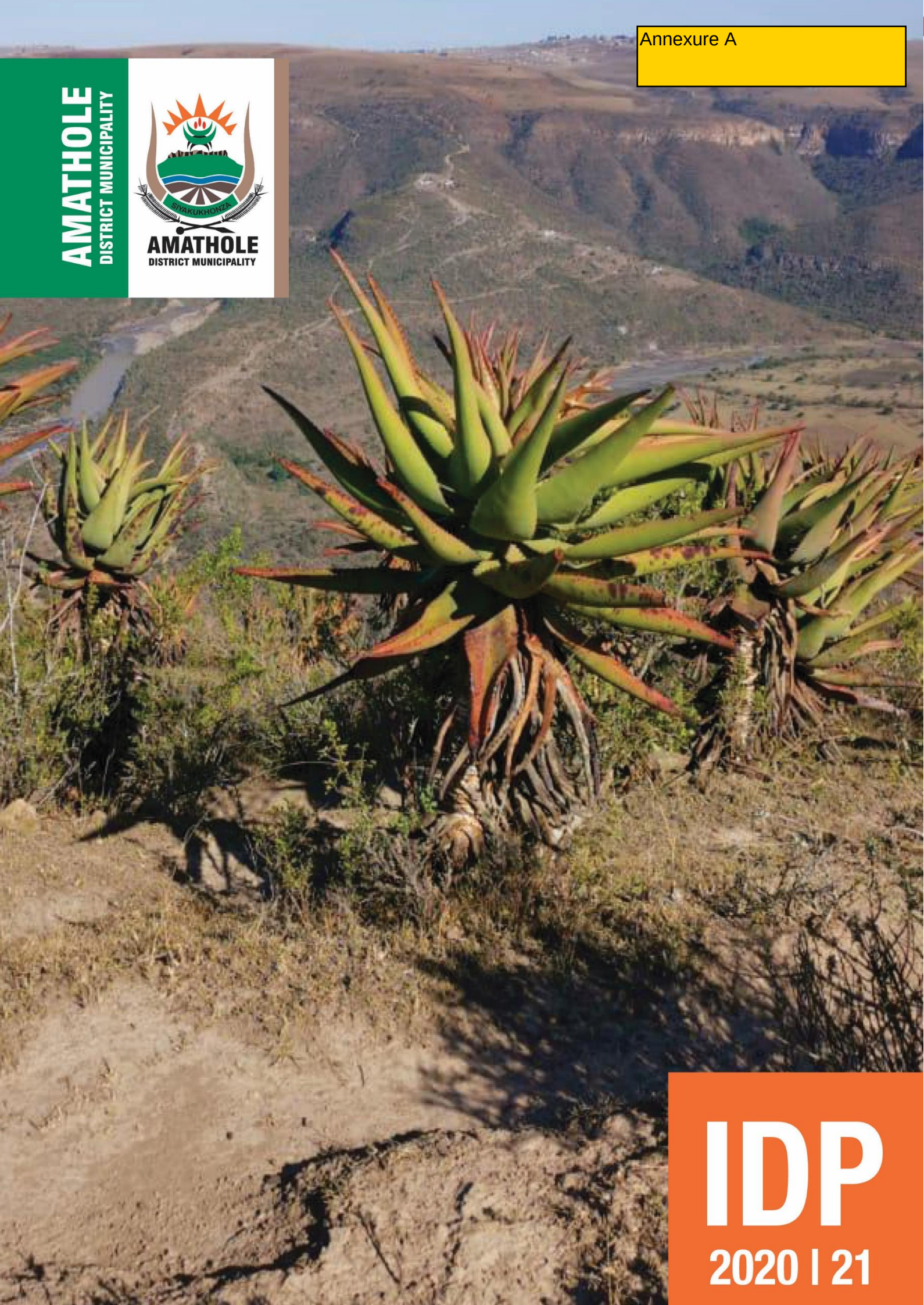


AMATHOLE
DISTRICT MUNICIPALITY



IDP
2020 | 21



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.

OUR LOCAL MUNICIPALITIES

MBHASHE LOCAL MUNICIPALITY



AM AHLATHI LOCAL MUNICIPALITY



MNQUMA LOCAL MUNICIPALITY



NGQUSHWA LOCAL MUNICIPALITY



GREAT KEI LOCAL MUNICIPALITY



RAYMOND MHLABA LOCAL MUNICIPALITY



FOREWORD BY THE EXECUTIVE MAYOR



It is a fact that our democratically elected government has gone quite far in addressing the imbalances of the past. We can never forget our leaders who fiercely fought for the freedom we are enjoying today. Amongst the many that we hold in high esteem is Nelson Mandela and Albertina Sisulu, the two great giants

of our struggle.

Following the tradition of the ideals of these stalwarts and other iconic leaders of our movement, we thank President Ramaphosa for his inspiring leadership in encouraging South African's to cast their vote in the 6th National and Provincial Elections. During the official announcement of the Election Results, President Ramaphosa alluded to the fact that the people of South Africa are custodians of freedom and democracy. In the same breath, just as the Chairperson of the Electoral Commission thanked the South African for voting, we thank our communities for making that possible by coming from afar, crossing swollen rivers and climbing mountains, braving the weather elements to cast their ballots in support of their democratic exercise. "Nangamso".

Had the great stalwarts lived till today, they both would have smiled looking at the unity of the movement and how our people still have confidence in this great movement by renewing their mandate for the 6th Term of our democratic government. To honour them and the role they played in the liberation of the people of South Africa from the yoke of apartheid oppression, Amathole District Municipality's 2019/20 IDP and Budget are reflective of the renewal that has been promised to our people on which we must deliver without fail. Paying tribute to the heroes of our struggle, President Ramaphosa, during his State of the Nation Address said:

"We honour this son and this daughter of the African soil in a year of change, in a year of renewal, in a year of hope. We honour them not only in word but, more importantly, in direct action towards the achievement of their shared vision of a better society."



Indeed, Amathole District Municipality is on a trajectory to be a Smart District that will satisfy the needs of its inhabitants. The scourges of unemployment, inequality and poverty in our communities will be fought with all the might at our disposal as we move towards the realization of an Amathole Smart District towards 2058: ***Building a Smart District*** and our Municipal Turnaround Strategy: ***“Bringing Amathole District Municipality Back To Its Former Glory”*** ideal.

The Institutional Strategic Planning Session held in February 2019 provided Amathole District Municipality with an opportunity to focus on accelerating service delivery to our communities. Indeed, we cannot do it alone, thus the need to maintain strategic partnerships that we have forged with National and Provincial COGTA, National and Provincial Treasury, Municipal Infrastructure Support Agency (MISA) and GIZ GSPII. We are also making strides in establishment of new ones.

As we approach the local government elections in 2021, we conducted a Mid-Term assessment during our Institutional Strategic Planning session and indeed, in order to ensure institutional stability is maintained at all costs, we need to continue with the political and administrative trajectory.

Through the Public Participation platforms such as the 2019 IDP/Budget/PM Roadshows, we had an opportunity to engage with our communities and account on the mandate we have been given and align to the needs of our people. We pledge ourselves to continue to work with our people to leave no stone unturned in fulfilling our objectives by accelerating and doubling our efforts to bring about a better life for all our people. It is through this strategic document, that we will co-ordinate that work, taking into account the existing conditions and resources available for development.

Due to the rural nature of the District, our Outcome-Based Approach in development indicators is biased towards ensuring that our planning strategically seeks to address the socio-economic challenges facing our communities, at the same time being mindful of our core mandate. We also reaffirmed the role of our Development Agency, ASPIRE, as we



are ***Building a Smart District*** towards 2058 that they will be implementing the eleven (11) catalytic projects which will present new opportunities for the people of Amathole.

Amathole District Municipality will continue to work in collaboration with government departments and other entities to provide desired services to the communities of Amathole District Municipality. It is through the projects reflected in the Amathole District Municipality 2019/20 IDP and Budget, that we seek to leave a lasting legacy to the communities of Amathole, which will set the tone for a caring, people-centred, people-driven and developmental local government for generations to come. This will ensure that we spend all our grant funding intended for service delivery in our Budget as money well spent. We dare not fail our people as we consolidate our gains as we build up to our next local government elections in 2021, less than 18 months from now. It is our commitment that we will do our Oversight responsibility to monitor and evaluate all our projects and assess the social and economic impact our current and future projects that are entailed in our Amathole District Municipality IDP 2019/20.

In the review of Amathole District Municipality IDP 2019/20, I would like to thank all the stakeholders who provided inputs and expertise in the Institutional Strategic Planning session and various platforms. In addition, I would like to thank Troika, Executive Mayoral Committee and ADM Council for their oversight and guidance as we move towards ***“Bringing Amathole District Municipality Back to Its Former Glory”***. Finally, I would like to express my gratitude to the Municipal Manager and his Executive Management team together with Amathole District Municipality family for jealously guarding the developmental local government mandate and accelerated service delivery bestowed on the institution.

CLLR NW NXAWE
EXECUTIVE MAYOR

EXECUTIVE SUMMARY BY MUNICIPAL MANAGER



The review of the Integrated Development Plan (IDP) for 2019/20 provided an opportunity to reflect, review and refocus on the mandate given to the Amathole District Municipality (ADM) towards developmental local government.

In February 2019, Amathole District Municipality conducted its Institutional Strategic Planning session with its six local municipalities and its strategic stakeholders to confirm the long, medium and short-term vision, mission and objectives. In addition, we have reviewed our limited budget to ensure that proper allocation of resources against the objectives is in line with our core mandate. Moreover, in pursuit of ***Bringing Amathole District Municipality Back to Its Former Glory***, we strive to contribute to the overall improvement of Brand Amathole District Municipality. The Institutional Strategic Planning Session also reflected on the Long Term Vision of ***Amathole Smart District towards 2058: Building a Smart District***, where we have confirmed the desired Visions we want to achieve, being:

Vision 1: 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

Vision 2: Smart District Will Be The Most **Sustainable District** In South Africa And A Regional Leader In The Fight Against Climate Change

Vision 3: **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



Vision 4: 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 bringing life to these Visions stated above, through our Development Agency, ASPIRE, in 2019/20 Amathole District Municipality will be developing business plans and mobilising resources for the Eleven (11) Catalytic projects.

This is part of strides of being an Amathole Smart District towards 2058 informed by the opportunities presented by the Fourth Industrial Revolution (4IR) of **Smart Solutions** in providing service delivery in an efficient, economical and effective manner to the communities of Amathole District Municipality. The projects are:

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

Even though 2058 seems far away from now, Amathole District Municipality strives through it is Municipal Turnaround Strategy (MTAS) 2018-2023 focused on building a culture of excellence and a value based organisation. Moreover, MTAS concentration is on repositioning Amathole District Municipality's ability to meet the desired **Vision 2058: Building a Smart District** through Brand Repositioning, Organisational Development and Design, Financial Sustainability and Building Public Confidence. The essence of success in building a Smart District towards 2058 is forging strategic partnership to enhance the capabilities and efforts by Amathole District Municipality in the implementation of its mandate.



In 2018/19, extensive work was undertaken with our strategic partners, namely National and Provincial COGTA, National and Provincial Treasury, Municipal Infrastructure Support Agency (MISA) and GIZ Governance Support Program (GSPII) of the following milestones:

- The development of Amathole Smart District Towards 2058: Building a Smart District.
- The development of the Municipal Turnaround Strategy 2018-2023.
- The review of the Organisational Structure in line with Vision 2058, IDP and MTAS.
- Building Outcomes Based Approach in ADM.
- The reconfiguration of Intergovernmental Relations (IGR) Forum.

The Institutional Strategic Session further resolved that in 2020/21 the focus areas should be on:

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

Amathole District Municipality 2020/21 IDP has provided an overview of integrated planning that is aligned to Amathole Smart District towards 2058, Municipal Turnaround Strategy and its Local Municipalities. It has also captured the views of Amathole District Municipality communities, through a public participation process undertaken in the 2019 IDP/Budget/PM Roadshows. Therefore, Amathole District Municipality 2020/21 IDP/Budget has been refocused 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.



I would like to thank all key stakeholders especially sector departments, private sector, state-owned entities and local municipalities as well as organised labour for their contribution during our Institutional Strategic Plan toward the review of Amathole District Municipality 2020/21 IDP. Special gratitude to the Political Leadership, namely the Executive Mayor, Troika, Members of the Mayoral Committee and Councillors for their guidance and oversight in the process of developing the long, medium and short-term strategy. Lastly but not least, I want to make special thanks to the entire Executive Management for their commitment and undivided attention to “***Bringing Amathole District Municipality Back To Its Former Glory***”.

DR. T.T. MNYIMBA
MUNICIPAL MANAGER



TABLE OF CONTENTS

1. INTRODUCTION.....	32
2. THE IDP DEVELOPMENT AND REVIEW PROCESS.....	32
3. PUBLIC PARTICIPATION AND COMMUNITY INVOLVEMENT.....	35
4. RELEVANT DOCUMENTS FOR THE IDP DEVELOPMENT.....	37
5. ALIGNMENT WITH NATIONAL AND PROVINCIAL PROGRAMS	38
6. POWERS AND FUNCTIONS.....	38
7. AMATHOLE DISTRICT MUNICIPALITY 2016 COMMUNITY PERCEPTION SURVEY.....	39
8. SUMMARY RESULTS AND RECOMMENDATIONS.....	41
9. BACK TO BASICS (B2B).....	41
10. IDP ASSESSMENTS AS ASSESSED BY EC-COGTA.....	42
1.1 LOCAL GOVERNMENT STRATEGIC PLANNING AND MUNICIPAL ACCOUNTABILITY FRAMEWORK.....	44
1.2 AMATHOLE DISTRICT MUNICIPALITY VISION, MISSION AND VALUES... 	45
1.3 AMATHOLE DISTRICT MUNICIPALITY SMART DISTRICT TOWARDS 205846	46
1.4 MUNICIPAL TURNAROUND STRATEGY	48
1.4.1 LEADERSHIP DEVELOPMENT	49
1.4.2 INSTITUTIONAL DEVELOPMENT	49
1.4.3 QUALITY SERVICE DELIVERY	49
1.4.4 SOUND FINANCIAL MANAGEMENT	49
1.4.5 GOOD GOVERNANCE	50
1.4.6 LOCAL ECONOMIC DEVELOPMENT	50
1.4.7 HUMAN CAPITAL DEVELOPMENT.....	50
1.4.8 SPATIAL PLANNING.....	50
2.1 MUNICIPAL GEOGRAPHICAL INFORMATION.....	54
2.2 DEMOGRAPHICS	55

2.2.1	TOTAL POPULATION	55
2.2.2.1	Population Projections.....	58
2.2.2.2	Population by Population Group, Gender and Age	60
2.2.3	HIV+ AND AIDS ESTIMATES.....	61
2.2.4	ECONOMY	62
2.2.4.1	Gross Domestic Product by Region (GDP-R).....	62
2.2.4.2	Economic Growth Forecast	65
2.2.5	LABOUR	66
2.2.5.1	Economically Active Population (EAP).....	67
2.2.5.2	Labour Force Participation Rate	68
2.2.5.3	Total Employment.....	69
2.2.5.4	Formal and Informal Employment.....	71
2.2.5.5	Unemployment.....	72
2.2.6	INCOME AND EXPENDITURE	74
2.2.6.1	Number of Households by Income Category	74
2.2.6.2	Annual Total Personal Income	75
2.2.7	DEVELOPMENT	77
2.2.7.1	Poverty	77
2.2.7.2	Education	78
2.2.8	POPULATION DENSITY.....	79
2.2.9	CRIME	81
2.2.9.1	IHS Composite Crime Index.....	81
2.2.9.2	Overall Crime Index	81
2.2.10	HOUSEHOLD INFRASTRUCTURE.....	82
2.2.10.1	Household by Dwelling Type.....	83
2.2.10.2	Household by Type of Sanitation	84
2.2.10.3	Households by Access to Water	86
2.2.10.4	Households by Type of Electricity	88

2.2.10.5	Households by Refuse Disposal	89
2.2.11	TOURISM	91
2.2.11.1	Trips by Purpose of Trips	91
2.2.12	LOCAL MUNICIPAL SOCIO-ECONOMIC PROFILES	93
2.2.12.1	Mbhashe Local Municipality	93
2.2.12.2	Mnquma Local Municipality	93
2.2.12.3	Great Kei Local Municipality	94
2.2.12.4	Amahlathi Local Municipality	94
2.2.12.5	Ngqushwa Local Municipality	94
2.2.12.6	Raymond Mhlaba Local Municipality	95
2.3	SWOT ANALYSIS (STRENGTHS, WEAKNESS, OPPORTUNITIES, THREATS)	95
3.1	KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	111
3.1.1	LABOUR OVERVIEW	111
3.1.1	Unemployment	112
3.1.2	Employment	113
3.1.3	ORGANIZATIONAL AND ESTABLISHMENT PLAN	114
3.1.3.1	Organisational Development and Establishment Plan	115
3.1.3.2	Amathole District Municipality Positions per Directorate [%]	115
3.1.3.3	Employment Equity Plan	116
3.1.3.4	Talent Retention Strategy	116
3.1.3.5	2020/21 Key Issues	117
3.1.4	INTERGRATED EMPLOYEE WELLNESS, OCCUPATIONAL HEALTH & SAFETY (EW & OHS)	117
3.1.4.1	EW & OHS Function	117
3.1.4.2	2020/21 Key Issues	118
3.1.5	INTEGRATED SUPPORT SERVICES DIVISION	119

3.1.6	PERSONNEL ADMINISTRATION	119
3.1.6.1	2020/21 Key Issues	119
3.1.7	SECURITY SERVICES 2019/2020.....	120
3.1.7.1	Challenges	121
3.1.8	INFORMATION AND COMMUNICATION TECHNOLOGY	121
3.1.8.1	mSCOA Compliance and Disaster Recovery	122
3.1.8.1.1	Challenges.....	122
3.1.8.2	IT Governance.....	122
3.1.8.3	GIS	122
3.1.9	PERFORMANCE MANAGEMENT SYSTEM.....	124
3.1.9.1	Organisational Performance Management.....	124
3.1.9.2	Individual Performance Management	124
3.2	KPA 2: SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT	125
3.2.1	INFRASTRUCTRE DEVELOPMENT	125
3.2.1.1	Water and Sanitation.....	125
3.2.1.1.1	Status of Backlog.....	125
3.2.1.2	Water and sanitation infrastructure	126
3.2.1.3	Status of Amathole District Municipality WasteWater Treatment Works 127	
3.2.1.4	Key Challenges Relating to Water and Sanitation Infrastructure....	129
3.2.1.4.1	Insufficient Water sources	129
3.2.2	DROUGHT	130
3.2.3	TRANSPORT	131
3.2.4	SOLID WASTE.....	134
3.2.4.1	South African Waste Information System (SAWIS):	136
3.2.5	ELECTRIFICATION	137
3.2.6	SPATIAL DEVELOPMENT	137
3.2.6.1	Spatial Development Framework	137

3.2.6.2	Land and Human Settlements	141
3.2.6.2.1	Land Reform.....	141
3.2.6.2.1.1	Progressed in the LRSP	141
3.2.6.2.1.2	Key Issues.....	142
3.2.6.2.2	Human Settlements	142
3.2.6.2.2.1	Key Issues.....	143
3.2.7	SUMMARY OF BACKLOGS.....	144
3.2.8	MUNICIPAL HEALTH SERVICES	144
3.2.8.1	Water Quality Monitoring	145
3.2.8.2	WasteWater Monitoring.....	145
3.2.8.3	Food Control.....	145
3.2.8.4	Health Surveillance of Premises	146
3.2.8.4.1	Childhood Development Centres	146
3.2.8.4.2	Prisons/ Holding Cells.....	146
3.2.8.4.3	Health establishments.....	146
3.2.8.4.4	Beauty Salons	147
3.2.8.5	Surveillance and Prevention of communicable Diseases	147
3.2.8.6	Vector Control.....	147
3.2.8.7	Disposal of The Dead	148
3.2.9	COMMUNITY SAFETY	148
3.2.9.1	Eastern Cape 2018-2019 Crime Statistics.....	149
3.2.9.2	Community Interactions – Community Perceptions.....	149
3.2.10	BY-LAW ENFORCEMENT.....	149
3.2.11	FIRE SERVICES	150
3.2.11.1	Fire Safety Compliance inspections	150
3.2.11.2	Challenges	150
3.2.11.3	Calls Attended by Fire Services During July 2018-June 2019.	151
3.2.12	DISASTER MANAGEMENT.....	151

3.2.12.1	Municipal Disaster Management Centre	151
3.2.12.2	Prevention and Mitigation of disasters	152
3.2.12.3	Disaster Risk Management Advisory Fora	152
3.2.12.4	Disaster Response and Recovery	152
3.3	KPA 3: LOCAL ECONOMIC DEVELOPMENT	154
3.3.1	ECONOMIC GROWTH AND DEVELOPMENT STRATEGY WITH FIVE SECTOR PLANS	154
3.3.2	AMATHOLE DISTRICT DEVELOPMENT AGENCY (ASPIRE).....	157
3.3.3	ECONOMIC OVERVIEW.....	158
3.3.3.1	Gross Domestic Product.....	158
3.3.3.2	Sector and District GVA Contribution.....	159
3.3.3.3	Tourism Industry Overview	163
3.3.4	REGIONAL ECONOMIC DEVELOPMENT	164
3.3.4.1	Challenges	164
3.3.4.2	Tourism Sector	165
3.3.4.3	Film Industry Development.....	165
3.3.4.4	Enterprise Development	167
3.3.4.1	Small, Medium and Micro Enterprise Development.....	167
3.3.4.2	Co-Operatives Development.....	167
3.3.4.3	Challenges faced by Co-operatives	168
3.3.4.4	Informal Trade Development	168
3.3.5	ENVIRONMENTAL MANAGEMENT	169
3.3.5.1	Environmental Objective.....	169
3.3.5.2	Natural state of the ADM local municipalities	169
3.3.5.3	Biodiversity	169
3.3.5.4	Freshwater Ecosystems.....	170
3.3.5.5	Marine and Coastal.....	170
3.3.5.6	Climate and Climate Change	171

3.3.5.7	Air Quality	171
3.3.5.8	Environmental Governance	171
3.3.6	HERITAGE RESOURCES MANAGEMENT	172
3.3.7	EXTENDED PUBLIC WORKS PROGRAM (EPWP).....	172
3.3.8	RURAL DEVELOPMENT	173
3.3.9	CONCLUSION.....	173
3.4	KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	175
3.4.4	ESTABLISHMENT	175
3.4.5	BUDGETING	175
3.4.5.1	Systems and Processes.....	175
3.4.5.2	Challenges	176
3.4.6	EXPENDITURE	177
3.4.6.1	Systems and Processes.....	177
3.4.6.2	Challenges	178
3.4.7	REVENUE	179
3.4.7.1	Systems and Procedures	179
3.4.7.2	Challenges	181
3.4.8	ACCOUNTING AND REPORTING	182
3.4.8.1	Systems and Processes.....	182
3.4.8.2	Challenges	182
3.4.9	FINANCIAL AUDIT OUTCOME	185
3.4.10	SUPPLY CHAIN MANAGEMENT	186
3.4.10.1	Systems and Processes.....	186
3.4.10.2	Challenges	187
3.4.11	ASSET MANAGEMENT.....	188
3.4.11.1	Systems and Processes.....	188
3.4.11.2	Challenges	188
3.4.12	CONCLUSION.....	189

3.5	KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	190
3.5.1	INTEGRATED DEVELOPMENT PLANNING.....	190
3.5.1.1	Capacity Building Initiatives	190
3.5.2	COMMUNICATIONS & CUSTOMER CARE	190
3.5.2.1	Operational Framework.....	191
3.5.2.2	Environmental Scan – General	192
3.5.2.3	External Environment.....	192
3.5.2.4	Customer Care	193
3.5.3	INTERNAL AUDITING	193
3.5.4	INTERGOVERNMENTAL RELATIONS / INTERNATIONAL RELATIONS	194
3.5.4.1	Structural Arrangement	194
3.5.4.2	Areas of Relations	196
3.5.4.3	Partnerships, MoUs and Bilaterals.....	196
3.5.5	LEGAL AND INTEGRITY SERVICES.....	197
3.5.5.1	Risk factors	197
3.5.6	MUNICIPAL SUPPORT	200
3.5.7	POLICY AND RESEARCH	201
3.5.8	RISK MANAGEMENT	202
3.5.8.1	Legal/Statutory Framework	202
3.5.8.2	Operational Framework.....	202
3.5.8.3	Committees/Fora	203
3.5.8.4	Key Challenges	203
3.5.9	LEGISLATIVE SUPPORT	203
3.5.9.1	Moral Regeneration Movement.....	203
3.5.9.2	Oversight.....	203
3.5.9.3	Whippery	204
3.5.9.4	Women Caucus	204
3.5.10	EXECUTIVE SUPPORT	204

3.5.11	SPECIAL PROGRAMS	205
3.5.12	SPORT DEVELOPMENT	205
3.5.13	PUBLIC PARTICIPATION	205
3.5.14	FUNCTIONALITY OF COUNCIL STRUCTURES	207
4.1	2020-2021 OBJECTIVES AND STRATEGIES.....	213
4.2	2020/2021 mSCOA COMPLAINT PROJECTS - AMATHOLE DISTRICT MUNICIPALITY EXTERNALLY FUNDED PROJECTS	225
4.2.1	Amathole District Municipality 'S THREE YEAR MIG CAPITAL PLAN	225
4.2.2	RBIG Projects.....	230
4.2.3	WSIG Projects	231
4.2.4	WSIG Drought	235
4.3	LOCAL MUNICIPAL NEEDS ANALYSIS	236
4.4	COMMITMENTS FROM SECTOR DEPARTMENT: 2020/21 PROJECTS ...	237
5.1	INTRODUCTION.....	245
5.2	LIST OF SECTOR PLANS	246
5.3	LIST OF BY-LAWS.....	256
5.4	LIST OF POLICIES.....	257
6.1	INTRODUCTION.....	270
6.2	FINANCIAL FRAMEWORK.....	271
6.2.1	Revenue Enhancement Strategy	271
6.3	REVENUE ENHANCEMENT	271
6.3.1	Sufficient and sustainable revenue base	273
6.3.2	Cash flow position and sustainability.....	273
6.3.3	Accountability and transparency	274
6.3.4	Development and investment	274
6.4	ASSET MANAGEMENT	275
6.5	FINANCIAL MANAGEMENT STRATEGIES	275
6.5.1	Capital Financing Strategies.....	276

6.5.2	Operational Financing Strategies.....	277
6.5.3	Cost-Effectiveness	277
6.5.4	Municipal Budgeting	278
6.6	THREE YEAR FINANCIAL PLAN	279
6.6.1	Capital Financing Strategies.....	281
6.6.1.1	Municipal Infrastructure Grant (MIG)	283
6.6.1.2	Amathole District Municipality Externally Funded Projects 2020/2021	283
6.6.1.3	Water Services Infrastructure Grant (WSIG)	283
6.6.1.4	Rural Bulk Infrastructure Grant (RBIG).....	284
6.7	POLICIES	285
6.8	REVENUE BASE	288
6.9	EXPENDITURE MANAGEMENT.....	293
6.9.1	Salaries, Contributions and Remuneration of Councillors	295
6.9.2	Bulk water purchases.....	296
6.9.3	Repairs and Maintenance	296
6.10	FINANCIAL MANAGEMENT	296
6.10.1	Ongoing Sustainability of the Municipality	296
6.10.2	Liquidity Ratio (current ratio)	297
6.10.3	Debtors Collection Rate	297
6.10.4	Creditors Payment Rate	298
6.10.5	Cash Flow Position.....	299
6.11	CONCLUSION.....	300
7.1	THE PERFORMANCE MANAGEMENT FRAMEWORK (PMF)	303
7.2	PERFORMANCE REPORTING & REVIEWS.....	304
7.2.1	Departmental Reviews	304
7.2.2	Municipal Manager's Review Panel.....	305
7.2.3	Executive Mayor's Review Panel.....	305
7.2.4	Audit Committee Reviews.....	305

7.2.5	Council Reviews	306
7.2.6	Public Reviews.....	306
7.2.7	Auditing and Quality Control	308
7.3	INDIVIDUAL PERFORMANCE.....	308
7.4	EVALUATION AND IMPROVEMENT OF PERFORMANCE MANAGEMENT SYSTEM.....	309
7.4.1	Organisational Performance Management	309
7.4.2	Individual Performance Management	309



LIST OF FIGURES

LIST OF TABLES

ANNEXURES

ANNEXURE A: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

ANNEXURE B: STAFF ESTABLISHMENT PLAN

ANNEXURE C: WATER SERVICES DEVELOPMENT PLAN

ANNEXURE D: DISASTER MANAGEMENT PLAN



ACRONYMS AND ABBREVIATIONS

Act no. 56 of 2003	(now Department of Water Affairs)
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
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	Cooperative Governance and Traditional Affairs
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 South Africa
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 & Local Government
DPLG	Department of Provincial and Local
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
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
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
FINAL	Ngqushwa 2015/2016 Integrated Development Plan 4
FPRM	Foreign Policy Response Model
FTA	Free Trade Area
FV & M	Financial Viability and Management
GDP	Gross Domestic Product
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
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
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
IDP	Integrated Development Plan IHS
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
KPA:	Key Performance Area
KPI	Key Performance Indicator
KPI	Key Performance Indicator
LAN	Local Area Network
LED	Local Economic Development
LED	Local Economic Development
LGMTEC	Local Government MTEC
LGSETA	Local Government SETA
LGTAS	Local Government Turnaround Strategy
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
MDG	Millennium Development Goals
MDGs	Millennium Development Goals
MEC	Member of the Executive Council
MEC	Member of the Executive Council

MFMA	Municipal Finance Management Act
MFMA	Municipal Financial 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
MSA	Municipal Systems Act (Act no. 32 of 2000)
MSIG	Municipal Systems Improvement Grant
MTAS	Municipal Turnaround Strategy
MTI	Ministry of Trade and Industry
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
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
NGO	Non-Governmental Organisations

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
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
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 Service
SAPS	South African Police Services
SDBIP	Service Delivery and Budget
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
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 & Micro 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
WSA	Water Services Authority
WSDP	Water Services Development Plan
WtE	Waste to Energy
WTO	World Trade Organisation
WTO2	World Tourism Organisation



ZERI

Zero Emission Research Initiative



EXECUTIVE SUMMARY

1. INTRODUCTION

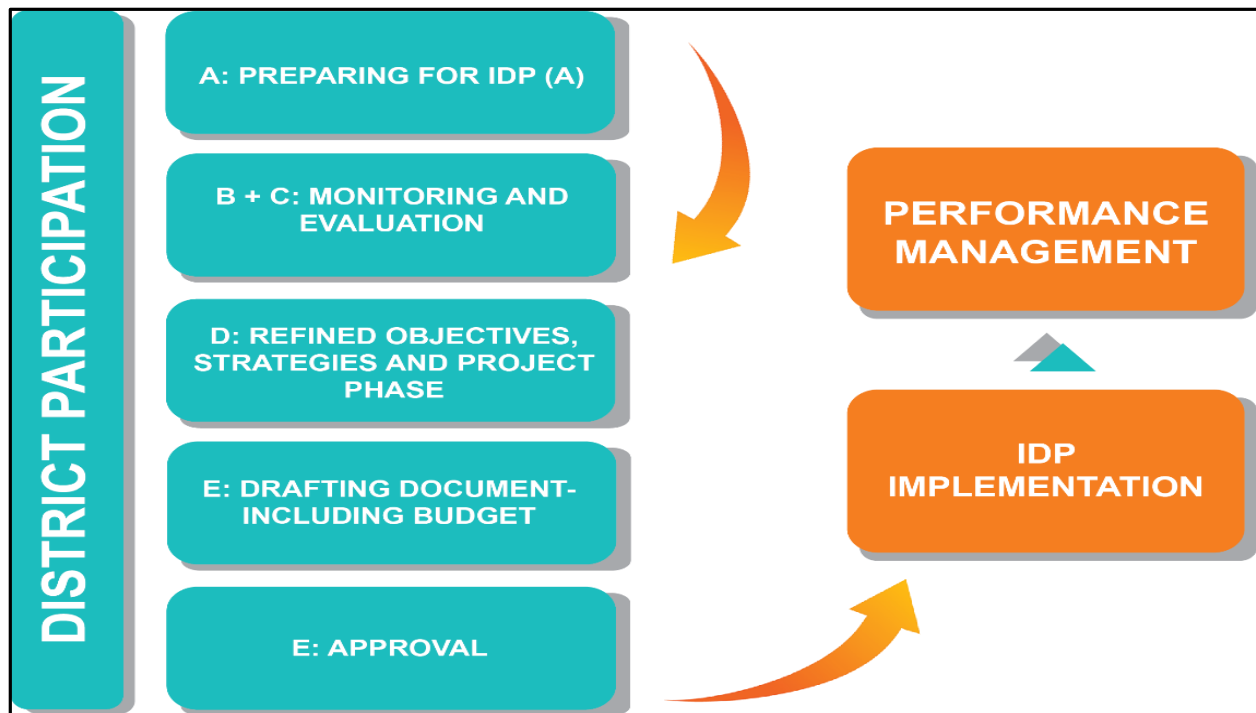
Amathole District Municipality (ADM) is required by Section 25 of the Local Government: Municipal Systems Act 32 of 2000 to develop a 5-year plan i.e Integrated Development Plan (IDP) that will guide planning of the entire space. This plan has to be reviewed annually to take stock of what has happened 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).



Amathole District Municipal Council held on the 25 August 2018 adopted its **District IDP Framework Plan** together with the IDP/PMS/Budget Process Plan. The District IDP Framework serves as a guide to all six local municipalities within Amathole, to ensure alignment in planning budgeting processes. In addition, it outlines the time frames of scheduled events/activities, structures involved, roles and responsibilities

The **IDP/PMS/Budget Process Plan** outlines in detail, the manner in which ADM embarked on its 2019-2020 IDP review, PMS and Budget processes.

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

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

Particular attention was paid to the IDP, SDBIP & Budget linkages, district-wide analysis, integration and alignment of local, district and provincial plans. In the process of developing the IDP and Budget, a Strategic Planning session was held on 12-14 February 2019. The objective of the session was to facilitate a framework that will guide the municipality's strategic direction as reflected in the 5-year

IDP (2017-2022). The draft reviewed IDP and Budget for 2019/2020 was tabled in Council on the 29th of March 2019. Following which the documents were published and the IDP and Budget Roadshow taken place in April 2019 respectively.

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)	
Budget Steering Committee to discuss the new budget legislation and membership	26 July 2018
IDP Steering Committee workshop to outline the review process	15 August 2019
District Wide Planning & Economic Development	16 July 2019
Municipal Managers Forum	19 August 2019
DIMAFO meeting	25 September 2019
IDP Steering Committee to review implementation progress and prepare for the IDP Launch	26 August 2019
IDP/PMS/Budget Representative Forum [district-wide launch]	20 September 2019
ANALYSIS (September– November)	
Municipal Managers Forum	01 November 2019
IDP Steering Committee	07 November 2019
DIMAFO meeting	07 December 2019
District Wide Planning and Economic Development	28 November 2019
IDP/PMS/Budget Representative Forum [district-wide development priorities]	21 November 2019
IDP Steering Committee to present final situational analysis	07 November 2019
OBJECTIVES; STRATEGIES and PROGRAMMES (December – March)	
Technical Strategic Planning session	22-25 January 2020
Institutional Strategic Planning session	16-19 February 2020
IDP Steering Committee	18 February 2020
Municipal Managers Forum	24 February 2020
Council workshop on draft IDP & Budget	19-20 March 2020
IDP Steering Committee to check alignment and sector-specific guidelines	26 February 2019

AMATHOLE DISTRICT MUNICIPALITY ACTION PLAN - PARTICIPATION STRUCTURES & MEETING DATES

PRE-PLANNING (July – August)

District Wide Planning & Economic Development	March 2020
District Mayors' Forum (DIMAFO)	24 March 2020
IDP Representative Forum (present draft IDP, Budget and SDBIP)	27 March 2020
Council approval of the draft IDP & Budget and Annual Report	31 March 2020

APPROVAL (April – June)

IDP/ Budget road shows (public presentation hearings at LMs)	April 2020
District Wide Planning & Economic Development	April 2020
Council Meeting (IDP and Budget final adoption)	29 May 2020

3. PUBLIC PARTICIPATION AND COMMUNITY INVOLVEMENT

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

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

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,

Name of Forum	Purpose	Stakeholders
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,	- Communities, - Religious sector, - Business sector and - Ratepayers associations.
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	
IDP and Budget Roadshows	In accordance with legislation, IDP has to be taken to public for their comments and inputs.	
Civic Education	Empowerment of citizens to understand issues relating to the functioning of government institutions especially in areas such as, inter alia; the rights of citizens with regard to the services rendered to them, responsibility of citizens with regard to support, defence and promotion of democracy, responsibility of citizens with regard to voting, public participation and reporting practices, available mechanisms for citizens to voice their complaints with government and the private sector.	- 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

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

TABLE2: Community Involvement

EVENT	VENUE	DATE
Service Delivery Initiative	Raymond Mhlaba	03/08/2018

EVENT	VENUE	DATE
Service Delivery Initiative	Mnquma	11/09/2018
Service Delivery Campaign	Great Kei	11/09/2018
Mandela Month activities Khulani Education Centre)	Ngqushwa	18/07/2018
Consultation conducted for stakeholders on Indigent Policy	Great Kei	24/10/2018
Consultation conducted for stakeholders on Indigent Policy	Mnquma	25/10/2018
Service Delivery Campaign	Mnquma	04/10/2018
Service Delivery Campaign	Mbhashe	08/10/2018
Service Delivery Campaign	Raymond Mhlaba	22/11/2018
Service delivery initiative	Mbhashe	04/09/2018
Annual Report Roadshows	All LMs	20,21&28/09/2018 05 &10/10/2018
Consultation conducted for stakeholders on Indigent Policy	Mbhashe	19/11/2018
Mayoral Imbizo	Raymond Mhlaba	30/11/2018
Project launch on service delivery	Raymond Mhlaba	02/11/2018
Service Delivery Initiative	Mnquma	24/01/2019
Service Delivery Initiative	Raymond Mhlaba	28/01/2019
Consultation conducted for stakeholders on Indigent Policy	Amahlathi	07/03/2019
Mayoral Imbizo & Project launch	TBC	March 2019
IDP/Budget Roadshow	All local municipalities	April 2019
SODA	TBC	June 2019

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);
- 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 Mbashe and Mquma Municipalities;
- Municipal Public Transport IRO of all local municipalities, except for Mquma;
- Fire-fighting services (local responsibilities) in respect of Ngqushwa;
- Local Amenities, IRO Mbashe, Great Kei and Raymond Mhlaba Municipality;
- The Licencing and control of undertaking that sells food to the public, IRO Mbashe; 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 Mbashe);
- Establishment of Fresh Markets and Abattoirs - only in respect of the area of the former Nkonkobe Local Municipality now falling within the Raymond Mhlaba Municipality.

7. AMATHOLE DISTRICT MUNICIPALITY 2016 COMMUNITY PERCEPTION SURVEY

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

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

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.

FOCUS	SURVEY RESULTS
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.

8. 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.

9. 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 citizens 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.

10. IDP ASSESSMENTS AS ASSESSED BY EC-COGTA

KPAs	Rating 2015/16	RATING 2016/17	RATING 2017/18	RATING 2018/19	RATING 2019/20
Spatial Planning, Land, Human Settlements and Environmental Management	High	High	High	High	High
Financial Planning and Budgets	High	High	Medium	High	High
Good Governance and Public Participation	High	High	High	High	High

Local Economic Development	High	High	High	High	High
Institutional Arrangements	High	Medium	High	Medium	High
Basic Service Delivery	High	High	High	High	High

- The Municipality retained an overall of High rating score for the 2018/19 fy IDP assessments.
- Under Institutional Arrangements (MTI) the municipality rated Medium.
- All the issues that were raised have since been addressed in the 2019/20 IDP.

The following document is structured as follows:

CHAPTER 1	STRATEGIC OUTLOOK
CHAPTER 2	LOCAL MUNICIPALITY GEOGRAPHIC PROFILE AND SITUATIONAL DATA
CHAPTER 3	STATUS QUO ASSESSMENT
CHAPTER 4	DEVELOPMENT OBJECTIVES, STRATEGIES AND PROJECTS
CHAPTER 5	SECTOR PLANS
CHAPTER 6	FINANCIAL PLANS



CHAPTER ONE

CHAPTER ONE STRATEGIC OUTLOOK

1.1 LOCAL GOVERNMENT STRATEGIC PLANNING AND MUNICIPAL ACCOUNTABILITY FRAMEWORK

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

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

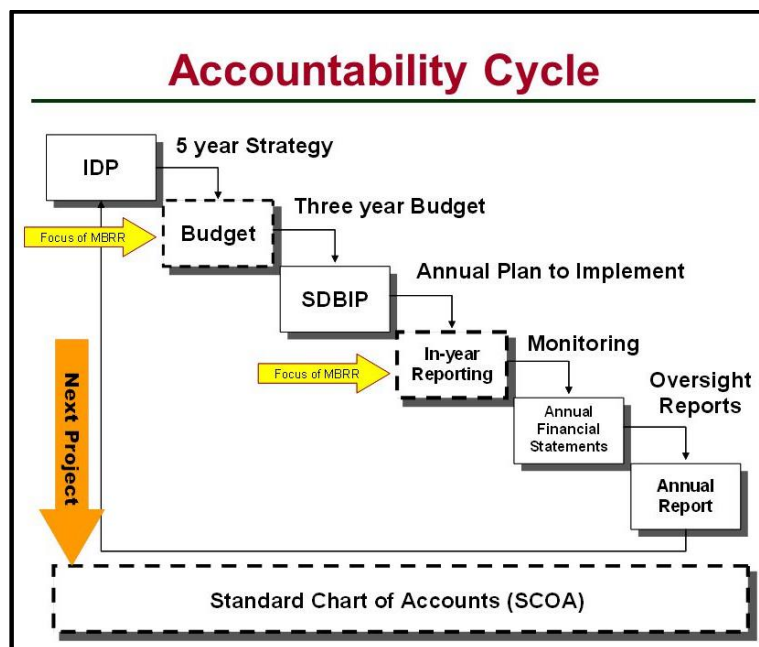


FIGURE 1.1: ACCOUNTABILITY CYCLE



1.2 AMATHOLE DISTRICT MUNICIPALITY VISION, MISSION AND VALUES

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

VISION:

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

MISSION:

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

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

CORE VALUES:

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

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

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

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



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

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

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

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

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

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

1.3 AMATHOLE DISTRICT MUNICIPALITY SMART DISTRICT TOWARDS 2058

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

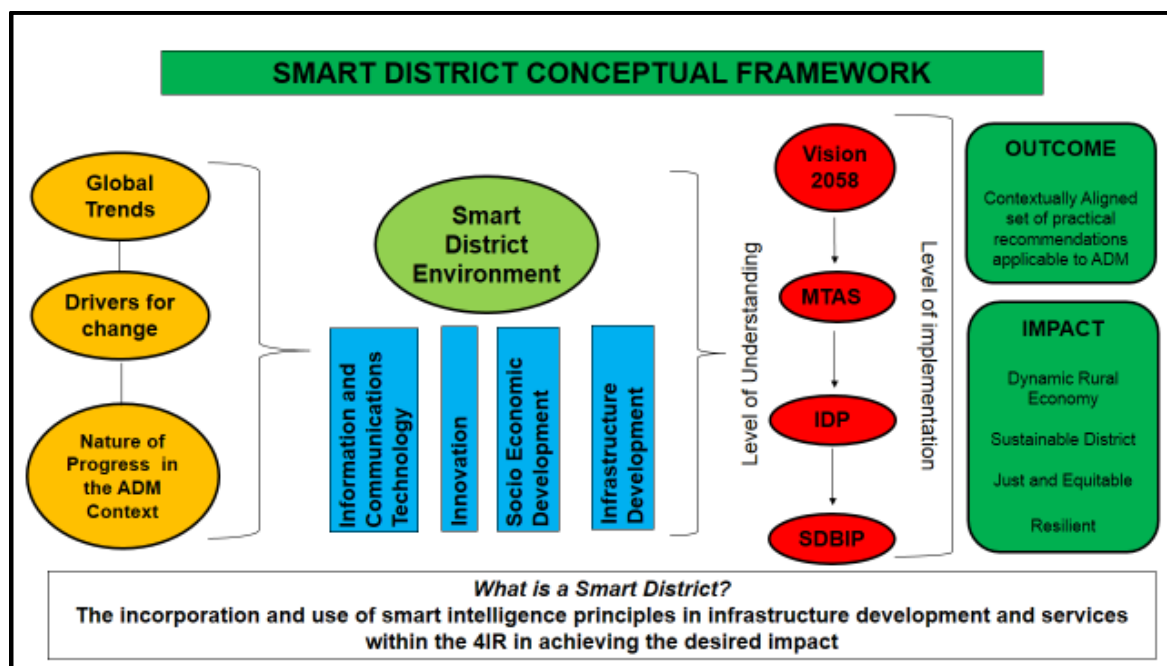


FIGURE 1.2: SMART DISTRICT CONCEPTUAL FRAMEWORK

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

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

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

These are:

- Sea Water Desalination Plant

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

1.4 MUNICIPAL TURNAROUND STRATEGY

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

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

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



FIGURE 1.3: AMATHOLE DISTRICT MUNICIPALITY STRATEGY 2018 – 2023

1.4.1 LEADERSHIP DEVELOPMENT

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

1.4.2 INSTITUTIONAL DEVELOPMENT

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

1.4.3 QUALITY SERVICE DELIVERY

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

1.4.4 SOUND FINANCIAL MANAGEMENT



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

1.4.5 GOOD GOVERNANCE

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

1.4.6 LOCAL ECONOMIC DEVELOPMENT

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

1.4.7 HUMAN CAPITAL DEVELOPMENT

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

1.4.8 SPATIAL PLANNING

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

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

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

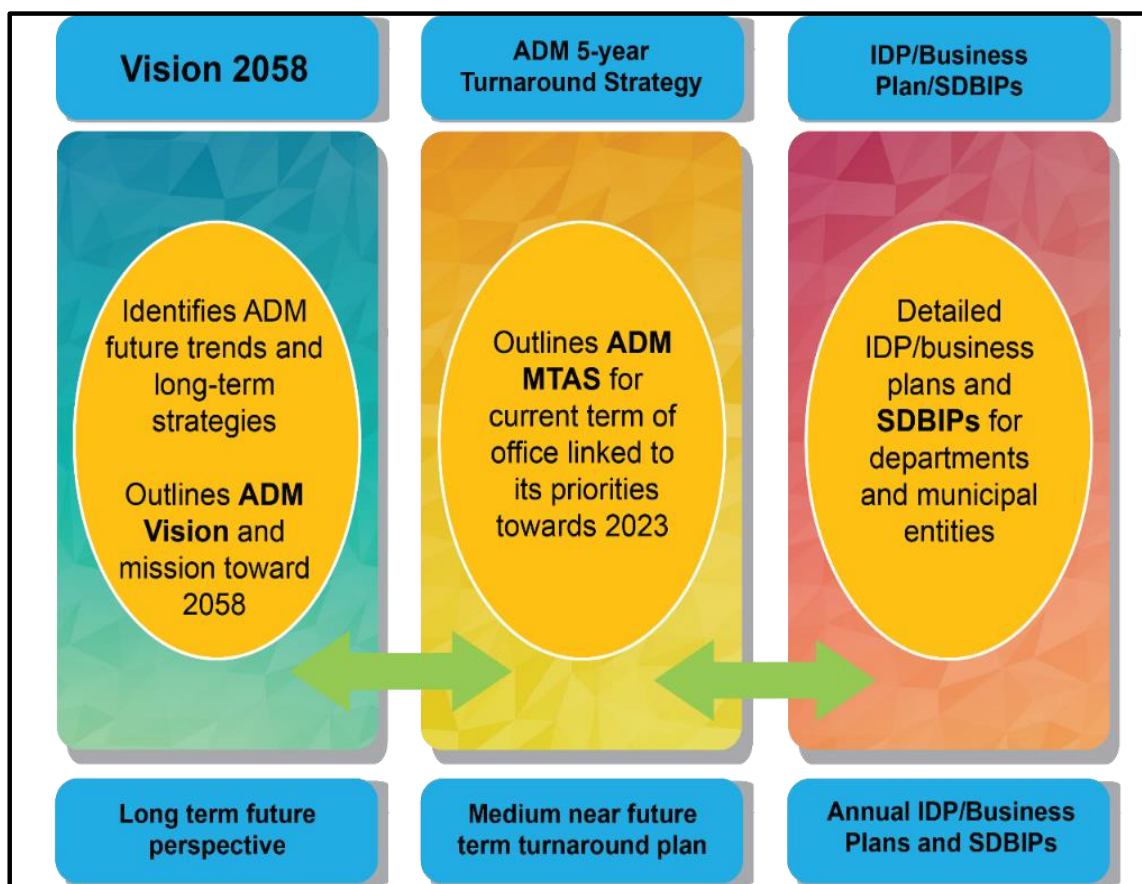


FIGURE 1.4: LINKING IT ALL TOGETHER FOR AMATHOLE DISTRICT MUNICIPALITY

FIGURE 1.5: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS (SDBIP)

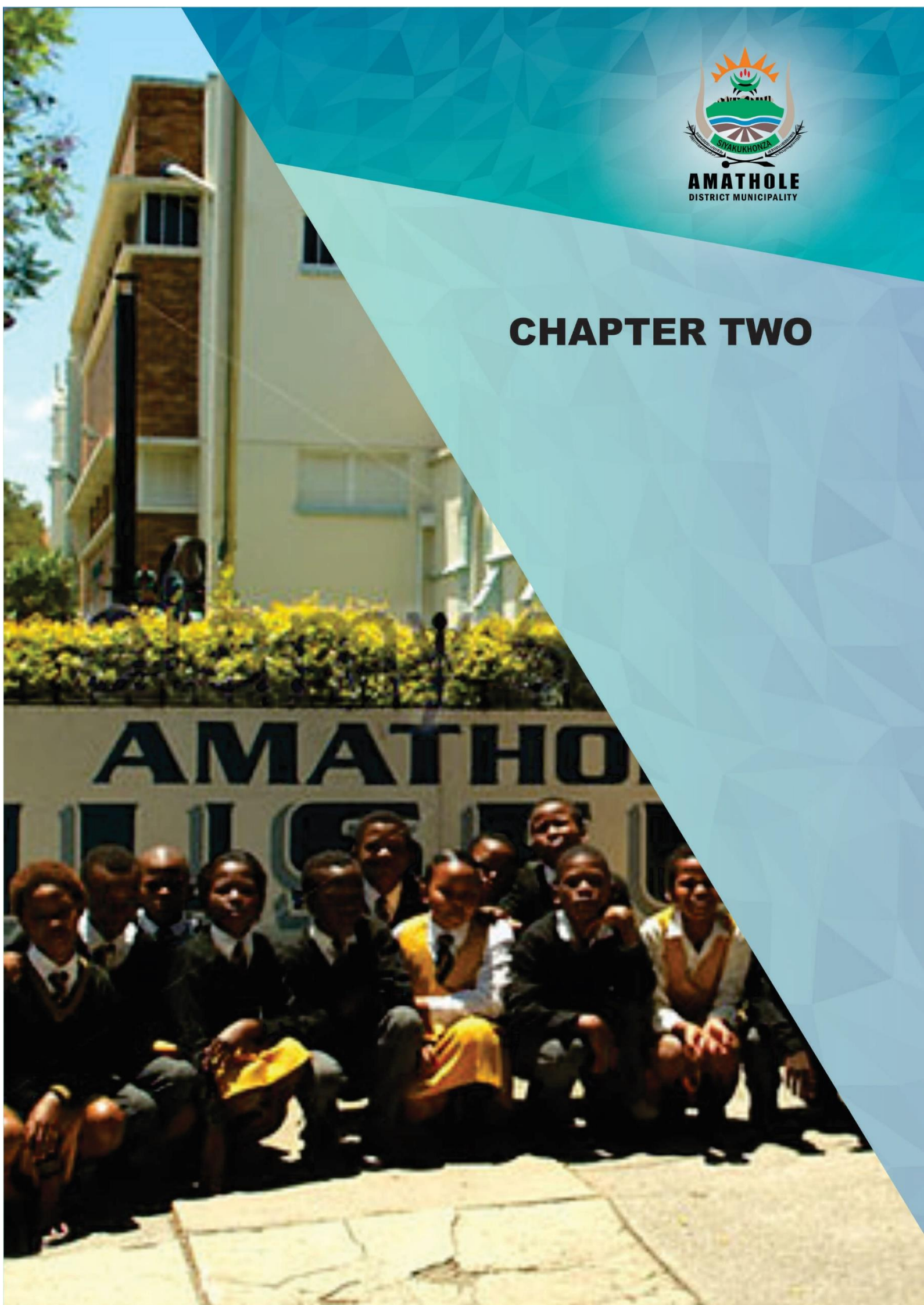


**Business Plans
and SDBIPs**

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.

CHAPTER TWO



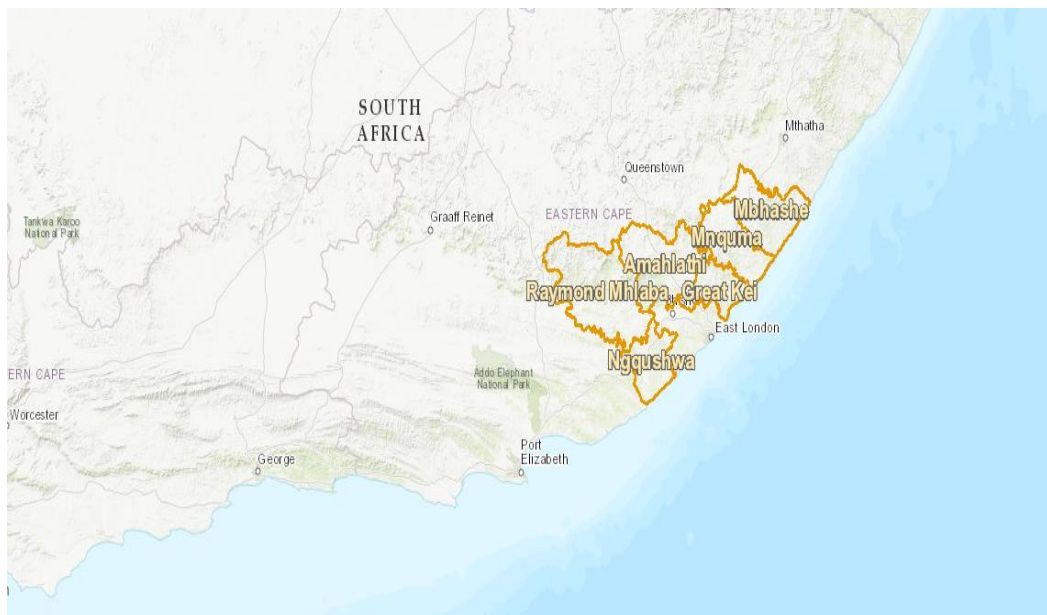
CHAPTER 2

AMATHOLE DISTRICT MUNICIPALITY GEOGRAPHIC PROFILE AND 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, Mquma, 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.

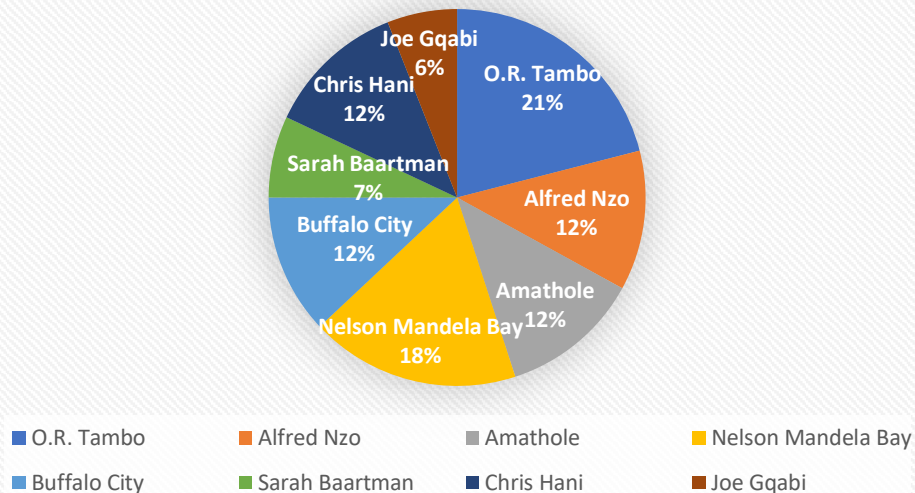
Amathole District Municipality uses Statistics South Africa as its main source of data to inform planning. It is worth noting that the point of reference for the 2019-2020 IDP Review with regards to data is the 2016 Community Survey. However, the 2016 Community survey did not take into consideration 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 2019-2020 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 indicate the district has 914 842 people, which is a 2% increase from 892 637 in 2011 Census. In 2017 as per the ECSECC survey the district's population 880 790 which is captured as a huge decrease due to demarcation factors as mentioned above, the table below illustrates the estimated population until 2030.

Figure 2 **TOTAL POPULATION - AMATHOLE AND THE REST OF EASTERN CAPE, 2016
[PERCENTAGE]**

Total population Eastern Cape Province, 2018



Source: ECSECC, 2018

When compared to other regions, the Amathole District Municipality accounts for a total population of 880,000, or 12.2% 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 2018. Amathole decreased in importance from ranking third in 2008 to fourth in 2018. In terms of its share the Amathole District Municipality was significantly smaller in 2018 (12.2%) compared to what it was in 2008 (13.5%). When looking at the average annual growth rate, it is noted that Amathole ranked lowest (relative to its peers in terms of growth) with an average annual growth rate of -0.1% between 2008 and 2018.

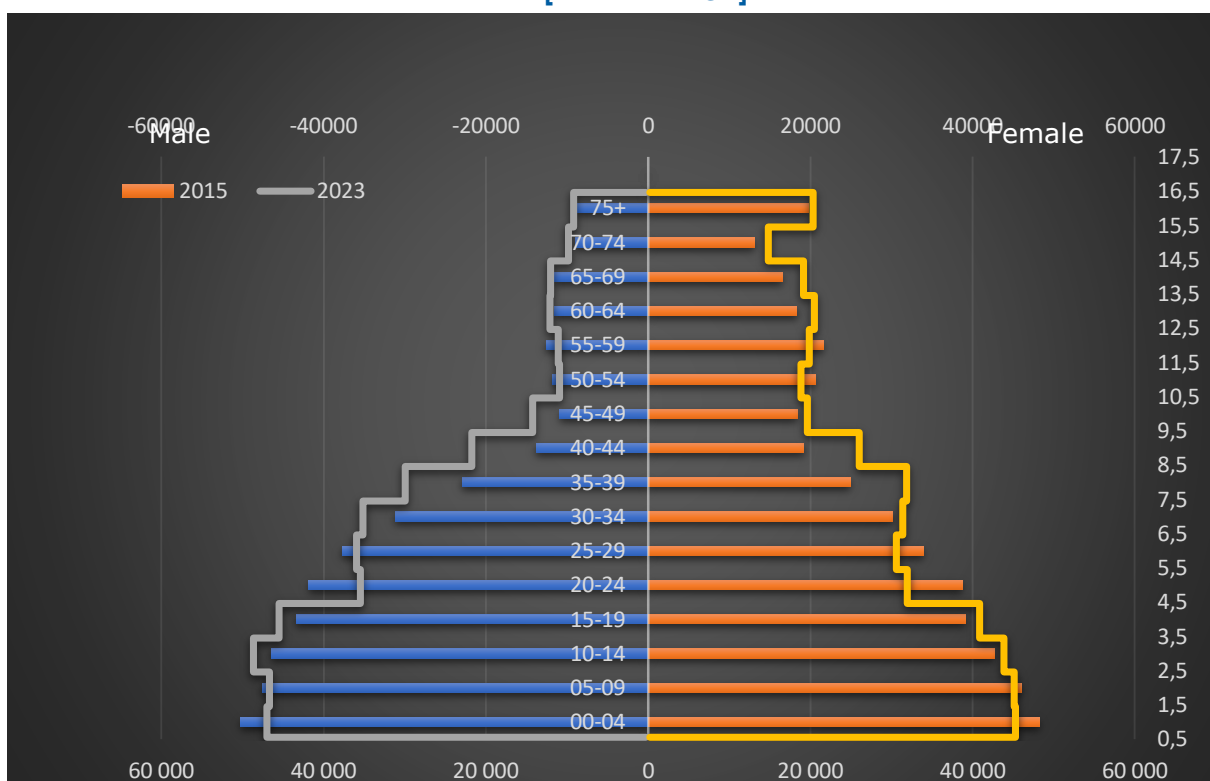
Table 1: TOTAL POPULATION - LOCAL MUNICIPALITIES OF AMATHOLE DISTRICT MUNICIPALITY, 2008, 2013 AND 2018 [NUMBERS PERCENTAGE]

	2008	2013	2018	AVERAGE ANNUAL GROWTH
Mbhashe	266,000	265,000	273,000	0.25%
Mnquma	257,000	247,000	248,000	-0.34%
Great Kei	34,400	31,500	31,000	-1.05%
Amahlathi	107,000	103,000	102,000	-0.47%
Ngqushwa	68,100	65,500	64,800	-0.50%
Raymond Mhlaba	152,000	157,000	161,000	0.57%
Amathole	885,083	868,930	880,394	-0.05%

Source: ECSECC, 2018

The Raymond Mhlaba Local Municipality increased the most, in terms of population, with an average annual growth rate of 0.6%, the Mbhashe Local Municipality had the second highest growth in terms of its population, with an average annual growth rate of 0.3%. The Great Kei Local Municipality had the lowest average annual growth rate of -1.05% relative to the other within the Amatole District Municipality.

Figure 3. **POPULATION PYRAMID - AMATHOLE DISTRICT MUNICIPALITY, 2016 VS. 2021**
[PERCENTAGE]



Source: ECSECC, 2017

The population pyramid reflects a projected change in the structure of the population from 2018 and 2023. The differences can be explained as follows:

- In 2018, there is a significantly larger share of young working age people between 20 and 34 (22.7%), compared to what is estimated in 2023 (20.7%). This age category of young working age population will decrease over time.
- The fertility rate in 2023 is estimated to be slightly higher compared to that experienced in 2018.
- The share of children between the ages of 0 to 14 years is projected to be significant smaller (28.6%) in 2023 when compared to 2018 (31.1%).

In 2018, the female population for the 20 to 34 years age group amounts to 10.5% of the total female population while the male population group for the same age amounts to 12.1% of the total male population. In 2023, the male working age population at 11.2% still exceeds that of

the female population working age population at 9.5%, although both are at a lower level compared to 2018.

2.2.2.1 Population Projections

Based on the present age-gender structure and the present fertility, mortality and migration rates, Amathole's population is projected to grow at an average annual rate of 0.54% from 860 000 in 2015 to 898 000 in 2023.

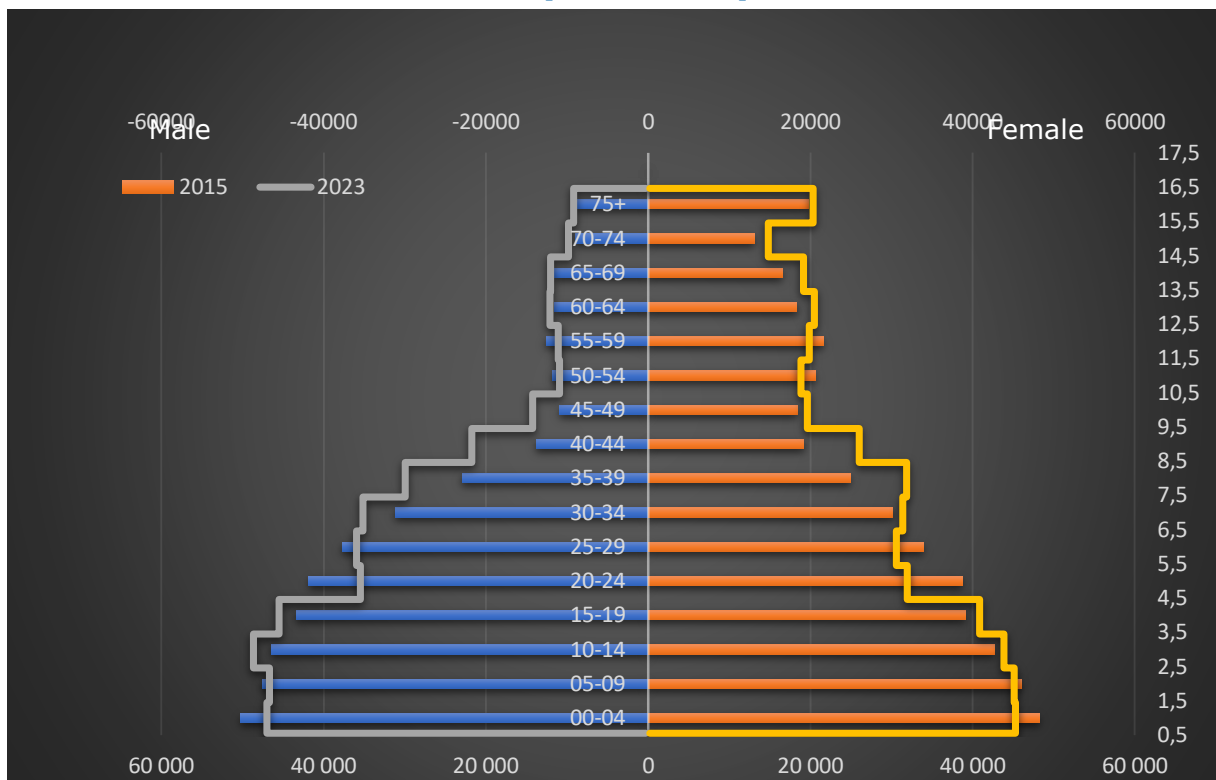
TABLE 2.3. POPULATION PROJECTIONS - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2016-2021 [NUMBERS PERCENTAGE]

	Mbhashe	Mnquma	Great Kei	Amahlathi	Ngqushwa	Raymond Mhlaba	Amathole
2015	267,000	243,000	30,400	99,300	62,700	155,000	860,000
2016	269,000	244,000	30,400	99,500	62,700	156,000	862,000
2017	271,000	245,000	30,500	99,700	62,700	157,000	866,000
2018	273,000	246,000	30,500	100,000	62,700	158,000	870,000
2019	275,000	246,000	30,700	100,000	62,900	159,000	875,000
2020	277,000	248,000	30,800	101,000	63,100	160,000	880,000
2021	280,000	249,000	31,000	101,000	63,400	162,000	886,000
2022	282,000	250,000	33,000	102,000	63,700	163,000	892,000
2023	284,000	251,000	36,000	102,000	64,000	164,000	898,000
Average							
%	0,77%	0,41%	2,19%	0,34%	0,26%	0,71%	0,54%

Source: Adapted from ECSECC, 2017

When looking at the population projection of Amathole District Municipality shows an estimated average annual growth rate of 0.54% between 2015 and 2023. The average annual growth rate in the population over the forecasted period for Eastern Cape Province and South Africa is 1.0% and 1.5% respectively.

FIGURE 2.3. POPULATION PYRAMID - AMATHOLE DISTRICT MUNICIPALITY, 2016 VS. 2021
[PERCENTAGE]



Source: ECSECC, 2016

The population pyramid reflects a projected change in the structure of the population between 2015 and 2023. The differences can be explained as follows:

- In 2015, there is a significantly larger share of young working age people between 20 and 34 (24.8%), compared to what is estimated in 2023 (22.6%); This age category of young working-age population will decrease over time.
- The fertility rate in 2023 is estimated to be slightly higher compared to that experienced in 2015;
- The share of children between the ages of 0 to 14 years is projected to be significantly smaller (31.2%) in 2023 when compared to 2015 (32.6%).

In 2015, the female population for the 20 to 34 years age group amounts to 11.9% of the total female population while the male population group for the same age amounts to 12.8% of the total male population. In 2023, the male working-age population at 12.0% still exceeds that of the female population working age population at 10.6%, although both are at a lower level compared to 2015.

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 2. NUMBER OF HOUSEHOLDS – AMATHOLE AND SIX MUNICIPALITIES, EASTERN CAPE AND NATIONAL TOTAL, 2006-2023 [NUMBER PERCENTAGE]

	MBHASHE	MNQUMA	GREAT KEI	AMATHOLE	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%

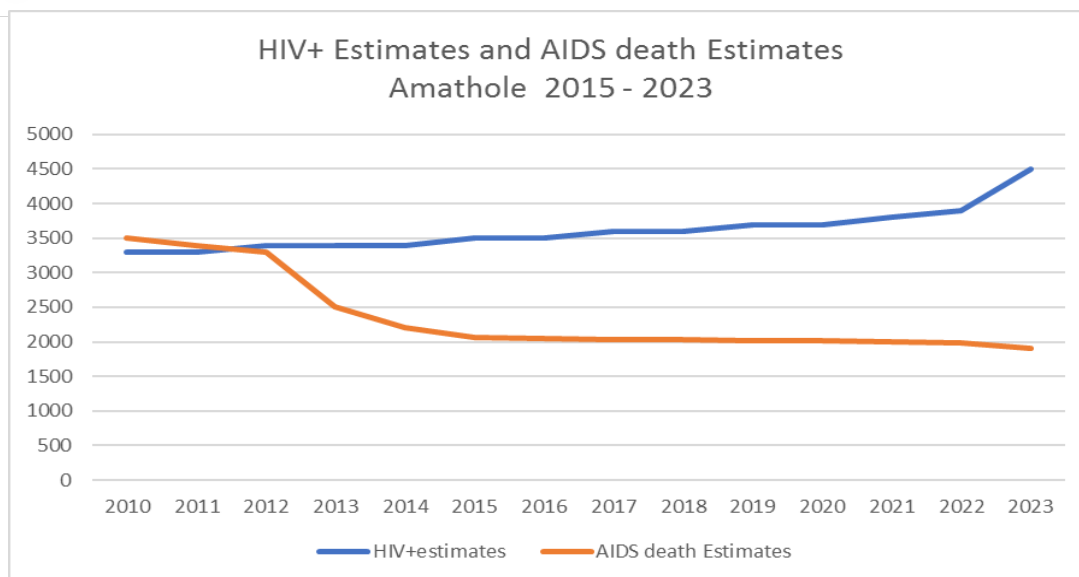
2.2.3 HIV+ AND AIDS ESTIMATES

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 2018, 119 000 people in the Amatole District Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.24% since 2008, and in 2018 represented 13.50% of the district municipality's total population. The Eastern Cape Province had an average annual growth rate of 1.87% from 2008 to 2018 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 2008 to 2018 with an average annual growth rate of 2.32%..

Figure 4.1: AIDS PROFILE AND FORECAST - AMATHOLE DISTRICT MUNICIPALITY, 2008-2023
[NUMBERS]



Source: ECSECC, 2018

Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 4510 in 2008 and 1840 for 2018. This number denotes a decrease from 2008 to 2018 with a high average annual rate of -8.60% (or -2680 people). For the year 2018, they represented 0.21% 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.

Definition: Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies. GDP-R can be measured using either current or constant prices, 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 3: GROSS DOMESTIC PRODUCT (GDP) - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2008-2018 [R BILLIONS, CURRENT PRICES]

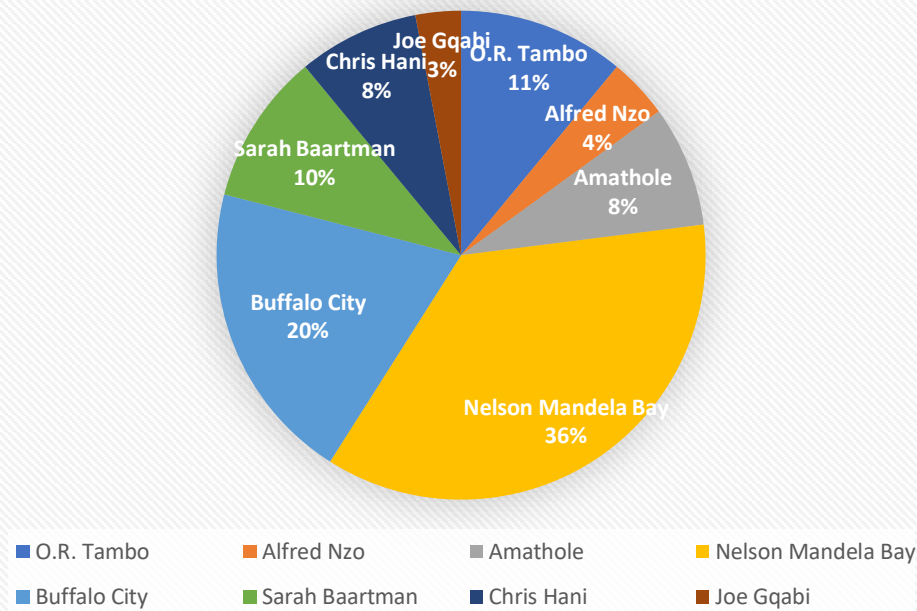
	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
2008	15.1	174.1	2,369.1	8.7%	0.64%
2009	16.5	191.2	2,507.7	8.6%	0.66%
2010	17.9	211.6	2,748.0	8.5%	0.65%
2011	19.1	226.1	3,023.7	8.4%	0.63%
2012	21.0	252.2	3,253.9	8.3%	0.64%
2013	22.3	273.3	3,540.0	8.2%	0.63%
2014	23.7	293.6	3,805.3	8.1%	0.62%
2015	25.4	316.3	4,049.9	8.0%	0.63%
2016	26.7	334.5	4,359.1	8.0%	0.61%
2017	28.6	358.6	4,653.6	8.0%	0.62%
2018	29.7	376.8	4,873.9	7.9%	0.61%

Source: ECSECC, 2018

With a GDP of R 29.7 billion in 2018 (up from R 15.1 billion in 2008), the Amatole District Municipality contributed 7.89% to the Eastern Cape Province GDP of R 377 billion in 2018 increasing in the share of the Eastern Cape from 8.67% in 2008. The Amatole District Municipality contributes 0.61% to the GDP of South Africa which had a total GDP of R 4.87 trillion in 2018 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2008 when it contributed 0.64% to South Africa, but it is lower than the peak of 0.66% in 2009

Figure 4.2: GROSS DOMESTIC PRODUCT (GDP) - AMATHOLE DISTRICT MUNICIPALITY AND THE REST OF EASTERN CAPE, 2018 [PERCENTAGE]

Total population Eastern Cape Province, 2018



Source: ECSECC, 2018

The Amatole District Municipality had a total GDP of R 29.7 billion and in terms of total contribution towards Eastern Cape Province the Amatole District Municipality ranked sixth relative to all the regional economies to total Eastern Cape Province GDP. Amatole decreased in importance from ranking fifth in 2008 to sixth in 2018. In terms of its share, it was in 2018 (7.9%) slightly smaller compared to what it was in 2008 (8.7%). For the period 2008 to 2018, the average annual growth rate of 0.1% of Amatole was the seventh relative to its peers in terms of growth in constant 2010 prices.

TABLE 2.10: GROSS DOMESTIC PRODUCT (GDP) - LOCAL MUNICIPALITIES OF AMATHOLE DISTRICT MUNICIPALITY, 2018 TO 2023, SHARE AND GROWTH

	2023 (Current prices)	Share of district municipality	2018 (Constant prices)	2023 (Constant prices)	Average Annual growth
Mbhashe	5.07	12.51	2.33	2.43	0.90
Mnquma	10.32	25.46	4.66	4.98	1.34
Great Kei	5.57	13.74	2.56	2.76	1.52
Amahlathi	6.31	15.58	2.95	3.09	0.89
Ngqushwa	4.81	11.86	2.12	2.35	2.04
Raymond	8.45	20.85	3.85	4.03	0.95
Amatole	40.53		18.47	19.64	

Source: ECSECC, 2018

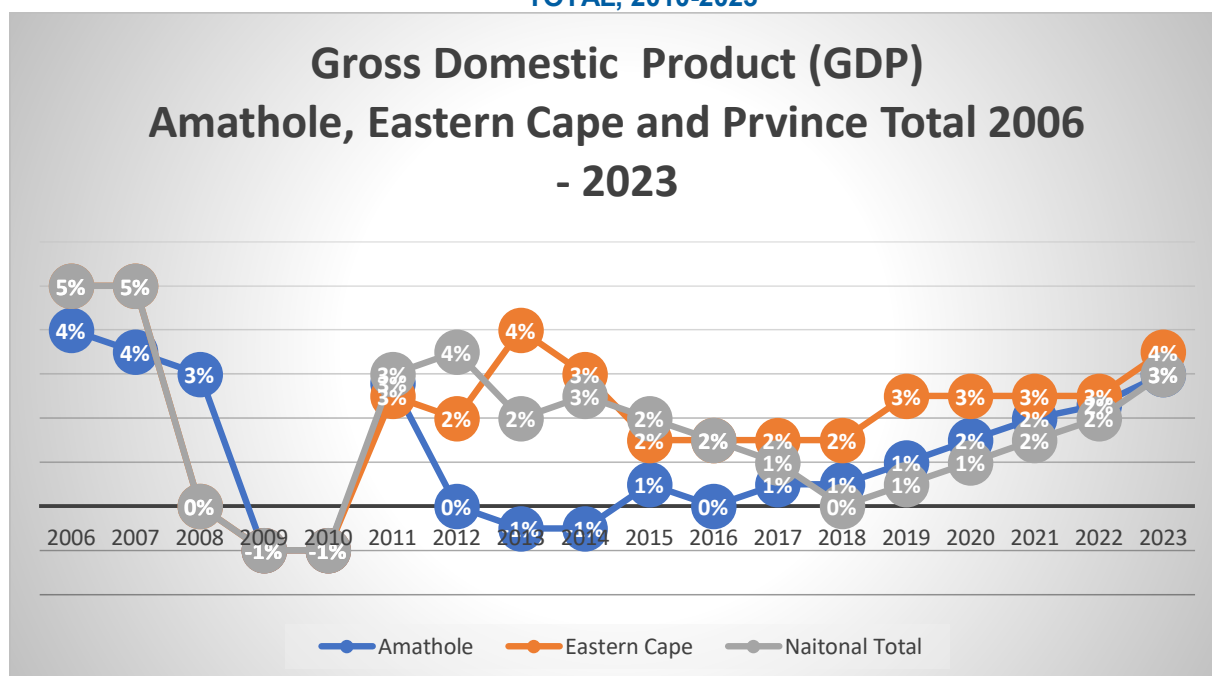
When looking at the regions within the Amathole District Municipality it is expected that from 2018 to 2023 the Ngqushwa Local Municipality will achieve the highest average annual growth rate of 2.04%. The region that is expected to achieve the second highest average annual growth rate is that of Great Kei Local Municipality, averaging 1.52% between 2018 and 2023. On the other hand the region that performed the poorest relative to the other regions within Amathole District Municipality was the Amahlathi Local Municipality with an average annual growth rate of 0.89%.

2.2.4.2 Economic Growth Forecast

It is expected that Amathole District Municipality will grow at an average annual rate of 1.39% from 2016 to 2021. The average annual growth rate of Eastern Cape Province and South Africa is expected to grow at 1.62% and 1.61% respectively.

It is expected that Amathole District Municipality will grow at an average annual rate of 1.40% from 2016 to 2023. The average annual growth rate of Eastern Cape Province and South Africa is expected to grow at 1.62% and 1.61% respectively.

FIGURE 2.9: GROSS DOMESTIC PRODUCT (GDP) - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2010-2023



Source: Adapted from ECSECC, 2017.

In 2021, Amathole's forecasted GDP will be an estimated R 20.3 billion (constant 2010 prices) or 8.1% of the total GDP of Eastern Cape Province. The ranking in terms of size of the Amathole District Municipality will remain the same between 2016 and 2021, with a contribution to the Eastern Cape Province GDP of 8.1% in 2021 compared to the 8.2% in 2016. At a 1.39% average annual GDP growth rate between 2016 and 2021, Amathole ranked the lowest 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 2.15. WORKING AGE POPULATION IN AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2008 AND 2018 [NUMBER]

	Amatole		Eastern Cape		National Total	
	2008	2018	2008	2018	2008	2018
15-19	105,000	73,200	727,000	573,000	5,300,000	4,570,000
20-24	79,700	67,500	633,000	590,000	5,230,000	4,960,000
25-29	55,900	70,200	500,000	679,000	4,390,000	5,530,000
30-34	48,500	61,900	436,000	601,000	3,690,000	5,420,000
35-39	49,000	50,400	415,000	470,000	3,230,000	4,360,000
40-44	46,500	45,300	369,000	398,000	2,790,000	3,480,000
45-49	42,300	45,800	317,000	367,000	2,440,000	2,950,000
50-54	36,000	42,400	258,000	317,000	2,040,000	2,530,000
55-59	28,900	38,000	201,000	277,000	1,660,000	2,180,000
Total	519,664	527,307	4,030,080	4,500,170	32,070,524	37,757,662

Source: ECSECC, 2018

The working age population in Amatole in 2018 was 527 000, increasing at an average annual rate of 0.15% since 2008. For the same period the working age population for Eastern Cape Province increased at 1.11% annually, while that of South Africa increased at 1.65% 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.

Definition: 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 2.16: ECONOMICALLY ACTIVE POPULATION (EAP) - AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2008-2018 [NUMBER, PERCENTAGE]

	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
2008	206,000	1,880,000	18,400,000	11.0%	1.12%
2009	192,000	1,840,000	18,400,000	10.4%	1.04%
2010	176,000	1,780,000	18,200,000	9.9%	0.97%
2011	167,000	1,790,000	18,500,000	9.3%	0.91%
2012	170,000	1,830,000	18,900,000	9.3%	0.90%
2013	178,000	1,900,000	19,500,000	9.4%	0.91%
2014	189,000	1,990,000	20,300,000	9.5%	0.93%
2015	197,000	2,060,000	21,000,000	9.5%	0.94%
2016	206,000	2,140,000	21,600,000	9.6%	0.95%
2017	217,000	2,230,000	22,100,000	9.7%	0.98%
2018	222,000	2,280,000	22,400,000	9.7%	0.99%
Average Annual growth	0.75%	1.96%	1.98%		

Source: ECSECC, 2018

Amatole District Municipality's EAP was 222 000 in 2018, which is 25.19% of its total population of 880 000, and roughly 9.73% of the total EAP of the Eastern Cape Province. From 2008 to 2018, the average annual increase in the EAP in the Amatole District Municipality was 0.75%, which is 1.21 percentage points lower than the growth in the EAP of Eastern Cape's for the same period.

2.2.5.2 Labour Force Participation Rate

Definition: 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.

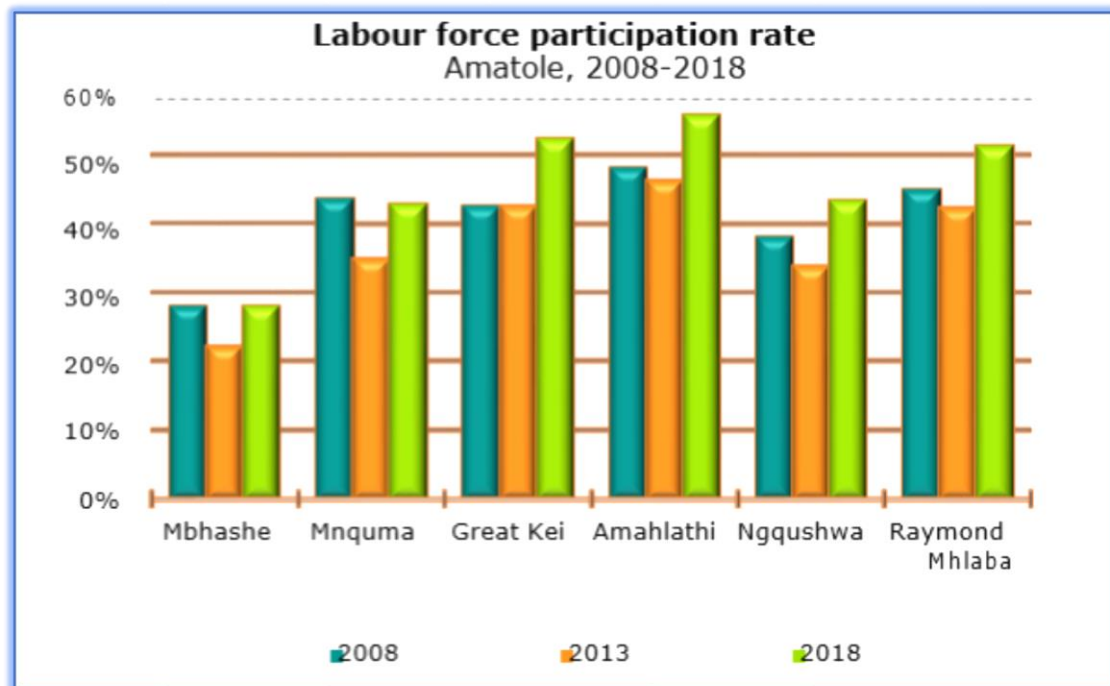
TABLE 2.17: THE LABOUR FORCE PARTICIPATION RATE - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2008 TO 2018 [PERCENTAGE]

	Amatole	Eastern Cape	National Total
2008	39.6%	46.6%	57.4%
2009	36.8%	45.0%	56.3%
2010	33.8%	43.0%	54.6%
2011	32.1%	42.8%	54.4%
2012	32.7%	43.2%	54.7%
2013	34.3%	44.5%	55.7%
2014	36.4%	46.3%	57.1%
2015	37.9%	47.4%	58.1%
2016	39.6%	48.7%	58.9%
2017	41.5%	50.3%	59.5%
2018	42.1%	50.6%	59.3%

Source: ECSECC, 2018

The Amatole District Municipality's labour force participation rate increased from 39.61% to 42.06% which is an increase of 2.4 percentage points. The Eastern Cape Province increased from 46.57% to 50.63%, South Africa increased from 57.43% to 59.34% from 2008 to 2018. The Amatole District Municipality labour force participation rate exhibited a lower percentage point change compared to the Eastern Cape Province from 2008 to 2018. The Amatole District Municipality had a lower labour force participation rate when compared to South Africa in 2018.

FIGURE 2.18: THE LABOUR FORCE PARTICIPATION RATE - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2008, 2013 AND 2018 [PERCENTAGE]



Source: ECSECC, 2018

Amahlathi Local Municipality had the highest labour force participation rate with 55.6% in 2018 increasing from 48.0% in 2008. Mbhashe Local Municipality had the lowest labour force participation rate of 28.0% in 2018, this decreased from 28.1% in 2008.

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.

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

TABLE 2.18: TOTAL EMPLOYMENT - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2008-2018 [NUMBERS]

	Amatole	Eastern Cape	National Total
2008	164,000	1,380,000	14,100,000
2009	154,000	1,350,000	14,000,000
2010	142,000	1,300,000	13,700,000
2011	136,000	1,300,000	13,900,000
2012	133,000	1,290,000	14,200,000
2013	137,000	1,320,000	14,600,000
2014	146,000	1,390,000	15,200,000
2015	152,000	1,440,000	15,700,000
2016	156,000	1,470,000	15,900,000
2017	157,000	1,480,000	16,100,000
2018	155,000	1,470,000	16,300,000
Average Annual growth	-0.51%	0.61%	1.46%

Source: ECSECC, 2018

In 2018, Amatole employed 155 000 people which is 10.57% of the total employment in Eastern Cape Province (1.47 million), 0.95% of total employment in South Africa (16.3 million). Employment within Amatole decreased annually at an average rate of -0.51% from 2008 to 2018.

TABLE 2.19: TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - AMATHOLE AND THE REST OF EASTERN CAPE, 2018 [NUMBERS]

	AMATOLE	NELSON MANDELA BAY	BUFFALO CITY	SARAH BAARTMA N	CHRIS HANI	JOE GQABI	O.R.TAMB O	ALFRED NZO	TOTAL EASTERN CAPE
AGRICULTURE	10,100	7,680	19,600	25,100	13,000	9,760	7,130	4,970	97,363
MINING	104	198	188	32	168	122	332	126	1,271
MANUFACTURING	8,210	59,300	21,200	14,200	7,810	4,620	7,600	4,290	127,200
ELECTRICITY	211	246	2,230	126	246	130	316	145	3,649
CONSTRUCTION	15,700	25,000	22,300	13,800	20,100	12,400	24,700	17,800	151,747
TRADE	38,000	76,400	60,000	31,000	35,200	19,800	54,600	24,700	339,711
TRANSPORT	6,680	21,700	10,800	6,470	5,880	3,580	10,500	4,860	70,442
FINANCE	16,800	48,200	31,300	12,900	16,200	7,740	27,300	10,700	171,213
COMMUNITY	47,200	70,900	64,600	24,600	52,300	25,000	74,100	31,900	390,540
TOTAL	155,000	334,000	254,000	141,000	165,000	92,000	222,000	107,000	1,470,256

Source: ECSECC, 2018



Amatole District Municipality employs a total number of 155 000 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 334 000. 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 92 000 employed people.

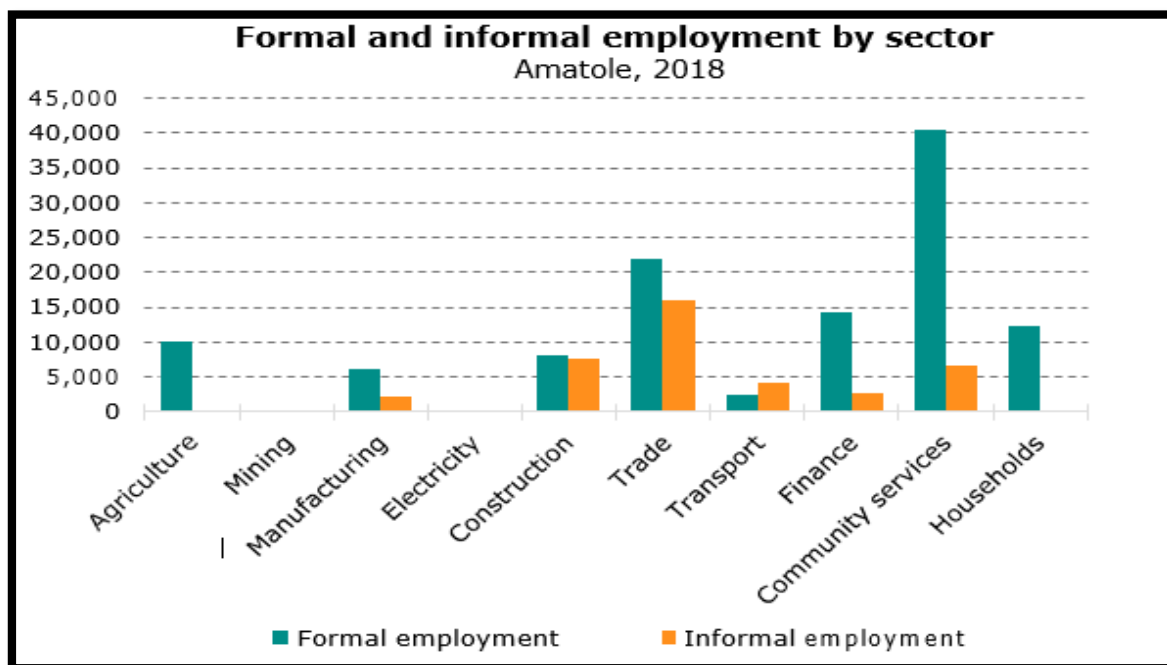
In Amatole District Municipality the economic sectors that recorded the largest number of employment in 2018 were the community services sector with a total of 47 200 employed people or 30.4% of total employment in the district municipality. The trade sector with a total of 38 000 (24.5%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 104 (0.1%) is the sector that employs the least number of people in Amatole District Municipality, followed by the electricity sector with 211 (0.1%) 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 116 000 in 2018, which is about 74.76% of total employment, while the number of people employed in the informal sector counted 39 200 or 25.24% of the total employment. Informal employment in Amatole decreased from 42 500 in 2008 to an estimated 39 200 in 2018.

FIGURE 2.19: FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - AMATHOLE DISTRICT MUNICIPALITY, 2018 [NUMBERS]



Source: ECSECC, 2018

In 2018 the Trade sector recorded the highest number of informally employed, with a total of 16 100 employees or 40.97% 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 2 080 and only contributes 5.31% to total informal employment.

2.2.5.5 Unemployment

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

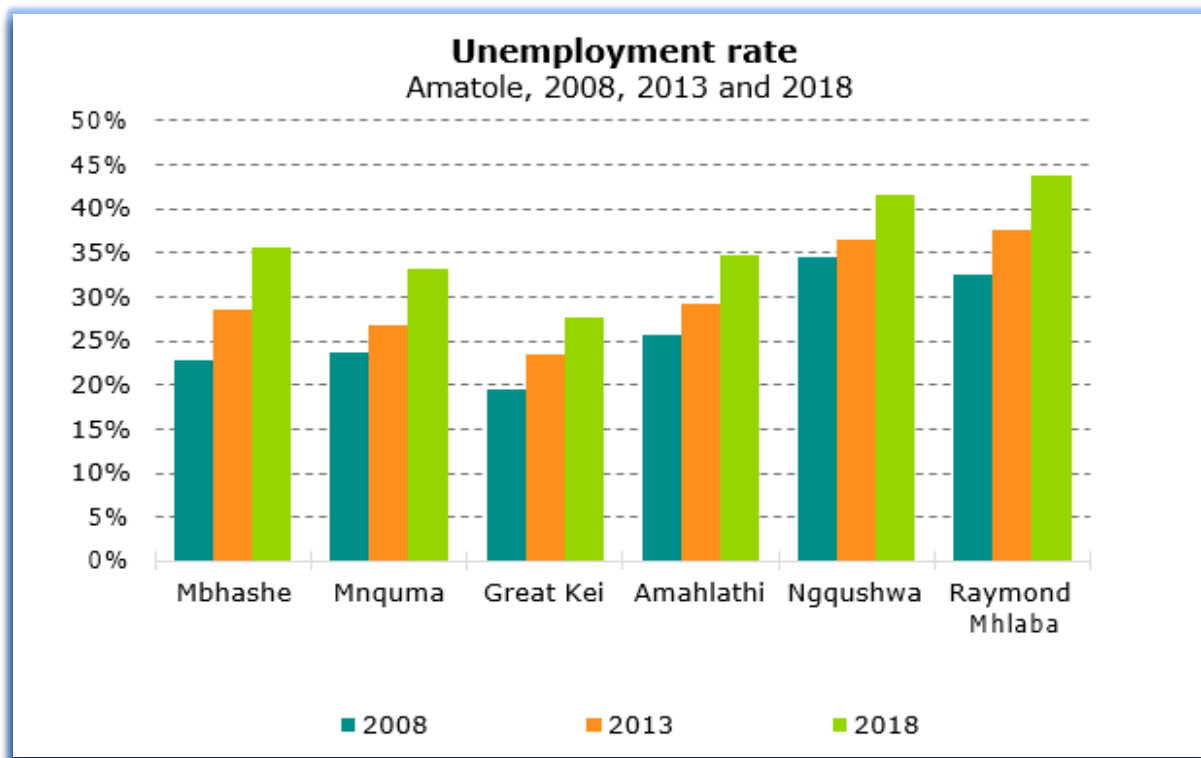
The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons 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 2018, there were a total number of 81 600 people unemployed in Amatole, which is an increase of 27 400 from 54 200 in 2008. The total number of unemployed people within Amatole constitutes 10.38% of the total number of unemployed people in Eastern Cape Province. The Amatole District Municipality experienced an average annual increase of 4.17% in the number of unemployed people, which is better than that of the Eastern Cape Province which had an average annual increase in unemployment of 4.66%.

FIGURE 2.20: UNEMPLOYMENT RATE - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2008, 2013 AND 2018 [PERCENTAGE]



Source: ECSECC, 2018

When comparing unemployment rates among regions within Amatole District Municipality, Raymond Mhlaba Local Municipality has indicated the highest unemployment rate of 43.7%, which has increased from 32.5% in 2008. It can be seen that the Great Kei Local Municipality had the lowest unemployment rate of 27.6% in 2018, which increased from 19.5% in 2008.

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.

TABLE 2.22: HOUSEHOLDS BY INCOME CATEGORY - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2016 [NUMBER PERCENTAGE]

	Amathole	Eastern Cape	National Total	Amathole as % of province	Amathole as % of national
0-2400	24	206	1,880	11.9%	1.30%
2400-6000	459	3,800	33,300	12.1%	1.38%
6000-12000	5,010	38,400	314,000	13.1%	1.59%
12000-18000	9,900	76,400	624,000	12.9%	1.59%
18000-30000	29,300	220,000	1,720,000	13.3%	1.71%
30000-42000	32,000	231,000	1,730,000	13.9%	1.86%
42000-54000	29,100	204,000	1,520,000	14.3%	1.92%
54000-72000	31,400	217,000	1,630,000	14.5%	1.93%
72000-96000	26,700	185,000	1,490,000	14.4%	1.79%
96000-132000	21,100	156,000	1,390,000	13.5%	1.52%

132000-192000	16,100	133,000	1,320,000	12.1%	1.22%
192000-360000	14,300	150,000	1,690,000	9.5%	0.85%
360000-600000	6,840	88,200	1,090,000	7.8%	0.63%
600000-1200000	3,840	59,000	785,000	6.5%	0.49%
1200000-2400000	1,020	17,600	238,000	5.8%	0.43%
2400000+	115	2,670	39,100	4.3%	0.29%
Total	227,000	1,780,000	15,600,000	12.8%	1.46%

Source: ECSECC, 2016

It was estimated that in 2016 19.64% of all the households in the Amathole District Municipality, were living on R30,000 or less per annum. In comparison with 2006's 58.10%, the number is more than half. The 30000-42000 income category has the highest number of households with a total number of 32 000, followed by the 54000-72000 income category with 31 400 households.

Only 24 households fall within the 0-2400 income category. For the period 2006 to 2016, the number of households earning more than R30,000 per annum has increased from 41.90% to 80.36%. It can be seen that the number of households with income equal to or lower than R6,000 per year has decreased by a significant amount.

2.2.6.2 Annual Total Personal Income

Personal income is an even broader concept than labour remuneration. Personal income includes profits, income from property, net current transfers and net social benefits.

Definition: Annual total personal income is the sum of the total personal income for all households in a specific region. The definition of income is the same as used in the income brackets (Number of Households by Income Category), also including the income tax. For this variable, current prices are used, meaning that inflation has not been taken into account.

**TABLE 2.21: HOUSEHOLDS BY INCOME CATEGORY - AMATHOLE, EASTERN CAPE AND
NATIONAL TOTAL, 2018 [NUMBER PERCENTAGE]**

	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
0-2400	27	232	1,700	11.7%	1.60%
2400-6000	563	4,650	32,900	12.1%	1.71%
6000-12000	5,880	43,900	318,000	13.4%	1.85%
12000-18000	11,600	85,500	627,000	13.6%	1.85%
18000-30000	37,600	262,000	1,770,000	14.3%	2.12%
30000-42000	38,500	261,000	1,790,000	14.7%	2.14%
42000-54000	32,200	216,000	1,590,000	14.9%	2.03%
54000-72000	33,500	228,000	1,730,000	14.7%	1.94%
72000-96000	26,400	191,000	1,580,000	13.8%	1.67%
96000-132000	20,200	163,000	1,500,000	12.4%	1.34%
132000-192000	15,800	144,000	1,440,000	10.9%	1.09%
192000-360000	14,000	162,000	1,870,000	8.6%	0.75%
360000-600000	5,820	93,700	1,220,000	6.2%	0.48%
600000-1200000	2,940	63,400	892,000	4.6%	0.33%
1200000-2400000	617	19,800	290,000	3.1%	0.21%
2400000+	52	2,950	46,700	1.8%	0.11%
Total	246,000	1,940,000	16,700,000	12.6%	1.47%

Source: ECSECC, 2018

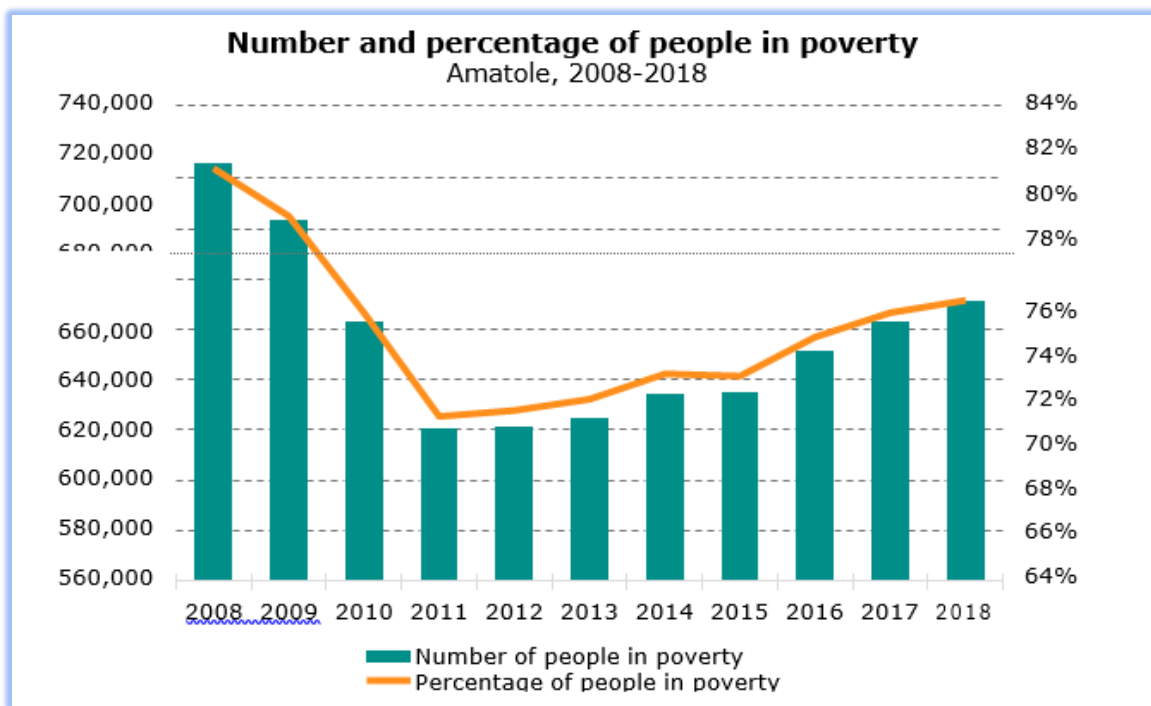
It was estimated that in 2018 22.65% of all the households in the Amatole District Municipality, were living on R30,000 or less per annum. In comparison with 2008's 48.61%, the number is about half. The 30000-42000 income category has the highest number of households with a total number of 38 400, followed by the 18000-30000 income category with 37 600 households. Only 27 households fall within the 0-2400 income category.

2.2.7 DEVELOPMENT

2.2.7.1 Poverty

Definition: 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.

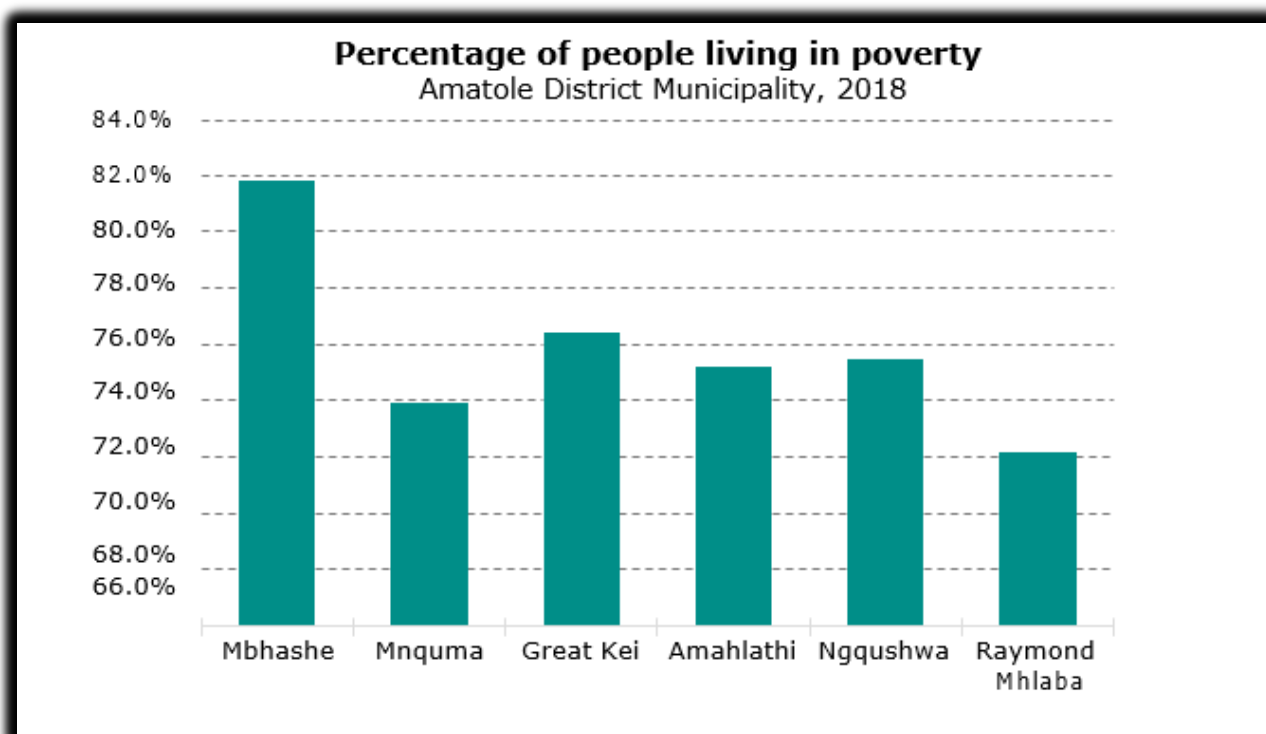
FIGURE 2.27: NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - AMATHOLE DISTRICT MUNICIPALITY, 2008-2018 [NUMBER PERCENTAGE]



Source: ECSECC, 2018

In 2018, there were 671 000 people living in poverty, using the upper poverty line definition, across Amatole District Municipality - this is 7.50% lower than the 726 000 in 2008. The percentage of people living in poverty has decreased from 82.22% in 2008 to 76.40% in 2018, which indicates a decrease of 5.82 percentage points.

FIGURE 2.28: PERCENTAGE OF PEOPLE LIVING IN POVERTY - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2016 [PERCENTAGE]



Source: ECSECC, 2018

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 81.8%. The lowest percentage of people living in poverty can be observed in the Raymond Mhlaba Local Municipality with a total of 72.2% 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 2.28: HIGHEST LEVEL OF EDUCATION: AGE 15+ - AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2018 [NUMBERS]

	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
No schooling	46,100	301,000	2,180,000	15.3%	2.1%
Grade 0-2	18,200	123,000	669,000	14.8%	2.7%
Grade 3-6	83,700	568,000	3,080,000	14.7%	2.7%
Grade 7-9	135,000	980,000	6,100,000	13.8%	2.2%
Grade 10-11	127,000	1,070,000	8,840,000	11.9%	1.4%
Certificate / diploma without matric	1,770	14,300	180,000	12.4%	1.0%
Matric only	84,500	942,000	11,000,000	9.0%	0.8%
Matric certificate / diploma	20,800	230,000	2,270,000	9.1%	0.9%
Matric Bachelors degree	10,900	135,000	1,680,000	8.1%	0.7%
Matric Postgrad degree	4,430	58,600	788,000	7.6%	0.6%

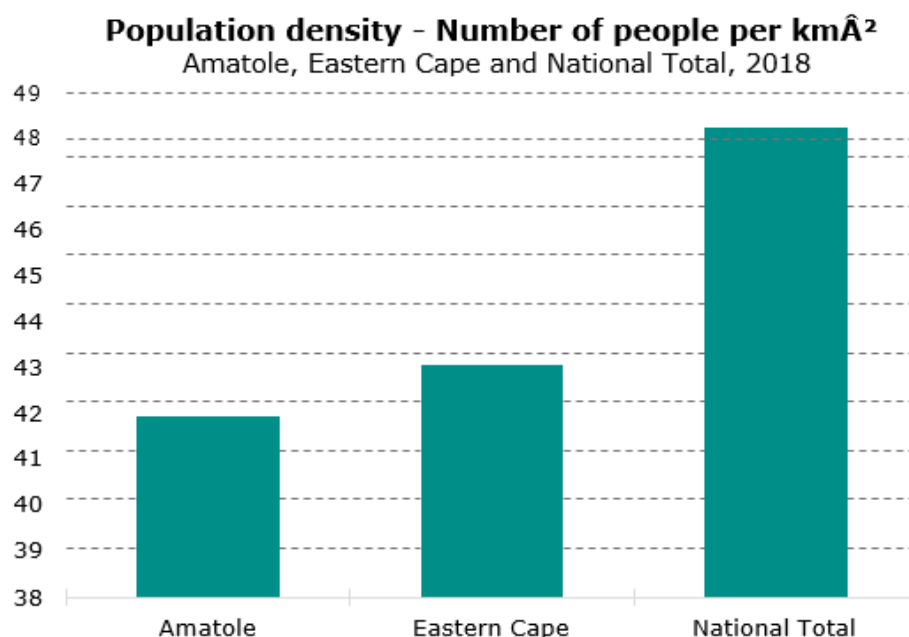
Source: ECSECC, 2018

The number of people without any schooling in Amatole District Municipality accounts for 15.32% of the number of people without schooling in the province and a total share of 2.12% of the national. In 2018, the number of people in Amatole District Municipality with a matric only was 84,500 which is a share of 8.97% 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 8.07% of the province and 0.65% of the national

2.2.8 POPULATION DENSITY

Definition: 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.

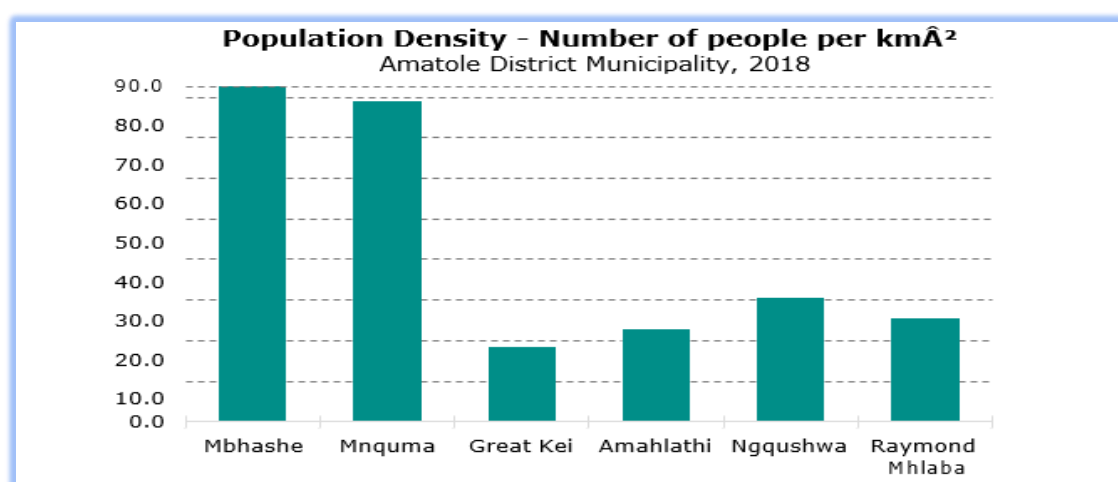
FIGURE 2.35: POPULATION DENSITY - AMATHOLE, EASTERN CAPE AND NATIONAL TOTAL, 2018 [NUMBER OF PEOPLE PER KM]



Source: ECSECC, 2018

In 2018, with an average of 41.7 people per square kilometre, Amatole District Municipality had a lower population density than Eastern Cape (42.7 people per square kilometre). Compared to South Africa (47.6 per square kilometre) it can be seen that there are less people living per square kilometre in Amatole District Municipality than in South Africa

FIGURE 2.36: POPULATION DENSITY - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2018 [PERCENTAGE]



Source: ECSECC, 2018



In terms of the population density for each of the regions within the Amatole District Municipality, Mbhashe Local Municipality had the highest density, with 82.7 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.

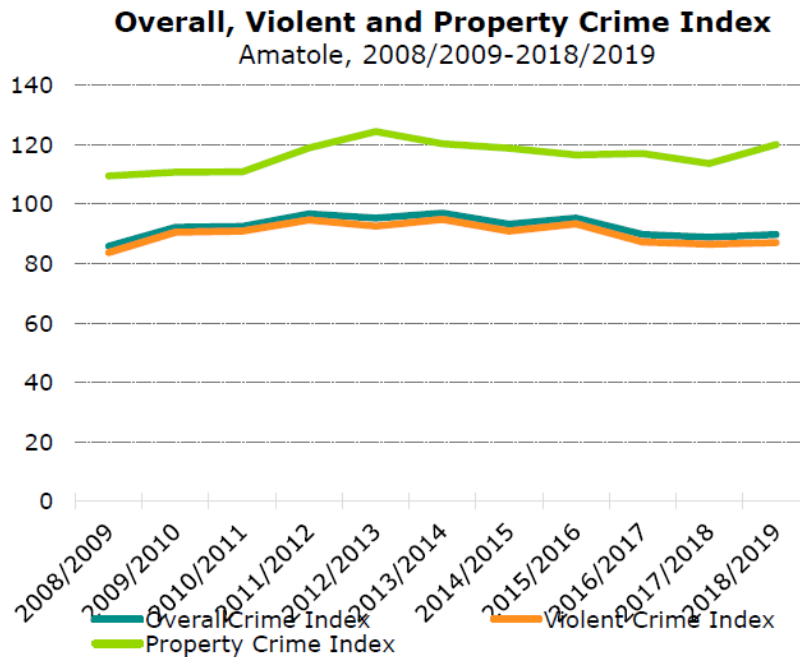
2.2.9.1 IHS Composite Crime Index

The 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.

2.2.9.2 Overall Crime Index

Definition: 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.

FIGURE 2.37: IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - AMATOLE DISTRICT MUNICIPALITY, 2008/2009-2018/2019 [INDEX VALUE]



Source: ECSECC, 2018

For the period 2008/2009 to 2018/2019 overall crime has increase at an average annual rate of 0.45% within the Amatole District Municipality. Violent crime increased by 0.40% since 2008/2009, while property crimes increased by 0.92% between the 2008/2009 and 2018/2019 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 2016 and 2006.

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 2.31: 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	1,180	23,300	11,100	32,600	173	68,400
Mnquma	6,600	28,500	10,200	27,300	303	72,900
Great Kei	612	5,160	746	2,230	69	8,820
Amahlathi	2,530	13,900	4,370	8,710	133	29,600
Ngqushwa	1,030	13,300	1,640	4,080	48	20,100
Raymond Mhlaba	9,740	23,200	3,300	9,320	151	45,700
Total Amatole	21,684	107,422	31,414	84,217	876	245,612

Source: ECSECC, 2018



Amatole District Municipality had a total number of 21 700 (8.83% of total households) very formal dwelling units, a total of 107 000 (43.74% of total households) formal dwelling units and a total number of 31 400 (12.79% 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 9 740 or a share of 44.92% 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 612 or a share of 2.82% 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 112 000 within Amatole District Municipality. From 2008 this number increased annually at 0.44% to 116 000 in 2018.

The total number of households within Amatole District Municipality increased at an average annual rate of 0.93% 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 2.32. HOUSEHOLDS BY TYPE OF SANITATION - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2018 [NUMBER]

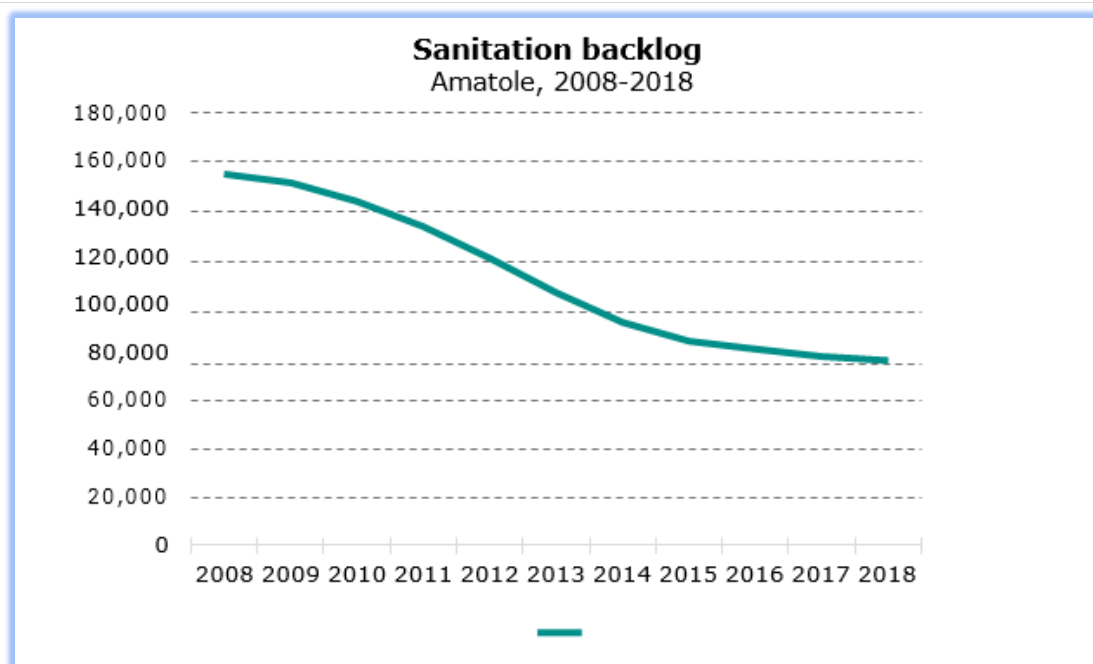
	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Mbhashe	5,640	37,300	9,940	207	15,300	68,400
Mnquma	17,200	32,900	16,900	509	5,390	72,900
Great Kei	2,440	3,190	1,580	91	1,510	8,820
Amahlathi	6,620	11,200	9,730	162	1,930	29,600
Ngqushwa	1,720	12,600	5,230	24	454	20,100
Raymond Mhlaba	22,700	10,800	9,780	863	1,630	45,700
Total Amatole	56,272	108,032	53,201	1,855	26,253	245,612

Source: ECSECC, 2018

Amatole District Municipality had a total number of 56 300 flush toilets (22.91% of total households), 108 000 Ventilation Improved Pit (VIP) (43.98% of total households) and 53 200 (21.66%) of total households pit toilets.

The region within Amatole with the highest number of flush toilets is Raymond Mhlaba Local Municipality with 22 700 or a share of 40.30% of the flush toilets within Amatole. The region with the lowest number of flush toilets is Ngqushwa Local Municipality with a total of 1 720 or a share of 3.06% of the total flush toilets within Amatole District Municipality.

FIGURE 2.40: SANITATION BACKLOG - AMATHOLE DISTRICT MUNICIPALITY, 2008-2018 [NUMBER OF HOUSEHOLDS WITHOUT HYGIENIC TOILETS]



Source: ECSECC, 2018

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

2.2.10.3 Households by Access to Water

TABLE 2.33: HOUSEHOLDS BY TYPE OF WATER ACCESS - AMATHOLE DISTRICT MUNICIPALITY, 2018 [NUMBER]

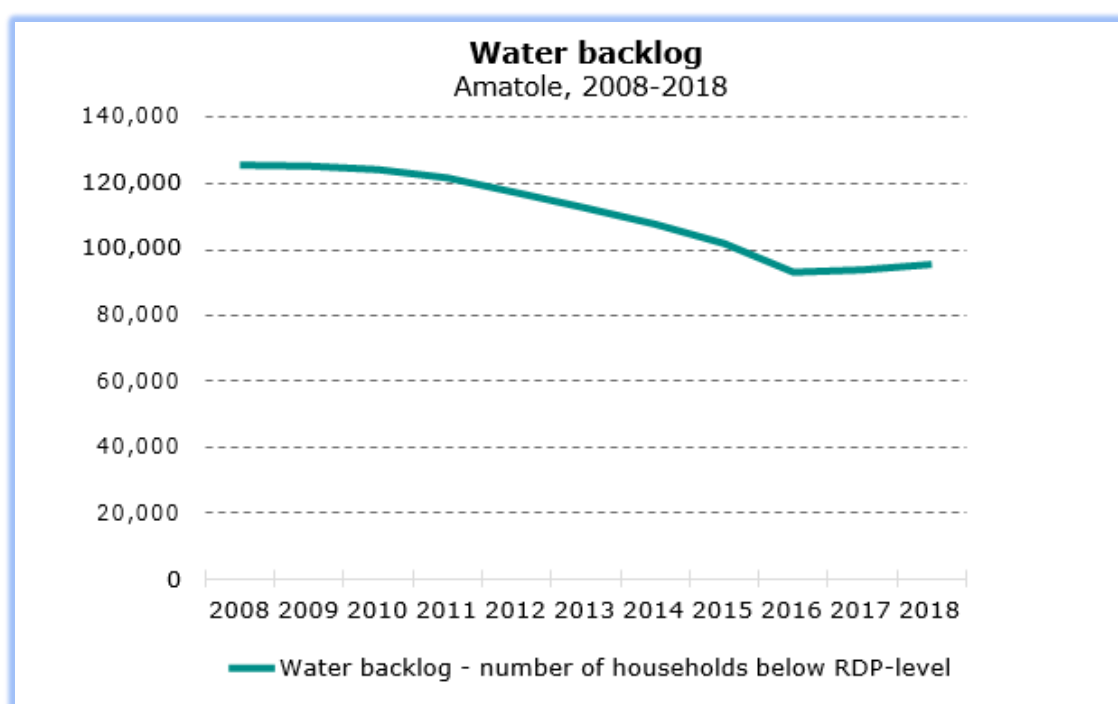
	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Mbhashe	9,890	3,600	14,600	2,040	38,300	68,400
Mnquma	15,400	4,790	20,900	8,370	23,500	72,900
Great Kei	1,160	2,460	2,490	1,200	1,510	8,820
Amahlathi	3,840	7,430	10,200	2,970	5,240	29,600
Ngqushwa	1,670	2,880	10,400	3,050	2,070	20,100
Raymond Mhlaba	10,400	11,700	15,800	4,440	3,430	45,700
Total Amatole	42,340	32,876	74,315	22,064	74,017	245,612

Source: ECSECC, 2018

Amatole District Municipality had a total number of 42 300 (or 17.24%) households with piped water inside the dwelling, a total of 32 900 (13.39%) households had piped water inside the yard and a total number of 74 000 (30.14%) 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 15 400 or a share of 36.43% 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 1 160 or a share of 2.74% of the total households with piped water inside the dwelling within Amatole District Municipality.

FIGURE 2.42: WATER BACKLOG - AMATHOLE DISTRICT MUNICIPALITY, 2008-2018 [NUMBER OF HOUSEHOLDS BELOW RDP-LEVEL]



Source: ECSECC, 2018

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 125 000 within Amatole District Municipality, this decreased annually at -2.62% per annum to 96 100 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 2.34: HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2018 [NUMBER]

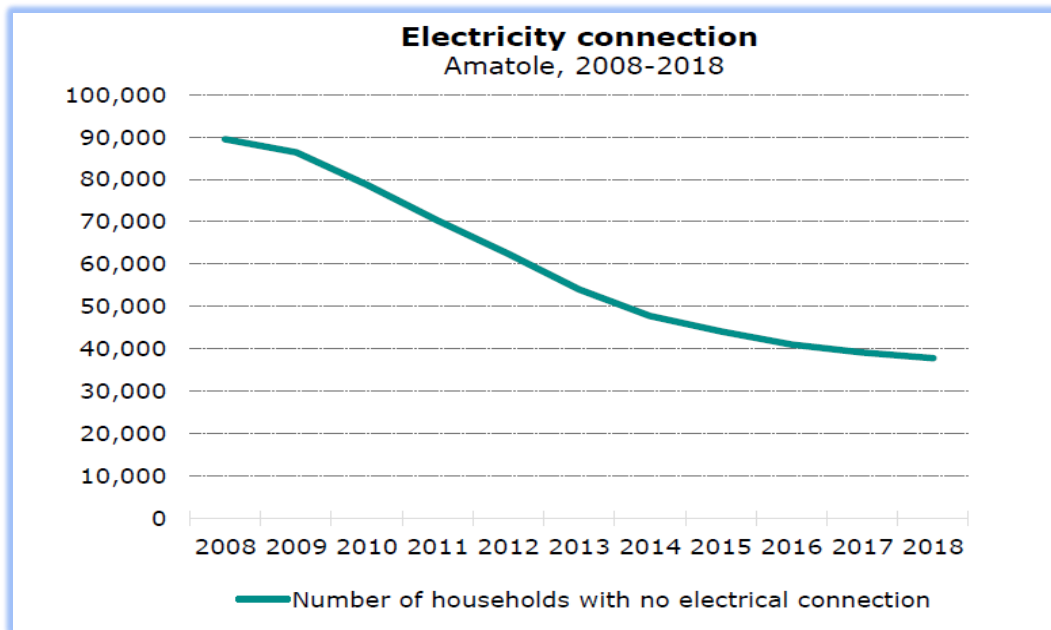
	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Mbhashe	6,920	43,200	18,300	68,400
Mnquma	4,880	54,300	13,800	72,900
Great Kei	409	7,170	1,230	8,820
Amahlathi	1,570	26,200	1,870	29,600
Ngqushwa	1,190	18,100	759	20,100
Raymond Mhlaba	1,460	42,500	1,800	45,700
Total Amatole	16,420	191,447	37,745	245,612

Source: ECSECC, 2018

Amatole District Municipality had a total number of 16 400 (6.69%) households with electricity for lighting only, a total of 191 000 (77.95%) households had electricity for lighting and other purposes and a total number of 37 700 (15.37%) 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 54 300 or a share of 28.34% 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 7 170 or a share of 3.75% of the total households with electricity for lighting and other purposes within Amatole District Municipality.

**FIGURE 2.44: ELECTRICITY CONNECTION - AMATHOLE DISTRICT MUNICIPALITY, 2008-2018
[NUMBER OF HOUSEHOLDS WITH NO ELECTRICAL CONNECTION]**



Source: ECSECC, 2018

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 -8.27% per annum to 37 700 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 refuse 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 2.35: HOUSEHOLDS BY REFUSE DISPOSAL - MBHASHE, MNQUMA, GREAT KEI, AMAHLATHI, NGQUSHWA AND RAYMOND MHLABA LOCAL MUNICIPALITIES, 2018 [NUMBER]

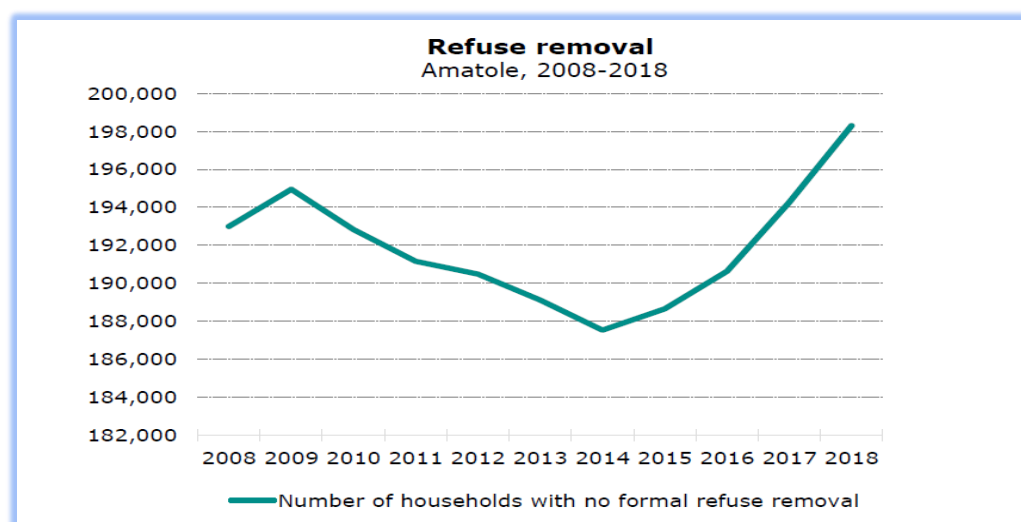
	weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Mbhashe	7,150	580	2,590	48,900	9,220	68,400
Mnquma	13,100	487	1,180	53,700	4,470	72,900
Great Kei	2,530	114	296	5,310	569	8,820
Amahlathi	5,210	152	1,030	22,700	544	29,600
Ngqushwa	2,180	104	590	16,800	416	20,100
Raymond Mhlaba	14,500	1,210	1,190	28,000	917	45,700
Total Amatole	44,661	2,645	6,865	175,304	16,137	245,612

Source: ECSECC, 2018

Amatole District Municipality had a total number of 44 700 (18.18%) households which had their refuse removed weekly by the authority, a total of 2 640 (1.08%) households had their refuse removed less often than weekly by the authority and a total number of 175 000 (71.37%) 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 14 500 or a share of 32.38% 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 2 180 or a share of 4.88% of the total households where the refuse is removed weekly by the authority within the district municipality.

FIGURE 2.46: REFUSE REMOVAL - AMATHOLE DISTRICT MUNICIPALITY, 2008-2018 [NUMBER OF HOUSEHOLDS WITH NO FORMAL REFUSE REMOVAL]



Source: ECSECC, 2018



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 193 000, this increased annually at 0.27% per annum to 198 000 in 2018.

The total number of households within Amatole District Municipality increased at an average annual rate of 0.93% 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.

2.2.11.1 Trips by Purpose of Trips

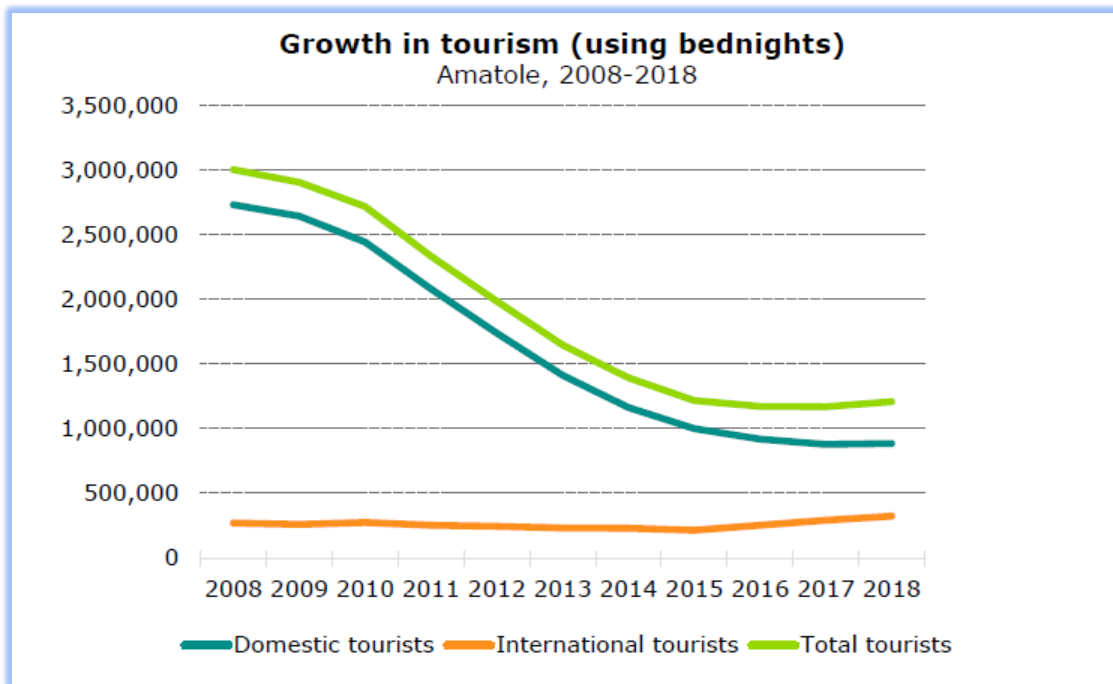
Definition: As defined by the United Nations World Tourism Organisation (UN WTO), a trip refers to travel, by a person, from the time they leave their usual residence until they return to that residence.

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 2.49: GROWTH IN TOURISM (USING BEDNIGHTS) BY ORIGIN - AMATHOLE DISTRICT MUNICIPALITY, 2008-2018 [NUMBER]



Source: ECSECC, 2018

The number of trips by tourists visiting Amatole District Municipality from other regions in South Africa has decreased at an average annual rate of -5.31% from 2008 (420 000) to 2018 (243 000). The tourists visiting from other countries decreased at an average annual growth rate of -0.11% (from 23 400 in 2008 to 23 200). International tourists constitute 8.70% of the total number of trips, with domestic tourism representing the balance of 91.30%.

2.2.12 LOCAL MUNICIPAL SOCIO-ECONOMIC PROFILES

2.2.12.1 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%.

2.2.12.2 Mquma 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 Mquma 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 Mquma.

2.2.12.3 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.

2.2.12.4 Amahlathi Local Municipality



In 2016, the **AM AHLATHI 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.

2.2.12.5 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.

2.2.12.6 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.

2.3 SWOT ANALYSIS (STRENGTHS, WEAKNESS, OPPORTUNITIES, THREATS)

The SWOT Analysis reflects on the Strengths, Weaknesses, Opportunities and Threats found within the Amathole District Municipality.

TABLE 1: SWOT ANALYSIS

SOCIAL DEVELOPMENT & HUMAN SETTLEMENT			
STRENGTHS	WEAKNESS	OPPORTUNITIES	THREATS



▶ Innovative new management at ADM. ▶ Mergers, Joint Ventures and strategic alliances possibility. ▶ Moving in new markets segments that offer improved solutions. ▶ Legal supporting services. ▶ New quality processes and procedures. ▶ Social facilities exist within the ADM. ▶ Low level of informal dwellings. ▶ From a tourism perspective, ADM is strategically located along major transport routes. ▶ Lots of tourism facilities in and around ADM.	▶ Damaged reputation. ▶ Linkages with neighbouring municipalities with regard to impact of regional economic concentrations are minimal. ▶ Lack of mechanisms to ensure compliance by both municipalities and sector departments. ▶ Lack of mechanisms in ensuring alignment with local municipalities ▶ A negative market legacy by past vacated and ineffective management. ▶ Poor quality goods and services in the past. ▶ Lack of resources to do the work. ▶ The unemployment rate in AMD is high. ▶ Education levels within the municipality are low. ▶ 37% of the population have no income. ▶ The condition of some social amenities is very poor and need upgrading. ▶ No decent social housing or rental accommodation available for the middle-class income group.	▶ STEM Colleges ▶ High-Performance Sports Centre ▶ 24-hour broadband. ▶ Wi-Fi hotspots ▶ New International markets. ▶ A development market. ▶ Locational opportunities. ▶ Fast return on investments. ▶ Improve the safety for those that live in the ADM. ▶ Training Academies. ▶ Improved and better access to social facilities will increase the education level within the ADM. ▶ Urban Development potential exists which can create investor confidence in the municipal area. ▶ Establish events and use existing events to harness economic return. ▶ Upgrading of the heritage sites and linkage to local tourism service providers ▶ Linkages between cooperatives/small-agricultural practices and coastal resorts and marketplaces.	▶ Declining population. ▶ Lack of belief by teenagers. ▶ Competitors of other larger municipalities have superior access to channels of funding. ▶ Too little liaison. ▶ Too few staff to action. ▶ Megaprojects need attention. ▶ Mega projects are very costly. ▶ Mega projects are likely to present unforeseen prospects. ▶ Megaprojects always have environmental impacts. ▶ Low purchasing power due to high unemployment rate. ▶ Crime



	▶ Limited tourism marketing and awareness. ▶ Lack of signage that leads to tourism amenities. ▶ Limited community-based tourism. ▶ Lack of tourism services such as banks. ▶ Lack of recreational facilities along major routes in ADM. ▶ The limited number of nodes offering integrated development and services to the communities is few and far between.	▶ Development of recycle projects and re-using waste creator's employment opportunities and development of crafts. ▶ Formalisation of hiking trails and building awareness. ▶ Linkage with the Frontier Country Route and Amathole Mountain Escape. ▶ Adventure opportunities along Rivers. ▶ Beachfront Developments. ▶ Adventure Opportunities. ▶ Arrangement of indoor sports games. ▶ Tour packages from coastal resorts to inland villages. ▶ Improve structure and functioning of LTO – bookings, Improvement of tourism skills. ▶ Create linkages amongst private operators to prolong visitor stays. ▶ Conservation areas linked to community education and heritage awareness.	▶ Rising fuel prices resulting in limited recreational travel. ▶ Land claims along critical destinations. ▶ Priority of tourism amongst political leaders ▶ Inadequate basic road infrastructure leading to tourism destinations or attraction sites. ▶ Lack of public access to the beach

		▶ Crafter/ market areas in high traffic zones. ▶ Public-Private Partnerships (PPPs)	

TABLE 2: SWOT ANALYSIS

RURAL DEVELOPMENT

▶ STRENGTHS	▶ WEAKNESS	▶ OPPORTUNITIES	▶ THREATS
▶ There are irrigation schemes within the municipality that are managed by ADM. ▶ Large portions of land for development exist within the municipal areas. ▶ Nature Reserves and Conservation is situated in ADM. ▶ There are conservation areas along the coast which could be explored. ▶ Aqua-Culture ▶ Department of Forestry want to expand. ▶ Specialist management expertise. ▶ A new innovative product/services. ▶ Internal Capabilities. ▶ The demand is there. ▶ Adequate land available for Agricultural purposes. ▶ Agriculture product potential exists in local markets	▶ Lack of Buy-in from Service Providers ▶ No EPWP Policy Framework ▶ The unresolved land issues and conflict on existing land claims within the irrigation scheme area. ▶ Transfer of land to landowners has never been handed over to the owners. ▶ There are social issues involved with joint ventures, which make joint ventures an unpleasant thought. ▶ High dependency on government social grants means a lot of people live below, the poverty line. ▶ There is a continued conflict of taking over land and leasing land from Department of Land Affairs. ▶ The access is gavel and in a poor condition. ▶ No hiking trails along the coast. ▶ Reputation damaged ▶ Management and staff problems. ▶ Negative feedbacks.	▶ Upgrading of the irrigation schemes will promote farming ▶ Expanding citrus ▶ There are opportunities for agriculture in the drier areas. ▶ Opportunities for Livestock farming of Beef and Goat exist ▶ The opportunities that development will bring will influence the economic status of the municipal areas. ▶ There are opportunities that development will bring will influence the economic status of the municipal areas. ▶ There are opportunities in the Game Farming Industry ▶ Opportunity to link the coast with the nature reserves (problems experiences with the existing communities). ▶ Upgrading the towns could build investor confidence.	▶ Current and emerging factors that may challenge the ADM performance. ▶ Limited service lines. ▶ Adverse demographical changes. ▶ Policies. ▶ Economic slowdowns. ▶ Time. ▶ The lack of proper agricultural infrastructure will result in low agricultural production within the municipal area. ▶ High rates of poverty ▶ Unemployment ▶ Lack of crucial skills to ensure consistent quality of produce. ▶ Lack of assistance by extension officers.

▶ Irrigated gardening and field crops.	▶ There are a high number of unresolved land claims within the municipality. ▶ Lack of tenure security and a weak land administration system.	▶ Aquaculture. Flatland, elevation from sea not too high along the coast. ▶ External factors that ADM may be able to exploit to its advantage. ▶ Technological Advantages. ▶ New markets and services. ▶ Donation confirmation. ▶ A developing market. ▶ Moving into new market segments that offers improvements. ▶ Development of route to market priorities. ▶ International investment opportunities. ▶ Revitalise agricultural irrigation schemes. ▶ Good potential for citrus production, dairy and beef. ▶ Public-Private Partnerships (PPPs)	▶ Lack of coordination with intergovernmental initiatives.

TABLE 3: SWOT ANALYSIS

INFRASTRUCTURE DEVELOPMENT

STRENGTHS	WEAKNESS	OPPORTUNITIES	THREATS
▶ ADM effort and commitment. ▶ Urban population balance. ▶ ADM application of I.T. ▶ Central location for industrial uses. ▶ Strong, creative Leadership. ▶ Collaborative Process. ▶ Funding. ▶ Strong need. ▶ Grassroots Support.	▶ Limited assessment on 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	▶ Renewable Energy ▶ High-performance Sport Centre ▶ Desalination Plants ▶ Public Participation Partnerships (PPPs) ▶ Opportunities to become more informed and competitive. ▶ Mentorship. ▶ Have to meet need governance rules in	▶ Financial ability. ▶ Time constraints. ▶ Drop in Tax Revenues. ▶ Shrink in Demographics. ▶ Reduce in attraction. ▶ Loss of jobs. ▶ Economic slowdown. ▶ Funding. ▶ Increasing costs.

▶ There is a formal taxi rank facilities. ▶ There is a good supply of electricity throughout the municipal area. ▶ Water is available although limited to 70%.	droughts in the area, illegal connections, high water loss, staff and skills shortages ▶ Eradication of septic tanks in municipal towns ▶ Lack of policy on the municipality's roles and responsibilities with regards to rural sanitation ▶ Unquantifiable backlogs ▶ Limited funding for the coastal areas e.g. coastal and tourism infrastructure ▶ The ADM is dominated by indigents, Equitable share only grown by 5% - below inflation and below the salary increase of 7.5% ▶ Meter readers not adaptable to improved technology, ▶ Low project spending (excluding MIG), ▶ A number of the public transport facilities continue to operate informally and are faced with nonexistence of facilities, some lack basic infrastructure such as toilets, shelters, paving or formal trading facilities. ▶ Fragmentation in the powers and functions between the local municipalities and the district as well as the non-core nature of the function ▶ The Western Region the Regional Waste Site Study is still at feasibility phase. Subsequent to that is the construction phase pending on availability of budget;	infrastructure development. ▶ More jobs to deliver housing. ▶ Cost saving exercises. ▶ Mentoring of local SME's to deliver. ▶ Hotel Developments. ▶ Future profitability. ▶ Future brand portfolio. ▶ Domestic markets. ▶ ADM effectiveness. ▶ Broadband energy. ▶ Pavement and bike lanes. ▶ Improved infrastructure will create investor confidence. ▶ Improve road signage across the municipal areas.	▶ Increasing rates of interest. ▶ Increase in labour cost. ▶ Tax changes. ▶ Future debt rating. ▶ Price changes. ▶ School enrolment rates. ▶ Unemployment rates. ▶ Human Development Index. ▶ Crime Rate. ▶ There is no sufficient Stormwater Management Systems ▶ The cost of building infrastructure as well as maintaining it is high. ▶ The sewer systems are over capacity.



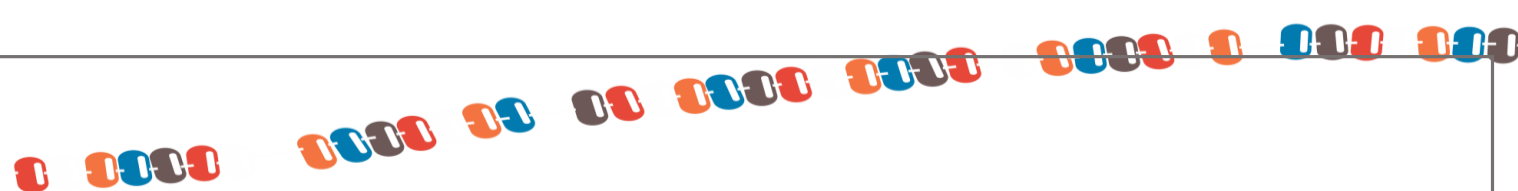
	▶ Local municipalities are struggling with the management of landfill sites ▶ Willowvale Fire Station is currently not electrified. ▶ Travelling distance in certain areas like Ngqamakwe due to the nature of the district ▶ Raymond Mhlaba and Amahlathi are unable to provide effective and efficient fire services, support is required from COGTA to review the function at the LM's ▶ Insufficient funding for disaster response and recovery; ▶ Climate changes pose more threats to the environment and economy. ▶ Don't have enough resources at the moment to do the work. ▶ Restriction on local SME's capacity. ▶ Labour relations. ▶ Efficiency. ▶ Performance Management. ▶ Human resources capacity. ▶ Quality of infrastructure. ▶ Vibrancy of collaboration. ▶ Internet subscribers at schools and communities. ▶ Traffic flows. ▶ Limits of roads in the municipal area are tarred. ▶ The rural roads are in bad condition and are worse during rainy days. ▶ The Regional Water Scheme is overloaded. ▶ Upgrade of the Sewer Treatment		

	▶ The gravel access roads are not appealing to tourists.		

TABLE 4: SWOT ANALYSIS

ENVIRONMENT

STRENGTHS	WEAKNESS	OPPORTUNITIES	THREATS
▶ Resources, assets and people. ▶ Culture, attitudes and behaviour. ▶ Innovative aspects. ▶ Country Living. ▶ Spaces are attracting and inviting. ▶ Long term leases at low rates. ▶ Unique social Phenomenon. ▶ Rivers flanking the municipal Boundaries ▶ Location and Geography. ▶ Brand Name. ▶ Abundance of arable land available within the municipal area. ▶ ADM has a unique natural environment fit for tourism. ▶ The ADM has a well-established road network connecting to major towns ▶ Existing farms.	▶ Limited assessment on 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, staff and skills shortages ▶ 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 ADM is having to operate more and more with less and less each year; ▶ Eradication of septic tanks in municipal towns ▶ Lack of policy on the municipality's roles and responsibilities with regards to rural sanitation ▶ Unquantifiable backlogs ▶ Limited funding for the coastal areas e.g. coastal and tourism infrastructure ▶ The ADM is dominated by indigents,	▶ Industry for lifestyle needs. ▶ Offer more variety of tourism attraction to attract. ▶ Online Marketing. ▶ Potential of engagement for revenue opportunities. ▶ Capacity opportunities. ▶ Advertising reality. ▶ Target market needs. ▶ The system belongs to the people. ▶ Market Developments. ▶ Business and product development. ▶ Marketing – Reach, distribution and awareness. ▶ Show of local skills. ▶ Unfulfilled customer needs. ▶ Upper-class Holiday accommodation needs. ▶ Conserve the environment by eliminating other impacts. ▶ Blue – Economy (PAKISO) ▶ Urban greening and open space opportunities. ▶ Opportunities exist for solar and wind	▶ Seasonal, weather affects. ▶ Shifts in consumer preferences. ▶ Competition intentions. ▶ Legislative effects. ▶ Sustainable financing backing. ▶ New regulations. ▶ Emergence of substitute products. ▶ Difficulty monetising in ADM development implementation. ▶ Investor perception. ▶ Environmental effects. ▶ Market demand obstacle. ▶ Terrain obstacles. ▶ Opposition – People hate change ▶ Climate change on the environment. ▶ Commonage land within the urban areas ▶ The coastal Management Plan can lead to mismanagement of valuable coastal areas.



	▶ Equitable share only grown by 5% - below inflation and below the salary increase of 7.5% ▶ Meter readers not adaptable to improved technology, ▶ Low project spending (excluding MIG), ▶ Lack of integration and cross-sector planning ▶ Lack of compliance with statutory requirements with regard to climate change ▶ Lack of policy framework with regard to green economy agenda ▶ Lack of competitive strength. ▶ Gaps in Capabilities. ▶ Unfilled Needs. ▶ Developmental and Innovation. ▶ Loss of Image. ▶ Planning ahead. ▶ Environmental Constraints. ▶ Few Coastal Management Plan. ▶ Increased heat waves. ▶ Higher risk of flooding along existing watercourses. ▶ High unemployment rates, low education and skills level. ▶ Underutilised vacant sites in the urban areas, creating an opportunity for land invasion and dumping of waste. ▶ Limited product marketing and awareness. ▶ There is a lack of signage within the municipal areas. ▶ Limited community-based tourism. ▶ Lack of tourism activities and linkages to other municipal boundaries.	renewable energy projects. ▶ Opportunities for Biofuel production. ▶ Commercial farming and small scale agriculture has huge potential although it has declined in the past few years. ▶ The municipality already has viable agricultural enterprises. ▶ Rural land in the municipality is owned by the state and therefore needs to be assessed by the Department of Land Affairs for development purposes. ▶ Dilapidated historical buildings that can be revamped. ▶ Opportunity to develop game experiences in conjunction with beach tourism.	▶ Most rural settlements still need to be formalised. ▶ New environment law that has been enacted will limit development along the coast and thus help conserve environmentally sensitive land. ▶ Climate change will have a negative impact on the municipality's irrigation schemes as shortage of water are expected. ▶ There are a large number of land claims within ADM. ▶ Development is hindered by land claims as land ownership becomes an issue.

	▶ Lack of adequate facilities for traders with trading equipment. ▶ Lack of tourism finance facilities such as banks. ▶ Lack of recreational facilities along major route. ▶ Areas to the north of the municipality are poorly connected to the primary road network making access to public facilities and services difficult from villages located here. ▶ Primary connections south towards the coast are not well defined, A greater number of well-developed connections need to be made towards the coast in order to strengthen accessibility within the ADM.		

TABLE 5: SWOT ANALYSIS

ECONOMIC DEVELOPMENT

STRENGTHS	WEAKNESS	OPPORTUNITIES	THREATS
▶ Future orientated should serve ADM towards 2058. ▶ Big picture thinking. ▶ Hardworking, open-minded, thoughtful Management. ▶ Markets exist within the ADM area to buy fresh produce from farmers. ▶ Price, quality, value. ▶ Good access to other major towns exists ▶ Possibilities. ▶ Export possibilities.	▶ Insufficient funds to implement High Impact LED programmes. ▶ Lack of funding for AREDS update ▶ There are no appropriate tools and support programmes tailor-made to deal with them specific challenges. ▶ The informal sector also does not fall within the current definition of SMME as embedded in the SMME Act of 1996 as amended in 2004. The policies and	▶ Foreign Investment ▶ Owners will support the locals if they are able to maintain good supply and quality produce. ▶ Offer more variety of services to attract more clients. ▶ Donation Confirmation. ▶ E-Trade. ▶ Changing the industry structure (the emergence of new enterprises, depots). ▶ Growth of tourism markets.	▶ Take too long to start projects. ▶ Deadlines. ▶ No implementation GTAS as yet. ▶ Aged population hindering tax effort. ▶ Loss of image. ▶ Competitive market. ▶ Recession globally. ▶ New Competitors. ▶ Changing buying power around the world. ▶ Investor perception of potential.



▶ Access to foreign markets. ▶ Advantage of Geographical location between ports. ▶ New leadership at ADM. ▶ User-supplied interest. ▶ Passionate local population. ▶ Strong need for Eco-Development. ▶ Grassroots support. ▶ Opportunities to improve the economy in affected areas. ▶ The R72 known as the Sunshine Tourism Route. ▶ Tourism routes running through the municipalities.	<i>interventions aimed at the development of SMMEs by DTI and other institutions, therefore, do not take the informal sector into account.</i> ▶ As big as this market is in the ADM, its challenges are not being addressed. ▶ There is no budget for development of Informal economy strategy ▶ Minimum growth of enterprises in the second type economy within the district ▶ Inadequate awareness and enforcement of enterprise business regulation ▶ Inadequate sustainable Tourism Development ▶ Inadequate Film and Creative Industry Development Support ▶ Aggressive marketing & promotion of tourism products that entails extensively participate on regional and international tourism marketing platform. ▶ Lack of marketing of the district as a tourist's destination ▶ Limited support towards tourism development initiatives ▶ Limited support towards creative industry ▶ Poor signage that lead to tourist destinations	▶ Focus on global markets. ▶ State Support. ▶ The Acquisition of Foreign experience. ▶ Opportunity to enter the export version. ▶ The creation of own distribution networks representative offices for foreign markets. ▶ Greater reach to clients implies multiplier effects if successful. ▶ Opportunity to upgrade road infrastructure to strengthen business opportunities. ▶ Opportunity to strengthen the tourism industry ▶ Public Participation Partnerships (PPPs)	▶ Time – Delays increase costs. ▶ Scope creep. ▶ Younger generation leaves. ▶ Loose Enthusiasm. ▶ Poor infrastructure discourages investors.



	▶ <i>Goods are purchased from East London and Port Alfred instead of within the municipal area.</i> ▶ <i>Financials.</i> ▶ <i>Low sports interaction.</i> ▶ <i>Current underutilising of tourism and entertainment.</i> ▶ <i>Meaningful Development.</i> ▶ <i>Low reputation at foreign markets.</i> ▶ <i>Loss of depth control and flexibility.</i> ▶ <i>Cash Flow.</i> ▶ <i>Management De-prioritising near term financial success could make forecasting difficult.</i> ▶ <i>Business is lower during winter months.</i> ▶ <i>Lack of marketing.</i> ▶ <i>Poor road infrastructures.</i> ▶ <i>Low economic activities in the municipal area.</i> ▶ <i>The economic opportunities are not fully utilised.</i> ▶ <i>There is a lack of signage with the municipal areas.</i> ▶ <i>Limited community-based tourism.</i> ▶ <i>Lack of tourism activities and linkages to other boundaries.</i> ▶ <i>Lack of tourism finance facilities such as banks.</i>		

TABLE 6: SWOT ANALYSIS

HUMAN RESOURCES

STRENGTHS	WEAKNESS	OPPORTUNITIES	THREATS
▶ Municipal staff that specifically deal with spatial planning matters ▶ Regular meetings with stakeholders. ▶ Innovative aspects. ▶ New management. ▶ Long-term Planning ▶ Strong Directorship ▶ ADM effort & Commitment ▶ Strong Creative Leadership ▶ Strong need ▶ Grassroots support ▶ Merges, joint ventures creation ▶ New quality procedures and processes ▶ Environment conducive to attract highly skilled labour.	▶ Lack of capacity to deal with housing delivery, planning project management and environmental issues. ▶ Simply too big ▶ A negative legacy ▶ Lack of Tourism, Business and Agri-processing Knowledge ▶ Labour Quality ▶ Education Limitations ▶ Incentive Schemes ▶ Decrease in demand for low skilled labourers.	▶ Opportunities exist for planning procedures, professional principles and land use management techniques to be adapted ▶ Opportunities for training to be provided more widely, awareness and capacity building to be extended to the stakeholders at large ▶ Interventions towards mentorship of young planning professionals within the municipality need to be established to build planning capacity in the municipal areas. ▶ Opening of PMO office ▶ Twin districts agreements ▶ Exchange Programs ▶ Strengthening local Government Sphere. ▶ Social Development Strategy. ▶ EPLP ▶ Seta's and Learnerships ▶ Training Academy.	▶ Limited security and availability of funds from Government delay development within the ADM area. ▶ Salaries are too high. ▶ Outdated By-Laws ▶ 4th Industrial Revolution.

TABLE 7: SWOT ANALYSIS

GOVERNANCE



STRENGTHS	WEAKNESS	OPPORTUNITIES	THREATS
▶ Policies, although limited are available within the municipality. ▶ Skilled management linked to University/Business ▶ Conductive to attract highly Skilled labour ▶ Centres for research excellence ▶ Long-term outlook ▶ MTAS (2018/2023).	▶ The reason being that public-sector funding is directed across the province to provide basic infrastructure in response to burgeoning settlement growth. It is believed that because of this, opportunities and the influence of development into corridors and nodes have largely been lost as a result. ▶ Strengthen community involvement and participation. ▶ Innovative community engagement mechanisms be supported to attract civil society engagement to supplement the ward committee system. ▶ Get the skills and technical capacity in place. ▶ Skills development for technical maintenance. ▶ Intensive artisan programs. ▶ Rotation of politicians between all three spheres of government. ▶ Strengthen performance monitoring and reporting. ▶ Reports required form municipalities should be rationalised to one or two reports covering all sectors requirements. ▶ Differentiate and match municipal roles to capabilities.	▶ Strengthening local government spheres ▶ Opportunities exist to strengthen the land use, settlement and building codes. ▶ Overcoming imbalances and inequalities of the past. ▶ Taking cognisance of the provisions of the ECPSDP.	▶ Failure to implement policies will result in haphazard planning



	▶ <i>Differentiation or segmentation of powers and functions.</i> ▶ <i>Differentiation should not only be based on capacities but also on potential to improve performance.</i> ▶ <i>Standardise and simplify processes and systems.</i>		

CHAPTER THREE

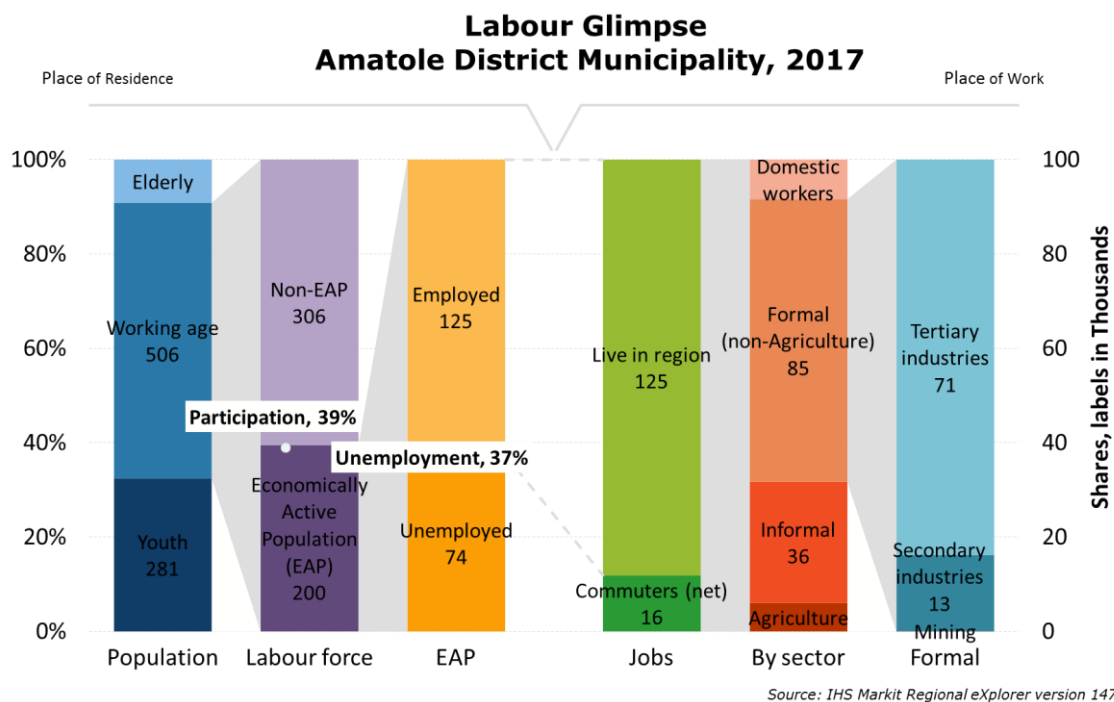
CHAPTER 3 STATUS QUO ASSESSMENT

3.1KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

MTAS Pillar: Institutional Development

B2B: Building Capable Institutions and Administration

3.1.1 LABOUR OVERVIEW



According to Ecsecc (2017), reading the chart from the left-most bar, breaking down the total population of the Amatole District Municipality (867 000) into working age and non-working age, the number of people that are of working age is about 507 000. As per definition, those that are of age 0 - 19 (youth) or age 65 and up (pensioners) are part of the non-working age population. Out of the working age group, 39.5% are participating in the labour force, meaning 200 000 residents of the district municipality forms currently part of the economically active population (EAP). Comparing this with the non-economically active population (NEAP) of the district municipality: fulltime students at tertiary institutions, disabled people, and those choosing not to work, sum to 307 000 people. Out of the economically active population, there are 74 800 that

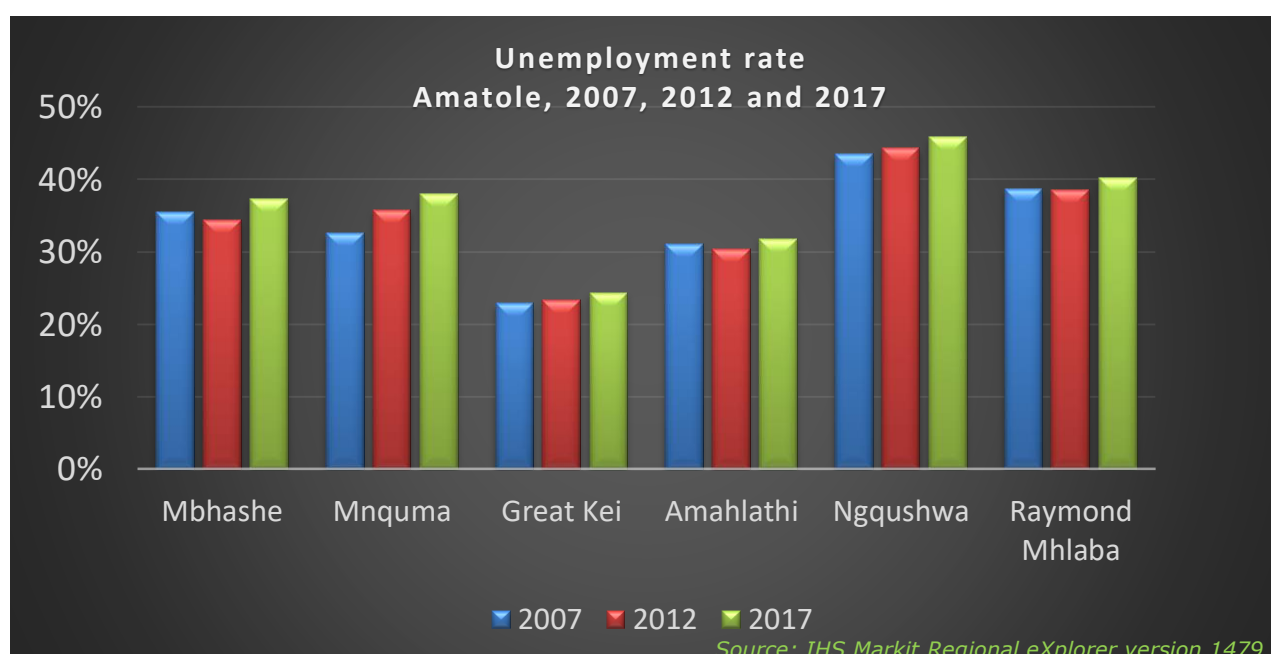
are unemployed, or when expressed as a percentage, an unemployment rate of 37.4%. Up to here all the statistics are measured at the place of residence.

On the far right we have the formal non-Agriculture jobs in Amatole, broken down by the primary (mining), secondary and tertiary industries. The majority of the formal employment lies in the Tertiary industry, with 71 400 jobs. When including the informal, agricultural and domestic workers, we have a total number of 142 000 jobs in the area. Formal jobs make up 59.9% of all jobs in the Amatole District Municipality. The difference between the employment measured at the place of work, and the people employed living in the area can be explained by the net commuters that commute every day into the district municipality.

3.1.1 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. The graph below illustrates the unemployment rate of the municipalities within the Amathole.

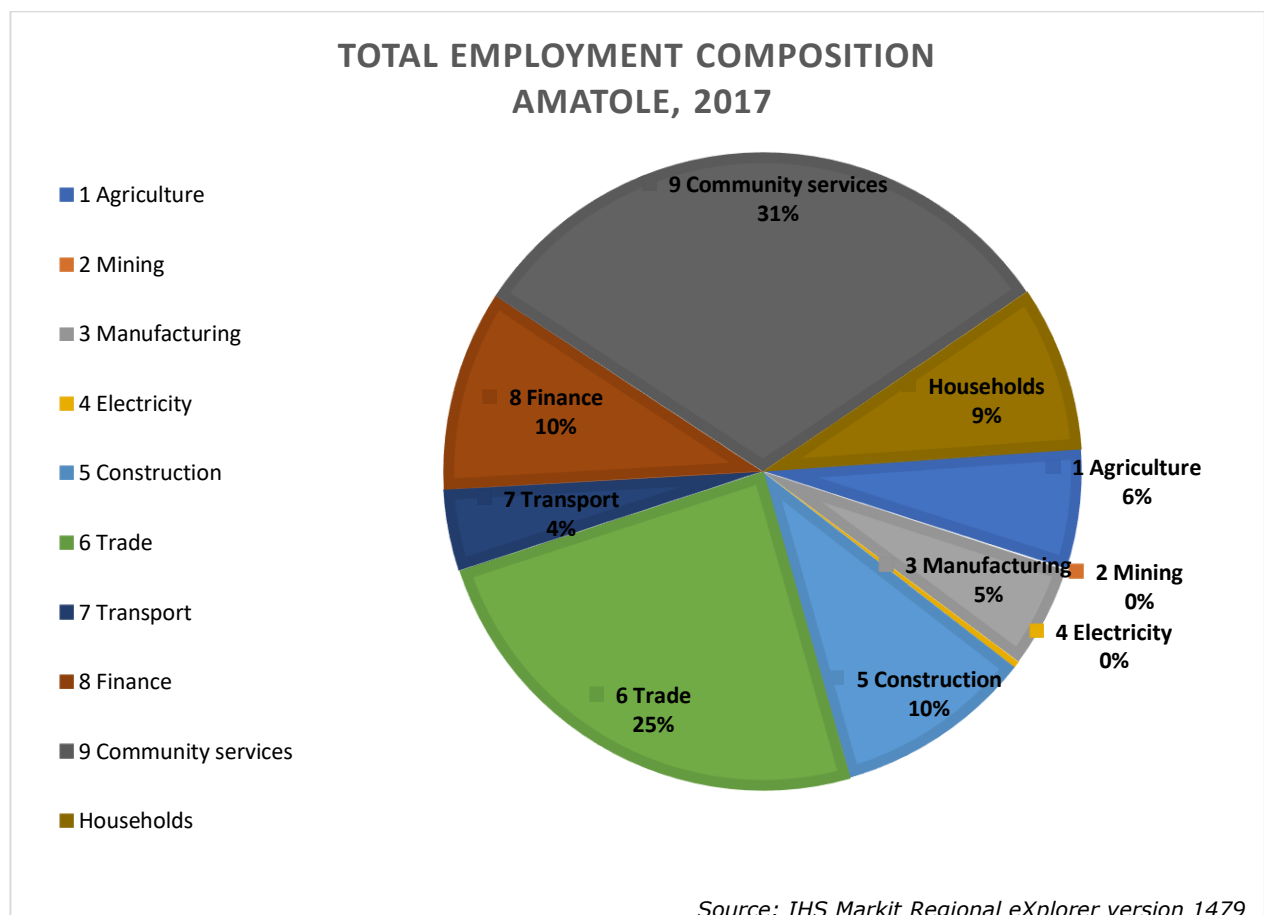
GRAPH 7: UNEMPLOYMENT RATE – AMATHOLE DISTRICT MUNICIPALITIES: 2007, 2012 AND 2017 [%]



In 2017, amathole had 142 000 people employed , which is 9.76% of the total employment in eastern cape province (1.46 million), 0.89% of total employment in south africa (15.9 million). Employment within amathole increased annually at an average rate of 0.54% from 2007 to 2017. Great Kei local municipality had the highest labour force participation rate with 51.7% in 2017 increasing from 46.0% in 2007. Mbhashe local municipality had the lowest labour force participation rate of 29.9% in 2017, this increased from 25.4% in 2007.

3.1.2 Employment

GRAPH 8: TOTAL EMPLOYMENT COMPOSITION 2017 [%]



According to Ecsecc, Amatole District Municipality employs a total number of 142 000 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 393 000. 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 76 900 employed people.



In Amatole District Municipality the economic sectors that recorded the largest number of employment in 2017 were the community services sector with a total of 44 400 employed people or 31.2% of total employment in the district municipality. The trade sector with a total of 34 600 (24.4%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 139 (0.1%) is the sector that employs the least number of people in Amatole District Municipality, followed by the electricity sector with 502 (0.4%) people employed.

3.1.3 ORGANIZATIONAL AND ESTABLISHMENT PLAN

Section 66 of the Local Government: The Municipal Systems Act (Act No 32 of 2000) requires a Municipal Manager to, within a policy framework determined by the Municipal Council and subject to any applicable legislation, establish a mechanism to regularly evaluate the staff establishment of a Municipality and, if necessary, review the staff establishment. (Amendment requires the approval of Council). ADM has developed Conduct of Conduct for both employees and councillors in line with the prescripts of the legislation.

All employees are binded by the Code of Conduct and are obliged to sign on the first day of starting work and councillors when they are sworn in as well as the Standing Rules of Council. Councillors are binded by the Standing Rules of Council. Both these Code of Conducts are developed in line with the requirements of the Municipal Systems Act.

Institutional structures, both political and administration, of the ADM are clearly outlined in the governance framework. The framework clearly outlines the roles and responsibilities of the structures of the council as well as the reporting.

ADM Council comprises of 47 councillors. Executive Mayor, Speaker, and 19 Mayoral Members being full time. Council has 5 standing committees supporting the Executive Mayor, established inline with the Local Government 5 KPA's. Council established a number of Oversight and Support Committees such as:

- MPAC
- Audit Committee (Audit, Risk and Performance)
- Women's Caucus
- Speakers and Whips Forums

3.1.3.1 Organisational Development and Establishment Plan

The establishment plan was developed and tabled before Council on the 29th June 2018, where it was approved. The 2018/19 organogram contains 2092, this figure includes Section 55 and 56 Managers positions. Amathole District Municipality has introduced a Regional model in the organisational structure that will enhance the existing satellite model to deliver quality and integrated services in the six local municipalities. This on-the-ground approach helps to streamline the delivery process and ensure effective and efficient response. The Regional Offices focuses on coordination and monitoring integrated service delivery within the different satellite offices. The table below depicts the newly approved organogram and the distribution positions as per directorate:

3.1.3.2 Amathole District Municipality Positions per Directorate [%]

Department	Number of Positions	Percentage
Office of the Municipal Manager	77	3.68
Strategic Planning & Development	66	3.15
Budget & Treasury Office	253	12.09
Corporate Services	130	6.21
Engineering & Infrastructure Services	1272	60.8
Community Services	240	11.47
Spatial Planning & Economic Development	54	2.58
TOTAL	2092	100%

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

- Job Descriptions development;
- Evaluation of Description;
- Auditing of Job Descriptions;
- Workforce Transition Process; and
- Criteria for Filling of Vacant Critical Positions.

OD & Job Evaluation has the following policy & Strategy

- Job Evaluation Policy
- Organizational Development Strategy



3.1.3.3 Employment Equity Plan

The current Amathole District Municipality (ADM) Employment Equity Plan was reviewed 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 takes place quarterly.

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

- Under-representation of females and
- Under-representation of people with disabilities

There are given targets which Amathole District Municipality must comply with in regards to Employment Equity in the form of national (females 45.3%) and provincial (48.3%). Currently, Amathole District Municipality stands at 42.7%. The attainment of the set targets will be deferred to a period beyond the transitional phase (migration phase). Due to the implementation of the MTAS, a moratorium on the filling of vacant positions was passed, this, however, has had a negative impact in achieving the set targets.

With regards to people with disabilities, both the national and provincial targets stand at 2%, Amathole District Municipality stands at 0.6%. There is also a pending Mutual Separation Agreement (MSA) intervention which will further aggravate the situation.

3.1.3.4 Talent Retention Strategy

The Talent Retention Strategy Implementation was suspended temporarily due to the institution's turnaround strategy that was implemented, and replaced by the turnover rate as a mechanism to feed into the strategy.

ADM has for the past years been facing serious challenges to deliver on its mandate of providing improved services to its constituency due to its oversized salary bill, which is beyond the acceptable National Treasury norms of 25% - 35%. Subsequent to the high salary bill, a Municipal Turnaround Strategy was developed and adopted. The turnaround strategy is having a turnover rate as one of its elements aiming at monitoring staff exits through which savings would be realised as per the endorsed Council's resolution that put a moratorium on



the filling of vacated positions. The turnover rate yielded savings on salaries that amount to R60 767 445, 84 in the 2018/2019 financial period with a vacancy rate of 7.3%.

3.1.3.5 2020/21 Key Issues

- To be provided with funding for the reviewal and implementation of the Talent Retention Strategy.
- Provided with funding for the development of Talent Management Strategy

Recruitment & Selection has the following policies & Strategies/Plan:

- Recruitment & Selection Policy
- Transfer & Secondment Policy
- Talent Retention Strategy
- Employment Equity Plan

3.1.4 INTERGRATED EMPLOYEE WELLNESS, OCCUPATIONAL HEALTH & SAFETY (EW & OHS)

3.1.4.1 EW & OHS Function

The purpose of the ADM Wellness and Occupational Health & Safety Unit is:

- To promote the health and wellness, Rehabilitation and rejuvenation of all ADM employees, through assessment, education and communication on health, wellness & safety related matters
- To provide a safe and healthy working environment with minimal safety risks for all employees at the workplace.
- According to the Occupational Health and Safety Act 85 of 1993, employers have a responsibility to ensure healthy and safe environment as well as health and safety of employees. To ensure this, ADM, through the Employee Wellness and Occupational Health and Safety Unit, has made the following services available to its employees including the employees based in the Satellite Offices:
 - Employee Assistant Programme
 - HIV/AIDS Workplace Programme
 - Emergency and First Aid support
 - Internal Recreation
 - Rehabilitation and Support
 - Occupational Health & Safety



The Occupational Health and Safety and the Employee Wellness Strategies were developed and approved in 2011/2012 Financial. These strategies were both implemented in the following year, i.e. 2013/ 2014. The Unit is still continuing with the implementation of the both strategies in ADM areas.

During the 2015/16 Financial Year, safety inspections have been continuously conducted to identify and manage risk, exposure and unsafe practices in all Departments, as well as planning on Health and Safety interventions required.

The trainings of Fire Marshals, First Aiders, Health and Safety Representatives and Managers have also been conducted. Safety Committee meetings are convened on quarterly basis. Risk assessment was conducted by a competent service provider and the manual handling of buckets was highlighted as a risk that exposes employees to hazardous biological agents. It was consequently recommended that employees receive formal training on how to handle this function.

Provision of formal ablution facilities and disinfectant hand sanitizers to all personnel was another recommendation. The manner in which protective clothing is currently

These services rendered are in accordance with the requirements of the following Acts and ADM Policies:

- Compensation for Occupational Injuries and diseases Act 130 of 1993
- Occupational Health And Safety Act No. 85 of 1993
- Labour Relations Act No 66 of 1995
- Basic Conditions of Employment Act No. 75 of 1997
- The National Health Act 63 of 1982.
- ADM EAP Policy and HIV/AIDS Workplace Policy
- ADM Occupational Health and Safety Policy
- ADM Substance Abuse Policy

3.1.4.2 2020/21 Key Issues

- Budget to be availed for affecting an HIV & AIDS Workplace programmes.
- Reconsideration of the staff appraisal and the Unit organogram
- Budget for a part-time appointment of a Doctor or Specialist for support and referral of ADM employees and for utilisation as a second opinion for special cases. (This could be in a contract form).



3.1.5 INTEGRATED SUPPORT SERVICES DIVISION

The Integrated Support Services Division is a diverse portfolio that is intended to enhance the success of the Amathole District Municipality to fulfil its statutory obligations outlined in the Municipal Structures Act, 1998. It is important that support mechanisms outlined in the Municipal Systems Act, 2000 be put in place, which are embedded in five (5) functional units viz. Personnel Administration, Facilities Management, Records Management, Fleet Management and Security.

3.1.6 PERSONNEL ADMINISTRATION

Personnel Administration is a multi-functional unit that is the custodian of payroll, personnel records, employee statistics and benefits, inclusive of leave administration which is a cost driver of significant magnitude. With all its complexities, the unit has managed to render the administration of such to a commendable standard of efficiency:

- On employee welfare, the benefits function is service orientated and is managed by two employees that have been able to handle issues like rental allowance, housing and motor vehicle subsidy, pension benefit, medical aid benefit and Group Life.
- To improve on the poor measures for information dissemination on staff benefits an attempt will be made to arrange Benefit meetings for Staff and update the EMC regularly.
- In as far as Councillor welfare is concerned, Councillor salaries and the benefits function is service orientated and although the section has one new employee.
- With the implementation of the SAP Payroll a need has identified for a SAP Payroll Process Flowchart to link Payroll and Budget and Treasury employees. Going forward the SAP Process Flowchart can be assessed to see if it is effective.
- The Payroll employees require SAP (HCM) training to enhance their ability to master the SAP Payroll system.
- Biometrics time and attendance was introduced in July 2016 to Head Office and Satellite offices and all employees had to register to make use of the clocks. Problems experienced include the location of the time and attendance gadgets, mobile gadgets for staff working from vehicles and faulty clocks. ADM Information Systems provides the support. Time and Attendance reports to be submitted to Directors monthly to improve monitoring.
- ESS (PAYDAY) is available for historical data but ESS (SAP) is to be implemented so that employees may have access to SAP Payslips, IRP5 and Leave credits. Leave applications to be processed on ESS (SAP), thus no more use of paper. The only problem is that only 200 licences have been purchased, therefore a solution is either selecting which employees should have licences or ADM to purchase additional licences.

3.1.6.1 2020/21 Key Issues

- Personnel costs are excessively above the National Treasury threshold in that they constitute 49% of the institution's Total Operational Expenditure whereas the National Treasury guidelines are 25%-35%, therefore the strategic plan must



consider this issue in their deliberations. This (On the Financial Recovery Plan it is clear as to what must be done). The percentage of personnel costs vs total operational costs needs to be monitored monthly and reported to EMC.

- The value of leave is excessive therefore the Leave Policy requires a review that will assist in the reduction of the value of leave which is partly attributable to non-encashment of leave, longer Christmas Shutdown and people not taking the mandatory vacation leave. The process to follow to achieve the result is, obtain ideas, draft leave policy, present at CS Policy Review workshop, LLF and at Councils reporting structures.
- Transfer of the Recordkeeping of Personal files to Record management so that the management of the Personal files is improved. Record management are the specialist therefore the recordkeeping of personal files will be better managed. The centralization of recordkeeping of personal files will improve accountability as all files will be under the control of a specialist unit.

Amongst the achievements the payment of salaries and benefits on time every month is an achievement.

The challenges which the unit is facing at this time is the lack of capacity which is affecting the performance of the unit, the provision of support to other departments and the meeting of deadlines which has resulted in an increase in staff working overtime. The implementation of SAP has left most Payday employees uncomfortable and experiencing lack of confidence.

The possible interventions to consider is an increase in the staff compliment of the unit and the implementation of change management and training on SAP.

3.1.7 SECURITY SERVICES 2019/2020

ADM is providing security for both its Staff and Assets twenty-four hours a day around the clock. This is realized through outsourcing by appointing Service Providers to discharge of this function. Currently ADM is demarcated into three regions viz Eastern Region, Western Region and Central Region. The Tender was advertised during the month of March 2017 and closed on the 19th April 2017. It was awarded in May 2017 and is for a three-year period. The contract for these regions is expiring as at 30th June 2020. Another term tender for the provision of Security Services was advertised and it closed on the 27/06/2019.

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



The process of re-advertising for such services for the 2019/2020 is to be started during the month of October 2019 as RFQ has been requested from several Service Providers to ascertain the financial implications of the project and this also includes the Off-Site CCTV Camera monitoring at Whelan Depot.

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

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

3.1.7.1 Challenges

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

3.1.8 INFORMATION AND COMMUNICATION TECHNOLOGY

The IT unit provides and supports the municipality with the following services:

- IT User Support
- IT Infrastructure
- Business Information System
- Geographic Information System Services



There are network connectivity challenges in some municipal sites including Waste Water Treatment Works, Water Treatment Works and all fire stations.

3.1.8.1 mSCOA Compliance and Disaster Recovery

ADM embarked on a process to procure a fully integrated system (ADMaC – Accurate Data Management Capsule) in 2014/15. The system is operational with some transactional challenges including maturity of the organisation in its use. More staff is required to strengthen and support existing team to operate the system efficiently and maximise its use.

ADM procured a disaster recovery infrastructure as part of ADMaC and is functional currently located at the head office. Whelan was identified as the preferred site for the disaster recovery and currently there is a server room setup in place but requires environmental monitoring system, Air conditioning including a fire suppression system.

3.1.8.1.1 Challenges

- Over the years there has been challenges of copper theft and that continues to be the case which is a risk due to downtime.
- Recent destruction of municipal property at Great Kei and Amahlathi local municipality necessitates that ADM reviews its approach to the use of Whelan as a disaster recovery site moreover its location.

3.1.8.2 IT Governance

ADM has adopted IT Governance Framework called the Corporate Governance of ICT Framework (CGICTF) together with a policy and charter as an integral part of its corporate governance arrangements. More emphasis and oversight is required to ensure that Corporate Governance of ICT and Governance of ICT is in place and effective as this has been raised by the Auditor General and is reflected in the repetition of audit findings.

3.1.8.3 GIS

The Amathole District Municipality Geographic Information System Shared Service Centre (ADM GIS SSC) provides centralised spatial information management, mapping, analysis and dissemination services to the ADM and local municipalities. The centre is a collaboration of effort to meet the spatial needs of ADM's internal departments and its LMs and one of the core functions of the centre is to maintain key datasets of spatial information and provide online information.

The ADM GIS SSC performs the following duties:

- To co-ordinate spatial information activities in the Amathole District through collaboration and dedication for the benefit of the region.
- To provide spatial data services to officials and service providers doing work for ADM, local municipalities and government.
- To provide a data capture service of spatial data on priority data.
- To ensure priority GIS data is current, complete and accurate through maintenance of the data.

- 
- To maintain GIS software required by both ADM and the LMs.
 - To provide technical support and GIS training on software.

And maintains the following key datasets and applications:

- Cadastral Land Audit
- Land Use Management Plans
- Property Base Workflow System
- GIS system integration of water and Billing data
- Website update support
- Update applications to current municipal boundaries

Amathole District Municipality (ADM) has implemented an ESRI-based Corporate Geographic Information System (GIS). The goal is to create a single consolidated, structured and documented spatial information system. Procedures have been implemented for maintaining some of this data, while other data still requires some considerable work in order to get it to the level of quality that the municipality requires.

Very importantly, GIS is a vital tool to support the Municipal Integrated Development Plans (IDPs), undertaken in accordance with the ADMs Spatial Development Framework and with projects that have a recorded spatial location. In addition, from 1 July 2011, the Auditor-General requires valuation and financial asset registers down to component-level with spatial co-ordinates according to Generally Accepted Municipal Accounting Practice (GAMAP). GIS is the only technology that will allow ADM to manage its assets spatially in a visual manner and thereby ensure that all its assets are recorded.

A Corporate GIS implementation initiative was embarked upon in 2006 with the aim of upgrading the ADM GIS from a standalone GIS to an integrated system that delivers on the needs of the business.

The ADM GIS is required to make a critical contribution to the planning processes in the District. A spatial land audit that is GIS based supports the Spatial Development Framework and Land Use Management Systems (LUMS) at both District and at Local Municipality levels. Critically, the GIS supports the maintenance and monitoring of these plans as the environment changes. Examples of these changes are municipal boundary demarcation adjustments, land subdivision and ownership transfer, zoning changes in line with SPLUMA implementation, urbanisation and even longer term changes such as climate change.

3.1.9 PERFORMANCE MANAGEMENT SYSTEM

3.1.9.1 Organisational Performance Management

TABLE 4: ADM ANNUAL ORGANISATIONAL PERFORMANCE- 4 YEARS

ANNUAL ORGANISATIONAL PERFORMANCE COMPARISON OF ADM OVER 4 YEARS				
	2014/2015	2015/2016	2016/2017	2017/2018
Annual Overall Performance	88%	82%	81%	74%

The performance of the institution has dropped drastically this financial year. This poor performance can be associated with the financial challenges ADM is experiencing, as well as the poor functioning of its integrated financial management system - SAP.

ADM 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.

The 2012/13 to 2014/2015 as well as 2015/2016 audit revealed that there were no material findings concerning the usefulness and reliability of the performance information in the annual performance report resulting in a clean audit. However, in 2016/17 financial year, the Auditor-General's opinion showed a regress from clean to unqualified audit. Also the 2017/18 audit indicates that the status quo will remain.

3.1.9.2 Individual Performance Management

In cascading the performance management system to the levels below the managers reporting directly to the Municipal manager, Amathole District Municipality has developed an Employee Performance Management policy, which is consistently reviewed as part of the review process. This policy outlines how planning, monitoring, review, reporting of individual performance should be done. It also has provision for performance rewards and the approach in managing poor employee performance.

Due to innovative approach that was employed to encourage employees to comply with performance requirements, the situation has drastically improved. The institution has introduced Annual Staff Awards and performance rewards that serve as a catalyst towards improving the PMS processes in the institution. The overall total of employees whom their performance was evaluated during 2016/2017 performance cycle was 1579, of which 95% of the total employees' performance was fully effective whilst 5% was not fully effective.

3.2 KPA 2: SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

MTAS PILLAR: QUALITY SERVICE DELIVERY

B2B: BASIC SERVICES

3.2.1 INFRASTRUCTURE DEVELOPMENT

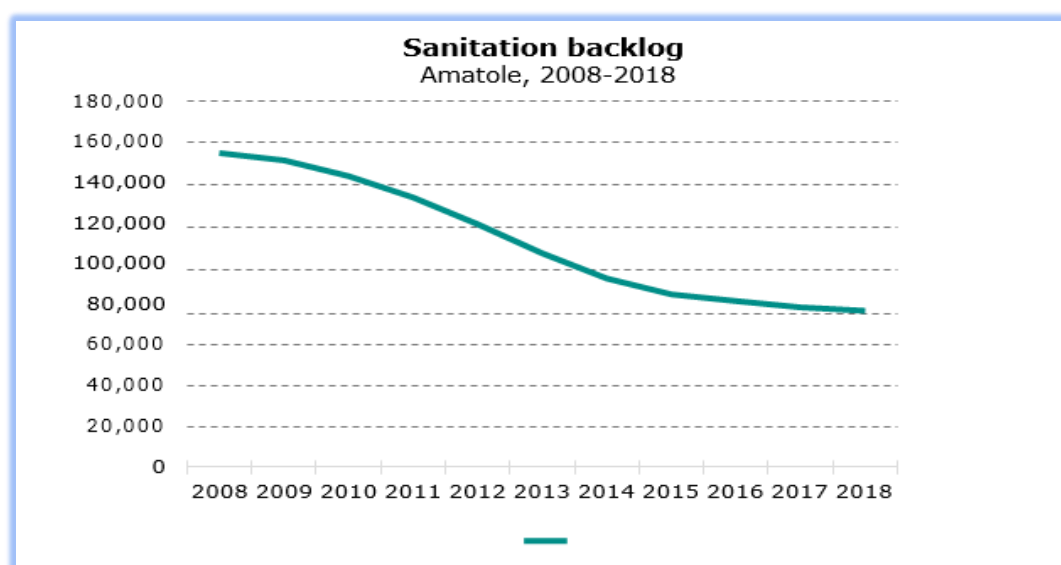
3.2.1.1 Water and Sanitation

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

3.2.1.1.1 Status of Backlog

To date, the Amathole District Municipality has managed to provide water services to 96% of households and sanitation services to 85% of households within the Amathole District Municipality. The district will conduct a backlog verification exercise that will verify the backlogs as well as the new extensions. An extensive review of the WSDP has been approved by Council in 2018 with the development of Operations & Maintenance Plan also completed in June 2019.

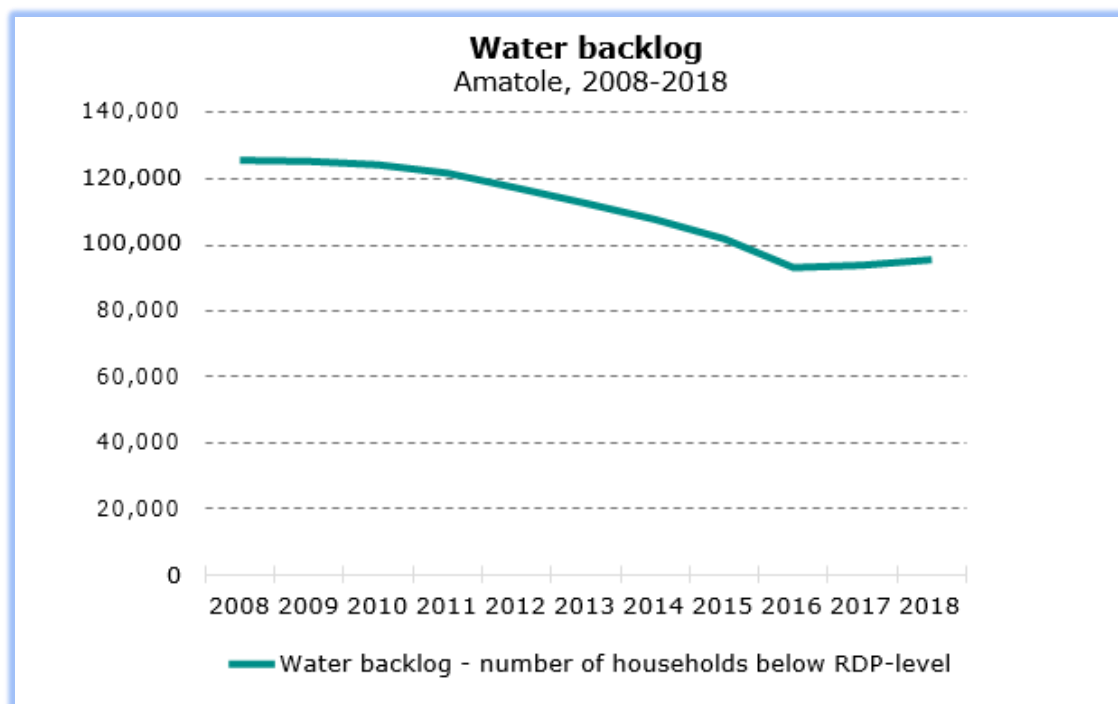
FIGURE 2.40: SANITATION BACKLOG - AMATHOLE DISTRICT MUNICIPALITY, 2008-2018
[NUMBER OF HOUSEHOLDS WITHOUT HYGIENIC TOILETS]



Source: ECSECC, 2018

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

FIGURE 2.42: WATER BACKLOG - AMATHOLE DISTRICT MUNICIPALITY, 2008-2018 [NUMBER OF HOUSEHOLDS BELOW RDP-LEVEL]



Source: ECSECC, 2018

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 125 000 within Amatole District Municipality, this decreased annually at -2.62% per annum to 96 100 in 2018.

3.2.1.2 Water and sanitation infrastructure

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

**TABLE 3.5: AMATHOLE DISTRICT MUNICIPALITY WATER AND SANITATION
INFRASTRUCTURE**

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

3.2.1.3 Status of Amathole District Municipality WasteWater Treatment Works

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

**TABLE 3.6: 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	Major overhaul of aerators
	Cathcart	Clarifier blocked & chlorination system faulty	Part of Cathcart bulk upgrade project to be implemented in the 19/20 fy	Unblock clarifier, refurbish and upgrade WWTW's

Local Municipality	Name of WWTW	Current Problems	Current Interventions	Further interventions Required
	Stutterheim	Clarifier design fault, faulty RAS pumps, back up generator burnt out	RAS pumps with sp for repairs	Repair clarifier, replace generator, upgrade chlorine contact chamber and minor refurbishment
	Amabele	Plant old and dilapidated	none	Full refurbishment required
Great Kei	Qumrha	Chlorination system faulty and drying beds dilapidated	none	Minor refurbishment required
	Kei Mouth	Plant under capacity	none	Requires substantial upgrade of WWTW's as well sewer system for Kei Mouth and Morgans bay
	Chinsta	Plant under capacity	none	Requires substantial upgrade of WWTW's as well sewer system for Chinsta
Mnquma	Butterworth	Plant old and dilapidated	Refurbishment underway	Plant upgrade
Mbashe	Dutywa	Plant old and dilapidated/ undersized	Refurbishment underway	Plant upgrade
Raymond Mhlaba	Middledrift	Plant old and dilapidated and undersized	none	Plant upgrade/ merge with Middledrift prison

Local Municipality	Name of WWTW	Current Problems	Current Interventions	Further interventions Required
	Fort Beaufort	Plant old and dilapidated and undersized	Refurbishment underway	Plant upgrade required
	Seymour	Plant old and dilapidated		
	Adelaide	Clarifier collapsed	none	Clarifier requires urgent repairs
	Bedford	Plant under capacity	none	Plant upgrade required
	Alice (belongs to Fort Hare)	Plant under capacity	none	Plant upgrade required
Ngqushwa	Peddie	Plant under capacity	Project registered with MIG	Plant upgrade required

3.2.1.4 Key Challenges Relating to Water and Sanitation Infrastructure

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

3.2.1.4.1 Insufficient Water sources

- Owing to the reliance on grant funding to construct infrastructure the speed at which water and sanitation backlogs can be reduced is almost entirely dependent on the size of the grant;
- Old and dilapidated infrastructure (especially old towns);
- Land claim issues during implementation of Infrastructure projects;
- Limited assessment of the integrated development needs and demand forecasting. Of particular concern is the limited long-term water resource planning;

- 
- Limited development of bulk water resources (dams), which is further exacerbated by frequent droughts in the area, illegal connections, high water loss;
 - Insufficient operating, maintenance and asset renewal budget. Currently, the rate of investment in new infrastructure is outstripping the increase in the operations and maintenance budget, which essentially means that Amathole District Municipality is having to operate more and more with less and less each year;
 - Staff and skills shortages;
 - Quantifiable backlogs, especially with the new extensions;
 - No funding for economic development infrastructure e.g town infrastructure upgrading and coastal and tourism infrastructure;
 - In our investigations, analysis and calculations we have still not categories the water services supplied to sectors such as mining, agriculture and tourism in an informed and appropriate manner; and
 - In addition to the eradication of backlogs, there is ever increasing pressure on the Amathole District Municipality to improve levels of service, particularly in rural areas where the current policy is to provide communal standpipes within a 200m walking distance of each household. The demand for yard/house connections has resulted in a growing rate of illegal connections. Since neither the water supply systems nor the institutional arrangement (to either bill or disconnect) has been designed to cater for this, the result is high water losses, dysfunctional water supply schemes, poor service delivery and irate consumers. A policy has been developed to address this issue and an implementation plan is due to be rolled out during the 2019/20 financial year. A policy has been developed to address this issue and implementation is being piloted.

3.2.2 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, Mquma, Raymond Mhlaba and Ngqushwa Local Municipalities. The table below illustrates the magnitude of the drought-affected areas within Amathole District Municipality:

TABLE 3.7: THE MAGNITUDE OF THE DROUGHT AFFECTED AREAS WITHIN AMATHOLE DISTRICT MUNICIPALITY

Local Municipality	Areas Affected	No. of Villages
Mbhashe LM	Qwaninga Water Supply Ward 23	24 Villages (7271 people)
	Dwesa Water Supply Scheme Ward 29	15 Villages (5246 people)
	Mendu Water Supply Scheme Ward 29	4 Villages (1612 people)
	Nqabarha North and South Water Supply Scheme Ward 22	2 Villages (500 people)
Mnquma LM	Tholeni Water Supply Scheme Ward 9, 10, 11 and 12	35 Villages (13670 people)
Raymond Mhlaba LM	Adelaide Ward 21 – Tyoks Village	(9000 people)
	Bedford Ward 23, Ndlovini, Old Goodwin Park, Sizakhele and Old Goodwin Park	4 Villages (1500 people)
Ngqushwa LM	Thyefu Water Supply Scheme Ward 7	8 Villages (6500 people)
Great Kei LM	Kei Mouth and Haga-Haga Ward 5	2 Villages (300 people)
	Soto and Mooiplaas villages Ward 4	2 Villages (5000 people)

In 2018/19, Amathole District Municipality received funding of **R64 million** of the R123 million requested for **Drought Relief Interventions** from the Department of Cooperative Governance for:

TABLE 3.8: AMATHOLE DISTRICT MUNICIPALITY PROJECT FUNDING

Project	Budget Allocation 'R'000
Butterworth Water supply: Water Treatment Works (WTW) backwash water recovery	8,000
Butterworth Water supply: Augmentation of bulk water supply to Ibika from boreholes	49,929
Mngqingweni Village emergency supply: Groundwater development	1,559
Dutywa water supply augmentation: Targeting high yield aquifers	4,600

The Mngqingweni and Dutywa projects have been completed while the other two projects are still under implementation.

3.2.3 TRANSPORT

Amathole District Municipality (ADM) responsible for municipal public transport, which is a shared function with local municipalities in terms of services and infrastructure provision.



Integrated Transport Plan was reviewed and approved by Council in May 2017. According to the Integrated Transport Plan (ITP), the majority of residents in the district do not have access to public transport services and/or transport facilities which are close by especially the rural areas.

Amathole District Municipality has upgraded and constructed a number of public transport facilities in the past 5 years, but some were never completed due to financial and legal challenges and they were never handed over to the Local Municipalities. An assessment of all these facilities has been done mainly the Amahlathi (Keiskammahoek), Mbashe LM (Idutywa, Elliotdale and Willowvale Public Transport) and the total budget needed to finalize them is estimated R4,7m. In 2018/19 financial year, Amathole District Municipality made available budget of R750 000 for Keiskammahoek which is on its completion stage. Once complete, it will be handed over to Amahlathi Local Municipality. With reference to Mbashe Public Transport projects, funding will be sourced from partners in 2019/20.

The district continues to participate in the Eastern Cape Integrated Transport Planning Coordinating Committee driven by the EC Department of Transport.

There hasn't been much improvement on the Public Transport Facilities due to the challenges mentioned above e.g shared function and funding dedicated for Transport Facilities other than the internal funding.

This is also exacerbated by the lack of Operation and Maintenance that is not happening in most of these facilities which then result in the upgrades that are being made by Amathole District Municipality futile. A number of the public transport facilities continue to operate informally and are faced with non-existence of facilities, some lack basic infrastructures such as toilets, shelters, paving or formal trading facilities. Fragmentation in the powers and functions between the local municipalities and the district as well as the non-core nature of the function. The status of the Gaps that were identified and analysed in 2012 has not changed much, refer to the table below.

**TABLE 3.9: INFRASTRUCTURE IMPROVEMENTS REQUIRED AT FORMAL PUBLIC
TRANSPORT FACILITIES**

Public Transport Facility	Status	Universal Design Required	Shelter: Required	Redesign Required for Taxi Recap Vehicles	Immediate Repairs and Maintenance Required	Lighting Improvements: Required	Toilets, Washrooms required / in need of upgrade	Structure / Area Required for Trading
Adelaide	Complete	X			x	x	x	
Alice	Complete	X	x	x	x	x		x
Bedford	Complete					x	x	
Butterworth	Complete							
Centane	Not constructed	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dutywa Long Distance Facility	Complete	In progress			x	x	x	
Dutywa Local	Incomplete	X	Complete		x	In progress	x	x
Elliotdale	Incomplete	X	In progress	x	N/A	In progress	In progress	In progress
Fort Beaufort	Complete	X			x			
Keiskamma hoek	Complete	X						
Middledrift	Complete	X			x	x		
Nqamakwe	Complete	X				x		
Stutterheim	Complete	X				x		

Willowvale Phase 1	Complete	X				In progress	X	
Willowvale Phase 2	Phase 2 Not constructed	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Komga	Not constructed	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mooiplaas	Not constructed	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Amathole District Municipality is also implementing Road Asset Management System (RAMS) in the district on behalf of the National Department of Transport. A service provider was appointed in April 2019 for a period of 36 months to provide Technical support to District and its Local Municipalities.

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

3.2.4 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. Even though the Eastern Regional Solid Waste Site established in Butterworth is Operational and serving more than one municipality, Amathole District Municipality is facing a number of challenges on its operations. Operationalisation of a recycling project is on-going in the Eastern Regional Solid Waste Site. 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 3.10: LICENSED SOLID WASTE MANAGEMENT FACILITIES

Waste Site	Size	Status	Comments
RAYMOND MHLABA MUNICIPALITY	C	Permit Issued	GCB-
Alice			
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	C	Direction Issued	Transfer Station
Hamburg			
Peddie	C	Direction Issued	GCB-
MNQUMA MUNICIPALITY			
Eastern Regional Waste Site	M	Permit Issued	GMB+
MBASHE MUNICIPALITY			
Elliotdale Waste Site	C	Permit Issued	GCB-
GREAT KEI MUNICIPALITY			
Kei Mouth	C	Licence Issued	Transfer Station
Chintsa East	C	Licence Issued	Transfer Station

Although there are a number of waste sites that are not permitted, there are plans in place to eliminate their illegality. One of these plans is a feasibility study into the provision of transfer stations in Keiskamahoek which found these feasible in Lower Mnyameni and Gwili. This project was going to be undertaken through the Keiskamahoek nine villages Restitution

program, however, funds have been taken back to the funder and the project could not be implemented due to community dissatisfaction and court order that was in their favour.

TABLE 3.11: UNLICENSED SOLID WASTE MANAGEMENT FACILITIES

WASTE SITE	SIZE (What does C mean)	STATUS	ACTION
Komga	C	Unlicensed	Site is being rehabilitated and licensing process is eminent
Haga-Haga	C	Unlicensed	To be closed and rehabilitated. Waste will be transferred to Komga waste site.
Dutywa	C	Unlicensed	Waste site to be closed and rehabilitated and a transfer station is under construction.
Willowdale	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.

3.2.4.1 South African Waste Information System (SAWIS):

The South African Waste Information System (SAWIS) developed by the Department of Environmental Affairs (DEA) in 2005, is a system used by government and industry to capture routine data on the tonnages of waste generated, recycled and disposed of in South Africa on a monthly and annual basis. ADM currently is capturing all the waste tonnages including recyclables via the weighbridge installed on the site. The Eastern Regional Solid Waste Site is operated and managed by ADM and is registered on the SAWIS website and is reporting monthly. The management of the trade effluent from industries to our waste water treatment

plants is detailed in our water and sanitation policy. Further to that they is no budget allocated for the trade effluent reason being the industries treat their own waste water before it is discharged to our waste water treatment plants.

3.2.5 ELECTRIFICATION

TABLE 12: AMATHOLE HISTORIC BACKLOG WITH NEW EXTENSIONS CONSOLIDATION

Municipality	Historic Backlog	Eskom Electrified	Remaining Backlog	% Achieved	New Extensions Backlog	TOTAL Current Backlog
Amahlathi	34181	34181	0	100	600	600
Mbhashe	50644	38223	12421	74.4	4504	16925
Mnquma	70984	63009	7975	88.7	2775	10750
Ngqushwa	28962	28962	0	100	0	0
Great Kei	5659	5659	0	100	1339	1339
Raymond Mhlaba	32853	32853	0	100	0	0
TOTAL	223283	202887	20396	90.9	9218	29614

3.2.6 SPATIAL DEVELOPMENT

3.2.6.1 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).

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.

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. Therefore, IDPs and SDFs need to be reviewed on a continuous basis to ensure synergy between the three Spheres of Government.

Amathole District Municipality has also developed a long-term Vision 2058: Building a Smart District and a Municipal Turn-Around Strategy (MTAS). MTAS identified SDF as one of the eight pillars.

The promulgation of Spatial Planning and Land Use Management Act No. 16 of 2013 with Regulations has also forced both District and Local Municipalities to review and develop their SDFs in line with the Key Principles of Development as stated in Chapter 2 of SPLUMA.

Thus, ADM has reviewed and adopted their Spatial Development Framework during October 2019.

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.

It 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.

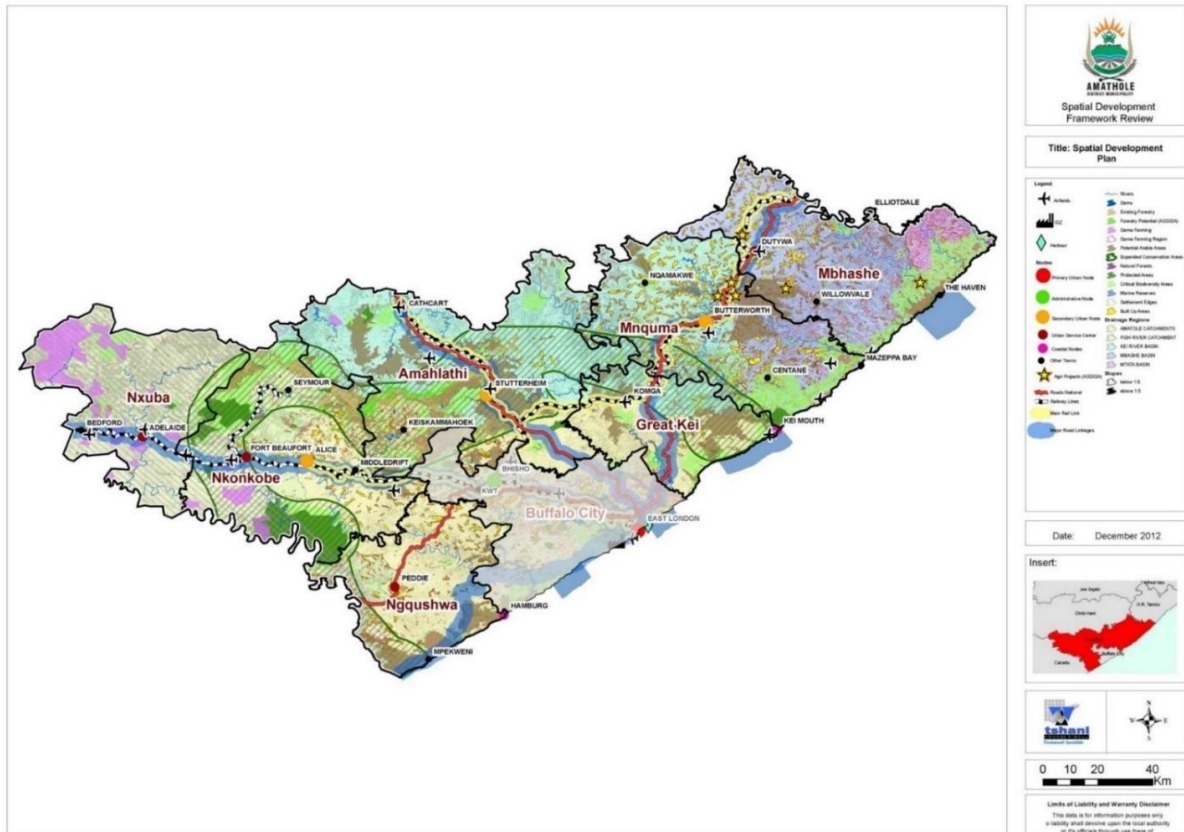
The map above depicts the Amathole District Municipality Spatial Development Framework. It's a map that identify areas with potential for socio-economic growth, biodiversity conservation areas, social facilities, etc.

ADM 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 .

Fig 2: Amathole District Municipality SDF.



The latest ADM SDF Review conducted in 2013 with minor reviews over the past four (4) years.

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.

Spatial dimensions of key strategic focus areas of the district as:

- Local Economic Development
- Land & Agrarian Reform
- Water & Services Development
- Environmental Management

Based on the newly reviewed ADM SDF the above highlighted key focus areas have been consolidated and reflected within seven spatial pillars as proposed by Provincial Spatial Development Plan (2010). The Pillars are classified according to the following frameworks:-

- Environmental – Programmes
- Social Development and Human Settlements Programmes
- Rural Development Programmes
- Infrastructure Programmes
- Economic Programmes
- Human Resource Programmes
- Governance Programmes

In terms of progress with regard to Implementation programmes that are pronounced by ADM SDF, there is continuous compliance assessment that ensures that each reviewed sector plan considers the implementation programmes of the SDF.

Challenges

- Linkages with neighboring municipalities with regard to impact of regional economic concentrations are minimal.
- Lack of mechanisms to ensure compliance by both municipalities and sector departments.
- Lack of mechanisms in ensuring alignment with local municipalities.

INTERVENTION/MITIGATION PROGRAMMES

- Workshops on the significance of preserving environment.
- Collaborate with environmental unit to include spatial development issues in the awareness campaigns.

- 
- Shared service centre recommendation within the district

3.2.6.2 Land and Human Settlements

3.2.6.2.1 Land Reform

The purpose of the review was to identify key areas of change in the “operating environment” of the Land Reform & Settlement Plan. Specifically, the focus fell on recent legislative advances in the field of tenure reform (the promulgation of Communal Land Rights Act, Ac No. 11 of 2004), and policy changes in the enactment of land restitution (the acceptance of the validity of land claims made in cases of loss due to betterment planning).

3.2.6.2.1.1 Progressed in the LRSP

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. These obstacles are primarily related to capacity constraints of key land reform and settlement development agents, including the Eastern Cape Provincial Land Reform Office (ECPLRO, the Provincial arm of the National Department), the Amathole District Municipality itself, as well as the Local Municipalities in the district.

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 2017 (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, located in Amahlathi Municipality, which is made up of 9 villages in Keiskammahoek and was the focus area for an investment of over R40 million in development funds;
- The Komga Model 2 Settlement Zone, which is located in the Great Kei Municipality and has reached the conclusion of Planning Stages and requires Land Acquisition and Implementation Actions; and

- 
- The Yellowwoods-Kei Road Settlement Zone, which straddles the Amahlathi and Buffalo City Municipalities and reached the conclusion of its planning stages.
 - In this area, too the priority falls on implementation with an emphasis on co-operative governance between the District Municipality, the Local Municipalities and the Provincial Department of Rural Development and Agrarian Reform.

3.2.6.2.1.2 Key Issues

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

The reviewed analysis of the Land Reform issues in the Amathole area has resulted in the following broad conclusion:-

The Pace of Land Reform in the Amathole area has increased substantially over the last 5 years. However the pace is still along way from addressing national land reform targets set by DLA, nor is it significant enough to be considered successful by the communities within Amathole.

Many of the achievements in land reform are focused on certain geographic localities and on certain types of interventions, to the neglect of other areas and other components of the land reform suite of issues.

3.2.6.2.2 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 Housing requires municipalities through legislation and policies, to formulate Housing delivery goals as part of the IDP process. Further, housing is seen as one of the primary service delivery components as a result municipalities are obliged to proactive in executing these responsibilities. It is these kind of responsibilities for municipalities that are implicitly indicated in section 83(3)(a-d) of the Municipal Structures Act. ADM Housing strategy inherits its main focus from the aspirations rooted in the Freedom Charter and has shifted its focus from Housing delivery to provision of Sustainable Human Settlements. Sustainable human Settlements and improved quality of household life are defined by:

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

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

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

3.2.6.2.2.1 Key Issues

- Slow pace in issuing of Title 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
- Un-coordinated activities and processes between LMs and DoHS.
- 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

3.2.7 SUMMARY OF BACKLOGS

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

The above table depicts an overall summary of service delivery backlogs within the Amathole District jurisdiction. The table breaks down the number of communities that have been severed already and those that form part of the overall backlogs.

3.2.8 MUNICIPAL HEALTH SERVICES

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

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

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



3.2.8.1 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 158 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 2018 drinking water samples were taken of which 1869 complied and 149 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 93 % which is below the required standard of >97% as prescribed by the Department of Water & Sanitation. The drought in the Mbhashe and Mnquma Municipal areas affected the availability of water as at some points there was no water.

3.2.8.2 WasteWater Monitoring

The programme is implemented to ensure that wastewater effluent discharged into the environment complies with Authorisation and set Standards prescribed by the Department of Water Affair and Sanitation. A total of 207 wastewater samples were taken for analysis, of which 71 samples complied with the General Authorisation Standards and 136 did not comply. The overall compliance rate for the reporting period was 43%.

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

3.2.8.3 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 2871 inspection were conducted, 2173 complied and 698 did not comply in terms of Regulation 962 under the Foodstuffs, Cosmetics and Disinfectants Act.



A total of 85 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. 25 Food samples were taken for the prevention of food borne diseases. 90 dairy farms inspections were inspected at Amahlathi, Great Kei and Raymond Mhlaba Municipalities to determine compliance with Milk Regulations, 68 complied and 22 did not comply. 304 milk samples were taken at dairy farms and shops, 120 complied and 184 did not comply.

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

3.2.8.4 Health Surveillance of Premises

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

3.2.8.4.1 Childhood Development Centres

Early Childhood Development Centres (ECDC) are inspected to ensure a healthy and safe environment and welfare of the children accommodated. 921 Early Childhood Development Centres premises were inspected to determine compliance with Norms & Standards for Environmental Health Practitioners in all 6 Municipalities, 311 complied and 610 did not comply due to structural defects. The reports on non – complying premises are shared with the Department of Social Development for intervention.

3.2.8.4.2 Prisons/ Holding Cells

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

3.2.8.4.3 Health establishments

A database of health establishment has been developed in all 6 Municipalities. 231 health establishments were inspected, 120 complied and 111 did not comply due to no proper storage



of medical waste and general conditions of the yards. The reports are tabled and discussed at the District Health Council Meetings.

3.2.8.4.4 Beauty Salons

A database of beauty salons has been developed in all 6 Municipalities. 121 beauty salons were inspected. 57 complied and 64 did not comply due to no proper storage of medical waste. Beauty salons are inspected bi-annually. Premises are inspected and issued with Health Certificate when found to be compliant.

3.2.8.5 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 Mnquma Municipalities)
- Hepatitis A (Amahlathi Municipality)

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

3.2.8.6 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. 184 Vector control inspections conducted in ADM offices and Satellite offices to assess vector infestation. The unit also assist with vector challenges in business premises and training of food handlers on safe usage of pesticides.

3.2.6.7 ENVIRONMENTAL POLLUTION CONTROL



There were 10 Pollution related complaints were received and attended. These were related to:

- Overflowing septic tanks
- Illegal dumping
- Keeping of animals

3.2.8.7 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 212 inspections were conducted at funeral parlours in all Municipalities and the compliance rate was 73% and that of non – compliance 27%. The High rate of non-compliance of funeral parlours due to structural defects and general hygiene requirements, remain a challenge. A total of 28 exhumations and reburials were facilitated and monitored.

3.2.9 COMMUNITY SAFETY

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

Amathole District Municipality supports the following:

- The establishment and support of Local Community Safety Forums
- Capacitating Community Safety stakeholders and community groups
- Initiatives that are identified by Community Safety Forum stakeholders
- Conducting of Community Safety Audits at Local Municipality Level.



3.2.9.1 Eastern Cape 2018-2019 Crime Statistics

Of 27 Crime categories the Eastern Cape has only seen a decline in incidents for 4 categories, namely: Burglary at residential premises – 1.5%; Robbery at non-residential premises -0.9%; theft of motor vehicle and motorcycle – 2.4%; Contact Sexual Offences – 1.3%. All crimes detected as a result of police action have also seen a decline way more than the % increase in the similar category of those crimes being reported. Decreasing crimes as a whole have decreased by smaller percentages than the percentages of the crimes that have increased.

The one Police Station in the Eastern Cape that has seen an improvement [decrease] in a significant number of categories of crime is the Idutywa Police Station. 2 Categories remained at 0%, 18 Categories saw decreases and 7 categories increased with stock theft [154% increase] and theft of motor vehicles [200% increase] having increased dramatically.

Despite a national decrease in murder, the eastern Cape has had an increase in 10 of the 11 Contact Crimes and sexual offences crimes.

In 2018 – 2019, None of the Local Municipality areas in the Amathole District are in the top 30 police stations with the highest increases of the 17 Community Reported Serious crimes. However, East London is within the top 30.

3.2.9.2 Community Interactions – Community Perceptions

During the conducting of pilot Community Safety Audits and Community Safety Forum Meetings, interactions with Community members via questionnaires and focus groups the origins of crimes experienced in rural villages and rural towns are ascribed to:

- Youth that are not gainfully employed and lack of diversionary activities
- 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 adopted due to a lack of satisfactory police intervention – ranges from not responding to poor conviction rates
- Moral degeneration with priorities being possession-wealth instead of family values

3.2.10 BY-LAW ENFORCEMENT

The ADM provides water and sanitation and municipal health services to all 6 local municipalities and fire services to four of its local municipalities. These services are guided and protected by by-laws and thus the implementation of these by-laws, which at times may include punitive measures, is important to develop a law abiding society that values its government services and its society's health and safety.



The ADM has lacked in the implementation of punitive measures to effect compliance of the by-laws. To remedy this, council has adopted a by-law implementation plan which includes the establishment of a by-law enforcement unit to co-ordinate this. Staffing has been included in the new establishment plan. The adm by-laws and fines, approved by the courts serving the district, have been consolidated into a municipal code.

3.2.11 FIRE SERVICES

The ADM runs ten [10] fire services stations. Four (4) main stations located in Idutywa, Butterworth, Peddie and Qumrha and six (6) satellite stations located at Chintsa, Kei Mouth, Elliotdale, Willowvale, Hamburg and Centane. Amahlathi and Raymond Mhlaba Local Municipalities provide firefighting functions as allocated by the MEC for COGTA, but only Amahlathi has one (1) Fire Station. Great Kei Fire Station has a control room servicing the entire district. The establishment of Fire Stations brought services closer to communities resulting in reduced response times. There are two areas in Mnquma Local Municipality (Butterworth and Ngqamakhe) that require construction of Fire Stations. The need for the construction of these Fire Stations is as per the ADM Fire Risk Management Plan. The construction of the Fire Station in Butterworth was started in 2017 and was later suspended due to financial constraints. Funds will also be sources from external sources. Fire Protection Association (FPAs) are actively operating in the areas of Stutterheim, Cathcart, Raymond Mhlaba, Mnquma/Mbhashe and Ngqushwa. Established Fire Protection Associations engage in fire prevention activities resulting in reduced fire incidents.

3.2.11.1 Fire Safety Compliance inspections

One hundred and fifty-seven (157) Fire Safety Compliance inspections have been conducted in 6 Local Municipalities during 2018/2019. These inspections result in reduced fire incidents caused by flammable substances. Businesses that meet the requirements of SANS 10090 qualify for receipt of bulk flammable material for selling. Revenue is also generated as inspection fees are paid upon issuing of compliance certificates.

3.2.11.2 Challenges

- Shortage of specialised fire water tankers, aerial apparatus, aging Fire Service's vehicles and buildings (Great Kei and Ngqushwa Fire Stations).
- Unsafe conditions of the rented building utilised by Fire Services in Mnquma Fire Station.

- 
- Climate changes continue to pose threats to lives and properties as water sources are depleted leading to water shortage for human consumption and for firefighting.
 - Bad road conditions cause inaccessibility to areas affected by disasters/ fire incidents.
 - Insufficient resources at Raymond Mhlaba and Amahlathi Municipalities results in inadequate provision of fire services and high reliance on the District.
 - Bad access roads during rainy days in Mbhashe and Willowvale Fire Stations.
 - Lack of water sources (fire hydrant, bore holes, reservoirs and earth dams) both in rural and urban settlements.

3.2.11.3 Calls Attended by Fire Services During July 2018-June 2019.

A total number of Six hundred and twenty-three (623) calls were attended to, of which Two hundred and twenty-three (223) were done in Great Kei, One hundred and forty-four (144) in Mnquma, One hundred forty-six (146) in Mbhashe, and One hundred and ten (110) in the Ngqushwa area. The high rate of calls attended to, was vegetation fires at thirty-one percent (31%), followed by dwelling fires as twenty-two percent (22%). Vegetation fires have increased by twelve percent (12%) when comparing between the two financial years (2017/18 and 2018/2019). The frequency of the occurrence of vegetation fires can be associated with the drought condition experienced in the Amathole District. Motor vehicle accidents were reduced to one hundred and eleven (111) in 2018-2019, from one hundred and eighteen (118) in 2017-2018. Reduction of the phenomenon of motor vehicle can be associated to intensified awareness campaigns in the district.

Awareness campaigns continue to be intensified in the municipalities to reduce fires and motor vehicle accidents occurrences. One hundred and sixty (160) awareness campaigns were conducted at schools, clinics, taxi ranks, non-governmental organisations, and public service institutions. Reports about activities performed by fire services at local municipal spaces are sent quarterly to apprise the municipalities of such activities.

3.2.12 DISASTER MANAGEMENT

3.2.12.1 Municipal Disaster Management Centre

Section 43(1) of the Disaster Management Act 57 of 2002 requires that “Each metropolitan and each district must establish in its administration a disaster management centre for its municipal area.” The Amathole District Municipality has established its disaster management



centre, six Satellite Centres and one sub- Satellite. The Amathole District Municipality developed its Disaster Management Plan that is reviewed on an annual basis.

3.2.12.2 Prevention and Mitigation of disasters

The Amathole District Municipality's Disaster Management Centre is responsible to give guidance to relevant stakeholders on ways and means of determining levels of risk; assessing vulnerability of communities to disasters that may occur; increasing the capacity of communities to minimise the risk and impact of disaster that may occur; and monitoring the likelihood and state of alertness to disasters that may occur. In order to meet the above-mentioned issues, seventy-three (73) Community Based Risk Assessment and sixty-eight (68) Community Dialogue in all six local municipalities in the Amathole District Municipality area have been conducted during the 2018/2019 financial year.

Disaster Risk Management Awareness Campaigns are also conducted to raise awareness in actions that may lead to disasters and communicate preventative measures to reduce disasters that may occur to our communities. Hundred and five (105) awareness campaigns were conducted in six local municipalities in the Amathole District Municipality area during the 2018/2019 financial year.

3.2.12.3 Disaster Risk Management Advisory Fora

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

Members of the Disaster Management Advisory forum include Disaster Management Portfolio Councillors, Ward Councillors, Ward Committee members, Traditional leaders, Community Development Workers, Non-Governmental Organisations, Community-Based Organisations, Government Departments and other stakeholders in disaster management. A total number of four (4) Disaster Management Advisory Fora have been convened during the 2018/2019 financial year.

3.2.12.4 Disaster Response and Recovery

During 2018/2019 financial year, severe weather elements were reported to have caused damages to dwelling houses in all six Local Municipalities in the jurisdiction of Amathole District. Damage assessments were carried out to quantify the extent of damages and it was



revealed that many of the affected families had their homes' roofs damaged, leaving them exposed to the weather elements. The Disaster Management Unit has responded to sixty-nine (69) disastrous incidents around the district where six hundred and twenty families were affected. These incidents were both reported to the Department of Human Settlements through Local Municipalities as well as the Provincial Disaster Management Centre.

The Eastern Cape Department of Human Settlements has a provision of emergency housing grant for new disasters / incidents that have left some households homeless, as a result Mbhashe and Raymond Mhlaba LMs received an amount of R5.2m and R3.7m respectively, for the procurement of temporary of temporary shelters.

The major challenge facing the full implementation of the disaster management function is insufficient funding for disaster response and recovery. This is highly evident because Sector Departments and other stakeholders do not show commitment of their roles and responsibilities in disaster management. Climate changes still pose threats to the environment and economy. The absence of information management system for the management of data. Shortage of staff to adequately cover the Municipalities with high population density. Disaster mitigation strategies are not fully implemented.



3.3 KPA 3: LOCAL ECONOMIC DEVELOPMENT

VISION 2058: Dynamic Rural Economy

MTAS PILLAR: LOCAL ECONOMIC DEVELOPMENT

Amathole District Municipality (ADM) has developed a long-term document, known as Vision 2058: Building a Smart District, which was followed by the Municipal Turn-Around Strategy (MTAS). Vision 2058 has identified several Catalytic projects that, if properly implemented will bring the district to its former glory. MTAS identified eight Pillars, of- which two of those Pillars are the backbone of LHSED Directorate, these are Local Economic Development and Spatial Planning. These are key to the successful implementation of Vision 2058.

Amathole District Municipality is in the process of Developing a District-Wide Economic Growth and Development Strategy with five sector plans (Agriculture Sector Plan, Heritage and Tourism Sector Plan, Enterprise Development Strategy, Rural Development Strategy, and Poverty Eradication Strategy). Upon finishing this document and have it approved by Amathole District Municipality Council; it will repeal all other existing Local Economic Development Strategies within Amathole District Municipality.

3.3.1 ECONOMIC GROWTH AND DEVELOPMENT STRATEGY WITH FIVE SECTOR PLANS

One of the pillars of MTAS is local economic development. Therefore, purpose of Economic Growth and Development Strategy is to ensure an achievable, realistic and sought-after future that could become the foundation for Amathole District's wealth creation and smart environment development. This is essential in order to rejuvenate Amathole District towards the realisation of a desired and preferred future for our people. The strategy has six chapters which is briefly described below:

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.

These sectors are:

- Tourism and Heritage Sector Plan

This sector looks at how best the institution can un-tap the opportunities with the Tourism and Heritage Sector. Amathole District Municipality has a lot of tourism and Heritage attractions dating back in history. Therefore, this sector identifies the opportunities and how best can the locals maximise the potential presented by tourism and Heritage in a sustainable manner. Lack of funds are the major challenge in driving this sector forward.

- Agriculture Sector Plan

Amathole District Municipality 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 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.

- Poverty Eradication Strategy

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

- Enterprise Development Strategy

This is the sector that plays a crucial role in the development of local economy. A lot of Amathole District Municipality inhabitants are practising informal trading and their products are of poor quality. Therefore, this strategy looks at improving the lives of its inhabitants by establishing Fora, Incubators, SMMEs and Cooperatives. This is done with the main purpose of making our people to commercially viable and self-developing.

- Rural Development Strategy

Amathole District Municipality forms part of the Eastern Cape which is one of the largest and poorest provinces in South Africa. It is viewed as being behind in becoming the



economic powerhouse of South Africa and is one of the poor performing province (and districts) in terms of economic activity, contributing less to the national Gross Domestic Product (GDP) for 2016.

Therefore, the development of this strategy is an attempt of changing the status quo of the district. The aim is to increase the family lively woods through the provision of various economic opportunities. The development of the above documents is a means to an end. This means that Amathole District Municipality will use these documents to advocate for the Local Municipalities.

3.3.2 AMATHOLE DISTRICT DEVELOPMENT AGENCY (ASPIRE)

Aspire is an Amathole District Municipality development agency. As per Vision 2058, all identified catalytic projects will be implemented by Aspire.

Therefore, it is Aspire's role to source funds and ensures the implementation of the projects. Vision 2058 identified the following catalytic projects:

- Water desalination plant
- Integrated Transport Systems
- Broadband Connectivity
- World Class Sports Academy
- Stem Skills Academy
- Waste Management
- Small towns Revitalisation
- Revitalisation of irrigation schemes
- Revitalisation of crop plantations.

Thus, Aspire's role is no longer solely focussing on Small-towns Revitalisation only but must cast the net far and wide in terms of accommodating other projects in line with the revised mandate. Therefore, Aspire will source funds for the implementation of the catalytic projects in the relevant Local Municipalities.

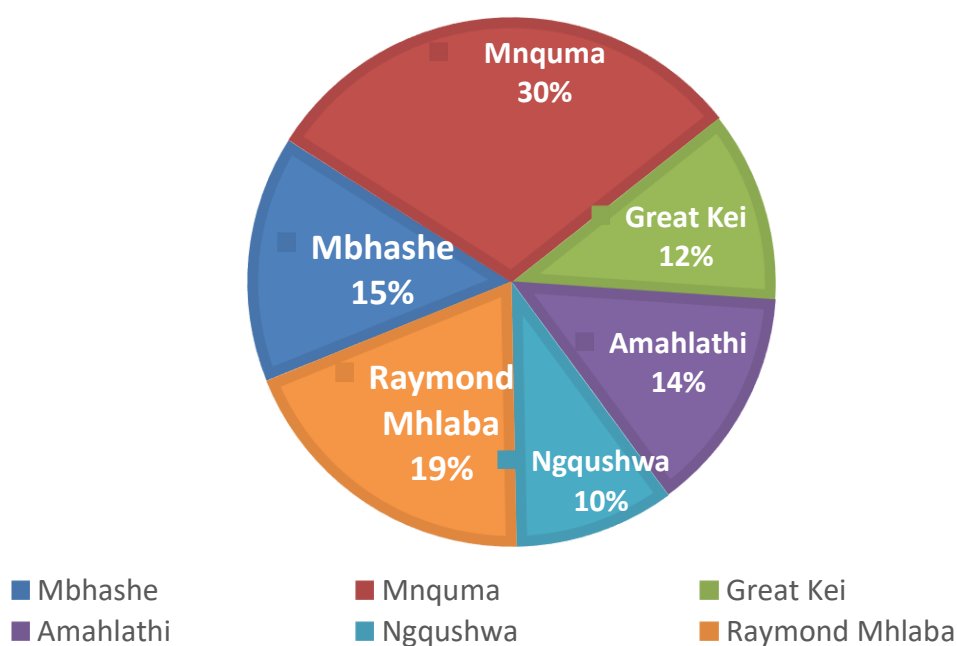
3.3.3 ECONOMIC OVERVIEW

3.3.3.1 Gross Domestic Product

The Amatole District Municipality had a total GDP of R 30 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 2007. In terms of its share, it was in 2017 (8.5%) slightly smaller compared to what it was in 2007 (8.9%). For the period 2007 to 2017, the average annual growth rate of 0.8% of Amatole was the lowest relative to its peers in terms of growth in constant 2010 prices.

FIGURE 5: GDP CONTRIBUTION - LOCAL MUNICIPALITIES OF AMATOLE DISTRICT MUNICIPALITY, 2017

GROSS DOMESTIC PRODUCT (GDP) AMATOLE DISTRICT MUNICIPALITY, 2017



Source: IHS Markit Regional eXplorer version 1479

Great Kei had the highest average annual economic growth, averaging 1.42% between 2007 and 2017, when compared to the rest of the regions within the Amatole District Municipality. The Raymond Mhlaba Local Municipality had the second highest average annual growth rate of 1.06%. Mbhashe Local Municipality had the lowest average annual growth rate of 0.42% between 2007 and 2017.

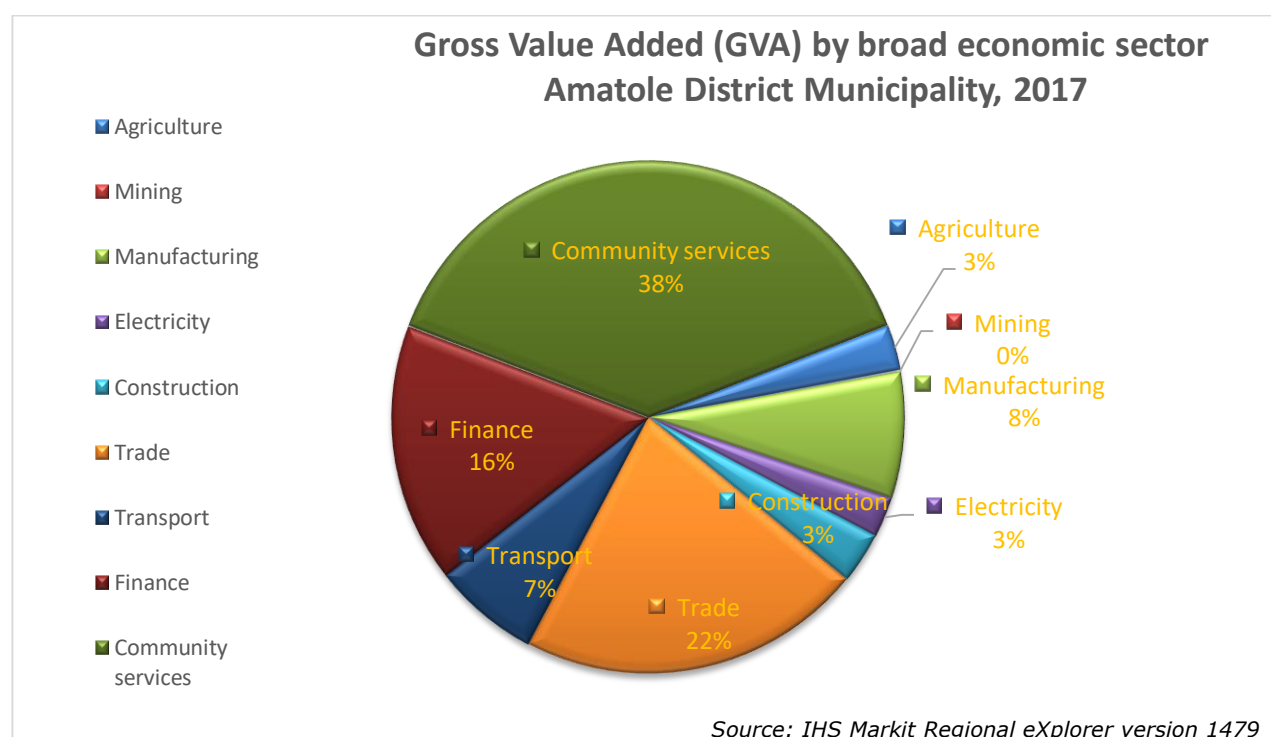
The greatest contributor to the Amatole District Municipality economy is the Mnquma Local Municipality with a share of 30.36% or R 9.1 billion, increasing from R 4.59 billion

in 2007. The economy with the lowest contribution is the Ngqushwa Local Municipality with R 2.93 billion growing from R 1.5 billion in 2007.

3.3.3.2 Sector and District GVA Contribution

ADM SDF (2014) outlines that the Amathole District, not unlike the province has a very small Primary Sector contribution towards total output, with only 2.7% of total GVA_R from this sector while the tertiary sector contributes an average of 84, and according to ECSSEC, 2016 the status remains. Figure illustrated below shows the contribution of the Primary, Secondary and Tertiary Sectors towards total ADM GVA_R for Amathole.

FIGURE 6: GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR
- AMATHOLE DISTRICT MUNICIPALITY, 2016 [PERCENTAGE]



In 2017, the community services sector is the largest within Amatole District Municipality accounting for R 10.4 billion or 38.3% of the total GVA in the district municipality's economy. The sector that contributes the second most to the GVA of the Amatole District Municipality is the trade sector at 21.8%, followed by the finance sector with 16.4%. The sector that contributes the least to the economy of Amatole District Municipality is the mining sector with a contribution of R 39.5 million or 0.15% of the total GVA.



The community sector, which includes the government services, is generally a large contributor towards GVA in smaller and more rural local municipalities. When looking at the regions within the district municipality, the Mngquma Local Municipality made the largest contribution to the community services sector at 27.84% of the district municipality. As a whole, the Mngquma Local Municipality contributed R 8.24 billion or 30.35% to the GVA of the Amatole District Municipality, making it the largest contributor to the overall GVA of the Amatole District Municipality.

Agriculture, Forestry and Fishery's Sub-sector Overview

- The Primary sector within the ADM contributes 3% of total district GVA_R. It consists of the Agriculture, Forestry and Fisheries Sub-sector and the Mining and Quarrying Sub-sector.
- The district has highlighted varying products within the sector for development, namely citrus, pineapples and grain products. There are also plans for blueberry plantations. The total 2011 GVA_R figure for the Agriculture, Forestry and Fishery's sub-sector is R 298 million, averaging -0.2% growth over the 2008 to 2011 period. The total number of employed people within the subsector is 20 669, down 27% from 2008's 27 897.

Fisheries and Aquaculture Industry Overview

- The Fisheries and Aquaculture industry is included in the Agricultural Sub-Sector. Given the relative infancy of the industry both nationally and provincially there are only a limited number of aquaculture facilities currently operating in the district. At present three projects were identified across the district, one in the Mngquma Local Municipality – Qolorha Abalone Fish Farming – producing both abalone and fin fish; one in the Ngqushwa Local Municipality (Mhala Development Trust) and another in the Komga (Great Kei Local Municipality) which exclusively produces abalone. The projects in the Mngquma and Great Kei Local Municipalities have provided to be the most successful
- Major challenges experienced by fish farmers relate to: funding, training and equipment. Of significance, both projects reported very limited skills capacity related to fish farming; and notably there is also a dearth of skills and capacity in the extension group which is supposed to provide support. For these farms



to yield significant profits, significant investments in both start-up capital (for equipment and inputs) and skills development are required.

Manufacturing Sub-Sector Overview

- The total real GVA_R of the district's manufacturing in 2011 was R 1.1 billion, R 27 million less than in 2008, equating to a real decrease of -2.4% over the period. The decrease was along similar lines to the decreases in real manufacturing GDP_R at both a national and provincial level which, over the same period, was -3% and -2% respectively. These numbers indicate that the Amathole Districts manufacturing sector shrank by an average annual rate of -0.8% year-on-year between 2008 and 2011.
- Although the Amathole District's manufacturing sector outperformed the provincial and national averages, it contributes a significantly smaller percentage to the total GVA_R of the district (9.3%) than the same sector does at a provincial (17.1%) and national level (17.4%). The Manufacturing Sub-Sector employs 8 023 people in the ADM, 60% of the Secondary Sector and 6% of the total employment figures. The sector employed 8 9 82 in 2008, therefore having lost 869 jobs.

Agro-processing Industry Overview

- The agro-processing industry is a subset of the manufacturing sector that process raw materials and intermediate products derived from the agricultural sector. The total real GVA_R for the agro-processing industry in the Amathole District was approximately R 435.3 million in 2011. The agro-processing industry accounts for 40% of the total manufacturing sectors GVA_R and 3.7% of the overall GVA_R of the Amathole District.
- Although the agro-processing industry accounts for a significant share of manufacturing GVA_R, its overall contribution has declined almost consistently since 2000 when it accounted for 49.3% of total manufacturing GVA_R. The decline suggests that the manufacturing sector is diversifying and potentially moving away from agro-processing industries.
- The diversification can be of concern in that the agro-processing industry has been identified by the IDP as a key vehicle for creating jobs and spurring growth as a result of the industries strong linkages with primary agriculture. The agro-processing industry employs approximately 2 400 people, or 30% of the Manufacturing sub-sector.



District Electricity Industry Overview

- The electricity sub-sector is a very marginal sub-sector in the Amathole District, generating only R 73.2 million in real GVA_R in 2011, equivalent to 0.6% of the total GVA_R of the district. The contribution to total GVA_R has also remained fairly static between 2008 and 2011, remaining at +/- 0.6% since 2008. The marginal nature of the electricity sub-sector in the Amathole District is further highlighted by the fact that the industry employs only 132 people or 0.1% of the total labour force. The low employment rate is almost 40% less than the 211 people employed by the sub-sector in 2000.
- With respect to renewable energy, the district does not possess significant plans for generation, however does intend on generating some from some projects in various stages of development. The New Growth Path outlines the goal for South Africa to reach 10 000 GWh of renewable energy production, which would require 3 725 MW of generation capacity.

Construction

The Construction Sub-sector has also experienced jobless growth over the 2008 - 2011 period. The sub-sector's employment figured declined by 18% within the district, despite the sub-sector itself growing 7%. While construction activities do require infrastructure development to take place, they also serve as an indicator of regional development themselves, indicating where new projects are being undertaken. While this does not necessarily mean that the Great Kei and Raymond Mhlaba districts do not possess comparative advantage for construction within the district, it should also be noted that on-going projects and targeted schemes also originate within the LM, for example aquaculture development within the Great Kei LM. The district does not possess a provincial comparative advantage.

Community, Social and Personal Services & General Government

- General Government is the only other sub-sector to exhibit signs of positive employment and GVA_R growth over the review period. This is somewhat expected, due to the expected response of government during times of economic uncertainty, namely, to increase expenditure to substitute for a lack of investment expenditure. Community, Social and Personal Services



experienced a 5% decline in employment and a 1% increase in ADM GVA_R output over the period.

3.3.3.3 Tourism Industry Overview

The development and extent of the tourism industry varies across the Amathole District. The eastern part of the district (along the wild coast) has a number of well-established and recognised products while the more rural, eastern parts of the district (Mbhashe and Mnquma Local Municipalities) have very little in terms of product offerings.

The tourism supply portfolio of the Amathole District is largely nature based with supporting product strengths found in the outdoor and heritage categories. Wilderness, tranquillity and culture are constant themes throughout the Amathole District, and it is the combination of these characteristics and the unspoiled natural environment, which attracts tourists to the area.

The Wild Coast, which covers a large portion of the eastern part of the district, is considered a key attraction for the strict, but the development of attractions within this location is hampered by the areas accessibility. Road connectivity, particularly in this area, is critical if the Wild Coast is to be developed in the future.

There are several distinct tourism clusters that can be identified in the Amathole District namely: Kei Mouth, Butterworth and Hogsback and surrounds. The largest cluster, Butterworth, primarily comprises accommodation establishments and caters for the significant business tourist market that visits the area on a daily basis. The other two clusters – Hogsback and surrounds; and Kei Mouth – cater almost exclusively to leisure tourists.

Of all the tourist attractions and activities identified in the Amathole Tourism Plan, 54.9% are related to cultural tourism. Cultural tourism products, which include heritage sites, museums, graves, traditional villages, are found throughout the Amathole District but mainly in the Nkonkobe and Mnquma Local Municipalities.



The Amathole District Municipality has a variety of adventure tourism products almost exclusively along the Wild Coast and near the Hogsback area. The environment and rural nature of this part of the district make it ideal for adventure activities such as boating, surfing and mountain biking.

3.3.4 REGIONAL ECONOMIC DEVELOPMENT

Regional Economic Development sectors to be prioritized:

- Agriculture and Rural Development
- Tourism Development and Creative Industry Development
- Enterprise Development
- Cooperative Development
- Heritage resources management
- Extended Public Works Programme

The District has also noted that while it is involved in supporting local economic development initiatives, these interventions are yielding the desired impact. The information was measured through a research process on an impact assessment of LED initiatives implemented in all 6 Local municipalities within the District. The purpose of this was to inform its planning processes on initiatives that have worked in the past, or are likely to yield greater impact. The support of LED initiatives will then be justified, based on the study that has been undertaken.

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 SMME and Cooperatives Development, microfinance, economic research and training of officials in LED related materials.

3.3.4.1 Challenges

- Funds to facilitate partnerships
- Limited participation of the district to economic mainstreams

- 
- Insufficient funds to implement High Impact LED programmes.
 - Lack of funding for LED update

3.3.4.2 Tourism Sector

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.

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

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

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

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

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

3.3.4.3 Film Industry Development

Amathole District Municipality identified the development of the Film and Video Industry as one of the key economic sectors that have a potential to make significant contribution towards economic development. ADM developed a framework that will



support the long term sustainable growth of the film and video industry and to identify areas of focus and opportunity, highlight key catalytic projects that can stimulate growth, and recommend the appropriate institutional arrangements to ensure delivery. Through the eventual implementation of the Strategy, the goal is to create jobs, stimulate entrepreneurs, and give voice to the unique stories of the district through film.

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

Unique Locations

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

Diverse Population

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

Climate

The weather is another major factor in Amathole's potential success. The sun shines fourteen hours a day when it's the middle of winter in the Northern Hemisphere and Amathole's warm days, cool nights limited seasonal rainfall contribute to a delightful climate. Of specific interest to film makers, Durban's winters are mild and comfortable, compared to Gauteng's cold and the Western Cape's cold, wet weather. Snowfall in the Amathole Mountains adds a completely unique and valuable offering for film makers.

Government Support

Forward-thinking government offerings of funding, co-production treaties and other proactive legislation, and supported by a subsequent burst in confidence in local film and television production, South Africa is already a world class destination.

Cost effectiveness

The exchange rate works to Amathole's advantage. According to the 2007 edition of the Filmmakers' Guide to South Africa 1

“Cost-wise, Argentina (although it quotes in US dollars) is about on par with South Africa, New Zealand is considerably more expensive and Chile is about 20-% cheaper. Prague's changeover to the Euro has made it a costlier destination, while Romania is around 15% cheaper. However Chile



and Romania lack resources, experienced crew and infrastructure, and only New Zealand boasts skilled English-speaking crew.”

However, it is true to say, these above-listed benefits are equally applicable to every coastal city in South Africa.

Eastern Cape Stories

Within Amathole, a notable issue stands out as a unique and currently unexploited selling point – the power of the Stories from the Eastern Cape. This includes the emergence of apartheid era stories within the ADM Region as well as the histories of the frontier that built the unique character of the Eastern Cape.

3.3.4.4 Enterprise Development

3.3.4.1 Small, Medium and Micro Enterprise Development

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

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

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

The major challenges faced by SMME's in the district include; access to market, marketing support, financial support, technology support, policy/regulatory and institutional environment

3.3.4.2 Co-Operatives Development

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

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

In 2014, ADM commissioned the Cooperatives and Policy Alternative Centre (COPAC) to do a study of twenty different cooperatives within the district with the aim to know their status and



needs. The twenty (20) cooperatives came from across the district and from various economic sectors. Through the findings of the study there are three categories of cooperatives in the district. These are as follows:

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

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

3.3.4.3 Challenges faced by Co-operatives

The challenges faced by co-operatives, 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.

3.3.4.4 Informal Trade Development

The informal trade sector has been largely neglected in the enterprise development space, especially in formerly rural municipalities. It is a sector that is critical and has potential to dilute absolute poverty and curbing excessive unemployment within the Amathole District Municipality. Poverty, unemployment and inequalities are the primary threats identified by the national government in the New Growth Path, and the National Development Plan. There has been a great effort in previous national policy frameworks such as GEAR in the preceding years to try to curb these social ills; however they continue to be a burden in the governmental efforts to bring about a better life for all. In the recent past efforts have been made to support Cooperatives and SMMEs in the country. There has been the SMMEs Act of 1996 amended in 2006, and the Cooperatives Act of 2005, however there has been minimal support for informal traders. This was however reviewed in 2014 by the Department of Small Business Development when they developed National Informal Business Upliftment Strategy (NIBUS) ADM has taken the initiative to support this sector, in collaboration with the all local municipalities within our district and other developmental institutions. It is for this reason that we have done a needs analysis for all informal traders within the district. There was a needs analysis that is being done within the district for informal traders in all local municipalities. Mquma and Mbashe has the largest number of all informal traders in the district from a wide variety of sectors from the preliminary analysis. The main challenges of informal traders is quality working infrastructure, access to finance and lack of capacity in business finance management. The importance of forming organised structures was explained to them and since the majority have these structures. It was agreed that the needs and challenges of informal traders will be discussed through the recognised informal trade structures



3.3.5 ENVIRONMENTAL MANAGEMENT

3.3.5.1 Environmental Objective

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

3.3.5.2 Natural state of the ADM local municipalities

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

3.3.5.3 Biodiversity

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



3.3.5.4 Freshwater Ecosystems

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

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

3.3.5.5 Marine and Coastal

Amathole DM is situated in the central coastal portion of the Eastern Cape, between the Mbhashe River in the northeast and the Great Fish River in the southwest. The coastline extends for approximately 269 km, which accounts for about a fifth of the districts' jurisdictional boundary and roughly 34.1% of the Eastern Cape coastline. The coastline is generally warm, with humidity increasing towards the east. In total, the district covers a geographical area of 23 577 square kilometres. ADM has 21 beaches, with more recorded at Mbhashe local municipality. A number of beaches in the ADM is in a pristine nature, however general lack of infrastructure with regard to coastal amenities is a serious concern. This has a direct implication to coastal tourism and coastal public access. Health and safety is also another area of concern due to lack of lifeguards and beach health and safety services. ADM has eighteen boat launching sites which are mainly still under the management of the private bodies. The



processes to transfer management is still underway as many local municipality lack required capacity and experience in this regard. List of public boat launching sites in the ADM are found in Gazette No. 3363 of the Eastern Cape.

3.3.5.6 Climate and Climate Change

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

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

3.3.5.7 Air Quality

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

- a) Industry and Manufacturing- There are approximately 15 industrial boilers within the district. There are also a number of wood drying operations, e.g., sawmills throughout the district.
- b) Residential Fuel Use- Use of wood and paraffin
- c) Biomass burning- Veld fires during winter
- d) Motor Vehicles and Unpaved Roads- Due to the rural extent of the District, One of the largest sources of particulate emissions is vehicular travel on unpaved roads, Other emissions are related to waste management practices, agricultural emissions and poorly managed Mining, quarries and borrow pits

Identified priority pollutants in the ADM are:

Sulphur dioxide (SO₂), Nitrogen dioxide (NO₂), Particulate Matter (PM₁₀ and PM_{2.5}), Carbon Monoxide (CO), Benzene, Lead.

3.3.5.8 Environmental Governance

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



3.3.6 HERITAGE RESOURCES MANAGEMENT

It is a well-known fact that Amathole District Municipal jurisdiction is endowed with rich, both natural and cultural heritage resources, both intangibles and tangibles that are of national, provincial and local significance. To this end it has been the legal mandate of the Heritage Section to ensure heritage resources management.

For a very long time such resources happened to be neglected due to a series of apartheid pieces of legislation as will become clear in the ensuing sections of this analysis.

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

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

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

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

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

3.3.7 EXTENDED PUBLIC WORKS PROGRAM (EPWP)

The Expanded public works program is a national program; it aims to draw a significant number of the unemployed into productive work and to try to bridge the gap between the growing economy and large number of unskilled and unemployment people who have not yet enjoyed the benefits of economy development.



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

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

3.3.8 RURAL DEVELOPMENT

Amathole District Municipality forms part of the largest province's geographically, it is still viewed as behind in becoming the economic powerhouse of South Africa and is one of the poor performing province (and districts) in terms of economic activity, contributing less to the national Gross Domestic Product (GDP) for 2007. However, there remain socio-economic challenges within Amathole District Municipality such as persistent high levels of poverty and unemployment. Various policies have been implemented over the past decade to address these challenges. The essence of rural development lies in creating the capacity of the people, especially the rural poor, to sustained self-development.

Rural Development issues and opportunities.

- Increase in production and productivity;
- Equity
- Access to opportunities to earn income,
- Access to public services,
- Access to productive inputs
- Gainful employment
- People's participation in the development process
- Ecological balance, i.e. proper management of physical resources such as land, water, etc.

The realisation of rural development in the context of the country's development vision largely depends on the pace of growth in the agricultural sector, the adoption of a positive mind-set by the rural society, and a re-focusing of the institutional framework in the rural areas. In this context, attention should be towards attaining the following:

- Quality Livelihood
- An enabling and people empowering environment
- Self-Reliance and Self-Sustenance
- Local Economic Development
- Trade and International Competitiveness

The ADM in trying to achieve the above has endorsed the concept the national concept of Operation Phakisa which brings and seeks to unlock the opportunities of Ocean Economic for the District communities.

3.3.9 CONCLUSION

The overall economic output is very low due to the location of strategic economic hubs of East London, King William's and the provincial administrative capital of Bisho which had a big



contribution outside the district. Currently, it mainly Mnquma and Amahlathi local municipalities that jointly account for 57 % of the district output.

It is worth noting that this situational analysis serves as a precursor of the ADM Vision 2030. It has been mainly a desktop exercise through the review of various statistical and socio-economic data, sector plan review. The IDP therefore is developed as informed by the analysis outlined in the long term plan.

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



3.4 KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

VISION 2058: RESILIENT DISTRICT

MTAS PILLAR: SOUND FINANCIAL MANAGEMENT

B2B: FINANCIAL VIABILITY

3.4.4 ESTABLISHMENT

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

3.4.5 BUDGETING

The Budgeting unit assists with the preparation and implementation of the municipality's budget as required in accordance with Section 80 of the MFMA. In addition, the unit prepares the monthly and quarterly reporting on the budget performance.

3.4.5.1 Systems and Processes

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

The draft Budget and final Budget were tabled and approved by Council in the prescribed Schedule A format within the legislative time frames despite having challenges with the current financial system (SAP) which necessitated that most of the data be manually populated. After submitting an initial draft deficit budget, the budget was re-worked to ensure that it was a balanced budget and funded budget. Having said this, it remains management responsibility to ensure very strict expenditure control measure in order to operate with the limited expenditure budget.



ADM has been transacting on the mSCOA chart of accounts since the 2016/17 financial year. The budget was submitted in the 6.3 version of mSCOA via the National Treasury portal for the 2019/20 financial. However, ADM is experiencing challenges with the submitting of the data strings as all the processes are still manual. This results in ADM not being mSCOA compliant and the risk of not receiving Equitable Share and other gazetted grants.

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. Due to system challenges, ADM was and still is unable to report in such a manner and this will therefore be a matter of non-compliance and impact the release of the Equitable share tranches by National Treasury.

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

3.4.5.2 Challenges

- Poor management of budget and adherence to budgeting principles which results in large volumes of budget moves from the start of the financial year;
- Poor implementation of budget policy which results in budget moved from areas without due consideration of the effect on the account that has had the budget reduced;
- Poor planning and expenditure on externally funded projects resulting in unspent amounts being rolled over year after year as well as the capital being changed more than twice a year;
- Adjustments Budget being treated as an opportunity to address poor budgeting which occurred during the budget process;
- Service Charges income reflects what is realistically billable 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;
- 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;
- Continued Staff costs growth which exceeds the actual growth in the revenue base

- Poor cash flow which results in NO reserves available to balance the budget;
- Poor revenue base, and revenue collection. As a result, ADM's own revenue generated is unable to sustain operating costs;
- Budget reports such as Section 71, Schedule C and A and project reports are manually compiled due to challenges with the new system as the system is currently not able to generate reports that meet the information needs of users. This results in the risk of reporting timeframes being delayed and inaccurate figures being reported;
- In effective Financial Management System which result in poor reporting; ie, the system is still not able to perform balance sheet and cash flow budgeting as required by mSCOA reforms;
- Non adherence 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 ie; 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 performed as per system description; and
- Lack of understanding of the significance of the mSCOA seven segments by management and relevant officials in the value chain. This compromises the quality of accurate transacting and allocations against the segments as budgeted.

3.4.6 EXPENDITURE

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

3.4.6.1 Systems and Processes

Section 65 of Municipal Finance Management Act No. 56 of 2003 supported by Treasury Circular 49, requires that all payments processed on the financial system be according to the budget, be properly processed and be due and payable in terms of policy and procedures. The



relevant supporting documentation must be attached and must ensure that they are paid within 30 days of receipt. The main objective is to maintain a good working relationship between ADM and the public we serve.

This compliance remains a challenge as ADM continues to experience cash flow constraints, hence invoices are not always paid within 30 days of receipt. These challenges experienced by ADM, have resulted in 89.6% of all the invoices being paid within 30 days of receipt during the fourth quarter of 2018/19 and 65.8 % for the 2018/19 financial year.

Registers have been implemented to track invoices. In addition to filing payment vouchers in hard copy, payment vouchers are also scanned and filed electronically. A register for fruitless and wasteful expenditure is being maintained. The incidents mainly relate to interest being incurred due to late payment. This is as a direct consequence of the cash flow constraints. Monitoring and investigation of the instances still requires improvement. Standard operating procedures have been documented for the Expenditure cycle, however full alignment to the financial system is still required.

3.4.6.2 Challenges

- Non-Compliance with Section 65(2)(e) of the MFMA and Circular 49 of MFMA. Both these require reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.
- This compliance remains a challenge as the ADM is still experiencing cash flow constraints, hence invoices cannot always be paid within 30 days of receipt.
- In addition, delays in payment as a result of invoices not being verified as evidence of receipt of good and/or services, insufficient budget and non-compliance with procurement procedures have decreased. However, some of turnaround times delays for payments due to system performance inconsistencies.
- SAP is still unable to generate reports to meet reporting needs. Manual reports and registers are currently being prepared as the BI module still not operational which has a negative impact on reporting.
- Although the staff performance have improved with regards to working on the system, reliance on external support for system functions is still very much a reality. This in turn has financial implications and increases turnaround times.
- Incorrect inclusion or exclusion of VAT on purchases serves as a weakness in the administration of VAT. This has mainly occurred on general expenditure items such as travel, motor vehicle hire and conference refreshments. As a result of system configuration and when generating purchase orders. It may also result in penalties being levied by SARS for VAT being incorrectly claimed.
- VAT remains an area in the financial system that has not been finalised.



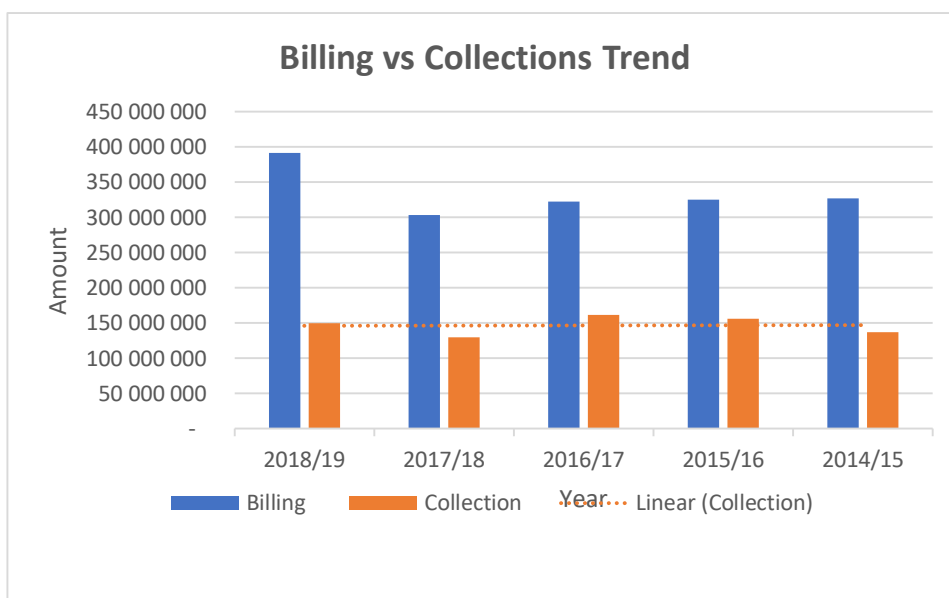
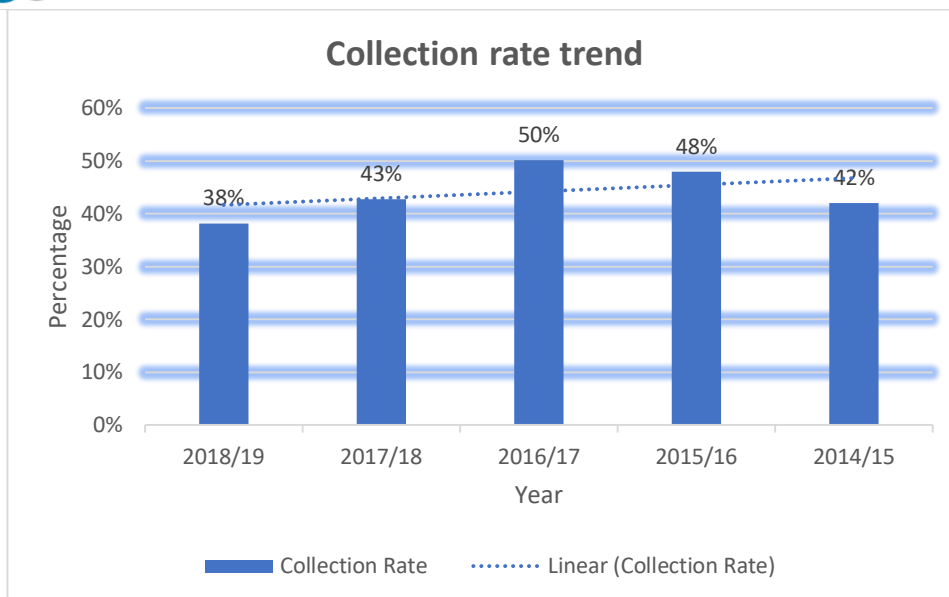
3.4.7 REVENUE

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

3.4.7.1 Systems and Procedures

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

An average collection rate of 38% on billed revenue was collected during the 2018/19 financial year. In order to facilitate the collection of amounts due, ADM makes use of alternative pay-points/methods i.e. PAY@ and speed point. 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:



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

- Establishment of a multi-faceted technical task team, this team includes members from Engineering Services, Corporate Services, Communication and ICT to address debt collection;
- Implementation of an incentive scheme to coerce consumers to settle long outstanding debt and to improve cash flow
- Establishment of a three-month partnership with a debt collector to capacitate staff in debt collection and to intensify debt collections
- Establishment of a call centre for collections

ADM has an approved Indigent policy which provides relief of 6kl of water per month free to indigent consumers. In the past, the ADM indigent register reflected indigents of just over 5000, this was not indicative of the actual economic situation in the District. Ongoing indigent



registration campaigns aim at assisting ADM in ensuring that qualifying indigents within the district who cannot afford to pay for services are registered as indigents in order for them to gain access to the indigent subsidies. This results in reduced ability to collect monies owed to the institution which results in the lack of an effective leverage over the ADM's customers.

In response to this, ADM embarked on a process of aligning the indigent registers and policies of the district and local municipalities. The partnership with the debt collector also assisted in identifying indigent consumers. In addition, the Indigent registration process was intensified by using the EPWP programme to assist in the field by identifying and registering indigents. These interventions have resulted in the register being updated to reflect 2 152 additional indigents and 19 027 consumers receiving free basic services.

The database currently reflects 51 052 active consumers. It must be noted that the information is not static it changes daily. In order to improve and maintain the accuracy and completeness of the database, the results of the partnership with the debt collector are used to update the database. Standard operating procedures have been documented for the Revenue cycle, however full alignment to the financial system is still required.

3.4.7.2 Challenges

- The challenge around the transfer of property owned by the Local Municipalities but now occupied by owners of low cost houses has still not been resolved. This debt remains uncollectable as the Local Municipalities are charged for services and water consumption yet the beneficiaries of the houses are consuming the service.
- Cost recovery remains a challenge. Balancing the sustainability of the ADM service provision and affordability for consumers is critical.
- The Debtors module went live on 9 October 2018 on SAP, ADM continues to experience challenges from the go-live date to date with the module and is therefore not able to issue accurate and complete statements to consumers each month. This has had a negative impact on the payments from consumers which in turn has contributed to the cash flow constraints.
- The majority of the outstanding debt is within the 90 plus days, this implies that the older the debt, the less likely the recovery. It also is indicative of slow payment by consumers thereby aggravating the cash flow of the ADM.
- The number of illegal connection incidents and the enforcement of by-laws such as fines for illegal connections remains a challenge.
- The execution of restrictions and disconnections needs more improvement, but is as a result of capacity constraints experienced by the Engineering Services department.



Investigation of unusual and excessive meter readings is also not prioritised by Engineering Services. All these factors have a negative impact on the collection rate.

- The collection is negatively affected by factors such as the drought disaster which continues to be experienced in the District, with consumers refusing to pay their accounts.
- A further factor is the inability to obtain meter readings from certain areas for extended time periods due to meter readers being chased away by the communities. These communities also do not pay.
- The ADM does not have any leverage to coerce consumers to pay such as the cutting of electricity before debt is settled.
- The delivery of statements to consumers is a critical factor facilitating debt collection as consumers do not pay if no statement is received. The collapse of the postal services in the District is severely retarding the delivery of statements. Alternative methods of statement delivery via email and sms are being investigated.
- ADM continues to experience challenges around the financial system and as a consequence is unable to generate reports that reflect required information. The reconciliation of the age analysis and billing reports to the general ledger remains unresolved.

3.4.8 ACCOUNTING AND REPORTING

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

3.4.8.1 Systems and Processes

The unit also manages the bank accounts of ADM. All bank reconciliations were performed. Bank reconciliations are performed monthly. Due to continued fund management, the unit has earned interest of R18.9 million during 2018/19 towards the revenue stream of ADM. Both the annual financial statements and consolidated annual financial statements are prepared in-house. Despite the significant challenges experienced with the new financial system the financial statements were submitted within the legislative timeframes. Standard operating procedures have been documented for the Cash and bank cycle, however full alignment to the financial system is still required.

3.4.8.2 Challenges

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

SAP BI module, which is intended to assist the reporting function, is still not operational.

The functionality of staff on the financial system has improved, however there is still reliance on external support for system functions which has financial implications and increases turnaround time.

The introduction of mSCOA reforms has also brought challenges around the misclassification of transactions within the ledger. ADM is not mSCOA compliant as almost all data string submissions are reflecting a red status from National Treasury. ADM is unable to produce the required data strings for submission to National Treasury. Non-compliance will result in the withholding of equitable share and other grants. ADM cash flow is non-existent without the receipt of grants.

The table below indicates the submission status to National Treasury:

3.4.9 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 financial year.

The table below reflects the audit outcomes over the last 8 years:

Year	Audit outcome	Matters of qualification
2010/11	Unqualified	
2011/12	Unqualified	
2012/13	Unqualified	
2013/14	Unqualified	
2014/15	Unqualified	
2015/16	Unqualified	
2016/17	Qualified	Property, Plant and Equipment Commitments
2017/18	Qualified	Property, Plant and Equipment Cash flow statement Commitments

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 2017/18 outcome and address the audit findings, ADM implemented the OPCAR template to manage the audit action plan and resolution of the audit findings. 129 findings were raised in the management letter, by August 2019 64% of the findings had been resolved.

Summary of progress

Total number of findings		129	
No. resolved		82	64%
No. in progress		47	36%
No. tasks identified		0	0%

Percentage of issues resolved per Department:

Department	Number of Issues	Number of issues resolved	Percentage resolved
Budget and Treasury Office	82	48	59%
Corporate Services	6	6	100%
Engineering Services	6	2	33%
Strategic Planning and Management	24	21	88%
Legal Services	2	2	100%
Cross-cutting	9	3	33%
TOTAL	129	82	64%

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.

3.4.10.1 Systems and Processes

The SCM Unit strives to ensure that the Municipality's supply chain is sound, sustainable and accountable.

The Municipality promotes Black Economic Empowerment (BEE) and local economic development, and encourages the formation of small businesses and joint venture partnerships.

The Municipality's SCM Policy makes provision for the allocation of projects to designated groups, in particular, women and 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 2018/2019 financial year a total of 111 contracts were awarded. The following table reflects the various procurement methods as well as the number of projects:

PROCUREMENT METHOD	NO.
Formal written price quotation (RFQ) (R30 000 - R200 000)	14
Competitive Bidding (Above R200 000)	63
Deviations	33
Section 32	1
TOTAL	111

The average turn-around time on awarding of tenders during the 2018/2019 financial year is 82,17 days from the date of tender closing. ADM monitors the performance of contractors on a monthly basis. The performance of service providers for the 2018/2019 financial year is as follows:

- Below Standard 1 %
- Needs to Improve 0,5 %
- Acceptable 94,5 %
- Excellent 4 %

Standard operating procedures have been documented and work-shopped.

3.4.10.2 Challenges

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

3.4.11 ASSET MANAGEMENT

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

3.4.11.1 Systems and Processes

These resources are consumed on the basis that there is future economic benefit derived from their consumption or their utilisation results in economic benefit for the municipality.

These resources range from the water and sanitation infrastructure network used to deliver water and sanitation services to households, vehicles used by personnel to maintain the network, tools utilised in the maintenance of the network, equipment used by field and office staff during the delivery of services, furniture used by staff in support of the services to the communities, materials consumed during the construction of service facilities and work in progress in service infrastructure projects. The following is the breakdown of Amathole District Municipality asset base:

Row Labels	Sum of Carrying Value (2019/20)
BUILDINGS	31 188 518
COMMUNITY ASSETS	44 415 480.05
HERITAGE ASSETS	400 000.00
INFRASTRUCTURE	5 424 273 236
INTANGIBLE ASSETS	3 274 919.28
INVESTMENT PROPERTY	151 406 537.34
LAND	5 325 092.00
OTHER	73 170 143.94
Grand Total	5 679 995 790

3.4.11.2 Challenges

- Incompleteness of the asset register affects the reporting of ADM assets.
- 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.

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

3.4.12 CONCLUSION

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

- Documentation of standard operating procedures
- Preparation of an annual budget for the 2019/20 financial year
- Manual submission of data strings for the Original Budget and Tabled Budget
- Manual submission of Schedule C monthly reports
- In-house preparation and submission of both the separate and consolidated annual financial statements within the legislated timeframes
- Partnered with MISA in a Municipal turn-around strategy to develop a financial recovery plan which was adopted by Council
- Despite the cash flow challenges, an average of 65% of all invoices were paid within 30 days of receipt
- Partnership with Revco to establish a call centre for debt collection
- Additional 19 027 consumers receiving free basic services were registered
- Partnered with United Nations and GIZ for the empowerment of women in business, 37.78% of the contracts were awarded to women owned businesses
- Work in Progress register is being reconstructed



3.5 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

VISION 2058: JUST AND EQUITABLE DISTRICT

MTAS PILLAR: GOOD GOVERNANCE

B2B: GOOD GOVERNANCE

3.5.1 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.

ADM has a fully-fledged Development Planning section in the Planning, Monitoring & Evaluation Unit under the Strategic Planning and Management Department. The main purpose of establishing this unit is to ensure management and coordination of a district-wide Integrated Development Plan.

To support and enhance planning in the district, the re-aligned Standing Committees resemble the 5 Key Performance Areas of Local Government to enable issues of planning to find space for discussion in such Council committees. For ADM to have an integrated development plan, it is very crucial that all spheres of government plan together so as to arrive at an integrated development plan that reflects district-wide planning. A District Wide Planning and Economic Development Forum (DWPED) was established to ensure horizontal and vertical alignment of plans and processes throughout the District and to promote intergovernmental relations.

3.5.1.1 Capacity Building Initiatives

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.

3.5.2 COMMUNICATIONS & CUSTOMER CARE

The ADM Communications Policy states the following;

- ADM has a responsibility to provide information to its internal and external stakeholders.
- ADM communication programme and strategy each year is guided, as are all other government department spheres, by the President's State of the Nation Address, the State of the Province Address, the National Government's Communications Strategic Framework and the ADM's priorities; and

- It is also guided by the SALGA National Communications Conference held in Tshwane on 8-10 May 2006 that resolved on a new communications model for local government.

Batho Pele Principles which aimed at improving service delivery and promote a caring and responsive people's government also stipulates that citizens should be given full accurate information about the public services they are entitled to receive.

3.5.2.1 Operational Framework

ADM Communications Policy further 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.

The aforementioned structures include the Eastern Cape Intergovernmental Communicators Forum (IGCF) which is coordinated by the Office of the Premier, GCIS and SALGA-EC. Communicators from provincial departments, State Owned Enterprises (SoEs) and district/metro municipalities are represented in the forum. The forum main objective is to coordinate programmes and projects each year and to monitor and evaluate progress and achievements. A Local Government Communicators Forum (LGCF) has also been established and is driven by the Communications Office of the Department of Housing, Local Government and Traditional Affairs. The Forum provides a platform for sharing of information about local government issues and best practices.

ADM also established the District Communicators Forum (DCF) in 2002. Communicators 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 Executive Support Services/Communications and Media Relations Manager provide technical assistance to the Forum.

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 the affected stakeholders through water forums, walk-in at satellite offices, media releases, website, newsletters (internal & external), Mayoral Imbizos and other public participation platforms.

Communications audits undertaken by the ADM amongst its local municipalities reveal a lack of capacity and resources to adequately deal with communication challenges. Currently, only five (5) municipalities have communications officials in place. The status poses a challenge to local municipalities as the media tend to set the agenda with negative reporting, leaving government with a reactive mode of communication (fire-fighting).



Local municipalities are at the coalface of service delivery and the closest sphere of government to communities. As such, they are held accountable for all government services, even when these functions are not assigned to them.

There have been pockets of service delivery protests in some local municipalities resulting from accessibility of ward councillors, lack of information about the work of those municipalities, leadership grievances and delayed service delivery.

It is therefore critical that local municipalities provide for adequate communication structures and to communicate proactively with both the media and with all their key stakeholders. They are also encouraged to develop communication strategy that will address the challenges. They need to ensure a two-way flow of information and to build relationships and partnerships so that service delivery can take place in a conducive environment.

3.5.2.2 Environmental Scan – General

ADM Communications Strategy was adopted by Council in 2012 and the communication action is reviewed annually. It contains an annual communication cycle that serves as a guiding framework for communication activities and programmes.

In the recent past ADM has been visible and audible a show of improvement in the communication service. The voice of government in the media is consistently reflective. The functionality of communication in the district is also gaining momentum. Efforts on continually made to improve internal and external communications.

Since the ADM took over the role of Water Services Authority, the workload of the Communications and Customer Care Unit has significantly increased. Institutional Capacity Building and Training in Batho Pele principles and Customer service for satellite offices continue to make positive inroads. The institutional website has also improved.

Council has also approved for a process to introduce a fully-fledged electronic and integrated customer relations management system. There are also concerted efforts to heighten staff morale and improve working environment and organizational culture. The Municipal Manager's driven Transformation Agenda is underway and is expected to yield positive results on organisation.

3.5.2.3 External Environment

The new Minister of Cooperative and Traditional Affairs Honourable Pravin Gordhan has called on local government to go back to basics, serve communities better while reconnecting with the electorates. The call was echoed by MEC Xasa and SALGA-EC. The ADM's unqualified annual audit results announced by the Office of the Auditor-General for three consecutive years, have obviously improved public confidence and helped repositioned municipality image.



ADM and all local municipalities under its jurisdiction need to build on these gains to improve service delivery in the district. Negative media reports on the Accelerated Sanitation Project (ASaP) has without a doubt tainted the institution's public image.

The 2014 National Elections were closely contested and service delivery was central to a number of protests across the country. This must have influenced public perceptions of government posing a challenge to local government to communicate more effectively and efficiently about service delivery.

If unguarded, the distortions could exacerbate the information gaps which exist between municipalities and our communities.

3.5.2.4 Customer Care

Amathole District Municipality (ADM) has 7 fully fledged Satellite offices with Customer Care Officers in all the Amathole District Municipality Local Municipalities. Part of their role is to coordinate complaint queries from receipt to the resolution point of the queries. Two methods that are used to manage the process of query coordination are; a triplicate manual receipt book in which one copy is handed to the customer, the other copy is handed to the Engineering team and third one remains in the book for record keeping purposes. Secondly, an in-touch system that issues a reference number at the end of the process. All of these processes adhere to a 3-day turnaround rule of the SDBIP and a 24hour monitoring of the query.

3.5.3 INTERNAL AUDITING

The Internal Audit Unit operates in accordance with the International Standards for Professional Practice of internal auditing prescribed by the Institute of Internal Auditors. The unit also operates in accordance with the Internal Audit Charter approved by the Audit and Risk Committee and accepted by the senior management of the municipality. The unit is appropriately staffed and as a result, all the audits that were planned for the second quarter of current financial year have been performed as per Internal Audit Plan. The unit has ten staff members who have obtained a professional Internal Audit Technician (IAT) certification from the Institute of Internal Auditors (IIA SA). In addition to the above professionals. Two staff members are Professional Internal Auditors (PIA) from the Institute of Internal Auditors (IIA SA).



Amathole District Municipality has a functional Audit and Risk Committee which is an independent oversight advisory body of council. The committee was appointed by Council in November 2017. The Audit & Risk Committee members are legislatively required to meet at least four (4) times during a financial year.

The Amathole District Municipality has appointed Evaluation Panel as in accordance to the Government Gazette of August 2006 to evaluate performance of the Municipal Manager and Section 56 Managers.

3.5.4 INTERGOVERNMENTAL RELATIONS / INTERNATIONAL 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, Amathole District Municipality 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.

3.5.4.1 Structural Arrangement

- District Directors Forums
In the 18/19 financial year, Amathole District Municipality introduced a new approach to its practise of cooperative government. A number of changes were thus effected to mark the dawn of the new and the withering away of the old. Of note was the phasing out of the IGR core team which was constituted by an ADM intra-departmental team



and IGR practitioners of the local municipalities including EC COGTA, SALGA, EC Treasury and the Office of the Premier. The 'traditional' technical structure gave way to the Municipal Manager's Forum to be the technical IGR forum instead. This meant that the setting of the ADM IGR agenda kick started with the District Directors Forums feeding into the Municipal Managers Forum in preparation for the District Mayors Forum (DIMAFO).

- District Wide Director's Forums

The Directors Forums are convened and chaired by the Amathole District Municipality directors. The forums take the form of the clusters with each director convening other in the same sector or relevant to the directorate and directors from the sector departments. The aim is to have a cross-pollination of ideas taking place about integrated planning and service delivery. The district-wide forums decide what should go to the Municipal Managers Forum.

- The Municipal Managers Forum

The ADM municipal manager and all the municipal managers of the local municipalities in ADM together with invited sector departments and the provincial coordinating framework consisting of SALGA, EC Treasury, EC COGTA and OTP meet quarterly to constitute the ADM Municipal Managers Forum. Items discussed from this forum derive from the District Directors Forums and the previous Municipal Managers Forum.

- District Mayors Forum (DIMAFO)

This structure is chaired by the Amathole District Municipality Executive Mayor and consists of all mayors of local municipalities, mayoral committee members of the district, Municipal Manager of the district, Amathole District Municipality departmental directors, all Municipal Managers of the local municipalities, Directors of the sector departments within the jurisdiction of Amathole or their representatives and representatives of SoEs (when requested). The agenda of this structure is set by the Municipal Managers Forum and issues resolved from the previous DIMAFO. 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 single and consolidated view of the district. The district view is presented on platforms like the political MunMec and the PCF by the district Executive Mayor.

- The Secretariat



Council Support Unit provides the secretariat duties for all ADM IGR meetings.

3.5.4.2 Areas of Relations

Amathole District Municipality, its municipalities and the other spheres of government including the sector departments have from time to time meet to discuss issues of alignment of programmes and policies, strategies and plans. The plans and policies of the other spheres should always be guided by the needs of the district and the local state. There are also areas of planning that need greater collaboration between the spheres of government, for example, the IDP processes. In all the stages of the IDP, the three spheres of government are set to work together albeit with challenges. As the IGR Act stipulates, all the role players that are responsible for the delivery of services have to meet under one roof at least once to discuss plans and collaboration. Currently, departments plan and forward their plans to the district to include in their IDPs.

There is also the issue of oversight and consultation with the communities. Here one can witness much of the relations between the three spheres of government. There is Mayoral Imbizo, budget and IDP Roadshows, the Provincial Exco Outreach, the public hearings done by the National Assembly and the Executive. All this need closer collaboration with the municipalities.

3.5.4.3 Partnerships, MoUs and Bilaterals

Amathole District Municipality Council is fully aware that the task of lifting the standard of livelihood of the people of the district needs partnerships with other role players. These partnerships enhance the potential of the district in dealing with the plight facing its people.

In this term of Council, ADM reviewed and signed MoUs with the University of Fort Hare, ASPIRE and the Eastern Cape Development Corporation and at the time of writing, ADM will be signing another MoU with Nelson Mandela University. At the centre of the spirit of the signing of the MoUs is the achievement of the goals and the implementation of the catalytic projects of Vision 2058. The latter range from Human Resource Development, Economic Development, Sea Water Desalination, Development of talent, Arts and Culture, simply captured as development of a Smart District.



3.5.5 LEGAL AND INTEGRITY SERVICES

Legal and Integrity Services is currently responsible for providing legal guidance and advice to the institution, including:

- Providing both formal and informal legal advice;
- reviewing and drafting of contractual documents;
- reviewing of procurement procedures to ensure compliance with the law;
- reviewing and drafting of by-laws and assisting in policy development;
- preparing legal briefs to external legal specialists;
- monitor litigation matters;
- Managing access of information under Promotion of Access to Information Act.
- fraud awareness trainings
- Legal compliance monitoring

The Unit is also responsible for driving anti-fraud and corruption management within the institution.

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

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

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

3.5.5.1 Risk factors

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

Outlined below are some of these factors:

Awareness of Constitutional rights:

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

For instance, a report marked confidential (eg a bid committee report), does not mean in law, it is confidential and cannot be handed over to a member of the public making application for the report in terms of the Promotion of Access to Information Act (PAIA). PAIA provides very few specific instances that access to information can be refused, and in all other instances, a municipality is constitutionally obliged to disclose such information if proper application is made for it.



This means that virtually every decision taken by Council, a political office bearer, the Municipal Manager or any other delegated body – such as the Bid Adjudication Committee, is open to scrutiny. More and more people are becoming aware of this fact.

Poor decision making:

In the municipal setting, decision making takes two broad forms:

Deciding to adhere to policies and procedures in executing ones duties or conversely deciding not to adhere to them;

Making administrative and executive decisions in compliance with the law and consistent with the tenants of good governance, or conversely making decisions contrary to what the law and good governance requires.

There appears to be an increasing perception that government in making administrative and executive decisions gets it wrong more times than right. Fuelling this perception is the reality that decisions taken on judicial review in recent times, as reported on in the press, have in most instances been set aside as either contravening PAJA, or the constitutional principle of legality ie as being 'irrational'.

Municipalities, including the ADM, have not been immune to this perception. For example, it has been noted that recently significant tenders awarded by the ADM are often immediately followed by applications under PAIA and PAJA for all documents relating to the bid process as well as reasons for the award. Even bidders, who had no reasonable chance of being awarded the bid in question, are making these applications.

A further worrying factor is that the ADM as a responsible government has recently had to take its own decisions in the awarding of certain contracts, on review as an irregular process was followed.

The sense is then that bidders who might otherwise have had no chance of being awarded the tender due to, say, price, realise once they have access to all the relevant information, they can find a reason for a court to set the award aside (because of poor decision making in the process). If the court sets the award aside this meant that the municipality will have to re-tender and then the bidder who was overpriced the first time around, has another opportunity to bid.

On the political level decision making is also coming under closer scrutiny as explained below.

It has thus become imperative that administrative and political decisions must be informed by the law in particular the PAJA and the principle of legality.

Inability to pay for services:

The failure to pay service providers contracted to the municipality, exposes the ADM to expensive litigation. Where a contract was awarded by the ADM, and thereafter the ADM fails or cannot pay for services provided in terms of the contract, not only is the ADM exposed to having a court order the municipality to pay the service provider for the services rendered, but also having to pay interest on this amount as well as legal costs of the service provider – which would amount to fruitless and wasteful expenditure. The question then arises in these instances as to the correctness of the decision to award these contracts in the first place.



Lucrative infrastructure contracts:

Across the province, it has been noted that with the advent of the down-turn in the economy, it is apparent that people are more willing to challenge the awarding of MIG and other infrastructure contracts, which are of a substantial value, than was previously the case.

Political dynamics:

The trend of opposition parties challenging decisions made by political office bearers, observed over the last few years, is likely to continue. Furthermore, as fractures develop in dominant political parties, it is not inconceivable that internal factional battles may give rise to decisions taken by council or political office bearers being challenged in court.

Nature of the risk to the ADM

Litigations against the ADM gives rise to two potentially damaging risks:

Financial Risk

The cost of litigation at the ADM increased from roughly R1.3 million in 2014 -2015 financial year, to over R2.2 million in the 2015-2016 financial year with a slight reduction in the 2016 - 2017. Over R3 million was spent on litigation matters in the 2017 2018 financial year. This trend has been noted in other municipalities in the Eastern Cape and is set to continue.

Reputational Risk

Every time a government department or municipality is found to have acted unlawfully, it means in essence that such department or municipality has acted contrary to the Constitution. Hence one adverse court ruling has a major impact on the reputation of the institution.

Mitigating the risk

As seen above from the contributing or risk factors detailed above, a key factor able to be addressed directly by the ADM, is the issue of poor decision making. Hence the issue of correct decision making becomes the most important weapon, not only to avoid the prospects of legal action arising in the first place, but also to ensure that any litigation instituted against the ADM is unsuccessful.

While the ADM cannot prevent anyone taking legal action against it, it follows that if the reputation of the ADM is one of an organisation adhering to good governance principles' i.e. making the correct decisions, the appetite for pursuing costly litigation against the ADM significantly diminishes.

The question then is how can the quality of decision making be enhanced going forward?

It is submitted that the following actions ought to be considered:

Proper understanding and appreciation by all role players of what the law requires of them.

Legal guidance built into the decision making process.

Uniform implementation of consequence management to hold role-players accountable for bad decision making.

Role of Legal Services

It is submitted that Legal Services has a key role to play in respect of the first two proposed actions listed above, as follows:

Legal Training:

While there is, or at least should be, a clear understanding by officials of the policies and procedures governing their day-to-day duties (such as SCM processes or payment procedures



etc.), persons or bodies having executive or administrative decision making authority ought to be legally trained on the PAJA and the principals of legality. (For instance, a discretionary authority to make a decision, is not unfettered, and must be exercised within the limits of reasonableness.)

Legal Services ought to conduct or facilitate routine legal training in this regard.

Legal guidance ought to be built into every executive or administrative decision making process. (In one district municipality in the Eastern Cape, the legal manager is required to give an opinion in respect of each item for consideration by Council, and to attend each Mayoral Committee meeting as well as other committees of council.)

Ideally then all items/ memos for approval by Council, by the Executive Mayor, by Executive Management, by the Municipal Manager, or by any delegated authority, ought to be legally vetted by Legal Services prior to such items/memos being considered by such bodies for approval.

In instances whereby such bodies wish to make an approval other than that recommended in the item/memo, then Legal Services ought to provide opinion on the new proposed resolution, prior to it being adopted/approved.

In instances where there is disagreement in respect of the opinion from Legal Services, the opinion of an external legal expert ought to be sought prior to any decision being taken.

3.5.6 MUNICIPAL SUPPORT

Among other priorities the ADM is obliged to build capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking. In fulfilling its responsibility the ADM the District provides support through its directorates and the Municipal Support Unit. Capacity building to these local municipalities is based on the legislative mandate as contained in the Municipal Structures Act.

The MSU comprises of the following sub units, Engineering, Finance, Land & Human Settlements, Corporate Services and Information Technology. Support is also provided through the different directorates where specialised knowledge is sourced to support local municipalities. Since the introduction of the support, audit outcomes and service delivery of local municipalities has since improved. To note areas of intervention and achievements thereof are as follows:

- Promulgation of By-laws for the outstanding LMs
- Development of the supplier database system
- Financial Data Cleansing
- Revenue Enhancement Strategy Programme
- Development of the Housing Emergency Plans
- Virtual Private Network
- Development of IT Master Plans
- Storm water designs



3.5.7 POLICY AND RESEARCH

Policy Development and Research was identified as one of ADM's priority areas that need urgent attention for accelerated delivery of services to its inhabitants. This was informed by lessons learnt from both national and international Local Government Associations i.e. SALGA and UCLEI. Policy and Research Unit at ADM was officially established in 13/14 financial year as a result of a strategic intent of elevating the function to assist the process of Municipal Transformation and Institutional Development. Subsequently a Policy and Research Management Model was developed and adopted.

The intention of the model is to provide conceptual framework and guiding principles for the function of policy development and research. The model is premised on four pillars which are:

- Policy Development
- Long Term planning
- Research
- Knowledge Management

It is against this backdrop that a need was identified to institutionalize the above mentioned pillars in order to pursue developmental local government agenda in a manner that is abreast with international benchmarks of local government.

Milestones of the Institutionalization of Research and Policy Model

- Policy development awareness and capacitation programmes
- Development and dissemination of a standard policy template to all departments to ensure uniformity of all ADM policies.
- Building LM capacity in the area of policy development (3 LMs so far)
- Capacity Building on Project Impact Assessment Toolkit. (PIAT) for local municipalities (3 LMs)
- Promotion of Research by conducting Research Seminars through utilization and harnessing of in-house intellectual capacity.
- Establishment of collaborative networks with strategic partners like Stats-SA, EC Economic Dialogue (DEDEAT)
- Consistent Participation in the emerging scholars platform convened jointly by Rhodes, Walter Sisulu and Fort hare Universities
- Data Collection and Analysis in respect of
 - -The Mid-Year Estimates and Migration
 - -Poverty Trends
 - -Trends from 2017 Non-financial Census of Municipalities

- -Employment and Unemployment trends with specific focus on youth and women.
- Development of a conceptual framework for a Smart District.
- Concept Note for the development of Integrated Information, Knowledge and Records Management Framework (IKRMF) to enhance institutional memory.

It is worth noting that the paradigm has since shifted towards elevation and prioritization of Research and Development (R&D) for informed developmental planning.

3.5.8 RISK MANAGEMENT

Risk Management unit – responsible for administration, implementation and monitoring of risk exposures

3.5.8.1 Legal/Statutory Framework

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

3.5.8.2 Operational Framework

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

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



3.5.8.3 Committees/Fora

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

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

3.5.8.4 Key Challenges

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

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

3.5.9 LEGISLATIVE SUPPORT

The core functions of the Legislative Support Services unit are as follows:-

- Provide support to the Speaker by facilitating the development and regular updating of Standing Rules and ensure that the rules comply with the relevant local government legislation.
- Ensure and support the development of a schedule of meetings for council and council committees.
- Monitor the attendance of councillors to council, committees and any workshops or seminars approved by the Speaker or Council.
- Support the functioning of Section 79 committees.
- Coordinate the functioning of the office of the Chief Whip.
- Support implementation of legislated and delegated functions of the Speaker.

3.5.9.1 Moral Regeneration Movement

District and Local Moral Regeneration Movement (MRM) Structures have been established in line with ADM's Moral Regeneration Strategy. The main pillars of the strategy are family and education. Positive value awareness campaigns are conducted on a quarterly basis targeting schools, traditional councils and civil society to promote good ethics and behaviour.

Challenges

- Lack of response/ follow up by relevant sector departments on cases referred to them during the home visits.

3.5.9.2 Oversight

The Municipal Public Accounts Committee was established in terms of Section 79 of the Municipal Structures Act (117 of 1998) to perform oversight on the MFMA Section 52(d) reports and submits reports to Council. MPAC also investigates other issues referred to it by Council. The Committee also oversees the Annual Report and ensures community participation in the evaluation of municipal performance. Projects are also visited to assess implementation and community satisfaction and follow up is done on issues raised by communities. In compliance with Section 129 of the MFMA, the committee has consistently submitted



oversight reports on the Annual Reports of ADM and Aspire (ADM entity).

3.5.9.3 Whippersy

The ADM has services of a fulltime Whip of Council responsible for ensuring functioning of the Whippersy System. 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.

The Whips Committee (which comprises Whips from different political parties), as a multi-party coordination of inputs of political parties in council meets four days before the date of council to prepare and ensure smooth running of the Council,.

3.5.9.4 Women 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. The Committee operates in accordance with its terms of reference and a program of action adopted by Council. 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.

3.5.10 EXECUTIVE SUPPORT

The unit's core functions include, inter alia:-

- To provide strategic and administrative support to the Executive Mayor and the Mayoral Committee by creating an enabling environment to interface with communities
- Creating sustainable positive relationship between the council & the public;
- Managing & coordinating all public, council, council-sponsored events and activities;
- Ensuring that public participation is an integral part of service delivery;
- Managing & overseeing the organisation of imbizos, water and service delivery forums and other community outreach programmes;
- Mainstreaming the special programmes into main activities and programmes of the District Municipality;
- Creating structured platforms and institutional arrangements for effective participation of vulnerable groups in decision making, monitoring and evaluation of policies and programmes;
- Combating the spread and mitigate the impact of HIV& AIDS and TB pandemic in the District Municipality; and
- Advancing government priorities on health and wellbeing of the nation through sport and recreation in the district.



3.5.11 SPECIAL PROGRAMS

The Special Programmes Strategy is in place to ensure mainstreaming of the following special programmes components across the district, and into the programmes and operations of ADM departments:

- Youth Development
- People with Disabilities
- Children's Development
- Women Empowerment
- Older Person's Welfare

In the process of rolling out the strategy, a number of capacity building programmes are being conducted. These include awareness campaigns, training and education, skills workshops and resource mobilization.

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. Education and awareness programmes targeting areas with high infection rate are conducted on a quarterly basis. The establishment of the District Aids Council is one of the key achievements for ADM.

3.5.12 SPORT DEVELOPMENT

ADM developed a District Sports Development Strategy to ensure the co-ordination, development and wellness of its citizens within the district, as well as to foster social cohesion and unity among employees. Programmes being implemented in line with the strategy include employee sport, talent identification initiatives, capacity building for sport structures and promotion of sport for designated groups.

Annually ADM participates in the Southern African Inter-Municipal Sports Association (SAIMSA).

3.5.13 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.

Various public participation activities

ADM developed a Public Participation and Petitions Management policy which clearly articulates the methodology that will be employed in interfacing with the communities. The policy also gives members of the public a right to petition and outlines the



processes to be followed when a petition has been lodged until it has been responded to.

In line with the policy, a range of public participation activities are held throughout the year as indicated below:-

Water Forum meetings/ Service delivery campaigns

Water and service delivery forum meetings are held at various municipalities as a way of consultation between political leadership and communities, as well as other ADM stakeholders. The purpose of these meetings is to create awareness and to educate people on water conservation and service delivery issues.

Mayoral Imbizo

Two Mayoral Imbizos are held annually. The purpose is to promote interfacing with the communities and also give feedback on issues raised for the attention of the municipality as well as to furnish and update communities on all projects of the municipality.

Annual Report Public Hearings

The Annual Report Public Hearings take place in the 2nd quarter of the financial year. It is per the prescripts of Chapter 4 of the Municipal Systems Act read with Circular 63 of the MFMA, that municipalities are encouraged to account to the public on all matters relating to finances and performance.

IDP and Budget Roadshows

In accordance with legislation, IDP has to be taken to public for their comments. The unit has a responsibility to invite views from the public through IDP and Budget roadshows. The event takes place during the third to the fourth quarter of the financial year.

District Speakers' Forum

The department is responsible for the co-ordination of the District Speakers Forum which is a forum of Speakers from all the Category B Municipalities within ADM. This forum enables speakers to share lessons on matters pertinent to the legislative sector in local government.

Civic Education

ADM rolled out the district-wide Civic Education Programme to empower its citizens to understand issues relating to the functioning of government institutions especially in areas such as, inter alia; the rights of citizens with regard to the services rendered to them, responsibility of citizens with regard to support, defence and promotion of democracy, responsibility of citizens with regard to voting, public participation and reporting practices, available mechanisms for citizens to voice their complaints with government and the private sector.



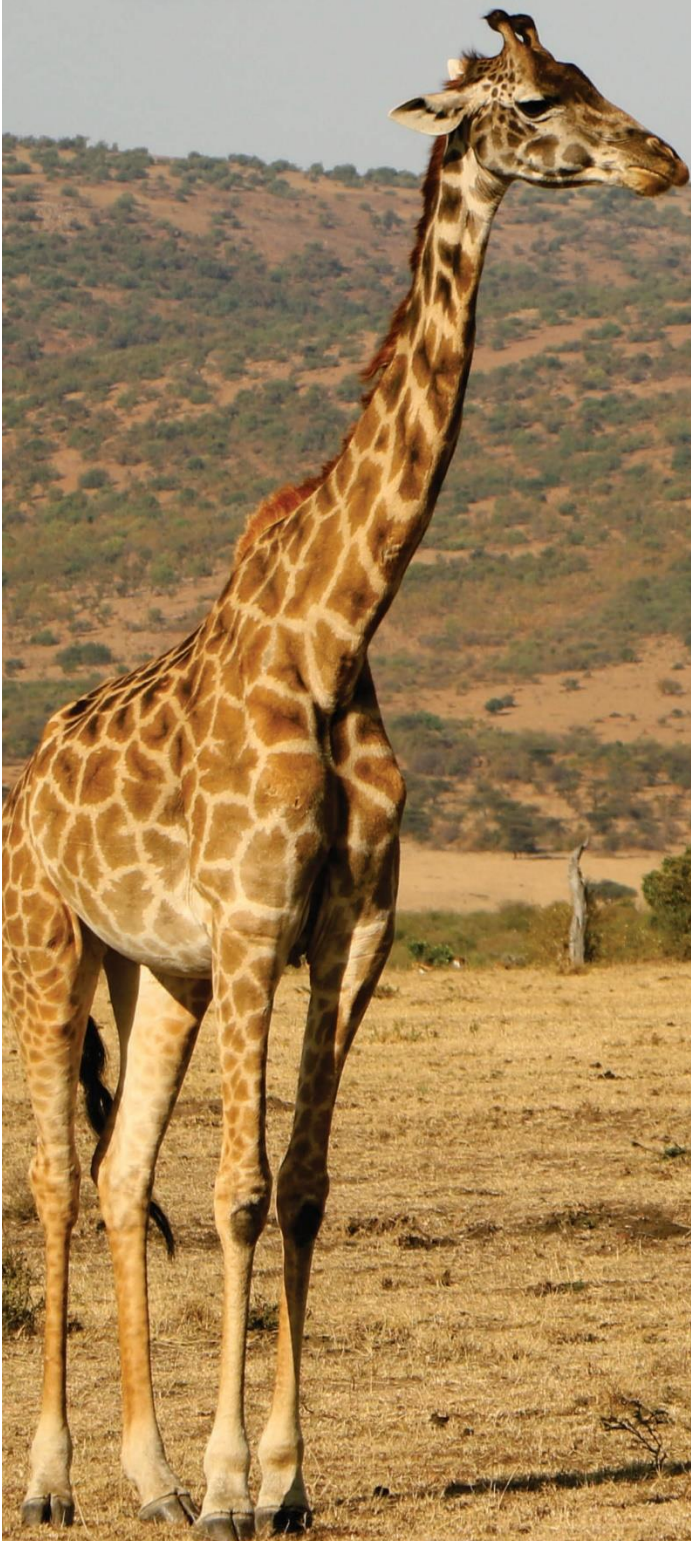
Petition Management

Petitions are an important instrument to enable communities to engage the municipality on matters of service delivery. One of the key pillars of democracy is to ensure responsiveness of government to citizens or community needs. The Office of Speaker is responsible for the coordination of petitions to ensure that they are attended and responded to within a reasonable period of time.

3.5.14 FUNCTIONALITY OF COUNCIL STRUCTURES

Council Support unit ensures the effective functioning of Council and its structures. It provides secretariat services to all Council structures, which include Section 79 and 80 Committees, Mayoral Committee, Council and other Ad-hoc meetings. The unit is also assigned with the responsibility of developing an annual Schedule of Meetings. Most statutory meetings sit as scheduled, however, the challenge of inquorant meetings is still being experienced.

CHAPTER FOUR



CHAPTER 4

DEVELOPMENT OBJECTIVES, STRATEGIES AND PROJECTS

The Institutional Strategic Planning session conducted on 16-19 February 2020 confirmed the following strategic goals and objectives for the five key performance areas:

KPA 1 - MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT		
		Strategic Objectives
Outcome	Quality basic education	✓ To attract, retain, build capacity and maximise utilisation of ADM human capital by 2022 ✓ Ensure integrated and responsive ICT function by 2022 ✓ To ensure district-wide implementation, monitoring and evaluation of the IDP by 2022 ✓ Ensure a coherent Spatial Development Framework that guides and informs land development in the district by 2022
	Skilled and capable workforce to support an inclusive growth path	
	All people in SA are and feel safe	
	Responsive, accountable, effective and efficient Local Government system An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	
National priority	Strengthen skills and human resource base	✓ Ensure a coherent Spatial Development Framework that guides and informs land development in the district by 2022
	Pursuing African advancement and enhanced international co-operation	
	Building a developmental state including improvement of public services and strengthening democratic institutions	
Provincial priority	Strengthen education, skills and human resource base	
District intended outcome	Improved organisational stability and sustainability	
KPA 2- SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT		
		Strategic Objectives
Outcome	A long and healthy life for all South Africans	✓ Provision of adequate infrastructure and safe drinking water to all communities by 2022 ✓ Provision of sustainable and environmentally friendly
	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	sanitation and services to all communities by 2022
	Sustainable resource management and use	✓ To ensure reduction of the prevalence of communicable diseases by 2022
Provincial priority	Massive programme to build social and economic infrastructure	✓ Enhance the provision and standardisation of fire services by 2022
	Building cohesive, caring and sustainable communities	✓ Facilitate sustainable coordination, monitoring and evaluation of disaster relief and response by 2022
District intended outcome	Sustainable delivery of improved services to all households	✓ All households to have access to public transport facilities, within 2km walking distance by 2022
		Facilitate sustainable coordination, monitoring and evaluation of disaster relief and response by 2022

KPA 3- LOCAL ECONOMIC DEVELOPMENT

		Strategic Objectives
Outcome	Responsive, accountable, effective and efficient local government system	✓ To promote holistic sustainable regional economic development by 2030
	Decent employment through inclusive economic growth	
	Skilled and capable workforce to support an inclusive growth	
	An efficient, competitive and responsive economic infrastructure network	
National priority	Decent employment through inclusive economic growth	
	An efficient, competitive and responsive economic infrastructure network	
	A long and healthy life for all South Africans	
Provincial priority	Massive programme to build social and economic infrastructure	
	Speed up growth and transforming the economy to create decent work and sustainable livelihood	

	Strengthening education, skills and human resource base	
	Intensifying the fight against crime and corruption	
	Rural development, land and agrarian reform and food security	
District intended outcome	Improved municipal economic viability	
Political commitment	Creation of decent work and sustainable livelihoods	
	Rural development, food security and land reform	

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

		Strategic Objectives
Outcome	Responsive, accountable, effective and efficient local government system	✓ To ensure sound and sustainable management of municipal finances by 2022
National priority	Intensify the fight against crime and corruption	
Provincial priority	Intensifying the fight against crime and corruption	
District Strategic goal	To improve overall financial management in the municipalities by developing and implementing appropriate financial management policies, procedures and systems.	
Political commitment	Fight against crime and corruption	

KPA 5- GOOD GOVERNANCE AND PUBLIC PARTICIPATION

		Strategic Objectives
Outcome	Responsive, accountable, effective and efficient local government system	✓ To ensure clean and accountable governance in the district by 2022
	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	
	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	✓ To promote effective communication of ADM's business to its stakeholders by 2022
	Intensify the fight against crime and corruption	
	Building a developmental state and improving the public services and strengthening democratic institutions	

	Pursuing African advancement and enhanced international cooperation	
Provincial priority	Building a developmental state and improving the public services and strengthening democratic institutions	
	Intensifying the fight against crime and corruption	
	Build cohesive, caring and sustainable communities	
District intended outcome	Entrenched culture of accountability and clean governance	
Political commitment	Fight against crime and corruption	

The institution made a bold decision in developing outcome-based indicators which are as per the following tables which provide a detailed breakdown of objectives that indicate what the district municipality can reasonably achieve within the available resources, as well as strategies and programmes that provide the concrete interventions that the district municipality will implement to attain its objectives:

4.1 2020-2021 OBJECTIVES AND STRATEGIES

KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	OUTCOME INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
Skills development	To attract, retain, build capacity and maximise utilisation of ADM human capital by 2022	MTI 1	Implementation of the Human Resources Development Strategy	No. of Councillors & Administrators capacitated	MTI 1/1	50 Councillors trained	50 Councillors & Administrators capacitated	50 Councillors & Administrators capacitated	50 Councillors & Administrators capacitated	Director Corporate Services
				No. of Qualified Students with access to Internship	MTI 1/2	35 interns	30 Qualified Students with access to Internship	10 Qualified Students with access to Internship	20 Qualified Students with access to Internship	Director Corporate Services
				% Skilled and self-sustainable communities	MTI 1/3	10 Workplace Integrated Learning Students	5% Skilled and self-sustainable communities	10% Skilled and self-sustainable communities	15% Skilled and self-sustainable communities	Director Corporate Services
Employment Equity	To attract, retain, build capacity and maximise utilisation of		Implementation of the Employment Equity Plan	No. of people from employment equity target groups employed in the 3 highest	MTI 1/4	Females and People living with Disabilities: 2	10 people from employment equity target groups employed in the	10 people from employment equity target groups employed in the	10 people from employment equity target groups employed in the	Director Corporate Services

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	OUTCOME INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
	ADM human capital by 2022			levels of management			3 highest levels of management	3 highest levels of management	3 highest levels of management	
Labour Relations			Implementation of Labour Relations Strategy	% Improved organisational stability and sustainability	MTI 1/5	7% organisational stability	15% Improved organisational stability and sustainability	20% Improved organisational stability and sustainability	25% Improved organisational stability and sustainability	Director Corporate Services
Human Resources			Migration of personnel	% of personnel transitioned into the new organogram	MTI 1/6	Nil	100% of personnel transitioned into the new organogram	100% Maintenance phase	100% Maintenance phase	Director Corporate Services
Information and Communication Technology	Ensure integrated and responsive Information and Communication Technology function by 2022	MTI 2	Digitalisation of Municipal business processes	No. of business processes digitalised	MTI 2/1	2	2 business processes digitalised	1 business processes digitalised	1 business processes digitalised	Director: Strategic Planning & Management

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	OUTCOME INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTAB LE OFFICIAL
Performance Management	To ensure district-wide monitoring and evaluation of the IDP by 2022	MTI 3	Create high- performance culture throughout the organisation	% improvement of institutional performance	MTI 3/1	77% on 18/19 annual report	77% improvement of institutional performance	78% improvement of institutional performance	80% improvement of institutional performance	Director: Strategic Planning and Management
			Establishment of Effectively functioning regional office model	No. of established effective functioning regional service points	MTI 3/2	Satellite Model	2 established effective functioning regional service points	2 established effective functioning regional service points		Director: Strategic Planning and Management

KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
Water	To provide adequate infrastructure and safe drinking water to all communities by 2022	SDI 1	Implementation of the Water Services Development Plan (WSDP)	No. of households with access to basic level of water (connected to water supply)	SDI 1/1	221159 HH (backlog 18 841)	4900 households with access to basic level of water	5200 households with access to basic level of water	5500 households with access to basic level of water	Director: Engineering
				% of Water infrastructure Refurbished as per Implementation Plan	SDI 1/2	20% Progress for Adelaide & Bedford WTW	85% of Water infrastructure Refurbished as per Implementation Plan	95% of Water infrastructure Refurbished as per Implementation Plan		Director: Engineering
				% of formalised of rural households in selected villages with access to higher level of water services (Yard	SDI 1/3	95%	98% formalised of rural households in selected villages with access to higher level of water services (Yard	100% formalised of rural households in selected villages with access to higher level of water services (Yard		Director: Engineering

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
				water connection)			water connection)	water connection)		
				% sampling points coverage	SDI 1/4	100 % coverage of sampling points/programme	100% sampling points coverage	100% sampling points coverage	100% sampling points coverage	Director: Community Services
Sanitation	To provide sustainable and environmental friendly sanitation services to all communities by 2022	SDI 2		No. of households with access to basic level of sanitation (VIP Toilets)	SDI 2/1	201107 HH with VIP toilets	10 000 Access to Improved sanitation level of service (VIP Toilets)	10 000 Access to Improved sanitation level of service (VIP Toilets)	10 000 Access to Improved sanitation level of service (VIP Toilets)	Director: Engineering
				No. Households with access to improved sanitation level of service (Low flush)	SDI 2/2	1025 Households with access to improved sanitation level of service (Low flush)	200 Households with access to improved sanitation level of service (Low flush)	500 Households with access to improved sanitation level of service (Low flush)	800 Households with access to improved sanitation level of service (Low flush)	Director: Community Services

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
			Implementation of the Wastewater risk abatement plan	% sampling frequency	SDI 2/3	100% in sampling frequency	100% in sampling frequency	100% in sampling frequency	100% in sampling frequency	Director Community Services
				% of Wastewater Infrastructure Refurbished as per Implementation Plan	SDI 2/4	70% Progress Refurbishment (Butterworth and Fort Beaufort WWTW)	30% of Wastewater Infrastructure Refurbished as per Implementation Plan(Butterworth and Fort Beaufort WWTW)	60% of Wastewater Infrastructure Refurbished as per Implementation Plan	40% of Wastewater Infrastructure Refurbished as per Implementation Plan	Director Engineering
Municipal Health services	To ensure reduction of the prevalence of communicable diseases by 2022	SDI 3	Reduce the non-compliance through increasing the inspection frequencies over the	% Increased businesses that comply with environmental health standards	SDI 3/1	75% business complying	5% Increase businesses that comply with environmental health standards	5% Increase businesses that comply with environmental health standards	5% Increase businesses that comply with environmental health standards	Director: Community Services

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
			Norms and standards							

KPA 3: LOCAL ECONOMIC DEVELOPMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
Economic Development	To promote holistic sustainable regional economic development by 2030	LED 1	Implementation of the Economic Growth and Development Strategy	No. of Economic opportunities supported across the District	LED 1/1	6 Economic opportunities supported	6 Economic opportunities supported across the District	6 Economic opportunities supported across the District	6 Economic opportunities supported across the District	Director: LHSED
				No. of jobs created through local economic development including capital projects	LED 1/2	600 jobs created through local economic development including capital projects	700 jobs created through local economic development including capital projects	800 jobs created through local economic development including capital projects	900 jobs created through local economic development including capital projects	Director: LHSED

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
						capital projects				
				No. of municipalities with improved local economic viability	LED 1/3	2 municipalities with improved local economic viability	2 municipalities with improved local economic viability	2 municipalities with improved local economic viability	2 municipalities with improved local economic viability	Director: LHSED (ASPIRE)

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNTABLE OFFICIAL
Financial Management	To ensure sound and sustainable management of municipal	MFV 1		No. of Credible Budgets	MFV 1/1	18/19 Budget	1 Credible Budget	1 Credible Budget	1 Credible Budget	Chief Financial Officer
				Financial viability expressed by Debt Coverage ratio	MFV 1/2	45%	47%	49%	51%	Chief Financial Officer

	finances by 2022			Financial viability expressed by Outstanding service debtors to revenue ratio	MFV 1/3	95%	133%	133%	133%	Chief Financial Officer
				Financial viability expressed by Cost Coverage ratio	MFV 1/4	1	1	1	1	Chief Financial Officer
				% Reduction of Irregular, fruitless and wasteful, unauthorised expenditure	MFV 1/5	R124 646 794	50% Reduction of Irregular, fruitless and wasteful, unauthorised expenditure	75% Reduction of Irregular, fruitless and wasteful, unauthorised expenditure	85% Reduction of Irregular, fruitless and wasteful, unauthorised expenditure	Chief Financial Officer
				Monitor all awarded contracts and commitments	MFV 1/6	90 Days	Awarding of tenders within an average of 90 days	Awarding of tenders within an average of 90 days	Awarding of tenders within an average of 90 days	Chief Financial Officer
				Monitoring and acceleration of expenditure patterns		Nil	100% of capital budget actually spent on capital projects	100% of capital budget actually spent on capital projects	100% of capital budget actually spent on capital projects	Director Engineering
Expenditure Management							100% budget actually spent on implementing	100% budget actually spent on implementing	100% budget actually spent on implementing	Director Corporate Services

				Workplace Skills Plan			Workplace Skills Plan	Workplace Skills Plan	Workplace Skills Plan	
				% of invoices for all capital projects funded with grants paid within 30 days	MFV 1/9	Nil	100% of invoices for all capital projects funded with grants paid within 30 days	100% of invoices for all capital projects funded with grants paid within 30 days	100% of invoices for all capital projects funded with grants paid within 30 days	Chief Financial Officer
Revenue Enhancement			Implement Credit Control and Indigent Policy	% Improved revenue base	MFV 1/10	40% revenue collection	70% Improved revenue base	80% Improved revenue base	90% Improved revenue base	Chief Financial Officer

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION OBJECTIVES AND STRATEGIES

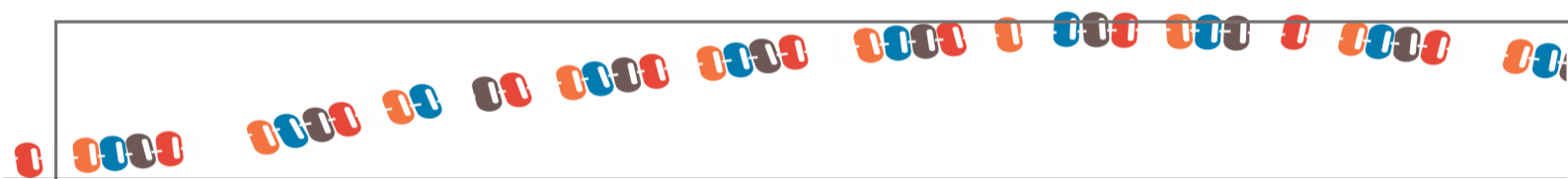
PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	BASE-LINE	TARGET: 20/21	TARGET: 21/22	TARGET: 22/23	ACCOUNT ABLE OFFICIAL
Governance	To ensure clean and accountable governance in the district by 2022	GGP 1	Strengthening of oversight, accountability and Service Delivery	% Audit Findings Resolved	GGP 1/1	20% Auditor General findings resolved	100 % Audit Findings Resolved (19/20)	100 % Audit Findings Resolved (20/21)	100 % Audit Findings Resolved (21/22)	Chief Financial Officer
				No. of Credible Integrated Development Plans	GGP 1/2	20/21 IDP Review of 2017-2022 IDP	1 Credible Integrated Development Plan (21/22)	1 Credible Integrated Development Plan 2022-2027	1 Credible Integrated Development Plan 2023/24	Director: Strategic Planning
Executive Mayor's Legacy Projects			Implementation of the Executive Mayor's Legacy Projects	No of Executive Mayor's Legacy Projects implemented	GGP 1/3	Nil	4 Mayor's Legacy Projects implemented	8 Mayor's Legacy Projects implemented	12 Mayor's Legacy Projects implemented	Director: Strategic Planning
Moral Regeneration movement			Implementation of the Moral Regeneration Movement Strategy	No. of positive value campaigns implemented within the district	GGP 1/4	Nil	6 positive value campaigns implemented within the district	8 positive value campaigns implemented within the district	12 positive value campaigns implemented	Director: Strategic Planning

									within the district	
Communication	To promote effective communication of ADM's business to its stakeholders by 2022	GGP 2	Implementation of communication strategy	No. of communication initiatives undertaken	GGP 2/1	21 initiatives	21 Communication initiatives undertaken	21 Communication initiatives undertaken	21 Communication initiatives undertaken	Director: Strategic Planning
			Establishment of an automated customer care system	No. of local municipalities implementing automated customer care systems	GGP 2/2	1 automated customer care systems	2 of local municipalities implementing automated customer care systems	2 of local municipalities implementing automated customer care systems	2 of local municipalities implementing automated customer care systems	Director: Strategic Planning
Public Participation			Enhance communication between ADM and external stakeholders	No. of public participation programs conducted	GGP 2/3	8 programs	12 public participation programs conducted	16 public participation programs conducted	20 public participation programs conducted	Director: Strategic Planning

4.2 2020/2021 mSCOA COMPLAINT PROJECTS - AMATHOLE DISTRICT MUNICIPALITY EXTERNALLY FUNDED PROJECTS

4.2.1 Amathole District Municipality 'S THREE YEAR MIG CAPITAL PLAN

MUNICIPALITY	MIG THREE YEAR CAPITAL PLAN	Water/Sanitation /VIP/Other	2020/21	2021/22	2022/23	PROJECT DISCRIPTION	FUNDED PROGRAM	FUND CENTRE	FUND
NKONKOBENXUBA	Bedford & Adelaide Bucket Eradication Programme - Phase 6	Sanitation	1 000 000	15 045 083	-	DC12-EF.13.35.000010	SCOA_132		1604100014
	Hogsback Water Treatment Works and New Reservoir	Water	10 390 000	4 821 115	-	DC12-EF.14.35.000012	SCOA_087		
	Fort Beaufort Bulk Water Services Upgrading		18 850 000	16 635 007	-	DC12-EF.14.35.000009	SCOA_144		
	Nxuba - Adelaide and Bedford Bucket Eradication Phase 4: Upgrading of Bedford WWTW	Sanitation	1 060 000	1 247 654	-	DC12-EF.22.35.0000057	SCOA_075		
NGQUSHWA	Peddie Wastewater Treatment Works	Sanitation	7 150 000	44 748 410	45 000 000	DC12-EF.14.35.0000011	SCOA_142		



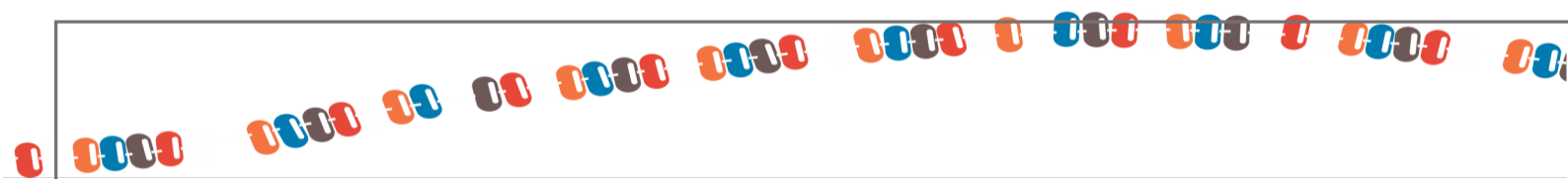
MUNICIPALITY	MIG THREE YEAR CAPITAL PLAN	Water/Sanitation /VIP/Other	2020/21	2021/22	2022/23	PROJECT DISCRIPTION	FUNDED PROGRAM	FUND CENTRE	FUND
	Ngqushwa Villages Water Reticulation - Budget Maintanance	Water	14 800 000	1 594 023	-	DC12-EF.13.35.000009	SCOA_075		
	Ngqushwa Region 2C Sanitation Project	VIP	6 000 000	-	-	DC12-EF.14.35.000198	SCOA_075		
AM AHLATHI	Stutterheim Sewer Pipe Replacement Programme	Sanitation	7 290 000	1 729 384	-	DC12-EF.14.35.000064	SCOA_075		
	Stutterheim Water Pipe Replacement Programme	Water	15 359 000	2 728 875	3 523 577	DC12-EF.22.35.000065	SCOA_144		
	Carthcart Bulk Services Upgrade		18 500 000	40 941 996	50 000 000	DC12-EF.14.35.000087	SCOA_144		
	Komga Commonage Settlement Project - Bulk Water		3 800 000	14 333 960	1 414 534	DC12-EF.14.35.000005	SCOA_087		
GREAT KEI	Morgan's Bay/Igxara Sanitation	Sanitation	359 421	-	-	DC12-EF.14.35.000058	SCOA_075		



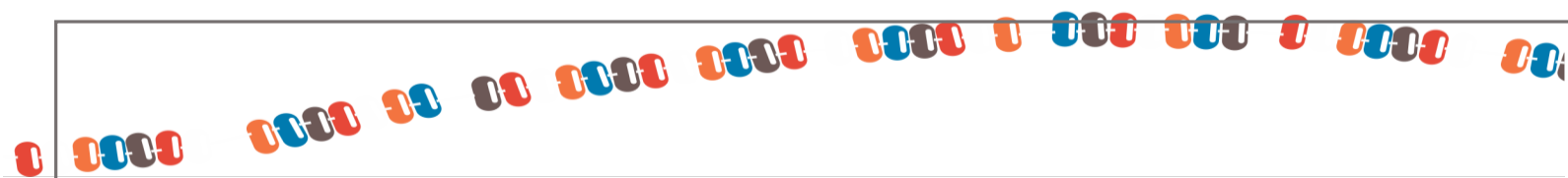
MUNICIPALITY	MIG THREE YEAR CAPITAL PLAN	Water/Sanitation /VIP/Other	2020/21	2021/22	2022/23	PROJECT DISCRIPTION	FUNDED PROGRAM	FUND CENTRE	FUND
	Kei Bridge Komga Water Treatment Works	Water	15 000 000	11 014 925	12 732 377	DC12-EF.14.35.00004 4	SCOA_100		
MNQUMA	Ibika–Centani Water Supply Phase 3	Water	18 940 000	46 740 748	57 000 000	DC12-EF.11.35.00000 3	SCOA_087		
	Gcuwa West Regional Water Supply		5 635 000	5 064 910	-	DC12-EF.13.35.00000 5	SCOA_091		
	Nxaxo & Cebe Water Supply Scheme Phase 2		15 000 000	46 223 980	40 000 000	DC12-EF.13.35.00000 6	SCOA_087		
	Ngqamakwe Regional Water Supply Phase (1 - 4)		15 092 403	30 812 406	60 000 000	DC12-EF.11.35.00000 2	SCOA_087		
	Zizamele Sewerage Reticulation Phase 2	Sanitation	21 650 000	173 502	2 413 359	DC12-EF.14.35.00000 4	SCOA_075		
	Centane Phase 4 Water Supply	Water	15 440 000	32 983 694	39 454 050	DC12-EF.14.35.00002 3	SCOA_075		



MUNICIPALITY	MIG THREE YEAR CAPITAL PLAN	Water/Sanitation /VIP/Other	2020/21	2021/22	2022/23	PROJECT DISCRIPTION	FUNDED PROGRAM	FUND CENTRE	FUND
	Bawa Falls Water Supply		5 000 000	13 710 676	371 093	DC12-EF.14.35.000004	SCOA_075		
	Cafutweni Water Supply Scheme (Revised Scope)		23 574 158	11 630 671	3 000 000	DC12-EF.14.35.000002	SCOA_087		
	Mnquma Region 1A Sanitation Project	VIP	21 443 186	-	-	DC12-EF.14.35.0000015	SCOA_075		
	Sundwana Water Supply Scheme, Sundwane water supply scheme including other villages	Water	28 500 000	15 225 846	25 000 000	DC12-EF.14.35.000002	SCOA_087		
MBHASHE	Mncwasa Regional Water Supply Scheme Phase 4	Water	2 000 000	2 537 569	609 000	DC12-EF.11.35.000001	SCOA_087		
	Mgwali North Water Supply Scheme		14 000 000	6 927 073	700 000	DC12-EF.14.35.0000018	SCOA_087		
	Mgwali South Water Supply Project; Mgwali		19 200 000	41 459 738	42 000 000	DC12-EF.14.35.000001	SCOA_087		



MUNICIPALITY	MIG THREE YEAR CAPITAL PLAN	Water/Sanitation /VIP/Other	2020/21	2021/22	2022/23	PROJECT DISCRIPTION	FUNDED PROGRAM	FUND CENTRE	FUND
	South Water Supply Phase B								
	Idutywa East Water Supply Scheme Phase 2, Idutywa east water supply project		12 850 000	3 005 211	-	DC12-EF.22.35.000017	SCOA_087		
	Ward 31 Water Supply Scheme		16 350 000	12 781 805	300 175	DC12-EF.14.35.000055	SCOA_087		
	Bende Water Supply Scheme		20 950 000	10 104 265	19 437 645	DC12-EF.14.35.000072	SCOA_087		
	Shixini Water Supply Scheme		16 000 000	1 260 844	-	DC12-EF.22.35.000063	SCOA_087		
	Elliotdale Waste Water Treatment Works Feasibility Study	Sanitation	1 250 000	-	-	DC12-EF.14.35.000041	SCOA_142		
	Upgrading of water storage & retic to accommodate future development in Dutywa	Water	7 143 933	1 000 000	36 022 140	DC12-EF.14.35.000208	SCOA_087		



MUNICIPALITY	MIG THREE YEAR CAPITAL PLAN	Water/Sanitation /VIP/Other	2020/21	2021/22	2022/23	PROJECT DISCRIPTION	FUNDED PROGRAM	FUND CENTRE	FUND
	Upgrading of bulk collector sewers to accomodated future development in Dutywa	Sanitation	4 000 000	1 000 000	30 000 000	DC12- EF.14.35.000209	SCOA_075		
	Sewage Reticulation in Willowvale		570 000	4 100 382	-	DC12- EF.14.35.000210	SCOA_075		
ADM: HEAD OFFICE	PMU OPERATING BUDGET	Other	21 270 900	23 241 250	24 683 050	DC12- EF.35.55.000004	SCOA_001		
TOTAL			425 418 000	464 825 000	493 661 000				

4.2.2 RBIG Projects

REGION	PROJECT NAME	2020/21	2021/22	2022/23	PROJECT DESCRIPTION	Funded Program	Funds Centre	Fund
MBHASHE	Xhora East Water Supply	56 366 000	-	-	DC12- EF.13.35.000003	SCOA_087	55100	1604100010
	Sundwana Water Supply	10 000 000	47 500 000	66 348 000	DC12- EF.14.35.000002			



MNQUMA	Ngqamakhwe Bulk Water Supply	20 000 000	99 750 000	61 628 000	DC12- EF.11.35.000002	SCOA_087		
TOTAL		86 366 000	147 250 000	127 976 000				

4.2.3 WSIG Projects

REGION	PROJECT NAME	2020/21	2021/22	2022/23	PROJECT DESCRIPTION	Funded Program	Funds Centre	Fund
NKONKOBENXUBA	District Wide Refurbishment	9 200 000	-	-	DC12- EF.22.35.000043	SCOA_144	55100	1604100011
	District Wide Water Supply	1 000 000	2 000 000	7 000 000	DC12- EF.22.35.000042	SCOA_087		
	District Wide Refurbishment	10 800 000	1 500 000	-	DC12- EF.22.35.000040	SCOA_142		
	District Wide Water Supply	1 000 000	1 000 000	4 000 000	DC12- EF.22.35.000041	SCOA_148		
	District Wide Water Supply	-	1 000 000	4 000 000	DC12- EF.14.35.000057	SCOA_087		
	District Wide Refurbishment	1 000 000	500 000	3 000 000	DC12- EF.22.35.000038	SCOA_075		
	Water Conservation & Demand Management	5 000 000	5 000 000	5 000 000	DC12- EF.22.35.000118	SCOA_148		



REGION	PROJECT NAME	2020/21	2021/22	2022/23	PROJECT DESCRIPTION	Funded Program	Funds Centre	Fund
	District Wide Pipeline Extensions	2 000 000	-	-	DC12- EF.14.35.000190	SCOA_148		
MBHASHE	Water Loss Reduction Programme: Mbhashe	2 500 000	2 500 000	2 500 000	DC12- EF.22.35.000107	SCOA_148		
MNQUMA	Butterworth Waste Water Treatment Works	6 300 000	-	-	DC12- EF.22.35.000028	SCOA_142		
	Crouches Bush	3 000 000	10 000 000	-	DC12- EF.14.35.000003	SCOA_087		
	RHIG - Ward 11 & 14	2 000 000		-	DC12- EF.22.35.000029	SCOA_075		
	Water Loss Reduction Programme: Mquma	2 500 000	2 500 000	2 500 000	DC12- EF.22.35.000120	SCOA_148		
GREAT KEI	20 x fire hydrant installations for Komga	200 000	-	-	DC12- EF.14.35.000068	SCOA_098		
	Chintsa Bulk Services Upgrade (WTW's & WWTW's)	500 000	500 000	4 000 000	DC12- EF.14.35.000088	SCOA_130		
	Cintsa Dam Refurbishment	-	1 500 000	4 000 000	DC12- EF.22.35.000068	SCOA_119		



REGION	PROJECT NAME	2020/21	2021/22	2022/23	PROJECT DESCRIPTION	Funded Program	Funds Centre	Fund
	Corrosion Evaluation of Rural reservoirs (Feasibility Study)	-	1 000 000	-	DC12- EF.14.35.000101	SCOA_098		
	Cwili Interim Water Services	1 000 000	2 000 000	1 000 000	DC12- EF.22.35.000050	SCOA_144		
	Kei Mouth pipe replacement	500 000	1 000 000	1 000 000	DC12- EF.14.35.000045	SCOA_385		
	Komga Waste Water Treatment Works	50 000	1 000 000	-	DC12- EF.22.35.000095	SCOA_142		
	Major Dams (Morgan Bay , Centenary, Chintsa) devegetation and excess reeds removals	-	500 000	500 000	DC12- EF.14.35.000122	SCOA_091		
	Morgan's Bay Sewage Waste Water Ponds	1 500 000	3 000 000		DC12- EF.22.35.000096	SCOA_142		
	Water Loss Reduction Programme: Great Kei	2 500 000	2 500 000	2 500 000	DC12- EF.22.35.000119	SCOA_148		
AM AHLATHI	Amabele Waste Water Treatment Works	-	-	500 000	DC12- EF.14.35.000093	SCOA_142		
	Cathcart Sanitation	500 000	-	1 000 000	DC12- EF.22.35.000006	SCOA_142		



REGION	PROJECT NAME	2020/21	2021/22	2022/23	PROJECT DESCRIPTION	Funded Program	Funds Centre	Fund
	Dontsa Water Supply	-	1 000 000	-	DC12- EF.14.35.000080	SCOA_148		
	Keiskammahoek Waste Water Treatment Works	-	1 000 000	-	DC12- EF.14.35.000034	SCOA_142		
	Langdraai Reservoir Refurbishment	-	500 000	-	DC12- EF.14.35.000116	SCOA_128		
	Replacing the entire galvanise reticulation system to HDPE reticulation in Amabhele	5 000 000	10 000 000	5 000 000	DC12- EF.22.35.000002	SCOA_144		
	Rhabula Water Supply	3 000 000	5 000 000	6 000 000	DC12- EF.22.35.000005	SCOA_087		
	Roma / Keilands Water Supply	5 450 000	10 000 000	5 000 000	DC12- EF.22.35.000003	SCOA_091		
	Water Loss Reduction Programme: Amahlathi	2 500 000	2 500 000	2 500 000	DC12- EF.22.35.000004	SCOA_148		
	Amabele Waste Water Treatment Works	-	-	500 000	DC12- EF.14.35.000093	SCOA_142		
	Peddie Sewer Remodelling (Feasibility study)		1 000 000	-	DC12- EF.22.35.000076	SCOA_128		
NGQUSHWA								



REGION	PROJECT NAME	2020/21	2021/22	2022/23	PROJECT DESCRIPTION	Funded Program	Funds Centre	Fund
	Water Loss Reduction Programme: Ngqushwa	5 000 000	5 000 000	5 000 000	DC12-EF.22.35.000034	SCOA_148		
ADM: WHOLE DISTRICT	District wide Refurbishment of Water and Sewer Pump Stations	3 000 000	5 000 000	5 000 000	DC12-EF.22.35.000122	SCOA_142		
	Drought Interventions	3 000 000	5 000 000	9 000 000	DC12-EF.22.35.000052	SCOA_144		
TOTAL		80 000 000	85 000 000	80 000 000				

4.2.4 WSIG Drought

REGION	PROJECT NAME	2020/21	2021/22	2022/23	Project Description	Funded Program	Functional Area	Fund
ADM: WHOLE DISTRICT	Drought Interventions	10 000 000	-	-	DC12-EF.22.35.000052	SCOA_144	55100	1604100041
NKONKOBENXUBA	Refurbishment of Adelaide Canal	10 000 000	-	-	DC12-EF.22.35.000047	SCOA_144		
		20 000 000						

4.3 LOCAL MUNICIPAL NEEDS ANALYSIS

LOCAL MUNICIPALITY TOP 10 WARD NEEDS ANALYSIS		
Mbashe LM	Mnquma LM	Raymond Mhlaba LM
▶ Access Roads ▶ Community Halls ▶ Toilets ▶ Electricity ▶ Water ▶ Shearing sheds ▶ Dipping Tanks ▶ Sport fields ▶ Fencing of ploughing fields ▶ Bridges ▶ Wastewater treatment for 3 towns	▶ Road construction and maintenance ▶ Electricity ▶ Health care services ▶ Water ▶ Sanitation ▶ Community/Youth Development programmes ▶ Sport Field ▶ Housing ▶ Dipping tanks ▶ Stock dams	▶ Formal houses ▶ Electrification ▶ Access to water and sanitation ▶ Construction of firebases and Procurement of fire engines with implements ▶ Expansion/ establishment of cemeteries site ▶ Landfill sites ▶ Excessive funding of LED and CBP ▶ access roads ▶ social amenities [Community Halls, sports complex/ fields] ▶ municipal pound
Great Kei LM	Ngqushwa LM	Amahlathi LM(18/19)
▶ Youth Programs (skills development) ▶ Job creation for youth (CWP; EPWP) ▶ Electricity distribution ▶ Street lights/ High Mast ▶ Construction of Internal streets & Graveyard roads ▶ RDP Houses ▶ Hall Renovations ▶ Construction of Community Hall ▶ Cleaning of Dams ▶ Bridge Construction	▶ Water Supply ▶ Internal and Access Roads ▶ Sanitation ▶ RDP Houses ▶ Electricity ▶ Community Halls ▶ Ngqushwa Sports Center, Sports Academy and Sport Fields ▶ Revitalisation of Ngqushwa irrigation schemes ▶ Ngqushwa Training Academy ▶ Small Town Revitalisation /	▶ Roads ▶ Water and Sanitation ▶ Job Creation ▶ Fencing and bridges ▶ Health ▶ Education ▶ Community Halls ▶ High Mast Lights ▶ Revitalisation of Towns ▶ Site allocation
	Hamburg and Peddie Town Development	

4.4 COMMITMENTS FROM SECTOR DEPARTMENT: 2020/21 PROJECTS

DEPARTMENT OF HEALTH

MUNICIPALITY	PROJECT NAME	AMOUNT
Mnquma	Butterworth Hospital Water & Sanitation, Butterworth Hospital - Repairs and Renovations; Tafalofefe Hospital Phase 1 Staff; Accommodation and Gateway Clinic Tafalofefe Hospital Water & Sanitation; Nqamakhwe - Water Supply & Sanitation, Water connection, Mquma Health Facility; Ngcizela Clinic - Replacement of a clinic; Madwaleni Hospital - Upgrading of OPD, MOU	R250000000
Raymond Mhlaba	Tower Hospital Water & Sanitation; Victoria Hospital - Renovations & refurbishments of Health Professional housing and demolition of obsolete structures; Victoria Hospital Commissioning	R 442 945 08,39
Amathole	Radiology Equipment and Services - Amathole Existing Hospitals Commissioning and Recommissioning – Amathole; District Hospitals Medical Equipment Maintenance - Amathole Existing Clinics Commissioning and Recommissioning – Amathole; Clinics Medical Equipment Maintenance - Amathole	R242 003 83,00
Amahlathi	SS Gida Hospital - Renovations & refurbishments	R 30 191 865
Great Kei	Komga CHC - Renovations & refurbishments	R 15 318 714
Ngqushwa	Hamburg Clinic - Replacement of a clinic	R 25 640 878.00

DEPARTMENT OF RECREATION, ARTS AND CULTURE

MUNICIPALITY	PROJECT NAME	AMOUNT
Raymond Mhlaba	Alice Library;Fort Beaufort	R 548 000 00.00
	library; Fort Beaufort Museum; Nyara Library	
Mnquma	Butterworth library; Butterworth Swimming Pool; Construction of Borehole at Butterworth	R 423 140 00.00
Ngqushwa	Hamburg modular library	R 500 000.00
Mbhashe	Ntshunqa modular library	R 500 000.00
Amathole	Wilton Mkwazi	R 8 000 000,00

DEPARTMENT OF SOCIAL DEVELOPMENT

MUNICIPALITY	PROJECT NAME	AMOUNT	BUDGET 2020/21	DURATION
Ngqushwa	Peddie service office service office	R 1 745	R 354000	12 Months
Mnquma	Butterworth service office	R 14 000	R 13 000	
Raymond Mhlaba	Alice; Adelaide and Middledrift service offices	R19 500	R6 500	
	ECDs Maintenance (conditional grant	R1 615		
	Amathole District		R 6 25	

DEPARTMENT OF RURAL DEVELOPMENT AND AGRARIAN

MUNICIPALITY	PROJECT NAME	AMOUNT	DURATION
Mnquma	Gqoloma; Amathole Grain Producers:Tutura Amathole Grain; Producers:Tutura	R 111 081.08	2020/01/04-31/03/2021 01/04/2018-31/03/2022
Raymond Mhlaba	Amambalu Kango	R 450	2021/01/04-1-03-2022
Mbhashe	Amathole dam scooping (23): drought relief; Amathole Grain : Gxara Maize	R 1062	2020/01/04-31/03/2021 2020/01/04-31/03/2021
Great Kei	Mahlubini	R 447	2022/01/04-31-03-2023
Amahlathi	Masinedane Balimi	R 400	2022/01/04-31-03-2023
	Zityobile Irrigation Qwaninga Maize Project	R 1135	01/04/2019-01/03/2021 01/04/2022-31/04/2023

OFFICE OF THE PREMIER

MUNICIPALITY	PROJECT NAME	AMOUNT	DURATION
Great kei	Komga	R 50000	01/04/2020-31/03/2023
Mnquma	Ngqamakwe	R 50000	01/04/2020-31/03 2023
Raymond Mhlaba	Alice: Streets; Water; Electricity; Sanitation	R 111 767.00	01/11/2016-30/03/2021

COGTA

MUNICIPALITY	PROJECT NAME	AMOUNT	DURATION
Raymond Mhlaba	Ngqika Traditional Council; Anta- Seymour Amagqunukwebe Traditional Council	R 7000	1/04/2018-30/03/2021 04/01/2021-31/03/2022- 04/01/2021-31/03/2023
	Anta- Seymour		
Mnquma	Amabhele	R4 400	04/01/2020-30/03/2021

DEPARTMENT OF TRANSPORT

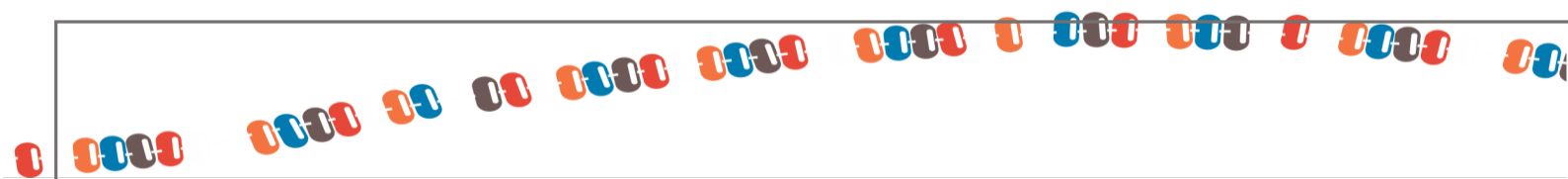
MUNICIPALITY	PROJECT NAME	AMOUNT	DURATION
Ngqushwa	R72 to Hamburg	R 170 000	01/04/2019-31/03/2023
Mbhashe	SLA : Willowvale to Dwesa Nature Reserve via Msengeni Ph 2 of 3 Wild Coast Meander: Madwaleni Hospital Road (Ph 2) In-house SLA : Willowvale to Dwesa Nature Reserve via Msengeni Ph 2 of 3	R 609 462,6	01/02/2020-01/02/2022 01/04/2019-31/03/2023

DEPARTMENT OF PUBLIC WORKS

MUNICIPALITY	PROJECT NAME	AMOUNT	DURATION
Mnquma	Ngqamakwe Offices for DRDAR; Butterworth Sewer Ponds	R40 000	Jul-21-Mar-23

DEPARTMENT OF EDUCATION

MUNICIPALITY	SCHOOL NAME	AMOUNT	DURATION
Amahlathi	A M Sityana senior secondary school; Amatolaville junior secondary school; Bayview primary school; Cumming memorial primary school; Edlelweni public primary school; Emvilo junior secondary school; Ezincuka l/hp school; Jongile nompondo secondary school; Kubusie combined school; Lingani ss school; Lower gxulu primary school; Mandebe junior primary school; Masihlangane secondary school; Matsa high school; Ncedisizwe senior secondary school; Ngangelizwe senior secondary school; Ngxamngxa public school; Nomsa frans primary school (hostel); Sinethemba public school; St matthews high school; Vukile Tshwete SS School; Vukuhambe special school; Zamukhanyo farm school; Zamukukhanya primary school; Zamulwazi junior primary school	R248 026 36.52	2007/04/01-2021/03/31 2014/01/16-2021/03/31 2016/09/13-2024/03/31
Great Kei	Byletts combined school; Ikhwili primary school; Indwe high school; Mzamomhle special school; Silatsha public school	R171 487 0609.00	2017/04/01-2021/03/31 2020/04/01-2022/03/31
Mbhashe	Bangweni junior secondary school; Bashee comprehensive hs; Bikizana junior secondary school; Bonkolo high school; Buwa junior secondary school; Colosa senior secondary school; Dangwana senior secondary school; Elliotdale technical senior secondary school; Enoch mamba senior secondary & tech inst; Falakahla junior secondary school; Freemantle boys' high school; Gotyibeni junior primary school; Gotyibeni junior primary school; Gwabe senior primary school; Gwadana senior secondary school; Gwebityala sss; Hlabizulu junior secondary school; Isolomzi senior secondary school; Jadezweni primary school; Jongilanga senior secondary school; Jongilizwe senior secondary school; Jongulwandle junior secondary school; Lurwayizo senior secondary school; Lututu junior secondary school; Malikhanye senior secondary school; Masonwabe primary school; Mathumbu senior secondary	R 508 05402 34.00	2019/05/01-2025/03/31 2018/01/08-2022/03/31

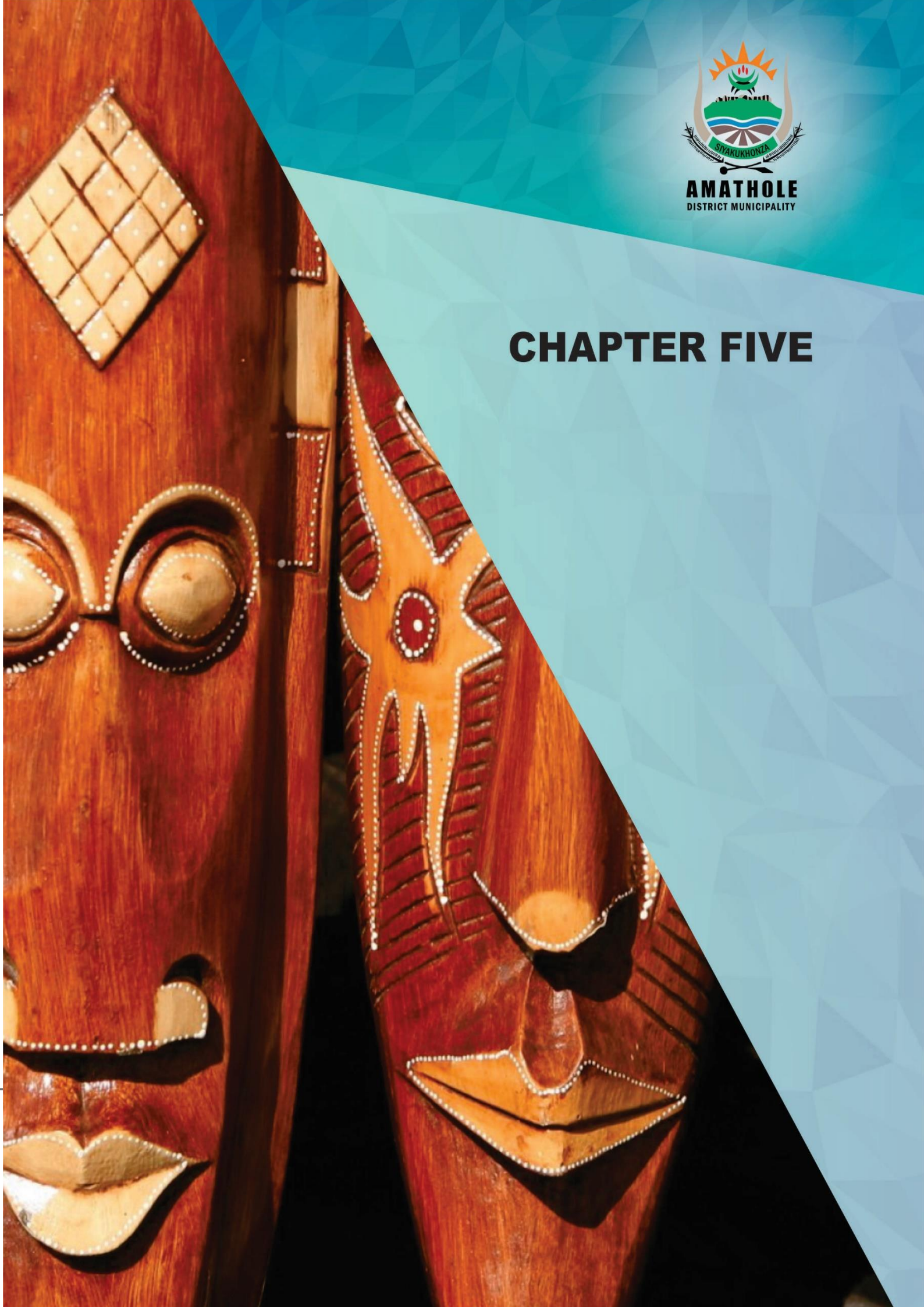


MUNICIPALITY	SCHOOL NAME	AMOUNT	DURATION
	school; Maweleni junior secondary school; Mdeni senior secondary school; Melibuwa senior primary school; Mhala junior secondary school; Mhuku junior secondary school; Mnandi junior secondary school; Buwa junior secondary school		
Ngqushwa	Aberdeen primary public school; Attwell Madala high school; Ayliff primary school; Bodiam primary school; Bongoletu junior secondary school; Eluncedweni junior primary school; Ezingqayi senior secondary school; Gqoboza junior secondary school; Machibi primary school; Meyisi senior secondary school; Mirrlees junior secondary school; Mpeko primary school; Mtawelanga high school; Nathaniel pamla high school; Ncedolwethu senior secondary school; Ngqowa primary school; Tildin primary school; Tuwa primary school; Vulindlela senior secondary school; Woodlands primary school; Fezeka I/hps; Hololoshe junior primary school	R111205,9192	2017/04/28-2021/03/31 2015/09/22-2023/03/31 2016/04/01-2024/03/31
Mnquma	Amabhele senior secondary school; Amathole basin primary school; Baysville secondary school; Binfield park primary school; Blythswood high school; Butterworth high school; Cebe junior secondary school; Cilo senior primary school; Dalibango primary school; Daluxolo js school; Diko senior secondary school; Emqhaphini junior secondary school; Godidi junior secondary school; Ibika junior secondary school; Jancaca public primary school; Jijingubo primary school; Jongabantu senior secondary school; Kobonqaba mouth junior secondary school; Krazukile high school; Macibe primary school; Macibe senior secondary school; Maclear public school; Manqulo primary school; Mapasa junior secondary school; Masizame junior primary school; Mente junior secondary school; Mgobozi senior primary school; Mpentsa's junior secondary school; Mpumlo junior secondary school; Mqambeli junior secondary school; Msobomvu senior secondary school; Mtawelanga high school; Ngubeszwe senior secondary school; Nondwe senior secondary school; Nxaxo junior secondary school; Pakamani senior secondary school; Qoboqobo junior	R 542 224 4804.00	2008/07/01-2021/03/31 2012/08/01-2024/03/31 2016/04/01-2022/03/31



MUNICIPALITY	SCHOOL NAME	AMOUNT	DURATION
	secondary school (replacing ncedisizwe sss); Qolora by sea junior secondary school; Qongqota primary school; Hololoshe junior primary school; Macibe senior secondary school		
Raymond Mhlaba	A M Tapa secondary school; Adelaide Gymnasium; Adelaide primary school; Alice junior secondary school; Alice primary school; Auckland primary school; "Auxiliary services (exams) Ngcobo; Bashee compreshensive high school; Baysville secondary school; Bedford junior secondary school; Bekileni junior secondary school; Bhongweni public farm school; Buthisizwe l/hps; Cola junior secondary school; Cookhouse primary school; Crab bush primary school; D d siwisa primary school; Daluhlanga senior secondary school; Dimbaza primary school; Elethu primary school; Emdeni junior secondary school; Endulini junior secondary school; Eyabantu senior secondary school; Fanti gaqa senior primary school; Ganda primary school; Gcato senior secondary school; George mqalo sss; Grahamstown primary school; Healdtown comprehensive school; Helenvale primary school; Hopefield primary school; nyibiba public secondary school; J F Mati senior secondary school; Josi Marela senior secondary school; Josi Rarela sss;Kama high school;Khwezilesizwe primary school;Kwantozonke Senior secondary school; Lamplough senior secondary school;Lonwabo jss;Lonwabo special school;Lovedale primary school; Lugxogxo junior secondary school;Magila senior primary school;Masivuyiswe junior secondary school; Mbovane junior primary school; Mcheni junior primary school;Mdizeni primary school;Melani primary school; Mfiki primary school	R632 9561 112.00	2016/04/01-2023/10/20 2017/04/01-2022/03/01 2011/05/04-2024/03/31

CHAPTER FIVE



CHAPTER FIVE

5.1 INTRODUCTION

An analysis was conducted in respect of various sector plans developed for the district. Some of these sector plans were found to be still relevant and required minor update. Others required review, whilst new ones were developed. Below is a list of sector plans per the cluster approach:

ECONOMIC DEVELOPMENT	LAND CARE DEVELOPMENT	SOCIAL AND HEALTH SERVICES	GOVERNANCE OPERATIONS	FINANCIAL VIABILITY
Economic Growth And Development Plan	Coastal Management Plan	Integrated Waste Management Plan	Employment Equity Plan	Revenue Enhancement Strategy
	Integrated Environmental Management Plan	District Community Safety Plan	Communications Strategy	Supply Chain Management Strategy
	District Spatial Development Framework	Water Services Development Plan	Brand Repositioning Strategy	Financial Recovery plan
	Disaster Management Plan	Municipal Health Services Strategy	Geographic Information System (GIS) Strategy	
	Air Quality Management Plan	HIV/AIDS, STI, TB & Cancer Strategy	Establishment Plan	
		Fire Risk Management Plan	IT Master Plan	
		Occupational Wellness Strategy	Talent Retention Strategy	
		Employee Wellness Strategy	Business Continuity Plan	
		District Sport Development Strategy	Organisational development Strategy	
		Integrated Sustainable Human Settlement Strategy	Public Participation and Petitions Strategy	
		Occupational Wellness Strategy	Human Resources Plan	
			Human Resources Development Strategy	
			Fleet Management Strategy	

5.2 LIST OF SECTOR PLANS

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
LHSED	Integrated Environmental Management Plan-	21 June 2012		<u>Economic development</u> Ensure effective utilisation of natural resources (Renewable energy, coastal economy, bioprospecting) <u>Social equity</u> Environmental empowerment services (campaigns, Symposiums, conferences, etc.) <u>Environmental integrity</u> Mainstream environmental management (partial) -Environmental policy formulation	- Under-utilisation and misuse of biological resources - The gradual and constant Southward Migration of Nama Karoo
	Air Quality Management Plan -	June 2013		Objective 1: To ensure that staff are designated to the required roles for effective air quality management and that they are adequately trained for their roles Objective 2: Identify sources of emissions in the district. Objective 3: Minimise emissions from scheduled and non-scheduled processes	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

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				Objective 4: To engage stakeholders in government, industry and the community	
	Renewable Energy and Greenhouse Gas Inventory	05 July 2013		1. Reduce ADM Organisational Greenhouse Gas Emissions?? 2.Facilitate the undertaking of a GHG Inventory 3.Fostering a Favourable environment for Renewable Energy Investment 4.The Detailed Land Audit to assist renewable energy investment 5. Mainstream greenhouse gas reduction measures	Over-reliance on coal-based energy Land Tenure Regulatory Requirements (permits &licenses) Investment promotion (driver and champion) Infrastructure development master plans (include R.E infrastructure)
	Climate Change Vulnerability Assessment And Response Framework-	March 2011		1.Determining ADM's vulnerability and affected sectors 2.Facilitate response mechanisms to climate change (R.E, Water harvesting, Greening, Land care, Capacity building and awareness) 3.Mainstreaming of climate change	Temperature rise beyond global average limit (+2.50c Inland vs - 20c) Prolonged drought poses a direct threat to human life and economy of the region Extreme weather conditions pose a direct threat to the core function of

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
					Amathole district municipality (Water service provision)
	Coastal Management Plan	2016/17		1.Fostering Cooperative Governance on coastal issues 2.Ensuring Coastal Planning and Development 3.Consideration of Climate Change and Dynamic Coastal Processes 4.Management of coastal pollution 5.Management of Estuaries	Underutilisation of marine & coastal resources Exploitation of marine resources Coastal equity Institutionalisation and localisation of oceans economy
	ADM Incubator	2018/19		To ensure that ADM caters for her SMMEs and Cooperatives by providing growth opportunities.	Lack of development for SMMEs within ADM due to lack of proper financial
	Economic Growth and Development Policy and its 5 sector plans (agriculture sector plan, Heritage and Tourism plan, Enterprise Developments strategy, Poverty eradication	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
		1 st Adoption Financial Year	Last Review Financial Year		
	strategy, and Rural development strategy.				
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

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
	Integrated Waste Management Plan	2017	2018	The primary objective of IWM planning is to integrate and optimise waste management services, thereby maximising efficiency and improving the quality of life of all citizens while the associated environmental impacts and financial costs are minimised	Inadequate funding to operate existing regional solid waste site. Unavailability of funding to rollout the Western Regional Solid Waste Site Feasibility Study. The causal effects of poor service delivery are, in the main, insufficient resources, inadequate policy guidelines, inadequate planning, inadequate management and lack of technical expertise and capacity. The cleansing and waste disposal services within the district are inadequate though in some instances are satisfactory The urgent need to close all illegal individual solid waste sites in the district. Unavailability of land to construct waste facilities including Transfer Stations.

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
					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
STRATE GIC PLANNI NG&	Communication Strategy	2017/18	2018/19	To effectively communicate ADM's business to all stakeholders	To bridge information gap between ADM and its stakeholders To communicate the priorities of the IDP

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
					To promote, protect and preserve brand ADM
	Brand Repositioning Strategy	2018/19	2018/19	To reassure stakeholders of our commitment to the provision of quality services thus repositioning brand ADM	Unwillingness of customers to pay their financial obligations to ADM for services rendered. Investors unwilling to support Development Agency (ASPIRE) business plans. Poor attendance of ADM outreach programs
CORPORATE SERVICES	Human Resource Plan	2018/19	2018/19	To ensure an informed forward planning in respect of human capital Build and Sustain a capable, Well-Trained Workforce	Accurate and reliable HR data Organogram which is aligned to ADM functions
	Establishment plan	2019/20 (New)		To develop a framework for organisational development	To ensure a sound OD environment
	Talent Management Strategy	2019/20	New	To ensure that a capable workforce is retained	Provision of suitable human capital to deliver on the ADM mandate
	Fleet Management Strategy	2014/15	2019/20	To provide a cost effective ADM fleet that is responsive to institutional needs	Outline the best possible fleet provisioning model for ADM that is cost effective and efficient
	Integrated Wellness	2019/20	New	To ensure a comprehensive wellness programme for all ADM staff for optimal results	To provide a structured and comprehensive wellness programme for all staff at ADM

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
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.

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
	Fire Risk Management Plan	2012/2013	2017/2018	Prevention of fire occurrences Combating of fires	Promote compliance with various legislation relating to fire risk. Minimise the negative impact of fires on life, property and the environment. Promote the involvement of all stakeholders in fire risk management. Set up institutional and stakeholder mechanisms to implement the Plan. Development of fire risk reduction strategies for priority fire risks. Standardisation of Fire Services within the District.
	Municipal Health Services Strategy	2015/16	2017/18	To address Communicable diseases, Health care risk waste, vector control and environmental pollution issues that have a negative impact on public health. Alignment of the Municipal Health Services strategy with the District health plan.	Reported food poisoning cases have become more frequent, especially in boarding schools. Social determinants of health and diseases: participate in implementation of cross-cutting plans in the district which contribute towards the achievement of the goals of the Municipal Health Strategy. Environmental pollution. Healthcare risk waste management at health facilities.

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
					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	2017/2018	To give effect to Section 217 of the Constitution, 1996. To implement a policy that is fair, equitable, transparent, competitive and cost effective. To comply with the regulatory framework prescribed in Chapter 2 of the Regulations and any minimum norms and standards prescribed in terms of Section 168 of the MFMA. To be consistent with other applicable legislation. To not undermine the objective for uniformity in SCM systems between organs of state in all spheres. To be consistent with national economic policy concerning the promotion of investment and doing business with the public sector.	Empowerment goals Demand management Acquisition management Logistics management Disposal management Risk management Performance management

DEPARTMENT	PLAN/ STRATEGY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
	Financial Recovery plan	2015	2018	The principal strategic objectives of the financial recovery plan are to place the municipality in a sound and sustainable financial condition as soon as possible by: - Improving the financial viability and management as well as the control environment; - Focusing the municipality's resources on its core function of service delivery and infrastructure development; - Tightening the governance aspects of the municipality.	Review the current budgeting approaches and process as well as expenditure and management systems to ensure efficient and effective service delivery in line with ADM's priorities. To review revenue management processes to maximise revenue generation possibilities and improve revenue performance.

5.3 LIST OF BY-LAWS

- Water Supply and Sanitation Services By-Laws
- Revenue Management By-Law
- Municipal Health Services By-Law
- Fire Services By-Law
- Disaster Management By-Law
- Air Pollution By-Law
- Waste Management By-Law
- Passenger Transport Services By-Law

5.4 LIST OF POLICIES

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
LHSED	ADM Incubator Policy	2018/19		To ensure that ADM caters for her SMMEs and Cooperatives by providing growth opportunities.	To ensure that ADM caters for her SMMEs and Cooperatives by providing growth opportunities.
STRATEGIC PLANNING & MANAGEMENT	ICT Corporate Governance Charter	2010/11	2018/19	To ensure: a) Compliance to prescriptive landscape. b) Creation of the enabling environment for CGICT and GICT. c) The alignment and implementation of business and ICT strategies. d) Conformance and performance measurement and reporting and e) How business owners will oversee ICT service delivery in support of their business enablement.	To define the roles and responsibilities of structures to ensure Corporate Governance and Governance of ICT is implemented at ADM.
	ICT Backup Policy	2010/11	2018/19	To ensure all relevant systems are backed up and that in the event of system failure, data loss is minimised.	To ensure that ADM is able to recover data and systems in the event of a disaster
	ICT Security and Authorisation Policy	2010/11	2018/19	To define the security requirements for the proper and secure use of the Information Technology services at ADM.	To address risks associated with information assets: 1. Uncontrolled access, connections, and unintentional user errors.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
					2. Security of the information systems compromised by unsupported business practices. 3. Ensuring the integrity and validity of data. 4. Poor operating procedures. 5. Malicious code and viruses. 6. Uncontrolled system or data changes. 7. Internet and public domain access. 8. Breach of legislation or non-compliance with regulatory or ethical standard.
	ICT Change Management Policy	2018/19	2018/2019	The management process shall ensure that changes proposed are reviewed, authorised, tested, implemented, and released in a controlled manner; and that the status of each proposed change is monitored.	1. Change monitoring 2. Segregations of duties 3. Good governance 4. Approval of change
	Customer care policy	2013	2018		
	Risk Management Policy		2019		
	Communications Policy	2013	2019		

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
LESS	Public Participation & Petitions Policy Framework	2005	2018	1) To ensure the maximum participation of communities in the affairs of the municipality. 2) To ensure accountability of ADM to its communities.	1) Uncoordinated public participation activities/ processes between the District and LMs. 2) Duplication and misalignment between the policy and the Rules of Order in respect of petitions management.
CORPORATE SERVICES	Fleet Management Policy	2002/03	2018/19	To provide, maintain and manage ADM fleet to realise the Municipalities vision, mission and goals.	The Corporate Services Department will be responsible for the administration and reporting on Council vehicles. However, such reporting will be complemented by reports that will be furnished by the various departments that will be allocated vehicles on a permanent basis. Maintenance and repairs records will be presented by the Fleet Management Unit for reporting purposes.
	Recruitment Policy	2003/04	2018/19	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. The Corporate Services Department shall ensure that critical positions are prioritised when vacant and budgeted positions are filled. TASK Grade 14 and above

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				To tighten the panel from TG 1 to 13 and ensure fairness prevails	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) 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.
	Leave Policy	15.03.2004	2018/19	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 • Special

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
	Overtime Policy	2012/13	2018/19	To regulate the performance of overtime work by ADM employees as per BCEA 1997	• Roles and responsibilities • Unstructured Overtime • Structured Overtime • Submission of claims Abuse of overtime
	Employment Assistance Program Policy (EAP)	2005/06	2018/19	To offer confidential assistance to employees who has the potential? to be adversely To institutionalise responsible gambling at work-place To lay foundation for sustainable, participatory and penetrating Employee Assistance Programmes (EAP) and Employee Wellness Programmes (EWP). To provide a customised, accurate and cost-effective EAP and EWP toolkit. To improve employee morale and stimulate better performance. To increase employer care and employee loyalty to the employer. To provide a general framework for the management of EAP and EWP in the municipality.	The supervisor or manager shall be responsible for identifying the problem with the employee when job performance is below standard. The supervisor shall not be responsible for diagnosing the nature of a personal problem and the Employee Assistance Programme shall not interfere with an employee's private and social life. The Employee Assistant Programme shall apply equally to all employees and the categories of persons mentioned in section 5. The employee Assistance programme is designed to encourage employees to voluntarily seek help (self-referral) for personal problems. The Employee Assistance Programme shall be strictly voluntary and not mandatory. Confidentiality shall be the cornerstone of the Employee Assistance Programme. Employee access to the programme shall be unfettered and not be conditional on consent to release information to management. Information shall not be released to anyone without the employee's written consent. Information pertaining to an employee shall be legally confidential. Using the service of the Employee Assistance Programme shall not jeopardise an

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
					employee's current job opportunity for promotion or advancement. Employee Assistance program shall constitute an additional form of assistance to employees upon realisation of disadvantaging inadequacy of the available HR remedies or benefits. The Employee Assistance Programme shall not alter management's responsibility to maintain discipline or the employer's right to take disciplinary measure within the framework of the disciplinary procedure and code, nor shall it alter the union's prerogatives to seek any desirable remedies in terms of the law. The Employee Assistance Programme is not designed to assist in "conflict resolution" between employees and /or managers. The Employee Assistance Programme may be used to help the employee deal with \ consequences of conflict that maybe work-related.
	Records Management Policy	2007/08	2018/19	To manage records in a well-structured record keeping system in accordance with the records management Principles contained in the National Archives and Records Service Act, 1996;	Inadequate resources. Records keeping and records management practices in compliance with the requirements of the Act. Support the conduct of business in an orderly, efficient manner.
BUDGET AND TREASURY OFFICE	Indigent Policy		2019	To register all ADM consumers who meet the qualification criteria in order to benefit from the Indigent subsidy	Domestic consumers not applying for indigent subsidy as they have full access to water due to non-restrictions RDP properties still under Local Municipalities' ownership leading to rightful owners not able to apply for the subsidy

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
	Asset Management Policy	2006	2018	The MFMA was introduced with the objective to ensure sound and sustainable management of the fiscal and financial affairs of Municipalities and their entities. Consistent with the regulatory framework in which the Municipality operates, it is important that an Asset Management Policy should promote efficient and effective management, monitoring and 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.	ROLES AND RESPONSIBILITIES Asset Acquisition Measurement of asset Maintenance of assets Depreciation and Asset impairment Asset disposal Asset Register Maintenance

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				- To prescribe the administrative guidelines and internal control procedures to be followed by persons in control of assets with regard to management (including safeguarding and maintenance) of those assets. - To comply with current legislation. - To emphasise a culture of accountability over fixed assets. - To ensure that fixed assets are not written off and disposed of without proper authorisation. - To ensure that preventative measures are in place to eliminate theft, loss and misuse.	
	SCM Policy Goods & Services	19 August 2005	14 December 2018	The objectives of this Policy are: ○ To give effect to section 217 of the Constitution of the Republic of South Africa Act 108 of 1996; ○ To implement a policy that is fair, equitable, transparent, competitive and cost effective; ○ To comply with all applicable provisions of the Municipal Finance Management Act 56 of 2003; ○ To ensure consistency with all other applicable legislation, including: the Preferential Procurement Policy Framework Act 5 of 2000 and its Regulations;	TO PROVIDE A FRAMEWORK FOR THE PROCUREMENT OF GOODS AND SERVICES.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				the Broad-Based Black Economic Empowerment Act 53 of 2003 and its Regulations; the Local Government : Municipal Systems Act 32 of 2000 and its Regulations; and - the Promotion of Administrative Justice Act 3 of 2000. This policy will also strive to ensure that the objectives for uniformity in supply chain management systems between organs of state in all spheres, is not undermined and that consistency with national economic policy on the promotion of investments and doing business with the public sector is maintained.	
	SCM Policy Infrastructure & Delivery Management	24 March 2017	24 March 2017	The objectives of this Policy is to establish an appropriate supply chain management system for infrastructure delivery.	To provide a framework for the procurement of goods and services related to infrastructure/ built environment.
	Banking and cash Management policy	2013		This policy is intended to provide a framework for ensuring the proper	The Municipality must have a primary bank account. If the Municipality has only one bank account, that account is its primary bank account. However, if the Municipality has

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
				management of its cash resources so as to ensure:- That sufficient cash resources are available to finance the capital and operating budgets of the municipality. That there is effective control over the management of bank accounts.	more than one bank account, it must designate one of its bank accounts as its primary bank account. The following money must be deposited into the Municipality's primary bank account – a) all allocations to the Municipality; b) all income received by the Municipality on its investments; c) all income received by the Municipality in connection with its interest in any municipality entity, including dividends; d) all money collected by an external service-delivery mechanism on behalf of the Municipality; and e) any other amounts of money as may be prescribed.
	Investment policy	May 2017		The Council has a responsibility to invest these public revenues knowledgeably and judiciously and must be able to account to the community in regard to such investments. The investment policy of the Council must, therefore, be aimed gaining the highest possible return on investments, without incurring undue risks, during those periods when such revenues are not needed for capital or operational purposes.	Where large sums of money are available for investment the CFO shall ensure that they are invested with more than one institution, whether practicable, in order to limit the risk exposure of the Municipality. To this effect, not more than 20% of Council's investment portfolio should be held with any specific institution The CFO shall further ensure that, as far as it is practically and legally possible, the Municipality's investments are so distributed that more than one investment category is

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
					covered (that is, call, money market and fixed deposits). Investments will be diversified across institutions, types of investment and investment maturities.
COMMUNITY SERVICES	By-Law Implementation and Enforcement Policy	2018	N/A	To give formal recognition of the ADM's constitutional obligations to implement and enforce its by-laws by setting out the guiding principles to be followed in implementing and enforcing its by-laws.	Develop internal enforcement capacity to effectively monitor implementation and enforcement of its by-laws, including the establishment of a by-law enforcement office/unit; Ensure that those appointed to enforce its by-laws, are adequately trained and meet the requirements as set out in the Criminal Procedures Act 51 of 1977 to be municipal peace officers; Develop a by-law enforcement or policing strategy together with a relevant procedural framework, consistent with all legislative requirement pertaining to law enforcement.
	Disposal of the Dead Policy	2017/2018		To define the process and procedure to be followed in the disinterment and re-interment of human remains.	Risk of disease spreading from unsafe handling of dead bodies.

DEPARTMENT	POLICY	STATUS		OBJECTIVE	KEY ISSUES
		1 st Adoption Financial Year	Last Review Financial Year		
	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





CHAPTER 6 FINANCIAL PLAN

6.1 INTRODUCTION

The municipality aims to fully comply with prevailing municipal financial legislation to ensure sound financial management and governance to attain a clean audit outcome. It is important that the financial affairs of the municipality are managed in an efficient and effective manner to sustain a sound financial position towards sustainable service delivery. The multi-year financial plan for the IDP is prepared for five (5) years. Based on this plan, considering the particular requests from the community and new strategic agenda set by the new council the development of the 2020-2021 financial plan has to be adopted with the IDP.

The municipal strategic agenda has to be influenced by the tone from the SONA, SOPA, National Budget Speech and Institutional Strategic planning session of the ADM. These documents take into consideration the vision 2058 and Municipal Turnaround Strategy (MTAS) which considers the strategic objectives and strategies supporting the ADM mandate.

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 reveals 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. This substantiates the fact that four out of the six local municipalities including the district municipality have unfunded budgets.

From a financial perspective the financial viability and sustainability of the municipality remains a priority. To realize the financial viability of the ADM, a credible budget reflecting realistically collectable revenue and realistic projections for both revenue and expenditure is vital. It can only be realized if the following financial strategies are put in place to improve the situation.

6.2.1 Revenue Enhancement Strategy

As per MFMA, No 56 of 2003, Section 64 stipulates that:

The Accounting Officer of a municipality is responsible for the management of the Revenue of the municipality and must take all reasonable steps to ensure that the municipality has effective revenue collection systems consistent with Section 95 of the Municipal Systems Act and the Municipality's credit control and debt collection policy

6.3 REVENUE ENHANCEMENT

The average collection rate is low at 26% as at the end of the second quarter ending December 2019. This is completely unsustainable and a prime condition for financial distress. The collection rate is below the norm of 95% required to sustain the municipality and to ensure that it at least meets its financial and service delivery obligations. This rate needs to be increased and arrear debt needs to be collected so as to obtain additional cash and to ensure collection of the current and outstanding debt.



As at 29 February 2020 an amount of R95 million has been collected. Strategies need to be put in place to collect the remaining outstanding debt.

To achieve a target of 95% in the short to medium term and exceeding it in the long term will require rigorous and creative solutions on the entire revenue collection value chain. The following actions are therefore recommended for the various components of the revenue value chain:-

- Installation of infrastructure to enable accurate water meter readings and disconnection/ connection to separate and identifiable consumers
 - Protection of meters from vandalism and illegal connections
 - A systematic data cleansing process must be initiated to ensure correct details of account holders or property owners and the classification or reclassification of standards of services being rendered, and where appropriate correcting the tariff that each property is charged
 - Accurate meter reading by meter readers, who are easily identifiable by consumers and property owners, must be put in place
 - Consistent billing cycles and accurate and timely bills must be assured
 - Efficient and effective credit control management policies and procedures applied with clear delegations of authority and monthly reporting to Council on actions taken
 - Disconnections and reconnections need to be properly scheduled to optimize speedy payments and behavioural changes. This function should also be reviewed to ensure that Council has overall control of its processes and infrastructure
 - Improvement of customer service to ensure quality management, communication and implementation of Batho Pele principles must be given priority. The establishment of an effective and efficient Call Centre operations could address customer relationship issues, provided it is managed well
 - Enforcement of bylaws, in particular
 - Establishment of a permanent Revenue Protection Section, to detect illegal connections and institute surveillance equipment to arrest those who connect themselves illegally
 - Establishment of a debt collection call centre
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- Legal processes for the collection of over-due consumer accounts must be put in place
 - Daily and monthly reporting of progress must be done by Management

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- Communication between Departments to resolve customer queries and reduce the turnaround time of queries must be improved
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- Cash flow targets should be set and form part of the performance measures of management
 - Oversight by the Council must be strengthened.

6.3.1 Sufficient and sustainable revenue base

The ADM requires access to sufficient and sustainable revenue sources from both its own operations and from government transfers in the form of grants in order to perform its duties and responsibilities. The timing of the receipt of revenue resources is of critical importance as it has a direct impact on the cash flows of the municipality. Without the receipt of revenue, suppliers cannot be paid for services rendered and goods received, which ultimately affects service delivery.

To this end the latest DoRB sets out the funding that will be received from National Government for the 2020/21 - 2022/23 financial years.

6.3.2 Cash flow position and sustainability

The availability of cash and sound cash management is critical for the short, medium and long-term existence of the municipality. The ADM operates in an environment of limited resources and must therefore make use of the available resources in an effective, efficient and economical manner. The ADM remains grant dependent however this can be changed in the future if a dedicated unit will look into the IDP and mobilize resources for the institution. A strategy that focuses on “budget eaters” could ease ADM’s dependency on grants and start enabling it to sustain itself.

The debtors’ turnover/debtors’ days has a significant impact on the liquidity/availability of the cash of the ADM as suppliers are to be paid within 30 days of receipt of the invoice in terms of Section 65(2)(e) of the MFMA, while the average debtors’ days exceeds 90 plus days. This implies that cash is flowing out at a faster rate than it is flowing into the municipality.

In an ideal situation, the operating budget should produce annual operating surpluses so as to improve the ADM’s cash reserves. Capital expenditure is financed by external grants, with ADM still not incurring external borrowings. ADM is aware that its budget should be balanced and



funded, meaning that the expenditure must be covered by realistically anticipated revenue to be received or collected. However, with the high fixed salary costs, this is proving very difficult to achieve, therefore a high collection rate has been set for 2020/21.

Services are to be provided at both an affordable and sustainable level. The service charges levied by the ADM reflect a 6% increase in the 2020/21 financial year, focusing on the affordability to its consumers, rather than break-even level. The Equitable share grant received from National Government is used mainly to provide basic services to poorer households. The low level of indigent registration has a negative impact on the level of equitable share allocated to ADM. Unfunded mandates remain a financial strain on the ADM's revenue sources.

6.3.3 Accountability and transparency

The ADM is accountable to taxpayers and communities, who are the providers of the resources, on how resources are utilized, managed and safeguarded. Hence the IDP and budget processes are open to public participation. Appropriate internal controls are in place in order to prevent and detect prospective corruption. The ADM has reporting procedures to produce financial information for both management and oversight decision purposes. The new financial system continues to increase the risk of complete and accurate information being produced.

6.3.4 Development and investment

ADM has not engaged in borrowing from borrowing institutions i.e. banks and DBSA to finance infrastructure in the current year and has no intention of borrowing in the long term.

ADM is working towards meeting the national water service delivery targets of “adequate potable and effective supply of safe water to all by 2023 and adequate and sustainable sanitation to all by 2023. The 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. The 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, the 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. The Municipality also intends to reduce the regulatory barriers for small businesses and will make all efforts to ensure that economic opportunities for people with disabilities are expanded.

6.4 ASSET MANAGEMENT

The ADM continues to ensure the safeguarding and sound management of all its assets. This is mainly achieved by the implementation of the reviewed Asset Management Policy. This policy outlines the processes for the recognition, measurement and disposal of assets, including the preparation of a GRAP compliant asset register. Allocations to repairs and maintenance and the refurbishment of existing infrastructure must be prioritized as an uncontrolled increase in infrastructure refurbishment backlogs will negatively impact the financial sustainability, reliability and quality of municipal services.

Over and above the afore-mentioned the following must be taken into consideration:

- Adequate budget provision for asset maintenance over its economic lifespan
- Maintenance of assets according to an infrastructural asset maintenance plan
- Maintain a system of internal control of assets to safeguard assets
- Replacement/renewal of ageing assets to ensure the ongoing functionality of municipal infrastructure.
- Ensure all assets owned and/or controlled are insured except where specifically excluded by policy.

6.5 FINANCIAL MANAGEMENT STRATEGIES

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

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- Effective supply chain management
 - Effective cash flow management
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- Applying full credit control measures within the boundaries of legislation and fairness to prevent an escalation in non-recoverable outstanding debt
 - Ensure compliance with prescribed accounting standards and adherence to all legislation requirements
 - Optimal functioning of the financial system (SAP)
 - Continue the implementation of public participation in the budget process
 - Training and development of employees to achieve levels of compliance according to the regulation on minimum competency levels
 - Prepare risk register and apply risk control
 - Implement internal controls, procedures, policies and by-laws to regulate fair, just and transparent transactions
 - Prepare annual financial statements in accordance with the accounting standards

6.5.1 Capital Financing Strategies

One of the greatest challenges facing municipalities is the decline in public trust in service delivery. Investment in municipal infrastructure is critical to sustaining growth, rehabilitating ageing infrastructure and eradicating service delivery backlogs.

The strategies are:

- The capital programme of the ADM is based on priorities, programmes and projects of the IDP
- Expedite spending on the capital budget especially projects that are funded from conditional grants
- Explore alternative ways to find capital expenditure from own revenue contribution
- Analyze feasibility and impact on the operating budget before capital projects are approved

ADM welcomed the additional R20 million to the initial R64 million received to assist with drought relief. It came at a time when the district is gripped by one of the most devastating droughts which has severely impacted our economy, social services and agricultural production.



6.5.2 Operational Financing Strategies

Financial planning and effective management of municipal cash resources will ensure that the municipality meets its service delivery mandate. The strategies are:

- Ensure integrity of billing systems and accuracy of accounts
- Eliminating spending on non-priority items
- Ensure 100% spending of government conditional grants
- Effective cash flow management to ensure a sufficient and sustainable cash position
- Enhance budgetary controls and financial reporting
- Direct available financial resources towards meeting the projects as identified in the IDP
- Improve supply chain management processes in line with regulations

6.5.3 Cost-Effectiveness

Cost-effectiveness is very important to ensure an effective and efficient municipality that is able to render affordable, accessible and quality services in the long term. Maintaining affordable tariffs will contribute to the wealth of the municipality's community. However, the balance between affordable and cost effectiveness still needs to be achieved. Cost effectiveness can be achieved through:

- Structure tariffs to generate resources to fund maintenance, refurbishment and expansion of infrastructure to provide services
- Ensure that water and sanitation tariffs are fully cost-reflective
- Eliminate non-priority spending
- Facilitate delivery of large capital projects to be appropriated for three financial years and beyond
- Free basic services policies to adequately address provision of free basic services to poor households
- Invest surplus cash not immediately required at the best available rates



6.5.4 Municipal Budgeting

Section 16(2) of the Municipal Finance Management Act No.56 of 2003 indicates that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. The mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

The 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 2020-2023:

- Salaries shall increase by 5.75%
- Salary figures based on warm bodies paid in January 2020,
- All posts vacated between January and May not budgeted for
- Councillor remuneration increase by 5.75% subject to a change of published upper limits gazette
- Electricity budgeted for at a 8.1% in line with approved NERSA application
- Bulk Water budgeted costs to increase by 8.28% in line with Amathole Water's proposed annual increase
- 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 which increase by 4.5 % in the 2019/20 financial year and 2020-2022 will be 4.6% respectively. This is based on CPI inflation rate estimated in MFMA Budget Circular 99 published on 9 March 2020

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- The draft tariffs for 2020/21 will be increased by 6%, in order to move towards tariffs that are more cost reflective and that promote water conservation in a drought plagued district
 - National and provincial allocations as per the 2020 Division of Revenue Bill and the 2020 Provincial Government Gazette which gives effect to cost containment measures
 - Due to limited revenue sources, ADM can only afford to subsidize R19 026 548 towards the operations of ASPIRE

6.6 THREE YEAR FINANCIAL PLAN

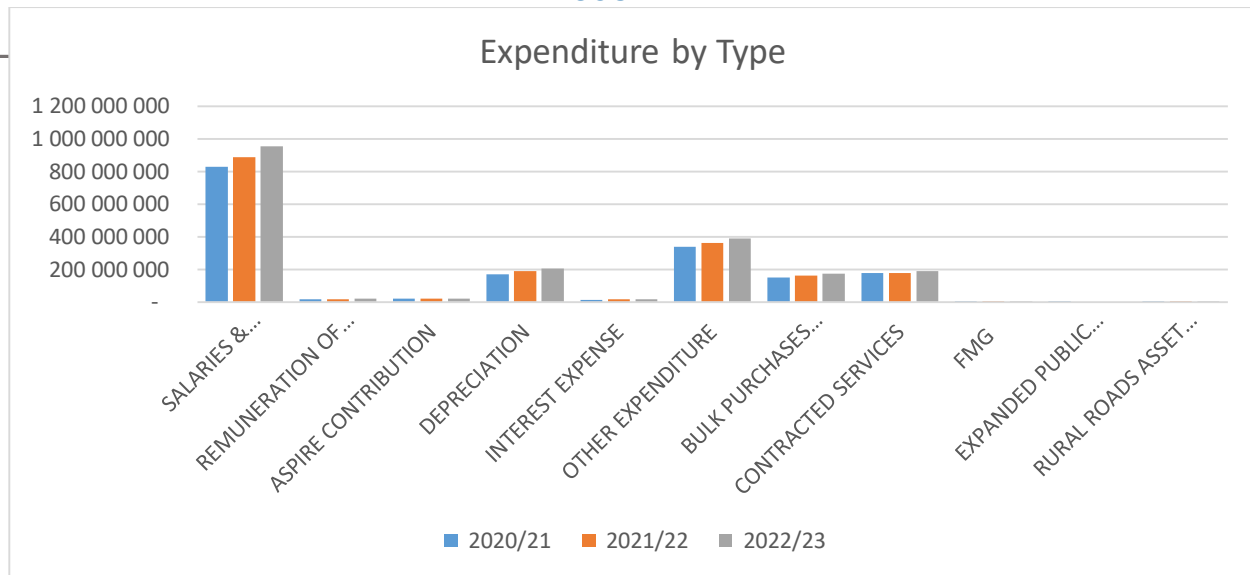
Budgeting is primarily about the priorities and choices that the Municipality has to make in deciding how to meet the agreed set of policy objectives through better service delivery. With the compilation of the 2021/20 to 2022/24 MTREF, each strategic department had to review the business planning process and setting of priorities and targets. These have essentially informed the detailed operational budget appropriations three-year capital programme and beyond so as to align with the five-year IDP. The medium term revenue and expenditure framework requires a budget for the 2021/22 financial year and a forecast for the outer two years. This is aligned with the DoRA allocations, which cover a three year period. Year one being actuals allocations, with the outer two years being indicative allocations.

Tables Reflected below are the budgeted income and expenditure for 2020/21 to 2022/23:

TABLE 6.1: BUDGETED INCOME AND EXPENDITURE FOR 2020/21 TO 2022/23

EXPENDITURE BY TYPE	2020/21 R	2021/22 R	2022/23 R
SALARIES & CONTRIBUTIONS	828 865 233	886 867 485	952 428 725
REMUNERATION OF COUNCILLORS	16 174 700	17 323 104	18 553 045
PROVISION FOR BAD DEBTS	221 309 141	234 587 689	248 662 951
ASPIRE CONTRIBUTION	19 026 548	19 901 769	20 817 250
DEPRECIATION	170 317 363	187 349 108	206 084 037
INTEREST EXPENSE	13 170 601	14 057 500	15 005 150
OTHER EXPENDITURE	337 677 628	362 599 408	389 090 961
BULK PURCHASES WATER	148 372 152	160 657 367	173 959 795
CONTRACTED SERVICES	176 805 651	175 746 884	189 052 908
FMG	947 826	1 184 783	1 184 783
EXPANDED PUBLIC WORKS PROGRAMME	3 085 000	-	-
RURAL ROADS ASSET MANAGEMENT GRANT	2 577 391	2 719 130	2 876 522
TOTAL OPERATING EXPENDITURE	1 938 3329 234	2 062 994 227	2 217 716 127

FIGURE 6.1: OPERATING INCOME FROM 2020/21 TO THE FORECAST YEAR OF 2022/23 PER SOURCE:



The graph above reflects the operating income from 2020/21 to the forecast year of 2022/23. Income increases steadily over the years. Service charges is reflected at billed amounts with a corresponding Bad Debt provision, to reflect realistically collectable income. Bad debt provision is therefore no longer regarded as a non cash flow item.

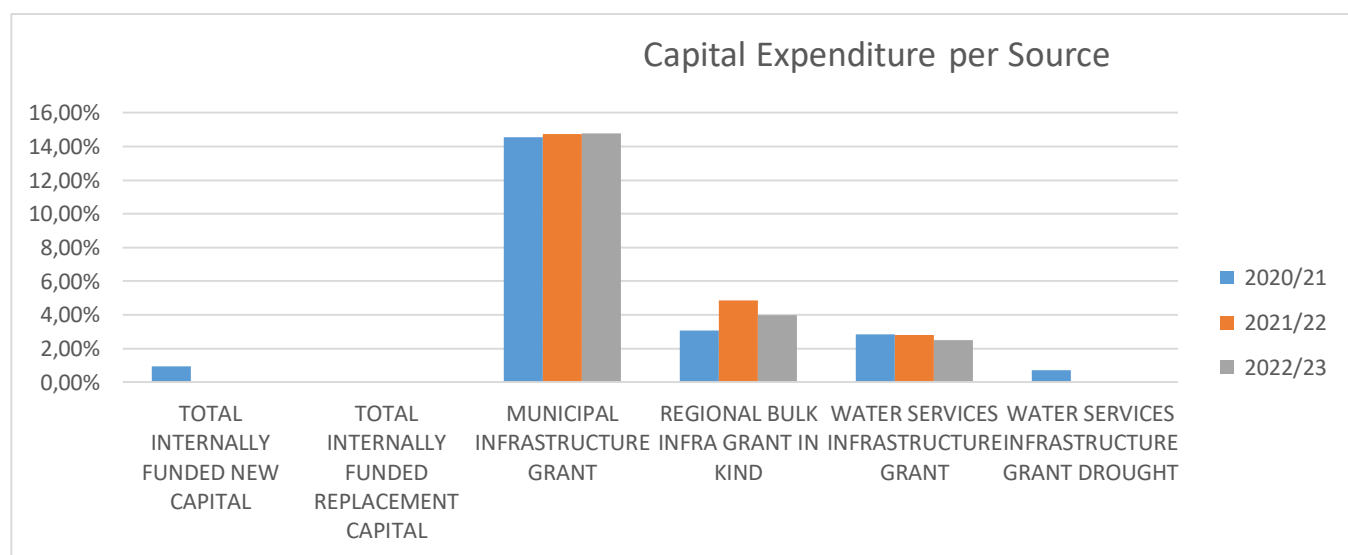
6.6.1 Capital Financing Strategies

TABLE 6.3: CAPITAL SOURCE (VAT EXCL.) FROM 2020/21 TO THE FORECAST YEAR OF 2022/23

CAPITAL SOURCE (VAT EXCL)	2020/21	2021/22	2022/23
TOTAL INTERNALLY FUNDED NEW CAPITAL	23 136 828	17 631 828	17 631 828
TOTAL INTERNALLY FUNDED REPLACEMENT CAPITAL	1 056 053	1 056 053	1 056 053
TOTAL INTERNALLY FUNDED CAPITAL	24 192 881	18 687 881	18 687 881
CAPITAL GRANTS AND SUBSIDIES	526 463 481	600 491 315	603 602 546

MUNICIPAL INFRASTRUCTURE	361 975 229	395 505 446	420 041 120
GRANT			
REGIONAL BULK INFRA GRANT IN KIND	76 227 383	129 964 130	112 952 730
WATER SERVICES INFRASTRUCTURE GRANT	70 608 696	75 021 739	70 608 696
WATER SERVICES INFRASTRUCTURE GRANT DROUGHT	17 652 174	-	-
TOTAL CAPITAL EXPENDITURE	550 656 362	619 179 196	622 290 427

FIGURE 6.3: CAPITAL EXPENDITURE GROWTH FOR THE NEXT 3 YEARS



Internally funded capital expenditure has decreased in the 2021/22 level from 2020/21 financial year, as the financial system is no longer budgeted for. The internally funded capital expenditure is towards the replacement of IT infrastructure, which is still under funded. Programs and Projects are set only within three years, this is based on the confirmed financial resources through own funding and grants.



6.6.1.1 Municipal Infrastructure Grant (MIG)

The largest infrastructure transfers over the MTREF years remains the MIG, which supports government's objectives of expanding the delivery of basic services to poor households and the alleviation of poverty. The grant also seeks to stimulate economic development and job creation over the medium term. Below is a table depicting the municipality's MIG allocation in terms of DoRA for the 2020/21 financial year and outer two years:

TABLE 6.3: MUNICIPAL INFRASTRUCTURE GRANT (MIG)

GRANT	2019/20	2020/21	2021/22	2022/23
MIG	428 472 000	425 418 000	464 825 000	493 661 000
% increase/(decrease)	2%	(0.7%)	9%	6%

It is evident from the table above that the MIG grant is increasing year on year from 2021/22. The allocation decreases from 2019/20 to the forecast in 2020/21. The outer years are forecast at a 9% and 6% increase. The municipality is wholly dependent on grants to construct infrastructure.

6.6.1.2 Amathole District Municipality Externally Funded Projects 2020/2021

6.6.1.3 Water Services Infrastructure Grant (WSIG)

The Water Services Infrastructure Grant has been gazetted an amount of R80 000 000 for the 2020/21 financial year. This grant is aimed at facilitating the planning and implementation of various water and sanitation projects to accelerate backlog reduction. It is also intended to provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritized areas. It aims to support the existing bucket eradication programme intervention in formal residential areas and support drought relief projects in affected municipalities. The grant is decreasing by 22% in the 2020/21 financial year, followed by 6% in the first outer year and a 6% decrease in the second outer year.

**TABLE 6.3: WATER SERVICES INFRASTRUCTURE GRANT (WSIG)**

GRANT	2019/20	2020/21	2021/22	2022/23
WSIG	102 000 000	80 000 000	85 000 000	80 000 000
% increase/(decrease)	2%	(22%)	6%	(6%)

GRANT	2019/20	2020/21	2021/22	2022/23
WSIG DROUGHT RELIEF	86 000 000	20 000 000	0	0

6.6.1.4 Rural Bulk Infrastructure Grant (RBIG)

This grant is an “allocation – in – kind” which implies that the funds received from this grant will not necessarily be transferred directly to the ADM, instead the RBIG programme targets projects that cut across several municipalities for large bulk projects. In the ADM this will be implemented to fund bulk infrastructure needed to provide reticulated water and sanitation to individual households in the Mbhashe and Mnquma local municipalities. An amount of R86 336 000 has been gazetted for RBIG. The table below indicates that the grant fluctuates drastically without a definite trend being evidenced.

TABLE 6.4: RURAL BULK INFRASTRUCTURE GRANT (RBIG)

GRANT	2019/20	2020/21	2021/22	2022/23
RBIG	99 694 000	86 366 000	147 250 000	127 976 000
% increase/(decrease)	37%	(13%)	70%	13%



6.7 POLICIES

The Budget and Treasury Office are reliant on the following policies to assist in the achievement of its respective IDP priorities:

- 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

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. The 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 Policies. 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 the 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. The ADM remains committed towards developing a credible and funded budget.

Revenue policies. The ADM will continue to estimate revenue sources in a conservative manner based upon realistically anticipated collectable revenue. The 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, the 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 the ADM to support and to ensure that citizens are able to access their constitutional right to have access to a basic level of services. The 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.

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 for Goods and Services. 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 has 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. The 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 the new SCM regulations.

6.8 REVENUE BASE

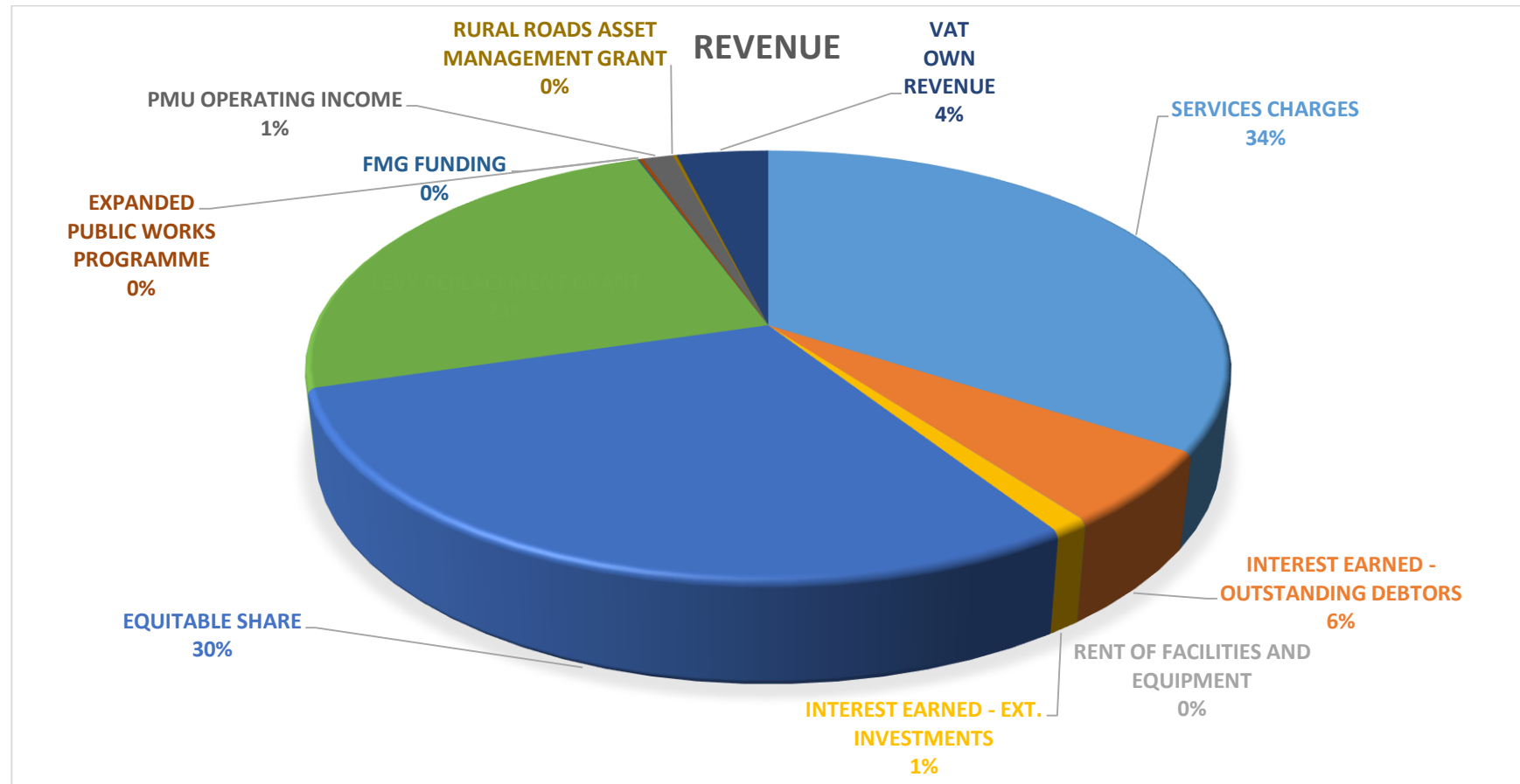
The ADM remains committed to improving the quality of life of all its citizens in the district. In accordance with Section 18 of the MFMA, municipalities are to table a funded and credible budget, based on realistic estimates of revenue that are consistent with their budgetary resources and collection 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 2020/21 operating budget:

FIGURE 6.6: BUDGETED FINANCIAL PERFORMANCE 2020/21 - REVENUE BY SOURCE





The total operating revenue, excluding capital transfers, forecasted for the 2020/21 financial year reflects a 16% increase which equates to R232 million. The main contributing factor to the increase in the revenue is the interest on outstanding debtors which is reflected at anticipated amount to be billed and not amount expected to be collected. The uncollectable portion has been catered for in the Provision for Bad Debt.

As depicted in the pie chart above, the ADM's primary revenue source is grant income at 72%. The secondary revenue source is service charges at 28%.

Interest Earnings. Interest earnings of R17 million was budgeted for the 2020/21 budget, which contributes to less than 0.3% of the total revenue. The interest earnings are not re-invested to allow the investments to grow and increase earning potential but are fully utilized to fund operating expenditure. Investments in the past were built up during the time that the municipality levied Regional Service Charges.

Investments held now by the municipality are held to cash-back the portion of the unspent conditional grants. All commitments of the municipality should be cash-backed, these are growing at a greater percentage than the investments, rendering this impossible for items such as leave and depreciation.

The local government equitable share allocation is based on achieving the Constitutional requirements as provided for in sections 214 and 227 of the Constitution and reflects a less than inflationary increase. In terms of these provisions, local government is entitled to an equitable share of nationally-raised revenue to enable municipalities to provide basic services to communities and to assist municipalities in maintaining functioning administrations.

Equitable share takes into account the fiscal capacity, fiscal efficiency, developmental needs, extent of poverty and backlogs in municipalities. It is an unconditional grant which has the following components on it in terms of the Division of Revenue Act, 2018 (DoRA).

BS = Basic services component

I = Institutional component

CS = Community services component

R = Revenue adjustment factor

C = Correction and stabilization factor



The ADM prioritizes its budget towards poor households for the provision of free basic services. The affordability threshold that informs the equitable share formulae at National Treasury is set at twice the old age pension grant per month and is based on the 2011 Census data. ADM has subscribed to this threshold in its indigent policies. The ADM is working towards achieving a consolidated indigent database and register throughout the District thereby ensuring alignment with the Local Municipalities and reducing duplicated efforts. This initiative has been strengthened through the use of EPWP interns who are conducting indigent registration campaigns.

Below is a table depicting the municipality's Equitable Share allocation in terms of DoRA for the 2020/21 financial year and outer two years.

TABLE 6.10: MUNICIPALITY'S EQUITABLE SHARE ALLOCATION IN TERMS OF DORA FOR THE 2020/21 FINANCIAL YEAR AND OUTER YEARS

GRANT	2019/20	2020/21	2021/22	2022/23
Equitable Share	461 782 000	492 210 000	526 250 000	558 783 000
% increase/(decrease)	4%	6%	7%	6%

From the above table it is evident that the increase in the equitable share for the 2020/21 financial year is above inflation. The ADM remains grant dependent and if this grant were to be reduced, it would severely impact the service delivery to communities. A total amount of R492 210 000 for Equitable Share (ES) has been gazetted for the 2020/21 financial year. Equitable share increases by 7% in the outer two years, which is above the forecast inflationary increases.

Levy Replacement Grant. The Minister of Finance announced in the 2005 Budget that Regional Services Council (RSC) Levies will be phased out with effect 1 July 2006. However, for municipalities to meet their expenditure obligations, especially in terms of poverty alleviation and social and economic development, it was important to maintain the existing levels of revenue. Hence the national government compensated municipalities for lost revenue within the national budget framework through the Levy Replacement Grant.

The RSC Levy Replacement Grant for the 20210/2020 financial year and outer years reflects an 7% to 8% growth rate as detailed below:

TABLE 6. 7: RSC LEVY REPLACEMENT GRANT FOR THE 2019/2020 FINANCIAL YEAR AND OUTER YEARS

GRANT	2019/20	2020/21	2021/22	2022/23
Levy Replacement Grant	371 903 000	404 259 000	438 275 000	470 031 000
% increase	8%	8%	8%	7%

It is evident that the increase in the Levy replacement grant is above inflation for all three year. A total amount of R404 259 000 being for the Levy Replacement Grant (LR) has been gazetted for the 2020/21 financial year. The LRG has increased by 7% and 8% for both outer years respectively. 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 80% provision for bad debts. The municipality is looking into new and innovative strategies to increase the collection rate. Any viable, relevant outcomes from the Revenue Enhancement Strategy project by CoGTA and the Municipal Turnaround Strategy by MISA will be implemented to assist in improving collections.

Only 29 142 odd debtors were registered for indigent status up to January 2020. This also has an adverse impact on the debt of the municipality as the outstanding debt is growing each month. The ownership challenge surrounding the RDP houses in the local municipalities is a contributing factor to the low collection rate and the municipality is exploring alternative solutions to resolve this issue. This will also assist the local municipalities in reducing their obligations. An initiative utilizing EPWP interns to register indigent consumers is reaping relatively good returns.

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 6% for the 2020/21 financial year in line with the maximum inflation target band as set by National Treasury.

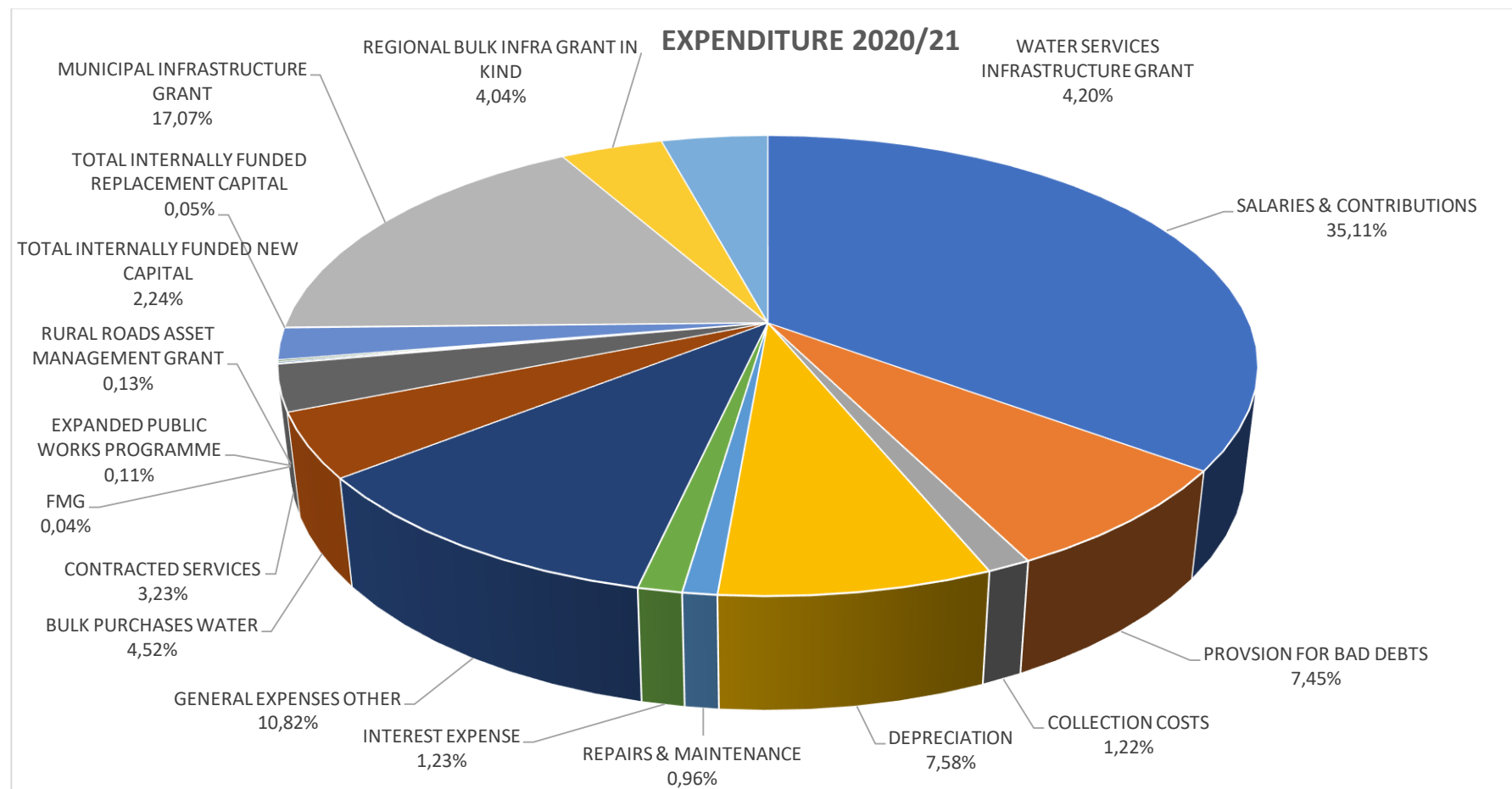


6.9 EXPENDITURE MANAGEMENT

In accordance with Section 65(2) (e) of the MFMA, municipalities are required to pay all money owing within 30 days of receiving the relevant invoice or statement. The ADM pays around 89% of its invoices within 30 days (this varies from month to month). This lower than required rate is as a direct result of the severe cash flow constraints that are being experienced by the ADM. In an effort to achieve full compliance with the MFMA, the municipality has established processes and procedures for payments such as the centralization of the receipt of invoices and the maintenance of a register so that invoices can be tracked. In addition payment arrangements are entered to with service providers to avoid interest and penalties and also to manage the negative relationship of payment period between collection from consumers and payment of suppliers. However, the issue of non-compliance will only be resolved once the cash situation stabilizes, despite processes in place to ensure that non-payment is not due to internal delays.

Best practice relating to operating expenditure management includes prioritizing infrastructure repairs and maintenance and ensuring that budgeted expenditure is funded by realistically anticipated revenue sources.

FIGURE 6.5: BUDGETED FINANCIAL PERFORMANCE 2020/21 - EXPENDITURE BY TYPE





The ADM's main operating expenditure category is employee-related costs representing 45% of the operating expenditure and 34% of the overall expenditure. This operating expenditure category has demonstrated a steady increase year on year and remains the biggest challenge to achieve a funded budget

ADM's collection rates are too low, the tariffs are not cost reflective, due to the consideration of affordability and expenditure levels are too high, especially with the high and ever-increasing salary levels. ADM has strategies that it intends implementing to address the situation. ADM has to improve its collection rate to 80% and reduce cash expenditure to achieve a balanced budget.

The various strategies developed to address the situation include:

- Implementation of the Municipal Turnaround Strategy (MTAS)
- Implementation of the new institutional organogram
- Implementation of cost reduction measures and strict belt tightening
- Implementation of the key strategies in the Financial Recovery Plan
- Review of the Revenue Enhancement Strategy
- Implementation of a cost reduction plan
- Tighten controls over contract management
- Review of policies with financial implication

6.9.1 Salaries, Contributions and Remuneration of Councillors

ADM has reviewed its organogram in an attempt to bring the staff costs in greater alignment with the recommended norm by National Treasury. Policies are reviewed to assist in the reduction of the employee related costs. These policies are thoroughly work-shopped and tabled to Council for approval before being implemented. Should the Municipality be successful in its plan to develop and implement this policy, it is envisaged that the salary bill would decrease by 50% in 2023. The total Salaries budget, including social contributions and remuneration of Councillors, constitutes an amount of R845 039 933 being 33% of the overall annual draft budget for 2020/21. When comparing salaries against the total operating budget, this constitutes 43% of total operations.

The ADM remains committed to spending its allocations so as to ensure service delivery to its community.



6.9.2 Bulk water purchases

These purchases are anticipated to increase by 8.28% from the Amathole Water Board for 2020/21. The average annual tariff increases by Amathole Water have been around 9% while the municipality on average has only 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 water not being recovered. The 2020/21 bulk water purchases are budgeted at R148 372 152.

6.9.3 Repairs and Maintenance

The repairs and maintenance budget, which applies to the whole District, has decreased from R31 241 511 to R20 616 561 in the 2020/21 budget. ADM is aware of its need to allocate sufficient funding for repairs and maintenance, but this is practically impossible given the financial situation of the institution. Alternative revenue sources need to be sought in order to ensure that sufficient funding is allocated to maintain ADM assets.

6.10 FINANCIAL MANAGEMENT

6.10.1 Ongoing Sustainability of the Municipality

In order to assess the liquidity of the Amathole District Municipality on an on-going basis, various financial ratios, trend analysis and other measurement mechanisms are utilized to assess the cash position to support the implementation of the Budget.

The following ratios have been included in the IDP in order to assess the adequacy of the available cash and cash equivalents to meet the Amathole District Municipality's commitments arising from the approved Budget:

- Liquidity ratio
- Debt Coverage ratio
- Creditors Payment Rate



6.10.2 Liquidity Ratio (current ratio)

This ratio provides an indication of the municipality's ability to pay its short-term debts in the short-term (viability of an entity). This ratio focuses on current assets (debtors, bank and cash, inventory) and current liabilities (trade and sundry creditors, provisions, accruals).

The ratio currently is well below with the norm of 2:1. The decrease in the ratio from June 2014 can mainly be attributed to the decrease in the cash reserves. It is highly undesirable in the short to medium term that this ratio has declined to below 2:1 and must be turned around. This ratio is indicative of cash flow constraints. Spending has to be monitored so as to prevent increasing the cash flow constraints.

Over-reliance on the equitable share tranches is also very much evident. MISA has implemented a Turnaround Strategy project at the ADM. This project is at a stage where the situational analysis has been performed and the strategy is now being developed. It is highly anticipated that this turnaround strategy will assist the ADM in improving its financial status and sustainability.

Ratio	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Liquidity ratio (current ratio)	2.0: 1	0.8: 1	0.7: 1	0.9: 1	0.9 : 1	0.9 : 1

6.10.3 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.

Debtors Collection Rate	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Current billing vs current receipts	41%	48%	50%	50%	53%	24%
Total debt vs total receipts	22%	24%	20%	18%	43%	6%



6.10.4 Creditors Payment Rate

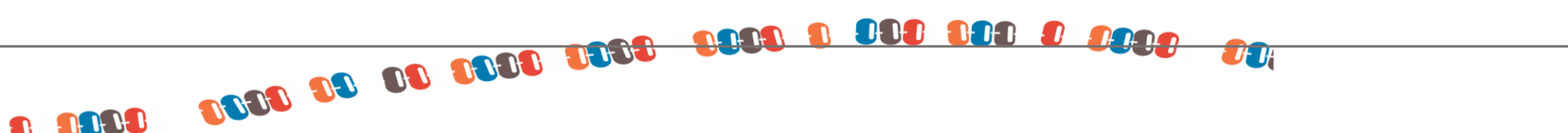
The ratio must be compared to the municipality's credit terms which it receives from customers and that determined by the MFMA to determine whether the management of accounts payable is effective or not. The longer the credit terms the better for the municipality as the credit is usually interest-free.

Trade creditors carry no explicit cost. However, when cash discounts are being offered, the cost of not taking the discount is an implicit cost. Additional strain is placed on working capital requirements if creditor's payment days are significantly less than the debtor's collection period. This is the current scenario experienced at ADM as suppliers are paid within 30 days while revenue is only received after 90 plus days.

Payment can only be made upon receiving the original invoice. The Budget and Treasury office has implemented procedures and controls to ensure that invoices are received and paid within the legislative timeframes. Payment within 30 days of receipt of invoice. This intervention has greatly improved the payment turn-around times to ensure compliance with the MFMA. The municipality is continually trying to improve controls and procedures to streamline the process and compliance and exercises all reasonable steps to ensure compliance with the MFMA in paying invoices. The cash flow constraints of the municipality are the main contributor to not achieving the 100% payment of suppliers within 30 days.

The significant decline in the percentage is as a direct result of the severe cash flow constraints being experienced by the ADM, hence the ADM is not able to pay its suppliers when the debt is due.

Creditors Payment % within	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
30 days	99.9%	88%	81%	61%	70%	89%



6.10.5 Cash Flow Position

The ADM has experienced a significant decrease in its cash reserves over the past few years. This can be attributed to the fact that the creditors are to be paid within 30 days and that debtors pay in. The municipality is grant dependent and the significantly low collection rates coerce the municipality to be heavily reliant on the equitable share and levy replacement grant tranches.

CASH FLOW	2016/17 R	2017/18 R	2018/19 R	2018/19 R	2019/20 R
Net cash inflow / (outflow) from operating activities	206 603 031	(185 355 278)	(28 734 520)	340 843 195	(31 312 000)
Net cash inflow / (outflow) from investing activities	(102 913 919)	(191 323 791)	(5 323 791)	(330 789 626)	(37 514 000)
Net cash inflows / (outflow) from financing activities	82 689	3 001 974	13 220	(144 261)	0
Net (Decrease) /Increase in cash flows	103 771 801	(373 677 095)	(34 045 091)	9 909 308	(68 826 000)



Operating activities is reflecting an outflow as the municipality has experienced challenges with the implementation of the Revenue module on the financial system, which is also adversely impacting the payment for services by consumers. The municipality had a discount \ incentive drive to the domestic and business consumer categories

Investing activities include the purchase of assets, with the net outflow being in most financial years a result of an increase in the infrastructure assets. The negative cash outflow from investing activities during 2019/20 is mainly attributable to the purchase of infrastructure using the grant funds.

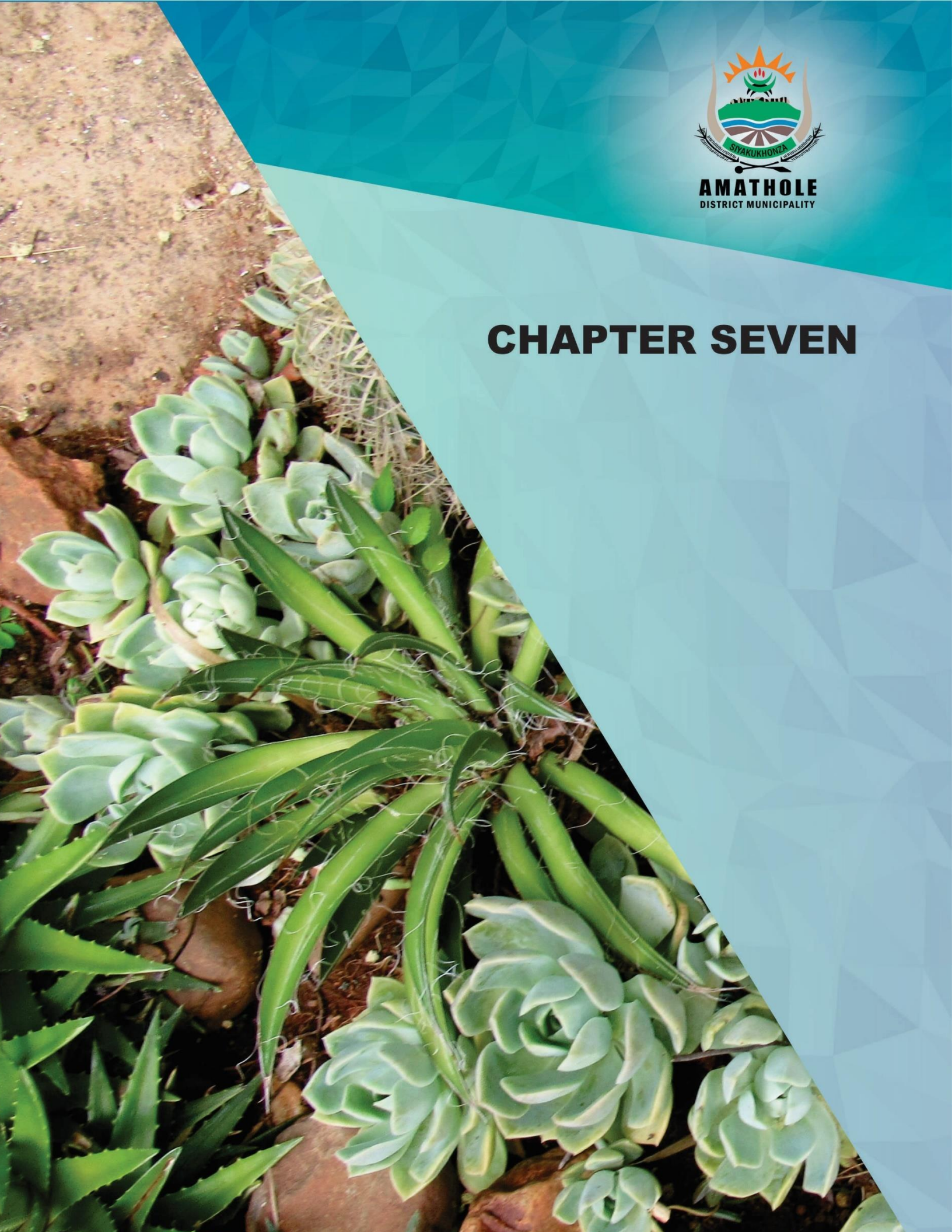
The ADM reflects a net decrease in cash, which confirms the cash constraints being experienced.

6.11 CONCLUSION

The application of sound financial management principles for the compilation of a financial plan must be considered on an on-going basis through which the integration of the IDP and Budget is ultimately achieved. The 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.

CHAPTER SEVEN





CHAPTER 7

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 THE PERFORMANCE MANAGEMENT FRAMEWORK (PMF)

For purposes of monitoring and evaluation, Amathole District Municipality adopted a Performance Management Framework in 2002. The PMF was reviewed in 2007 to be in line with the 2006 Regulations. This has since been reviewed on a yearly basis in line with the IDP and review process. The PMF is currently undergoing a major review.

The Performance Management framework is a municipal policy document that defines and describes the municipal performance management system, including how it operates. The framework constitutes council policy with regards to:

- The requirements that a PMS of Amathole will need to fulfil;
- The principles that will inform its development and application;
- A model that describes what areas of performance will be managed, in Amathole District Municipality;
- What processes will be followed in managing performance;
- What institutional arrangements are necessary for this;
- Who will take responsibility for parts of the system;
- How this links to personnel performance management, especially s56 managers;
- Establishment of structures to evaluate performance; and
- Management of Municipal Entities and Service Providers performance.

Amathole District Municipality makes use of the Municipal Scorecard Model as a model for performance management. The Municipal Scorecard Model is now reviewed and is based on one scorecard namely, the SDBIP (Service Delivery and Budget Implementation Plan) Scorecard. The Municipal Scorecard Model embodies five Key Performance Areas adopted by the then Department of Local Government and Traditional Affairs in the Five Year Local Government Strategic Agenda. Performance is then measured according to the five KPAs. The Municipal Scorecard Model is based on the *Balanced Scorecard* methodology by Drs Robert Kaplan & David Norton but customised by aligning the 5 Key Performance Areas with the traditional 4 Perspectives of performance management. This then caters for measuring the elements of performance management as required for the *Balanced Scorecard* such as Costs, Inputs, Outputs, Outcomes and Process. The Heads of Department will be primarily responsible for performance



on the SDBIP Scorecard. As such, the SDBIP Scorecard is closely linked and forms the largest component of how a Head of Department's performance will be appraised. Furthermore, the SDBIP Scorecard will be cascaded down to the departments where it will be monitored.

Departments in the municipality are constituted by sections and the head of each section is responsible for reporting to the Head of Department. SDBIP Scorecards and performance reports must be formulated at departmental meetings constituted at least by the Head of Department and section heads. Sectional planning must be informed by the SDBIP Scorecard and performance reporting must feed into the SDBIP Scorecard report. Therefore each section must have its own implementation plan that contributes to the overall implementation of the SDBIP Scorecard. The District Municipality will facilitate the implementation of a coordinated annual cycle of municipal performance management within the district area. This cycle will have agreed critical dates and timelines for the following activities:

- Development of Institutional Scorecard (Top Layer SDBIP) as part of the District IDP Process;
- Development of Departmental Scorecards ((Bottom Layer SDBIP);
- Conclusion of Performance Contracts, Performance Agreements, Accountability Agreements and Performance Promises;
- Completion of the first quarter reviews and audits;
- Completion of the midyear/ second quarter reviews and audits;
- Completion of the third quarter reviews and audits;
- Completion of the annual reviews and audits;
- Preparation of the Annual Performance Report; and
- Submission of inputs to the Annual Report.

7.2 PERFORMANCE REPORTING & REVIEWS

Amathole District Municipality reports performance twice a year as legislated to management, the Audit Committee, Council and the Public. In addition, a quarterly report is also prepared and sent to Internal Audit to be audited, prior it being sent to the Executive Mayor and the Audit Committee.

7.2.1 Departmental Reviews

It is intended that departments review their performance monthly, using their SDBIP Scorecards. Decision-makers should be immediately warned of any emerging failures to service delivery such that they may intervene if necessary. Departments should use these reviews as an opportunity for reflection on their goals



and programmes and whether these are being achieved. Minutes of these reviews should be forwarded to the office of the Municipal Manager. Changes in indicators and targets may be proposed at this meeting but can only be recommended for approval by the Municipal Manager to the Executive Mayor.

On a monthly basis, the Head of Department (HOD) will submit a report on the department's performance using the SDBIP Scorecards to Executive Management Committee (EMC). HODs will formulate their SDBIP Scorecard reports by taking into account the performance of the various units/sections within each department. The SDBIP Scorecard requires inputs from each unit/section such that a comprehensive report is collated on the performance of each department. The Unit Manager/Sectional Head is responsible for the provision of unit/sectional reports to the HOD.

7.2.2 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.

7.2.3 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.

7.2.4 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.

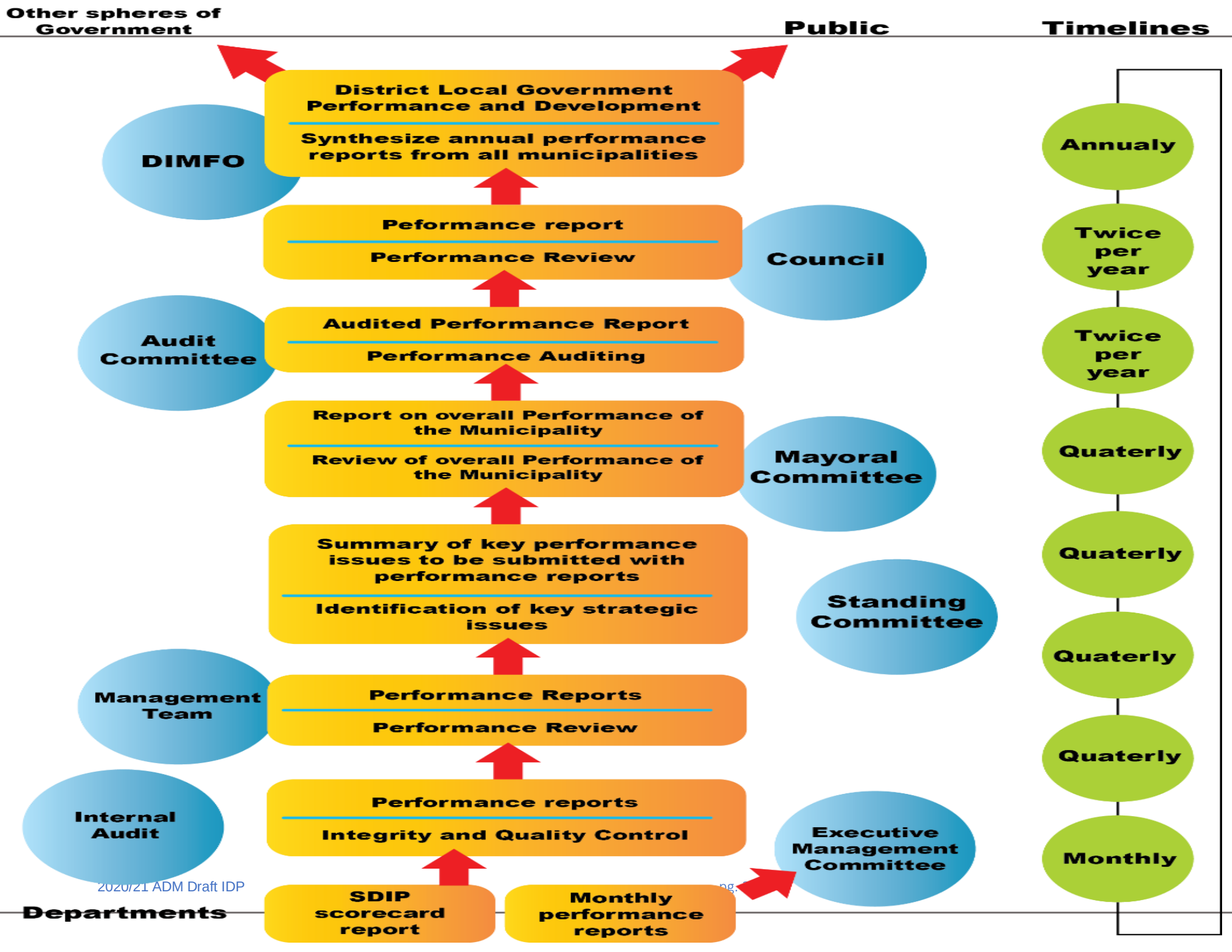
7.2.5 Council Reviews

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 citizen's report on performance of the municipality.

7.2.6 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 citizen's report will be produced for public consumption and tabled to the IDP Representative Forum established by Amathole District Municipality. A citizen'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:



7.2.7 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.

7.3 INDIVIDUAL PERFORMANCE

In cascading the performance management system to the levels below the managers reporting directly to the Municipal manager, Amathole District Municipality has developed Employee Performance Management policy. This policy outlines how planning, monitoring, review, reporting of individual performance should be done. It also has provision for performance rewards and the approach in managing poor employee performance.

All Amathole District Municipality employees including General Assistants sign Accountability Agreements or Performance Promises in the beginning of the financial year. Employees on Task Grade 11-20 sign Accountability Agreements (AA) whereas employees on Task Grade 4-10 sign Performance Promises (PP). Their performance is being reviewed every quarter based on what an individual employee has signed in his or her Accountability Agreement or Performance Promise.

Amathole District Municipality also ensures that it rewards employees who demonstrate excellent and outstanding performance by introducing Annual Awards and Performance Rewards. These awards and rewards are given to all deserving employees across Amathole District Municipality at the end of the financial year. In as much as Amathole

District Municipality rewards those employees who are performing very well, it also ensures that all those who are demonstrating poor performance are assisted by their supervisors using the approach that is outlined in the Employee Performance Management Policy.

7.4 EVALUATION AND IMPROVEMENT OF PERFORMANCE MANAGEMENT SYSTEM

7.4.1 Organisational Performance Management

TABLE 8.1: AMATHOLE DISTRICT MUNICIPALITY ANNUAL ORGANISATIONAL PERFORMANCE- 4 YEARS

ANNUAL ORGANISATIONAL PERFORMANCE COMPARISON OF ADM OVER 4 YEARS				
	2014/2015	2015/2016	2016/2017	2017/2018
Annual Overall Performance	88%	82%	81%	74%

The performance of the institution has dropped drastically this financial year. This poor performance can be associated with the financial challenges Amathole District Municipality is experiencing, as well as the poor functioning of its integrated financial management system - SAP.

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. The 2012/13 to 2014/2015, as well as 2015/2016 audit, revealed that there were no material findings concerning the usefulness and reliability of the performance information in the annual performance report resulting in a clean audit.

However, in 2016/17 and 17/18 financial years, the Auditor-General's opinion showed a regress from clean to unqualified audit.

7.4.2 Individual Performance Management

In cascading the performance management system to the levels below the managers reporting directly to the Municipal manager, Amathole District Municipality has developed an Employee Performance Management policy, which is consistently reviewed as part of

the review process. This policy outlines how planning, monitoring, review, reporting of individual performance should be done. It also has provision for performance rewards and the approach in managing poor employee performance. All Amathole District Municipality employees, reviews are conducted every quarter and scores allocated for performance. The reviews thereof are conducted by the respective supervisors for each individual employee.

Due to innovative approach that was employed to encourage employees to comply with performance requirements, the situation has drastically improved. The institution has introduced Annual Staff Awards and performance rewards that serve as a catalyst towards improving the PMS processes in the institution. The overall total of employees whom their performance was evaluated during 2017/2018 performance cycle was 1585, of which 92% of the total employees' performance was fully effective whilst 3% was not fully effective. The remainder of 5% were those who either resigned, retired, dismissed or deceased.

Amathole District Municipality Annually evaluates its performance management system and thus has resulted in the procurement of an Electronic Performance Management System to assist in measuring and reporting performance.

The electronic system act as a supporting tool for Amathole District Municipality's Performance Management and it has capabilities to assist users in capturing diagnostic information.

It provides a comprehensive integrated system for measuring and reporting on the achievement of planned performance. The system seeks to implement the key objectives and benefits that are at the core of the Performance Management Framework.

It must once again be emphasised that there are no definitive solutions to managing municipal performance, the process of implementing a performance management system must be seen as a learning process, where there is a conscious buy in to incremental improvement of the way the system works in order to fulfil the objectives of the system and address the emerging challenges from a constantly changing environment.

ANNEXURES

ANNEXURE A: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

ANNEXURE B: STAFF ESTABLISHMENT PLAN

ANNEXURE C: WATER SERVICES DEVELOPMENT PLAN

ANNEXURE D: DISASTER MANAGEMENT PLAN

