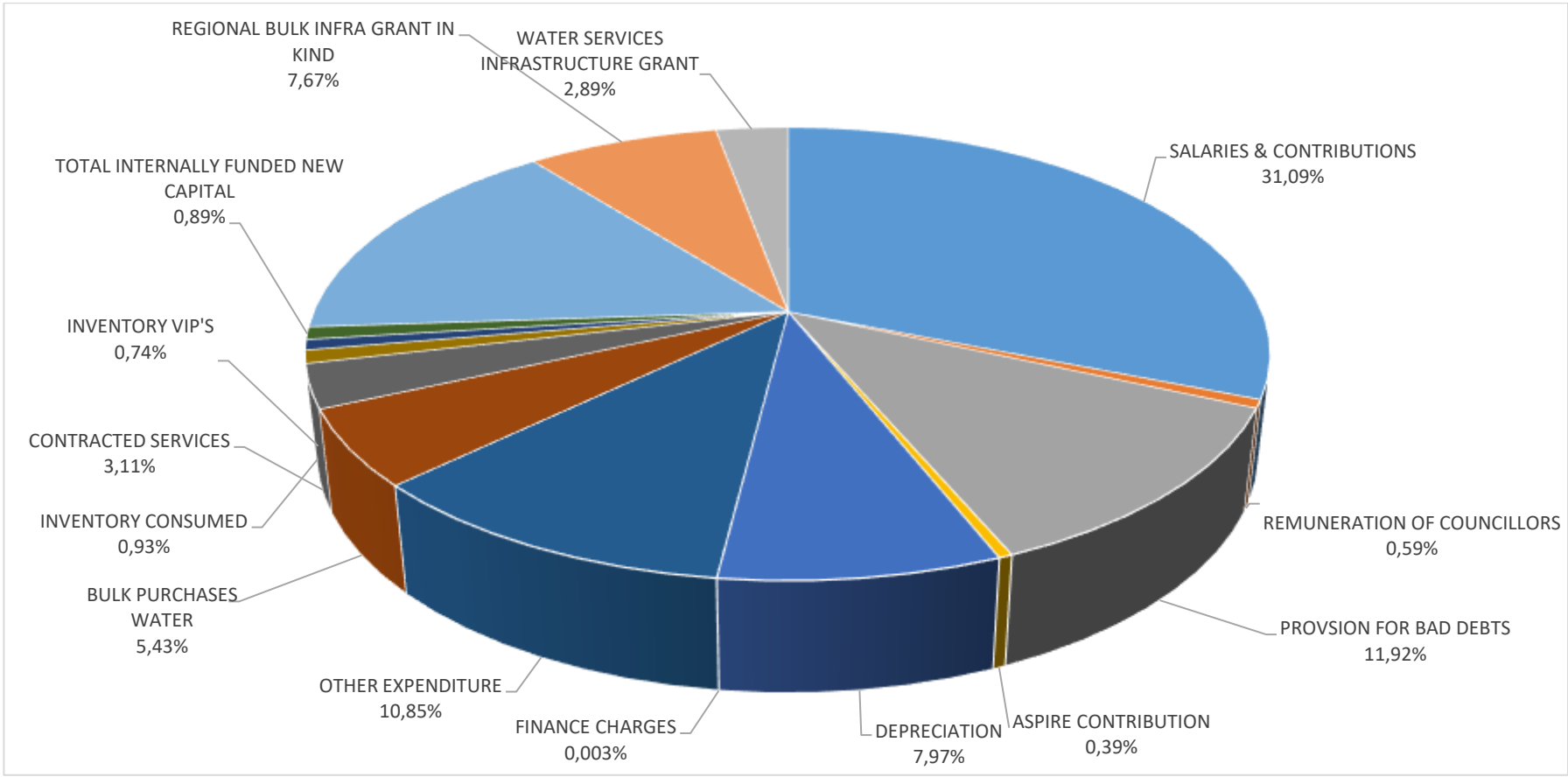
The existing fees, tariffs and charges are reviewed annually in order to ensure that the revenue attributable to fees and charges are maximized and that the bases for determining fees and charges are cost reflective and/or market related. The balance between affordability and sustainability remains a challenge and the current tariffs levied are not indicative of cost-recovery. The tariffs have been increased by a flat rate of 15% for the 2022/23 financial year due to the anticipated 13.5% increase in water costs, the 9.6% increase in electricity costs and the 7.4% increase in salaries.

6.7 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 65:BUDGETED FINANCIAL PERFORMANCE 2022/23 - EXPENDITURE BY TYPE



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 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 overhead costs in providing services. ADM has strategies that it intends implementing to address the situation. ADM has to ensure that costs are reduced and revenue is increased to achieve a balanced and funded 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

6.7.1 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. The total Salaries budget, including social contributions and remuneration of Councillors, constitutes an amount of R812 948 359 being 31.68% of the overall annual draft budget for 2022/23. 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.

6.7.2 Bulk water purchases

These purchases are anticipated to increase by 13.5% from the Amathole Water Board for 2022/23. The average annual tariff increases by Amathole Water have been around 9% while the municipality on average has only been 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 R139 348 494.

6.7.3 Repairs and Maintenance

Repairs and Maintenance includes repairs to the following classes of ADM property plant and equipment: - Buildings, Equipment, Vehicles and Water and Waste-water Treatment Plants. An escalation of 10% has been applied on actual costs for repairs and maintenance incurred for the 2022/2023 financial year. The draft budget amount for the 2022/23 financial year is R11 702 203 reflecting a 43.05% decrease from 2021/22 budgeted figure of R20 549 642. Repairs and Maintenance constitute 0.52% of the total operating budget and 0.27% of the asset carrying value. 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.

6.8 FINANCIAL MANAGEMENT

6.8.1 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

6.8.2 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. ADM continues implementing and monitoring the Sec 139(5)(a) mandatory financial recovery plan (MFRP). The MFRP has the following four key focus areas:

- Governance
- Institutional
- Financial management
- Service delivery

Table 80: Ratio: 2016/17-2021/22

Ratio	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Liquidity ratio (current ratio)	0.7: 1	0.9: 1	0.8: 1	0.6: 1	0.4: 1	0.75: 1

6.8.3 Debtors Collection Rate

A ratio of 24% 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 81: Debtors Collection Rate 2016/17-2021/22

Debtors Collection Rate	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Current billing vs current receipts	50%	50%	53%	24%	22%	24%
Total debt vs total receipts	20%	18%	43%	6%	65%	31%

6.8.4 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 82: Creditors Payment % within 30 days 2016/17-2021/22

Creditors Payment % within 30 days	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**
	81%	61%	70%	89%	31%	56%

6.8.5 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 83: Cash Flow Position 2018/19-2021/22

CASH FLOW	2018/19 R	2018/19 R	2019/20 R	2020/21 R	2022/22 R
Net cash inflow / (outflow) from operating activities	(28 734 520)	340 843 195	238 354 250	126 491 177	348 264 853
Net cash inflow / (outflow) from investing activities	(5 323 791)	(330 789 626)	(240 291 183)	(229 713 553)	263 704
Net cash inflows / (outflow) from financing activities	13 220	(144 261)	450 491	295 495	(159 156)
Net (Decrease) /Increase in cash flows	(34 045 091)	9 909 308	(1 486 442)	(103 517 871)	348 369 401

Operating activities reflects 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 ADM reflects a net increase in cash, which is a direct result of grant receipts

6.9 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 SEVEN:
PERFORMANCE MANAGEMENT

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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 has during the 2018/19 financial year undergone a major review. The intended objective for the major review was to develop outcome-based indicators and to make a distinction from the output indicators.

ADM was pro Active as the approach is in line with the Circular 88 that was issued by National Treasurer in December 2020. In 2020.21 the Municipalities are expected to report on the Circular 88 Indicators as a pilot phase prior full implementation.

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 i.e. end of Q2 and a at the end of Q4. Additional to the legislated review and reporting periods that Institution is conducting reviews for Q1 and 3. The quarterly report are prepared and submitted to Internal Audit for auditing, prior it being sent to the Executive Mayor and the Audit Committee for consideration. Further the reports are prepared and submitted to the Audit Committee, Council and published for Public Comments.

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 during the midterm adjustment.

On a quarterly 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 are 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

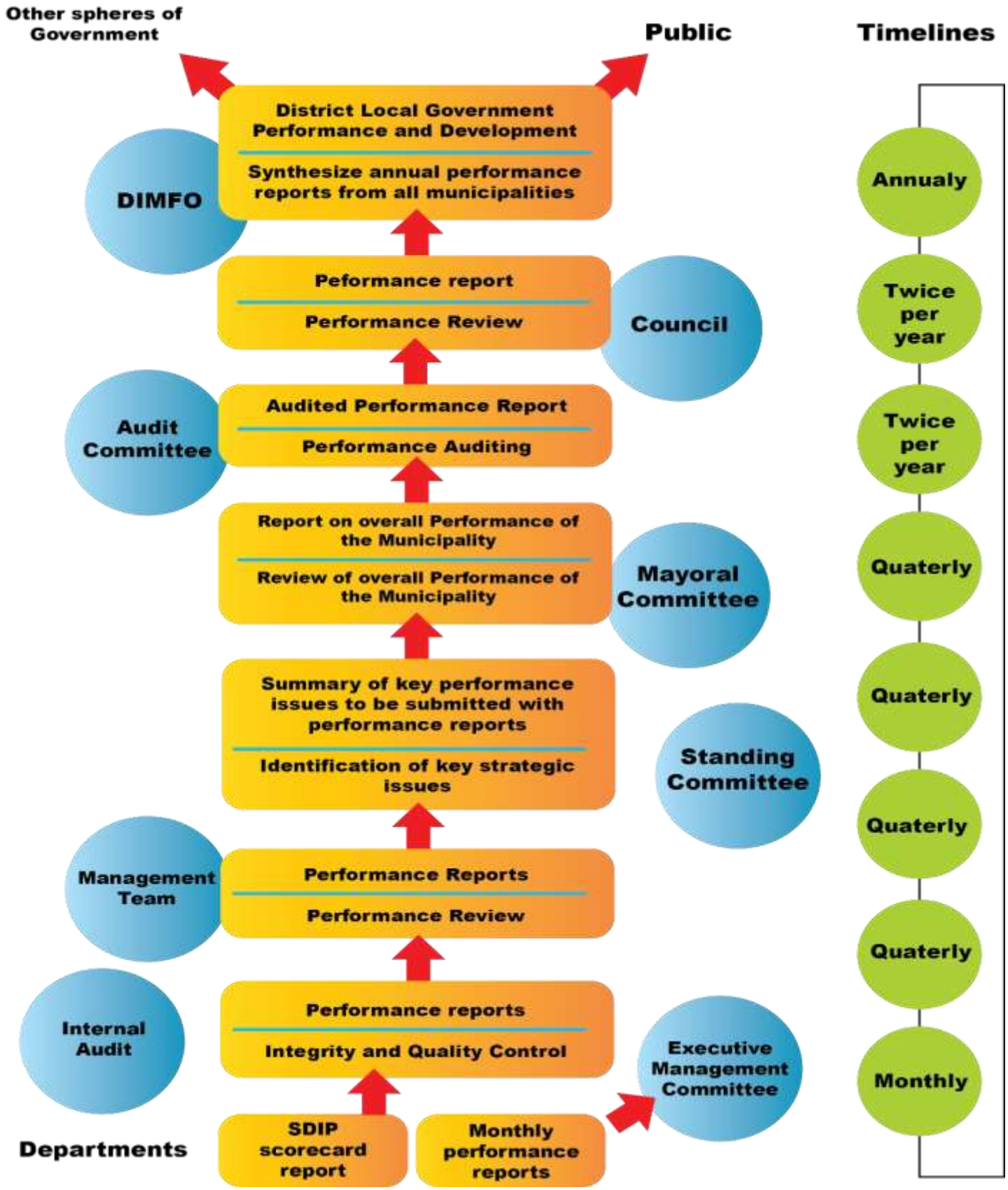
At least twice annually, the council will be required to review municipal performance based on the performance report submitted by the Executive Mayor. The council will use the report submitted by the Executive Mayor from the Audit Committee. The first review will be in January in preparation for the 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
Management Team
Performance Reports
Performance Review
Quaterly
Internal Audit
Performance reports
Integrity and Quality Control
Executive Management Committee
Quaterly
Departments
SDIP scorecard report
Monthly performance reports
Monthly

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 EVALUATION AND IMPROVEMENT OF PERFORMANCE MANAGEMENT SYSTEM

7.2.1 Organisational Performance Management

Table 84: Amathole District Municipality Annual Organisational Performance- 4 years

ANNUAL ORGANISATIONAL PERFORMANCE COMPARISON OF ADM OVER 4 YEARS				
	2016/2017	2017/2018	2019/2020	2020/2021
Annual Overall Performance	81%	74%	68%	71%

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.

Compared to year-on-year performance, as per the table above there has been a significant improvement in the Organisational Performance being from 113 targets in the last financial year to 119 in the current year.

There has been an improvement in all the KPAs compared to the 2019.20 financial year. This can be attributed to the fact that the Municipality has adopted new ways of providing a service and consultation with stake holders during the Covid 19 lockdowns and adjustment levels.
The second half of 2019/20 is when the Country was experiencing the first wave and there were no proper plans during this time. At the start of the 2020/21 the Municipality had an opportunity to plan differently hence there is improvement in the performance.

The highest performance in all the KPAs is 2019 was 67% and the lowest performing KPA in 2020/21 is 75 % with Local Economic Development KPA archived at 100%.

In KPAs where the has been challenges is under financial viability which is constrained by the financial position of the Municipality and low revenue base. This can be seen by the growing indigent register of the Municipal Customers.

7.3 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 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.

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