



# 2020/21 INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW

## TABLE OF CONTENTS

|  |            |
|--|------------|
| <b>MAYOR’S FOREWORD .....</b>  | <b>3</b>   |
| <b>MUNICIPAL MANAGERS MESSAGE .....</b>                                | <b>5</b>   |
| <b>BACKGROUND TO THIS DOCUMENT .....</b>                               | <b>6</b>   |
| (i)    LEGISLATIVE BACKGROUND .....                                    | 6          |
| (ii)   IDP REVIEW PROCESS .....  | 6          |
| (iii)  COMMUNITY INVOLVEMENT .....                                     | 8          |
| (iv)   BACK TO BASICS .....  | 9          |
| <b>CHAPTER 1: THE VISION .....</b>                                     | <b>17</b>  |
| <b>CHAPTER 2: DEMOGRAPHIC PROFILE OF THE MUNICIPALITY .....</b>        | <b>18</b>  |
| 2.1 Defining the municipal area – an overview .....                    | 18         |
| 2.2 Socio – economic indicators .....                                  | 19         |
| <b>CHAPTER 3: STATUS QUO ASSESSMENT .....</b>                          | <b>35</b>  |
| 3.1 KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE SERVICES .....          | 35         |
| 3.2 KPA 2: MUNICIPAL FINANCIAL VIABILITY .....                         | 61         |
| 3.3 KPA 3: GOOD GOVERNANCE & PUBLIC PARTICIPATION .....                | 68         |
| 3.4 KPA 4: LOCAL ECONOMIC DEVELOPMENT .....                            | 114        |
| 3.5 KPA 5: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT .....  | 119        |
| 3.6 PRIORITY NEEDS.....  | 129        |
| <b>CHAPTER 4: MUNICIPAL DEVELOPMENT OBJECTIVES AND STRATEGIES.....</b> | <b>150</b> |
| 4.1 GUIDING PRINCIPLES .....   | 150        |
| 4.2 DEVELOPMENT OBJECTIVES .....                                       | 150-178    |
| A.  Engineering Services .....   | 151        |
| B.  Community Services .....   | 154        |
| C.  Budget and Treasury Office .....                                   | 158        |
| D.  Executive Services .....   | 163        |
| E.  Strategic Services .....   | 168        |
| F.  Planning and Development .....                                     | 171        |
| G.  Corporate Services .....   | 174        |

|  |            |
|--|------------|
| <b>CHAPTER 5: PROJECTS .....</b>   | <b>179</b> |
| <b>CHAPTER 6: PERFORMANCE MANAGEMENT SYSTEM .....</b>                      | <b>189</b> |
| <b>CHAPTER 7: PROGRAMME INTEGRATION .....</b>                              | <b>203</b> |
| 7.1 Sectoral Plans and Programmes .....                                    | 203        |
| 7.2 Housing Sector Plan .....  | 208        |
| 7.3 Integrated Waste Management Plan .....                                 | 209        |
| 7.4 Disaster Management Plan .....   | 210        |
| 7.5 Poverty Alleviation Programme .....                                    | 210        |
| <b>CHAPTER 8: FINANCIAL PLAN .....</b>                                     | <b>217</b> |
| <b>CHAPTER 9: AMAHLATHI DEVELOPMENT PLANS .....</b>                        | <b>228</b> |
| <b>CHAPTER 10: IDP &amp; BUDGET PROCESS PLAN .....</b>                     | <b>231</b> |
| (i) IDP PROCESS PLAN .....   | 231        |
| (ii) BUDGET PROCESS PLAN .....   | 243        |
| <b>ANNEXURE A: ORGANOGRAM</b>  |            |
| <b>ANNEXURE B: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)</b> |            |

## A. MAYOR'S FOREWORD

The World faces another monster beyond just about 13 years after the Great Recession. We saw the Western Governments making tax cuts to remedy the situation. This time the enemy is invisible. Its victims are increasing daily with South Africa as a nation applied a lockdown which is getting relaxed in stages to keep the nation's economic endeavours alive. Amahlathi Municipality has taken a serious portion suffering from the COVID19 and its lockdown. Victims of these processes are clearly identified from the unemployed and impoverished of our settlements. They have lived their lives depending on survival mechanism such as doing piece jobs, car guards, washing cars and street vendors. Some escaped the realities of a frustrating life through alcohol and substance abuse. These fell victim to the home-made concoction when the lockdown saw closure of liquor stores and liquor restaurants.



The Amahlathi Municipality is every effort possible to turn the situation around discharging the objects of local government to ensure the better life is possible for its people. In this years' strategy, in accordance with the provisions of the laws that govern the affairs of the municipality and having consulted the people of our community we are confident that IDP Review and Budget for the 2020/21 financial year are meant to make a serious difference.

Chapter 4 of the Municipal Systems Act 32 of 2000 makes community participation in the affairs, programmes and activities of the municipality a legal obligation. This IDP is not yet the culmination of the required lengthy process of consultation with the local community, however that is to be the case before the final approval of 29<sup>th</sup> May 2020.

Accordingly, this IDP should carry the whole aspirations of the masses of our community which the 2020/21 Budget must seek to finance. Therefore, this IDP must be seen as a big step out of the crisis of 2018/18 and 2019/20 financial years which saw community protest lasting more than five months. This IDP is also work in progress towards the final mandate of the 2017 – 2022 IDP adopted May 2017 as a beacon of hope that will continue to guide us over the term building a better life for all our communities.

This IDP Review must be presented to the council for final approval. In this regard, section 24 of Municipal Finance Management Act 56 of 2003 prescribes that "...the final budget must be tabled 30 days before the start of the budget year."

Given our experiences over the past five months we must remain committed to the realization of the Five National Key Performance Areas of municipalities, being the following:

- Good Governance and Public Participation
- Municipal Transformation and Organisational Development
- Basic Infrastructure and Service Delivery
- Local Economic Development
- Municipal Financial Viability and Management

Amahlathi Local Municipality is determined to achieve its strategic objectives through partnership with communities in addressing the basic services as outlined in its Integrated Development Plan (IDP). It is also important to mention that the municipality has aligned its planning to the Provincial Growth and Development Plan (PGDP), through the development of

targets that focuses on addressing issues identified in the PGDP. This is done in order to improve the quality of lives of its community.

Our IDP and 2020/21 Budget will go a long way in improving the quality of life of our community by broadening accessibility and possibility of poverty alleviation.

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**Cllr. A. Hobo**  
**Her Worship, the Mayor**  
**Amahlathi Local Municipality**

**B. MUNICIPAL MANAGERS MESSAGE**

IDP review is a requirement for compliance with the provisions of the Municipal Systems Act, No. 32 of 2000 that requires the review of IDP Annually as the 2017-2022 5 year IDP was developed and adopted by Amahlathi Municipality's Council by May 2017.

The IDP Review of 2020/21 offers the organizational re-design, roles and responsibilities of key personnel and committees, as well as Amahlathi Municipality's Turnaround Plan that will be undertaken to ensure the IDP's successful implementation.

This IDP Review also emphasizes the need for alignment of the IDP to inter alia the State of the Nation Address, National Development Plan 2030 and a strategic focus on Youth Development.

It is indicated in the IDP Review 2020/21 that situational analysis is undertaken to offer insights amongst others on the state of the municipality since the world-wide COVID19 pandemic and the subsequent lockdown that not only helped curb the spreading of the disease but on other side it severely affected the anticipated revenue.

2020/21 IDP also provides overview of the milestones that have been achieved as a result of the implementation of the previous IDP as well as the other challenges that need to be tackled.



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**MUNICIPAL MANAGER  
MS IVY SIKHULU-NQWENA**

## **BACKGROUND TO THIS DOCUMENT**

### **i. Legislative background**

This document represents the 2017/22 Integrated Development Plan (IDP) as prepared and adopted by the Amahlathi Local Municipality. It is submitted and prepared in fulfilment of the Municipality's legal obligation in terms of Section 25 of the Local Government: Municipal Systems Act 32 of 2000.

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.

Section 34 further states that:

“A municipal council must review its integrated development plan annually in accordance with an assessment of its performance measurements and to the extent that changing circumstances so demand.”

### **ii. The IDP Review Process**

This is a 2017/22 Integrated Development Plan (IDP) that was tabled to Council on the 31<sup>st</sup> May 2017, this IDP is reviewed annually for a five-year period from 2017/18 until 2022. Therefore this means this is the third review to be implemented during 2020/21 financial year. This document is substantially based on the format and layout of its predecessor. This Integrated Development Plan will guide the Municipality in its strategic planning and project prioritization for the period ending in 2022.

This IDP is aligned to the National Development Plan and the Provincial Growth. It is informed by community needs. It contributes to the country's commitments to universal access as per the Millennium Development Goals and Sustainable Development Goals. The Amahlathi IDP is aligned to the Budget and the Performance Management System for its implementation, monitoring and evaluation, hence the subsequent plan would be the Service Delivery and Budget Implementation Plan (SDBIP), a year plan. The predetermined strategic objectives on the IDP have been translated into an SDBIP-performance management induced tool. Council will play an oversight role and the administration will play the implementation and reporting role.

On 10<sup>th</sup> September 2019, the Amahlathi Local Municipality adopted the IDP/Budget Process Plan. This plan was adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for the development of the IDP and the Budget. The Amathole District IDP Framework served as a guide and for purposes of alignment in the preparation of the Process Plan. The IDP and Budget Process Plans outline in detail, the way in which the Amahlathi Municipality embarked on its IDP and Budget processes from its commencement in July 2019 to its completion in June 2020. Both these plans are attached to this document.

Organizational arrangements were put in place as per the IDP/Budget Process Plan and all legislative prescripts were adhered to, of particular note, have been the operations of structures, such as IDP/Budget Representative Forum, IDP and Budget Steering Committee, Intergovernmental Relations (IGR), and Cluster Teams. These structures have executed their mandates in terms of the adopted IDP/Budget Process Plan and ensured the achievements of key milestones and deliverables.

As part of the IDP process, an analysis was conducted in respect of various sector plans attached to the Amahlathi IDP. Some were found to be still relevant and required minor update done in-house, others required a major review. Amahlathi Local Municipality's approval of the IDP and Budget for 2020-2021 is scheduled for the 29<sup>th</sup> May 2020. In order to ensure the IDP is

fully compliant, comments received from the MEC, were forwarded to the management as a basis for improving the credibility of the IDP.

The IDP was formulated based on an assessment of a number of new inputs into the IDP Planning Cycle of the Amahlathi Municipality. These inputs included the following: -

- ♦ Strategic direction and proposals on programmes and projects emanating from a number of Sector Plans formulated by the Amathole District Municipality and sector departments as part of that institution's IDP formulation. These include: -
  - The Amathole District Land Reform & Settlement Plan
  - The Amahlathi Integrated Waste Management Plan
  - The Amathole District Integrated Environmental Management Strategy
  - The Amathole District Integrated Transport Plan
  - Amahlathi Housing Integrated sector Plan.
  - Amathole District Integrated water sector Plan
- ♦ Clarity on Powers and Functions assigned to the Amahlathi Municipality by the MEC for Local Government & Traditional Affairs, in terms of Section 85 of the Municipal Structures Act (Act No 117 of 1998, as amended).
- ♦ The Amahlathi Municipality's own review of progress achieved in implementing the proposals, in respect of project implementation as well as further completion of work on strategic elements of the IDP relating to the Institutional Plan for the Municipality, and key developmental programmes such as the Poverty Alleviation programme, the HIV/AIDS programme, and work towards an integrated LED Programme.

The Process followed by the Amahlathi Municipality has been guided and informed by the coordinating Framework and guidelines provided by Department of Local Government as well as direction provided by the Amathole District Municipal Managers and Mayors Forum (DIMAFO).

Based on an updated review of the Analysis completed in 2001/2002, which was largely informed by work done in terms of the Amathole District Municipality's Sector Plans and a Study of LED in the Amahlathi Municipal area that was commissioned in 2002 by the Eastern Cape Premier's Office, the following broad conclusions remain applicable in Amahlathi:

### ***Local Economic Development***

The Amahlathi Municipal area has a resident population whose main challenges are in countering the effects of endemic poverty and under-development. This translates into a need to focus great efforts on the expansion of local economic development in the area. In this regard, focus areas include facilitating sectoral growth in tourism, local manufacturing, agriculture and forestry.

Poverty relief and food security are also seen as important areas within this cluster, as is a strategic focus on the support of local enterprise development.

### ***Infrastructure Development***

The Amahlathi Municipal area has numerous local areas where significant backlogs continue to exist in the provision of basic services such as water, sanitation, electricity and solid waste disposal.



In addition, much of the road network in the area continues to require urgent maintenance and/or re-construction, whilst there are some areas where new access roads and bridges need to be constructed simply to afford residents ease of mobility. The addressing of these infrastructure needs is accepted as one of the key focus areas for the Amahlathi Municipality.

### **Social Needs**

The key areas of need in this cluster remain RDP houses, improvement in education infrastructure across the range of pre-school facilities to adult education, better access to welfare support institutions and facilities for the aged, the disabled and the sick, and the provision of sports fields, community halls and minor works such as fencing.

### **Socio-Spatial Development**

It remains vitally important for Amahlathi Municipality to follow a structured approach in focusing development and capital investment in the settlements that make up its area in order to counter further fragmentation in the settlement patterns both at a local and at a municipal-wide level.

Careful land use management and the conservation and appropriate use of existing natural and cultural heritage resources is of great importance for the area and can result in the enhancement of local economic development initiatives. It is also important to ensure that the provision of infrastructure is carried out in a more sustainable manner than has occurred in the past.

Moreover, an important consideration for the municipality in this regard is the need to support land reform processes in its area of jurisdiction, most notably (but not exclusively) in the Keiskammahoek area, where land restitution processes are rapidly approaching settlement and in the Yellowwoods/Kei Road Zone, where detailed planning processes have identified priority project actions required.

### **iii. Community Involvement**

There is an emphasis on an implementable IDP that responds to changing circumstances and has a strategic thrust, it is in this spirit that a public participation process was undertaken as means to allow citizens to play an active role in the affairs of the municipality. The table below outlines the consultation schedule, it must be noted the Cathcart cluster failed to convene due to community protest on numerous attempts.

| Purpose                        | Cluster       | Date       | Venue                                 | Time  |
|--------------------------------|---------------|------------|---------------------------------------|-------|
| Priority needs Identification  | Keiskammahoek | 26-02-2020 | Springbok Hall                        | 10:00 |
|                                | King Kei      | 26-02-2020 | Frankfort                             | 10:00 |
|                                | Stutterheim   | 06-03-2020 | Mlungisi Community hall               | 10:00 |
| Draft IDP/Budget Consultations | All           | 14-05-2020 | Presentation on Forte Community Radio | 12:00 |

#### iv. Back to Basics (B2B)

There is a clear mandate for local government to deliver on key priorities that must ensure that visible, tangible and positive changes are felt in all our rural and urban communities. Whilst all of the support programmes have assisted in specific ways, it is still clear that a number of stubborn service delivery and governance problems have been identified, hence B2B approach has been introduced as a way of an intervention programme for municipalities in order to improve public services and strengthen democratic institutions.

The goal of B2B is to improve the functioning of municipalities to better serve communities by getting the basics right.

B2B has five pillar areas that will ensure that municipalities set the proper standards for municipal performance, the pillars are reflected below:

- 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.

#### **DEVELOPMENT PROPOSALS**

The Amahlathi Municipality has amended the arrangement set out in its first IDP where development projects and programmes were focused in five Development Sector Clusters. The revised clusters identified are:

| DEVELOPMENT SECTOR CLUSTER                                    | SECTORS OR AREAS OF INTERVENTION INCLUDED   |
|---|---|
| <b>Basic Service Delivery and Infrastructure</b>              | Roads & Storm-water, Electricity, Housing, Land Reform, Spatial Planning, Land Use Management, Community Facilities etc.  |
| <b>Local Economic Development and Environment</b>             | Tourism, Agriculture & Forestry, Food Security, Small Business and Local Enterprise Development, Environment, small towns regeneration etc.   |
| <b>Good Governance and Public Participation</b>               | Education, Disaster Management, Fire Services, Protection Services, Internal Audit, etc.  |
| <b>Municipal Financial Viability and Management</b>           | Administrative and Financial Management matters etc.  |
| <b>Municipal Transformation and Institutional Development</b> | <input type="checkbox"/> Plan for the future<br><input type="checkbox"/> Manage through information<br><input type="checkbox"/> Develop, retain skilled and capacitate workforce<br><input type="checkbox"/> Create an informed community |

## RELEVANT DOCUMENTS

The following documentations 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 IDP Framework Plan
- Amahlathi IDP/Budget Process Plan
- Various sector plans and programmes
- Amahlathi Performance Management Framework
- Amahlathi Spatial Development Framework (SDF)
- Provincial Growth and Development Plan
- Provincial Spatial Development Plans (PSDP)
- National Spatial Development Plan (NSDP)
- National Development Plan (NDP)
- Sustainable Development Goals

## ALIGNMENT WITH NATIONAL AND PROVINCIAL PROGRAMS

The following National programs informed the IDP process:

- State of the Nation Address (SONA)
- Green Paper on National Planning Commission (revised).
- State of Local Government in South Africa
- Municipal Demarcation Board Reports
- COGTA: Local Government Turnaround Strategy (LGTAS)
- COGTA: Operation Clean Audit 2014
- Powers & Functions:
- ANC Manifesto
- ANC January 8th Statement
- King III Report & Code on Good Governance for South Africa
- 12 Outcomes of Government – Role of Local Government

## SUSTAINABLE DEVELOPMENT GOALS (SDG'S)

The Amahlathi Local Municipality is committed to the SDG's:

- Eradication of extreme poverty and hunger
- Achieve universal primary education partnering with relevant Government Department and Institution
- Promote gender equality and empowerment of women through implementation of enabling Policies

- Combat HIV/AIDS, Malaria and other diseases through collaboration with stakeholders and implementation of own strategy
- Develop a global partnership for development

Developmentally, the table below shows the alignment between the National, Provincial and Amahlathi local Municipality's priorities and the SDG's.

| KEY PERFORMANCE AREAS                        | 10 NATIONAL PRIORITIES  | 8 PROVINCIAL PRIORITIES                          | 14 OUTCOMES  | NDP (Vision 2030) Pillars   | SUSTAINABLE DEVELOPMENT GOALS  |
|--|---|--|--|---|--|
| Good Governance and Public Participation     | Intensifying the fight against crime and corruption   | Intensify the fight against crime and corruption | 7. Vibrant, equitable, sustainable rural communities contributing towards food security for all                      | Encourage citizens to be active in their own development, in strengthening democracy and holding their government accountable | Peace and Justice (#16)<br>Energy (#7)<br>Partnership (#17)<br>Economic growth (#8)<br>Partnership (#17) |
|  | Build cohesive, caring and sustainable communities  | Building cohesive and sustainable communities    | 9. Responsive, accountable, effective and efficient Local Government system  | Raising economic growth , promoting exports and making the economy more labor absorbing                                       |  |
|  | Pursuing African advancement and enhanced international co-operation  |  | 12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship |   |  |
|  | Building a developmental state including improvement of public services and strengthening democratic institutions |  | 11. Create a better South Africa, better Africa and a better world   |   |  |
| Municipal Financial Viability and Management | Intensifying the fight against crime and corruption   | Intensify the fight against crime and corruption | 9. Responsive, accountable, effective and efficient Local Government system  |   |  |

|  |   |  |   |  |   |
|--|---|--|---|--|---|
| Municipal Transformation and Institutional Development | Strengthen skills and human resource base   | Strengthen education, skills and human resource base | 1. Quality basic education  | Quality basic education (Chapter 9)  |   |
|  | Pursuing African advancement and enhanced international co-operation  |  | 5. Skilled and capable workforce to support an inclusive growth path  | Skilled and capable workforce to support an inclusive growth path (Chapter 9)<br>Decent employment through inclusive economic growth (Chapter 3) |   |
|  | Building a developmental state including improvement of public services and strengthening democratic institutions |  | 3. All people in SA are and feel safe   | Social protection (Chapter 11)   |   |
|  |   |  | 9. Responsive, accountable, effective and efficient Local Government system   | Crete a better South Africa, a better Africa and a better world (Chapter7)   |   |
|  |   |  | 12.An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship | Skilled and capable workforce to support an inclusive growth path (Chapter 9)  |   |
| Basic Service Delivery and Infrastructure Investment   | Improve health profile of the nation  | Improve the health profile of the province           | 6.An efficient, competitive and responsive economic infrastructure network  | Provide basic services to all citizens wherever they reside  | Health (#3)<br>Infrastructure Industrialization (#9)<br>Partnership (#17) |
|  | Comprehensive rural development strategy linked to land and   | Rural development, land and agrarian                 | 2. A long and healthy life for all South Africans   | Raising economic growth, promoting exports and   | Economic growth (#8)  |

|                            |  |   |   |  |  |
|----------------------------|--|---|---|--|--|
|                            | agrarian reform & food security  | transformation, and food security   |   | making the economy more labor intensive  | Partnership (#17)                          |
|                            | Massive programme to build economic and social infrastructure  | Massive programme to build social and economic and infrastructure                               | 8. Sustainable human settlements and improved quality of household life                         | Provide basic services to all citizens wherever they reside  | Infrastructure , Industrialization (#9)    |
|                            | Sustainable resource management and use  | Building a developmental state  | 10.Protect and enhance our environmental assets and natural resources                           | Uniting South Africans of all races and classes around a common programme to eliminate poverty and reduce inequality | Climate change (#13)<br>Poverty (#1)       |
| Local Economic Development | Speeding up economic growth & transforming economy to create decent work and sustainable livelihoods | Speeding up growth & transforming the economy to create decent work and sustainable livelihoods | 4.Decent employment through inclusive economic growth   | Raising economic growth, promoting exports and making the economy more labor intensive                               | Economic growth (#8)<br>Partnership (# 17) |
|                            | Comprehensive rural development strategy linked to land and agrarian reform & food security          | Rural development, land and agrarian transformation, and food security                          | 6.An efficient, competitive and responsive economic infrastructure network                      |  |  |
|                            |  | Massive programme to build social and economic and infrastructure                               | 7. Vibrant, equitable, sustainable rural communities contributing towards food security for all |  |  |
|                            |  | Building cohesive and sustainable communities   | 8. Sustainable human settlements and  | Government spending on fixed investment should be  | Infrastructure, Industrialization (#9)     |

|  |  |                                |   |  |   |
|--|--|--------------------------------|---|--|---|
|  |  |                                | improved quality of household life                                    | focused on localities of economic growth | Partnership (#17)<br>Economic growth (#8) |
|  |  | Building a developmental state | 10.Protect and enhance our environmental assets and natural resources |  |   |



## THE STRUCTURE OF THE 2020- 21 IDP IS AS FOLLOWS:

### Chapter 1: The VISION

Chapter one of the IDP provides a concise summary of the municipal vision, mission and values.

### Chapter 2: DEMOGRAPHIC PROFILE OF THE DISTRICT

This chapter provides a detailed profile of the District.

### Chapter 3: STATUS QUO ASSESSMENT

This chapter provides the situational analysis of the district in relation to the 5 Key Performance Areas of Local Government, together with the district-wide community priorities and needs.

### CHAPTER 4: DEVELOPMENT OBJECTIVES, STRATEGIES, PROGRAMMES AND PROJECTS

This chapter provides a detailed breakdown of objectives that indicate what the Municipality can reasonably achieve within the 5 year period and within the available resources, as well as strategies and programmes that provide the concrete interventions that the local municipality will implement to attain its objectives.

### CHAPTER 5: PROJECTS

This chapter list the projects the current projects, status and the planned projects

### Chapter 6: PERFORMANCE MANAGEMENT

This chapter outlines the system the Municipality used for performance management.

### CHAPTER 7: SECTOR PLANS

This chapter provides a list of all sector plans and their status, with executive summaries of the newly developed sector plans. The sector plans contain strategic interventions that respond to the status quo assessment.

### CHAPTER 8: FINANCIAL PLAN

This chapter provides the Municipality's financial strategies, medium term expenditure, proposed budget for the 2020//21 financial year as well as the 3 Year Capital Plan.

### CHAPTER 9: MAPS/ DEVELOPMENT PLANS

### CHAPTER 10: IDP PROCESS PLAN

### ANNEXURE A: ORGANOGRAM

### ANNEXURE B: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

## CHAPTER 1: THE VISION

### VISION

A model municipality in partnership with its community through excellent service delivery, local economic development and public participation.

### MISSION

Building a caring, responsive, accountable and economic viable municipality.

### CORE VALUES

In implementing the above, the Amahlathi Municipality subscribes to the following values

- ◆ Team work
- ◆ Trust
- ◆ Honesty
- ◆ Responsibility
- ◆ Dedication
- ◆ Value and acknowledgement of the individual.
- ◆ Integrity
- ◆ Work Ethics.
- ◆ Transparent and Clean Government.
- ◆ Tolerance
- ◆ Understanding
- ◆ Good Leadership.
- ◆ Accountability
- ◆ Value for Money
- ◆ Efficiency and Affordability; and
- ◆ Developmental Local Government striving for effectiveness and Performance.

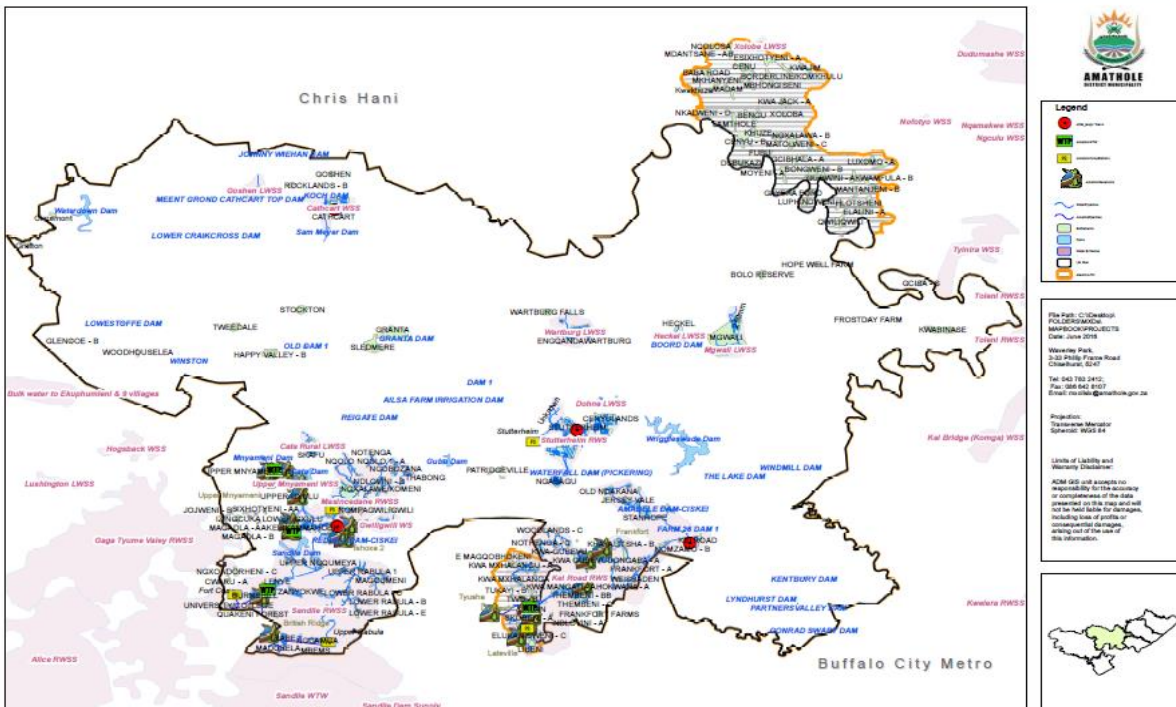
**CHAPTER 2: DEMOGRAPHIC PROFILE OF THE MUNICIPALITY**

**2.1 DEFINING THE MUNICIPAL AREA – AN OVERVIEW**

**2.1.1 Geographic Locality**

Situated in the Northern part of the Amathole District Municipality, Amahlathi is 4266.21km<sup>2</sup> in extent, the municipality’s jurisdiction comprises of Stutterheim, Cathcart, Keiskammahoek and Kei Road. Strategically placed both Stutterheim and Cathcart are located along the N6 road with access to the rail and road network. Keiskammahoek is the agricultural hub with a majority of the population active within the agricultural sector. The main municipal offices are situated in Stutterheim where the Council is accommodated and, the satellite offices are at Cathcart, Kei road and Keiskammahoek. The satellite offices in Keiskammahoek and Cathcart have Satellite Managers to ensure smooth operations and monitoring of various functions performed by various departments. In Kei Road there is only one official that is a Cashier and reports to Budget and Treasury department. The main economic sectors are community services, finance, manufacturing, trade, agriculture, construction and transport.

**AMATHOLE NEW DEMARCATIIONS - AMAHLATHI**



The Amahlathi Municipality comprises of 15 wards and is characterized by a range of settlement patterns and associated land uses, including formal urban areas, formal and informal rural settlement areas, and extensive, privately owned farmland.

## 2.2. SOCIO-ECONOMIC INDICATORS

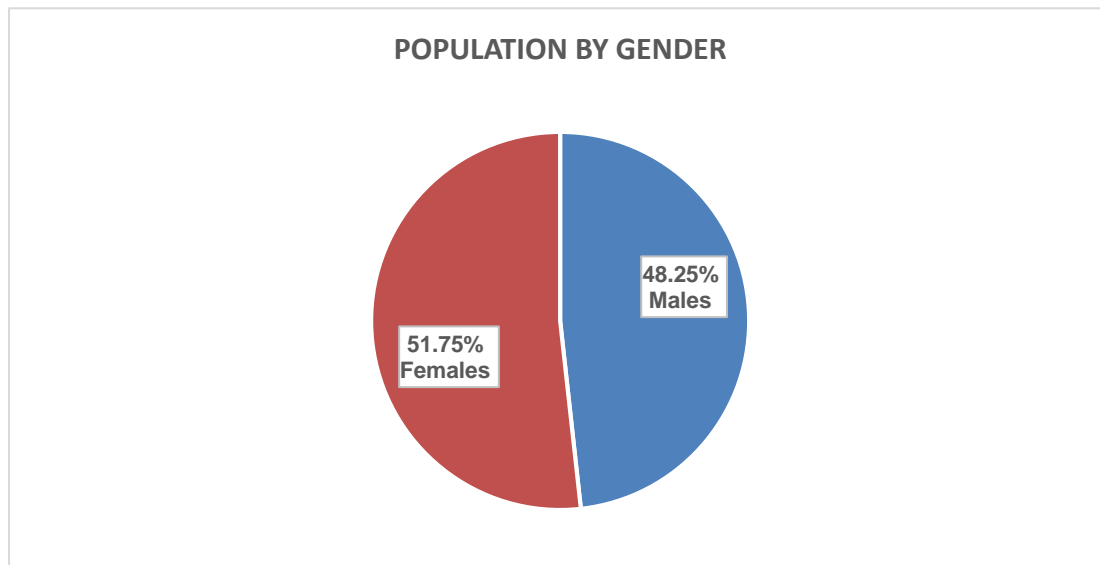
### 2.2.1 DEMOGRAPHIC PROFILE

#### Population

The population of Amahlathi has decreased from **122 778** to **101 826** based on the new boundaries as per the 2016 Community survey done by Statistics SA, this came as a result of the number of wards that have been reduced from 20 to 15 by the Demarcation board. About **13** villages have been moved to Buffalo City Metro Municipality and 10 villages to Intsika Yethu Municipality. The 2016 Community Survey also shows a decrease in the households from **34 159** to **29 994** households. The population is unevenly distributed among the 15 wards.

#### Population Characteristics | Population by Gender

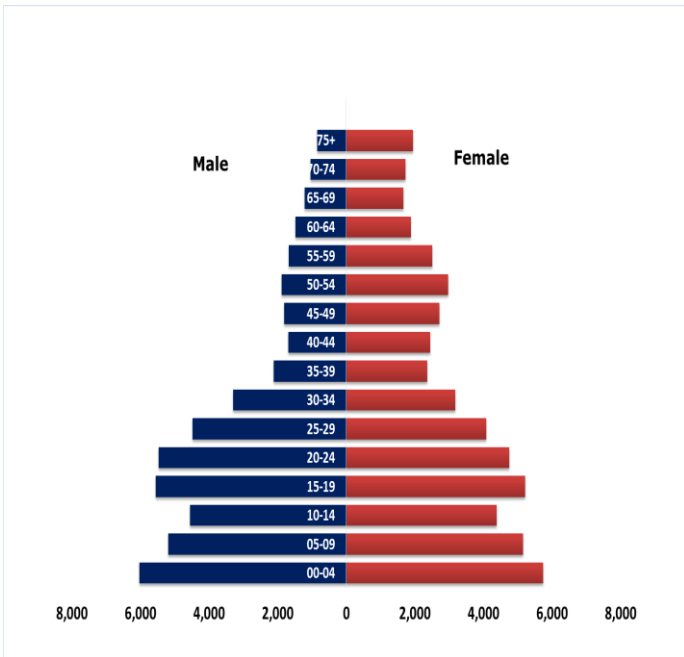
The population's sexual distribution reflects the following composition;



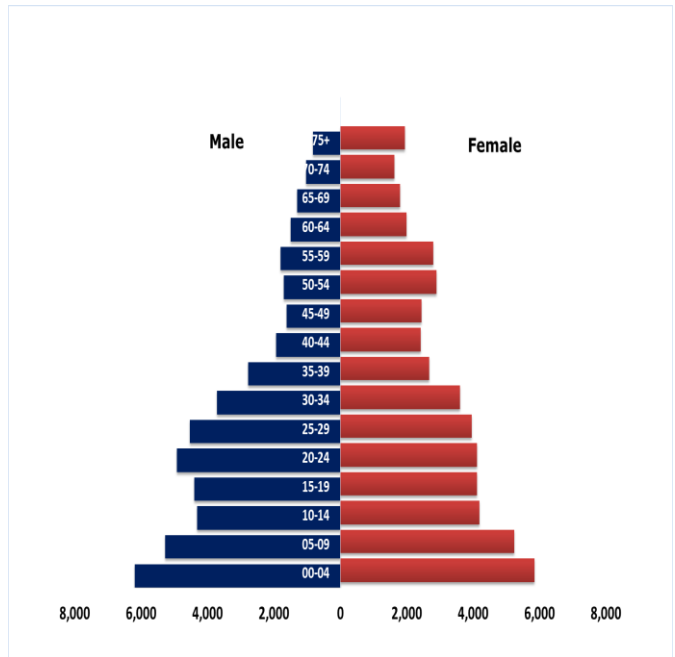
Source: Community Survey 2016

The Amahlathi population is predominantly female dominated by 51.75% with males constituting 48.25% of the population as shown in the graph above. There is a universal consensus that women have a longer life expectancy than males, therefore given the current male to female ratio, various programmes and campaigns need to be put in place in order to empower women in the short to medium term.

Population pyramid 2011



Population pyramid 2016



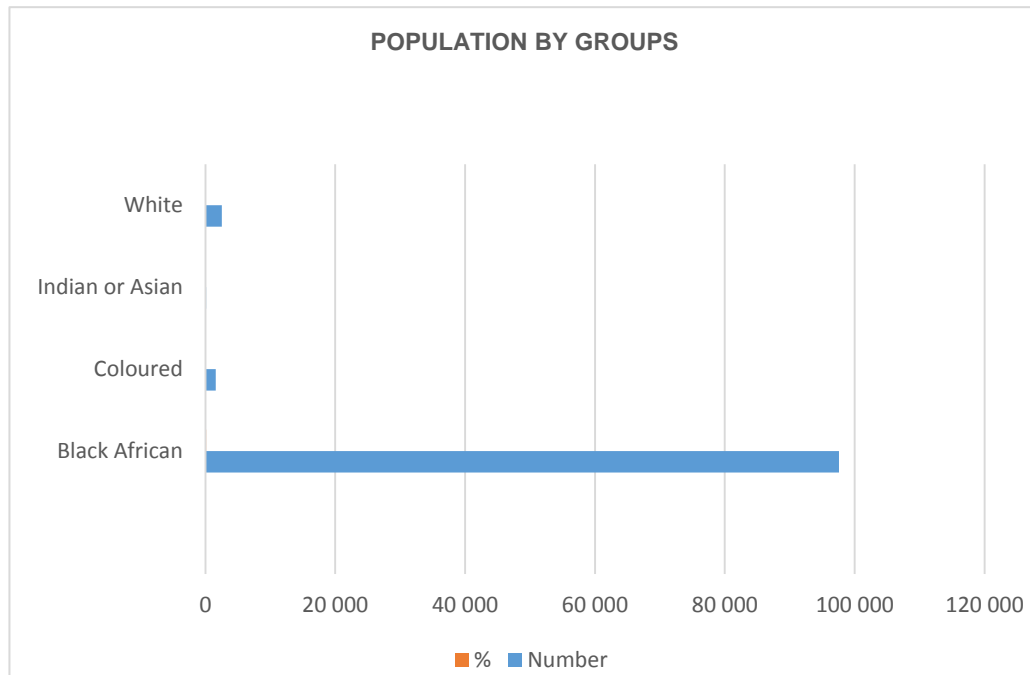
Source: Municipal Barometer 1996-2016, REX Global Insight 2016

The population pyramids above provide a breakdown of the population estimates in the municipality by age, group and gender for 2011 and makes a comparison with 2016 population estimates. The population of the municipality shows a typical age structure of a very young population distribution. The economically active population (15-64) who are willing and able to work account for 60%. Those in the age group 15-34 account 31% however by 2016, the structure changed and the population in those age cohorts grew to 60.6% and those in the 15-34 age cohort declined to 29.1%. The decline in the youth category could indicate the out-migration impact where the youth would typically seek better working and living conditions elsewhere in the region.

**POPULATION GROUP**

| Group           | Number         | %           |
|-----------------|----------------|-------------|
| Black African   | 97 591         | 95.8        |
| Colored         | 1 575          | 1.5         |
| Indian or Asian | 116            | 0.1         |
| White           | 2 543          | 2.5         |
|                 |                |             |
| <b>Total</b>    | <b>101 825</b> | <b>100%</b> |

Source: Stats Community Survey 2016

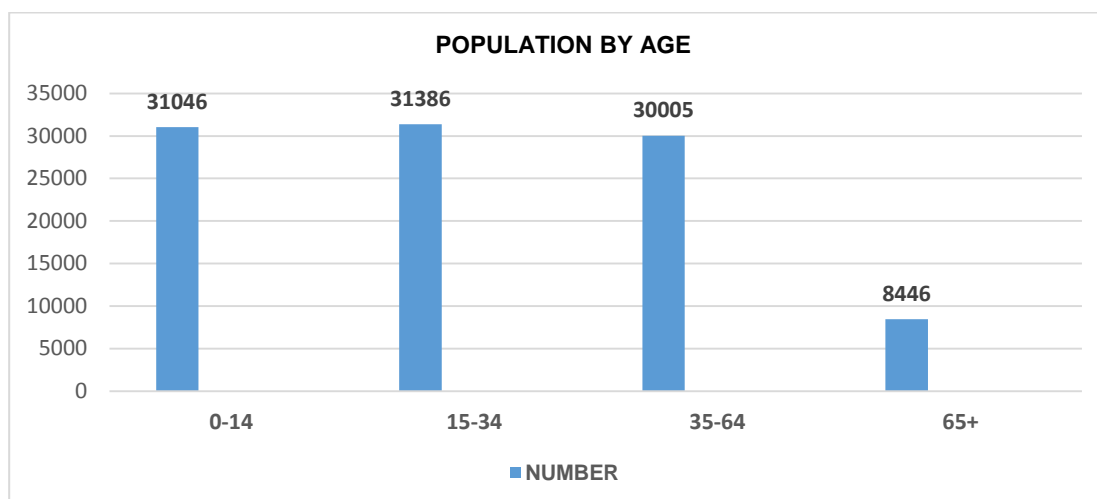
**Population Characteristics | Population by Groups**

Source: Stats Community Survey 2016

The majority of the population of Amahlathi are Black Africans (95.8%) followed by whites South Africans (2.5%), then Colored (1.8%) and Indians/Asia (0.1%).

**Population Characteristics | Population by Age**

The Amahlathi Municipality currently has a population of children from age 0-14 constituting 31.48% while it has a teen and early adulthood population of age group between 15-34 constituting 40.85% of the total population in all its demographic forms. The working population of age group between 35- 64 constitutes 19.43% whilst the older population of 65 and above constitutes 8.24% of the population. This therefore means in the municipality the demand for expenditure on schooling as percentage of total budget within Amahlathi Local Municipality is therefore higher.



Source: Stats Community Survey 2016

**NUMBER OF HIV+ PEOPLE - AMAHLATHI, AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER AND PERCENTAGE]**

| Year | Amatole | Eastern Cape | National Total | Amatole as % of province | Amatole as % of national |
|------|---------|--------------|----------------|--------------------------|--------------------------|
| 2007 | 88,600  | 626,000      | 5,370,000      | 14.2%                    | 1.65%                    |
| 2008 | 88,300  | 631,000      | 5,400,000      | 14.0%                    | 1.63%                    |
| 2009 | 88,900  | 643,000      | 5,480,000      | 13.8%                    | 1.62%                    |
| 2010 | 90,300  | 660,000      | 5,590,000      | 13.7%                    | 1.62%                    |
| 2011 | 91,600  | 676,000      | 5,680,000      | 13.5%                    | 1.61%                    |
| 2012 | 92,700  | 691,000      | 5,760,000      | 13.4%                    | 1.61%                    |
| 2013 | 94,800  | 712,000      | 5,880,000      | 13.3%                    | 1.61%                    |
| 2014 | 97,200  | 736,000      | 6,010,000      | 13.2%                    | 1.62%                    |
| 2015 | 99,800  | 760,000      | 6,130,000      | 13.1%                    | 1.63%                    |
| 2016 | 103,000 | 786,000      | 6,280,000      | 13.1%                    | 1.63%                    |
| 2017 | 106,000 | 812,000      | 6,430,000      | 13.0%                    | 1.64%                    |

Source: IHS Markit Regional eXplorer version

In 2017, 106 000 people in the Amatole District Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.78% since 2007, and in 2017 represented 12.18% of the district municipality's total population. The Eastern Cape Province had an average annual growth rate of 2.64% from 2007 to 2017 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 2007 to 2017 with an average annual growth rate of 1.83%.

*The lifespan of people that are HIV+ could be prolonged with modern ARV treatments. In the absence of any treatment, people diagnosed with HIV can live for 10 years and longer before they reach the final AIDS stage of the disease*

## 2.2.2 ECONOMY

### A. GROSS DOMESTIC PRODUCT (GDP) - AMAHLATHI, AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [R BILLIONS, CURRENT PRICES]

| Year | Amahlathi | Amatole | Eastern Cape | National Total | Amahlathi as % of district municipality | Amahlathi as % of province | Amahlathi as % of national |
|------|-----------|---------|--------------|----------------|---|----------------------------|----------------------------|
| 2006 | 1.8       | 12.7    | 142.2        | 1,839.4        | 14.3%                                   | 1.27%                      | 0.10%                      |
| 2007 | 2.1       | 14.9    | 168.2        | 2,109.5        | 14.3%                                   | 1.26%                      | 0.10%                      |
| 2008 | 2.2       | 15.4    | 174.1        | 2,369.1        | 14.3%                                   | 1.26%                      | 0.09%                      |
| 2009 | 2.4       | 16.9    | 191.2        | 2,507.7        | 14.2%                                   | 1.26%                      | 0.10%                      |
| 2010 | 2.6       | 18.6    | 211.6        | 2,748.0        | 14.1%                                   | 1.24%                      | 0.10%                      |
| 2011 | 2.8       | 19.8    | 226.1        | 3,023.7        | 13.9%                                   | 1.22%                      | 0.09%                      |
| 2012 | 3.0       | 21.7    | 252.2        | 3,253.9        | 13.9%                                   | 1.20%                      | 0.09%                      |
| 2013 | 3.2       | 23.1    | 273.2        | 3,539.8        | 14.0%                                   | 1.18%                      | 0.09%                      |
| 2014 | 3.5       | 24.5    | 293.9        | 3,807.7        | 14.1%                                   | 1.18%                      | 0.09%                      |
| 2015 | 3.7       | 26.2    | 315.6        | 4,049.8        | 14.1%                                   | 1.17%                      | 0.09%                      |
| 2016 | 3.9       | 27.9    | 337.8        | 4,338.9        | 14.0%                                   | 1.16%                      | 0.09%                      |

Source: IHS Markit Regional eXplorer version 1156

With a GDP of R 3.92 billion in 2016 (up from R 1.81 billion in 2006), the Amahlathi Local Municipality contributed 14.03% to the Amatole District Municipality GDP of R 27.9 billion in 2016 increasing in the share of the Amatole from 14.29% in 2006. The Amahlathi Local Municipality contributes 1.16% to the GDP of Eastern Cape Province and 0.09% the GDP of South Africa which had a total GDP of R 4.34 trillion in 2016 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2006 when it contributed 0.10% to South Africa, but it is lower than the peak of 0.10% in 2007.

In 2021, Amahlathi's forecasted GDP will be an estimated R 2.81 billion (constant 2010 prices) or 13.9% of the total GDP of Amatole District Municipality. The ranking in terms of size of the Amahlathi Local Municipality will remain the same between 2016 and 2021, with a contribution to the Amatole District Municipality GDP of 13.9% in 2021 compared to the 14.1% in 2016. At a 1.07% average annual GDP growth rate between 2016 and 2021, Amahlathi ranked the lowest compared to the other regional economies.



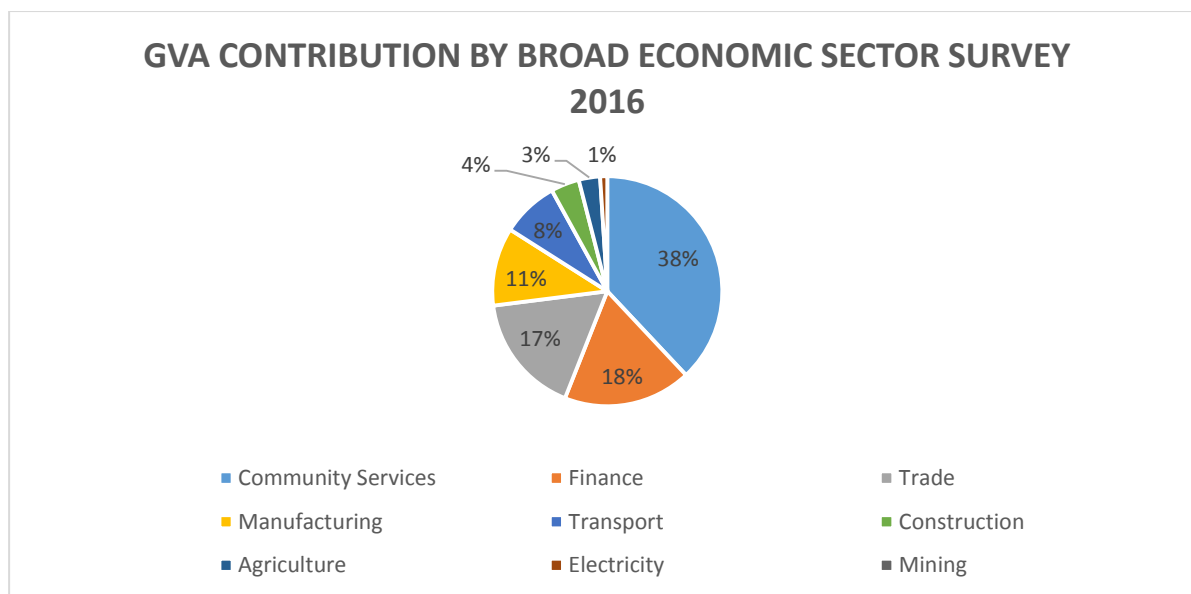
### ECONOMIC GROWTH FORECAST

It is expected that Amahlathi Local Municipality will grow at an average annual rate of 1.07% from 2016 to 2021. The average annual growth rate in the GDP of Amatole District Municipality and Eastern Cape Province is expected to be 1.39% and 1.62% respectively. South Africa is forecasted to grow at an average annual growth rate of 1.61%, which is higher than that of the Amahlathi Local Municipality.

### B. GROSS VALUE ADDED BY REGION (GVA-R)

| C. Sector               | Amahlathi  | Amatole     | Eastern Cape | National Total | Amahlathi as % of district municipality | Amahlathi as % of province | Amahlathi as % of national |
|-------------------------|------------|-------------|--------------|----------------|---|----------------------------|----------------------------|
| Agriculture             | 0.1        | 0.7         | 5.9          | 94.4           | 14.9%                                   | 1.75%                      | 0.11%                      |
| Mining                  | 0.0        | 0.0         | 0.5          | 306.2          | 9.4%                                    | 0.97%                      | 0.00%                      |
| Manufacturing           | 0.4        | 2.0         | 36.3         | 517.4          | 18.9%                                   | 1.03%                      | 0.07%                      |
| Electricity             | 0.0        | 0.5         | 6.2          | 144.1          | 7.5%                                    | 0.58%                      | 0.02%                      |
| Construction            | 0.2        | 0.9         | 13.2         | 154.3          | 17.9%                                   | 1.24%                      | 0.11%                      |
| Trade                   | 0.6        | 5.5         | 61.5         | 589.7          | 10.8%                                   | 0.97%                      | 0.10%                      |
| Transport               | 0.3        | 1.7         | 27.5         | 389.2          | 16.0%                                   | 0.97%                      | 0.07%                      |
| Finance                 | 0.6        | 4.7         | 60.5         | 781.7          | 13.5%                                   | 1.05%                      | 0.08%                      |
| Community services      | 1.3        | 9.1         | 89.7         | 894.1          | 14.5%                                   | 1.47%                      | 0.15%                      |
| <b>Total Industries</b> | <b>3.5</b> | <b>25.1</b> | <b>301.2</b> | <b>3,871.2</b> | <b>13.9%</b>                            | <b>1.16%</b>               | <b>0.09%</b>               |

Source: IHS Markit Regional eXplorer version 115

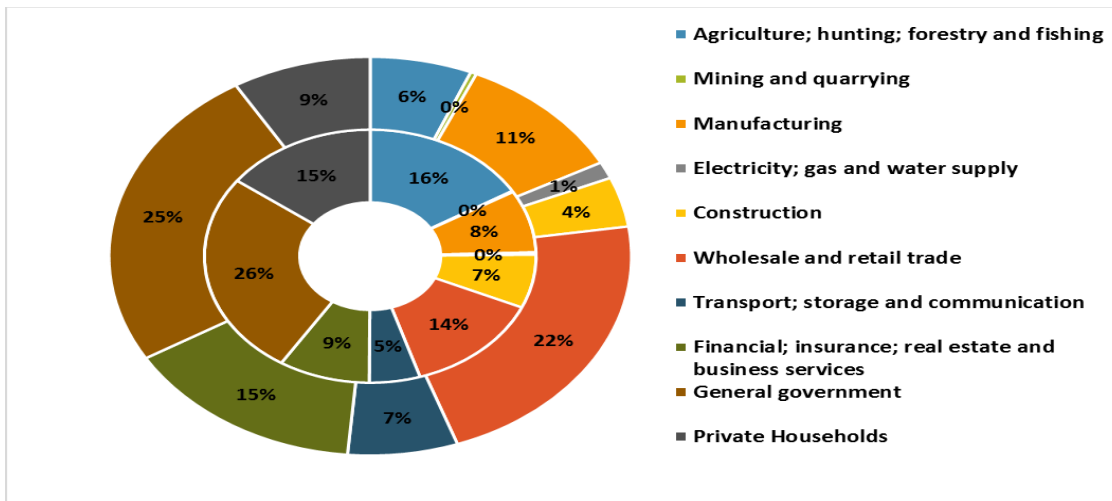


Source: IHS Markit Regional eXplorer version 1156

In 2016, the community services sector is the largest within Amahlathi Local Municipality accounting for R 1.32 billion or 37.7% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Amahlathi Local Municipality is the finance sector at 18.1%, followed by the trade sector with 17.1%. The sector that contributes the least to the economy of Amahlathi Local Municipality is the mining sector with a contribution of R4.39 million or 0.13% of the total GVA.

A positive relationship between the sectors driving the economy as measured by the Gross Value Added (GVA) and employment is depicted below. This indicates the influence economic activity has in the generation of jobs. The success of Local Economic Development (LED) policies are key in the creation of conditions that enable people to develop their own livelihoods within a supportive local business environment which will stimulate economic growth in the municipality. Therefore as depicted by the figure below much focus should be directed towards stimulating potential sectors such as manufacturing, construction, wholesale trade and the financial services sectors.

**Employment and economic activity relationship**



Source: Municipal Barometer 1996- 2016

About 25% of the informal jobs in Amahlathi municipality are from General government followed by Wholesale and retail trade, Financial, insurance and business services, Manufacturing, Private Households, Transport Agriculture, Electricity and Construction.

- 1) The economy of Amahlathi is dominated by the Government Sector which contributes 25% to the GDP.
- 2) The second most important sector is the Wholesale and retail trade which contributed 22% to the GGP.
- 3) The Third most important contributor to the GGP of the Amahlathi Municipality is the Financial, Insurance, real estate and business service sector, which accounts for 15% of the GGP in 2016.
- 4) The Manufacturing sector contributes 11% to the GGP and is fourth contributor to the economy, the contribution of Private households is 9%, Agriculture is 6%, Transport is 7 %, Construction at 4% and Electricity at 1% each to the GGP of the municipality.

## SECTOR GROWTH FORECAST

| Sector                  | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           | Average Annual growth |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|
| Agriculture             | 67.2           | 71.7           | 72.8           | 74.3           | 76.3           | 78.1           | 3.07%                 |
| Mining                  | 4.9            | 5.0            | 5.0            | 5.1            | 5.1            | 5.2            | 1.28%                 |
| Manufacturing           | 279.8          | 275.3          | 276.1          | 277.9          | 283.3          | 290.1          | 0.73%                 |
| Electricity             | 13.8           | 13.5           | 13.4           | 13.5           | 13.8           | 14.2           | 0.55%                 |
| Construction            | 101.7          | 102.2          | 103.5          | 105.2          | 107.8          | 111.8          | 1.90%                 |
| Trade                   | 401.8          | 400.8          | 404.7          | 411.5          | 422.9          | 435.9          | 1.64%                 |
| Transport               | 169.6          | 169.7          | 171.3          | 173.4          | 177.8          | 183.0          | 1.53%                 |
| Finance                 | 449.8          | 446.2          | 450.0          | 457.4          | 467.8          | 480.0          | 1.31%                 |
| Community services      | 927.8          | 929.8          | 922.3          | 926.2          | 935.5          | 950.7          | 0.49%                 |
| <b>Total Industries</b> | <b>2,416.4</b> | <b>2,414.1</b> | <b>2,419.1</b> | <b>2,444.4</b> | <b>2,490.4</b> | <b>2,548.9</b> | <b>1.07%</b>          |

Source: IHS Markit Regional eXplorer version 1156

The agriculture sector is expected to grow fastest at an average of 3.07% annually from R 67.2 million in Amahlathi Local Municipality to R 78.1 million in 2021. The community services sector is estimated to be the largest sector within the Amahlathi Local Municipality in 2021, with a total share of 37.3% of the total GVA (as measured in current prices), growing at an average annual rate of 0.5%. The sector that is estimated to grow the slowest is the community services sector with an average annual growth rate of 0.49%.

## C. LABOUR

## WORKING AGE POPULATION IN AMAHLATHI, AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2006 AND 2016 [NUMBER]

| Age          | Amahlathi     |              | Amatole        |                | Eastern Cape     |                  | National Total    |                   |
|--------------|---------------|--------------|----------------|----------------|------------------|------------------|-------------------|-------------------|
|              | 2006          | 2016         | 2006           | 2016           | 2006             | 2016             | 2006              | 2016              |
| 15-19        | 13,500        | 8,320        | 120,000        | 82,400         | 803,000          | 634,000          | 5,290,000         | 4,550,000         |
| 20-24        | 11,300        | 8,640        | 90,900         | 80,500         | 701,000          | 694,000          | 5,260,000         | 5,000,000         |
| 25-29        | 8,330         | 8,400        | 61,300         | 71,600         | 530,000          | 684,000          | 4,550,000         | 5,620,000         |
| 30-34        | 5,600         | 7,430        | 39,700         | 61,300         | 355,000          | 589,000          | 3,570,000         | 5,300,000         |
| 35-39        | 4,870         | 5,800        | 33,200         | 47,800         | 288,000          | 438,000          | 2,930,000         | 4,240,000         |
| 40-44        | 5,100         | 4,570        | 35,900         | 32,900         | 286,000          | 298,000          | 2,610,000         | 3,120,000         |
| 45-49        | 5,490         | 4,030        | 38,300         | 29,300         | 286,000          | 247,000          | 2,290,000         | 2,530,000         |
| 50-54        | 4,390         | 4,510        | 33,500         | 32,300         | 241,000          | 249,000          | 1,880,000         | 2,260,000         |
| 55-59        | 3,810         | 4,630        | 30,500         | 34,000         | 205,000          | 249,000          | 1,520,000         | 1,990,000         |
| 60-64        | 3,490         | 3,540        | 28,500         | 29,800         | 171,000          | 207,000          | 1,170,000         | 1,610,000         |
| <b>Total</b> | <b>65,885</b> | <b>8,320</b> | <b>512,147</b> | <b>502,023</b> | <b>3,866,790</b> | <b>4,289,261</b> | <b>31,071,485</b> | <b>36,220,290</b> |

Source: IHS Markit Regional eXplorer version

The working age population in Amahlathi in 2016 was 59 900, decreasing at an average annual rate of -0.95% since 2006. For the same period the working age population for Amatole District Municipality decreased at -0.20% annually, while that of Eastern Cape Province increased at 1.04% annually. South Africa's working age population has increased annually by 1.55% from 31.1 million in 2006 to 36.2 million in 2016.

### a. 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 labor market of a region. If a person is economically active, he or she forms part of the labor force.

| Year | Amahlathi | Amatole | Eastern Cape | National Total | Amahlathi as % of district municipality | Amahlathi as % of province | Amahlathi as % of national |
|------|-----------|---------|--------------|----------------|---|----------------------------|----------------------------|
| 2006 | 29,500    | 184,000 | 1,840,000    | 17,500,000     | 16.1%                                   | 1.61%                      | 0.17%                      |
| 2007 | 28,800    | 182,000 | 1,850,000    | 18,000,000     | 15.9%                                   | 1.56%                      | 0.16%                      |
| 2008 | 27,600    | 177,000 | 1,840,000    | 18,400,000     | 15.6%                                   | 1.50%                      | 0.15%                      |
| 2009 | 25,800    | 168,000 | 1,790,000    | 18,300,000     | 15.4%                                   | 1.44%                      | 0.14%                      |
| 2010 | 24,000    | 158,000 | 1,730,000    | 18,100,000     | 15.2%                                   | 1.38%                      | 0.13%                      |
| 2011 | 23,200    | 155,000 | 1,740,000    | 18,300,000     | 15.0%                                   | 1.33%                      | 0.13%                      |
| 2012 | 23,400    | 157,000 | 1,770,000    | 18,700,000     | 14.9%                                   | 1.32%                      | 0.12%                      |
| 2013 | 24,500    | 166,000 | 1,840,000    | 19,300,000     | 14.8%                                   | 1.33%                      | 0.13%                      |
| 2014 | 26,000    | 177,000 | 1,940,000    | 20,100,000     | 14.7%                                   | 1.34%                      | 0.13%                      |
| 2015 | 27,000    | 184,000 | 2,000,000    | 20,800,000     | 14.7%                                   | 1.35%                      | 0.13%                      |
| 2016 | 27,700    | 190,000 | 2,060,000    | 21,300,000     | 14.6%                                   | 1.35%                      | 0.13%                      |

Source: IHS Markit Regional eXplorer version 1156

Average Annual growth

**2006-2016**    **-0.64%**    **0.30%**    **1.12%**    **1.97%**

Amahlathi Local Municipality's EAP was 27 700 in 2016, which is 27.85% of its total population of 99 500, and roughly 14.61% of the total EAP of the Amatole District Municipality. From 2006 to 2016, the average annual decrease in the EAP in the Amahlathi Local Municipality was -0.64%, which is 0.94 percentage points lower than the growth in the EAP of Amatole's for the same period.

### b. TOTAL EMPLOYMENT

#### I. TOTAL EMPLOYMENT - AMAHLATHI, AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBERS]

| Year                  | Amahlathi | Amatole | Eastern Cape | National Total |
|-----------------------|-----------|---------|--------------|----------------|
| 2006                  | 24,700    | 134,000 | 1,330,000    | 13,000,000     |
| 2007                  | 24,800    | 135,000 | 1,350,000    | 13,500,000     |
| 2008                  | 24,600    | 134,000 | 1,350,000    | 14,100,000     |
| 2009                  | 23,600    | 129,000 | 1,320,000    | 14,000,000     |
| 2010                  | 22,300    | 121,000 | 1,260,000    | 13,600,000     |
| 2011                  | 22,100    | 120,000 | 1,260,000    | 13,800,000     |
| 2012                  | 21,900    | 118,000 | 1,270,000    | 14,000,000     |
| 2013                  | 22,700    | 122,000 | 1,310,000    | 14,500,000     |
| 2014                  | 24,300    | 130,000 | 1,370,000    | 15,100,000     |
| 2015                  | 25,500    | 137,000 | 1,430,000    | 15,500,000     |
| 2016                  | 26,100    | 141,000 | 1,460,000    | 15,700,000     |
| Average Annual growth |           |         |              |                |

|           |       |       |       |       |
|-----------|-------|-------|-------|-------|
| 2006-2016 | 0.53% | 0.51% | 0.91% | 1.89% |
|-----------|-------|-------|-------|-------|

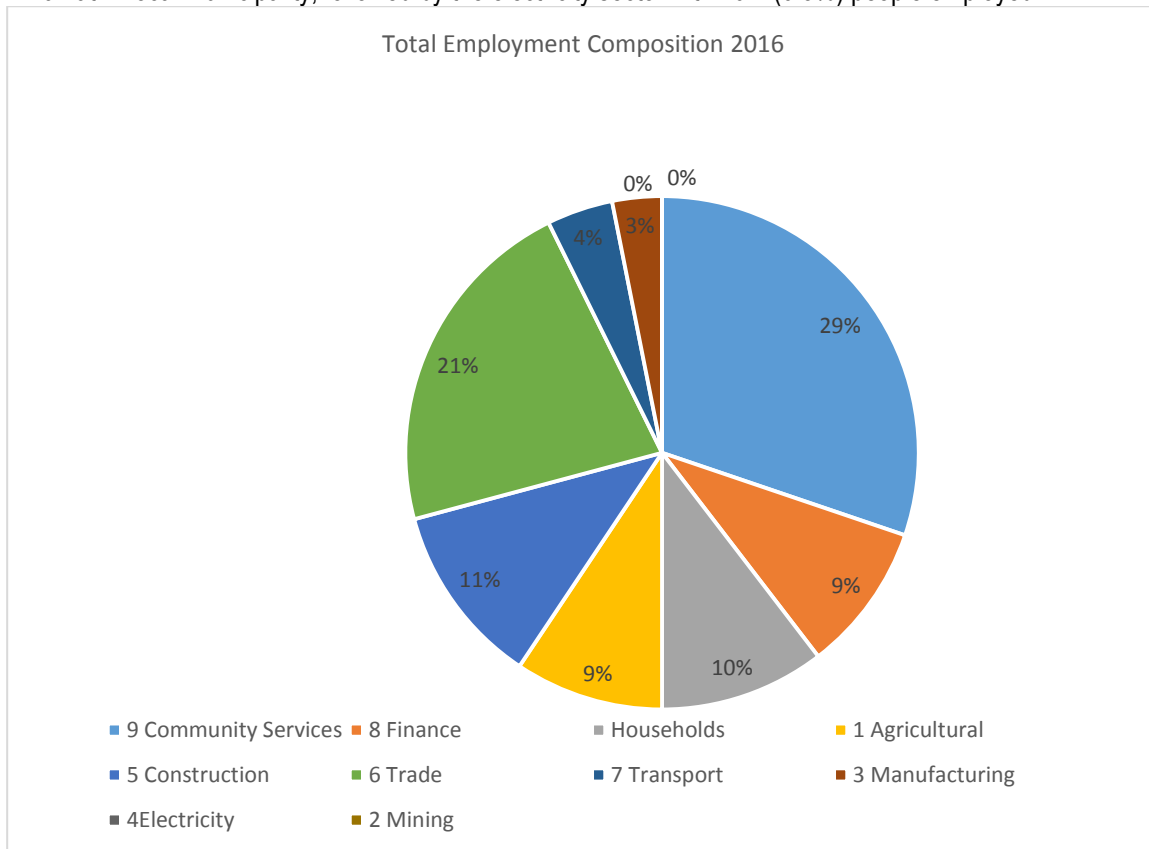
Source: IHS Markit Regional

eXplorer version 1156

In 2016, Amahlathi employed 26 100 people which is 18.55% of the total employment in Amatole District Municipality (141 000), 1.79% of total employment in Eastern Cape Province (1.46 million), and 0.17% of the total employment of 15.7 million in South Africa. Employment within Amahlathi increased annually at an average rate of 0.53% from 2006 to 2016. The Amahlathi Local Municipality average annual employment growth rate of 0.53% exceeds the average annual labor force growth rate of -0.64% resulting in unemployment decreasing from 32.15% in 2006 to 29.89% in 2016 in the local municipality.

II. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR

In Amahlathi Local Municipality the economic sectors that recorded the largest number of employment in 2016 were the community services sector with a total of 7 410 employed people or 28.4% of total employment in the local municipality. The trade sector with a total of 5 430 (20.8%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 16 (0.1%) is the sector that employs the least number of people in Amahlathi Local Municipality, followed by the electricity sector with 70.1 (0.3%) people employed.



Source: IHS Markit Regional eXplorer version 1156

III. FORMAL AND INFORMAL EMPLOYMENT

The number of formally employed people in Amahlathi Local Municipality counted 19 400 in 2016, which is about 74.30% of total employment, while the number of people employed in the informal sector counted 6 700 or 25.70%

of the total employment. Informal employment in Amahlathi decreased from 6 920 in 2006 to an estimated 6 700 in 2016.

In 2016 the Trade sector recorded the highest number of informally employed, with a total of 2 410 employees or 35.95% 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 Finance sector has the lowest informal employment with 445 and only contributes 6.64% to total informal employment.

| Sector             | Formal employment | Informal employment |
|--------------------|-------------------|---------------------|
| Agriculture        | 2,440             | N/A                 |
| Mining             | 16                | N/A                 |
| Manufacturing      | 1,360             | 486                 |
| Electricity        | 70                | N/A                 |
| Construction       | 1,540             | 1,300               |
| Trade              | 3,020             | 2,410               |
| Transport          | 448               | 683                 |
| Finance            | 1,930             | 445                 |
| Community services | 6,030             | 1,380               |
| Households         | 2,530             | N/A                 |

Source: IHS Markit Regional eXplorer version 1156

### c. UNEMPLOYMENT

#### UNEMPLOYMENT (OFFICIAL DEFINITION) - AMAHLATHI, AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER PERCENTAGE]

| Year | Amahlathi | Amatole | Eastern Cape | National Total | Amahlathi as % of district municipality | Amahlathi as % of province | Amahlathi as % of national |
|------|-----------|---------|--------------|----------------|---|----------------------------|----------------------------|
| 2006 | 9,500     | 65,600  | 512,000      | 4,510,000      | 14.5%                                   | 1.86%                      | 0.21%                      |
| 2007 | 8,970     | 63,000  | 503,000      | 4,460,000      | 14.2%                                   | 1.78%                      | 0.20%                      |
| 2008 | 8,200     | 59,300  | 488,000      | 4,350,000      | 13.8%                                   | 1.68%                      | 0.19%                      |
| 2009 | 7,590     | 56,400  | 483,000      | 4,370,000      | 13.4%                                   | 1.57%                      | 0.17%                      |
| 2010 | 7,050     | 53,800  | 480,000      | 4,490,000      | 13.1%                                   | 1.47%                      | 0.16%                      |
| 2011 | 6,610     | 52,000  | 485,000      | 4,570,000      | 12.7%                                   | 1.36%                      | 0.14%                      |
| 2012 | 7,070     | 55,800  | 508,000      | 4,690,000      | 12.7%                                   | 1.39%                      | 0.15%                      |
| 2013 | 7,520     | 60,500  | 542,000      | 4,850,000      | 12.4%                                   | 1.39%                      | 0.16%                      |
| 2014 | 7,850     | 63,900  | 569,000      | 5,060,000      | 12.3%                                   | 1.38%                      | 0.16%                      |
| 2015 | 7,980     | 65,400  | 583,000      | 5,290,000      | 12.2%                                   | 1.37%                      | 0.15%                      |
| 2016 | 8,280     | 68,200  | 603,000      | 5,600,000      | 12.1%                                   | 1.37%                      | 0.15%                      |

Source: IHS Markit Regional eXplorer version 1156

Average Annual growth

2006-2016      **-1.36%**      **0.39%**      **1.65%**      **2.19%**

In 2016, there were a total number of 8 280 people unemployed in Amahlathi, which is a decrease of -1 220 from 9 500 in 2006. The total number of unemployed people within Amahlathi constitutes 12.14% of the total number of unemployed people in Amatole District Municipality. The Amahlathi Local Municipality experienced an average

annual decrease of -1.36% in the number of unemployed people, which is better than that of the Amatole District Municipality which had an average annual increase in unemployment of 0.39%.

**UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - AMAHLATHI, AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [PERCENTAGE]**

| Year | Amahlathi | Amatole | Eastern Cape | National Total |
|------|-----------|---------|--------------|----------------|
| 2006 | 32.2%     | 35.6%   | 27.8%        | 25.8%          |
| 2007 | 31.1%     | 34.6%   | 27.2%        | 24.8%          |
| 2008 | 29.7%     | 33.5%   | 26.6%        | 23.6%          |
| 2009 | 29.4%     | 33.5%   | 26.9%        | 23.8%          |
| 2010 | 29.4%     | 34.0%   | 27.7%        | 24.8%          |
| 2011 | 28.5%     | 33.5%   | 27.9%        | 24.9%          |
| 2012 | 30.2%     | 35.4%   | 28.7%        | 25.0%          |
| 2013 | 30.7%     | 36.6%   | 29.4%        | 25.1%          |
| 2014 | 30.1%     | 36.2%   | 29.4%        | 25.1%          |
| 2015 | 29.5%     | 35.5%   | 29.1%        | 25.5%          |
| 2016 | 29.9%     | 36.0%   | 29.3%        | 26.3%          |

Source: IHS Markit Regional eXplorer version 1156

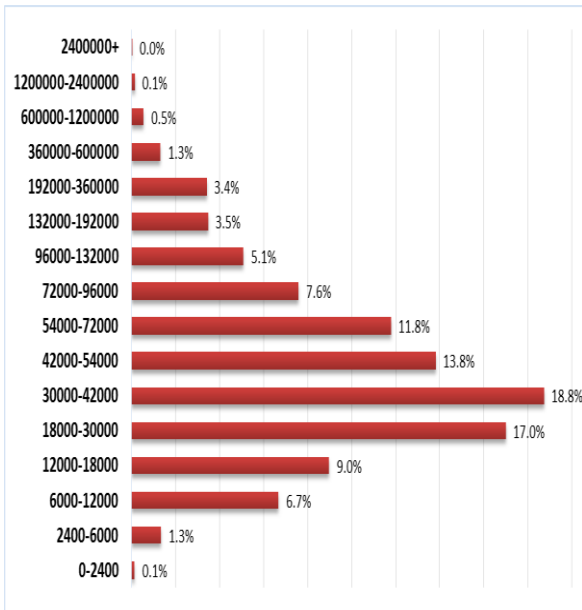
In 2016, the unemployment rate in Amahlathi Local Municipality (based on the official definition of unemployment) was 29.89%, which is a decrease of -2.27 percentage points. The unemployment rate in Amahlathi Local Municipality is lower than that of Amatole. Comparing to the Eastern Cape Province it can be seen that the unemployment rate for Amahlathi Local Municipality was higher than that of Eastern Cape which was 29.34%. The unemployment rate for South Africa was 26.33% in 2016, which is an increase of -0.563 percentage points from 25.77% in 2006.

#### D. DISTRIBUTION OF HOUSEHOLD INCOME

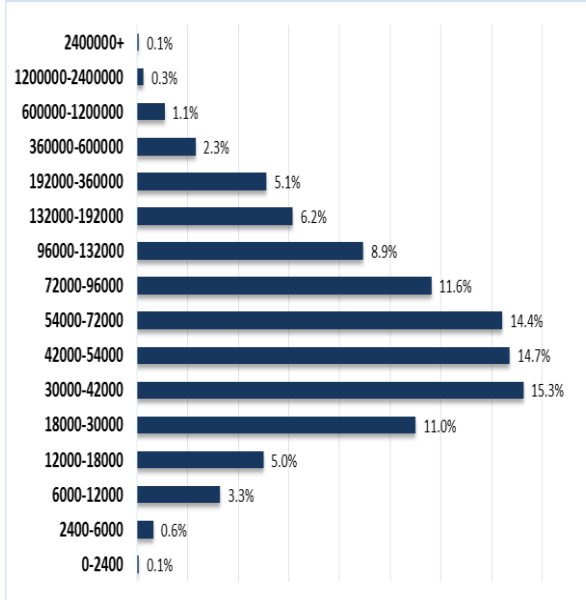
The ability to meet basic needs, such as for adequate food, clothing, shelter and basic amenities, is largely determined by the level of income earned by the households.

The two figures below suggests a cumulative 61.4% of households in Amahlathi earn between R30 000 to R72 000 per annum. The households with the highest income brackets falls between R30 000 – R42 000 and R18 000 – R30 000 accounting for about 18.9% and 17.0% of households respectively. In 2016, there was a significant shift in the income breakdown where certain income brackets grew while others declined. Figure with both years depicts a clear picture of the changes between the two periods. Households in the income categories of R0 to R42 000 experienced a cumulative decline of about 18% while significant increases in the categories of R42 000 upwards were experienced with those between R72 000 to R132 000 leading.

Household by income category per annum, 2011



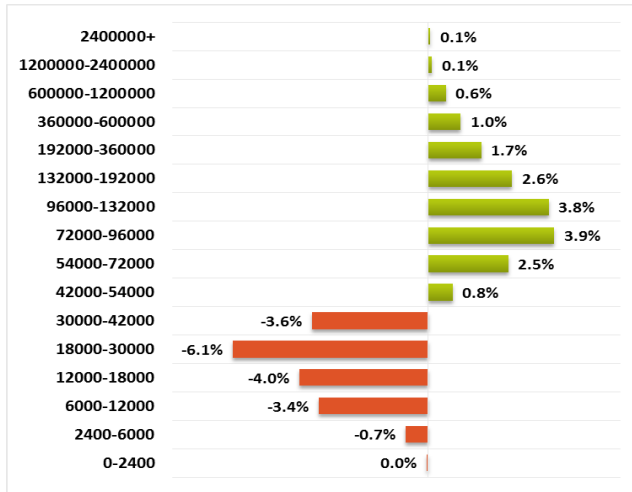
Household by income category per annum, 2016





Source: Stats SA Census Municipal Report 2011, REX Global Insight 2016

**Household by income category between 2011 and 2016**



Source: REX Global Insight 2016

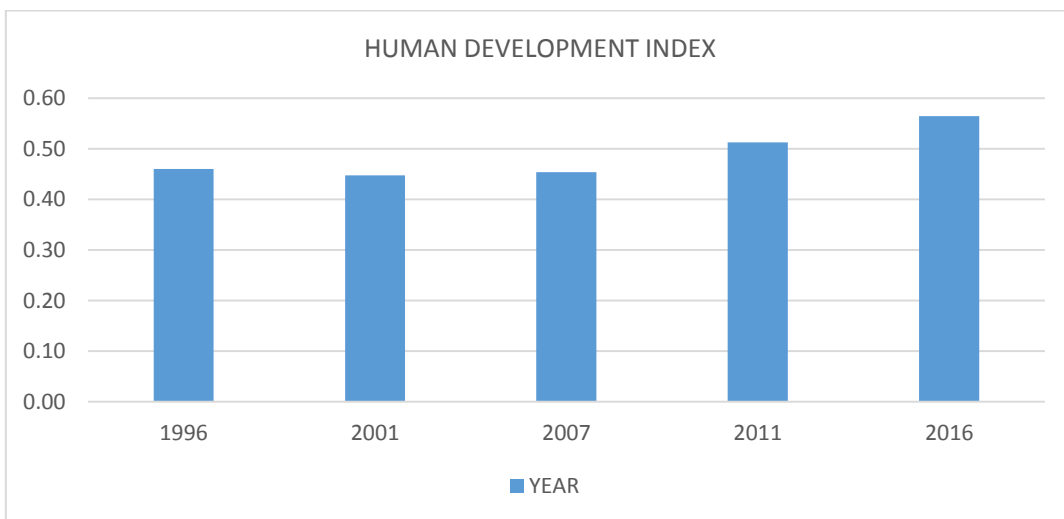
**E. DEVELOPMENT**

**A. Human Development Indicator (HDI)**

The HDI attempts to rank the population development on a scale of 0 (lowest human development) to 1.0 (highest human development) based on the following human development goals;

- Longevity as measured by life expectancy at birth;
- Knowledge as measured by a weighted average of adult literacy and means of schooling;
- Standard of living as measured by real gross per capita gross domestic product.

**The more the HDI is close to 1(one), the better is the human development in the area.**



Source: IHS Markit Regional eXplorer version

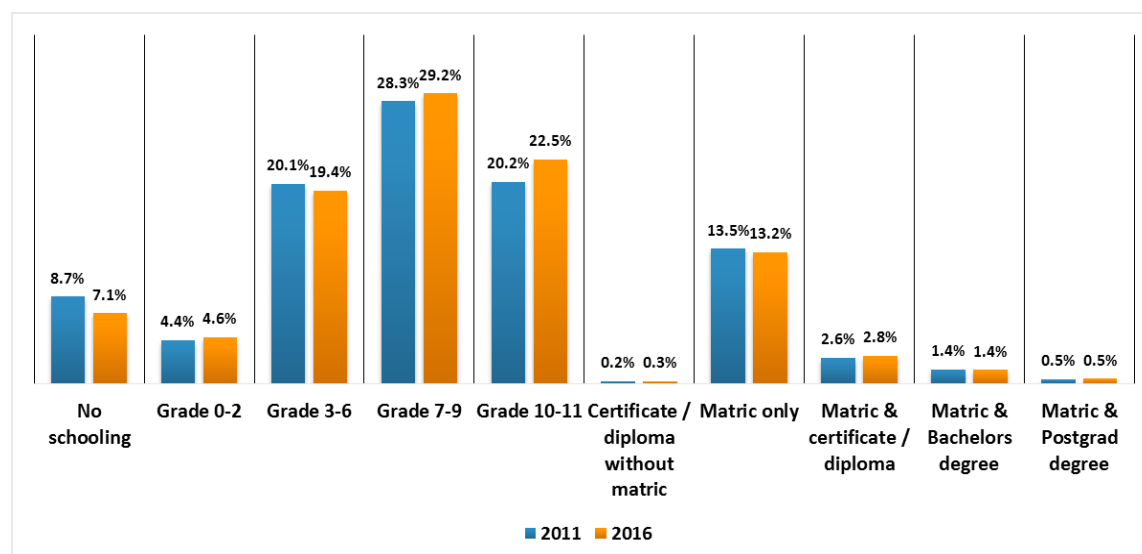
The HDI in Amahlathi municipality was **0.47** in 1996 decreased to **0.45** in 2007, increased to **0.51** in 2011 and **0.54** 2013, which is a medium HDI by international standards. This shows that there's been an improvement in the Human Development Index. The above diagram indicates there has been a decrease in unemployment rate between 1996 and 2011, however from 2011 to 2013 the unemployment rate has increased.

In 2016 Amahlathi Local Municipality had an HDI of 0.564 compared to the Amatole with a HDI of 0.551, 0.596 of Eastern Cape and 0.653 of National Total as a whole.

## F. EDUCATION LEVELS

According to the figures below, education levels in Amahlathi indicate a need by the municipality to intervene in encouraging interest in attaining higher education beyond having a matric certificate. The municipality has an added advantage as 40% of the population is relatively young. The quality of the labor force largely relies on the educational profile of an economically active population. Therefore Amahlathi should make every effort to invest in education and training that will provide the necessary skills required in the various economic sectors that are driving the economy while creating jobs where employment opportunities exist. This will help sustain and accelerate overall development in the municipality over time.

### Education Levels



Source: *Municipal Barometer 1996-2016*

## G. KEY ECONOMIC SECTORS

Sectoral employment data taken from the 2011 Census and aggregated to Ward level suggests that, at the Municipal level, the Community, Social & Personal Services sector is the key economic sector, accounting for 27% of employment in the Municipal area. This is followed by the Agriculture, Forestry, Fishing and Hunting sector (accounting for 22% of employment).

Unfortunately, the data available do not distinguish Tourism as a separate sector.

As per local economic development: locally, the manufacturing sector is identified as one of significant potential, especially where local produce is being processed for other markets. Tourism, too, is noted as being a potential growth sector, particularly given the many areas of beauty and historical interest in Amahlathi.

From the perspective of local access to business opportunities, Stutterheim is the largest service node in the municipality; however, services and markets are also sought in East London and King William's Town. It is likely that the above trend will continue.

### **Participatory Needs Analysis**

Participants in the Participatory Needs Analysis identified the following key issues: -

- Untapped tourism potential / poor access to tourist sites
- Limited external investment
- Limited market facilities for communities to market local produce and goods
- Insufficient training and skills development opportunities
- Lack of regulation of hawkers
- Poor commonage management
- Untapped potential of irrigation schemes
- Large scale poverty and consequences thereof, including increased crime levels
- Limited impact of emerging farmers
- Lack of knowledge of/sources of financing of SMME's
- Inadequate access of subsistence/emerging farmers to agricultural implements
- Lack of formal tenure/ tenure security

These and other aspects are to be taken up in a Local Economic Development Strategy, which the Municipality will be reviewing. The outcomes of this strategic exercise will provide invaluable input for subsequent revisions of the IDP and should be incorporated therein.

There is, consequently, a critical need to implement strategies and support mechanisms to engage currently economically unproductive residents in productive economic activities. Strategies to alleviate poverty are also of great importance. Overall, it is deemed critical that all efforts be undertaken to facilitate local economic development in the Municipal area.

## CHAPTER 3: STATUS QUO ASSESSMENT

### 3.1 KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

#### 3.1.1 Access to Basic Infrastructure

According to data below as presented by Statistics South Africa in their 2016 Community Survey, over 80% of households in the past 15 years have access to water and electricity. However during the two periods, access to water declined slightly although at high levels while significant increase in the provision of electricity was observed as more than 90% of households in the municipality. Access to electricity is reliant on infrastructure above ground with cables that are able to cover significant land area compared to services that are provided by infrastructure underground.

Toilet facilities remain at low levels. Challenges in providing sanitation services in most municipalities include in-ground factors and the soil type. The service is influenced also by the type of infrastructure the municipality should provide taking into consideration the topography of the municipality in terms of identifying of landmark features and vegetative land cover.

With regards to access to refuse removal much focus is required as levels are low and declining which is indication of high backlog levels. This could likely be a result of the sparsely distributed households including the access to the various wards in the municipality for the collection of the refuse. The high levels of refuse removal to a communal service indicates refuse being disposed in a central place by households as opposed to removal by the municipality or a service provider.

**Table: Access to service delivery**

| Access to Basic Infrastructure       | 2011       |                             | 2016       |                             |
|--------------------------------------|------------|-----------------------------|------------|-----------------------------|
|                                      | Households | % of households with access | Households | % of households with access |
| <b>Main source of drinking water</b> |            |                             |            |                             |
| Access to piped water                | 26 269     | 92.0%                       | 22 041     | 89.7%                       |
| No access to piped water             | 2 278      | 8%                          | 2 535      | 10.3%                       |
| <b>Access to Sanitation</b>          |            |                             |            |                             |
| Flush Toilets                        | 7 640      | 27.5%                       | 6 040      | 24.6%                       |
| Chemicals                            | 415        | 1.5%                        | 1512       | 6.2%                        |
| Pit Toilets                          | 18 263     | 65.7%                       | 15 235     | 62.0%                       |
| Buckets                              | 67         | 0.2%                        | 48         | 0.2%                        |
| None                                 | 1403       | 5.0%                        | 1 460      | 5.9%                        |

| Energy for lightning                            |        |       |        |       |
|---|--------|-------|--------|-------|
| Electricity                                     | 24 919 | 87.4% | 22 610 | 92.7% |
| Other   | 3 590  | 12.6% | 1 781  | 7.3%  |
| Energy for Cooking                              |        |       |        |       |
| Electricity                                     | 20 577 | 72.3% | 20 840 | 85.9% |
| Other   | 7 880  | 27.7% | 3 429  | 14.1% |
| Access to refuse removal                        |        |       |        |       |
| Removed by local authority at least once a week | 7 113  | 24.9% | 3 438  | 14.0% |
| Removed by local authority less often           | 96     | 0.3%  | 256    | 1.0%  |
| Communal refuse dump                            | 316    | 1.1%  | 2 637  | 10.7% |
| Own refuse dump                                 | 19 789 | 69.3% | 17 323 | 70.5% |
| No rubbish disposal                             | 1 150  | 4.0%  | 231    | 0.9%  |

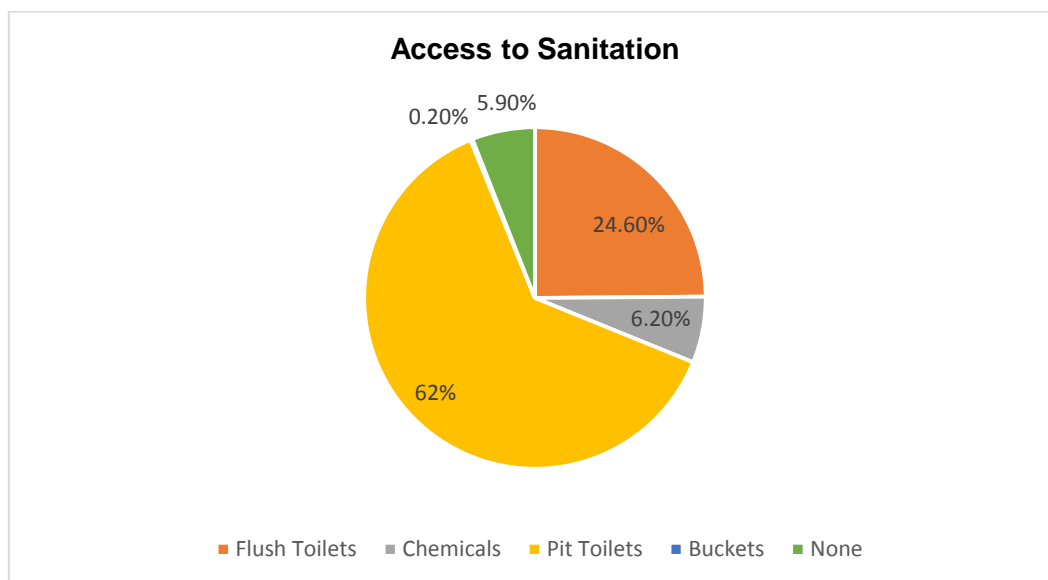
Source: Stats SA Community Survey 2016, own calculations

According to Community Survey 2016 about 89.7% of the households in Amahlathi area access water from regional/ local water scheme operated by the municipality or other water service provider and only 10.3% that does not have access to piped water.

**Electricity** – 2016 Community Survey as per the table above indicates that 92.7% of households at Amahlathi uses electricity for lighting compared to 87.4% calculated in the Census 2011 meaning there is a great improvement of about 5.3%.

**Refuse removal** - The statistics above indicate that about 70.5% of Amahlathi households uses their own refuse dump as compared to 69.32% in 2011 and only 14.0% that have access to refuse removal at least weekly. This shows that there is still huge backlog on refuse removal.

## Access to Sanitation



Source: Community Survey 2016

**Sanitation** - Community Survey 2016 indicates that 62 % of Amahlathi households still use pit toilets ventilation, 24.6 % use flush toilets with sewerage system, 5.9 % do not have any toilets, and 6.2% uses chemical toilets and only 0.2% uses bucket system.

The statistics merely indicates there's a great need for flush toilets with sewerage system in Amahlathi.

### 3.1.2 ACCESS TO COMMUNITY HALLS & CLINICS

There are 14 halls that have been audited and confirmed which are under Amahlathi area and are listed below:

#### Access to community halls and clinics

| NUMBER | HALL                    | WARD |
|--------|-------------------------|------|
| 1.     | Amatolaville            | 6    |
| 2.     | Mlungisi Community Hall | 15   |
| 3.     | Cenyu Hall              | 15   |
| 4.     | Cenyu Lands Hall        | 15   |
| 5.     | Ndakana Hall            | 14   |
| 6.     | Kei Road Hall           | 9    |
| 7.     | Frank Fort Hall         | 8    |

|     |                      |    |
|-----|----------------------|----|
| 8.  | Springbok Hall (KKH) | 2  |
| 9.  | Cathcart Town Hall   | 4  |
| 10. | Kati Kati Hall       | 5  |
| 11. | Daliwe Hall          | 4  |
| 12. | Goshen Hall          | 4  |
| 13. | Mgwali Hall          | 14 |
| 14. | Kologa Hall          | 13 |

There is a project of 9 Villages in Keiskammahoek that was completed in 2015 for constructing Community Halls and the halls are being utilized.

Amahlathi has 21 Clinics and 3 Hospitals (SS Gida, Keiskammahoek and Stutterheim) in the Amahlathi Municipality.

### 3.1.3 DISASTER MANAGEMENT

All-hazards contingency plan is in place, it was developed with the support from Amathole District Municipality it was tabled to the Council. The Municipal Manager of the Amathole District Municipality, in consultation with the Municipal Manager of the Amahlathi Local Municipality, activates the contingency plan and emergency procedures of the local municipality and convenes the establishment of a Joint Operations Centre (JOC) at a mutually agreed upon and suitable location in the area of the Amahlathi Local Municipality. The JOC is established and operates in accordance with the Standard Operating Procedures contained in the All Hazards Contingency Plan of the Amathole District Municipality.

The Amathole District municipality coordinates the development and maintenance of plans and procedures by organs of state in the Amahlathi Local Municipality to ensure the protection of municipal archives and the continuity of municipal business during disasters and response operations. On receipt of an Alert and on the instruction of the JOC Coordinator, the municipality proceeds directly to the Local Joint Operations Centre and executes responsibilities for the coordination of municipal business continuity operations. The Disaster management is the function of the District the municipality only facilitates the process there is no unit.

**Frequent hazard experience in the area:**

- The occurrence of hazards is season.
- Types of hazards are as follows:
- Floods
- Severe storms
- Domestic fires
- Veld and forest fires
- Strong wind
- Heavy rains

a) **Community Safety**

There is a community safety plan that was developed with the support from Amathole District Municipality and it was adopted by Council in 2011. Community safety forums are held on a quarterly basis to prepare a plan to be implemented including awareness campaigns which are conducted in all the clusters.

**3.1.4 TRAFFIC & LAW ENFORCEMENT**

There is a functional traffic department at Amahlathi Local Municipality with 26 staff members, 12 traffic officers and 14 office support staff. There are currently 9 vehicles, 3 speed trap cameras and 5 alcohol testers. Compliance and non-compliance issues varies from month to month. During the closing and opening of schools there are more people on the public road as well as during the festive season which causes increase of vehicles on our public roads. It is noticeable that during this period above, our Law Enforcement statistics get increased. The number of vehicle compared to the ratio of the available Traffic Officers on the public road cannot be detected due to shortage of manpower.

**Vehicle Pound**

The Municipality has constructed a vehicle pound which will be operational in the 2018/2019 Financial Year. The Vehicle Pound is situated in Stutterheim

**Driving license testing Centre**

Only one driving station is available at the moment which is centralized at Stutterheim, all 4 clusters of Amahlathi Municipality are depending on driving license testing station which is in the Stutterheim cluster for driving license as well as learners' license. There are 6 Examiners responsible for the Driving License Testing Centre.

**Vehicle testing Centre**

The vehicle testing centre is also situated in the Sutterheim cluster, with 3 Examiners responsible for testing vehicles. Testing facilities such as an A-Grade Vehicle Testing Station was opened in 2006/7 and a Weigh Bridge is now required to assist the Municipality in the efficient administration of vehicular traffic and licensing.



Both the driving license testing Centre & the vehicle testing station are guided by the Act i.e. **National Road Traffic Act of 1993 and SABS Codes.**

### 3.1.5 FIRE SERVICES

There are fire services tariffs that were developed, adopted, implemented and they are periodically reviewed. There is a full time fire service operating and a chief fire officer that has been appointed. The municipality has signed Service Level Agreements with the adjacent municipalities, the Greater Stutterheim Fire Association and Amathole District Municipality. The municipality is convening fire awareness campaign in all clusters, and striving for a two hour turnaround time in responding to fire outbreaks. The municipality is in the process of establishing fire stations in Amahlathi service areas, there is ongoing project on construction of Keiskammahoek fire station.

### 3.1.6 LAND ADMINISTRATION

In terms of land ownership statistics and ownership information, the municipality did a comprehensive land audit with the assistance of Amathole District Municipality in 2015. The exercise that was done reflected different types of land under the Amahlathi space. A report produced reflected private land, land owned by the municipality, land owned by Department of Land Affairs and that owned by the public. A report was then prepared and sent to council in 2016/17 with the list of sites that were identified which belongs to the municipality where the council took a resolution to sell the sites.

#### **All laws, policies and administrative practices affecting land development should:**

Facilitate the development of both new formal and existing informal settlements; there is therefore no bias in favour of any one sort of development and no individual community or group in an area can claim preferential treatment without a good reason.

Discourage land invasions without ignoring the reality and history of informal land development processes.

Promote efficient and integrated land development that, among other things: integrates rural and urban areas, integrates poor and rich, black and white areas in towns and cities, and integrates different land uses rather than keeping them strictly separate.

Discourage urban sprawl and contribute to more compact cities.

Make maximum use of all available resources and avoid duplicating existing infrastructure and services.

Promote the development of housing and work opportunities near to each other, and encourage environmentally sustainable practices and processes.

Be clear and easily understood – they should also provide guidance and information to people affected by the land development process, rather than simply trying to control the process and the people.

Promote sustainable development that:

- *Is within the fiscal, institutional and administrative means of the country.*

- *Establishes viable communities.*
- *Protects the environment.*
- *Meets the basic needs of all citizens in a viable way.*
- *Ensures the safe use of land*

In terms of land administration the municipality attends to land ownership identification, land disposals and land leasing. These functions are governed by the following pieces of legislation:

- Municipal Finance Management Act, Act 56 of 2003.

The Amahlathi municipality in conjunction with the Amathole district Municipality is attending to land reform projects such as the Keiskammahoek 9 villages land restitution project.

### Land Restitution and Land Reform

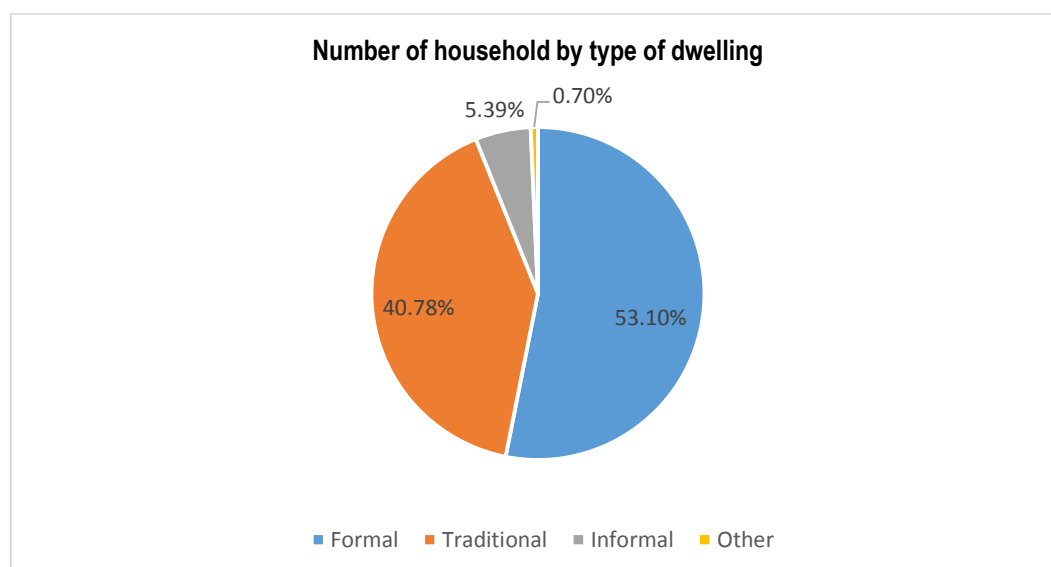
Land dispossession and removal of black people in South Africa was formalized through the Land Act of 1913 and the Group Area Act which resulted in black citizens owning only 13% of land and white counterparts owning 87% of land in South African by 1994.

As redress to this challenge the South African government developed the Restitution of Land Rights Act 22 of 1994 and the Policy on Land Redistribution for agricultural development (2000). The aforementioned legislation saw the establishment of the Land Claims court and commission.

The document includes criteria for qualification for land restitution and it was underpinned by key desired outcomes which included:

- Provide equitable redress to victims of racial land dispossession;
- Provide access to rights in land, including land ownership and sustainable development;
- Foster national reconciliation and stability; and,
- Improve household welfare, underpinning economic growth, contributing to poverty alleviation and improved quality of life.

### 3.1.7 HOUSING



*Source: Community Survey 2016*

The municipality has developed a housing sector plan and a spatial development framework which clearly indicate Greenfield areas where human settlement projects are proposed.

The housing sector plan also indicates land parcels that are under claim, but at present none of these land parcels shall hinder the planned human settlement projects. The plan also makes acknowledgement of the household socio-economic standing of the ALM population in that the majority of residents depend highly on state grants and similarly in terms of housing demand the majority of housing demand is on the RDP programme. It is perceived that should there be growth in economic development of the towns and the household incomes and social standings improve then the housing product that is required would differ accordingly and the municipality together with the department of human settlements would have to acknowledge such and seeks to implement programmes that would cater for that demand type such as social housing, community residential units and possibly site and service stands.

In terms of housing development the municipality is guided by the following policies and legislation:

- Housing Act, Act 107 of 1997 as amended;
- Rental Housing Act, Act 50 of 1999;
- Social Housing Act, Act 16 of 2008;
- Spatial Planning and Land Use Management Bill 2011;
- By-Law relating to the use and hire of municipal buildings.

The housing act defines the roles and responsibilities for local authorities and the following may be highlighted:

Every municipality must as part of the municipality's process of integrated development planning take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to *inter alia*:

- set housing delivery goals in respect of its area of jurisdiction;
- identify and designate land for housing development;
- create and maintain a public environment conducive to housing development which is financially and socially viable;
- promote the resolution of conflicts arising in the housing development process;
- Initiate, plan, co-ordinate, facilitate promote and enable appropriate housing development in its area of jurisdiction:

The municipality has adhered to a number of the above mentioned steps through the formulation and approval of the Amahlathi Municipality spatial development framework and housing sector plan. The latter document has identified the housing need within the municipality as well as identifies current and proposed housing projects as well as projecting these spatially. By undertaking the afore-mentioned functions the municipality thereby facilitates the implementation of housing projects within its area of jurisdiction. The municipality compiles housing needs register and submit it to the department of Human Settlements for considerations.

The municipality is currently being assisted by the department of human settlements for attending to the readiness studies of housing projects as well as the actual implementation of the housing projects (top structure).

The Amathole District Municipality is also undertaking the project readiness studies of some of the proposed human settlement projects within Amahlathi municipality.

### 3.1.8 LAND USE MANAGEMENT

The municipality is responsible for land use management within its area of jurisdiction. At present the municipality does not have a wall to wall scheme but has land use management legislation applicable in its areas including the former Ciskei Homeland, Former Transkei Homeland and former Cape Provincial Administration area.

The specific legislation applicable in Amahlathi Municipality includes:

- Ciskei Land Use Regulations Act 15 of 1987
- Transkei Townships Ordinance 33 of 1933
- Land Use Planning Ordinance 15 of 1985

#### Land Invasion

In terms of dealing with land invasions, the municipality by-law and policy are in place to address the matter. This occurrence is addressed through the prevention of illegal eviction and unlawful occupation of land act, act 19 of 1998. It generally specifies the remedy the municipality possesses to address the challenge.

#### Land register

As part of the land asset register compilation exercise the land and housing unit needs to verify the identified properties by way of deeds office searches. The created lists as mentioned above need verification.

The Amathole District Municipality has assisted in undertaking a land audit for the Amahlathi Municipality in 2015. The land audit was intended in verifying ownership of all properties within the Amahlathi Municipality and is available on a user friendly database format as well as on the Amathole Geographic Information System Website.

The municipality has in July 2013 received access to the Amathole District Municipality Geographic Information System Unit web service which has land ownership information. The bookmark is <http://www.amatholegis.gov.za/>. The land and housing unit is in process of requesting the ADM GIS unit to make formal presentation to the municipality.

### 3.1.9 SPATIAL DEVELOPMENT FRAMEWORK (SDF)

The municipality also undertakes spatial planning in terms of the legislation especially the Municipal Systems Act 32 of 2000 section 26 (e) which mentions the specific core components of an Integrated Development Plan.

The Amahlathi municipality with the assistance of the COGTA department has developed a Spatial Development Framework in line with the guidelines for the formulation of Spatial Development Frameworks that has been developed by the Department of Rural Development and Land Reform and was adopted in 2006 and it was last reviewed in February 2013.

The SDF can be regarded as a spatial representation of the municipal integrated development plan. It shows the areas of desired aims, the SDF act as a guide for future development to ensure that the municipality maximizes co-ordination of planned activities within its area of jurisdiction.

In order to ensure that the SDF represents the IDP, the municipality had to consider the municipal vision as stated in the IDP as well as the main development priority clusters of infrastructure, local economic development and environment, social development, institution and finance.

In order to guide the formulation of the Amahlathi Spatial Development Framework, the spatial implications of the Amahlathi Municipality's IDP Development Goals are interpreted as follows: -

| IDP Goals                                   | Spatial Implications   |
|---|--|
| A. Infrastructure                           | (i) Basic Needs Considerations<br>(ii) Managing Land Development & Settlement Trends   |
| B. Local Economic Development & Environment | (i) Basic Needs Considerations (roads and infrastructure)<br>(ii) Need for focus on Land Use Management (to ensure orderly development)<br>(iii) Need for focus on environmental management to enhance environmental qualities and ensure attractive environment for tourism development |
| C. Social Development                       | (i) Need to manage investment by identifying spatial structure of settlement pattern and strategic nodes for development of facilities and public-funded housing (Spatial Structuring Elements)  |
| D. Institution and Finance                  | (i) Managing Land Development & Settlement Trends<br>(ii) Focus on Land Use Management<br>(iii) Commitment to Environmental Management   |

Related to the implications of spatial planning that have been drawn from the Amahlathi Municipality's IDP, the following are noted as fundamental concepts guiding the spatial planning approach adopted for the Amahlathi Spatial Development Framework.

### Spatial Structuring Elements

Spatial Structuring Elements are concepts or "planning tools" that are used to identify areas or special features of areas that enable the Amahlathi Municipality to carry out spatial planning and land use management in an ordered or structured manner that is, in line with the identified spatial objectives and associated strategies, these spatial structuring elements enable the Municipality to identify areas where different types of land uses would be permitted and/or discouraged and thus form the building blocks that guide future planning in the Amahlathi area.

The Amahlathi Spatial Development Framework proposes to make use of four spatial structuring elements, as follows: -

- The concept of **Development Nodes**
- The concept of **Development Corridors**
- The concept of **Urban Edges**
- Areas where **Environmental Constraints** apply.

In order to provide the IDP Objectives related to infrastructure, roads, housing and facilities development with a clear mechanism to guide investment in geographic localities, spatial structuring elements within the settlement pattern in Amahlathi need to be identified so that: -

- The continuity of development, as opposed to fragmentation, functionally integrate development areas.
- Land development and investment in infrastructure and facilities can be programmed in an integrated manner, to ensure that development does not occur in an un-managed and inefficient way and that adequate services capacities are in place to ensure sustainable development;
- Scarce (higher order) resources such as hospitals, community health centers and secondary schools are situated where there will be optimum usage and accessibility. Duplication of these resources must be avoided;
- Environmental factors and constraints are taken into account in the development of land and the delivery of services.
- The conservation and appropriate use of existing natural and cultural heritage resources is considered.
- The support of the Land Reform Process is maintained.

The ALM SDF has sought both horizontal as well as vertical alignment in terms of higher order development plans (e.g. National Spatial Development Perspective, Eastern Cape Provincial Spatial Development Plan, ADM SDF) as well as local municipality development plans (e.g. neighboring municipality spatial development frameworks that including Buffalo City, Lukhanji LM, Nkonkobe LM, Great Kei LM, Mnquma LM, Intsika Yethu LM).

In summary the following informants to the formulation of proposals of the Spatial Development Framework are stated below: -

- A conceptual approach to spatial development and associated key concepts have been identified, based on the guidance of the Amahlathi Municipality's Integrated Development Plan;
- Further strategic guidance is taken from the National Spatial Development Perspective and the Draft Provincial Spatial Development Plan in regard to the categorization of areas for different levels of investment in development goods;

- The Amathole District Municipality's Spatial Development Framework has been utilized to ensure that Spatial Development Framework proposals for the Amahlathi area are in alignment with the district's strategies; and
- The Neighboring Local Municipalities Spatial Development Framework and associated Spatial Plans — have been consulted to ensure alignment in the approach adopted by the Amahlathi Spatial Development Framework.

#### Principles Contained in the EC Spatial Development Plan

The Amahlathi Municipality has sought direction to guide its strategies on the management of development and the prioritization of capital investment within the context of the spatial arrangement of different forms of land uses and settlement types in the area. Following the lead of the Amathole District Municipality, the Municipality has adopted the direction given by the Eastern Cape Provincial Spatial Development Plan (October 2010). The following applies: -

#### Guidelines to Direct the Management of Socio-Spatial Development

- There is a need to **focus on rationalizing the rural economy**;
- There is a need to **properly conceptualize the hierarchical position, relative importance and sustainability of settlements**, and their **inter-relationships** amongst each other and with their hinterlands;
- There is a need to **focus on what is achievable in developmental terms** and how this relates to spatial development proposals (the Spatial Development Framework);

#### The Preferred Approach to Management of Socio-Spatial Development

At the outset, it is accepted that it is every South African Citizen's constitutional right to receive basic services and to have their developmental needs met within the limits of available resources. Therefore, the preferred approach to manage spatial development and the direction of capital investment needs to be a compromise, which recognises the limits of available resources but proposes targeted and phased development in an effort to address basic needs and create the environment for local economic development (whether in a rural or urban context).

This strategy is termed an **Integrated Spatial Development Strategy**; as follows:

- ❑ Focus investment and upgrade existing rural settlements, villages and towns on a phased basis according to available resources and development priorities;
- ❑ Reinforce development nodes and development areas through building on strengths and bulk infrastructure; and

- Focus on economic upliftment and employment creation through LED, Agriculture, SMME's and industrial programmes.

One of the fundamental principles of this strategic approach is the need to set criteria for investment in services, infrastructure and housing, based on a choice amongst differential levels of services. Such criteria would result in focused investment in areas where settlement could be encouraged and less investment in areas where settlement should be discouraged.

#### Proposed Spatial Development Policies and Principles

The adoption of the above philosophy and strategic approach means that the Amahlathi Municipality falls in line with the Provincial direction on these matters and will apply policies of investment and development facilitation at three levels to achieve the most significant results.

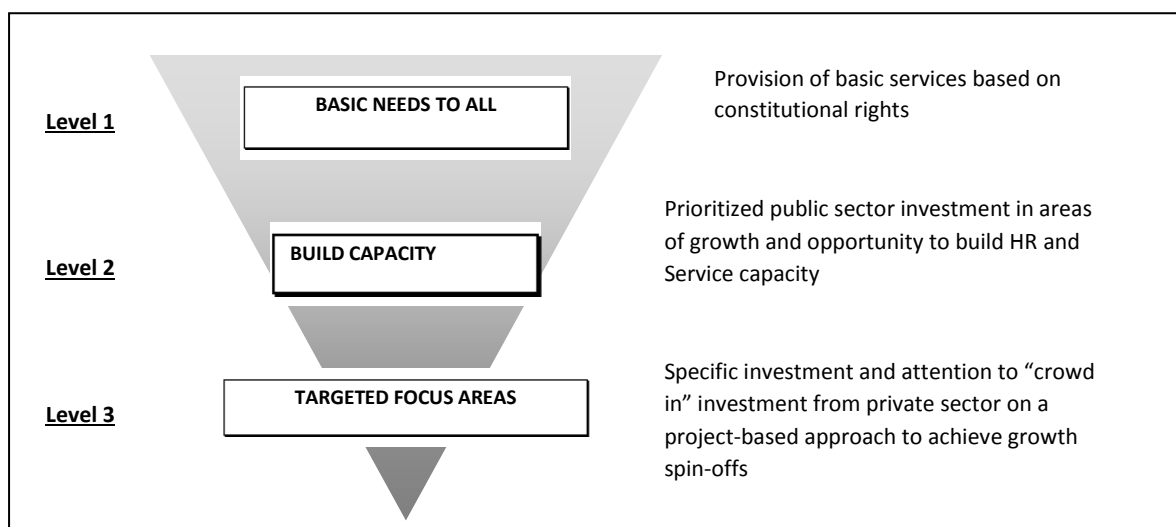
**Level 1** would fulfil basic human rights in the provision of basic services to both urban and rural areas, at a minimum level, according to available resources. This would be guided by backlogs in these areas, the proximity of existing bulk services and special priorities identified in the IDP.

**Level 2** will ensure the managed investment of public sector funding in urban and rural areas in order to strengthen current local capacity, build on the strengths and opportunities which exist and to maximize potential from the existing infrastructure and settlement system. Capacity building would also include institution building, training, and skills transfer and community empowerment.

**Level 3** would involve the provision of adequate funding to strategically targeted development zones, which have development potential. These will represent areas, nodes or areas of opportunity, where a special focus of effort and investment will attract interest from the private sector to invest; either in joint ventures with Government or independently, in order to develop economic growth opportunities and potential which already exists.



The above principles and strategic approach is illustrated below: -



Adapted from the draft Eastern Cape Provincial Spatial Development Plan (Nov 2001)

These principles are, together with the General Principles contained in Chapter I of the DFA, taken as the primary informants in the formulation of the Spatial Development Framework to guide socio-spatial development and land use management in the Amahlathi Municipal area.

The above strategic framework for level of services and investment type is interpreted in the Amahlathi Municipality's context as follows: -

- A) **Level 1: Basic Needs to All** – means the provision of municipal infrastructure at a basic level that is at least in line with the minimum acceptable level of service adopted by the Amathole District IDP Framework Committee.
- B) **Level 2: Build Capacity** – implies investment at a higher level in middle order services, infrastructure and needs (secondary schools, market places, taxi ranks, capacity training etc.).
- C) **Level 3: Targeted Focus Areas** – implies investment at a still higher level in higher order services and infrastructure and this includes “non-essential” needs, including sports stadiums, tertiary and specialized education facilities, as well as the facilitation of investment that is likely to generate significant socio-economic developmental spin-offs.

#### **ELEMENTS OF THE SPATIAL DEVELOPMENT FRAMEWORK**

The following elements make up the forward planning component of the Amahlathi SDF:

#### Spatial Development Issues, Objectives & Strategies

These purify the key issues to be dealt with by the Spatial Development Framework, and set out objectives and strategies in relation to these issues.

#### A) Spatial Structuring Elements

These are concepts or “planning tools” that are used to identify areas or special features of areas that enable the Amahlathi Municipality to carry out spatial planning and land use management in an ordered or structured manner. That is, in line with the identified spatial objectives and associated strategies, these spatial structuring elements enable the Municipality to identify areas where different types of land uses would be permitted and/or discouraged and thus form the building blocks that guide future planning in the Amahlathi area.

The Amahlathi Spatial Development Framework proposes to make use of four spatial structuring elements, as follows: -

- i. The concept of **Development Nodes**
- ii. The concept of **Development Corridors**
- iii. The concept of **Urban Edges**
- iv. Areas where Environmental Constraints apply

#### B) Special Development Areas

Special Development Areas (SDAs) are geographical areas where, in order to achieve both the objectives of the Amahlathi Integrated Development Plan and the related objectives of the Spatial Development Framework, the Amahlathi Municipality would need to prioritize its development efforts and capital expenditure.

### **SPATIAL DEVELOPMENT ISSUES, OBJECTIVES & STRATEGIES**

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This section sets out the spatial development issues that are seen to be the main challenges to the Amahlathi Municipality in practicing wise spatial planning and land use management. Related to these, a number of spatial development objectives and strategies are proposed to enable the Municipality to better focus its resources when dealing with land development and spatial planning, in general.

#### A) Key Spatial Development Issues

The following are identified as the Key Spatial Development Issues to be addressed by the Amahlathi Spatial Development Framework: -

| <b>Key Spatial Development Issues</b>  |  |
|--|--|
| Spatial Fragmentation vs Basic Needs   | This issue highlights the problems inherent in attempting to provide housing and a basic level of service to all residents, whilst dealing with the reality of a spatially fragmented settlement and economic development pattern. The challenge to sustainability is significant. |
| Land Development Trends & Urbanization | This refers to the current problem of informal settlement formation in both urban and in peripheral or rural settlement areas. The challenge here is to manage spatial development so as to permit   |

|                          |   |
|--------------------------|---|
|                          | development at scale in areas where services and facilities can be delivered on a more sustainable basis, and implies focusing on a coherent service policy in tandem with an applied land use management approach.                         |
| Environmental Management | This refers to the sustainable use of the natural environment and the protection/conservation of environmentally sensitive areas.   |
| Land Use Management      | This issue highlights the need to ensure that the policies and institutional structures are set in place to allow the Amahlathi Municipality to practice wise land use management in both the urban and rural areas under its jurisdiction. |

B) Spatial Development Objectives

The following objectives are proposed in response to the key Spatial Development Issues

| Key Spatial Development Issues         | Proposed Spatial Development Objectives   |
|--|---|
| Spatial Fragmentation vs Basic Needs   | To fulfil basic needs obligations and address spatial integration within available means  |
| Land Development Trends & Urbanization | To manage land development in line with a structured approach to ensure sustainability  |
| Environmental Management               | To adhere to environmental law and protect environmentally sensitive areas  |
| Land Use Management                    | To manage land development in line with the General Principles of the Development Facilitation Act and the provisions of the Land Use Planning Ordinance (15 of 1985) |

C) Spatial Development Strategies

The following spatial development strategies are proposed to correspond with the spatial development objectives outlined above.

| Key Spatial Development Objectives  | Proposed Spatial Development Strategies   |
|---|---|
| 1. To fulfil basic needs obligations and address spatial integration within available means | <ul style="list-style-type: none"> <li>▪ Ensure efficiency and sustainability of basic services, by promoting the integration of sprawling settlements in both urban and rural areas, and the consolidation of larger settlements at nodal points.</li> <li>▪ Consolidate and integrate spatial development by developing land in proximity to public transport routes and existing services.</li> <li>▪ Develop infill areas within fragmented settlement areas, where appropriate.</li> </ul> |

|  |  |
|--|--|
| 2. To manage land development in line with a structured approach to ensure sustainability  | <ul style="list-style-type: none"> <li>▪ Manage land development in line with land use management guidelines related to identified spatial structuring elements and special development areas within Amahlathi</li> <li>▪ Support a land reform and settlement development programme by identifying zones of opportunity for land development</li> </ul>               |
| 3. To adhere to environmental law and protect environmentally sensitive areas  | <ul style="list-style-type: none"> <li>▪ Implement the principles of Integrated Environment Management (IEM).</li> </ul>   |
| 4. To manage land development in line with the General Principles of the Development Facilitation Act and the provisions of the Land Use Planning Ordinance (15 of 1985) | <ul style="list-style-type: none"> <li>▪ Implement the provisions of the Section 8 Zoning Scheme Regulations in terms of the Land Use Planning Ordinance (15 of 1985).</li> <li>▪ Apply for funding for a programme to develop an appropriate new Zoning Scheme for Urban and Rural areas, in line with the direction of new legislation, when promulgated.</li> </ul> |

### SPATIAL STRUCTURING ELEMENTS

This section focuses on the four basic **Spatial Structuring Elements** that guide spatial development decision-making in the Amahlathi area: these elements are used to manage and guide development into certain patterns or arrangements, which are intended to promote more efficient future development.

#### A) Development Nodes of Importance

Development nodes are categorized as those towns or places where a significant number of functions commonly deemed to be urban are found. These functions would include public administration facilities/institutions, business activities, social and recreational facilities and other existing or potential economic enterprises (including tourism-related enterprises). Such nodes are often located on main transport routes to provide maximum access and act as catalysts for new growth and development. As such, they are areas where the following should be prioritized: -

- Appropriate levels of development investment in infrastructure.
- Appropriate land use management to promote preferred development outcomes.

**The following classes of node have been identified and/or are proposed for Amahlathi:**

| NODE TYPE            | AREA/LOCALITY      | DESCRIPTION   |
|----------------------|--------------------|---|
| URBAN NODES          |                    |   |
| Level 3 Primary Node | <b>Stutterheim</b> | As the main Administrative, Service and Industrial Centre of Amahlathi Municipality as well as an important place of residence for approximately 60% of the Urban Municipal population, Stutterheim should be targeted for the following: - |

| NODE TYPE | AREA/LOCALITY | DESCRIPTION  |
|-----------|---------------|--|
|           |               | <ul style="list-style-type: none"> <li>▪ Investment in infrastructure to increase services capacity;</li> <li>▪ Development of public-funded housing areas;</li> <li>▪ Development of regional social goods and facilities, including educational institutions, and sports and recreational facilities</li> <li>▪ Land use management that focuses on the integration of disparate settlement elements in the town.</li> </ul> |

|                         |                      |   |
|-------------------------|----------------------|---|
| Level 2 Secondary Nodes | <b>Keiskammahoek</b> | <p>As a secondary Administrative Centre and Service Centre to a large number of surrounding peri-urban and rural settlements as well as an area with eco-tourism and agricultural potential, Keiskammahoek should be targeted for: -</p> <ul style="list-style-type: none"> <li>▪ Investment in infrastructure to services capacity;</li> <li>▪ Appropriate Land use management and, infrastructural support to develop the Agricultural sector in the area.</li> </ul>     |
|                         | <b>Cathcart</b>      | <p>As a service center of Amahlathi Municipality as well as an area with tourism development potential, Cathcart should be targeted for: -</p> <ul style="list-style-type: none"> <li>▪ Investment in infrastructure to increase services capacity;</li> <li>▪ Appropriate development of new residential and public-funded housing to meet local demand;</li> <li>▪ Land use management that focuses on the improvement of the aesthetic character of the town.</li> </ul> |
| Level 1 Tertiary Node   | <b>Kei Road</b>      | <p>As a minor service center, Kei Road should be targeted for:</p> <ul style="list-style-type: none"> <li>▪ Extension of public-funded housing area to meet local demand; as proposed in the Yellowwoods Kei Road Settlement Project</li> <li>▪ Investment in Infrastructure</li> </ul>   |
| <b>RURAL NODES</b>      |                      |   |
| Rural Development Nodes | <b>Frankfort</b>     | Proposed as a rural nodal settlement with prioritization of higher order facilities development.  |

No other rural nodes are specifically proposed at present. The rural areas of Keiskammahoek sub-district (Ward No's 1, 2, 3, 10 and 11) designated as Special Development Areas due to their unique opportunities and/or special development needs.

In the course of more detailed spatial planning in these areas, it is anticipated that consensus with local communities is important to identify nodal settlements.

#### B) Development Corridors of Importance

Development corridors are described in planning terms as roads or railway routes that are usually associated with the movement of people between places. This function of facilitating movement of people along a route also means that these “movement corridors” have the potential to accommodate development of different levels of intensity and a mix of land uses at certain points along the route.

Different categories of Development Corridors can be described as follows (adapted from the Buffalo City Spatial Development Framework: SETPLAN et al, 2003):

- **Mobility Route:** is a road with limited access that principally carries traffic between major nodes.
- **Activity Corridor:** Is a band of high-density urban development up to 800m wide along a public transportation route. Typically, activity corridors link areas of greater intensity of land use (nodes) and are usually found in larger urban areas.
- **Activity Street:** is usually defined as a local street that is located within the sphere of influence of an activity corridor and reinforces it. To be classified as an activity street, vehicle and pedestrian access to a mix of land uses is a priority.

In addition to the above types of development corridor commonly defined, the particular circumstances within Amahlathi warrant the identification of **Special Routes**, which are, in this instance, related to tourism development.

The following corridors are identified within the municipality: -

| TYPE                                     | AREA/DESCRIPTION OF LOCALITY   | FUNCTION  |
|--|--------------------------------|---|
| <b>Mobility Routes – Municipal level</b> | ☐ N6 - East London-Queenstown  | These routes carry passing traffic and provide access between local areas in Amahlathi and centers further afield                 |
|  | ☐ R63 - Komga – Kei Road - KWT |   |
| <b>Special Routes – Tourism Focus</b>    | ☐ Sandile Heritage Route       | These routes relate to tourism destinations. In the case of the Sandile Heritage Route, a number of Heritage Sites are identified |
|  | ☐ R345 - Cathcart - Hogback    |   |

#### C) Urban Edges (Refer to Plan 5.1 Nodes and Routes)

#### D) Environmental Elements

As spatial planning has come to appreciate the fundamental importance of environmental management and the conservation and protection of environmentally sensitive areas, so the identification of environmental constraints has become a key structuring element in forward planning. Accordingly, the Amahlathi Spatial Development Framework has incorporated a number of inputs from a variety of sources in order to identify environmental constraints. The following applies: -

- The Strategic Environmental Assessment (SEA) undertaken together with the Spatial Development Framework has identified conservation-worthy areas as well as constraints and opportunities to development. These include
  - The Thomas River Conservancy
  - The Amathole Complex
- Using a digital terrain model based on available 20m contour intervals, an indicative slope analysis was undertaken to illustrate areas where steep sloping landforms are likely to represent constraints to land development.
- Finally, a key consideration and structuring element has been the data and accompanying documentation provided by the Sub-Tropical Thicket Ecosystem Planning (STEP) Programme. The most important STEP categories regarded as being indicative potential constraints to land development incorporated in the SDF as structuring elements include:
  - Protected Areas, which include proclaimed state-owned nature reserves and forest reserves (e.g. Kubusi Indigenous Forest, Driebos, Umfulane Forest, Quacu Nature Reserve);
  - Critically Endangered Areas, which denote areas where indigenous fauna and/or flora are coming under increasing pressure and are under threat of extinction (Cape Parrot Conservancy);
  - Process Areas, which denote areas where ecological processes occur that are essential to the survival of natural ecosystems; and
  - Conservancy Networks, which are defined as areas contain systems of natural pathways for conservation-worthy plants and animals that ensure these species survival.

With regard to the above structuring elements, it is important to note that all elements, including the STEP data are regarded as indicative and not definitive in nature. That means that their illustration is not meant to indicate a clear and definite restriction to development as illustrated but merely to highlight the probability that environmental factors could represent a constraint to development in the areas illustrated.

### **SPECIAL DEVELOPMENT AREAS**

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In order to give a focus for the organizational activities of the Municipality as it strives to achieve its developmental goals, several specific areas (or geographic localities) have been identified as Special Development Areas (SDAs). These are: -

A) New Public-Funded Housing Development Areas

#### **Stutterheim**

There are seven proposed areas for future public housing development. These are listed below.

| No.    | Description  |
|--------|--|
| HD1    | West of Town (Undeveloped portion of the Golf Course Camp)         |
| HD2    | South of the Keiskammahoek road and west of Amatolaville           |
| HD3    | Infill development around Amatolaville                             |
| HD4    | North of the Keiskammahoek road and west of Kologha Township       |
| HD5    | Extension to Mlungisi/ Mzamomhle south of the existing development |
| HD6 &7 | An extension North and West of Cenyu                               |

### Cathcart

In the short-term future, the demand for housing in Cathcart can be absorbed by the vacant surveyed erven in Daliwe and South of Cathcart. The number of vacant erven is listed below.

| No. | Description               |
|-----|---------------------------|
| HD1 | South of Cathcart         |
| HD2 | NW Extension of Daliwe    |
| HD3 | South Extension of Daliwe |

### Keiskammahoek

The vacant erven within the Keiskammahoek town meets the current short-term housing demands. Should the demand for housing increase the area described below has been identified to accommodate this demand.

| No. | Description   |
|-----|---|
| HD1 | Northern section of Keiskammahoek (Between the Cata River and Intensive Agriculture lots) |

Should the areas planned within the urban edge of Keiskammahoek reach capacity and further residential extension is needed, then the township settlement of Masincedane (Elukhanyweni) should be considered. This is due to the infrastructure already in place and ease of resolving land issues.

#### B) Rural Development Areas

Rural Settlement Upgrade Areas

#### The Yellowwoods Kei Road Zone

This Zone Plan was completed in 2001 and set out clear spatial proposals for further settlement development (Model 2) as well as development of local farming projects (Model 3). This process should be supported with LED programmes and the upgrading of infrastructure and facilities in the settlements, as well as road access within the areas themselves.

#### C) Land Reform Zone



### Keiskammahoek Land Restitution Zone

As proposed in the Amathole District Municipality's LR&SP, the Keiskammahoek Development Support Zone comprises of a number of successful land claims. These processes are of significant because of the financial resources flows that they generate to local areas. Further this area boasts extensive eco-tourism and forestry potential, which may require that appropriate land management systems and land reform be implemented in the area.

#### D) Priority Basic Needs

##### Tourism Zones

The areas with potential for tourism growth have been divided into 5 Zones listed below.

- Tourism Zone 1  
Kologha Forest and Escarpment (Eco and Nature Tourism Potential)
- Tourism Zone 2  
Keiskammahoek and surrounding area (Cultural and Heritage Tourism Potential)
- Tourism Zone 3  
Elukhanyisweni and surrounding area (Cultural and Historical Tourism Potential)
- Tourism Zone 4  
South Eastern section of Amahlathi LM (Eco-Tourism Potential)
- Tourism Zone 5  
Thomas River Conservancy (Eco and Nature Tourism Potential)

#### E) Agricultural Zones

##### Irrigation Schemes

- Zanyokwe
- Horseshoe
- Keiskammahoek

##### Forestry Potential

The forestry potential surrounds the existing plantations which were previously established and managed by DWAF and SAFCOL, but are now being managed under concession by Amathole Timber Holdings. There are 8 102 ha of 'good' and 26 396 ha of 'moderate' commercial forestry potential, with a total of 34 498 ha. Reducing further by 85% to allow for subsistence livelihoods and a range of forestry specific considerations such as slope and terrain features, the total commercial forestry potential is between 5 175 ha (15%) and 10 349 ha (30%).

##### Land Use Management System Guidelines

In terms of the draft Land Use Management Bill, it is anticipated that the Amahlathi Municipality will be required to formulate an integrated Land Use Management System within the next 5-year planning period.

For the purpose of the SDF, the Municipality has established Land Use Management Guidelines in respect of:

- o Urban Nodes (so-called GO-BUT Zones)
- o Limited (Managed) Development Areas (also GO-BUT)
- o Restricted Development Areas (NO-BUT Zones)

**Table:** Macro-zoning categories for Amahlathi Local Municipality

| Urban Nodes<br>(GO-BUT)  | Limited Development Areas<br>(GO-BUT)  | No Development Areas<br>(NO-BUT)  |
|--|--|---|
| <ul style="list-style-type: none"> <li>▪ Existing urban areas within the urban edge.</li> <li>▪ Identified tourism nodes.</li> </ul> | <ul style="list-style-type: none"> <li>▪ All land not classified as a No Development Area and Development node (Urban Edge)</li> <li>▪ Existing areas of degraded/modified agricultural land.</li> <li>▪ Areas where development could ensure future environmental benefits</li> <li>▪ Transitional Zone areas adjacent to defined Urban Edges.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Proclaimed nature reserves</li> <li>▪ STEP Protected, Process and Critically Endangered areas</li> <li>▪ Rivers, estuaries and undisturbed riparian zones of rivers</li> <li>▪ Diverse montane grassland and afro-montane forest vegetation types</li> </ul> |

### 3.1.10 ENVIRONMENTAL MANAGEMENT FRAMEWORK

In the light of the Amathole District Municipality's Integrated Environmental Strategy (2003), it is proposed that the Amahlathi Municipality engage with the Amathole District Municipality in defining the relevant responsibilities of each in relation to current environmental legislation and the powers and functions of local government authorities.

Amahlathi Local Municipality is in the process of developing Amahlathi Environmental Management Strategy and Amahlathi Environmental Management Plan in the 2017/2018 Financial Year.

The review of institutional capacity in this regard forms part of the present Institutional Plan process.

In the interim, the following legislative framework is applicable (as guided by the Amathole District Municipality's Integrated Environmental Strategy).

#### KEY LEGISLATIVE FRAMEWORK

The following is the key legislative framework in which the Amahlathi Municipality is to perform its functions.

In terms of the Constitution:

Local authorities are responsible for administering various town planning instruments, protected areas and nuisance laws.

Local authorities are responsible for providing all citizens with a safe and healthy environment.

In terms of the National Environmental Management Act:

The Amahlathi Municipality is responsible for applying national environmental management principles in performing all activities that may significantly affect the environment.

In terms of Section 28, Municipalities have a general duty of care related to activities that detrimentally affect the environment.

In terms of the Local Government: Municipal Structures Act:

The Amahlathi Municipality must ensure environmental sustainability in delivery of all municipal services.

In terms of the Environmental Conservation Act:

The Amahlathi Municipality has a general duty of care related to activities that detrimentally affect the environment.

In terms of the EIA Regulations of the Environmental Conservation Act:

The Amahlathi Municipality is required to ensure that all projects, development proposals and actions (such as land development rezoning etc.) that it is responsible for implementing and/or approving, are subject to an EIA, should they fall within the listed activities provided in these regulations.

In terms of the Conservation of Agricultural Resources Act:

The Amahlathi Municipality must ensure that weeds and invasive plants on municipal-owned land or inland waters are eradicated and controlled.

In terms of the National Heritage Resources Act:

Heritage sites must be incorporated into town-planning schemes, where applicable.

The Amahlathi Municipality must draw up by-laws where necessary.

The Amahlathi Municipality must ensure Municipal compliance with NHRA.

### 3.1.11 ENVIRONMENTAL MANAGEMENT

The municipal area is situated at the foothills of the Amathole and Kologha mountains. As a result there are considerable temperature variations between summer and winter. The area is subject to frost and hail conditions. The area lies in the summer rainfall region with over 70 % of the mean annual rainfall experienced in the summer months (October to March). Mean Annual Precipitation (MAP) varies across the region from a low of 400 mm in the northwest (leeward side of the Amathole Mountain) increasing to the east. The highest rain-fall (approx. 1000mm/ annum) is experienced on the windward side of the Amathole Mountains. Vegetation types represent an integration of the climate, soil and biological factors in a region, and as such, are a useful basis for land-use and conservation planning. There are twelve vegetation types found in the Amahlathi LM, highlighting the diversity of environmental conditions experienced in the

Municipality. The distribution of these vegetation types is illustrated in the map and table below. Amathole Montane Grassland covers 44% of the Municipality.

### **FUNCTIONALITY OF ENVIRONMENTAL MANAGEMENT UNIT**

The municipality does not have a designated person/ Unit to perform environmental Management Functions.

The review of institutional capacity in this regard forms part of the present Institutional Plan process.

As required by the legislation Amahlathi LM does not have any policies, plans and strategies that addresses the issue of environmental management including natural resources/ protected areas, currently the municipality is being assisted by the District Municipality.

### **BIODIVERSITY**

The following plans illustrate the dominant characteristics of the natural endowments of the Amahlathi area. They outline the following: -

- Indigenous Forests in the Toise area and, most notably, the forests stretching from north-west of Stutterheim into the Keiskammahoek area. The latter stretch of forest accommodates the Amathole Hiking Trail, which is a potentially significant local tourism attraction. These forest areas are noted as conservation-worthy and must be managed accordingly, to ensure sensitive development of tourism assets and the sustainable use of the available resources.
- The indigenous forests fall within an area demarcated as the Amatole Complex. The Amatole Complex has been identified as a center of endemism and includes the escarpment forests and Winterberg grasslands.
- Wartburg falls in the Toise (Wartburg) area. This is a potential scenic tourist attraction and needs to be developed to its potential in an environmentally sensitive manner.
- There are various sites where rock paintings have been discovered. These include sites in the Cathcart vicinity and on the farms Cows mead and Bulls Run in the Lujillo local area.
- The Keiskammahoek area has long been noted for its agricultural potential, based on its natural assets of favorable soils and adequate water supply for intensive irrigated crop production. However, full development of these assets has been hampered by historically inequitable land management practices, and complex land tenure arrangements in the area.
- Similarly, the area located in the southern sector of the Amahlathi Municipal area, the Elukhanyisweni local area, has also previously been identified as having good potential for irrigated crop production. Again, the full development of this potential has been hampered by lack of infrastructure and adequate land tenure arrangements.
- The areas around Cathcart and to the East of the Municipal area have identified potential for Game Farming.

### **RENEWABLE ENERGY**

The municipality encourages the use of alternative energy sources in line with the overarching national government objectives of reducing South Africa's overall dependence on greenhouse gas emitting energy sources. These may include:

- ▯ Solar Energy such as solar energy water geysers;
- ▯ Wind Energy such as wind farms;
- ▯ Biofuel and Biogas Energy; and,
- ▯ Hydro Energy.

By reducing the household dependence on conventional energy forms, it is believed that this will also have a positive effect on the general household monthly spend on energy purchases. Therefore initiatives such as the solar energy high pressure water geysers programme being run by the Department of Energy and the Light Bulb Retrofitting programme being implemented by Eskom, inter alia, are considered as of paramount. These would have a significant impact in the case of the semi-rural Amahlathi Municipality where the average household incomes are generally low.

### 3.1.12 ROADS

The municipality has a 3 year capital plan that has been approved and includes planning from 2018 until 2022. The plan is reviewed annually in line with IDP and Budget processes. The capital plan has also budget projections for the three years that is aligned with the municipal budget. The municipality has Road Maintenance Plan and budget allocated for road maintenance and was approved by Council. There is Rural Road Management System that is fully utilised. There is no storm water management plan the Municipality is using Road Maintenance Plan. The municipality has Road maintenance Forum that sits quarterly to discuss road maintenance issues.

The municipality experienced service delivery protests in the month of October 2018 and lasted for a period of 5 months. During the protests some of the municipal infrastructure was destroyed which includes machinery that is utilised for Road maintenance. The machinery that was destroyed entails 2 graders, 1 excavator, 1 front end loader and vehicles. All this equipment formed a vital part of carrying out the maintenance of roads for the community of Amahlathi Municipality at large.

The destruction of the machinery has led to an adverse negative effect in terms of impact of service delivery, especially that of maintaining roads for access to services and the community. The initial Road Maintenance plan milestones will not be reached and hence leading to an increase of road maintenance backlog. Targets as set out in the SDBIP (Service Delivery Budget Implementation Plan) will also not be met by the Road Maintenance section.

### 3.1.13 ELELCTRICITY

The municipality has operating license with NERSA to distribute Electricity for Stutterheim and Cath Town, Eskom has operating licences to distribute Electricity in all Amahlathi villages and townships such as Mlungisi township, Goshen, Daliwe and Kati-Kati including KKH. The municipality has 3800 households' distribution of electricity, and is responsible for maintenance of electricity network at Stutterheim and Cathcart. According to NMD (Notified Maximum Demand) the municipality has agreement with Eskom to have 3000MVA for Stutterheim while capacity needed is 5500MVA which includes Spare capacity. The municipal manager has written application to request capacity of 5000KVA and the Memorandum has been signed by the Municipality and Eskom for the adjustment. The adjustment will have impact on tariffs.

## 3.2 KPA 2: MUNICIPAL FINANCE VIABILITY

### 3.2. COMPLIANCE

#### 3.2.1 Policies

All finance related policies are reviewed and adopted annually. The municipality has the following policies:-

##### 3.2.1.1 Indigent

The objective of this policy is to ensure the following:-

- The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council.
- The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidization.
- Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy.
- Co-operative governance with other spheres of government.

There is an indigent register in place that is updated on an ongoing basis. R7 million has been allocated for free basic services in the 2020/2021 budget. The Municipality has dedicated personnel for Free Basic Services. It was resolved to scrap the current Indigent Register and develop a new one from scratch to address discrepancies that were identified, thereafter it will be updated annually to maintain its credibility. The budget for free basic services for the past two financial years was R7m (2019/20) and R8.5 (2018/19) respectively. The indigent Steering Committee was established and carries out the awareness campaign. To ensure that all households benefit sharing and integrating the register with the district is high on the agenda of the steer comm. This is also done with other third parties such as Eskom. The outbreak of the pandemic (COVID-19) has affected implementation of some the above activities.

##### 3.2.1.2 Tariff Policy

The tariff policy has been compiled taking into account, where applicable, the guidelines set out in Section 74 of the Municipal Systems Act No. 32 of 2000. In setting annual tariffs the council shall at all times take due cognizance of the tariffs applicable elsewhere in the economic region, and the impact which tariffs may have on local economic development.

##### 3.2.1.3 Rates Policy

In developing and adopting the rates policy, the Council has sought to give effect to the sentiments expressed in the preamble of the Property Rates. Considerable care has been taken when determining

the 2019/20 rates and budget forecasting in an effort to revert to fiscal prudence. The Council shall as part of each annual operating budget component impose a rate in the rand on the market value of all rate-able properties as recorded in the municipality's valuation roll and supplementary valuation roll. Rate-able property shall include any rights registered against such property, with the exception of a mortgage bond. The Council pledges itself to limit each annual increase as far as practicable to the increase in the consumer price index over the period preceding the financial year to which the increase relates, except when the approved Integrated Development Plan of the municipality provides for a greater increase.

#### **3.2.1.4 Debt Write -off Policy**

This policy aims to set down procedures and principles to be carried out when all debt deemed irrecoverable is to be written off. It is set to identify all bad debts during the course of the financial year.

#### **3.2.1.5 Cash management and Investment Policy**

The Council of the municipality is the trustee of the public revenues, which it collects, and it therefore has an obligation to the community to ensure that the municipality's cash resources are managed effectively and efficiently. The objectives of the Cash Management and Investment Policy of the Amahlathi Local Municipality are as follows:

- Ensuring that cash resources are managed efficiently and effectively,
- Ensuring that investments are placed with reputable institutions, for the purpose of safety of capital investment, and diversification of the investment Portfolio,
- Ensuring that adequate liquidity is maintained at all times, for management of cash flows,
- Ensuring that the municipality receives optimal yield / interest on its investments with financial institutions, at minimal risk,
- Striving for reasonable growth on capital investments in addition to interest earned on investments,
- Ensuring that monies due to Council are collected and banked appropriately as soon as they are received,
- Ensuring that payments to creditors are made by due dates.

#### **3.2.1.6 Asset Management Policy**

The Municipality believes that an Asset Management Policy is essential to ensure effective and efficient utilization of public monies and accountability thereof is heavily dependent on accurate recoding and accounting for those assets with the compilation of the Asset Register that is GRAP compliant. The

policy is deemed necessary in order to facilitate the effective management, control and maintenance of the assets. The prime objectives of the policy is to ensure that the assets of Amahlathi Municipality are properly managed and accounted for by:-

- Ensuring the accurate recording of asset information
- The accurate recording of asset movements
- Exercising strict control over all assets
- Providing correct and meaningful management information
- Ensuring adequate insurance of all assets
- Maintenance of Council's Assets

The municipality make use of asset management system which allows for more regular updates of the register as well as ensuring that the audit process is smooth. The municipality conducts a conditional assessment of its assets and develops a repairs and maintenance plan. These assets are rated from Good, Fair, Poor to Very Poor in the GRAP compliant asset register. The municipality budgeted a sum of R3,8m (2019/20) and R5m (2020/21) respectively for maintenance of a wide variety of its assets from movable to immovable. During the planning period the municipality prioritize which assets to be maintained through allocation of budget in line with circular 51 norms and standards.

#### **3.2.1.7 Petty Cash Policy**

The use of a petty cash float (**a float may not exceed R600-00**) is strictly confined to **individual cash purchases of up to a maximum of R100-00**, unless authorized by the Chief Financial Officer; The expenditure with regard to petty cash purchases shall not be deliberately split into more than one transaction to avoid the said limit.

#### **3.2.1.8 Budget Policy**

The objective of this policy is to secure sound and sustainable, management of the budgeting and reporting practices of the municipality by establishing requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes and other relevant matters as required by Municipal Finance Management Act 56 of 2003. The objectives of the policy are set out on the foundation of the following legislative prescripts:

- Constitution of 1996
- MFMA Circulars;
- MFMA Act 56 of 2003; and



- Municipal Budget and Reporting Regulations, Government Gazette no. 32141 dated 17 April 2009
- Municipal gazette on remuneration of office bearers
- Municipal gazette on remuneration of senior managers

### **3.2.1.9 Customer Care Policy**

Customer Care Policy was developed and adopted by council with the following objectives:-

- To provide quality service to all stakeholders interacting with the Municipality, i.e. public service providers, contractors, fellow staff members in every department and other Government agencies.
- To ensure that customers are provided with relevant information as and when is needed in the appropriate format.
- To ensure customer complaints are addressed promptly, timeously and to the full satisfaction of the client.
- To ensure that customers, both internal and external to the Municipality receive consistent and fair treatment at all times.
- To reduce the financial and time cost incurred arising from poor customer service due to repeat calls from and to customers.
- To equip municipal staff with knowledge and competencies to continually enhance the service standards according to changing customer needs.

### **3.2.2. Revenue Enhancement Strategy**

The municipality has since developed a Revenue Enhancement Strategy to ensure that all possible avenues are explored to maximize the receipt of monies available to Council by way of assessment rates, service charges, intergovernmental transfers and grants and donations and to ensure that monies owed to the municipality are duly collected. There is an urgent need by the municipality to look at other revenue generating strategies as in the past years there has been a constant decrease in equitable share as well as a decline in own revenue. This is in contrast to the significant increase in employee related costs, operating costs and contracted services which have a negative effect in the provision of basic services and honoring of obligations by the municipality. The municipality developed and adopted a policy on cost containment measures which addresses what should the institution spend its monies on. It has also resolved to reduce employee costs by not filling non critical positions that become vacant. The strategy is developed and to be implemented as from the beginning of 2021 financial year and will be reviewed as the need arises.

### 3.2.3 Annual Financial Statements and GRAP Asset Register

The 2018/19 Annual Financial Statements and Asset Register were prepared in accordance with Generally Recognized Accounting Practice Standards, National Treasury formats. It is the responsibility of the accounting officer to make sure that the Annual Financial Statements and Asset Register are prepared based on the prescribed format and submitted to Auditor General of South Africa, CoGTA, Provincial and National Treasury on time as prescribed by the MFMA. It is safe to confirm that the said documents are prepared in line with mSCOA requirements. An Annual Financial Statement Preparation Plan has been developed to guide the process and ensure adherence to the submission on or before 30 August.

### 3.2.4 Bank Accounts

The Municipal Finance Management Act Section 7 and 8 requires that the municipalities must open and maintain at least one primary bank account in the name of the municipality and that all monies received by a municipality must be paid into its primary bank account. The municipality has one primary bank account and uses that account to receive allocations paid to the municipality and all other monies flowing in and out of the institution. There are separate accounts for conditional grants as well as call accounts for different purposes.

## 3.3 EXPENDITURE MANAGEMENT

### 3.3.1 Subsidies and Grants

The municipality manages and reports on conditional grants in line with division of revenue act requirements. The table below reflects the percentage expenditure spent on grants gazetted in the Division of Revenue Act (Dora) for 2018/19 financial year. The reports are prepared monthly and quarterly, submitted to the transferring officers in line with Dora requirements and conditions.

| Grant                                     | Percentage |
|---|------------|
| Municipal Infrastructure Grant            | 83%        |
| Finance Management Grant                  | 100%       |
| Expanded Public Works Grant               | 64%        |
| Library Grant                             | 100%       |
| Integrated National Electrification Grant | 100%       |

### 3.3.2 Payment of Creditors

The Municipality strives to pay its creditors within 30 days; however there are some delays experienced when the procurement process is not adequately followed and due to the weakening cash flow position. The turnaround time relating to payment of creditors has since been negatively affected by the current cash flow challenges.

### **3.4 REVENUE MANAGEMENT**

#### ***3.4.1 Billing and Credit Collection System***

The implementation of mSCOA Regulations from 01 July 2017 posed some challenges which are being addressed on an ongoing basis. The municipality bills its debtors on a monthly basis and procedures are in place to regularly update and monitor the correctness of debtor's information. Council has adopted a debt collection and credit control policy which outlines procedures for the collection of arrear debt. The municipality has established a unit to assist in the implementation of the policy. The average collection rate inclusive of long outstanding debt was about 60% in 2018/19 financial year. Debt collection has also been negatively affected by disruptions of municipal operations by the community coupled with culture of non-payment by debtors.

### **3.5 VALUATION ROLL**

The Valuation roll was extended for a year to be effective from 1 July 2020. The draft valuation roll was published to allow for objections as required by MPRA. It will be maintained through supplementary valuations to give effect to the changes that occur in properties. The Rates By-Law being promulgated in line with MPRA (Provincial Gazette No 4076)

### **3.6 SUPPLY CHAIN MANAGEMENT**

The municipality has established a Supply Chain Management unit. In the preamble of the SCM Policy it is stated that "the Supply Chain Management Policy seeks to encourage socio-economic transformation" within its region. To achieve this, empowerment goals have been set, which aim to redress the skewed distribution of wealth and therefore contribute to the alleviation of poverty. Immediately after the approval of budget; departments are required to prepare procurement plans that guides sittings of the bid committees. In trying to implement the policy the municipality has the following filled positions a Manager; Contract Management Officer; Demand Management Officer and Acquisition Management officer. The functions or duties of the officers includes ensuring that goods and services are procured in line with the SCM regulations and the policy, management of contracts management of stores to mention a few.

### **3.8 FINANCIAL REPORTING**

Municipalities were expected to comply with the MFMA: mSCOA Regulations, (Gazette No.37577) as issued by National Treasury. To fulfill this mandate municipalities were required to submit certain governance documents; to mention a few the following were compiled and submitted:-

- mSCOA Council resolution submitted to treasury.
- mSCOA implementation plan prepared and submitted to treasury.

- mSCOA Champion/Project Manager was appointed.
- mSCOA Committees were established in line with mSCOA Regulation.

The municipality became live on 1 July 2017 and strives to compile and submit financial reports in line with Municipal Finance Management Act section 71; 52d; 72 and yearly. The municipality has been submitting reports in-line with the mSCOA requirements. Annual budgets are prepared and submitted in the correct versions and their associated data strings. 2020/2021 budget was also be prepared using the latest version 6.4 of A schedule as guided by circular 98 and 99 to be ensure alignment with mSCOA.

### 3.3 KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

#### 3.3.1 PROCESS FOLLOWED

On 10<sup>th</sup> September 2019 the Amahlathi Local Municipality Council adopted its IDP and Budget process plan. The IDP/Budget process plan outlines in detail the way in which the municipality embarked on its 2020/21 IDP review from its commencement in July 2019 to its completion June 2020.

#### ORGANISATIONAL STRUCTURES & PUBLIC PARTICIPATION

The IDP of Amahlathi has been compiled through an interactive process, which has been overseen by a Council and the Amahlathi Representative Forum.

##### *Amahlathi Municipality's IDP Participatory Structure*

The Amahlathi IDP roadshows were convened by the Amahlathi Municipality during the third quarter of 2020/21 and they serve as the primary vehicle for consultation and public participation in the course of the IDP's reviewal.

This body comprised of numerous stakeholders; including political parties, ward committees, youth and women's organizations, individuals, Government structures, NGO's and other organizations of civil society.

#### 3.3.2. THE PLANNING PROCESS UNDERTAKEN

**Phase 1 – Analysis Update & Review of Progress-** The community protest that brought municipality to a standstill resulted in the municipality not being able to adhere to the approved process plan for IDP and Budget. There was technical session that was convened to review the strategies, indicators and targets. The second Council will be held with other stakeholders i.e. Councillors, Traditional Leaders, Executive Management and Labor representatives to also review the documents prepared by the technical team in preparation for IDP review. The roadshows will be conducted during the month of April to all clusters to review priority needs as well as presenting the draft IDP and Budget to solicit inputs from the community. The ward Councillors will also be afforded an opportunity to submit needs for their respective wards. The inputs will therefore be presented and discussed in Strategic Services Standing committees, Council and the Rep forum.

**Phase 2 – Revised Objectives and Strategies-** wherein a participatory process contributed to the formulation of revised development objectives and strategies in relation to the broad priority development issues identified based on the Analysis work and the outputs of a number of Sector Plans undertaken by the Amathole District Municipality and sector departments. Set objectives have been broken down into yearly phases.

These Priority Issues are arranged into revised development clusters, in line with recommendations made by the Amathole District Municipality, which acted in its capacity of setting an appropriate Framework for the IDP Process.

**Phase 3 – Project Planning** - wherein technical and participatory processes were undertaken to identify priority projects within sectoral clusters, which were identified in Phase 2.

Project Prioritization was undertaken with the overriding objective being to identify Year 1 priority projects to fit within a realistic budget framework.

The prioritization process was informed by identified development needs per sector. Suggested project priorities for Year 1 were compiled and presented to the Representative Forum, Ward structures and civil society stakeholders, and, finally, the Amahlathi Municipal Council.

**Phase 4 – Integration** - projects were assessed in order to determine their impact on or potential integration within sectoral programmes (e.g. Land Reform Programme etc.).

**Phase 5 – Approval**, the draft IDP will be publicized for comments, as required in law, following its adoption subject to substantive comment by the Amahlathi Municipal Council on 30<sup>th</sup> May 2019.

### 3.3.3. PUBLIC PARTICIPATION

#### 3.3.3.1 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The Municipal Public Account Committee (MPAC) was established on the 27<sup>th</sup> October 2011, in terms of Section 79 of the Municipal Structures Act and as a committee of Council for the efficient and effective performance of its functions. The MPAC Terms of Reference (TOR's) have been established in 2016 which states the purpose of the committee and its specific responsibilities.

MPAC enables the Council, in respect of financial management, to fulfill its constitutional obligation to scrutinize and oversee executive action with regards to financial administration and non- financial activities.

Members were appointed from Councillors and it was agreed that none of these appointed Councillors should serve in any other committee and standing committee.

The appointed members are as follows:

- Cllr. X. Nqatha - **Chairperson**
- Cllr. D.S. Gxekwa
- Cllr. P. Ntwanambi
- Cllr. N.P. Jikazayo
- Traditional Leader E. X. Zake

The role of MPAC is to serve as an oversight Committee and to review Amahlathi Local Municipality's Annual Report with specific focus on the financial aspects as contained in the Auditor-General's Report and also when instructed by the Council to advise Council in respect of unauthorized, irregular or fruitless and wasteful expenditure in terms of Section 32(2) of the Municipal Financial Management Act (MFMA).

The Committee (MPAC) is a link in the accountability chain and plays accountability role at the local sphere of government. It enhances the accountability process by ensuring that there is objective political oversight in addition to the other governance committees, such as Council Executive, Executive Committee (EXCO), Finance Portfolio and the Audit Committee.

During the financial year 2019/20 MPAC was functional guided by its Programme of Action. The committee sat its ordinary meetings, special meetings and conducted site visits on the capital projects. Outstanding is the analysis of the audited annual report and the annual report roadshows.

### **3.3.3.2 HUMAN RESOURCES DEVELOPMENT TRAINING COMMITTEE**

In terms of the regulations to the Skills Development Act, every organization with more than 50 employees must establish an institutional forum (Training and Employment Equity Committee) for purposes of consultation with regard to skills development. At Amahlathi Municipality, we do have an existing Training and Employment Equity Committee which does sit as and when required composed of the following people;

- Director Corporate Services
- Portfolio Head Corporate Services
- Skills Development Facilitator
- Reps from each Directorate
- Portfolio Head Finance
- Manager Finance
- Speaker
- SAMWU Rep
- IMATU Rep
- Human Resources Manager
- SPU Manager
- LED Assistant
- Labour Relations Officer
- Legal Manager
- Chief Traffic Officer
- Internal Audit Assistant Manager

### 3.3.3.4 LOCAL LABOUR FORUM

The Local Labour Forum is a consultative structure where employer and employee discuss matters of mutual interest. The main collective agreement confer to the L.L.F powers and functions of negotiating and or consulting among other things;

- On matters of mutual concern pertaining to the employer which do not form the subject matter of negotiations at the Council or Division
- On such matters as may from time to time be referred to such forum by the Council or its division.
- Concluding of minimum service level agreement

The Local Labour Forum is established with equal representation from trade unions and the employer with the trade union's representation divided in proportion to their respective membership in that individual Local. For Amahlathi, we do have an established Local Labour Forum and it sits on a quarterly basis and when there is a need. The committee representatives are as follows;

| NUMBER | SURNAME AND INITIAL                                 | NUMBER | SURNAME AND INITIAL |
|--------|---|--------|---------------------|
| 1.     | Any Councillor                                      | 9      | SAMWU               |
| 2.     | Portfolio Head Finance                              | 10     | SAMWU               |
| 3.     | Portfolio Head Corporate                            | 11.    | SAMWU               |
| 4.     | HR Manager  | 12.    | SAMWU               |
| 5.     | Chief Financial Officer                             | 13.    | SAMWU               |
| 6.     | Director Corporate Services                         | 14.    | SAMWU               |
| 7.     | Director from any directorate                       | 15.    | SAMWU               |
| 8.     | One person from the Office of the Municipal Manager | 16.    | IMATU               |

### 3.3.3.5 WARD COMMITTEES

#### BACKGROUND

In line with Chapter 4 of the Municipal Structures Act 1998, the Amahlathi Local Municipality is committed to enhance democratic, open, transparent and participatory system of local governance within its area of jurisdiction. Amahlathi Local Municipality is bound by the Municipal Structures Act to elect Ward Committees within 90 days after the local government elections.

The dates of the establishment of ward committees was advertised at a local community radio station the Forte FM. On 30 September 2016 the Speaker had an interview tabling the plan followed by daily notices on the station.

Ward Committee induction was held at Mlungisi Commercial Park on the 28 November 2016 and on the 22 March 2017. During the induction the following areas were dealt with, the municipality structure, legislative framework conducted by COGTA as well as the definition of Public Participation, Ward Operational Plan, Back to Basic Pillars and Operation Masiphathisane (War Rooms). The department of



Corporate Governance and Traditional Affairs (COGTA) supported the municipality by training the ward committees in roles and responsibility of ward committees.

Ward committees for thirteen out of fifteen wards of the municipality are fully established. Only ward 04 and ward 05 (Cathcart Cluster) is still facing a challenge of some areas operating without ward committees.

**Ward 04**-Only four ward committee members are elected in Mandlakapheli, Langdraai and Goshen.

There are six vacant positions left for Cathcart Town and Daliwe Township.

**Ward 05**-There are eight ward committee members elected in Toise village areas/sections

There are two vacant positions left for Katikati Location.

The municipality, through its Public Participation and Petitions Committee, had numerous meetings with the coordinators of the protests in the area, practising under the SANCO banner. Amongst others, the issue that there is no ward committee representation for the affected areas was explained to an effect that it brought difficulties when trying to engage the public. It was therefore deliberated that all vacancies be filled by the end of June 2018.

The ward committee are assisting the ward councilors in caring out their mandate in particular with respect to community engagements such as general meetings, steering committees and area meetings. They also attend the municipal programs and give feedback to the community, programs like IDP Roadshows/Mayoral Imbizos, Annual Reports, Public Participation programs, municipal hearings and the door to door campaigns organized by the municipality and other sector departments.

They submit and table the reports addressing the needs and priorities of the ward through the ward councilors to the office of the Speaker. The Speaker submit the reports to the council. There is still a challenge in the reporting of the ward committees, as there is no consistency.

In terms of White Paper on Local Government 1998, ward committees should be given stipend and that has been implemented from November 2011.

### **Community Development Workers (CDWs)**

They attend and provide support and reports to ward committee meetings. CDWs assist in ward profiling and stakeholder mobilization for the municipality. They support the work of councilors where possible. They sit with the Office of the Speaker quarterly, tabling their reports and challenges they face in the wards. The CDW reports are submitted to the Council. They also form part of Operation Masiphathisane (War Room) as secretaries.

Challenge-Not all wards have CDWs, six wards (ward 1, 3, 7,8,14 and 15) out of fifteen are operating without CDWs. There are ten CDWs in our municipality, two are residing in the same ward due to the demarcation.

### **Traditional Leaders**

There are six traditional leaders representing the traditional councils in the jurisdiction of Amahlathi. They give support to the council and advice when necessary. They sit quarterly to table their reports and challenges, and submit to the office of the Speaker. They also form part of departmental standing committees. They also attend all municipal programs and the council meetings to give feedback to their traditional councils. One of the key elements of Councilor welfare is the capacitation of councilors through various programmes. The Traditional leaders also receive the same benefits. They also receive the sitting allowance and tools of trade as the contribution of the municipality, as stated in the policy.

**Operation Masipathisane (War Room)**

Amahlathi Municipality consist of 15 Wards and out of that 7 War Rooms have been launched in 2017. All these war rooms are using community halls as their sites and due to the vastness of some wards, there will be satellite war rooms to accommodate those who cannot access the main war room. Since the War Room Management Committees have not been inducted yet and also there is no budget allocation for the War Room, it is therefore difficult for the War Room to be fully operational.

**3.3.3.6 PERFORMANCE AUDIT COMMITTEE**

The functions of the Audit and Performance Committee (hereinafter referred to as the Committee) is primarily to assist the Amahlathi Municipality (hereinafter referred to as the Council) in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of financial reports and statements as well as assisting in performance management systems. The Audit and Performance Committee has 3 members listed hereunder and should meet 4 times per annum as per its approved terms of reference.

| NUMBER | SURNAME AND INITIAL                  |
|--------|--------------------------------------|
| 1.     | Ms. Loren Smith - <b>Chairperson</b> |
| 2.     | Mr. Mlulami Mdani                    |
| 3.     | Mr. Milisile Mafani                  |

The Audit Committee Members were appointed on the 02<sup>nd</sup> of September 2019 the municipality operated for about 4months without the committee the appointment process was delayed due municipal instability.

**AUDIT COMMITTEE CHARTER**

The Audit Committee does have charter that sets out the specific responsibilities assigned to the Committee by the Act and the Local Government: Municipal Planning and Performance Management Regulations, 2001 and details the manner in which the Committee will operate

The charter is to ensure that the Audit Committee will consider matters relating to management and the Council in the discharge of its duties to safeguard assets, operate adequate systems and controls, and review Annual Financial Statements, and on matters relating to performance management and performance evaluation.

The Audit Committee Charter was last reviewed in April 2018.

The quarterly audit committee meetings were convened since the appointment.

### 3.3.4 INTERGOVERNMENTAL RELATIONS (IGR)

Chapter 3 of the Constitution Act 108 of 1996 provides for the principles that underlie the relations between the spheres of government. IGR meetings will sit on a quarterly basis and are an information-sharing vehicle where government departments and the municipality give light of their experiences and challenges with regards to service delivery. IGR forum is regarded as a strategic planning body with emphasis and updates on current financial year programs and projects. It therefore serves as a feeder to both the IDP Rep forum & District Communicator's Forum (DCF).

During 2016/17 financial year Amahlathi Local Municipality developed and adopted an IGR Policy Framework. The purpose of this framework is to provide procedures by which mechanisms, processes and procedures should be developed and implemented to ensure sound intergovernmental relations between the Amahlathi Local Municipality (ALM), National and Provincial Governments, Amathole District Municipality, Organized Local Government (SALGA) and other strategic stakeholders. This framework serves as an Internal Procedure of the Amahlathi Local Municipality IGR Forum giving effect to the recently Reviewed Provincial IGR Strategy as a mechanism to foster coherent, integrated and aligned service delivery in the province.

#### TERMS OF REFERENCE FOR THE INTERGOVERNMENTAL RELATIONS FORUM AS OUTLINED IN POLICY FRAMEWORK

##### Objectives & roles of the Amahlathi Local Municipality IGR Forum

##### Objectives of the Amahlathi IGR Forum

The main objective of the Amahlathi Local Municipality IGR Forum is to enhance coordinated, integrated and aligned development and consider priorities in the entire municipal area. Additional objectives include the following:

- a) Development of a Local Government Programme of Action in relation to the National and Provincial Programmes.
- b) To facilitate the coordination, integration and alignment of provincial and municipal strategic planning and to put in place mechanisms and procedures that will ensure that provincial strategic planning informs and is informed by the IDP of the Amahlathi Local Municipality.
- c) To consult on policy issues that materially affects Local Government.
- d) To develop and provide mechanisms to engage Provincial Government and the Office of the Premier on IGR related matters and/or challenges.
- e) To consider such other matters of mutual interest as either party may place on the agenda of a meeting from time to time.
- f) To promote economic growth and development through trade, investment and tourism.
- g) To share knowledge and expertise in local governance generally or in agreed functional areas.

The goal of the Amahlathi Local Municipality IGR Forum is to ensure that the decisions reached are implemented by:

- a) Sharing of information on/and understanding of the respective programmes of all stakeholders.
- b) A clearer understanding of mutual strategic priorities and how these complement each other.
- c) A commitment to collaborate, engage continually and share information on policy implementation, success stories and co-ordinate activities.

### **Role of Amahlathi Local Municipality in the IGR Forum**

The Amahlathi Local Municipality IGR Forum is a consultative forum for Amahlathi Local Municipality to discuss and consult with stakeholders on matters of mutual interest, including:

- a. Coordinating, overseeing and monitoring the implementation of national, provincial and district governance policies and legislations relating to matters affecting local government interests in Amahlathi Local Municipality;
- b. Matters arising in the District Mayors Forum (DIMAFO), Provincial MuniMEC and the Premier's Coordinating Forum affecting Amahlathi Local Municipality;
- c. Mutual support in terms of the section 88 of Local Government Municipal Structures Act 117 of 1998;
- d. The provision of services in Amahlathi Local Municipality as well as the performance of the Amahlathi Local Municipality in the provision of services in order to detect failures and to initiate supportive, preventive or corrective action when necessary;
- e. Coherent planning and development in Amahlathi Local Municipality;
- f. The coordination and alignment of the strategic and performance plans and priorities, objectives and strategies between the Amahlathi Local Municipality, District Municipality and other spheres of government.
- g. Any other matters of strategic importance which affects the interests of Amahlathi Local Municipality
- h. Coordination of IGR cluster forums that are aligned to Key Performance Areas of local government

### **THE IGR CLUSTERS**

It is critical to note the importance of clarity in the allocation of powers and functions to role players and a keen understanding of specific roles and responsibilities within the realm of service delivery. The IGR System functions more effectively when the role players share a very specific objective that needs to be achieved within a non-negotiable period of time.

- a. The Amahlathi Local Municipality IGR Forum established Clusters to assist and advise it in the performance of its functions and exercise of its powers.
- b. The Amahlathi Local Municipality IGR Forum appointed the members of such Clusters.
- c. The members of the Clusters are members of the IGR Forum as well as other partners/stakeholders of the Amahlathi Local Municipality.
- d. The Amahlathi Local Municipality IGR Forum developed the Terms of Reference of Clusters established by it but may not delegate any decision making powers to these Committees.
- e. The composition of clusters internally is determined by the respective functional areas.
- f. Each cluster may establish sub-clusters within the cluster to ensure that details of planning, coordination, implementation, monitoring and evaluation are discussed.

The established Clusters meet quarterly or as determined by the cluster established so as to consolidate reports to the Amahlathi Intergovernmental Relations Forum which also sit quarterly.

Allocation of the clusters is aligned to the five (5) KPAs of Local Government as well as the 5 Pillars of the Back to Basics Approach.

### **3.3.5 INFORMATION TECHNOLOGY**

To align Information Communication Technology (ICT) with Amahlathi local municipality business goals and strategies in order for ICT to become a supporter and enabler for departments to achieve their business goals and targets.

To manage the Information Communication Technology and to oversee the stability of business systems within the organization, which require constant performance monitoring.

The IT governance framework was approved by the council in September 2015 and it was reviewed in 2017. The purpose of the framework is to institutionalize corporate governance of ICT and governance of ICT as an integral part of corporate governance, within the Amahlathi Local Municipality (ALM). IT master plan was developed with the assistance of the Amathole District Municipality and Ceenex to further strengthen the governance and planning of IT. The recommendations of the IT governance framework and IT master plan are being implemented but due to budget constraints are not fully implemented.

IT Masterplan review needs to be budgeted, performed and updated so as to reflect the changes and progress that has been made over the years.

The IT department have adopted/approved policies by the municipal council and the policies are reviewed annually.

Adopted/Approved IT polices:

- ICT acceptable policy
- IT Governance
- Change Management policy
- Password policy
- Email Acceptable policy
- Software Installation policy
- 3G Data Card policy
- Backup procedure manual
- IT masterplan

The IT unit have staff compliment of two permanent staff members.

IT office has the sole responsibility of managing ICT resources and therefore provides access to computer networks and maintenance of the ICT equipment supporting all of the Municipal employees and Municipal Council.

All the municipal buildings are connected to the Amahlathi LM network and have access to internet and Voice over Telephone Internet Protocol (VoIP) telephone system.

The IT department provide support in all the municipal sites in Stutterheim and all satellite offices namely: Keiskammahoek, Cathcart and Kei Road.

The municipality does have an approved disaster recovery plan.

Cibecs backup software is deployed in the municipality to be able to back up and restore data of the municipality.

The municipality is utilizing 3<sup>rd</sup> party service providers for the hosting of servers and business continuity. Cibecs backup software is providing sufficient management of the data and the storage of the data.

Budget constraints are impeding some of the advancement and expansions that can be made utilizing the ICT services.

### 3.3.6 IDP Previous assessment

Comments from the MEC in the previous years and from the table below shows that the municipality has consistently retained an overall **HIGH** rating score for four years in succession. However improvement on five (5) KPA's namely Service Delivery and Institutional Arrangement was recommended or encouraged.

| KPA                                    | RATING<br>2016/17 | RATING<br>2017/18 | RATING<br>2018/19 | RATING<br>2019/20 |
|--|-------------------|-------------------|-------------------|-------------------|
| Spatial Development Framework          | High              | High              | High              | High              |
| Service Delivery                       | High              | High              | High              | Medium            |
| Financial Viability                    | Medium            | Medium            | High              | High              |
| Local Economic Development             | High              | High              | High              | High              |
| Good Governance & Public Participation | High              | High              | High              | High              |
| Institutional Arrangements             | High              | High              | Medium            | Medium            |
| Overall Rating                         | High              | High              | High              | High              |

## CHALLENGES AND REMEDIAL ACTION

- The results of the assessment were circulated to departments so as to take note of the issues that need to be addressed in the next review of the IDP.
- The Strategic Services department there after held a session looking at the extent in which the assessment result were implemented and further circulated to all departments to attend areas identified as not clearly addressed by departments.

### 3.3.7 PUBLIC PARTICIPATION

#### a. Public Participation

The Municipality has a Public Participation Policy that was adopted by Council on 1 September 2015. In accordance with Municipal systems Act 2000, the municipality should hold regular IDP/PMS/ Budget Representative Forum meeting in drafting IDP and Budget. Forum meetings are convened 4 times per year or quarterly in preparation of each phase. The following forms are used in calling the interested parties

- Website to publish our notices
- Community Radio Stations to reach those parts of our community that do not read newspaper
- Daily Dispatch
- Posters, pamphlets, ward councillors and announcements through community gatherings and community based organizations.
- Loud hailing

Other structures used to enhance public participation is through Ward Committee Meetings, LED Forums,SPU Forums and Local Communicator's forum which are convened quarterly.

#### b. Petition Management

The policy framework has been developed to assist Amahlathi Local Municipality and Office of The Speaker (OOTS) with the Petition process. It is the understanding that a petition is a request, representation, submission or complaint lodged by member/s of the public to Amahlathi Local Municipality about an issue that the petitioner/s would like the OOTS/ municipality to attend to. It is further envisaged to enable communities to actively participate in matters that concern them.

The purpose of this policy framework is:

- To provide for the right to submit petitions to Amahlathi Local Municipality;
- To provide for the general principles and procedures for submission of petitions;
- To provide for consideration of petitions by the Standing Committee of Council assigned to deal with petitions;
- To provide for incidental matters



Received petitions are acknowledged within 2 working days. A petitioner submits a petition in any of the official languages of the Republic of South Africa. After acknowledgement of receipt, the petition is logged on the register. Petitions Committee considers the submission and then the petition is directed to the affected department. The petitioner/s is informed of every progress made till the matter is resolved. A status report on Petitions received is submitted to Council on a quarterly bases. The reports are extended over so as to cover for the preceding quarter. No uniformed registration/channelling of Petitions for the institution.

### c. COMMUNICATION STRATEGY

The Communication Strategy and Communication Action Plan were approved by Council on February 2015 and is reviewed annually the last review was in May 2017. Communication Action Plan partly implemented due to lack of financial resources.

The purpose of the strategy is to communicate priorities of the IDP to communities, to encourage open, honest and accountable two-way dialogue with all stakeholders, to strengthen and improve internal and external communication, to promote a consistent corporate identity, to build meaningful partnerships with the Farmers Association, Rate Payers and the Business Sector and to bridge information gap between Amahlathi and its stakeholders through the recently established war rooms.

Customer care complaints are received through the Presidential Hotline via the Office of the Premier and received complaints are resolved through liaising with the relevant internal department working together with the complainant. In instances where the complaint cannot be resolved the complainant is advised.

#### 3.3.8 Special Programs

In the municipality we have a unit dealing with special programs with three officials. The unit reviews action plan annually which is presented to all the structures of the targeted groups and is then submitted to Council via a standing committee for noting. Below is the Action plan that details the activities undertaken during 2017/18 financial year and it will be reviewed in June for implementation in 2018/19.

| KPA   | PROGRAMME                     | DEPARTMENT RESPONSIBLE | TIME FRAME              | BUDGET |
|---|-------------------------------|------------------------|-------------------------|--------|
| Special Programmes events targeting the 7 Groups. | Women's Day Celebrations      | SPU                    | 1 <sup>st</sup> Quarter | n/a    |
|   | Child Protection Month        |                        | 4 <sup>th</sup> Quarter | n/a    |
|   | June Celebrations (June 2017) | SPU                    | 4 <sup>th</sup> Quarter | n/a    |

## 3.3.9 AMAHLATHI MUNICIPALITY AUDIT ACTION PLAN 2019/ 20 FINANCIAL YEAR

| No. | Exc. No. | Coaf     | Finding  | Impact   | Action Plan  | Progress | Responsibility | Time Frame | Status      |
|-----|----------|----------|--|--|--|----------|----------------|------------|-------------|
| 1   | ISS 38   | CoAF 18  | Procurement and contract management – Non submission of documents – Tax clearance certificates, BAS reports and declarations of interest | Non-compliance with section 74(1) of the MFMA and Municipal SCM Regn 13 which results in a scope limitation on irregular expenditure disclosed in the AFS and a possible qualification of the opinion of the audit report. | 1. Documents will scanned and archived electronically as a backup to hard copies and for ease retrieval. | None     | CFO            | 2020/03/30 | In progress |
| 2   | ISS 37   | CoAF 18  | Procurement and contract management – Non submission of documents – Deviation memorandum   | Non-compliance with section 74(1) of the MFMA and Municipal SCM Regn 36, which results in a scope limitation on irregular expenditure and a possible qualification of the opinion of the audit report.                     | 1. Documents will scanned and archived electronically as a backup to hard copies and for ease retrieval. | None     | CFO            | 2020/03/30 | In progress |
| 3   | ISS 36   | COA F 22 | Procurement and contract management - Scope limitation (R2k - R10k)  | Non-compliance with section 74(1) of the MFMA and Municipal SCM Regn 5 and 16, which results in a scope limitation on irregular expenditure and a possible qualification of the opinion of the audit report.               | 1. Documents will scanned and archived electronically as a backup to hard copies and for ease retrieval. | None     | CFO            | 2020/03/30 | In progress |

|   |        |          |  |  |   |             |     |            |             |
|---|--------|----------|--|--|---|-------------|-----|------------|-------------|
| 4 | ISS 68 | COA F 43 | Procurement and contract management – Deviations                       | Irregular expenditure not disclosed in the financial statements by an amount of R2 272 833, 20 and non-compliance with laws and regulations. | 1. Management will thoroughly review the reasons for all deviations.<br>2. During quarterly reviews reasons will also be reviewed building up to the registers for disclosure.                        | None        | CFO | 2020/03/30 | In progress |
| 5 | ISS 86 | CoAF 59  | Procurement and contract management - SCM Reg 32 not properly followed | Irregular expenditure amounting to R243 455, 93 in the current year due to non-compliance with the applicable laws and regulations.          | In circumstances where the municipality makes use of the regulation. Strict adherence to sections and salient requirements as per the circular will be monitored through development of a check list. | In progress | CFO | 2020/03/30 | In progress |
| 6 | ISS 69 | CoAF 43  | Procurement and contract management - Deviations -                     | Irregular expenditure amounting to R473 512, 50 not disclosed in the financial statements.   | Before deviation is approved Tax compliance status of the   | In progress | CFO | 2020/03/30 | In progress |

|    |        |         |   |  |  |   |                                |            |                     |
|----|--------|---------|---|--|--|---|--------------------------------|------------|---------------------|
|    |        |         | Supplier was not tax compliant  |  | service provider will be verified and a printout generated   |   |                                |            |                     |
| 7  | ISS 18 | CoAF 18 | Procurement and contract management - Declarations signed after award date            | Irregular expenditure amounting to R918 97, 85                                     | Documents will be scanned and archived electronically as a backup to hard copies and for ease retrieval. | In progress   | CFO                            | 2020/03/30 | In progress         |
| 8  |        | CoAF 30 | Irregular Expenditure-Non submission of supporting documentation                      | Limitation of scope  | Documents will be scanned and archived electronically as a backup to hard copies and for ease retrieval. | Not yet implemented   | CFO                            | 2020/03/30 | Not yet implemented |
| 9  | ISS 84 | CoAF 58 | AFS - Expenditure – No system in place to confirm the occurrence of bulk purchases    | Material misstatement for bulk purchases amounting to R29 946 232                  | Management will install a check meter to verify Eskom invoices   | Not yet implemented   | Director: Engeneering Services | 2020/03/30 |                     |
| 11 | ISS 83 | CoAF 60 | Expenditure - Free basic services expenditure not incurred for the indigent consumers | Scope limitation of general expenses - free basic electricity amount of R9 367 987 | Council has since resolved to start the process afresh so as to have a new indigent register.            | Registration has already started and a new register is in place however there is an | CFO                            | 30-Jun-20  | <b>In progress</b>  |

|    |        |         |   |   |   |  |                              |           |             |
|----|--------|---------|---|---|---|--|------------------------------|-----------|-------------|
|    |        |         |   |   |   | outstanding debt with Eskom relating to Free Basic Electricity   |                              |           |             |
| 12 | ISS 66 | CoAF 42 | Scope limitation of general expenses - free basic electricity amount of R9 367 987        | Material scope limitation which may result in a qualification of opinion on the audit of performance information  | Council has since resolved to start the process afresh so as to have a new indigent register. | Registration has already started and a new register is in place however there is an outstanding debt with Eskom relating to Free Basic Electricity | CFO                          | 30-Jun-20 | In progress |
| 13 | ISS 78 | CoAF 50 | AOPO - No. of households and business with basic waste collection - Scope limitation      | Material scope limitation which may result in a qualification of opinion on the audit of performance information. | Review of SDBIP to talk to available reports on the system.                                   | In progress  | Director: Strategic Services | 31-Mar-20 | In progress |
| 14 | ISS 54 | CoAF 29 | Execution - Cash and cash equivalent - Bank account not recorded and disclosed in the AFS | Understatement of the cash and cash equivalent by R1 680 and non-compliance with laws and regulations             | Supporting documentation will be sourced and our records will be updated                      | Bank statement sourced and in place  | CFO                          | 31-Mar-20 | In progress |

|    |        |            |   |   |  |                                   |     |           |                    |
|----|--------|------------|---|---|--|-----------------------------------|-----|-----------|--------------------|
| 15 | ISS 55 | CoAF<br>29 | Cash and cash equivalent -<br>Balance is overstated | overstatement of the cash and cash equivalent by R722 388 | <p>1. Amount to be journalised and written off as it was closed already in the 2018/19 financial year</p> <p>1. 3rd quarter AFS will be prepared after full physical verification and conditional assesment of municipal assets.</p> <p>2. Development of AFS Preparation Plan and strict adherence to it.</p> <p>3. Annual financial statements will be prepared early enough to allow for thorough reviewal.</p> <p>4. Monthly bank reconcialition</p> | Supporting documentation in place | CFO | 31-Mar-20 | <b>In progress</b> |
|----|--------|------------|---|---|--|-----------------------------------|-----|-----------|--------------------|

|    |        |         |  |  |   |   |                             |           |             |
|----|--------|---------|--|--|---|---|-----------------------------|-----------|-------------|
| 16 | ISS 70 | CoAF 56 | Cash flow statement - Recalculation differences                            | Cash flow statements not fairly presented  | Preparation of quarterly financial statements to facilitate better review processes | Appointment of service providers is in progress | CFO                         | 31-Mar-20 | In progress |
| 17 | ISS 73 | CoAF 49 | Comparatives not disclosed in respect of contingent liabilities and assets | Comparative information as required by GRAP 1 is not disclosed, as a result financial statements are not complete  | Preparation of quarterly financial statements to facilitate better review processes | Appointment of service providers is in progress | CFO                         | 31-Mar-20 | In progress |
| 18 | ISS 11 | CoAF 7  | Planning: Employee Costs - Organogram not reviewed for the 2018/19         | <p>1. Lack of accountability if it is not clear who holds which position within the municipality and not be able to ensure that operations are in line with the strategic objectives that have been set out for the municipality.</p> <p>2. Lack of accountability if it is not clear who holds which position within the municipality and not be able to ensure that operations are in line with the strategic objectives that have been set out for the municipality.</p> <p>3. There could be an impact on the operational efficiency of the municipality through having people holding Acting positions for a long period of time, which could lead to</p> | Faciliate the process of tabling reviewed organogram to council                     | In progress                                     | Director Corporate services | 31-Mar-20 | In progress |

|    |        |         |   |  |   |  |                                     |           |             |
|----|--------|---------|---|--|---|--|-------------------------------------|-----------|-------------|
|    |        |         |   | an impact on achieving the strategic objectives of the municipality.                             |   |  |                                     |           |             |
| 19 | ISS 21 | CoAF 24 | Employee cost: Limitation of scope due non availability of documents  | Projected scope limitation in the employee related costs amounting to R1 002 235                 | Ensure scanning of all HR related documents   | In progress  | CFO and Corporate Services Director | 31-Mar-20 | In progress |
| 20 | ISS 46 | CoAF 34 | Employee cost: Payroll reconciliation- payroll amount does not agree with amount on the AFS                             | Factual overstatement of R60 374 to the employee related costs                                   | Monthly reconciliations to be performed   | Monthly payroll has been prepared and recons are in progress | CFO and Corporate Services Director | 30-Jun-20 | In progress |
| 21 | ISS 76 | CoAF 62 | Employee benefits obligation - Employees did not take leave at least of at least 16 working days during the leave cycle | Non-compliance with South African Local Government Bargaining Council Main Collective Agreement. | Memos to be sent to Departments to advise on employees that are due to take compulsory leave. | In progress  | Director Corporate services         | 30-Jun-20 | In progress |



|    |        |            |   |  |   |   |  |           |                        |
|----|--------|------------|---|--|---|---|--|-----------|------------------------|
| 22 |        | CoAF<br>7  | Planning:<br>Employee Costs -<br>No approved HR<br>Plan in place for<br>2018/19   | 1. Human resources needs of the municipality might not be properly planned i.e. determination of the type and quantity of skills required in each division, budget available for remuneration etc.<br>2. This might have an impact on the municipality's ability to meet its mandate and achieve service delivery.   | Faciliate the process of tabling reviewed organogram to council   | In progress                                     | Director<br>Corporate<br>services            | 30-Jun-20 | <b>In<br/>progress</b> |
| 23 | ISS 67 | CoAF<br>44 | Disclosure: Key<br>management<br>remuneration -<br>Amount in the<br>Payroll does not<br>agree with AFS<br>note 25   | The misstatement of R1 107208.54 to the amounts disclosed in note 25 to the financial statements.  | Preparation of quarterly financial statements to facilitate better review processes   | Appointment of service providers is in progress | CFO and<br>Corporate<br>Services<br>Director | 31-Mar-20 | <b>In<br/>progress</b> |
| 24 | ISS 1  | CoAF<br>9  | Internal auditors -<br>Internal Control<br>Deficiencies -<br>1. Internal auditors<br>did not attend any<br>trainings during the<br>current financial<br>year.<br>2. Internal audit<br>unit did not perform<br>all the tasks as per<br>their annual plan.<br>3. Internal audit<br>unit did not | Internal audit will not be fully effective in its functions which include quality assurance reviews of evaluating the information systems environment resulting in deficiencies in internal control not being addressed in a timely manner by management.<br>The internal auditors may not be up to date with all the changes that are made to the standards in the IIA. | 1. The municipality will be partnering with other government institutions for the training of Internal Audit staff.<br>2. The will be monitored on a qaurterly basis through the AC Meetings. | In progress                                     | MM   | 30-Jun-20 | <b>In<br/>progress</b> |

|    |        |         |  |   |  |   |     |           |             |
|----|--------|---------|--|---|--|---|-----|-----------|-------------|
|    |        |         | evaluate controls to determine effectiveness and efficiency thereof with regards to information systems i.e. no information system review conducted during the year. |   | 3. The Informations Systems review has been included in the 2019/2020 Financial Year.            |   |     |           |             |
| 25 | ISS2   | CoAF 9  | Planning - Internal audit function did not have an external quality assurance review   | Non-compliance with laws and regulations and internal control deficiency. | The municipality will be requesting the Provincial Treasury for the Quality Internal Assessment. | In progress   | MM  | 30-Jun-20 | In progress |
| 26 | ISS 45 | CoAF 33 | Use of consultants - No gap analysis/needs assessment and acute project planning performed by Municipality prior to invitation of bids.                              | Non-compliance with the MFMA  | Develop policy to regulate the process of appointing consulatnts.                                | Draft policy is in place.   | MM  | 30-Jun-20 | In progress |
| 27 | ISS9   | CoAF 8  | Internal Control Deficiencies - Reconciliations are not performed regularly -  | Non-compliance with laws and regulations and internal control deficiency  | Monthly reconciliations to be performed  | Monthly reconciliations to be performed on a monthly basis and reported | CFO | 30-Jun-20 | In progress |

|    |        |         |  |   |   |   |                           |           |                     |
|----|--------|---------|--|---|---|---|---------------------------|-----------|---------------------|
|    |        |         |  |   |   | on their progress                               |                           |           |                     |
| 28 | ISS 3  | CoAF 2  | AFS - Prior year uncorrected misstatements   | Annual financial statements are not fairly presented as required by GRAP 1  | Preparation of quarterly financial statements to facilitate better review processes | Appointment of service providers is in progress | CFO                       | 31-Mar-20 | In progress         |
| 29 | ISS 43 | CoAF 12 | Annual Financial Statements – Amounts in the registers/listing/GL does not agree to the TB and AFS | Non-compliance with GRAP 1 standards and material differences will result to financial statements that do not present fairly, in all material respects, the financial position of the municipality in accordance with GRAP and the requirements of the MFMA | Preparation of quarterly financial statements to facilitate better review processes | Appointment of service providers is in progress | CFO                       | 31-Mar-20 | In progress         |
| 30 | ISS 60 | CoAF 63 | Execution - Compliance - Roads Infrastructure  | Non-compliance with Standard for Infrastructure Procurement and Delivery Management (SIPDM)   | Develop a procedure manual for the implementation of the SIPDM.                     | N/A   | Director: Engineering/CFO | Feb-20    | Not yet implemented |
| 31 | ISS 8  | CoAF 10 | Non-compliance - Consequence Management  | Material non-compliance with laws and regulations   | Develop a process plan for MPAC to conduct the necessary investigations             | Not yet implemented                             | MM                        | Mar-20    | In progress         |

|    |        |         |                                      |                                       |   |   |    |        |             |
|----|--------|---------|--------------------------------------|---------------------------------------|---|---|----|--------|-------------|
|    |        |         |                                      |                                       | into UIFW Expenditure.  |   |    |        |             |
| 32 | ISS 47 | CoAF 31 | Compliance - Annual report           | Material non-compliance with the MFMA | The institution will look at the guidance of Legislation and Regulation in 2019/20 Financial year | Annual Report will be submitted to AG on the 13th of December and will be submitted to Council by 25th January and notice will issued for public comments thereafter.           | MM | Mar-20 | In progress |
| 33 | ISS 48 | CoAF 31 | Compliance - Consequences management | Material non-compliance with the MFMA | The institution will look at the guidance of Legislation and Regulation in 2019/20 Financial year | Annual Report will be submitted to AG on the 13th of December and will be submitted to Council by 25th January MPAC Roadshows will be conducted in January and oversight report | MM | Mar-20 | In progress |

|    |        |         |  |  |   |   |     |           |             |
|----|--------|---------|--|--|---|---|-----|-----------|-------------|
|    |        |         |  |  |   | be submitted to Council                         |     |           |             |
| 34 | ISS 90 | CoAF 61 | Execution - Statement of changes in net assets - Casting error | Misstatement of R1 966 179 to the balance reported for accumulated surplus in the statement of changes in net assets | Preparation of quarterly financial statements to facilitate better review processes   | Appointment of service providers is in progress | CFO |           |             |
| 35 | ISS 19 | CoAF 15 | Unauthorised expenditure misstated                             | Material misstatement of unauthorised expenditure  | 1. 3rd quarter AFS will be prepared to identify unauthorised expenditure.<br>2. Annual financial statements will be prepared early and thoroughly reviewed<br>3. Management submit to council a | Appointment of service providers is in progress | CFO | 30-Jun-20 | In progress |

|    |        |         |   |  |  |   |     |           |             |
|----|--------|---------|---|--|--|---|-----|-----------|-------------|
|    |        |         |   |  | recommendation on the wayforward in line with Circular 68  |   |     |           |             |
| 36 | ISS 20 | CoAF 16 | AFS: Statement of comparison of budget and actual amounts | Misstatement of the statement of comparison of budget and actual amounts | <p>1. 3rd quarter AFS will be prepared to identify unauthorised expenditure.</p> <p>2. Annual financial statements will be prepared early and thoroughly reviewed</p> <p>3. Management submit to council a recommendation on the wayforward in line with Circular 68</p> | Appointment of service providers is in progress | CFO | 30-Jun-20 | In progress |

|    |        |         |  |  |   |   |     |           |             |
|----|--------|---------|--|--|---|---|-----|-----------|-------------|
| 38 | ISS 52 | CoAF 30 | Fruitless and wasteful expenditure - Understatement of note 43 | Understatement of fruitless and wasteful expenditure amounting to R463 260.72 in note 43 of the annual financial statements  | Develop process flow for identifying and reporting fruitless and wasteful expenditure.  | In progress                                     | CFO | 30-Jun-20 | In progress |
| 39 | ISS 91 | CoAF 66 | PPE - Buildings burnt not considered for impairment            | Factual misstatement of impairment loss by R2 922 720.19 and non-compliance with GRAP and this also affects the depreciation amount recognized in the financial statement. | 1. 3rd quarter AFS and FAR will be prepared after full physical verification and conditional assesment of municipal assets.<br>2. Development of AFS Preparation Plan and strict adherence to it.<br>3. Annual financial statements and FAR will be prepared early enough to allow for thorough reviewal. | Appointment of service providers is in progress | CFO | 30-Jun-20 | In progress |

|    |        |         |  |   |   |   |     |           |             |
|----|--------|---------|--|---|---|---|-----|-----------|-------------|
| 40 | ISS 80 | CoAF 51 | Inventory – Inventory at year end is misstated                                     | The issue will result in a projected misstatement of R535 505, 15                                   | 1. 3rd quarter AFS and FAR will be prepared after full physical verification and conditional assesment of municipal assets.<br>2. Development of AFS Preparation Plan and strict adherence to it.<br>3. Annual financial statements and FAR will be prepared early enough to allow for thorough reviewal. | Appointment of service providers is in progress | CFO | 30-Jun-20 |             |
| 41 | ISS 62 | CoAF 47 | Investment property - Depreciation on investment property calculated incorrectly - | Projected overstatement in depreciation and understatement of investment property of R5 920 807, 92 | 1. 3rd quarter AFS and FAR will be prepared after full physical verification and conditional assesment of municipal assets.<br>2. Development of AFS  | Appointment of service providers is in progress | CFO | 30-Jun-20 | In progress |



|    |        |         |  |   |  |   |     |           |             |
|----|--------|---------|--|---|--|---|-----|-----------|-------------|
|    |        |         |  |   | Preparation Plan and strict adherence to it.<br>3. Annual financial statements and FAR will be prepared early enough to allow for thorough reviewal.   |   |     |           |             |
| 42 | ISS 64 | CoAF 27 | Investment Property - Differences in carrying values noted in asset register - | Non-compliance with GRAP 1 standards and factual overstatement of R5 808 856.43 to the investment property balance reported in the financial statements | 1. 3rd quarter AFS and FAR will be prepared after full physical verification and conditional assesment of municipal assets.<br>2. Development of AFS Preparation Plan and strict adherence to it.<br>3. Annual financial statements and FAR will be prepared early enough to allow | Appointment of service providers is in progress | CFO | 30-Jun-20 | In progress |

|    |        |         |  |  |   |   |     |           |             |
|----|--------|---------|--|--|---|---|-----|-----------|-------------|
|    |        |         |  |  | for thorough reviewal.  |   |     |           |             |
| 43 | ISS 72 | CoAF 53 | Execution - PPE -<br>Limitation of scope<br>- Assets could not be verified | Overstatement of Property, plant and equipment balance by an extrapolated amount of R4 280.60. | 1. 3rd quarter AFS and FAR will be prepared after full physical verification and conditional assesment of municipal assets.<br>2. Development of AFS Preparation Plan and strict adherence to it.<br>3. Annual financial statements and FAR will be prepared early enough to allow for thorough reviewal. | Appointment of service providers is in progress | All | 30-Jun-20 | In progress |

|    |        |         |   |   |   |   |     |           |             |
|----|--------|---------|---|---|---|---|-----|-----------|-------------|
| 44 | ISS 71 | CoAF 53 | PPE Depreciation disclosure   | Financial statements do not fairly present the state of affairs of the municipality | 1. 3rd quarter AFS and FAR will be prepared after full physical verification and conditional assesment of municipal assets.<br>2. Development of AFS Preparation Plan and strict adherence to it.<br>3. Annual financial statements and FAR will be prepared early enough to allow for thorough reviewal. | Appointment of service providers is in progress | CFO |           | In progress |
| 45 | ISS 33 | CoAF 19 | Expenditure - Misallocated transactions relating to electricity consumption | Results to an overstatement of bulk purchases by R115 278.56                        | Allocation for bulk purchases to be monitored continuously  | Allocations are currently done accordingly      | CFO | 30-Jun-20 | In progress |

|    |        |              |   |  |   |  |     |           |             |
|----|--------|--------------|---|--|---|--|-----|-----------|-------------|
| 46 | ISS 34 | CoAF 23      | COAF 23:<br>Execution -<br>Expenditure -<br>Misclassification     | A projected misstatement of expenditure by R266 592.85   | 1. 3rd quarter AFS and FAR will be prepared after full physical verification and conditional assesment of municipal assets.<br>2. Development of AFS Preparation Plan and strict adherence to it.<br>3. Annual financial statements and FAR will be prepared early enough to allow for thorough reviewal. | Appointment of service providers is in progress                                  | CFO | 30-Jun-20 | In progress |
| 47 | ISS 32 | CoAF 33      | Expenditure -<br>Interest charge included in bulk purchases       | Overstatement of bulk purchases by R538 741.81   | Allocation for bulk purchases to be monitored continuously  | Allocations are currently done accordingly                                       | CFO | 30-Jun-20 | In progress |
| 48 | ISS 26 | CoAF 19 & 23 | Compliance -<br>Expenditure -<br>Payments not made within 30 days | Non-compliance with section 65(2) (e) of the MFMA and possible fruitless and wasteful expenditure as a result of penalties due to interest charged | The municipality is currently experiencing cash flow challenges   | Strides are made to ensure payments are made within 30 days when there are funds | CFO | 30-Jun-20 | In progress |

|    |        |         |   |  |  |  |     |           |             |
|----|--------|---------|---|--|--|--|-----|-----------|-------------|
| 49 | ISS 27 | CoAF 19 | Expenditure - VAT amount incorrectly included in Bulk Purchases               | Overstatement of bulk purchases by R364 512  | Allocation for bulk purchases to be monitored continuously   | Allocations are currently done accordingly | CFO | 30-Jun-20 | In progress |
| 50 | ISS 44 | CoAF 23 | Expenditure - No purchase order   | Projected limitation of scope to expenditure – contracted services amounting to R70 450.82   | Documents will be scanned and archived electronically as a backup to hard copies and for ease retrieval. | In progress                                | CFO | 30-Jun-20 | In progress |
| 51 | ISS 85 | CoAF 57 | Execution - Trade and other payables from exchange – Misstatements identified | Overstatement of trade and other payables by R88 696.38  | Perform monthly reconciliations  | In progress                                | CFO | 30-Jun-20 | In progress |
| 52 | ISS 6  | CoAF 35 | Execution - Trade and other payables - Scope Limitation                       | Non-compliance with section 74(1) of the MFMA which also leads to a factual limitation of scope on the trade and payables balance amounting to R3 848 069.73 and possible qualification of the opinion of the audit report | Perform monthly reconciliations  | In progress                                | CFO |           |             |
| 53 | ISS 29 | CoAF 38 | Trade and other payables - Scope limitation                                   | Material overstatement of the trade and other payables by R6 266 911 and the receivables from exchange transactions and non-exchange transactions by the same amount.  | Perform monthly reconciliations  | In progress                                | CFO |           |             |

|    |        |         |  |  |   |  |                      |               |  |
|----|--------|---------|--|--|---|--|----------------------|---------------|--|
| 54 | ISS 5  | CoAF 14 | AOPO - Misstatement identified - POE does not agree to the APR                     | Results to the misstatement of reported achievements for the aforementioned key performance indicators in the annual performance report and non-compliance with applicable laws and regulations. | Engineering department to develop a mechanism to find credible approach on ways to support information needed to be supported in the municipal AOPO file. | currently department is working on improving on supporting information on activities achieved and those that are partially achieved. | Director Engineering | Feb-20        | Engineering department to interact with manager IDP to develop a structured approach on corrective measures to be undertaken on AOPO |
| 55 | ISS 61 | CoAF 40 | Reported strategic objectives are not consistent with planned strategic objectives | Non-compliance with laws and regulations and the reported information in the APR will not be valid, accurate and complete  | APR was adjusted accordingly. An oversight will be conducted during the compilation of 2019/20 APR.   | Done   | MM                   | 30th November | Done   |
| 56 | ISS 31 | CoAF 34 | Provision for bonuses not disclosed in the AFS                                     | Non-compliance with GRAP and MFMA  | 1. 3rd quarter AFS and FAR will be prepared after full physical verification and conditional assesment of municipal assets.<br>2. Development             | Appointment of service providers is in progress  | CFO                  | 31-Mar-20     | In progress  |

|    |        |         |   |                                   |  |   |     |           |             |
|----|--------|---------|---|-----------------------------------|--|---|-----|-----------|-------------|
|    |        |         |   |                                   | of AFS Preparation Plan and strict adherence to it.<br>3. Annual financial statements and FAR will be prepared early enough to allow for thorough reviewal.  |   |     |           |             |
| 57 | ISS 30 | CoAF 32 | Provision for landfill sites - Keiskammahoek landfill site not disclosed in the AFS | Non-compliance with GRAP and MFMA | 1. 3rd quarter AFS and FAR will be prepared after full physical verification and conditional assesment of municipal assets.<br>2. Development of AFS Preparation Plan and strict adherence to it.<br>3. Annual financial statements and FAR will be prepared early enough to allow | Appointment of service providers is in progress | CFO | 31-Mar-20 | In progress |

|    |        |         |  |  |   |   |     |           |             |
|----|--------|---------|--|--|---|---|-----|-----------|-------------|
|    |        |         |  |  | for thorough reviewal.  |   |     |           |             |
| 58 | ISS 63 | CoAF 39 | Receivables from exchange and non-exchange transactions - Understatement | Material understatement of the trade and other receivables from exchange transactions and non-exchange transactions by R2 522 415, 79 and the trade and other payables by the same amount. | Perform monthly reconciliations   | In progress                                     | CFO | 31-Mar-20 | In progress |
| 59 | ISS 51 | CoAF 28 | Consumer debtors - Existence of the debtors was not confirmed            | Projected misstatement of consumer debtors arising from exchange transactions amounting to R3 993 349, 56  | Perform monthly reconciliations   | In progress                                     | CFO | 31-Mar-20 | In progress |
| 60 | ISS 57 | CoAF 36 | Indigent debtors   | Scope limitation on the indigent subsidy amount  | Develop new in indigent register  | In progress                                     | CFO | 31-Mar-20 | In progress |
| 61 | ISS 12 | CoAF 13 | Annual Financial Statements – Differences in comparative figures         | Non-compliance with GRAP 1 standards   | 1. 3rd quarter AFS and FAR will be prepared after full physical verification and conditional assesment of municipal assets.<br>2. Development | Appointment of service providers is in progress | CFO | 31-Mar-20 | In progress |



|    |        |         |   |  |   |             |     |           |                     |
|----|--------|---------|---|--|---|-------------|-----|-----------|---------------------|
|    |        |         |   |  | of AFS Preparation Plan and strict adherence to it.<br>3. Annual financial statements and FAR will be prepared early enough to allow for thorough reviewal. |             |     |           |                     |
| 62 | ISS 15 | CoAF 20 | Difference between the statement and the recalculated amount. | Projected misstatement of revenue from exchange transactions by R235 248, 06 and consumer debtors by the same amount | Perform monthly reconciliations   | In progress | CFO | 30-Jun-20 | In progress         |
| 63 | ISS 22 | CoAF 20 | Sale of electricity   | Projected misstatement of revenue from sale of electricity by R1 794 533,84 and consumer debtors by the same amount  | Perform monthly reconciliations   | In progress | CFO | 30-Jun-20 | In progress         |
| 64 | ISS 25 | CoAF 20 | Revenue interest received - investment understated            | Revenue from exchange transactions - Interest received from investments to be understated by R 645 876, 63           | Perform monthly reconciliations   | In progress | CFO | 30-Jun-20 | In progress         |
| 65 | ISS 59 | CoAF 45 | Compliance for conditional grants                             | Non-compliance with section 12(5) of the Division of Revenue Act 1 of 2018   | Continuous monitoring of compliance to DoRA   | In progress | CFO | 30-Jun-20 | On-going monitoring |

|    |        |         |   |  |  |   |     |           |                     |
|----|--------|---------|---|--|--|---|-----|-----------|---------------------|
| 66 | ISS 82 | CoAF 65 | VAT - Amount of interest and penalty not recorded in the GL and non-compliance with VAT act.                      | Fruitless and wasteful expenditure understated by R25 550.74   | Amount to be corrected and recorded under fruitless and wasteful expenditure in the AFS                  | Interest and penalties are recorded in their respective votes in the GL | CFO | 30-Jun-20 | On-going monitoring |
| 67 | ISS 42 | CoAF 22 | Procurement and contract management - Differences in points calculation   | Internal control deficiency.   | A recalculation of points will be done by Bid Adjudication Committee to ensure accuracy                  | In progress   | CFO | 30-Jun-20 | In progress         |
| 68 |        | CoAF 17 | Procurement and contract management – Scope limitation  | Non-compliance with section 74(1) of the MFMA and Municipal Supply Chain Management regulation 27 which results in a scope limitation on irregular expenditure disclosed in the financial statements and a possible qualification of the opinion of the audit report | Documents will be scanned and archived electronically as a backup to hard copies and for ease retrieval. | In progress   | CFO | 30-Jun-20 | In progress         |
| 69 |        | CoAF 17 | Procurement and contract management - Scope Limitation - Bid adjudication committee meeting minutes not submitted | Non-compliance with section 74(1) of the MFMA and Municipal Supply Chain Management regulation 29 which results in a scope limitation on irregular expenditure disclosed in the financial statements and a possible qualification of the opinion of the audit report | Documents will be scanned and archived electronically as a backup to hard copies and for ease retrieval. | In progress   | CFO | 30-Jun-20 | In progress         |

|    |  |            |  |  |  |             |     |           |             |
|----|--|------------|--|--|--|-------------|-----|-----------|-------------|
| 70 |  | CoAF<br>17 | Procurement and contract management –<br>Scope limitation –<br>Bid documents | Non-compliance with section 74(1) of the MFMA which results in a scope limitation on irregular expenditure disclosed in the financial statements and a possible qualification of the opinion of the audit report | The first 3 responsive bids will be scanned and archived for ease of retrieval (relevant pages). | In progress | CFO | 30-Jun-20 | In progress |
|----|--|------------|--|--|--|-------------|-----|-----------|-------------|

### 3.3.10 FRAUD MANAGEMENT

The Municipality has developed a Fraud Prevention Plan which was adopted by Council. The Fraud Prevention Plan was last reviewed in March 2018. The main objectives of the Fraud Prevention Plan are as follows:

- To create a culture which is ethical and intolerant to fraud and corruption;
- To prevent fraud and corruption which cannot be deterred;
- To ensure that the municipality detects fraud and corruption;
- To ensure that the municipality investigates detected fraud and corruption;
- To ensure that the municipality takes appropriate action in the event of such irregularities, e.g. disciplinary action, recovery of losses, prosecution, etcetera;

The municipality also developed an Anti-Corruption and Fraud Policy which was adopted by the Council in May 2015 and is currently being reviewed and to be adopted by the Council.

The following areas are being addresses by the Fraud Prevention Plan and the Anti-Corruption and Fraud Policy

- Forms of Fraud and Corruption;
- Actions constituting fraud, corruption, theft and maladministration;
- Responsibility to conduct investigations;
- Protection of Whistle Blowers;
- Application of prevention controls and detection mechanisms;
- What should an employee do if he/she suspects fraud;
- Fraud Hotline;
- Media;
- Confidentiality;

The Internal Audit is conducting Fraud Awareness's on quarterly basis and action plans responding to the issues raised at the fraud awareness's are developed as well and are updated quarterly basis.

The municipality is currently using the Presidential Fraud Hotline where members of the communities can report fraud related issues. The Presidential Fraud Hotline number is **0860 701 701**.

### RISK MANAGEMENT

The municipality does have a Risk Management committee consisting of Directors and Managers. The Risk Management Committee sits on a quarterly basis and is chaired by the Municipal Manager. Risk Assessments are conducted on an annual basis and the Risk Registers are updated on a quarterly basis.

The municipality does have a Risk Management Policy which was adopted by the Council. The Risk Management Policy has been reviewed in March 2018. Risk Management Policy assists the municipality in the following:

- It provides management with proven risk management tools that support their decisions-making responsibilities and processes, managing key risks impacting on their goals and objectives.
- It also ensures that risk management processes exist in an environment of continuous feedback and improvement.
- It enables the Municipality to effectively deal with uncertainty and associated risk and opportunity to enhance the capacity to build value.

**TOP 10 RISKS RELATING TO THE MUNICIPALITY**

| # | Risk Description   | Risk Causes   | Consequences   | Action to improve management of the risk  |
|---|--|---|--|---|
| 1 | No standard operating procedures                                   | 1.Lack of adequate monitoring   | 1. Inconsistent implementation of municipal processes.   | 1. SOP will be developed linked to the SDBIP.<br>2. A procedure manual will be developed linked to all HR Policies.   |
| 2 | Exceeding electricity capacity from Eskom(Notified Maximum Demand) | 1.Excess demand on electricity  | 1.Penalties by Eskom<br>2.Monitorium on new connections  | 1. Application of additional NMD to Eskom.<br>2. Awareness campaigns geared at efficient use of electricity by customers.   |
| 3 | Distribution losses  | 1.Old infrastructure<br>2.Theft<br>3.Non-payment of debts<br>4.Lack of adequate monitoring on meter boxes and transformers<br>5.Inaccurate meter readings | 1.Financial Loss<br>2.Low revenue collection<br>3.Community disputes<br>4.Collapse of infrastructure<br>5.Loss of life due to illegal connections<br>6.Litigations to the Municipality | 1. Motivate for improved budgeting for upgrading of the old infrastructure<br>2. Electrification of extensions by Eskom<br>3. Implementation and consistent review of electricity master plans.<br>4. Replacement and recalibration of old meters.<br>5. Use of High-accuracy meters on lager consumers.<br>6. Use of automated meters.<br>7. Protection of electricity assets, i.e. provision of protective boxes. |

|   |  |  |  |   |
|---|--|--|--|---|
|   |  | <p>6.Inaccurate billing</p> <p>7.Lack of consequence on identified theft of electricity</p>  |  |   |
| 4 | <p>Non adherence to SCM policies, procedures and regulations</p> | <p>1. Poor planning</p> <p>2.Personal interest</p> <p>3.Political interference</p> <p>4.Limited buy in on the SCM policy</p> <p>5.Non implementation of the procurement plan</p> <p>6.Abrupt change in project implementation option</p> | <p>1. Compromised Service Delivery</p> <p>2. Delays in appointment of service providers</p> <p>3. Negative audit outcomes</p> <p>4. Increase in irregular expenditure</p> <p>5. Increase in deviations</p> <p>6. Litigations</p> | <p>1. Financial misconduct workshop to be conducted.</p> <p>2. Development and strict adherence to the procurement plan.</p> <p>3. SCM awareness's (Supplier Day)</p> <p>4. Employees are to sign declarations.</p>   |
| 5 | <p>Going concern of the municipality might be at risk</p>        | <p>1.Poor planning</p> <p>2.Non adherence to relevant legislation</p> <p>3.Political interference</p> <p>4.Unfunded mandates</p>   | <p>1.Compromised service delivery</p> <p>2.Low revenue collection</p> <p>3.Service delivery protest</p> <p>4.High employee turnover</p> <p>5.Low staff morale</p> <p>6.Dependency on grants</p>                                  | <p>1. Consumers that are 90 days and above will be cut-off and handed over to the Debt Collectors.</p> <p>2. Implementation of the revenue enhancement strategy</p> <p>3. Explore other external revenue sources;</p> <p>4. Enhancement of the indigent registration.</p> |

|   |  |  |  |  |
|---|--|--|--|--|
| 6 | Non-compliance with policies and procedures        | <ol style="list-style-type: none"> <li>1. Non communication of policies to Municipal officials</li> <li>2. Lack of procedure manual regarding HR operations</li> <li>3. Political interference</li> <li>4. Lack of consequence management</li> <li>5. Recruitment processes not followed</li> <li>6. HR policy not including abuse of alcohol</li> </ol> | <ol style="list-style-type: none"> <li>1. Inconsistencies with the implementation of policies and procedures within the municipality.</li> <li>2. Employer and employee relationship affected negatively</li> <li>3. Litigations</li> <li>4. Lack of accountability</li> </ol> | <ol style="list-style-type: none"> <li>1. Workshop of municipal policies will be conducted on quarterly basis;</li> <li>2. To develop a procedure manual linked to all HR policies;</li> <li>3. Recruitment plan will be developed for 2017/2018;</li> <li>4. Alcohol and subsistence abuse policy will be reviewed;</li> <li>5. Accountability agreements will be signed by all officials from task 12;</li> <li>6. Individual performance will be monitored on a quarterly basis.</li> </ol> |
| 7 | Inconsistency in implementation of the HR policies | <ol style="list-style-type: none"> <li>1. Poor planning</li> <li>2. Personal interest</li> <li>3. Disparity in salaries</li> <li>4. Non sitting of the departmental meeting.</li> </ol>  | <ol style="list-style-type: none"> <li>1. Standardization</li> <li>2. Financial Loss</li> <li>3. Labour unrest</li> <li>4. Staff shortage</li> <li>5. Litigations</li> <li>6. High rate of disciplinary cases</li> </ol>   | <ol style="list-style-type: none"> <li>1. All new positions will be evaluated/benchmarked before advertised;</li> <li>2. Departmental meetings to sit on a monthly basis;</li> <li>3. All filled positions will be evaluated to address the standardization. (Pending Budget)</li> </ol>   |

|   |  |   |   |  |
|---|--|---|---|--|
| 8 | <p>Abuse of council resources<br/>(Vehicles, Petrol cards, telephone, overtime, time management)</p> | <ol style="list-style-type: none"> <li>1. Lack of monitoring, evaluation and review over Council Resources.</li> <li>2. Inconsistent implementation of Municipal Policies</li> <li>3. Non-compliance the developed municipal policies</li> <li>4. Consequence management</li> <li>5. Political Interference</li> <li>6. Removable Municipal stickers</li> </ol> | <ol style="list-style-type: none"> <li>1. Financial loss.</li> <li>2. Litigations</li> <li>2. Instability in the Municipality</li> </ol>  | <ol style="list-style-type: none"> <li>1. Vehicle tracking device will be installed for all municipal vehicles;</li> <li>2. Review of daily notifications from Petrol Cards);</li> <li>3. Vehicle checklist are being done on weekly basis;</li> <li>4. Report with regard to the driving behaviors will be submitted to the Standing Committee and MANCO;</li> <li>5. Log books will be monitored on a weekly basis;</li> <li>6. Trip authorization forms will be issued by the HODs on a weekly basis;</li> <li>7. Accident investigation committee will be established;</li> <li>8. Overtime for the drivers will be monitored through the tracking system;</li> <li>9. Attendance register will be monitored on a monthly basis,</li> <li>10. Attendance register will be collected every morning by the HODs</li> <li>11. A new telephone system will be installed for all municipal offices;</li> <li>12. The new system will have a control of limiting the amount spent on telephone</li> <li>13. Monthly reports will be printed for the HODs with regard to the telephone costs.</li> <li>14. Overtime pay-outs will be according to the policy thresholds.</li> </ol> |
| 9 | <p>Dependency on Eskom infrastructure</p>  | <ol style="list-style-type: none"> <li>1. Lack of authority towards electrification performed by Eskom</li> </ol>   | <ol style="list-style-type: none"> <li>1. Delays</li> <li>2. Service Delivery protest</li> <li>3. Lack of economic development</li> </ol> | <ol style="list-style-type: none"> <li>1. Improving sitting of PSC meetings with all affected stakeholders.</li> <li>2. Ensure consistent attendance of the IGR by the department.</li> <li>3. Development of SLA with Eskom</li> </ol>  |



|    |                                  |   |  |  |
|----|----------------------------------|---|--|--|
| 10 | Dilapidated Municipal buildings. | <ol style="list-style-type: none"> <li>1. Lack of adequate capacity in terms of human capital</li> <li>2. Insufficient Funding</li> <li>3. Lack of implementation plan</li> <li>3. Non adherence to building regulations</li> <li>4. Non-adherence to land use regulations</li> </ol> | <ol style="list-style-type: none"> <li>1. Loss of life</li> <li>2. Reduced revenue</li> <li>3. Reduced economic development</li> <li>4. Health and safety</li> <li>5. Dirty buildings</li> </ol> | <ol style="list-style-type: none"> <li>1. Filling of vacant positions</li> <li>2. Improvement of Funding</li> <li>3. Give assistance in the Development of Implementation plan by the Custodian Department (Corporate Services)</li> <li>4. Promotion of Building Regulations</li> <li>5. Promotion of Land Use Regulations</li> </ol> |
|----|----------------------------------|---|--|--|

**INTERNAL AUDIT CHARTER**

The purpose of the Charter is to provide the Internal Audit Manager and the management of ALM with a broad framework of understanding which, once approved by the Audit Committee and Municipal Manager, will serve as a mandate for the Internal Audit function.

The objective of Internal Audit Charter is to provide independent, objective assurance and consulting services designed to add value and improve the Municipality’s operations. It helps the Municipality accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The Internal Audit Charter was last reviewed and approved by the Audit Committee in April 2018.

The Auditor General reports for the previous three years were as follows:

| 2015/2016   | 2016/2017   | 2017/2018   | 2018/19   |
|-------------|-------------|-------------|-----------|
| UNQUALIFIED | UNQUALIFIED | UNQUALIFIED | QUALIFIED |

### 3.3.11 LEGAL SERVICES

The municipality has established a unit that is strategically located within the office of the Municipal Manager. Through its supportive and advisory role, the legal services unit strengthen the capacity of the municipality to fulfill its constitutional and legislative mandate. This is done by providing legal advice, settling documents, support to committees and Council, also to ensure that the municipality adheres to all legislations which govern the municipalities.

#### **Co-functions of the unit**

- Provide Legal Advice and guidance to the Council, Mayor, Speaker and Municipal Manager
- Handle all legal matters arising from Directorates
- Manage all legal risk
- Monitor and ensure legal Compliance
- Manage litigations for and against Municipality
- Consult with municipal Attorneys (with approval of MM)
- Attend to Court Orders
- Provide general legal advice

### 2.9 By Laws

The institution has 19 by laws, 17 are promulgated and the two are still in the process of being promulgated.

### 3.4 KPA 4: LOCAL ECONOMIC DEVELOPMENT

The strategy on Local Economic Development is currently being reviewed and will be adopted by the Council at the end of December 2019. The Amahlathi LED strategy is aligned with the National, Provincial and District objectives. Economic factors affect the purchasing power of potential customers and the municipality's cost of capital. The following are examples of factors in the macro-economy: economic growth, interest rates, exchange rates, inflation rate. The municipalities should be encouraged to spend locally within the municipality. The lack of economic infrastructure is hampering development and job creation. The achievement of the Small Town Revitalization Project and the various plans and generation studies are being revisited, updated and progressively implemented in line with availability of the requisite resources.

#### SWOT ANALYSIS

The envisioned strategy should built on the analysis of its predecessor which had outlined key Strengths to develop the economy as resident within the natural resource base within Amahlathi that is the forest (wood related products), the Eco-tourism and the large water masses suitable for water sports (ranging from sports tourism to the manufacture of water craft and accessories). The large water masses also lend themselves to Amahlathi becoming a major national and even international player in aqua farming.

**Key weaknesses** lie in the lack of high-level skills to actively participate in economic development and manufacturing, lack of a large industrial and population base to generate revenue for the municipality. Climate change possess a threat in the growth of agriculture within Amahlathi Municipality

**Key threats** lie in the possible inability, given the small staffing size, to capitalize on the opportunities that exist including those from all the various sector departments

**The Opportunities** are huge within Amahlathi. Naturally any municipality wants to improve the number of visitors to it and also the amount of investment that it receives. Some of the easier and most cost effective ways to grasp these opportunities lie in differentiated tourism. For Amahlathi the key will be in adventure, sport and eco-tourism. By creating a few key sporting events e.g. Municipalities Toughest Men Competition, The Amahlathi Mile (swimming), The Amahlathi Rowing and Cross Country marathon through the forest, it will be possible to attract thousands of weekend visitors. Off road cycling and quad biking and including adventure sports, can easily boost the economy for the smallest possible investment.

In short, development of the tourist potential in eco - sports, adventure, and historical tourism will not only attract the local tourist but also appeal to the overseas visitors as well. The link to the German past should be exploited to the maximum.

The above, coupled with the development of sustainable human settlements and the ability of each household to produce food can have a major positive impact on the communities. The municipality should consider supplying all households with a home garden. This includes fencing, soil, fertilizer and seeds.

The provision of driver training and computer training programme will greatly enhance the job opportunities in the short term.

People between 19 – 65 years old should be involved in skills training or community building programmes. The needs of the housing programmes should be supplied by organized primary, secondary and tertiary co-operatives.

## RECOMMENDATIONS

- Primary, Secondary and Tertiary co-operatives and small businesses must be established to supply the basic requirements for the housing programme, e.g. from timber : manufacture of doors / door frames, window frames, roofing trusses, concrete products: lintels for above doors and windows, pavement curbing for the roads, concreted reinforced poles and concrete storm water pipes
- Medium size businesses can be given quarrying rights to supply stone for foundations, building blocks and brick making
- The tourism products available must be linked to sporting events that would bring visitors to and past these special historical and cultural stations. The municipality must have sponsored cross country runs (fun, half marathons, marathon runs), mountain biking races. These trails will pass and stop at tourist points allowing for sales by local co-operatives of their goods
- The timber industry owners and the municipality should market and celebrate the following: Arbor Day, International Day of Forests, World Forestry Congress, Amahlathi Lumberjack Championship, Stihl Timbersports Series, Wood chopping championship , and Amahlathi Logging Championship
- The vast dams should also be used for promoting water sports e.g. Amahlathi Mile, sail boat and power boat racing.
- Given the huge forest reserves a deeper collaborative effort with other state actors e.g. SAFCOL and the Private Sector needs to be put in place, to better understand ownership and how the forest can be used to benefit the economy much better. At face value not all the resources are fully benefited.
- **Primary Aquaculture Operations** (Brood stock operations; Seed production operations; Juvenile (spat, fry, fingerling) operations, including hatchery and nursery facilities; On-growing operations, including but not limited to rafts, net closures, net pens, cages, tanks raceways and ponds and
- **Secondary Aquaculture Operations:** Primary processing for aquaculture (post-harvest handling, eviscerating, packing, quick freezing); Secondary processing for aquaculture (filleting, portioning, packaging); Tertiary processing for aquaculture (value adding: such as curing, brining, smoking, further value adding such as terrines, roulades, pates, paters); Waste stream handling for aquaculture (extraction of fish oils, protein beneficiation, organic fertilizers, pet feeds, animal feeds). Ancillary Aquaculture Operations; Aquaculture feed manufacturing operations; Research and Development projects related to aquaculture; Privately-owned aquaculture veterinary services (farm inspections, disease surveillance and control, histo-pathological analysis, etc. specifically for the aquaculture industry).
- The above could supply the complete protein needs of the entire municipality and could create opportunities for about 500 and 5000 people depending on the scale of the operation
- It is noted that Sports, Adventure and Eco – Tourism be the drivers to get visitors into Amahlathi and then the cultural and historical places can be viewed. Sports Tourism is a huge attraction especially if the municipality could lobby for sponsorship of few key events for the next 5 years.

**COMPETITIVE AND COMPARATIVE ADVANTAGE****Agriculture:**

1. Amahlathi is an agricultural area where forestry is the main sector that has employed many people.
2. Commercial farmers are also contributing to the GDP of the area in areas like poultry farming, there are big businesses like ANCA chicks.
3. There are two big irrigation schemes at Keiskammahoek which are also major players in the economy of Amahlathi and the Eastern Cape Province at large.
4. Forestry sector is also a major play in the economy of the area.
5. Amahlathi is the only area at Amathole where forestry is the major role player in the economy.

**Livestock Production**

| Animal stock numbers | Total at Amahlathi | Programs conducted by DRDAR                              |
|----------------------|--------------------|--|
| Large stock          | 33215              | Dipping<br>Blantrax<br>Brucellosis<br>Test for TB and CA |
| Sheep                | 19489              | Sheep scab<br>Testing of rams from NWGA                  |
| Goats                | 19723              | No program except when need attention                    |
| Domestic animal      | 12000              | Rabbis vaccine   |
| Horses               | 878                | No program except out breaks<br>Castration<br>Deworming  |
| Animal stock numbers | Total at Amahlathi | Programs conducted by DRDAR                              |

**Poultry**

| Number of poultry project  | Current status   | Challenges   |
|--|--|--|
| There are 15 broiler projects at Amahlathi, that is both Stutterheim and Keiskammahoek | The project are still producing broilers and the most broiler farmer is Nolist project that is raising about 750 broilers every 6 week cycle | <ul style="list-style-type: none"> <li>• The challenge is the structure</li> <li>• Market</li> <li>• Abattoir</li> </ul> |

**Piggery**

| Amahlathi Piggery projects              | Current status  | Challenges  |
|---|---|---|
| There is 5 Piggery project at Amahlathi | The projects are raising and sell the pigs to the community | <ul style="list-style-type: none"> <li>• Market price versus communal price</li> <li>• Recommended piggery structure- as swine fever is a threat</li> </ul> |

**Tourism:**

1. Amahlathi has beautiful hiking trails at Xholorha and which are well maintained.
2. The greater part Amathole hiking trail is at Keiskammahoek which is part of Amahlathi Local Municipality.
3. There are graves of Xhosa Chiefs and German descendants which are a tourist attraction.
4. Friendly N6 passes through Stutterheim which became an advantage to show case what Amahlathi has to offer.
5. Craft mania annual event is used by the municipality to showcase crafters talent, performing art and other art forms and has changed lives our community because B&B 's and local hotels benefit.
6. Tourism structures are also playing a major role in tourism promotion, structures like Local Tourism Organisation and Community Tourism Organisation.
7. Small town's regeneration has benefited tourism because a larger number of municipalities visit Amahlathi to view the development which has been implemented through the programme.

**Small Medium Micro Enterprises:**

1. Formation of Timber Co-ops could potentially alleviate exploitation by big timber companies of community members who are harvesting wattle. This will require a more targeted implementation of the Forestry Strategy, which was originally formulated as a response to this particular challenge
2. Training intervention to SMME's and Co-ops to access funding from various institution has improved their opportunities for funding support.
3. Municipality has developed SMME Strategy to coordinate programmes for development of SMME's and have a structured way to respond to needs of SMME's.

**Economic Potential:**

1. Natural expression of economic zones
2. Agriculture
  - High value crops
  - Fish Farming
  - Honey production

- Beef Production for export,
  - Feed,
  - Chicken,
  - Deep soils and rainfall reliability in King Kei and area between Keiskammahoek & Stutterheim
3. Manufacturing (i.e. paving)
  4. Timber
  5. Processing
    - Agro-processing in KKH
    - Medicinal plants and processing
  6. Vigorous improvement of MCCP and Renting Out
  7. Small Towns with a large number of villages (i.e. Shopping Centers)

### **STREET TRADING BY-LAW**

The Amahlathi has the street trading By-law that was developed and adopted by Council in 2014. The purpose of this by-law is to enforce a single act of selling or offering services in a public place to constitute trading.

**3.5 KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT****3.5.1 FUNCTIONS AND POWERS AS LEGISLATED**

|   |
|---|
| Administration of indigenous forests  |
| Agriculture   |
| Animal control and diseases   |
| Cultural matters  |
| Education at all levels, excluding tertiary education   |
| Environment   |
| Health services   |
| Regional planning and development   |
| Road traffic regulation   |
| Soil conservation   |
| Tourism   |
| Trade   |
| Traditional leadership, subject to Chapter 12 of the Constitution   |
| Urban and rural development   |
| Vehicle licensing   |
| Welfare services  |
| Air pollution   |
| Building regulations  |
| Child care facilities   |
| Electricity and gas reticulation  |
| Firefighting services   |
| Local tourism   |
| Municipal planning  |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law |
| Pontoons, ferries, jetties, piers and harbors, excluding the regulation of international and national shipping and matters related thereto  |
| Storm water management systems in built-up areas  |
| Trading regulations   |
| Amusement facilities  |
| Billboards and the display of advertisements in public places   |
| Cemeteries, funeral parlors and crematoria  |
| Cleansing   |



|  |
|--|
| Control of public nuisances  |
| Control of undertakings that sell liquor to the public             |
| Facilities for the accommodation, care and burial of animals       |
| Fencing and fences   |
| Licensing of dogs  |
| Licensing and control of undertakings that sell food to the public |
| Local amenities  |
| Local sport facilities   |
| Markets  |
| Municipal abattoirs  |
| Municipal parks and recreation                                     |
| Municipal roads  |
| Noise pollution  |
| Pounds   |
| Public places  |
| Refuse removal, refuse dumps and solid waste disposal              |
| Street trading   |
| Street lighting  |
| Traffic and parking  |

### 3.5.2 ORGANIZATIONAL AND ESTABLISHMENT PLAN

Section 66 of the Local government Municipal Systems Act (Act No 32 of 2000) requires a Municipal Manager to develop a policy framework determined by the Municipal council and subject to any applicable legislation, establish a mechanism that will regularly evaluate the staff establishment of a municipality and, if the staff establishment requires amendment the approval of council shall be obtained.

#### **Institutional Structure**

The institutional Structure of Amahlathi Municipality is divided into two levels, namely the Political and Administrative Structures. The Administrative Structure is accountable to the Political Structure.

- **Political Structure**

The Principalship of Amahlathi Municipality lies with the council under the chairperson of the Speaker and it operates a number of controls that assist in the realization of the council's mandates. Listed below are the committees that assist Council in carrying out its responsibilities;-

- a) Municipal Public Accounts Committee
- b) Audit & Performance and Audit Committee
- c) Rules Committee

### **INSTITUTIONAL CALENDAR**

The Institutional Calendar that is a guide for Council, EXCO and Standing Committee Meetings is existing. It was adopted by the Council during the Council Meeting held on the 31 May 2018.

### **MEMBERS OF THE COUNCIL**

The Council has got 30 members (PR and Ward Councillors) and 6 Traditional Leaders.

### **STRUCTURES OF THE COUNCIL**

The executive committee consist of 6 standing Committees. Currently only 3 standing committees that have chairpersons and those are Strategic Services, Corporate Services and Community Services.

Following are the Standing Committees and their representatives:-

#### 1) *BUDGET AND TREASURY*

| No. | Names                        |
|-----|------------------------------|
| 1.  | Cllr N. Pose - Chairperson   |
| 2.  | Cllr N.C. Nongqayi           |
| 3.  | Cllr R. Pickering            |
| 4.  | Traditional Leader K Sandile |

#### 2) *CORPORATE SERVICES*

| No. | Names                             |
|-----|-----------------------------------|
| 1.  | Chairperson (Vacant)              |
| 2.  | Cllr R. Desi                      |
| 3.  | Cllr P. Qaba                      |
| 4.  | Cllr N. Mtati                     |
| 5.  | Cllr T.C. Ngxingolo               |
| 6.  | Traditional Leader Mrs. N. Mekuto |

#### 3) *COMMUNITY SERVICES*

| No. | Names                            |
|-----|----------------------------------|
| 1.  | Cllr T. Balindlela – Chairperson |
| 2.  | Cllr G.P. Noxeke                 |
| 3.  | Cllr X. Mngxaso                  |

|    |                                    |
|----|------------------------------------|
| 4. | Cllr N. Busika                     |
| 5. | Cllr Ngxakangxaka                  |
| 6. | Traditional Leader Mr S.N. Mdledle |

4) *SERVICE DELIVERY*

| No. | Names                            |
|-----|----------------------------------|
| 1.  | Cllr N. Monti - Chairperson      |
| 2.  | Cllr S.G. Venkile                |
| 3.  | Cllr G.D. Mxosa                  |
| 4.  | Cllr N. Jikazayo                 |
| 5.  | Cllr M. Ngcofe                   |
| 6.  | Traditional Leader Mr. A. T Daka |

5) *DEVELOPMENT AND PLANNING*

| No. | Names                              |
|-----|------------------------------------|
| 1.  | Cllr N. Kato-Manyika - Chairperson |
| 2.  | Cllr M. Ngini                      |
| 3.  | Cllr N Klaas                       |
| 4.  | Cllr X. Tokwe                      |
| 5.  | Cllr. N. Mlahleki                  |
| 6.  | Traditional Leader Mr Z. Ngudle    |

6) *STRATEGIC SERVICES*

The existence of this standing committee still remains a challenge as the issue will be resolved during the organogram. Reviewal considering all the challenged the municipality is facing especially on high employee costs.

**MEETINGS AS SCHEDULED**

- All **Council Meetings** are convened according to the Calendar which must be adopted. Also there will always be Special Council Meetings that are not provided for in the calendar that will deal with urgent matters that cannot wait for the ordinary council meeting.
- The Previous Meetings sat as follows:

| MEETING                  | DATE CONVENED   | COMMENT                      |
|--------------------------|-----------------|------------------------------|
| Ordinary Council Meeting | 25 July 2019    | Tabling 4th Quarter Reports) |
| Ordinary Council Meeting | 30 August 2019  | Budget Process Plan          |
| Ordinary Council Meeting | 29 October 2019 | Tabling 1st Quarter Reports) |

|                          |                 |   |
|--------------------------|-----------------|---|
| Ordinary Council Meeting | 24 January 2020 | Tabling of Mid-Year Budget & Performance Assessment |
| Ordinary Council Meeting | 26 March 2020   | Tabling of Draft Budget 2020/2021                   |
| Ordinary Council Meeting | 30 April 2020   | Ordinary Council Meeting                            |
| Ordinary Council Meeting | 29 May 2020     | Final Budget 2020/2021 (To sit)                     |

Executive Committee Meetings are convened once a month to discuss monthly reports that are submitted to the Standing Committees.

### Other committees

- a) Executive Committee
- b) Intergovernmental Relations Committee
- c) Labour Forum Committee
- d) Affirmative Action/Training Steering Committee
- e) Women Caucus

*The committees listed above are established in terms of Sections 79 and 80 of the Local Government: Municipal Structures (Act no 117 of 1998)*

### • Administrative Structure

The Municipal Manager leads the Management Committee composed of the HODs and General Manager. The council also requested intervention from COGTA in terms of section 139 (i)(b). An Administrator from the Provincial Government was appointed for a period started on the 04<sup>th</sup> March 2019 and ended on the 3<sup>rd</sup> December 2019 to deal with the financial functions.

The current functions of the Administrator are as follows:-

- The Management of the Municipality;
- The rendering of Engineering Services;
- The rendering of Community Services;
- The rendering of Corporate services;
- The rendering of Financial Management Services;
- The Development and Planning Services;
- The Strategic Services Management

Out of the functions identified, the Council approved the creation of the following six departments:

1. The Engineering Services.
2. The Corporate Services.
3. The Budget and Treasury Office.
4. The Development and Planning.
5. The Community Services
6. The Strategic Services

### 3.5.3. HUMAN RESOURCES PLAN

HR Planning is an inclusive and dynamic process that involves the identification of both current and future human resources needs as well a potential challenges in order for the municipality to consistently achieve its objectives. An HR Plan entails short term organizational establishment of the Municipality mainly for the effective implementation of the **Service Delivery and Budget Implementation Plan (SDBIP)**. Ordinarily the HR Plan must accompany the IDP and Budget to Council each year since it is the enabler of the **SDBIP**.

Staffing needs at departmental levels have been discussed and will inform the institutional **Annual Recruitment Plan** of the municipality for the 2019/2020 revised IDP.

### INSTITUTIONAL COHESION

There has been institutional cohesion resulting in generally improved institutional performance after the appointment of a complete set of section 56 Managers.

### SOME INITIATIVES IN SUPPORT OF INSTITUTIONAL COHESION

#### (a) Improved Policy Regime

New policies were developed some reviewed and submitted to council for approval. Workshops for councillors and employees were conducted. These have facilitated decision making and smooth running of the municipality. Technical policy workshop was held on 27 February 2020 and the Institutional policy workshop was held on 18 March 2020

#### (b) Sound Employee Relations

Amahlathi Local Labour Forum consists of 16 members (8 for labour component and 8 for employer component), because of the union members of the Council. LLF meetings are convened monthly or bi-monthly unless by mutual agreement of both parties it is agreed not to meet. Any party, for reason of urgency, may call special meetings of the Local Labour Forum over a period of 48 hours.

There is a sound relations between Employer and employees but there is non- sitting of ordinary Local Labour Forum because of COVID -19.

**(c) Well Established EAP/Wellness Unit**

The EAP Unit is well grounded and performs all related functions in improving employee's health status as well promoting occupational health and safety within the institution. Services includes a number of limited primary health functions and services including screening of employees for chronic medical conditions. Routine visits to satellite Offices are also being performed by the unit to render same services. EAP unit is also responsible for capacitating of employees with relevant updates on health conditions as well conducting health awareness campaigns and wellness activities/events thus promoting physical health and activeness. The Unit is well resourced with relevant basic medical equipment to render such services including basic medical supply for employees on suffering on chronic conditions and performing routine management for such conditions to promote compliance and adherence so as to gain control of such conditions. The unit is also responsible for ensuring and maintaining communication including referral system with other relevant stakeholders when seemed to be necessary or for further care.

**(d) Sound Fleet Management**

The Municipality is in the process of centralising Fleet Service so that the management of municipal fleet is controlled at Corporate Services and improved controls are being introduced and implemented; further to that fleet management committee has been established however there are still teething challenges in its functionality. Institution is in the process of re-appointing the Service Provider for vehicle's tracker system; the procurement process thereof has been delayed by closure of municipal offices resulted by the National Disaster pandemic COVID-19. Control and allocation of vehicles to employees is under strict control and monitoring. Accountability for servicing and maintenance of municipal fleet is compromised by the municipal financial constraints.

**(e) Employment Equity Plan**

The 5 year EEP has been developed and is currently being implemented. Barriers have been identified and they will receive attention. Some of these include challenges faced in recruiting people with disabilities and also ensuring that all municipal premises are user friendly to these categories of people not only in terms of securing employment but also access the municipal buildings for any other business.

**(f) Records Management**

The municipality have the File Plan in place to manage and control the municipal records which was approved by the **Provincial Archivist** in 2016. During the disaster occurred in October 2018 the municipal archives office was destroyed entirely.

**(g) Staff Retention**

The municipality has experienced a high rate of resignations and this is a clear demonstration of the municipality's financial instability

**(h) Consistent Attendance of Corporate Services Forums**

All forums convened by SALGA and ADM throughout the year were all attended by Councillors and Senior Officials. In these platforms of engagement, cooperative learning and networking has been found empowering for participants particularly on contemporary challenges facing local government.

**SOME INSTITUTIONAL CHALLENGES****(a) Cascading of PMS to lower levels**

Some assistance has been received from ADM on 04 March 2020 on how to conclude Accountability Agreements and most employees below section 56 Managers have since signed performance agreements. However certain employees within the range of task grade 12 upwards still require assistance as there was inconsistencies in signing and adhering to time frames due to instability in the previous financial year. Currently the cascading of PMS is at halt due to current state of the nation Covid-19. It is anticipated that before the end of 2020/2021 financial year all employees in these categories will have their performance assessed and evaluated as required in the municipality's Performance Management Policy Framework.

**(b) Escalating Wage Bill**

An observation has been noted that the monthly salary bill is drastically increasing due to a range of reasons including Standardisation.

Some stringent measures such as placing a moratorium on new appointments are to be considered. Organisational re-engineering will also be considered. Also any policy with financial implications may only have to be implemented with effect from 1 July each year. A policy on job evaluation will be introduced to guide employees as to when the job descriptions shall be reviewed. It is believed that this will assist in terms of containing ad-hoc salary adjustments.

**(c) Inadequate training budget**

The available budget each year is not sufficient to cover what is contained in the Workplace Skills Plan (WSP) and skills audit. Training is therefore offered to staff on a prioritised basis as determined by each Department.

**WORKSPACE SKILLS PLAN**

A Workplace skill plan (WSP) is developed, submitted to Council and LGSETA on an annual basis. An Annual training plan is developed based on the WSP. The implementation of the WSP is an ongoing activity and progress reports are presented to Council via the Corporate Services Standing committee timeously.

**STAFF PROMOTIONS**

There were no promotions in 2019/20 FY

**STAFF COMPLEMENT**

The following is the breakdown of staff complement per Department:

| DEPARTMENT                        | BREAKDOWN OF POSTS | NO OF FILLED POSITIONS | NO OF VACANT POSITIONS |
|-----------------------------------|--------------------|------------------------|------------------------|
| <b>Municipal Manager's Office</b> | Municipal Manager  | 1                      |                        |
|                                   | Office Support M.M | 35                     |                        |
| <b>Total</b>                      |                    | <b>36</b>              |                        |

|                                      |                               |           |  |
|--------------------------------------|-------------------------------|-----------|--|
| <b>Corporate Services Department</b> | Director                      | N/A       |  |
| <b>Total</b>                         | Support Staff Human Resources | 23        |  |
|                                      |                               | <b>23</b> |  |

|                            |                         |           |  |
|----------------------------|-------------------------|-----------|--|
| <b>Budget and Treasury</b> | Chief Financial Officer | 1         |  |
| <b>TOTAL</b>               | Support Staff           | 32        |  |
|                            |                         | <b>33</b> |  |

|                                 |                                |           |  |
|---------------------------------|--------------------------------|-----------|--|
| <b>Development and Planning</b> | Director                       | 1         |  |
| <b>TOTAL</b>                    | Support Staff LED              | 13        |  |
|                                 | Support Staff Land and Housing | 5         |  |
|                                 |                                | <b>19</b> |  |

|                           |                       |            |  |
|---------------------------|-----------------------|------------|--|
| <b>Community Services</b> | Director              | 1          |  |
| <b>TOTAL</b>              | Protection Services   | 25         |  |
|                           | Fire Services         | 5          |  |
|                           | Sports and Recreation | 19         |  |
|                           | Waste                 | 35         |  |
|                           | Other                 | 10         |  |
|                           | Community and Social  | 19         |  |
|                           |                       | <b>114</b> |  |



|                             |                           |           |  |
|-----------------------------|---------------------------|-----------|--|
| <b>Engineering Services</b> | Director                  | N/A       |  |
|                             | Support Staff Electricity | 9         |  |
|                             | Support Staff Engineering | 74        |  |
| <b>TOTAL</b>                |                           | <b>83</b> |  |

**TOTAL NO OF PERMANENT EMPLOYEES = 308**

**INSTITUTIONAL ORGANOGRAM**

This is a macro organogram indicating clear reporting lines throughout the Municipality and is reviewed in line with the IDP. It is informed by confirmed **task grades** of each created and approved post on the establishment plan. With regard to the issue relating to filled and unfilled posts, we can report that in terms of the **Recruitment Plan** the Department is ahead of schedule when it comes to filling of funded posts which have been prioritized. There are financial constraints and as such even funded posts are not filled. Unfunded posts will remain on the various departmental organograms and filled once funding is made available.

The Municipal organogram was last reviewed in the 2016/17 FY

The municipality is intending to implement the organizational re-designing program due to standardization which was implemented in the 2016/17 financial year.

### 3.6 MUNICIPAL PRIORITIES

| PRIORITIES              | DESIRED OUTCOMES   |
|-------------------------|--|
| Roads                   | <p>Increase infrastructure funding for provinces for the maintenance of provincial roads</p> <p>Invest in broadband network infrastructure</p> <p>Improve maintenance of municipal road network</p>  |
| Water and Sanitation    | <p>losses</p> <p>Ensure effective maintenance and rehabilitation of infrastructure.</p> <p>Run water and energy saving awareness campaigns.</p> <p>Maintain and expand Develop and implement water management plans to reduce water purification works and waste water treatment works in line with growing demand</p> |
| Job Creation            | <p>Access to decent employment</p> <p>Strategy to reduce youth unemployment</p> <p>Support small business and co-operatives</p>  |
| Fencing and bridges     | <p>Fence and safe areas</p> <p>Constructed bridges</p> <p>Access to villages</p>   |
| Health                  | <p>Revitalize primary health care</p> <p>Increase early antenatal visits to 50%.</p> <p>Increase vaccine coverage.</p> <p>Improve hospital and clinic infrastructure</p> <p>Accredit health facilities</p>   |
| Education               | <p>Building of school premises for children</p>  |
| Community Halls         | <p>Building of community halls</p>   |
| High Mast Lights        | <p>Installation of high mast lights to reduce the high level of crime in communities</p>   |
| Revitalization of Towns | <p>Beautification of Amahlathi small towns</p>   |
| Site allocation         | <p>Allocation of sites to reduce land invasion</p>   |

## WARD BASED PLANNING ISSUES

| AMATHOLE DISTRICT MUNICIPALITY |   |
|--------------------------------|---|
| WATER                          |   |
| WARD                           | CHALLENGE   |
| 13                             | Water not clean<br>No water in Village 2  |
| 1                              | Water taps in Zingcuka – follow-up on completion  |
| 2                              | Water taps at Ngxalawe  |
| 3                              | Extension of taps in all villages   |
| 4                              | Request for water (Mandlakapheli)<br>Water not clean  |
| 5                              | Lack of water (Ndlovini, Rawini & Ngqanda-water resevervoir, Keilands-purification of water)  |
| 6                              | Water in Olysson  |
| 12                             | Extension of water in Frankfort   |
| 9                              | Extension of taps in Mgwali Village 4<br>Water outages not communicated Mgwali Village 4<br>Water in Cemeteries in Mgwali Village 4<br>Extension of Taps in Mgwali Village 5<br>Water in Lujilo<br>Water at Lower Amabele<br>Water outages not communicated in Amabele<br>Extension of taps in Freshwater<br>Water taps in Rockdale<br>Extension of water taps in Stanhope<br>Extension of water in Jersey Valley<br>Extension of Water taps and fixing of leakages in Gasela |
| 10                             | Taps and water extension<br>Changing of underground water pipes   |
| 11                             | Water extension at Marikana and Lower Rabula  |
| 8                              | Extension of taps in Border Post<br>Extension of taps in Nonkululeko<br>Water and taps in Huddon  |

|            |  |
|------------|--|
|            | <p>Taps for all villages in Khayelitsha</p> <p>Maintenance of road in Khayelitsha</p> <p>Request for a clinic in Frankfort</p> <p>Request for RDP houses</p> <p>Benefitting of Frankfort community in logs (Tree felling)</p>          |
| SANITATION |  |
| 1          | Toilets at Zingcuka and Masincedane  |
| 2          | Toilets at Ngxalawe  |
| 3          | Toilets  |
| 4          | Lack of sanitation in Mandlakapheli<br>Maintenance of toilets in Goshen  |
| 5          | Lack of sanitation ( Ndlovini, Ngqanda)  |
| 10         | Toilets  |
| 13         | Toilets in Mgwali new extension<br>Lack of sanitation ( Mgwali No. 1, 2, 6 and Heckel)   |
| 15         | Toilets in Whitecity and Zanoxolo<br>Construction of toilets in Bongweni   |
| 11         | Lack of sanitation ( Upper Ngqumeya)   |
| 12         | Construction of toilets in Upper Izele<br>Request for toilets in Nothenga  |
| 9          | Toilets in Mgwali Village 3<br>Toilets in Mgwali Village 4<br>Toilets in Mgwali Village 5<br>Toilets in Freshwater<br>Toilets in Rockdale<br>Toilets in Stanhope<br>Toilets in Jersey Valley<br>Toilets in Gasela<br>Toilets in Mabele |
| 8          | Toilets in Border Post<br>Sewerage treatment works in Mthonjeni<br>Public Toilets in Town at Kei Road  |

|  |  |
|--|--|
|  | Toilets in Nonkululeko<br>Toilets in Huddon<br>Toilets in Khayelitsha  |
| <b>DEPARTMENT OF HUMAN SETTLEMENTS</b> |  |
| <b>WARD</b>                            | <b>CHALLENGE</b>   |
| 1                                      | RDP houses in Sophumelela  |
| 2                                      | Follow-up on temporal structures (1999 installation)   |
| 3                                      | RDP Houses in all villages   |
| 13                                     | There are Houses in Xholora that are incomplete<br>No. 1, 2 & 6 Village in Mgwali requests houses<br>Heckel need houses  |
| 14                                     | Request for houses in Mzamomhle  |
| 15                                     | Houses in Cenyulands and Cenyu Village<br>Houses in Ohlson<br>Request for houses in Emasimini  |
| 9                                      | RDP houses in Mgwali Village 3, 4 and 5<br>RDP houses for Lujilo<br>Houses for Amabele<br>RDP houses for Freshwater<br>Houses for Rockdale<br>RDP houses for Stanhope<br>RDP houses for Jersey Valley<br>RDP houses for Gasela<br>Site allocation ( Mgwali No. 3, 4, 5, Lujilo, Stanhope, Freshwater and Jerseyvalley) |
| 10                                     | RDP Housing  |
| 11                                     | RDP houses all villages<br>Houses for destitute 463 units  |
| 7                                      | RDP houses   |
| 8                                      | Houses for Border Post<br>Houses for Mthonjeni<br>Houses for Nonkululeko<br>Houses for Huddon  |

|       |   |
|-------|---|
|       | Houses for khayelitsha<br>Site allocation (Mthonjeni and Squashville)<br>Request for houses in Kei Road   |
| 4     | Request for Houses in Goshen  |
| 5     | Housing (Toise)   |
| 6     | RDP houses for Olysson<br>Finishing of housing project in Kubusi<br>Site allocation (Amatolaville and Joelands)   |
| 12    | RDP houses in Frankfort<br>RDP houses in Hokwana<br>RDP houses in Malindana<br>RDP houses in Nompumelelo  |
| ESKOM |   |
| WARD  | CHALLENGE   |
| 1     | High mast lights  |
| 2     | High mast light next to SS Gida   |
| 3     | High mast light in all villages   |
| 5     | High mast light ( Bomvana)<br>Electricity ( Kei lands)<br>Electrification of informal settlements   |
| 4     | Delayed response by Eskom on power cuts reports   |
| 6     | Fixing of high mast lights in Kubusie<br>Request for highmast lights in Isidenge  |
| 8     | High mast lights in Border post<br>Electricity in Border Post<br>Repairing of high mast lights in Mthonjeni<br>High mast lights in Nonkululeko<br>High mast lights in Khayelitsha<br>Request for high mast in Kei road (awaits energizing by Eskom) |
| 9     | Extension of electricity transformer in Mgwali Village and Lujilo<br>High mast lights ( Freshwater, Mgwali No4 & 5, Gasela)<br>Electricity in Lujilo  |

|  |   |
|--|---|
|  | Repairing of high mast lights in Amabele  |
| 10   | Electricity extension<br>Electrification of Ntabakandoda H.S.<br>Fixing/ Electrification of Ngcamngeni highmast lights  |
| 11   | High mast lights ( Tshoxa and Ematolweni, Upper Ngqumeya)<br>Electricity extension for Marikana and Lower Rabula  |
| 12   | Electricity in Gubevu (Ebhongweni)<br>Electricity in Frankfort<br>High mast lights ( Nompumelelo, Malindana, Gubevu and Hokwana)<br>Request for high mast lights in Nothenga  |
| 14   | High mast lights in Mzamomhle not enough  |
| 13   | Street lights   |
| 15   | Maintenance of high mast lights in Bongweni<br>Maintenance of high mast lights in Khayelitsha<br>Maintenance of high mast lights in Khanyisa<br>High mast lights ( Next to Hewu funerals and Makhura tavern, Zanoxolo, Cenyulands and between Jongile Nompondo and White city area) |
| <b>DEPARTMENT OF RURAL DEVELOPMENT AND AGRARIAN REFORM</b> |   |
| <b>WARD</b>  | <b>CHALLENGE</b>  |
| 10   | Cleaning of dams<br>Fencing of grazing camps  |
| 11   | Building new dams   |
| 1  | Fencing of camps at Gxulu   |
| 2  | Request for a Tractor in Cata<br>Fencing of Fields  |
| 3  | Cleaning of Dams all villages   |
| 15   | Deeping tank for livestock<br>Extension of community stands pipe<br>Grazing land for cattle in Cenyu Lands  |
| 12   | Fencing of mealie fields in all villages<br>Deeping tank and fencing in Frankfort<br>Fencing of dams in Gubevu  |
| 6  | Deeping tank in Izidenge Village  |

|   |   |
|---|---|
| 8 | <p>Fencing for camps in Border Post</p> <p>Cleaning of Dams in Border Post</p> <p>Border Post Farmers Association needs help with funding</p> <p>Renovation of deep in Mthonjeni</p> <p>Fencing of camps in Mthonjeni</p> <p>Tractor and trailer in need of attention in Kei Road Town</p> <p>Tractor mower in Kei Road</p> <p>Weed Eater in Kei Road</p> <p>Commonage to be managed in Kei Road</p> <p>Plots to be managed in Kei Road</p> <p>Renovation of bore hole in Nonkululeko</p> <p>Deep for animals in Nonkululeko</p> <p>Fencing of grazing lands in Huddon</p> <p>Fencing of grazing lands in Khayetsha</p> <p>Cleaning of dams in Khayelitsha</p> <p>Renovation of deep in Khayetsha</p>   |
| 9 | <p>Dipping tank in Gasela</p> <p>Feeding lot in Jersey Valley</p> <p>Fencing of grazing land in Mgwali Village 3</p> <p>Renovation of dipping tank in Mgwali Village 3</p> <p>Building of dams in Mgwali Village 3</p> <p>Fencing of grazing land in Mgwali Village 4</p> <p>Fencing of crops yard in Mgwali Village 4</p> <p>Feed for cattle needed in Mgwali Village 4</p> <p>Fencing for grazing land in Mgwali Village 5</p> <p>Cleaning of dams in Mgwali Village 5</p> <p>Cleaning of rivers in Mgwali Village 5</p> <p>Space for cultivation at Amabele</p> <p>Fencing of grazing land in Freshwater</p> <p>Dipping tank in Rockdale</p> <p>Need for farm assistance in Rockdale</p> <p>Fencing of camps in Stanhope</p> <p>Renovation of dipping tank in Stanhope</p> |



|                             |   |
|-----------------------------|---|
|                             | Fencing of grazing land in Jersey Valley  |
| <b>DEPARTMENT OF HEALTH</b> |   |
| <b>WARD</b>                 | <b>CHALLENGE</b>  |
| 13                          | Need for clinic   |
| 1                           | Clinic at Zingcuka  |
| 3                           | Need a Clinic at St Mathew's  |
| 4                           | Clinic not functional in Goshen<br>Mobile clinic only available sometimes ( need permanent structure)   |
| 14                          | Clinic at Mzamomhle   |
| 15                          | Construction of Clinic in Cenyu Lands   |
| 9                           | Clinic must be opened 24/7 in Mgwali village 3<br>Clinic needs renovations<br>Clinic in Freshwater<br>Mobile clinic in Rockdale<br>Mobile clinic in Jersey Valley<br>Mobile Clinic in Gasela<br>Mobile clinic in Lujilo |
| 8                           | Construction of Clinic in Border Post<br>Clinic in Nonkululeko  |
| 6                           | Clinic at Izidenge Village<br>Mobile Clinic in Joe Lentz  |
| 11                          | Clinic in Rabula  |
| <b>SOCIAL DEVELOPMENT</b>   |   |
| <b>WARD</b>                 | <b>CHALLENGE</b>  |
| 2                           | Old age structures in all areas   |
| 4                           | Care givers (Langdraai)   |
| 6                           | Construction of crèche in Amatole Ville   |
| 7                           | Crèches   |
| 8                           | Construction of crèche in Khayelitsha<br>Border Post old age civil centre   |
| 9                           | Need for crèche in Jersey Valley<br>Need for crèche in Rockdale   |

|   |   |
|---|---|
|   | Need for crèche in Freshwater   |
| 10  | Old age center<br>Jobs Hospice Centre   |
| 15  | Construction of crèche in Cenyu Lands   |
| DEPARTMENT OF SPORT, RECREATION, ARTS AND CULTURE |   |
| WARD  | CHALLENGE   |
| 1   | Parks for town  |
| 4   | Sports field in Mandlakapheli<br>Sports grounds in Langdraai  |
| 6   | Sports field in Izidenge Village<br>Sports fields in Kubusie<br>Fencing of sports ground in Amatola Ville   |
| 7   | Fencing of sports grounds   |
| 8   | Sports field in Border Post<br>Renovation of sports field in Mthonjeni<br>Sports field in Nonkululeko<br>Sports field in Huddon<br>Library in Khayetsha |
| 9   | Sports field in Mgwali Village 3<br>Sports field in Mgwali Village 4<br>Sports field in Amabele<br>Sports field for Freshwater                          |
| 10  | Mboloro / Tswari and horse racing<br>Mgolombane fun run<br>Sport academy<br>Stadium/ Playgrounds and sport kits<br>Sport expo                           |
| 13  | Sports ground for all codes<br>Sport Kits   |
| 15  | A need for sport facilities<br>Request for completion of the renovation of sportfield in Mlungisi   |
| 11  | Horse race track  |

|   |   |
|---|---|
|   | Sportfield for Lower Rabula   |
| DEPARTMENT OF ECONOMIC DEVELOPMENT ENVIRONMENTAL AFFAIRS AND TOURISM (DEDEAT) |   |
| WARD  | CHALLENGE   |
| 13  | Wattle eradication in Mgwali village 2  |
| 1   | Re-invest in rebuilding Keiskammahoek<br>Youth Centre   |
| AM AHLATHI LOCAL MUNICIPALITY   |   |
| WARD  | CHALLENGE   |
| All wards   | Poor tourism signage and marketing of tourism destinations  |
| All wards   | Expansion of yellow maize production  |
| All wards   | Construction of mile grain stone  |
| All wards   | Wattle eradication  |
| All wards   | Livestock improvement   |
| All wards   | Removal of noxious weeds  |
| All wards   | Lack of machinery and implements for agriculture in ploughing   |
| All wards   | Training of emerging contractors  |
| 4   | Spreading of blue berry ( Langdraai)<br>Community hall in Mandlakapheli<br>High mast lights<br>Bad internal roads<br>Upgrading of Bridge (Langdraai)<br>School children crossing dangerous highway roads (pedestrian crossing/school patrol needed)<br>Lack of Youth support from ALM<br>Graveyards full (Forceful digging without consultation) at Daliwe<br>Road not in good condition (Mandlakapheli)<br>Projects left unfinished (Langdraai)<br>Graveyard full (Goshen)<br>Unemployment (Goshen)<br>Creation of employment in Kati-kati<br>Support of Co-operatives (Daliwe)<br>Renovation of hall (daliwe)<br>Fencing of Dams (Daliwe) |

|   |   |
|---|---|
|   | Title deeds for allocated sites   |
| 5 | <p>Poor road conditions (Bomvana, Kati-kati and Kei lands)</p> <p>Public Works not employing local people</p> <p>No service delivery in ALM (protest in all clusters)</p> <p>No recreation for children and centers for elderly</p> <p>Youth Development programme ( Ngqanda)</p> <p>Spreading of blue berry ( Toise and Keilands)</p> <p>Youth empowerment programmes in Toise (high unemployment rate)</p> <p>Renovation in Kati-kati and Thomas River and 100 chairs,</p>  |
| 6 | <p>Job creation in Amatola Ville</p> <p>Cutting trees around the area in Amatola Ville</p> <p>Renovation of community hall in Amatola Ville</p> <p>Internal roads tarred in Amatola Ville, Isidenge, Ohloson and Kubusi</p> <p>Land for sites and RDP houses in Amatola Ville</p> <p>Youth Programs in Kubusie</p> <p>Internal Roads in Kubusie</p> <p>Funding of Co-ops in Kubusie</p> <p>Community hall in Kubusie</p> <p>Fencing of grave yard in Kubusie</p> <p>Youth skills and internet access (Kubusie)</p> <p>Internal roads in Olysson</p> <p>Renovation of community hall in Izidenge Village</p> <p>Main road in Izidenge Village</p> <p>Internal road in Izidenge Village</p> <p>High mast lights in Izidenge Village</p> <p>EPWP job creation in Izidenge</p> <p>Roads in Joe Lentz/Toise Farm</p> <p>EPWP job creation in Joe Lentz/Toise Farm</p> <p>Land for Sites in Joe Lentz/Toise Farm</p> <p>Youth centers</p> <p>Access to Internet (Youth)</p> <p>Youth job creation</p> <p>Skills development (Youth)</p> |

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|    | Grave yard in Olysson   |
| 7  | <p>More High mast lights needed (Mbaxa)</p> <p>Bridge needs renovation (Nkwa Ngesi)</p> <p>Fencing of cemeteries</p> <p>Fencing of grazing land</p> <p>Community hall in Mbaxa and Thembeni</p> <p>Creation of employment (EPWP)</p>  |
| 13 | <p>Community Hall in Xholora</p> <p>Fencing for camps</p> <p>Spreading of blue berry ( Heckel)</p> <p>Mgwali Village 2 internal roads</p> <p>SANRAL (what criteria used for employment)</p> <p>Lower Xholora road not completed for years</p> <p>Request for tarred road from Town to Emgwali and Tsomo</p>   |
| 9  | <p>Internal roads in Mgwali Village 3</p> <p>Spreading of blue berry</p> <p>Construction of mille grain stone ( Central point for massive food programme)</p> <p>Cemetery space and management ( Rockdale and Amabele)</p> <p>Dipping tank ( Gasela, Rockdale)</p> <p>Site allocation in Mgwali Village 5</p> <p>Jobs in Mgwali Village 3</p> <p>Sites allocation in Mgwali Village 3</p> <p>Renovation of Mgwali cultural village</p> <p>Youth Skills Development (Mgwali Village 3, 5, Freshwater, Jerseyvale and Stanhope)</p> <p>Internal road in Mgwali Village 4</p> <p>Water for animals in Mgwali Village 4</p> <p>EPWP jobs in Mgwali Village 4</p> <p>Site allocation in Mgwali Village 4</p> <p>High mast lights in Mgwali Village 4</p> <p>Internal roads in Mgwali Village 5</p> <p>EPWP jobs in Mgwali village 5</p> <p>Youth development in Mgwali Village 5</p> |

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|  | <p>Crèche construction in Mgwali Village 5</p> <p>Community hall in Mgwali Village 5</p> <p>Sites allocation in Mgwali Village 5</p> <p>High mast lights in Mgwali Village 5</p> <p>Sites allocation in Lujilo</p> <p>Re-gravelling of internal roads in Lujilo</p> <p>Jobs in Lujilo</p> <p>Funding of projects in Lujilo</p> <p>Wattle eradication in Lujilo</p> <p>Community hall in Amabele</p> <p>Internal roads at Amabele not completed and must be tarred</p> <p>Job creation at Amabele</p> <p>Space for grave yard in Amabele</p> <p>Waste collection at Amabele</p> <p>Grass cutting at Amabele</p> <p>EPWP job creation for Amabele</p> <p>Internal roads in Phase two, fresh water</p> <p>Storm water pipes for freshwater</p> <p>Community hall in Freshwater</p> <p>EPWP jobs at Freshwater</p> <p>Youth programs in Freshwater</p> <p>Graveling of access road joining from N6 to Ndakana area</p> <p>Fencing of grave yard in Freshwater</p> <p>Funding of project in Freshwater</p> <p>Sites allocation in Freshwater</p> <p>Internal roads in Rockdale</p> <p>Creation of jobs in Rockdale</p> <p>Community hall in Rockdale</p> <p>Fencing of grave yard in Rockdale and request for additional space for graveyard</p> <p>Internal roads in Stanhope</p> <p>Fencing of graveyard in Stanhope</p> <p>Skills development in Stanhope</p> |
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|    | <p>Cultivation of land in Stanhope</p> <p>Sites allocation in Stanhope</p> <p>Need for Library in Stanhope</p> <p>High mast lights in Stanhope</p> <p>Co-operatives funding and training in Stanhope</p> <p>High mast lights in Jersey Valley</p> <p>Internal roads phase 2 in Jersey Valley</p> <p>Community hall in Jersey Valley</p> <p>Fencing of grave yard in Jersey Valley</p> <p>Youth skills development and job creation in Jersey Valley</p> <p>Signage from N6 to Ndakana villages</p> <p>Sites allocation in Jersey Valley</p> <p>Collection of waste in Jersey Valley</p> <p>Internal roads in Gasela</p> <p>Fencing of graveyard in Gasela</p> <p>High mast lights in Gasela</p> <p>Jobs creation in Gasela</p> <p>Permanent voting station in Gasela</p> <p>Renovation of building for project purposes in Gasela</p> <p>High mast lights in Freshwater</p> <p>Road from Mgwali to Tsomo to be tarred</p> |
| 10 | <p>Community Halls</p> <p>Cultural center</p> <p>Skills development</p> <p>Agri spatial development co-operatives</p> <p>Title deeds</p> <p>Mbem's cultural centre</p> <p>Playing grounds</p> <p>Fencing of Arable land and grazing camps</p> <p>Library</p> <p>Internal Roads construction and tarring access roads</p> <p>Land allocation for farmers in vacant land</p> <p>Tournaments (All sport codes) and music festivals</p>   |

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|    | <p>Business expo</p> <p>Career exhibition</p> <p>Government department exhibition</p> <p>Mgolombane award banquet</p> <p>House garden</p> <p>Scrapping quit rental debt</p> <p>Rev. Stewart moral regeneration</p> <p>Ward 10 Jongihlanga cultural center (Youth programmes- Beauty Contest for both Males and Females)</p> <p>Museum</p> <p>Election registration workshop</p> <p>Abattoir</p> <p>Food processing firm</p> <p>.Brick firm</p> <p>Wire firm</p> <p>Recycle firm</p> <p>Fencing of graveyards</p>   |
| 12 | <p>Fencing of grave yard in Nompumelelo</p> <p>High mast light in Nompumelelo</p> <p>Community hall in Nompumelelo</p> <p>Fencing of grave yard in Malindana</p> <p>High mast light in Malindana</p> <p>Community hall in Malindana</p> <p>Bridge in Malindana</p> <p>Dipping tank (Hokwana, Frankfort)</p> <p>Access roads in Hokwana</p> <p>High mast lights in Hokwana</p> <p>Community hall in Hokwana</p> <p>Fencing of grave yard in Frankfort</p> <p>EPWP jobs in Frankfort</p> <p>Access roads in Frankfort</p> <p>Internal in Gubevu</p> <p>Fencing of grave yard in Gubevu</p> |



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|    | <p>EPWP job creation in Gubevu</p> <p>Community hall in Gubevu</p> <p>Finishing of Nothenga community hall</p>  |
| 14 | <p>Fencing in Volweni land</p> <p>Grazing land in Mzamomhle</p> <p>Storm water pipe installation opposite MCCP</p> <p>Fencing of Cemetery</p> <p>Garbage bins (Gardens)</p> <p>Tarred road in the location</p> <p>Dangerous wetlands in Chris Hani</p> <p>Wattle eradication (Chris Hani)</p> <p>Mlungisi Sportsfield</p> <p>Road maintenance in ward 14</p> <p>Demolishing of the MCCP as it became the hotspot for crime purposes</p>   |
| 15 | <p>Fencing of old graveyards</p> <p>Fencing of graveyards in Cenyu village</p> <p>Tar roads in township are in bad condition (Mlungisi)</p> <p>Dipping tank</p> <p>Speed humps</p> <p>Construction of high mast lights between Jongile and White City areas</p> <p>Storm water drains</p> <p>Storm water drains in Khanyisa</p> <p>Provision of tittle deeds</p> <p>Maintenance of internal roads for Khayelitsha</p> <p>Fencing of old grave yard in White City</p> <p>Maintenance of Mlungisi community hall and provision of furniture</p> <p>High mast light installation next to Hewu Funeral and Makhura Tavern</p> <p>Storm water drains</p> <p>High mast light near grave yard in Zanoxolo</p> <p>Construction of bus stop/shelter</p> <p>Construction of speed bump in front of Cenyu public school</p> <p>Maintenance of internal roads in Zanoxolo</p> |

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|    | <p>Utilization of old cottage as a heritage site in Cenyu Village</p> <p>Allocation of sites and construction of bus stop shelters in Cenyu Village</p> <p>High mast lights in Cenyu Village</p> <p>Construction of bus stop shelters in Cenyu Lands</p> <p>Allocation of Sites in Cenyu Lands</p> <p>Provision of furniture in community hall in Cenyu Lands</p> <p>High mast lights in Cenyu Lands</p> <p>Maintenance of internal roads in Cenyu Lands</p> <p>Maintenance of internal roads in Bongweni</p>  |
| 13 | <p>Land fencing for ploughing in No. 2 Village</p> <p>Tractor</p> <p>Speed humps in No. 6 Village</p> <p>Fencing of Cemeteries in N0.6 Village</p> <p>Wattle eradication ( No.2 Village)</p> <p>Lack of youth development</p> <p>Poor internal roads</p>   |
| 1  | <p>Community hall in Upper Zingcuka, Ngxondoreni and Masincedane</p> <p>Paving needs to be completed in Town</p> <p>High mast lights not in working condition in Town and installation in other areas</p> <p>Training of CTO and LTO</p> <p>Revitalization of Town</p> <p>Maintenance of the waste cite and waste recycling programmes</p> <p>Dust bins around town</p> <p>Fencing of cemetery and regulations thereof</p> <p>Land audit to address also vacant land in the main street and site allocation</p> <p>By-law enforcement to address stray animals in town and business</p> <p>By-laws enforcement on taverns operation review them if necessary</p> <p>Regulating building in towns- implementation of National building Regulations</p> <p>Rectify the billing system as currently calculations are inadequate</p> <p>Internal Roads- Ngxondoreni, KKH Town, Gxulu, Zingcuka and Masincedane</p> <p>Construction or maintenance of road to Springbok hall</p> <p>Fencing of Cemeteries</p> |
| 10 | <p>Community hall</p>  |

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|    | <p>Internal Roads</p> <p>Awareness campaigns</p> <p>High mast lights</p>  |
| 11 | <p>High mast Lights</p> <p>Spreading of blue berry</p> <p>Cleaning of Dams</p> <p>Fencing of animal camps</p> <p>Access roads all villages</p> <p>Construction of Internal Roads Ilitha, Tshoxa, Upper and Lower ngqumeya, Peter's farm and extension of internal road at Zingcuka</p> <p>Community hall – Upper &amp; lower Rabula, Lower Ngqumeya and Peter's farm</p> <p>Youth Development programs</p> <p>Sportfield for Lower Rabula</p> <p>Renovation of tshoxa Community hall</p> <p>Houses for destitute 463 units</p> <p>Expansion of Clinic in Rabula</p> |
| 2  | <p>Cleaning of dams</p> <p>Community halls Ngxalawe, Kom, Pumlani, Ngqudela and Bumbane</p> <p>Regravelling of Internal Roads</p> <p>Highmast lights next to SS Gida</p> <p>Scholar Transport from Ngxalawe to Tshwete</p> <p>Fencing of graveyards</p>   |
| 8  | <p>EPWP job creation in Khayelitsha</p> <p>Dipping tank (Nonkululeko)</p> <p>Grave yard in Khayelitsha</p> <p>Internal Roads in Khayelitsha</p> <p>Youth development (Huddon, Nonkululeko, Mthonjeni, Border Post and Khayelitsha)</p> <p>EPWP jobs in Huddon</p> <p>Fencing of graveyard in Huddon</p> <p>Playing ground for children in Huddon</p> <p>Community hall in Huddon</p> <p>Assistance needed for Co-ops in Nonkululeko</p>   |

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|                            | <p>EPWP jobs in Nonkululeko</p> <p>Youth skills development in Nonkululeko</p> <p>Extension of street lights in Kei Road Town</p> <p>High charges on Kei Road sports grounds by Amathole and Amahlathi</p> <p>Upgrading of municipal buildings in Kei Road Town</p> <p>Speed limits on main road in Kei Road Town</p> <p>Traffic signs and street names in Kei Road Town</p> <p>Playing ground for children in Mthonjeni</p> <p>Site for churches in Mthonjeni</p> <p>Renovation of community centre in Mthonjeni</p> <p>Fencing of community hall in Mthonjeni</p> <p>Skills development and job creation for youth in Mthonjeni</p> <p>Extending of community hall in Mthonjeni</p> <p>Site allocation at Sqwashville</p> <p>New grave yard at Sqwashville</p> <p>Projects in Border Post need assistance</p> <p>Internal roads and main roads in Border Post</p> <p>EPWP job creation at Border Post</p> <p>Fencing of grave yard in Border Post</p> <p>Digging of small query inside the village at Border Post</p> <p>Caretaker needed at the hall in Border Post</p> <p>Youth Centre in Border Post</p> <p>Garden tools and seeds at Border Post</p> <p>Fencing of sports field in Khayelitsha</p> <p>Youth skills development in Khayelitsha</p> |
| 3                          | <p>Community halls</p> <p>Internal roads in all villages</p> <p>Access roads in all villages</p> <p>Spreading of blue berry</p> <p>High mast lights</p> <p>Fencing of graveyards in all villages</p>  |
| DEPARTMENT OF HOME AFFAIRS |   |
| WARD                       | CHALLENGE   |

|   |  |
|---|--|
| 14  | To be assisted with ID smart cards   |
| <b>DEPARTMENT OF ROADS AND PUBLIC WORKS</b> |  |
| <b>WARD</b>                                 | <b>CHALLENGE</b>   |
| 4   | Roads are bad  |
| 5   | Roads are bad<br>Need for a bridge between Ndumangeni and Ndlovini   |
| 1   | Access roads in Gxulu need attention<br>Bridge at Zingcuka, also between Mkhubiso and Ngxondorheni   |
| 7   | 2 bridges (Egadini)<br>Upgrade of bridge at Ngesi  |
| 8   | Frankfort bridge<br>Border Post bridge   |
| 9   | Access road between Mgwali and Stutterheim town needs major construction (Mgwali No.4)<br>Bridge between jersey valley and Stanhope<br>Bridge between Jersey Valley and Nonkululeko<br>Bridge between Mgwali village 3 and village 2<br>Bridge between Mgwali village 4 and Village 5<br>Bridge between Zwelitsha and Freshwater<br>Bridge between Freshwater and Mpolweni<br>Bridge between Stanhope and Freshwater |
| 10  | Access road in Ngcamngeni<br>Need for a bridge   |
| 11  | Bridge upper Rabula and lower Zingcuka   |
| 12  | Upgrade of bridge in Malindana<br>Need a bridge in Gubevu  |
| 14& 15                                      | Access roads   |
| 3   | Access roads in all villages   |
| <b>13. EDUCATION</b>                        |  |
| <b>WARD</b>                                 | <b>CHALLENGE</b>   |
| 3   | Scholar transport in Gwiligwili<br>School in Dontsa  |
| 4   | Classrooms in Sophakama J.S.S. not enough  |

|                             |   |
|-----------------------------|---|
| 6                           | High school in Izidenge Village   |
| 8                           | School in Khayelitsha<br>Scholar transport in Khayetsha   |
| 9                           | Renovation of Masiphumle primary school including toilets renovations<br>Transportation of children to school in Gasela               |
| <b>PUBLIC SAFETY / SAPS</b> |   |
| <b>WARD</b>                 | <b>CHALLENGE</b>  |
| 5                           | Crime rate and use of drugs very high   |
| 7                           | Request intervention on functionality of police station (Mbaxa)<br>Poor management of police station result in the high rate in crime |
| 9                           | Mobile police station in Mgwali Village 4<br>Police station in Lujilo<br>Police station in Freshwater<br>Police station in Stanhope   |
| 13                          | A need of a police station  |

## CHAPTER 4: MUNICIPAL DEVELOPMENT OBJECTIVES AND STRATEGIES

This section reports on the work undertaken to address in a strategic manner the key areas of need identified during the Analysis Phase of the IDP process. In this regard, six key components have guided the formulation of the Municipality's development strategies and associated project identification. These are:

### 4.1 GUIDING PRINCIPLES

In carrying out its functions the Amahlathi Municipality has been committed to:

- Co-ordination with other spheres of government.
- Maximise participation of the community,
- Recognise the social needs of all communities.
- Sustainable Socio-economic, Environmental and Political Development.
- Provide necessary infrastructure within its means.
- Build investor confidence.

### 4.2 DEVELOPMENT OBJECTIVES

The Municipal Development Objectives are classified in terms of the **revised** Development Sector Clusters established through the mediation of the Amathole District IDP Framework Committee.

The process of identifying objectives was founded on the objectives developed by Amathole District Municipality, and made use of the Representative Forum to ensure that the objectives identified would enable communities to attain the maximum benefit from all subsequent processes. The following objectives, per sector development cluster, were identified.

## A. Engineering Services

### Priority Areas

- Improvement of the Roads Network.
- Electrification.

### National Strategic Objective/Outcome linked to the National Transformation Agenda

Resuscitation and enhancement of the rail and road networks through partnering with custodian departments and agencies

| IDP REF  | Local Strategic Objective for the 5 Years and Beyond                                  | Strategy To Achieve The Strategic Objective  | Key Performance Indicator (KPI)                          | Budget | 2020/21 Target   | 2021/22 Target   | 2022/23 Target   | Custodian                      |
|--|---|--|--|--------|--|--|--|--------------------------------|
| <b>SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b> |   |  |  |        |  |  |  |                                |
| 1.1  | To ensure provision of a sustainable road network within Amahlathi by 2022 and beyond | Development, implementation and monitor the Roads Infrastructure Masterplan for both tarred and gravel roads | No. of Kms of gravel roads maintained (Blading)          |        | 100 kms gravel access and internal roads bladed        | 160 kms gravel access and internal roads bladed        | 160 kms gravel access and internal roads bladed        | Director: Engineering Services |
| 1.2  |   |  | No. of Kms of municipal roads re-gravelled               |        | 14 kms of municipal roads re-gravelled                 | 14 kms of municipal roads re-gravelled                 | 14 kms of municipal roads re-gravelled                 | Director: Engineering Services |
| 1.3  |   |  | No. of Potholes repaired as per departmental inspections |        | 1230 Potholes repaired as per departmental inspections | 1230 Potholes repaired as per departmental inspections | 1230 Potholes repaired as per departmental inspections | Director: Engineering Services |
| 1.4  |   |  | No. of km's of storm water drains unblocked              |        | 8 kms of Inspected storm water drains unblocked        | 8 kms of Inspected storm water drains unblocked        | 8 kms of Inspected storm water drains unblocked        | Director: Engineering Services |



| IDP REF | Local Strategic Objective for the 5 Years and Beyond   | Strategy To Achieve The Strategic Objective  | Key Performance Indicator (KPI)                            | Budget | 2020/21 Target  | 2021/22 Target  | 2022/23 Target  | Custodian                      |
|---------|--|--|--|--------|---|---|---|--------------------------------|
| 1.5     |  |  | No. of km's of roads constructed (gravelled)               |        | 12 kms of roads gravelled (insert coordinates)                  | 12 kms of roads gravelled (insert coordinates)                  | 16 kms of roads gravelled (insert coordinates)                  | Director: Engineering Services |
| 1.6     |  |  | No. of kms of roads surfaced.                              |        | 2 km of roads surfaced.   | 2 km of roads surfaced.   | 2 km of roads surfaced.   | Director: Engineering Services |
| 1.7     | To ensure connection of electricity to all households within the licensed areas by 2022.     | Reduce electricity system losses   | % of Faulty reported meters repaired per inspection report |        | 90% of Faulty reported meters repaired as per inspection report | 90% of Faulty reported meters repaired as per inspection report | 90% of Faulty reported meters repaired as per inspection report | Director: Engineering Services |
| 1.8     | To ensure effective, compliant and efficient disaster management services by 2022 and beyond | Establishment of fire stations in Amahlathi service areas  | No. of fire stations constructed                           |        | 1 fire station constructed                                      | 1 fire station constructed                                      | 1 fire station constructed                                      | Director: Engineering Services |
| 1.9     |  | Rehabilitation and proper management of waste disposal facilities to ensure compliance with NEMWA Act 59 of 2008 | No. of landfill sites rehabilitated                        |        | 1 landfill sites rehabilitated                                  | 1 landfill sites rehabilitated                                  | 1 landfill sites rehabilitated                                  | Director: Engineering Services |
| 1.10    | To ensure provision of sustainable public facilities by 2022 and beyond                      | Facilitate maintenance and upgrade of sport, community halls and recreational facilities                         | % of sport fields upgraded. (Mlungisi)                     |        | 100% Sport Complex upgraded                                     | 1 Sport Complex upgraded  | 1 Sport Complex upgraded  | Director: Engineering Services |
| 1.11    |  |  | No of community halls constructed                          |        | 1 community hall constructed                                    | 1 community hall constructed                                    | 1 community hall constructed                                    | Director: Engineering Services |

| IDP REF                            | Local Strategic Objective for the 5 Years and Beyond   | Strategy To Achieve The Strategic Objective  | Key Performance Indicator (KPI)                      | Budget | 2020/21 Target                                      | 2021/22 Target                                      | 2022/23 Target                                      | Custodian                      |
|------------------------------------|--|--|--|--------|---|---|---|--------------------------------|
| 1.12                               |  |  | No of Municipal Offices renovated in KKH             |        | 1 Municipal Office renovated in Ward 1              | 1 municipal offices in renovated in Stutterheim     | 1 municipal offices in renovated in Stutterheim     | Director: Engineering Services |
| 1.13                               |  |  | No. of municipal offices in renovated in Stutterheim |        | 1 municipal offices in renovated in Stutterheim     | 1 municipal offices in renovated in Stutterheim     | 1 municipal offices in renovated in Stutterheim     | Director: Engineering Services |
| 1.14                               |  |  | % of complying submitted building plans approved     |        | 100% of complying submitted building plans approved | 100% of complying submitted building plans approved | 100% of complying submitted building plans approved | Director: Engineering Services |
| <b>MUNICIPAL FINANCE VIABILITY</b> |  |  |  |        |   |   |   |                                |
| 2.4                                | To ensure 80% expenditure of capital budget by 2022  | Monitoring and reporting on the spending of the municipal capital budget by user departments | % expenditure of capital budget                      |        | 100% expenditure of capital budget                  | 100% expenditure of capital budget                  | 100% expenditure of capital budget                  | Director: Engineering Services |
| <b>LOCAL ECONOMIC DEVELOPMENT</b>  |  |  |  |        |   |   |   |                                |
| 4.1                                | To improve implementation of the government intervention programme to eliminate poverty by 2022. | Implementation of EPWP and municipal job creation programme                                  | No of jobs created through public works grant        |        | 50 jobs created public works grant                  | 50 jobs created public works grant                  | 50 jobs created public works grant                  | Director: Engineering Services |

## B. Community Services

### Priority Areas

- Community Safety.
- Adequate and sustainable Parks, gardens and recreational facilities.
- Waste Management.
- Environmental Management.
- Cemetery Management.
- Disaster Management.
- Road safety
- Effective Library services

### National Strategic Objective/Outcome linked to the National Transformation Agenda

- Promote safer communities- Community safety initiatives by strengthening and expanding a variety of community safety platforms.
- Recreation and leisure.
- Clean environment.

| IDP REF  | Local Strategic Objective for the 5 Years and Beyond  | Strategy to Achieve the Strategic Objective                | Key Performance Indicator (KPI)                               | Budget | 2020/21 Target   | 2021/22 Target   | 2022/23 Target   | Custodian                    |
|--|---|--|---|--------|--|--|--|------------------------------|
| <b>SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b> |   |  |   |        |  |  |  |                              |
| 1.15   | Ensure that solid waste is managed in an Integrated environmental friendly and sustainable manner | Develop and Implement the Integrated Waste Management plan | Developed Integrated Waste Management plan adopted by Council |        | Developed Integrated Waste Management plan Presented and Adopted by Council                        | Submit Integrated Waste Management plan to MEC for Gazette   | Implementation of the Integrated Waste Management plan   | Director: Community Services |
| 1.16   |   |  | No of households and businesses with basic waste collection   |        | 9252 households and businesses with access to basic waste collected (ward 1, 4, 5, 6, 8 13,14, 15) | 9252 households and businesses with access to basic waste collected (ward 1, 4, 5, 6, 8 13,14, 15) | 9252 households and businesses with access to basic waste collected (ward 1, 4, 5, 6, 8 13,14, 15) | Director: Community Services |

| IDP REF | Local Strategic Objective for the 5 Years and Beyond                               | Strategy to Achieve the Strategic Objective  | Key Performance Indicator (KPI)  | Budget | 2020/21 Target   | 2021/22 Target  | 2022/23 Target  | Custodian                    |
|---------|--|--|--|--------|--|---|---|------------------------------|
| 1.17    |  | Conduct capacity building initiatives        | No of waste awareness campaigns conducted per cluster (Electronic Media Communication)     |        | 2 waste awareness campaigns conducted (Electronic Media Communication)                           | 2 waste awareness campaigns conducted (Electronic Media Communication)        | 2 waste awareness campaigns conducted (Electronic Media Communication)        | Director: Community Services |
| 1.18    | To protect life, property, environment and economy from hazards                    | Conduct integrated fire awareness campaigns  | No of fire awareness campaigns per prioritization by the Disaster forum (Electronic Media) |        | 2 awareness fire campaigns conducted per prioritization by the Disaster forum (Electronic Media) | 4 awareness fire campaigns conducted per prioritization by the Disaster forum | 4 awareness fire campaigns conducted per prioritization by the Disaster forum | Director: Community Services |
| 1.19    | To ensure provision of compliant and efficient community safety by 2022 and beyond | Conduct road blocks                          | No of road blocks conducted  |        | 36 road blocks conducted   | 40 road blocks conducted  | 44 road blocks conducted  | Director: Community Services |
| 1.20    | To promote and ensure safety on municipal and public roads                         | Implementation of National Road Traffic Act  | No. of tickets issued on law enforcement   |        | 530 tickets issued on law enforcement  | 530 tickets issued on law enforcement   | 530 tickets issued on law enforcement   | Director: Community Services |
| 1.21    |  | Provision of proper road marking and signage | % of inspected damaged road markings and signs maintained                                  |        | 100% of inspected damaged road markings and signs maintained per                                 | 100% of inspected damaged road markings and signs maintained per              | 100% of inspected damaged road markings and signs maintained per              | Director: Community Services |

| IDP REF                            | Local Strategic Objective for the 5 Years and Beyond                     | Strategy to Achieve the Strategic Objective  | Key Performance Indicator (KPI)   | Budget | 2020/21 Target   | 2021/22 Target  | 2022/23 Target  | Custodian                    |
|------------------------------------|--|--|---|--------|--|---|---|------------------------------|
|                                    |  |  |   |        | inspection report  | inspection report   | inspection report   |                              |
| 1.22                               | To promote the culture of reading and effective use of library resources | Conduct library activities that promote the culture of reading and effective use of library resource | No. of library awareness campaigns conducted (Electronic Media Communication) |        | 2 library awareness campaigns conducted (Electronic Media Communication) | 4 library awareness campaigns conducted                               | 4 library awareness campaigns conducted                               | Director: Community Services |
| <b>MUNICIPAL FINANCE VIABILITY</b> |  |  |   |        |  |   |   |                              |
| 2.7                                | Ensure 80% collection of income due from consumer debtors by 2022        | Revenue collection   | % collection of revenue on motor vehicle registration and licenses            |        | 100% collection of revenue on motor vehicle registration and licenses    | 100% collection of revenue on motor vehicle registration and licenses | 100% collection of revenue on motor vehicle registration and licenses | Director: Community Services |
| 2.8                                |  |  | % collection of revenue on learners and drivers licenses                      |        | 100% collection of revenue on learners and drivers licenses              | 100% collection of revenue on learners and drivers licenses           | 100% collection of revenue on learners and drivers licenses           | Director: Community Services |
| 2.9                                |  |  | % collection of revenue on law enforcement                                    |        | 100% collection of revenue on law enforcement                            | 100% collection of revenue on law enforcement                         | 100% collection of revenue on law enforcement                         | Director: Community Services |
| 2.10                               |  |  | % collection of revenue on  |        | 100% collection of revenue on  | 100% collection of revenue on   | 100% collection of revenue on   | Director: Community Services |

| IDP REF   | Local Strategic Objective for the 5 Years and Beyond                   | Strategy to Achieve the Strategic Objective                        | Key Performance Indicator (KPI)                                    | Budget | 2020/21 Target  | 2021/22 Target  | 2022/23 Target  | Custodian                    |
|---|--|--|--|--------|---|---|---|------------------------------|
|   |  |  | cemetery management  |        | cemetery management   | cemetery management                                     | on cemetery management                                  |                              |
| 2.11  |  |  | % collection of revenue hall hiring                                |        | 100% collection of revenue hall hiring                          | 100% collection of revenue hall hiring                  | 100% collection of revenue hall hiring                  | Director: Community Services |
| <b>MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b> |  |  |  |        |   |   |   |                              |
| 5.10  | To ensure promotion of Community safety by 2022 and beyond             | Development and implementation of Amahlathi Liquor By-Laws.        | Amahlathi Liquor by-Laws developed and adopted by council - Yes/No |        | Implementation of Liquor By-Law                                 | Implementation of Liquor By-Law                         | Implementation of Liquor By-Law                         | Director: Community Services |
| 5.11  | To ensure effective, efficient and economical management of cemeteries | Review and implementation of Cemetery Management Policy            | Review cemetery management policy adopted by council - Yes/No      |        | Review and implementation of Cemetery Management Policy         | Review and implementation of Cemetery Management Policy | Review and implementation of Cemetery Management Policy | Director: Community Services |
| 5.12  |  | Effective management of public amenities                           | Developed Public amenities management plan submitted to Council    |        | Developed Public amenities management plan submitted to Council | Implementation of Public amenities management plan      | Implementation of Public amenities management plan      | Director: Community Services |
| 5.13  | To ensure that all disaster incidents are attended                     | Facilitate Reviewal and implementation of Disaster Management Plan | Disaster Management Plan Presented and adopted by Council          |        | Disaster Management Plan Presented and adopted by Council       | Disaster Management Plan adopted by council             | Disaster Management Plan adopted by council             | Director: Community Services |

| IDP REF | Local Strategic Objective for the 5 Years and Beyond   | Strategy to Achieve the Strategic Objective  | Key Performance Indicator (KPI)                   | Budget | 2020/21 Target                                | 2021/22 Target  | 2022/23 Target  | Custodian                    |
|---------|--|--|---|--------|---|---|---|------------------------------|
| 5.14    | To ensure effective, efficient and economical management of Fire and that disasters are attended | To ensure the Development and Implementation of an Integrated Fire Management Plan | Development of an Integrated Fire Management Plan |        | Review of the Integrated Fire Management Plan | Implementation of the Integrated Fire Management Plan | Implementation of the Integrated Fire Management Plan | Director: Community Services |

### C. Budget and Treasury Office

#### Priority Areas

- Effective and compliance Supply Chain Management
- Effective, compliant and credible Asset Management.
- Effective Revenue Management.
- Prudent and credible budget and financial reporting.

#### National Strategic Objective/Outcome linked to the National Transformation Agenda

- Strengthen procurement systems so that they deliver value for money
- Address weaknesses in procurement systems to ensure a greater focus on value for money.
- Optimize infrastructure investment and services

| IDP REF                              | Local Strategic Objective for the 5 Years and Beyond   | Strategy To Achieve The Strategic Objective                      | Key Performance Indicator (KPI)   | Budget | Target 2020/21  | Target 2021/22  | Target 2022/23  | CUSTODIAN                           |
|--------------------------------------|--|--|---|--------|---|---|---|-------------------------------------|
| <b>MUNICIPAL FINANCIAL VIABILITY</b> |  |  |   |        |   |   |   |                                     |
| 2.1                                  | To continuously ensure an equitable, economical, transparent, fair and value – add supply chain management system/function | Monitoring and reporting on the performance of service providers | No. of quarterly Service Provider performance reports submitted to the Mayor by the 15 <sup>th</sup> day after end of the quarter |        | 4 quarterly Service Provider performance reports submitted to the Mayor by the 15th day after | 4 quarterly Service Provider performance reports submitted to the Mayor by the 15th | 4 quarterly Service Provider performance reports submitted to the Mayor by the 15th | Director Budget and Treasury Office |

| IDP REF | Local Strategic Objective for the 5 Years and Beyond  | Strategy Achieve To The Strategic Objective           | Key Performance Indicator (KPI)   | Budget | Target 2020/21   | Target 2021/22   | Target 2022/23   | CUSTODIAN                           |
|---------|---|---|---|--------|--|--|--|-------------------------------------|
|         |   |   |   |        | end of the quarter   | day after end of the quarter   | day after end of the quarter   |                                     |
| 2.2     |   | Strict adherence to SCM Regulations                   | No. of quarterly reports on (tenders awarded, deviations report, contract management report ) submitted to the Mayor by the 15th day after end of the quarter |        | 4 quarterly reports on (tenders awarded, deviations report, contract management report ) submitted to the Mayor by the 15th day after end of the quarter | 4 quarterly reports on (tenders awarded, deviations report, contract management report ) submitted to the Mayor by the 15th day after end of the quarter | 4 quarterly reports on (tenders awarded, deviations report, contract management report ) submitted to the Mayor by the 15th day after end of the quarter | Director Budget and Treasury Office |
| 2.3     | To maintain an accurate and complete fixed asset register that is compliant with GRAP by 2022 | Maintain a fixed asset register that comply with GRAP | No. of material audit queries raised on the updated asset register by the AG.   |        | Zero material audit queries raised on the updated asset register by the AG.  | Zero material audit queries raised on the updated asset register by the AG.  | Zero material audit queries raised on the updated asset register by the AG.  | Director Budget and Treasury Office |
| 2.5     | Ensure 80% collection of income due from consumer debtors by 2022                             | Collect 70% of billed income                          | % of billed income collected  |        | 60% of billed income collected   | 75% of billed income collected   | 80% of billed income collected   | Director Budget and Treasury Office |



| IDP REF | Local Strategic Objective for the 5 Years and Beyond | Strategy To Achieve The Strategic Objective   | Key Performance Indicator (KPI)  | Budget | Target 2020/21  | Target 2021/22  | Target 2022/23  | CUSTODIAN                           |
|---------|--|---|--|--------|---|---|---|-------------------------------------|
| 2.6     |  | Developed Revenue Enhancement Strategy  | No. of quarterly reports on implementation of revenue enhancement strategy submitted to standing committee                         |        | 4 quarterly reports on implementation of revenue enhancement strategy submitted to standing committee   | 4 quarterly reports on implementation of revenue enhancement strategy submitted to standing committee   | 4 quarterly reports on implementation of revenue enhancement strategy submitted to standing committee   | Director Budget and Treasury Office |
| 2.12    | To ensure unqualified audit opinion                  | Adherence to all applicable financial legislation and regulations                     | No. of Monthly financial reports (Sec 71 and sec 52 reports) submitted to Mayor and Treasury on the 10th working day of each month |        | 12 Monthly financial reports submitted to Mayor and Treasury on the 10th working day of each month 4 sec 52 reports within 30 days to Mayor and Treasury) | 12 Monthly financial reports submitted to Mayor and Treasury on the 10th working day of each month 4 sec 52 reports within 30 days to Mayor and Treasury) | 12 Monthly financial reports submitted to Mayor and Treasury on the 10th working day of each month 4 sec 52 reports within 30 days to Mayor and Treasury) | Director Budget and Treasury Office |
| 2.13    |  | Preparation and submission of credible and GRAP compliant annual financial statements | Date on which GRAP compliant annual financial statements prepared and  |        | GRAP compliant annual financial statements prepared and   | GRAP compliant annual financial statements prepared   | GRAP compliant annual financial statements prepared   | Director Budget and Treasury Office |

| IDP REF   | Local Strategic Objective for the 5 Years and Beyond  | Strategy To Achieve The Strategic Objective   | Key Performance Indicator (KPI)  | Budget | Target 2020/21   | Target 2021/22   | Target 2022/23   | CUSTODIAN                           |
|---|---|---|--|--------|--|--|--|-------------------------------------|
|   |   |   | submitted to the Auditor-General   |        | submitted to the Auditor-General and Treasury (Provincial & National) by 31 August 2020      | and submitted to the Auditor-General and Treasury (Provincial & National) by 31 August 21  | and submitted to the Auditor-General and Treasury (Provincial & National) by 31 August 22  |                                     |
| 2.14  | To prepare a realistic budget in line with the objectives and strategies in the IDP based on a three-year Medium-Term Revenue and Expenditure Framework (MTREF) | Coordinate and develop Amahlathi municipality's budget in line developmental imperatives in the IDP | 2021/2022 budget prepared and submitted to council for approval on by 31 <sup>st</sup> May 2021  |        | 2021/2022 budget prepared and submitted to council for approval by 31 <sup>st</sup> May 2021 | 2022/23 budget prepared and submitted to council for approval by 31 <sup>st</sup> May 2022 | 2023/24 budget prepared and submitted to council for approval by 31 <sup>st</sup> May 2023 | Director Budget and Treasury Office |
| 2.15  | To ensure effective, compliant and credible financial planning, management and reporting by 2022 and beyond.  | Financial Viability as expressed by ratios  | % Cost coverage $(B+C) \div D$<br>B represents all available cash at a particular time<br>C represents investments<br>D represents monthly fixed operating expenditure |        | To maintain a cost average ratio of 0.5% by June 2021  | To maintain a cost average ratio of 4% by June 2022  | To maintain a cost average ratio of 4% by June 2023  | Director Budget and Treasury Office |
| <b>GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b> |   |   |  |        |  |  |  |                                     |
| 3.24  | To ensure compliant, effective and  | Provide on-going support to   | % of resolved system related queries   |        | 95% of resolved system   | 95% of resolved system   | 95% of resolved system   | Director Budget and                 |

| IDP REF                           | Local Strategic Objective for the 5 Years and Beyond                        | Strategy To Achieve The Strategic Objective   | Key Performance Indicator (KPI)                               | Budget           | Target 2020/21  | Target 2021/22  | Target 2022/23  | CUSTODIAN                           |
|-----------------------------------|---|---|---|------------------|---|---|---|-------------------------------------|
|                                   | efficient customer management by 2022 and beyond.                           | users on system related queries   |   |                  | related queries   | related queries   | related queries   | Treasury Office                     |
| 3.25                              | To ensure business continuity in the event of a disaster by 2022 and beyond | Implementation and monitoring of controls to ensure security of information and business continuity | Daily backups done on Financial system, Payroll and HR system |                  | Daily backups done on Financial system, Payroll and HR system | Daily backups done on Financial system, Payroll and HR system | Daily backups done on Financial system, Payroll and HR system | Director Budget and Treasury Office |
| <b>LOCAL ECONOMIC DEVELOPMENT</b> |   |   |   |                  |   |   |   |                                     |
| 4.2                               | To stimulate growth of the local economy through robust programmes by 2022. | .At least 10% of procurement expenditure should benefit SMMEs.                                      | % of the Amahlathi expenditure should benefit SMMEs           | Capital and Opex | 10% of the Amahlathi expenditure should benefit SMMEs         | 10% of the Amahlathi expenditure should benefit SMMEs         | 10% of the Amahlathi expenditure should benefit SMMEs         | Director Budget and Treasury Office |

## D. Executive Services

### Priority Areas

- Records management.
- Effective Public participation and stakeholder management.
- Effective and efficient municipal governance.

### National Strategic Objective/Outcome linked to the National Transformation Agenda

- To ensure confidentiality for ethical and accountable institution by 2022
- To improve the quality of public services as critical to achieving transformation.
- Develop effective and sustainable stakeholder relations.
- Establish systems and mechanisms for clean governance.

| IDP REF   | Local Strategic Objective for the 5 Years and Beyond | Strategy To Achieve The Strategic Objective     | Key Performance Indicator (KPI)   | Budget | 2020/21 Target   | 2021/22 Target   | 2022/23 Target   | Custodian         |
|---|--|---|---|--------|--|--|--|-------------------|
| <b>GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b> |  |   |   |        |  |  |  |                   |
| 3.1   | To deepen democracy through public participation     | Implementation of Public Participation Policies | No of quarterly petition Management status reports submitted to Council     |        | 4 Quarterly reports on the status of petitions received and submitted to Council | 4 Quarterly reports on the status of petitions received and submitted to Council | 4 Quarterly reports on the status of petitions received and submitted to Council | Municipal Manager |
| 3.2   |  |   | No. of civic awareness campaigns conducted (Electronic Media Communication) |        | 4 civic awareness campaigns conducted (Electronic Media Communication)           | 4 civic awareness campaigns conducted (Electronic Media Communication)           | 4 civic awareness campaigns conducted (Electronic Media Communication)           | Municipal Manager |

| IDP REF | Local Strategic Objective for the 5 Years and Beyond   | Strategy To Achieve The Strategic Objective           | Key Performance Indicator (KPI)  | Budget | 2020/21 Target   | 2021/22 Target  | 2022/23 Target  | Custodian         |
|---------|--|---|--|--------|--|---|---|-------------------|
| 3.3     |  |   | No of quarterly reports on ward Committee functionality policy                                     |        | 4 quarterly reports ward on Committee functionality policy   | 4 quarterly reports ward on Committee functionality policy    | 4 quarterly reports ward on Committee functionality policy    | Municipal Manager |
| 3.4     | Coordination and integration of Stakeholder engagement by 2022   | Strengthening of IGR structures                       | No IGR broader IGR forum coordinated   |        | 4 IGR broader IGR forum coordinated  | 4 IGR broader IGR forum coordinated                           | 4 IGR broader IGR forum coordinated                           | Municipal Manager |
| 3.5     |  |   | No. of quarterly reports on implementation of IGR resolutions                                      |        | 4 quarterly reports on implementation of IGR resolutions   | 4 quarterly reports on implementation of IGR resolutions      | 4 quarterly reports on implementation of IGR resolutions      | Municipal Manager |
| 3.6     | To develop and implement effective and compliant frameworks to improve planning and performance management by 2022 | Strengthening the satellite operations and monitoring | Developed of integrated planning and reporting mechanism for the satellite to be approved by Mayor |        | Developed of integrated planning and reporting mechanism for the satellite to be approved by Mayor | Implementation of integrated planning and reporting mechanism | Implementation of integrated planning and reporting mechanism | Municipal Manager |
| 3.7     |  |   | No quarterly consolidated reports on functionality of satellite offices                            |        | 4 quarterly consolidated reports on functionality of   | 4 quarterly consolidated reports on functionality of          | 4 quarterly consolidated reports on functional                | Municipal Manager |

| IDP REF | Local Strategic Objective for the 5 Years and Beyond               | Strategy To Achieve The Strategic Objective   | Key Performance Indicator (KPI)   | Budget | 2020/21 Target   | 2021/22 Target   | 2022/23 Target   | Custodian         |
|---------|--|---|---|--------|--|--|--|-------------------|
|         |  |   |   |        | satellite offices  | satellite offices  | ity of satellite offices   |                   |
| 3.8     | To promote effective Communication of Amahlathi's business by 2022 | Functionality of B2B/ war room approach   | No. of reports on functionality of war-room submitted to Council                            |        | 4 reports on functionality of war-rooms submitted to Council                           | 4 reports on functionality of war-rooms submitted to Council                           | 4 reports on functionality of war-rooms submitted to Council                           | Municipal Manager |
| 3.9     | To ensure a clean and accountable governance in Amahlathi by 2022  | Strengthening council oversight and mechanisms relating to governance processes, risks management and internal controls | % implementation of the MPAC Annual Programme of Action                                     |        | 100% implementation of the MPAC Annual Programme of Action                             | 100% implementation of the MPAC Annual Programme of Action                             | 100% implementation of the MPAC Annual Programme of Action                             | Municipal Manager |
| 3.10    |  |   | No. of quarterly reports on the Functioning of the Executive Committee submitted to Council |        | 4 quarterly reports on the Functioning of the Executive Committee submitted to Council | 4 quarterly reports on the Functioning of the Executive Committee submitted to Council | 4 quarterly reports on the Functioning of the Executive Committee submitted to Council | Municipal Manager |
| 3.11    |  |   | No. of quarterly Reports on the Functioning of all Council Structures submitted to Council  |        | 4 Quarterly Reports on the Functioning of all Council Structures                       | 4 Quarterly Reports on the Functioning of all Council Structures                       | 4 Quarterly Reports on the Functioning of all Council Structure                        | Municipal Manager |

| IDP REF | Local Strategic Objective for the 5 Years and Beyond | Strategy To Achieve The Strategic Objective | Key Performance Indicator (KPI)   | Budget | 2020/21 Target  | 2021/22 Target  | 2022/23 Target  | Custodian         |
|---------|--|---|---|--------|---|---|---|-------------------|
|         |  |   |   |        | submitted to Council  | submitted to Council  | s submitted to Council  |                   |
| 3.12    |  |   | No of risk management reports submitted to the Risk Committee                                       |        | 4 quarterly risk management reports submitted to Risk Committee                       | 4 quarterly risk management reports submitted to Risk Committee                       | 4 quarterly risk management reports submitted to Risk Committee                       | Municipal Manager |
| 3.13    |  |   | % implementation of the 2020/2021 risk-based internal audit plan (all scheduled audits implemented) |        | 100% implementation of the 2020/2021 risk-based internal audit plan                   | 100% implementation of the 2021/2022 risk-based internal audit plan                   | 100% implementation of the 2022/2023 risk-based internal audit plan                   | Municipal Manager |
| 3.14    |  |   | No of Anti-corruption and Fraud programmes conducted per implementation plan                        |        | 4 Anti-corruption and Fraud programs conducted per implementation plan                | 4 Anti-corruption and Fraud programs conducted per implementation plan                | 4 Anti-corruption and Fraud programs conducted per implementation plan                | Municipal Manager |
| 3.15    |  |   | No. of reports submitted to the Audit Committee regarding implementation of AC resolutions          |        | 4 reports submitted to the Audit Committee regarding implementation of AC resolutions | 4 reports submitted to the Audit Committee regarding implementation of AC resolutions | 4 reports submitted to the Audit Committee regarding implementation of AC resolutions | Municipal Manager |

| IDP REF | Local Strategic Objective for the 5 Years and Beyond     | Strategy To Achieve The Strategic Objective        | Key Performance Indicator (KPI)   | Budget | 2020/21 Target  | 2021/22 Target  | 2022/23 Target  | Custodian         |
|---------|--|--|---|--------|---|---|---|-------------------|
|         |  |  |   |        |   |   | ntation of AC resolutions   |                   |
| 3.16    | Ensure effective & efficient resolution of legal matters | Develop of compliance register and compliance plan | % Implementation of compliance plan   |        | 100% Implementation of compliance plan                                  | 100% Implementation of compliance plan                                  | 100% Implementation of compliance plan                                  | Municipal Manager |
| 3.17    |  | Resolve legal matters of the municipality          | No of reports on legal matters and their status with financial implications |        | 4 reports on legal matters and their status with financial implications | 4 reports on legal matters and their status with financial implications | 4 reports on legal matters and their status with financial implications | Municipal Manager |



## E. Strategic Services

### Priority Areas

- Records management.
- Effective Public participation and stakeholder management.
- Effective and efficient municipal governance.
- Effective and efficient ICT environment commensurate to the IDP.

### National Strategic Objective/Outcome linked to the National Transformation Agenda

- To ensure confidentiality for ethical and accountable institution by 2022
- To improve the quality of public services as critical to achieving transformation.
- Develop effective and sustainable stakeholder relations.
- Strengthening ICT systems and networks for future generations.
- Effective Communication.

| IDP REF   | Local Strategic Objective for the 5 Years and Beyond   | Strategy To Achieve The Strategic Objective                                | Key Performance Indicator (KPI)  | Budget | 2020/21 Target  | 2021/22 Target  | 2022/23 Target  | Custodian                    |
|---|--|--|--|--------|---|---|---|------------------------------|
| <b>GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b> |  |  |  |        |   |   |   |                              |
| 3.18  | To ensure mainstreaming of special programmes into Amahlathi Municipality programmes by 2022 | Implementation of the SPU Strategy through SPU action plan                 | No of SPU designated groups capacity (Youth, Women, Elderly, Disabled, Children, HIV/AIDS and Sport) |        | 7 SPU designated groups capacitated (Youth, Women, Elderly, Disabled, Children, HIV/AIDS and Sport) | 7 SPU designated groups capacitated (Youth, Women, Elderly, Disabled, Children, HIV/AIDS and Sport) | 7 SPU designated groups capacitated (Youth, Women, Elderly, Disabled, Children, HIV/AIDS and Sport) | Director: Strategic Services |
| 3.19  | To promote effective Communication of Amahlathi's business by 2022                           | Effective implementation of the Communication Action Plan to revive public | No. of radio interviews on service delivery highlights   |        | 4 radio interviews on service delivery highlights   | 4 radio interviews on service delivery highlights   | 4 radio interviews on service delivery highlights   | Director: Strategic Services |

| IDP REF   | Local Strategic Objective for the 5 Years and Beyond   | Strategy To Achieve The Strategic Objective                        | Key Performance Indicator (KPI)   | Budget              | 2020/21 Target   | 2021/22 Target   | 2022/23 Target   | Custodian                    |
|---|--|--|---|---------------------|--|--|--|------------------------------|
| 3.20  |  | trust and confidence   | No. of audio visuals on municipal programmes                                |                     | 12 audio visuals on municipal programmes   | 12 audio visuals on municipal programmes   | 12 audio visuals on municipal programmes   | Director: Strategic Services |
| 3.21  |  |  | No of newsletter developed  |                     | 2 newsletter developed   | 2 newsletter developed   | 2 newsletter developed   | Director: Strategic Services |
| 3.22  | Strengthening Amahlathi ICT systems and networks for future generations by 2022                                    | Improvement of ICT infrastructure for efficiency and data recovery | % of backed-up information  | Opex                | 80% of backed up information   | 80% of backed up information   | 80% of backed up information   | Director: Strategic Services |
| 3.23  |  | Improvement of ICT infrastructure for efficiency and data recovery | Turnaround time to attend to logged faults by users                         | Opex                | 10 working hours to attend to logged faults users                                  | 10 working hours to attend to logged faults users                                  | 10 working hours to attend to logged faults users                                  | Director: Strategic Services |
| <b>MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b> |  |  |   |                     |  |  |  |                              |
| 5.20  | To develop and implement effective and compliant frameworks to improve planning and performance management by 2022 | Integrated Planning and Development                                | Date on which the 2021/22 IDP is submitted to Council for approval approved | R150 000<br>R50 000 | 2021/22 IDP submitted to Council for approval approved by Council on 31st May 2021 | 2022/23 IDP submitted to Council for approval approved by Council on 31st May 2022 | 2023/24 IDP submitted to Council for approval approved by Council on 31st May 2023 | Director: Strategic Services |
| 5.21  |  | Improve the effective functionality and credibility of the         | No of days by which the 2021/22 SDBIP is submitted to                       | Opex                | 2021/22 SDBIP submitted to the   | 2022/23 SDBIP submitted to the Mayor   | 2023/24 SDBIP submitted to the   | Director: Strategic Services |

| IDP REF | Local Strategic Objective for the 5 Years and Beyond | Strategy To Achieve The Strategic Objective | Key Performance Indicator (KPI)  | Budget   | 2020/21 Target   | 2021/22 Target   | 2022/23 Target   | Custodian                    |
|---------|--|---|--|----------|--|--|--|------------------------------|
|         |  | performance management System               | the Mayor for approval   |          | Mayor for approval by the 28th day after approval of the budget      | for approval by the 28th day after approval of the budget            | Mayor for approval by the 28th day after approval of the budget      |                              |
| 5.24    |  |   | No of quarterly organizational performance reports submitted to Council        | Opex     | 4 quarterly organizational performance reported submitted to Council | 4 quarterly organizational performance reported submitted to Council | 4 quarterly organizational performance reported submitted to Council | Director: Strategic Services |
| 5.25    |  |   | Date on which the 2019/2020 final and audited Annual Report is submitted to AG | R120 000 | 2019/20 Annual report submitted to AG on 31 August 2020              | 2020/21 Annual report submitted to AG on 31 August 2021              | 2021/22 Annual report submitted to AG on 31 August 2022              | Director: Strategic Services |

## F. Planning and Development

### Priority Areas

- Support to SMMEs.
- Regeneration of Cluster Towns i.e. Stutterheim, Cathcart, Keiskammahoek, Kei Road
- Packaging & Implementation of High Impact Projects
- Improved Tourism Sector Performance
- Agricultural transformation

### National Strategic Objective/Outcome linked to the National Transformation Agenda

- Coordinating and monitoring the various economic growth and job creation.
- Opportunity of skills development, jobs and income to economically marginalized communities.
- The development of the economic infrastructure required to enable increased economic growth
- Tourism Product Development & Marketing Of The 4 Tourism Heritage Routes

| IDP REF                           | Local Strategic Objective for the 5 Years and Beyond                        | Strategy To Achieve The Strategic Objective                           | Key Performance Indicator (KPI)   | Budget | 2020/21 Target  | 2021/22 Target                                    | 2022/23 Target                                    | Custodian                          |
|-----------------------------------|---|---|---|--------|---|---|---|------------------------------------|
| <b>LOCAL ECONOMIC DEVELOPMENT</b> |   |   |   |        |   |   |   |                                    |
| 4.3                               | To stimulate growth of the local economy through robust programmes by 2022. | Support and development of SMMEs around Amahlathi Local Municipality. | No of SMMEs supported to access government Relief Support Measures        |        | 20 SMMEs supported to access SMME Relief Measures             | 20 SMMEs supported to access SMME Relief Measures | 20 SMMEs supported to access SMME Relief Measures | Director: Development and Planning |
| 4.4                               |   |   | No of Businesses that comply with Municipal business regulations          |        | 20 Businesses that comply with Municipal business regulations | 30 Businesses with Municipal Trading Permits      | 30 Businesses with Municipal Trading Permits      | Director: Development and Planning |
| 4.5                               |   | Projects of R4million and above to subcontract local contractors      | No. of local contractors supported to sub contracted ( <i>advocated</i> ) |        | 2 local contractors supported for sub-contracting             | 4 local contractors supported for sub-contracting | 6 local contractors supported for sub-contracting | Director: Development and Planning |

| IDP REF | Local Strategic Objective for the 5 Years and Beyond   | Strategy To Achieve The Strategic Objective  | Key Performance Indicator (KPI)  | Budget | 2020/21 Target   | 2021/22 Target   | 2022/23 Target  | Custodian                          |
|---------|--|--|--|--------|--|--|---|------------------------------------|
| 4.6     |  | Stimulate and Strengthen relationship between Amahlathi and other strategic institutions | No. of twinning engagement programs commissioned                             |        | Target 2 twinning agreements with Strategic Institutions                       | Target 2 twinning agreements with Strategic Institutions                       | Target 2 twinning agreements with Strategic Institutions                        | Director: Development and Planning |
| 4.7     | Promotion of Tourism through the establishment of Local Tourism Organization and CTOs by 2022                  | To support Tourism role players through training and marketing interventions             | No. of trainings conducted for LTOs and CTOs                                 |        | 4 trainings conducted for LTOs and CTOs  | 4 trainings conducted for LTOs and CTOs  | 4 trainings conducted for LTOs and CTOs   | Director: Development and Planning |
| 4.8     |  |  | No. of tourism marketing platforms used to promote crafters artefacts        |        | 4 tourism marketing platforms to promote crafters artefacts                    | 4 tourism events attended to promote crafters artefacts                        | 4 tourism events attended to promote crafters artefacts                         | Director: Development and Planning |
| 4.9     | Promotion of Tourism through identification of Tourist areas   | Promotion of identified tourism sites.   | No. of tourist attractions promoted  |        | 6 tourist attractions promoted   | 10 tourist attractions promoted  | 15 tourist attractions promoted   | Director: Development and Planning |
| 4.10    | To Stimulate local economy through Agricultural development by 2022  | Revival of Amahlathi economy through Agricultural Programs                               | No. of farmers supported   |        | 5 farmers supported  | 10 farmers supported   | 15 farmers supported  | Director: Development and Planning |
| 4.11    | To ensure value-maximization of the forestry natural resource in line with local economic development by 2022. | % Implementation of a forestry strategy in a Co-ordinated manner                         | % Implementation of a forestry support process plan in a Co-ordinated manner |        | 50% Implementation of a forestry support process plan in a Co-ordinated manner | 75% Implementation of a forestry support process plan in a Co-ordinated manner | 100% Implementation of a forestry support process plan in a Co-ordinated manner | Director: Development and Planning |

| IDP REF   | Local Strategic Objective for the 5 Years and Beyond  | Strategy To Achieve The Strategic Objective  | Key Performance Indicator (KPI)  | Budget | 2020/21 Target   | 2021/22 Target                                   | 2022/23 Target                                   | Custodian                          |
|---|---|--|--|--------|--|--|--|------------------------------------|
| 4.12  | To ensure development of the economic infrastructure required to enable increased economic growth | Source funding through development of business plans                                   | No. of business plans developed for ALM towns                              |        | 4 business plans developed for ALM 4 cluster towns(Kei Road, Cathcart, Keiskammah oek and Stutterheim) | Implementation of the developed business plans   | Implementation of the developed business plans   | Director: Development and Planning |
| <b>MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b> |   |  |  |        |  |  |  |                                    |
| 5.26  | To promote sustainable Local economic development by 2022   | Development and implementation of the Spatial Development Framework                    | Reviewal of the SDF and submitted to council                               |        | Reviewal of the SDF and adopted by council   | 25 % Implementation of the SDF                   | 50 % Implementation of the SDF                   | Director Development and Planning  |
| 5.27  |   | Reviewal of the Local Economic Development Strategy                                    | Reviewal of the Local Economic Development Strategy and adopted by Council |        | Reviewal of the Local Economic Development Strategy and adopted by Council                             | Implementation of the LED Strategy               | Implementation of the LED Strategy               | Director Development and Planning  |
| 5.28  | Improve access to Basic Services  | Ensure effective and efficient Land Administration within Amahlathi Local Municipality | Developed SPLUMA Compliant Wall to Wall Scheme and submitted to Council    |        | Developed SPLUMA Compliant Wall to Wall Scheme and submitted to Council                                | Implementation of the Wall to Wall Zoning Scheme | Implementation of the Wall to Wall Zoning Scheme | Director Development and Planning  |

## G. Corporate Services

### Priority Areas

- Improved and sustainable labor relations.
- Cost efficient organizational design commensurate to IDP imperatives.
- Improved and conducive performance management culture.
- Improved employee competency and productivity.
- Effective, efficient, economical and credible administration.

### National Strategic Objective/Outcome linked to the National Transformation Agenda

- Improving the quality of public services as critical to achieving transformation.
- To work on frameworks for improving performance incentives and the application of consequences for poor performance.
- Improvement of Appropriate Skills.

| IDP REF   | Local Strategic Objective for the 5 Years and Beyond   | Strategy To Achieve The Strategic Objective                                    | Key Performance Indicator (KPI)                           | Budget | 2020/21 Target  | 2021/22 Target  | 2022/23 Target  | Custodian                    |
|---|--|--|---|--------|---|---|---|------------------------------|
| <b>GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>               |  |  |   |        |   |   |   |                              |
| 3.26  | Strengthening systems and mechanisms relating to governance processes, risk management and internal controls | To comply with all legislation applicable to the Corporate Services Department | Compliance certificate signed by HOD                      |        | Compliance certificates submitted                     | Compliance certificates submitted                     | Compliance certificate submitted                      | Director: Corporate Services |
| <b>MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b> |  |  |   |        |   |   |   |                              |
| 5.1   | To attract, retain, build capacity and maximize utilization of Amahlathi Human Capital by 2022               | Implementation of the approved organizational structure.                       | No. of Reviewed institutional policies adopted by council |        | 60 Reviewed institutional policies adopted by council | 60 Reviewed institutional policies adopted by council | 60 Reviewed institutional policies adopted by council | Director: Corporate Services |
| 5.2   |  |  | No of reports developed on the                            |        | 4 report developed on the organization                | % implementation of                                   | % implementation of                                   | Director: Corporate Services |

| IDP REF | Local Strategic Objective for the 5 Years and Beyond | Strategy To Achieve The Strategic Objective   | Key Performance Indicator (KPI)  | Budget | 2020/21 Target   | 2021/22 Target   | 2022/23 Target   | Custodian  |
|---------|--|---|--|--------|--|--|--|--|
|         |  |   | Organizational Re-design/Re-engineering submitted to Council             |        | al redesign project conducted and submitted to Council.  | process plan on re-engineering projects  | process plan on re-engineering projects  |  |
| 5.3     |  |   | % of new and funded posts filled as per the approved staff establishment |        | 100% of new and funded posts filled as per recruitment plan  | 100% of new and funded posts filled as per recruitment plan  | 100% of new and funded posts filled as per recruitment plan  | Director: Corporate Services                                 |
| 5.4     |  | Strengthening systems and mechanisms relating to governance processes, risks management and internal controls | No of EAP programs implemented as per approved plan                      |        | 4 EAP programs implemented per approved plan (Cancer awareness, World Aids day, Sexual health & TB awareness and Candle Light) | 4 EAP programs implemented per approved plan (Cancer awareness, World Aids day, Sexual health & TB awareness and Candle Light) | 4 EAP programs implemented per approved plan (Cancer awareness, World Aids day, Sexual health & TB awareness and Candle Light) | Director: Corporate Services                                 |
| 5.5     |  | Strengthening systems and mechanisms relating to governance processes, risks management and internal controls | No of activities implemented as per approved OHS plan                    |        | 4 activities implemented as per approved OHS plan  | 4 activities implemented as per approved OHS plan  | 4 activities implemented as per approved OHS plan  | Director: Corporate Services<br>Director: Corporate Services |
| 5.6     |  |   | No. of employee satisfaction   |        | 1 employee satisfaction  | 1 employee satisfaction  | 1 employee   | Director: Corporate Services                                 |



| IDP REF | Local Strategic Objective for the 5 Years and Beyond  | Strategy To Achieve The Strategic Objective                                  | Key Performance Indicator (KPI)  | Budget | 2020/21 Target   | 2021/22 Target   | 2022/23 Target   | Custodian                    |
|---------|---|--|--|--------|--|--|--|------------------------------|
|         |   |  | survey conducted   |        | survey conducted   | survey conducted   | satisfaction survey conducted  |                              |
| 5.7     |   | Conducting bilateral meetings with shop stewards                             | No of bilateral meetings with shop stewards  |        | 4 bilateral meetings conducted   | 4 bilateral meetings conducted   | 4 bilateral meetings conducted   | Director: Corporate Services |
| 5.8     |   | LLF meetings held  | No of LLF meetings   |        | 4 LLF meetings   | 4 LLF meetings   | 4 LLF meetings   | Director: Corporate Services |
| 5.9     |   | Implementation of the approved EEP   | No of quarterly reports prepared on compliance with EEP annual targets   |        | 4 quarterly reports prepared on compliance with EEP annual targets             | 4 quarterly reports prepared on compliance with EEP annual targets             | 4 quarterly reports prepared on compliance with EEP annual targets             | Director: Corporate Services |
| 5.15    | To ensure appropriate capacity building interventions by 2022   | Develop and implement annual training plan                                   | No of training intervention programs organized for Employees, Councilors and Communities implemented per approved annual training plan |        | 4 training intervention programs implemented per approved annual training plan | 4 training intervention programs implemented per approved annual training plan | 4 training intervention programs implemented per approved annual training plan | Director: Corporate Services |
| 5.16    | To ensure cost efficient and economical use of council resources commensurate to effective IDP implementation | Strengthening systems and mechanisms relating to governance processes, risks | No. of reports on implementation of fleet management systems submitted to  |        | 4 reports on implementation of fleet management systems submitted to fleet     | 4 reports on implementation of fleet management systems                        | 4 reports on implementation of fleet management                                | Corporate Services           |

| IDP REF | Local Strategic Objective for the 5 Years and Beyond   | Strategy To Achieve The Strategic Objective  | Key Performance Indicator (KPI)  | Budget | 2020/21 Target   | 2021/22 Target  | 2022/23 Target  | Custodian                    |
|---------|--|--|--|--------|--|---|---|------------------------------|
|         | by 2022 and beyond   | management and internal controls   | fleet management committee   |        | management committee   | submitted to fleet management committee               | systems submitted to fleet management committee.      |                              |
| 5.17    |  | Efficient and economical utilization of council resources  | Developed fleet and fuel monitoring strategy submitted to Council for adoption |        | Developed fleet and fuel monitoring strategy submitted to Council for adoption | Implementation of fleet management plan               | Implementation of fleet management plan               | Director: Corporate Services |
| 5.18    |  |  | % decrease in telephone expenditure  |        | 20% decrease in telephone expenditure  | 20% decrease in telephone expenditure                 | 20% decrease in telephone expenditure                 | Director: Corporate Services |
| 5.19    | To ensure compliant and prudent safeguarding and preservation of institutional memory by 2022 and beyond           | Establishment of legal frameworks, standards and ethical principles to protect the confidentiality of data | No of reports prepared on implementation of the file plan                      |        | 4 reports prepared on implementation of the file plan                          | 4 reports prepared on implementation of the file plan | 4 reports prepared on implementation of the file plan | Director: Corporate Services |
| 5.22    | To develop and implement effective and compliant frameworks to improve planning and performance management by 2022 | ORGANISATIONAL PERFORMANCE   | No of accountability agreements signed   |        | 75 accountability agreements signed  | 75 accountability agreements signed                   | 75 accountability agreements signed                   | Director: Corporate Services |
| 5.23    |  |  | No. of individual performance reviews coordinated                              |        | 4 Quarterly individual Performance Reviews coordinated                         | 4 Quarterly individual Performance                    | 4 Quarterly individual Performance                    | Director: Corporate Services |

| IDP REF | Local Strategic Objective for the 5 Years and Beyond | Strategy To Achieve The Strategic Objective | Key Performance Indicator (KPI) | Budget | 2020/21 Target              | 2021/22 Target                                  | 2022/23 Target                                  | Custodian |
|---------|--|---|---------------------------------|--------|-----------------------------|---|---|-----------|
|         |  |   | (Task grade 12 and upwards)     |        | (Task grade 12 and upwards) | Reviews coordinated (Task grade 12 and upwards) | Reviews coordinated (Task grade 12 and upwards) |           |

## CHAPTER 5: PROJECTS

### AM AHLATHI INFRASTRUCTURE PROJECTS

#### MUNICIPAL INFRASTRUCTURE GRANT (MIG) PROJECTS

| PROJECT                      | 2020/21   |
|------------------------------|-----------|
| Cata Internal Roads          | 500 000   |
| Gxulu Internal Roads         | 500 000   |
| KKH Fire station             | 1 500 000 |
| Mlungisi Sportfield          | 4 000 000 |
| Ethembeni Internal Roads     | 500 000   |
| Sophumelela Internal Roads   | 150 000   |
| Fencing of Cemeteries        | 1 500 000 |
| Gubevu Internal Roads        | 500 000   |
| KKH Paving                   | 1 500 000 |
| Border Post Internal Roads   | 2 573 400 |
| Nothenga Community Hall      | 150 000   |
| Surfacing of Cathcart Street | 3 500 000 |

|                                  |                   |
|----------------------------------|-------------------|
| Rehabilitation of Landfill Sites | 1 200 000         |
| Paving of Matolaville Street     | 3 500 000         |
| Ngcamngeni Access Roads          | 2 500 000         |
| Amabele Internal Roads           | 2 500 000         |
| <b>Total</b>                     | <b>26 573 400</b> |

#### 5. (i) MIG AND WATER SERVICE INFRASTRUCTURE GRANT (WSIG) PROJECTS BY AMATHOLE DISTRICT MUNICIPALITY

##### MIG – AMAHLATHI

| <b>MIG THREE YEAR CAPITAL PLAN</b>           | <b>WATER /SANITATION/VIP/OTHER</b> | <b>2020/21</b> | <b>2021/22</b> | <b>2022/23</b>    |
|--|------------------------------------|----------------|----------------|-------------------|
| STUTTERHEIM SEWER PIPE REPLACEMENT PROGRAMME | SANITATION                         | 7 290 000      | 1 729 384      | -                 |
| STUTTERHEIM WATER PIPE REPLACEMENT PROGRAMME | WATER                              | 15 359 000     | 2 728 875      | <b>3 523 577</b>  |
| CARTHCART BULK SERVICES UPGRADE              | WATER                              | 18 500 000     | 40 941 996     | <b>50 000 000</b> |

| <b>PROJECT NAME</b>   | <b>2020/21</b> | <b>2021/22</b> | <b>2022/23</b> |
|---|----------------|----------------|----------------|
| AMABELE WASTE WATER TREATMENT WORKS   | -              | -              | 500 000        |
| CATHCART SANITATION   | 500 000        | -              | 1 000 000      |
| DONTSA WATER SUPPLY   | -              | 1 000 000      | -              |
| KEISKAMMAHOEK WASTE WATER TREATMENT WORKS   | -              | 1 000 000      | -              |
| LANGDRAAI RESERVOIR REFURBISHMENT   | -              | 500 000        | -              |
| REPLACING THE ENTIRE GALVANISE RETICULATION SYSTEM TO HDPE RETICULATION IN AMABHELE | 5 000 000      | 10 000 000     | 5 000 000      |
| RHABULA WATER SUPPLY  | 3 000 000      | 5 000 000      | 6 000 000      |
| ROMA / KEILANDS WATER SUPPLY  | 5 450 000      | 10 000 000     | 5 000 000      |
| WATER LOSS REDUCTION PROGRAMME: AMAHLATHI   | 2 500 000      | 2 500 000      | 2 500 000      |
| AMABELE WASTE WATER TREATMENT WORKS   | -              | -              | 500 000        |

**PROJECTS BY ESKOM****20/21 Electrification Plan – Amahlathi LM**

| PROJECT NAME                                       | PROJECT TYPE              | GAZETTE AMOUNT        | PLANNED H/H |
|--|---------------------------|-----------------------|-------------|
| Amahlathi Ward Exts Pre-engineering (2020/21 Plan) | Pre-Engineering           | R 1 111 600           |             |
| Amahlathi Schedule 5B                              | Recoverable Overhead Pool |                       |             |
| Amahlathi Type 1 Infills                           | Infills                   | R 600 000             | 100         |
| Amahlathi Ward Ext. 20/21                          | Households                | R 6 000 000           | 250         |
| Amahlathi Ward Ext. 20/21 Line                     | Infrastructure - Line     | R 1 475 000           |             |
| <b>Total Amahlathi</b>                             |                           | <b>R 9 186 600.00</b> | <b>350</b>  |

**PLANNED PROJECTS BY DEPARTMENT OF ROADS & PUBLIC WORKS FOR 2020/21 FINANCIAL YEAR**

| PROJECT NAME                     | PROJECT SCOPE                          | PROJECT STATUS |
|----------------------------------|--|----------------|
| TR00601 King to Stutterheim      | Road Marking of Provincial Paved Roads | Design         |
| MR00700 Dimbaza to Keiskammahoek | Road Marking of Provincial Paved Roads | Design         |
| MR00649 Cathcart to Hogsback     | Road Marking of Provincial Paved Roads | Design         |

## PROJECTS BY DEPARTMENT OF HUMAN SETTLEMENT

| PROJECT  | BUDGET           | PROGRESS   |
|--|------------------|--|
| <b>Stutterheim - Cenyulands 1142 Subs - Cenyu Village 450</b>        | <b>6 975 000</b> | Contractor is busy with planning, enrolments with NHBRC, beneficiary administration is underway, Construction of top structures may commence from May 2020 |
| <b>Keiskammahoek - Masincedane 1255 - - Destitute 200 subs</b>       | <b>2 790 000</b> | Peri-urban project, contractor is not performing, region will bring SMMEs from the area to assist the main contractor. This is a sensitive project.        |
| <b>Kei Road - Squashville 467 subs - Phase 1</b>                     | <b>750 000</b>   | This is a priority project. Appointment of professionals are underway, anticipate to finalise by the beginning of March 2020.                              |
| <b>Kei Road - Mthonjeni - 201 subs - Phase 1</b>                     | <b>700 000</b>   | This is a priority project. Appointment of professionals are underway, anticipate to finalise by the beginning of March 2020.                              |
| <b>Stutterheim - Gasela 75 subs - Phase 1</b>                        | <b>700 000</b>   | This is a priority project. Appointment of professionals are underway, anticipate to finalise by the beginning of March 2020.                              |
| <b>Stutterheim - Frankfurt - 300 Subs - Phase 2 - Top Structures</b> | <b>3 817 100</b> | Contractor was terminated, matter is in court, still not complete, will not be able to commence with appointment prior to conclude the court case.         |
| <b>Stutterheim - Ndakana 1300 Subs - Phase 1</b>                     | <b>9 300 000</b> | Running project and will be completing in early 2020.  |
| <b>Kei Road - Northern Node 421subs - - top structure</b>            | <b>506 000</b>   | Region is considering solution to fast-track the reinstatement of contract.  |



## AM AHLATHI HUMAN SETTLEMENTS PROJECT CATEGORIES

| RUNNING PROJECTS   | BLOCKED PROJECTS              | PLANNING AND SERVICES PROJECTS  | PROJECTS UNDER PROCUREMENT                             | NEW APPLICATIONS  | CLOSE OUT PROJECTS   |
|--|-------------------------------|---|--|---|--|
| KUBUSI 1328 (304)<br>MLUNGISI 270 (169)<br>MASINCEDANE 200<br>NDAKANA 1300<br>KEI ROAD<br>NORTHERN NODE<br>421 | XHOLORHA 700<br>FRANKFURT 300 | KATIKATI 300<br>CENYU VILLAGE 450<br>CENYULANDS 692<br>MASINCEDANE 1055<br>(1023) | 1. SQUASHVILLE 467<br>2. MTHONJENI 201<br>3. GASELA 75 | MBAXA 392<br>NOTHENGA 26<br>GUBEVU 312<br>ETHEMBENI<br>3076<br>GOSHEN | MLUNGISI DUBA 22<br>MLUNGISI MPEPO 97<br>MLUNGISI ISIDENGE 634<br>MLUNGISI JENNIKER 54<br>MLUNGISI HECKEL 12<br>MLUNGISI 300<br>MLUNGISI200<br>CATHCART 560<br>AMATHOLAVILLE 68<br>KEISKAMMAHOEK 443<br>XHOLORHA 700 |

## NEW PROJECT APPLICATIONS

| PROJECT NAME | NO. OF SUBS. | DELIVERY PLANNED  | PROJECT BUDGET | EXPENDITURE | CHALLENGES            | PROGRESS TO DATE   |
|--------------|--------------|-------------------|----------------|-------------|-----------------------|--|
| MBAXA        | 392          | Feasibility Study | NONE           | NONE        | Financial Constraints | Has not been included in the Business Plan. Community Profiling is still required. |
| NOTHENGGA    | 26           | Feasibility Study | NONE           | NONE        | Financial Constraints | Has not been included in the Business Plan. Community Profiling is still required. |
| GUBEVU       | 312          | Feasibility Study | NONE           | NONE        | Financial Constraints | Has not been included in the Business Plan. Community Profiling is still required. |
| ETHEMBENI    | 3076         | Feasibility Study | NONE           | NONE        | Financial Constraints | Has not been included in the Business Plan. Community Profiling is still required. |

2020/21 INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW

|                        |    |                      |      |      |                          |  |
|------------------------|----|----------------------|------|------|--------------------------|--|
| GOSHEN 60<br>DESTITUTE | 60 | Feasibility<br>Study | NONE | NONE | Financial<br>Constraints | Funding for planning has been approved.<br>Procurement of a service providers will be done<br>in 2020/2021 financial year. |
|------------------------|----|----------------------|------|------|--------------------------|--|

2019/2020 PROJECTS DEPARTMENT OF ENVIRONMENTAL AFFAIRS

| PROJECT NAME  | PROJECT DESCRIPTION   | FOCUS AREA              | CATEGORY       | RECOMMENDED<br>BUDGET | APPLICANT                |
|---|---|-------------------------|----------------|-----------------------|--------------------------|
| OVERAL EPIP (ENVIRONMENTAL PROTECTION AND INFRASTRUCTURE PROGRAMMES) NEW FUNDING CYCLE: APPROVED PROJECTS |   |                         |                |                       |                          |
| Lootcliff game farm<br>infrastructure project   | Establishment of a game<br>breeding/ranching facility with a game<br>meat processing plant. This will require<br>rehabilitation of water supply infrastructure,<br>roads, fencing and lodge | Biodiversity<br>economy | Infrastructure | R8 000 000            | Lit Way Projects         |
| Lippa Javanica<br>Project   | Construction of Lippa Javanica processing<br>facility in partnership with UFH.  | Biodiversity<br>economy | Infrastructure | R10 000 000           | University of Free State |

## PROJECTS BY DEPARTMENT OF ECONOMIC DEVELOPMENT, ECONOMIC AFFAIRS AND TOURISM

## PROJECTS FOR 2020/21 FY BY DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENT AFFAIRS AND TOURISM (DEDEAT)

| PROJECT NAME   | BUDGET                               | Total expenditure to date |
|--|--------------------------------------|---------------------------|
|  | R '000                               | R '000                    |
| <b>Economic Infrastructure Grant:</b> Upgrade of Road to Rance Timbers Sawmill | R56m                                 | 1 680                     |
| <b>Rehabilitation of waste sites</b>   | R20 million over a period of 3 years | Nil                       |

## PLANNED PROJECTS BY DEPARTMENT OF RURAL DEVELOPMENT &amp; AGRARIAN REFORM (DRDAR)

| Project Name              | Project Type<br>(Description e.g. New, Upgrade, Rehab, Maint etc) | Project Scope<br>(Scope including no.of units) | Project Status (Initiation, Concept, Design Development, Design Documentation, Works, Closeout, Handover) | Budget 2020/21<br>R '000 | Budget 2021/22<br>R '000 | Budget 2022/23<br>R '000 |
|---------------------------|---|--|---|--------------------------|--------------------------|--------------------------|
| DOHNE LAB<br>REFURBISHMET | Rehab and refurb  | LAB<br>REFURBISHMET                            | Stage 4: Concept and viability or feasibility   | 4 180                    | 3 459                    | 9 170                    |

|                                       |         |  |   |   |   |       |
|---------------------------------------|---------|--|---|---|---|-------|
| MASINCEDANE BALIMI                    | NEW     | SUPPLY, DELIVERY & CONSTRUCTION OF HANDLING FACILITY             | Stage 4: Concept and viability or feasibility | - | - | 400   |
| UPPER WEZA FARMERS ASS.               | NEW     | FENCING OF ARABLE LANDS  | Stage 4: Concept and viability or feasibility | - | - | 390   |
| ZANYOKHWEIRRIGATION SCHEME: BURNSHILL | UPGRADE | EXCAVATION OF OLD PIPES AND REPLACEMENT OF OLD IRRIGATION SYSTEM | Stage 4: Concept and viability or feasibility | - | - | 1 020 |

## CHAPTER 6: PERFORMANCE MANAGEMENT SYSTEM

### 6.1 INTRODUCTION:

Amahlathi Local Municipality is committed (in line with the Local Government: Municipal Systems Act No 32 of 2000) to pursuing its vision through meeting the municipal objectives framed in its IDP document. In so doing, it seeks to harvest synergies through aligning the activities and developing the relevant competencies of its employees through the setting, monitoring, assessment and rewarding of the achievement of municipal objectives. The municipality seeks to maximize, in a sustainable way, delivery in terms of these set outcomes, the growth of talent and capabilities and fairly rewarding exceptional performance while taking corrective measures where set performance standards are not met. The Municipality commits itself to providing a fair and transparent mechanism to guide the activities of each employee, identifying and creating opportunities for staff development, and implement a seamless performance measurement structure through which performance shall be assessed at all three levels, namely, municipal, departmental as well as individual levels.

Amahlathi Local Municipality shall at the outset of each performance cycle which shall coincide with the financial year, develop and/or populate an institutional balanced score card with municipal objectives derived from the municipality's IDP and/or SDBIP. The objectives shall include timeframes, quality requirements and measurable milestones. The measured deliverables will be clustered under Balanced Score Card dimensions. Section 56 Managers shall account individually and collectively for progress on the set objectives. While performance bonuses for employees on fixed-term contract shall primarily be based on their individual performance contracts, institutional performance shall be an important factor in the final determination of the employees' performance bonuses. The municipality has developed Performance Management System Policy Framework which was adopted in 2011 and is reviewed annually in line with IDP processes.

### 6.2 Performance Agreement and Accountability Agreements

A Performance Agreement is a strategic document signed on by the performing employee and the employer. It shall reflect the linking of an individual performance plan to the goals of Amahlathi Local Municipality and an analysis of what will be required to achieve effective performance.

Once organizational objectives and targets have been set, these will be cascaded down to the relevant departments and subsequently to individuals.

- Section 56 Managers shall develop and sign performance agreements and plans that will contribute towards the achievement of the municipality's objectives and targets.
- Employees from Task Grade 12 upwards shall sign Accountability Agreements (AA), Performance Plans as well as Personal Development Plans (PP).
- Employees from Task Grade 1 to 11 shall sign Performance Promises (PP), Action Plans as well as Personal Development Plans.

### **6.3 Purpose of the Performance Management System:**

This Performance Management System seeks to establish a systematic way through which both organizational and individual performance appraisal is to be done. The municipality is under pressure to perform due to scarcity of resources, community accountability and customer expectations. While the organizational performance is to be assessed, it is in fact the people inside the organization, working together towards a common goal who are responsible for the achievement of the organizational targets.

These are components of the same system that have to complement each other, failing which the system will not be stable and will not hold together.

The municipality performance targets are cascaded to constitute the performance targets of the municipal manager who by order of delegation develop these into performance targets of each manager.

The adopted approach of Score Cards will make use of the following perspectives: -

- ✦ Municipal Transformation and Institutional Development
- ✦ Service Delivery and Infrastructure Development
- ✦ Municipal Financial Viability
- ✦ Good Governance and Public Participation.
- ✦ Local Economic Development.

The scorecard approach will be used at the municipal / organizational level, which will level the strategic priorities, as determined by the council from year to year.

At the second level the scorecard will capture the performance of the relevant Department and this will be a service scorecard. The service scorecard will show a comprehensive picture of the performance of the department.

At the municipal level it will be more a governance perspective that will be portrayed while at department level will be stakeholder related to simplify the reporting system to the Manager. The components of the service scorecards will be:

1. Service outcomes, which sets out the developmental outcomes that the department is to impact upon.
2. Service deliverables, which sets out the products and services that the department will deliver.
3. Resource management, which sets out how the department will manage its human and financial resources, information and infrastructure.
4. Stakeholder relations, which set out how the department will improve its relationship with the stakeholders.

#### **6.4 Performance Assessment**

Performance review meetings are an integral part of the monitoring process. These reviews must take place as often as is practical and or required by circumstances. Performance at the individual level must be continuously monitored to enable the identification of performance barriers and changes and to address development and improvement needs as they arise, as well as to:

- a) Determine progress and/or identify obstacles in achieving objectives and targets;
- b) Enable supervisors and employee to deal with performance-related problems;
- c) Identify and provide the support needed;
- d) Modify objectives and targets; and
- e) Ensure continuous learning and development.

##### **I. The Assessment shall be performed as follows: Section 56 Managers**

- a. Quarterly performance assessment shall be conducted for all contracted employees within 14 working days after the end of the last month of the quarter for which the assessment is being done – in accordance with the following schedule:

| INTERVAL               | PERIOD               | ASSESSMENT DEADLINE |
|------------------------|----------------------|---------------------|
| First quarter (July)   | (July – September)   | 18 of October       |
| *Second quarter        | (October – December) | 18 of January       |
| Third quarter          | (January – March)    | 18 of April         |
| *Fourth (last) quarter | (April – June)       | 18 of July          |

- b. In cases of section 56 Managers, the quarterly assessment shall be performed between the Employee and the Municipal Manager, IDP/PMS unit to provide technical support during the session, HR unit to provide secretariat services on the session.
- c. The assessment shall be based on actual achievement of the Indicators agreed for each deliverable or output.
- d. The standard of performance of each employee shall be assessed from the evidence of delivery, defined as the Indicator, on the following scale:

##### **II. The Assessment shall be performed as follows: Employees below Section 56 Managers**

- i. Quarterly performance assessment shall be conducted for all employees from task grade 12 upwards within 3 working days after the end of the last month of the quarter for which the assessment is being done – in accordance with the following schedule:



| INTERVAL               | PERIOD               | ASSESSMENT DEADLINE |
|------------------------|----------------------|---------------------|
| First quarter (July)   | (July – September)   | 03 of October 2019  |
| *Second quarter        | (October – December) | 04 of January 2020  |
| Third quarter          | (January – March)    | 03 of April 2020    |
| *Fourth (last) quarter | (April – June)       | 03 of July 2020     |

- ii. The quarterly assessment shall be performed between the Employee and his/her immediate superior, Human Resource unit to provide technical support during the session, departmental PMS Champion to provide secretariat services on the session.
- iii. The Employee's assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified as per **SDBIP/JOB DESCRIPTION**, which are linked to the Key Performance Areas (KPA's), and relevant Competency Requirements respectively
- iv. The standard of performance of each employee shall be assessed from the evidence of delivery, defined as the Indicator, on the following scale:

**PERFORMANCE SCORING SUGGESTED BY THE REGULATIONS (2006)**

| Level | Performance Rating Score | Terminology                                  | Description   |
|-------|--------------------------|--|---|
| 5     | 166                      | Outstanding performance                      | Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the <b>PA</b> and Performance plan and maintained this in all areas of responsibility throughout the year. |
| 4     | 133                      | Performance significantly above expectations | Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and <b>fully</b> achieved all others throughout the year.   |
| 3     | 100                      | Fully effective                              | Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.   |

|   |    |                                 |   |
|---|----|---------------------------------|---|
|   |    |                                 |   |
| 2 | 66 | Performance not fully effective | Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and Indicators as specified in the PA and Performance Plan.   |
| 1 | 33 | Unacceptable performance        | Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement. |

## 6.5 LINKING PERFORMANCE TO A REWARD SYSTEM

### 6.5.1 Rewarding Employee Performance – Municipal Manager and section 56 Managers

A performance bonus, based on affordability may be paid to the employees, after:

1. the annual report for the financial year under review has been tabled and adopted by the municipal council
2. an evaluation of performance in accordance with the provisions of the Regulation
3. approval of such evaluation by the municipal council as a reward for a level of performance deserving of a performance bonus in terms of the bonus criteria

The evaluation of the manager's performance shall form the basis for rewarding outstanding performance and correcting below par performance.

- a. In recognition of outstanding performance, a performance bonus ranging from **5% to 14%** of the all-inclusive remuneration package **may** be paid to a Municipal Manager and Managers directly accountable to him or her.
- b. The performance bonus percentages are determined by calculating the overall rating using the applicable assessment rating calculator.
- c. The quantum of the bonus payable shall be as follows:

|   |
|---|
| <b>If (Bonus Score &gt; = 130 - 133) bonus = 5%</b>   |
| <b>If (Bonus Score &gt; = 134 -137) bonus = 6%</b>    |
| <b>If (Bonus Score &gt; = 138 -141) bonus = 7%</b>    |
| <b>If (Bonus Score &gt; = 142 - 145) bonus = 8%</b>   |
| <b>If (Bonus Score &gt; = 146 - 149) bonus = 9%</b>   |
| <b>If (Bonus Score &gt; = 150 - 153) bonus = 10%</b>  |
| <b>If (Bonus Score &gt; = 154 - 157) bonus = 11%</b>  |
| <b>If (Bonus Score &gt; = 158 - 161) bonus = 12%</b>  |
| <b>If (Bonus Score &gt; = 162 - 165) bonus = 13%</b>  |
| <b>If (Bonus Score &gt; = 166 - plus) bonus = 14%</b> |

The combined KPA and CCR assessment scores, weighted 80% and 20% respectively, will make up the overall assessment of the individual manager's score. Where the KPA portion is the organizational performance score from the Organizational scorecard, and CCR is the result of an assessment on its own. The following table depicts the split as follows:

| Component                          | Weighting | Source                |
|------------------------------------|-----------|-----------------------|
| Score for departmental performance | 80%       | SDBIP scorecard score |
| CCR score of a manager             | 20%       | CCR appraisal result  |

**A. Core Competency requirements**

- The competency framework further involves six (6) core competencies that act as drivers to ensure that the leading competencies are executed at an optimal level.
- There is no hierarchical connotation to the structure and all competencies are essential to the role of a senior manager to influence high performance. All competencies must therefore be considered as measurable and critical in assessing the level of a senior manager's performance.
- The competency framework is underscored by four (4) achievement levels that act as benchmark and minimum requirements for other human capital interventions, which are, recruitment and selection, learning and development, succession planning, and promotion.

| COMPETENCY FRAMEWORK FOR SENIOR MANAGERS |  |                   |        |                          |                |
|--|--|-------------------|--------|--------------------------|----------------|
| LEADING COMPETENCIES :                   |  | Achievement Level | Weight | SELF SCORING SCORE (HOD) | FINAL SCORE MM |
| Strategic Direction and Leadership       | • Impact and Influence                   | Superior          | 8.3    |                          |                |
|  | • Institutional Performance Management   | Advanced          |        |                          |                |
|  | • Strategic Planning and Management      | Competent         |        |                          |                |
|  | • Organisational Awareness               | Basic             |        |                          |                |
| People Management                        | • Human Capital Planning and Development | Superior          | 8.3    |                          |                |
|  | • Diversity Management                   | Advanced          |        |                          |                |
|  | • Employee Relations Management          | Competent         |        |                          |                |
|  | • Negotiation and Dispute Management     | Basic             |        |                          |                |

|                                  |   |               |                         |                       |  |
|----------------------------------|---|---------------|-------------------------|-----------------------|--|
| Programme and Project Management | <ul style="list-style-type: none"> <li>Program and Project Planning and Implementation</li> </ul> | Superior      | 8.3                     |                       |  |
|                                  | <ul style="list-style-type: none"> <li>Service Delivery Management</li> </ul>                     | Advanced      |                         |                       |  |
|                                  | <ul style="list-style-type: none"> <li>Program ad Project Monitoring and Evaluation</li> </ul>    | Competent     |                         |                       |  |
| Financial Management             | <ul style="list-style-type: none"> <li>Budget Planning and Execution</li> </ul>                   | Superior      | 8.3                     |                       |  |
|                                  | <ul style="list-style-type: none"> <li>Financial Strategy and Delivery</li> </ul>                 | Advanced      |                         |                       |  |
|                                  | <ul style="list-style-type: none"> <li>Financial Reporting and Monitoring</li> </ul>              | Competent     |                         |                       |  |
| Change Leadership                | <ul style="list-style-type: none"> <li>Change Vision and Strategy</li> </ul>                      | Superior      |                         |                       |  |
|                                  | <ul style="list-style-type: none"> <li>Process Design and Improvement</li> </ul>                  | Advanced      |                         |                       |  |
|                                  | <ul style="list-style-type: none"> <li>Change Impact Monitoring and Evaluation</li> </ul>         | Competent     |                         |                       |  |
| Governance Leadership            | <ul style="list-style-type: none"> <li>Policy Formulation</li> </ul>                              | Superior      | 8.3                     |                       |  |
|                                  | <ul style="list-style-type: none"> <li>Risk and Compliance Management</li> </ul>                  | Advanced      |                         |                       |  |
|                                  | <ul style="list-style-type: none"> <li>Cooperative Governance</li> </ul>                          | Competent     |                         |                       |  |
|                                  |   | Basic         |                         |                       |  |
| <b>CORE COMPETENCIES</b>         | <b>Achievements Levels</b>  | <b>Weight</b> | <b>SELF-SCORING-HOD</b> | <b>FINAL SCORE MM</b> |  |
| <b>Moral Competence</b>          | Superior  | 8.3           |                         |                       |  |
|                                  |   |               |                         |                       |  |

|   |           |     |  |  |
|---|-----------|-----|--|--|
|   | Advanced  |     |  |  |
|   | Competent |     |  |  |
|   | Basic     |     |  |  |
| <b>Planning and Organising</b>              | Superior  | 8.3 |  |  |
|   | Advanced  |     |  |  |
|   | Competent |     |  |  |
|   | Basic     |     |  |  |
| <b>Analysis and Innovation</b>              | Superior  | 8.3 |  |  |
|   | Advanced  |     |  |  |
|   | Competent |     |  |  |
|   | Basic     |     |  |  |
| <b>Knowledge and Information Management</b> | Superior  | 8.3 |  |  |
|   | Advanced  |     |  |  |
|   | Competent |     |  |  |
|   | Basic     |     |  |  |
| <b>Communication</b>                        | Superior  | 8.3 |  |  |
|   | Advanced  |     |  |  |
|   | Competent |     |  |  |
|   | Basic     |     |  |  |

|                                  |             |     |  |  |
|----------------------------------|-------------|-----|--|--|
| <b>Results and Quality focus</b> | Superior    | 8.3 |  |  |
|                                  | Advanced    |     |  |  |
|                                  | Competent   |     |  |  |
|                                  | Basic       |     |  |  |
| <b>Total</b>                     | <b>100%</b> |     |  |  |

1.1 Achievement Levels: CCRs

- The achievement levels indicated in the table below serve as a benchmark for appointments, succession planning and development interventions.
- Individuals falling within the Basic range are deemed unsuitable for the role of senior manager, and caution should be applied in promoting and appointing such persons.
- Individuals that operate in the Superior range are deemed highly competent and demonstrate an exceptional level of practical knowledge, attitude and quality. These individuals should be considered for higher positions, and should be earmarked for leadership programs and succession planning.

| ACHIEVEMENT LEVELS | RATING | ACHIEVEMENT LEVELS  |
|--------------------|--------|---|
| Basic              | 1-2    | Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention                                      |
| Competent          | 3      | Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses                              |
| Advanced           | 4      | Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in- depth analyses                                       |
| Superior           | 5      | Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods |

### **B. Performance Evaluation Committee for S57/56 Managers**

The Evaluation Panel Committee evaluates Section 56 employees' (including the Municipal Manager's) performance through approval of their final performance ratings, based on the Performance Evaluation Committee's recommendations.

The 2006 Municipal Performance Regulations prescribe the composition of the Evaluation Panel and also stipulates in detail how the evaluation process should be undertaken.

For purposes of evaluating the annual performance of the Municipal Manager (Organization), The Honorable Mayor must establish an evaluation panel, herein referred to Honorable Mayor's Review Panel, constituted of the following persons:

- Honorable Mayor;
- Chairperson of the Audit committee
- Member of the Executive Committee
- Mayor and/or municipal manager from another municipality; and
- Member of a ward committee as nominated by the Honorable Mayor.

For purposes of evaluating the annual performance of managers directly accountable to the municipal manager (HoD /Department), the Municipal Manager must establish an evaluation panel, herein referred to Municipal Manager's Review Panel, constituted of the following persons:

- Municipal Manager;
- Chairperson of the Performance audit committee
- Member of the Executive Committee
- Municipal Manager from another municipality.

The Evaluation Panel committee will then prepare a report with the recommendations to the Honorable Mayor for the payment of Bonuses of the Municipal Manager and S56 Managers.

#### **6.5.2 Rewarding Employees below Section 56 Managers**

The Employee's assessment will be based on his or her performance in terms of the outputs / outcomes (performance indicators) identified as per **SDBIP/JOB DESCRIPTION**, which are linked to the Key Performance Areas (KPA's), and relevant Competency Requirements respectively. The combined KPA and CCR assessment scores, weighted 80% and 20% respectively, will make up the overall assessment of the individual manager's score. Where the KPA portion is the organizational performance score from the organizational scorecard, and CCR is the result of an assessment on its own.



## a. Exceeding Expectation

Employees who consistently exceed the set standards and deliver exceptional work shall be rewarded in the manner to be determined by the Municipal Council as follows:

| Rating (score) | Rating (%) | Rating Definition | Non-financial rewards                      |
|----------------|------------|-------------------|--|
| 1-2            | 100%       | Basic             | Bronze Medal and<br>2 special leave days   |
| 3              | 101-116    | Competent         | Silver Medal and<br>3 special leave days   |
| 4              | 117-132    | Advanced          | Gold Medal and<br>4 special leave days     |
| 5              | 132+       | Superior          | Platinum Medal and<br>5 special leave days |

## b. Performing Below Expectation

Employees who consistently perform below the required standard which in this case is below 100% shall be assisted in boosting their competence through training, close coaching, supervision etc. Should their performance not improve, counselling shall be undertaken.

## c. Dealing with Unacceptable Performance

In the case of unacceptable performance, the municipality shall:

- a. Provide systematic remedial and/or developmental support to assist the employee to improve his/her performance; and
- b. If after appropriate performance counselling has been undertaken, the necessary guidance and/or support provided and reasonable time allowed for improvement, performance still does not improve, the municipality may consider invoking incapacity proceedings against the employee which may result in the termination of the employee's contract of employment.

## **6.6 DISPUTE RESOLUTION MECHANISM**

Any dispute about the nature of the employee's Performance Agreement, whether it relates to the key responsibilities, priorities, methods of assessment and/or salary increment in the agreement, must be mediated as follows:-

In the event that consensus between the parties cannot be reached, the fact of non-consensus together with the necessary evidence shall be referred as follows:

- a. In the case of the Municipal Manager, the MEC for Local Government in the province within thirty (30) days of receipt of a formal dispute from the employee.
- b. In the case of Section 56 Managers reporting directly to the Municipal manager, the Mayor, within thirty (30) days of a formal dispute from the employee.
- c. The MEC for Local Government and the Mayor, respectively, shall have the final say with regard to the Municipal Manager's and the Section 56 Managers' assessment respectively.
- d. In the case of staff other than the Municipal Manager or the Section 56 Managers, the fact of non-consensus together with the necessary evidence shall be escalated in line with the municipality's dispute resolution mechanism as embodied in the relevant Collective Agreement.

#### **6.7 INPUT TO INDIVIDUAL DEVELOPMENT PLAN**

- a. The gaps between actual performance and the expected level of performance shall be reviewed by the employee and immediate superior from the perspective of identifying opportunities for training and skills development.
- b. Where such opportunities are identified, they shall be documented and submitted to the Director of Corporate Services, who shall make recommendations to the immediate superior for suitable training interventions to address such skills gaps.
- c. These recommendations will then be processed in terms of the Municipality's Training Policy.

#### **6.8 INPUT TO SUCCESSION PLAN**

- a. Each Department will be required to compile a Succession Plan, identifying those employees with the demonstrated potential to advance to more senior positions and estimated timeframes within which the identified employees will be suitably skilled and experienced to take on the additional responsibility of more senior positions.
- b. Only employees whose performance scores are either 4 or 5 must be put on a succession planning programme.
- c. The relevant Section 56 Manager shall liaise with the Corporate Services Director to identify areas where the skills of the employee concerned can be utilized, and strategies to be followed in accommodating the aspirations of the employee within the municipal requirements.

### **6.9 ROLE OF COUNCIL**

In line with the Municipal Systems Act (Act No. 32 of 2000), the Municipal Council commits to participating in the development of its performance management system through the Executive Committee and shall:

- a. Oversee the development of the municipality's performance management system.
- b. Assign responsibilities in this regard to the Municipal Manager who shall submit the proposed system to the Municipal Council for adoption, and establish mechanisms to monitor and review the performance management system.

### **6.10 MONITORING, REVIEW AND REPORTING**

Entails reporting Quarterly to the Audit Committee, Council and the public. In addition, a quarterly report and evidence files are also prepared and sent to Internal Audit to be audited, prior it being sent to council and the performance audit committee.

Reviews/auditing - is a key element of the monitoring and evaluation process. This involves verifying that the measurement mechanisms are accurate and that proper procedures are followed to evaluate and improve performance. According to section 45, of the Systems Act, results of the performance measurement must be audited as part of the municipality's internal auditing process and annually by the Auditor-General. The Municipality will therefore have to establish frameworks and structures to evaluate the effectiveness of the municipality's internal performance measurement control systems

## CHAPTER 7: PROGRAMME INTEGRATION

### 7.1 SECTORAL PLANS & PROGRAMMES

There are a number of sector plans, policies and by laws that have been developed for the Municipality which have been adopted by the council of Amahlathi municipality. An analysis that was done found others to be still relevant and the municipality is in the process of reviewing those which were found to be outdated.

#### List of Adopted Sector Plans

| Department  | Plan                                  | Status         |             |
|---|---------------------------------------|----------------|-------------|
|   |                                       | Year Adopted   | Review Year |
| Budget Treasury And Office                        | Budget Policy                         | 28 May 2015    | 19/20       |
|   | Credit Control Policy                 | 28 May 2015    | 19/20       |
|   | Indigent Policy                       | 28 May 2015    | 19/20       |
|   | Rates Policy                          | 28 May 2015    | 19/20       |
|   | Virement Policy                       | 28 May 2015    | 19/20       |
|   | Tariff Policy                         | 28 May 2015    | 19/20       |
|   | Petty Cash Policy                     | 28 May 2015    | 19/20       |
|   | Housing and Rental Policy             | 28 May 2015    | 19/20       |
|   | Customer Care Policy                  | 28 May 2015    | 19/20       |
|   | Financial Systems back-up Policy      | 28 May 2015    | 19/20       |
|   | Supply Chain Management Policy        | 28 May 2015    | 19/20       |
|   | Asset Policy                          | 28 May 2015    | 19/20       |
|   | Cash Management and Investment Policy | 28 May 2015    | 19/20       |
|   | User Account Management Policy        | 28 May 2015    | 19/20       |
|   | Fruitless and Wasteful Expenditure    | 28 May 2015    | 19/20       |
| Irregular Expenditure Policy and Procedure Manual | 28 May 2015                           | 19/20          |             |
| Corporate Services                                | 1. Long Service Allowance Policy      | 17-18 Nov 2014 | 19/20       |
|   | 2. Bereavement Policy                 | 17-18 Nov 2014 | 19/20       |

|  |  |                                   |       |
|--|--|-----------------------------------|-------|
|  | 3. Standby Allowance                                     | 17-18 Nov 2014                    | 19/20 |
|  | 4. Smoking Policy  | 17-18 Nov 2014                    | 19/20 |
|  | 5. Records Management Policy                             | 17-18 Nov 2014                    | 19/20 |
|  | 6. Travel Allowance Scheme for Managers                  | 17-18 Nov 2014                    | 19/20 |
|  | 7. Employee Assistant Policy                             | 30-31 Mar 2015                    | 19/20 |
|  | 8. Occupational Health and Safety Policy                 | 30-31 Mar 2015                    | 19/20 |
|  | 9. Leave Policy  | 30-31 Mar 2015                    | 19/20 |
|  | 10. Telephone and Cellular Phone Usage Policy            | 30-31 Mar 2015                    | 19/20 |
|  | 11. Staff Retention Policy                               | 30-31 Mar 2015                    | 19/20 |
|  | 12. HRD Strategy   | 10 Sept 2015                      | 19/20 |
|  | 13. Scarce Skills Policy                                 | 10 Sept 2015                      | 19/20 |
|  | 14. Civic Funeral Policy                                 | 10 Sept 2015                      | 19/20 |
|  | 15. Subsistence and Travel Policy                        | 10 Sept 2015                      | 19/20 |
|  | 16. Fleet Management Policy                              | 10 Sept 2015                      | 19/20 |
|  | 17. Recruitment and Selection Policy                     | 10 Sept 2015                      | 19/20 |
|  | 18. Bursary Scheme Policy                                | Will be done on<br>03-04 Mar 2016 | 19/20 |
|  | 19. Dress Code   | Will be done on<br>03-04 Mar 2016 | 19/20 |
|  | 20. Job Evaluation Review Policy                         | Will be done on<br>03-04 Mar 2016 | 19/20 |
|  | 21. Policy on Policy Development                         | Will be done on<br>03-04 Mar 2016 | 19/20 |
|  | 22. Acting Allowance Policy                              |                                   | 19/20 |
|  | 23. Housing Rental Allowance Policy                      |                                   | 19/20 |
|  | 24. Code of Conduct for staff members                    |                                   | 19/20 |
|  | 25. Induction Training and staff orientation             |                                   | 19/20 |
|  | 26. Disciplinary Procedure and Code Collective Agreement |                                   | 19/20 |

|                          |   |                           |                         |
|--------------------------|---|---------------------------|-------------------------|
|                          | 27. Substance Abuse Policy                                    |                           | 19/20                   |
|                          | 28. Employment Equity Plan                                    | June 2007                 | 19/20                   |
|                          | 29. Workplace Skills Plan                                     | June 2011                 | 19/20                   |
| Community Services       | 30. HIV/Aids Plan   | 2006                      | Adopted                 |
|                          | 31. Environmental/Commonage Management Plan                   | 2015                      | Adopted                 |
|                          | 32. Integrated Waste Management Plan                          | May 2006                  | 2013 Adopted            |
|                          | 33. Cemetery Policy   | 2015                      | Adopted                 |
|                          | 34. Pauper Burial Policy                                      |                           | 17/18                   |
|                          | 35. Vehicle Impounding Policy                                 |                           | 17/18                   |
| Development And Planning | 36. Amahlathi Spatial Development Framework (overarching SDF) | 2012                      | 2016                    |
|                          | ⑧ Keiskammahoek Local Spatial Development Framework           | 2011                      | 2016                    |
|                          | ⑧ Stutterheim Local Spatial Development Framework             |                           |                         |
|                          | ⑧ Mlungisi Local Spatial Development Plan                     | 2010                      | 2016                    |
|                          | ⑧ Amabele / Ndakana Local Spatial Development Framework       | 2009                      | 2016                    |
|                          |   | Currently being developed | Consider to consolidate |

|                               |   |                           |                           |
|-------------------------------|---|---------------------------|---------------------------|
|                               |   |                           | with Amahlathi SDF        |
| Development And Planning      | 37. Tourism Master Plan   | 2008                      | Currently being reviewed. |
|                               | 38. Led Strategy  | 2012                      | -                         |
|                               | 39. Housing Sector Plan   | 2013                      | Currently being reviewed  |
|                               | 40. Land Invasion Prevention Policy and By-law  | 2014                      | 2015                      |
|                               | 41. Agricultural Plan   | 2011                      | -                         |
|                               | 42. SMME Strategy   | 2016                      | -                         |
|                               | 43. Street Trading Policy   | 2013                      | -                         |
|                               | 44. Forestry Strategy   | Currently being developed |                           |
| Strategic Management Services | 45. Performance Management Systems Policy Framework   | June 2011                 | 19/20                     |
|                               | 46. Communication Strategy  | 2015                      | 19/20                     |
|                               | 47. Communication Policy  | Developed                 | 19/20                     |
|                               | 48. Public Participation Policy   | June 2014                 | 19/20                     |
|                               | 49. Petitions Framework   | June 2014                 | 19/20                     |
|                               | 50. Petitions Policy  | 2016/17                   | 19/20                     |
|                               | 51. Social Media Policy   | Currently being developed | 19/20                     |
|                               | 52. Special Programmes Strategy<br>Covering;<br><ul style="list-style-type: none"> <li>• Youth</li> <li>• Children</li> <li>• Disabled</li> <li>• Women</li> <li>• Elderly</li> <li>• HIV/AIDS</li> </ul> | 16/17                     |                           |

|                                 |   |                           |       |
|---------------------------------|---|---------------------------|-------|
|                                 | 53. Sport Policy  | Currently being developed |       |
|                                 | 54. Code of Conduct   | Currently being developed | 19/20 |
|                                 | 55. 3G Data Card Policy   |                           | 19/20 |
|                                 | 56. Back- up Procedure Manual                                   |                           | 19/20 |
|                                 | 57. Change Management   |                           | 19/20 |
|                                 | 58. Email Acceptable Use Policy                                 |                           | 19/20 |
|                                 | 59. ICT Acceptable Use Policy                                   |                           | 19/20 |
|                                 | 60. IT Governance Framework                                     |                           | 19/20 |
|                                 | 61. Password Policy   |                           | 19/20 |
|                                 | 62. Software Installation Policy                                |                           | 19/20 |
| Office Of The Municipal Manager | 63. Audit Committee Charter                                     | May 2011                  | 19/20 |
|                                 | 64. Internal Audit Charter                                      |                           | 19/20 |
|                                 | 65. Risk Management Policy                                      |                           | 19/20 |
|                                 | 66. ALM Fraud Prevention & Anti-Corruption Policy               |                           | 19/20 |
|                                 | 67. Fraud Prevention Plan                                       |                           | 19/20 |
|                                 | 68. Amahlathi Draft Governance Framework                        | Currently being developed | 19/20 |
| Engineering Services            | 69. Private Protection Equipment (PPE) for Electricity          | Currently being reviewed  | 19/20 |
|                                 | 70. Electricity By Law  |                           |       |
|                                 | 71. Bush Clearance & Maintenance Within Power line & Servitudes |                           |       |
|                                 | 72. By-law Standard Bush Clearance                              |                           |       |
|                                 | 73. Planting, Pruning, Removal and Treatment of Street Trees    |                           |       |
|                                 | 74. Roads Maintenance Policy                                    |                           |       |
|                                 | 75. Building Control Policy                                     | Currently being developed | 19/20 |



|  |                            |  |       |
|--|----------------------------|--|-------|
|  | 76. OHS Toolkit PPE Policy |  | 19/20 |
|--|----------------------------|--|-------|

This chapter outlines the key strategic priorities of the Amahlathi Municipality, as they have been “translated” into priority projects and programmes for implementation.

It is important to understand that these sectoral plans and programmes relate directly to the main developmental issues of concern to the Amahlathi Municipality (as outlined in Chapter Two), and the Objectives and Strategies for development that were formulated in response to the identified issues. Of note, too, is the fact that the Municipal Performance Management System is guided by the Municipality’s Objectives and Strategies in structuring assessments, as well as the achievement / implementation of projects and programme actions.

The following Programmes and Sector Plans are addressed in this Chapter: -

1. Housing sector Plan
2. Disaster Management Plan
3. Integrated waste Management Plan

## **7.2 HOUSING SECTOR PLAN**

The Amahlathi Housing Sector Plan 2013-2018 has been completed and is currently being reviewed with the support from Department of Human Settlements.

During the development of the HSP a desktop analysis was undertaken in an attempt to establish the housing needs demand status in Amahlathi. The previous Integrated Development plan, Census 2001, Community Survey 2007 and the census 2011 were considered. As an outcome of the socio-economic profiling and household type analysis it is estimated that approximately 11 000 housing units are required in Amahlathi LM. The process also incorporated an analysis of the current settlement forms and patterns, levels of engineering services.

A strategy for meeting the estimated housing backlog has been proposed and the implementing bodies are suggested at being the ALM, Amathole district municipality and the ECDoHS. In certain areas training of the Amahlathi Housing Unit Officials has been proposed and this shall be provided by the Eastern Cape Department of Human Settlement. For effective implementation, facilitation and monitoring of the current and future housing projects an organogram has been proposed in the document. An analysis of the current staffing arrangement has also been undertaken.

Lastly, due to empirical evidence it is proposed that housing projects should be linked to other related infrastructure projects such as roads, electrification rollout programmes. It is important to consider that the Housing Department proposes an integrated approach to housing delivery. This means that the alignment of

engineering and community services programmes with housing projects is important if the housing project implementers and ALM are to provide integrated and self-sustaining settlements.

The housing sector plan also indicates land parcels that are under claim but at present none of these land parcels shall hinder the planned human settlement projects. The plan also makes acknowledgement of the household socio-economic standing of the ALM population in that the majority of residents depend highly on state grants and similarly in terms of housing demand the majority of housing demand is on the RDP programme. It is perceived that should there be growth in economic development of the towns and the household incomes and social standings improve then the housing product that is required would differ accordingly and the municipality together with the department of human settlements would have to acknowledge such and seeks to implement.

### **7.3 INTEGRATED WASTE MANAGEMENT PLAN**

Amahlathi Municipal Integrated Waste Management Plan has been completed and has been implemented for the past three years. It has been reviewed in 2013 and approved by the Council. It was endorsed by the honorable MEC on the 11<sup>th</sup> of November 2014.

Amahlathi IWMP (2012-2017) has expired in November 2017 and its due for Reviewal

Due to unavailability of funds for the reviewal of IWMP, the municipality requested support from the National Department of Environmental Affairs, which was provided in terms of technical support buy conducting a Web-Portal training in May 2018, where two phases were completed and the following phase was to conducted a physical analysis on sites (waste characterization) in order to get a true reflection of the amount/ volumes of waste generated, recorded and disposed in each waste facility.

There were scheduled dates to conduct practical work or assessment and municipal services were disrupted by the community unrest for a period of five months (October 2018 to February 2019) with total shutdown of operations, therefore it was impractical to continue with the work as planned.

This has negatively affected the waste management services especially the landfill operations, as currently the municipal waste disposal facilities does not comply with the National Environmental Management Waste Act (No. 59 of 2008) and are not managed as per the terms and conditions prescribed on permits, this has resulted to the municipality being issued with Compliance notices for Stutterheim and Cathcart waste disposal facilities.

There are 3 landfill sites and one transfer station;

- Stutterheim is licensed and operational ( Notice issued for contravening the law)
- Keiskammahoek is licensed and operational
- Cathcart Transfer Station is licensed and operational
- Cathcart Waste site, expired closure license and issued compliance notice for illegal operations.

There is a Waste By-law currently implemented by the Solid waste section, enforced by the designated Waste Management officer as required by the legislation. It addresses the issue of illegal dumping and compliance with the National Environmental Management Waste Act No.59 of 2008.

There is currently a project under waste and environmental services (**Good Green Deeds**), which focuses on conducting recycling and awareness and/ or Clean-up campaigns (door to door, schools etc.) to address the waste management challenges in Amahlathi Municipality, the current project is funded by the Department of Environment, Forestry and Fisheries (DEFF)

There are SALGA, Provincial and District waste forums attended by the waste management section.

#### **7.4 DISASTER MANAGEMENT PLAN**

In terms of the current assignment of powers and functions, the Amahlathi Municipality is required to administer and manage the disaster management function. However, given the current capacity constraints, the Amahlathi Municipality actively participates in disaster management processes and procedures within the framework of disaster management support provided by the Amathole District Municipality. Communication between the two Municipalities is therefore a critical element in the current disaster management procedures.

In line with the District Municipality's role to capacitate Local Municipalities, a Sub-Regional Disaster Control Centre is to be developed in Amahlathi Municipality. Premises for this Centre have been identified in Stutterheim.

In the interim, the Amathole District Municipality has completed the 1<sup>st</sup> Phase of a District Disaster Management Plan, which will point the way forward for the Amahlathi Municipality in this regard.

#### **7.5 POVERTY ALLEVIATION PROGRAMME**

It is noted that a number of initiatives are critically to the essence of poverty alleviation in the local area. These include the implementation of the Consolidated Land Restitution Programme in Keiskammahoek and the resuscitation of irrigation schemes in the Amahlathi Municipal area.

It is important to note that Local Economic Development within Amahlathi is currently greatly improved in the implementation of economic development initiative.

## CHAPTER 8: FINANCIAL PLAN

The purpose of this chapter is to outline the financial plan that supports the long-term financial sustainability of the Amahlathi Municipality. The financial plan is necessary to ensure that the municipality is able to effectively and efficiently implement its mandate; it is prepared to assist in the planning of operating and capital expenditure within the municipality and in so doing, maintain financial stability and sustainability. The municipality must make use of its available financial resources in an effective, efficient and economical manner when achieving the targets and objectives of the IDP.

The IDP is the guiding document for the 2020/21 budget planning process. The outcome of this Integrated Development Plan is the alignment of the planning process and resource allocations to the imperatives of the strategic direction. Thus compilation and approval of the 2020/21 Medium-term Revenue and Expenditure Framework (three year budget) was a direct product aligned to the imperatives and strategic direction of the Amahlathi. The link between Government's priorities and spending plans is not an end in itself, but the goal should be to enhance service delivery aimed at improving the quality of life for all the people within the municipality.

In terms of National Treasury's Municipal Budget and Reporting Regulations, the budget of a municipality is required to encompass 3 years of audited information; the current year; the next financial year and the two outer financial years. The funding of the annual budget has been calculated taking into account the following:-

- Rates and Service Charges
- Interest on outstanding debtors
- Interest expected to be received from investments
- Grants as guided by the division of revenue act (DORA).

### 8.1 **FINANCIAL FRAMEWORK**

The uniqueness of the area in which the municipality has jurisdiction, in comparison to other municipalities, must be considered when assessing its financial viability and sustainability. The Amahlathi can be categorized as a rural municipality and thus requires significant additional resources and funding to accomplish expected development and service delivery. From a financial perspective the financial viability and sustainability of the municipality remains priority.

#### ***8.1.1 Sufficient Revenue base***

The ALM requires access to sufficient revenue sources from both its own operations and from government transfers and subsidies in order to perform its duties and responsibilities. The timing of the receipt of the 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. The DORA sets out the funding that will be received from National Government for the 2020/21 to 2022/2023 financial years. The debtors' collection rate is monitored on a monthly basis. This information assists the municipality in determining its financial position more accurately and can be used to make decisions pertaining to levels of borrowing if required. Below is the table showing anticipated revenue:

**(Revenue by source)**

EC124 Amahlathi - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description  | Ref | 2016/17         | 2017/18         | 2018/19         | Current Year 2019/20 |                 |                    |                   | 2020/21 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2020/21                                 | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
| <b>Revenue By Source</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Property rates   | 2   | 14,013          | 16,893          | 17,885          | 17,659               | 17,659          | 17,659             | -                 | 23,785  | 24,926                 | 26,123                 |
| Service charges - electricity revenue                                | 2   | 28,873          | 25,280          | 26,775          | 45,161               | 35,161          | 35,161             | -                 | 34,992  | 36,672                 | 38,432                 |
| Service charges - water revenue                                      | 2   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Service charges - sanitation revenue                                 | 2   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Service charges - refuse revenue                                     | 2   | 9,133           | 10,140          | 11,433          | 10,000               | 10,000          | 10,000             | -                 | 10,000  | 10,480                 | 10,983                 |
| Rental of facilities and equipment                                   |     | 827             | 474             | 486             | 1,112                | 251             | 251                |                   | 251   | 263                    | 276                    |
| Interest earned - external investments                               |     | 8,442           | 4,096           | 965             | 1,894                | 1,894           | 1,894              |                   | 1,845   | 1,934                  | 2,026                  |
| Interest earned - outstanding debtors                                |     | 2,302           | 4,524           | 5,676           | 2,777                | 2,777           | 2,777              |                   | 6,000   | 6,288                  | 6,590                  |
| Dividends received   |     | -               | -               | -               | -                    | -               | -                  |                   | -   | -                      | -                      |
| Fines, penalties and forfeits  |     | 172             | 572             | 13              | 506                  | 106             | 106                |                   | 106   | 111                    | 116                    |
| Licences and permits   |     | -               | 915             | 1,170           | 2,749                | 2,749           | 2,749              |                   | 2,740   | 2,872                  | 3,009                  |
| Agency services  |     | 3,052           | 355             | 852             | 1,668                | 1,000           | 1,000              |                   | 1,000   | 1,048                  | 1,098                  |
| Transfers and subsidies  |     | 124,982         | 102,211         | 102,387         | 112,541              | 112,727         | 112,727            |                   | 118,050   | 122,267                | 127,717                |
| Other revenue  | 2   | 503             | 1,604           | 7,649           | 1,371                | 41,010          | 41,010             | -                 | 1,124   | 1,178                  | 1,235                  |
| Gains  |     | 543             | 2,262           |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |     | <b>192,840</b>  | <b>169,325</b>  | <b>175,290</b>  | <b>197,439</b>       | <b>225,335</b>  | <b>225,335</b>     | <b>-</b>          | <b>199,893</b>                                      | <b>208,039</b>         | <b>217,606</b>         |

**(Expenditure by Type)**

EC124 Amahlathi - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description                     | Ref  | 2016/17         | 2017/18         | 2018/19         | Current Year 2019/20 |                 |                    |                   | 2020/21 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|                                 |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2020/21                                 | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
| <b>Expenditure By Type</b>      |      |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Employee related costs          | 2    | 112,135         | 120,080         | 126,609         | 115,165              | 109,137         | 109,137            | -                 | 113,127   | 117,482                | 122,702                |
| Remuneration of councillors     |      | 11,561          | 12,243          | 11,456          | 12,244               | 12,244          | 12,244             |                   | 12,200  | 12,786                 | 13,399                 |
| Debt impairment                 | 3    | 7,916           | 10,352          | 9,366           | 2,500                | 10,000          | 10,000             |                   | 10,000  | 10,480                 | 10,983                 |
| Depreciation & asset impairment | 2    | 30,342          | 29,853          | 65,983          | 28,000               | 26,000          | 26,000             | -                 | 26,000  | 27,248                 | 28,556                 |
| Finance charges                 |      | 2,507           | 38              | 576             | 100                  | 1,000           | 1,000              |                   | 1,000   | 1,048                  | 1,098                  |
| Bulk purchases                  | 2    | 26,165          | 27,072          | 28,928          | 31,612               | 31,612          | 31,612             | -                 | 31,000  | 32,488                 | 34,047                 |
| Other materials                 | 8    |                 |                 |                 | 236                  | 236             | 236                |                   | 229   | 240                    | 251                    |
| Contracted services             |      | -               | -               | 19,394          | 15,509               | 16,745          | 16,745             | -                 | 13,371  | 13,640                 | 14,295                 |
| Transfers and subsidies         |      | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Other expenditure               | 4, 5 | 62,942          | 62,290          | 30,858          | 20,360               | 19,142          | 19,142             | -                 | 18,966  | 19,876                 | 20,830                 |
| Losses                          |      | 47,128          | 2,339           | 3,954           |                      |                 |                    |                   |   |                        |                        |
| <b>Total Expenditure</b>        |      | <b>300,697</b>  | <b>264,266</b>  | <b>297,122</b>  | <b>225,725</b>       | <b>226,116</b>  | <b>226,116</b>     | <b>-</b>          | <b>225,893</b>                                      | <b>235,287</b>         | <b>246,161</b>         |

(Grants and subsidies)

EC124 Amahlathi - Supporting Table SA18 Transfers and grant receipts

| Description   | Ref  | 2016/17         | 2017/18         | 2018/19         | Current Year 2019/20 |                 |                    | 2020/21 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2020/21                                 | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
| <b>RECEIPTS:</b>                                    | 1, 2 |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Operating Transfers and Grants</b>               |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>                         |      | 117,974         | 99,964          | 101,187         | 111,341              | 110,671         | 110,671            | 116,494   | 122,267                | 127,717                |
| Local Government Equitable Share                    |      | 113,780         | 95,446          | 97,114          | 105,863              | 105,863         | 105,863            | 111,895   | 118,561                | 123,832                |
| Finance Management                                  |      | 1,625           | 1,700           | 1,770           | 2,235                | 2,235           | 2,235              | 2,200   | 2,200                  | 2,300                  |
| Municipal Systems Improvement                       |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| EPWP Incentive                                      |      | 1,062           | 1,389           | 921             | 1,236                | 1,236           | 1,236              | 1,000   | -                      | -                      |
| PMU 5%  |      | 1,507           | 1,429           | 1,382           | 2,007                | 1,337           | 1,337              | 1,399   | 1,506                  | 1,585                  |
| Other transfers/grants [insert description]         |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Provincial Government:</b>                       |      | 2,314           | 2,248           | 1,200           | 1,200                | 1,556           | 1,556              | 1,556   | -                      | -                      |
| Sport and Recreation                                |      | 1,200           | 1,200           | 1,200           | 1,200                | 1,200           | 1,200              | 1,200   | -                      | -                      |
| LED Promotions                                      |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Waste Grant 2m                                      |      | 647             | 771             | -               | -                    | 234             | 234                | 234   | -                      | -                      |
| Waste Grant 770k                                    |      | 297             | 240             | -               | -                    | -               | -                  | -   | -                      | -                      |
| Capacity  |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Recycling   |      | -               | -               | -               | -                    | 122             | 122                | 122   | -                      | -                      |
| Vuna Awards   |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Seta  |      | 170             | 37              | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other transfers/grants [insert description]         |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>District Municipality:</b>                       |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other grant providers:</b>                       |      | -               | -               | -               | -                    | 500             | 500                | -   | -                      | -                      |
| AGSA Donation                                       |      |                 |                 |                 |                      | 500             | 500                |   |                        |                        |
| <b>Total Operating Transfers and Grants</b>         | 5    | 120,289         | 102,211         | 102,387         | 112,541              | 112,727         | 112,727            | 118,050   | 122,267                | 127,717                |
| <b>Capital Transfers and Grants</b>                 |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>                         |      | 26,333          | 31,600          | 19,363          | 43,632               | 25,402          | 25,402             | 26,573  | 34,619                 | 40,616                 |
| Municipal Infrastructure Grant (MIG)                |      | 21,640          | 27,145          | 14,363          | 38,132               | 25,402          | 25,402             | 26,573  | 28,619                 | 30,116                 |
|   |      | 4,693           | 4,455           | 5,000           | 5,500                | -               | -                  | -   | 6,000                  | 10,500                 |
| Other capital transfers/grants [insert desc]        |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Provincial Government:</b>                       |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other capital transfers/grants [insert description] |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>District Municipality:</b>                       |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                                |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other grant providers:</b>                       |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| AGSA Donation                                       |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total Capital Transfers and Grants</b>           | 5    | 26,333          | 31,600          | 19,363          | 43,632               | 25,402          | 25,402             | 26,573  | 34,619                 | 40,616                 |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>     |      | 146,622         | 133,811         | 121,749         | 156,173              | 138,129         | 138,129            | 144,623   | 156,886                | 168,333                |

### 8.1.2 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. Amahlathi operates in an environment of limited resources and must therefore make use of the available resources in an effective, efficient and economical manner. The debtors turnover days has a significant impact on the liquidity/availability of the cash of the municipality 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 days. This implies that cash is flowing out at a faster rate than it is flowing into the municipality. Over the medium to long term the Amahlathi is to attempt to reduce the debtors' days to at least 45 days. The following depicts the financial ratios for the past two years:

#### Financial Ratios:-

| FINANCIAL VIABILITY ASSESSMENT        |   |                    |                    |
|---------------------------------------|---|--------------------|--------------------|
|                                       |   | AS AT 30 JUNE 2019 | AS AT 30 JUNE 2018 |
| <b>EXPENDITURE MANAGEMENT</b>         |   |                    |                    |
| 1.1                                   | Creditor-payment period   | 288 Days           | 74 Days            |
| <b>REVENUE MANAGEMENT</b>             |   |                    |                    |
| 2.1                                   | Debtor-collection period (after impairment)   | 613 Days           | 617 Days           |
| 2.2                                   | Debtors impairment provision as a percentage of accounts receivable                                     | 65.5%              | 68.5%              |
|                                       | • Amount of debtor's impairment provision   | R47 613 476        | R38 247 863        |
|                                       | • Amount of accounts receivable   | R72 735 327        | R55 849 939        |
| <b>ASSET AND LIABILITY MANAGEMENT</b> |   |                    |                    |
| 3.1                                   | A deficit for the year was realised (total expenditure exceeded total revenue)                          | Yes                | Yes                |
|                                       | • Amount of the surplus / (deficit) for the year  | (R99 545 821)      | (R61 954 672)      |
| 3.2                                   | A net current liability position was realised (total current liabilities exceeded total current assets) | Yes                | Yes                |
|                                       | • Amount of the net current assets / (liability) position   | (R68 480 303)      | (R15 768 776)      |
| 3.3                                   | A net liability position was realised (total liabilities exceeded total assets)                         | No                 | No                 |
|                                       | • Amount of the net asset / (liability) position  | R300 235 103       | R402 091 729       |
| <b>CASH MANAGEMENT</b>                |   |                    |                    |
| 4.1                                   | The year-end bank balance was in overdraft  | No                 | No                 |
|                                       | • Amount of year-end bank balance (cash and cash equivalents) / (bank overdraft)                        | R10 359 456        | R6 922 101         |

|     |   |                     |                      |
|-----|---|---------------------|----------------------|
| 4.2 | Net cash flows for the year from operating activities were negative   | <b>No</b>           | <b>Yes</b>           |
|     | <ul style="list-style-type: none"> <li>Amount of net cash in / (out)flows for the year from operating activities</li> </ul> | <b>R21 931 236</b>  | <b>(R35 592 875)</b> |
| 4.3 | Creditors as a percentage of cash and cash equivalents  | <b>755.2 %</b>      | <b>315.8%</b>        |
|     | <ul style="list-style-type: none"> <li>Amount of creditors (accounts payable)</li> </ul>                                    | <b>R76 472 249</b>  | <b>R21 858 702</b>   |
|     | <ul style="list-style-type: none"> <li>Amount of cash and cash equivalents / (bank overdraft) at year-end</li> </ul>        | <b>R10 359 456</b>  | <b>R6 922 101</b>    |
| 4.4 | Current liabilities as a percentage of next year's budgeted resources **  | <b>92,6%</b>        | <b>29.1%</b>         |
|     | <ul style="list-style-type: none"> <li>Amount of current liabilities</li> </ul>   | <b>R105 275 457</b> | <b>R42 020 268</b>   |
|     | <ul style="list-style-type: none"> <li>Amount of next year's budgeted income **</li> </ul>                                  | <b>R113 662 000</b> | <b>R156 632 000</b>  |

**Budgeted Cash Flow Table:-**



EC124 Amahlathi - Table A7 Budgeted Cash Flows

| Description                                      | Ref | 2016/17         | 2017/18         | 2018/19         | Current Year 2019/20 |                 |                    |                   | 2020/21 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2020/21                                 | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>       |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Receipts</b>                                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Property rates                                   |     | 14,013          | 16,893          | 8,137           | 17,659               | 14,361          | 14,361             |                   | 23,785  | 24,926                 | 26,123                 |
| Service charges                                  |     | 38,006          | 32,861          | 30,263          | 55,161               | 35,613          | 35,613             |                   | 44,992  | 47,152                 | 49,415                 |
| Other revenue                                    |     | (6,473)         | 3,919           | 10,170          | 7,406                | 45,617          | 45,617             |                   | 5,221   | 5,472                  | 5,735                  |
| Transfers and Subsidies - Operational            | 1   | 123,474         | 102,211         | 102,387         | 112,541              | 112,227         | 112,227            |                   | 118,050   | 122,267                | 127,717                |
| Transfers and Subsidies - Capital                | 1   | 23,147          | 31,600          | 19,363          | 43,632               | 25,402          | 25,402             |                   | 26,573  | 34,619                 | 40,616                 |
| Interest   |     | 10,744          | 4,096           | 6,641           | 1,894                | 4,671           | 4,671              |                   | 7,845   | 8,222                  | 8,616                  |
| Dividends  |     | -               | -               | -               |                      |                 |                    |                   | -   | -                      | -                      |
| <b>Payments</b>                                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Suppliers and employees                          |     | (197,671)       | (227,174)       | (155,455)       | (195,125)            | (190,329)       | (190,329)          |                   | (197,689)   | (205,728)              | (215,184)              |
| Finance charges                                  |     | (2,507)         | -               | (573)           | (100)                | (1,000)         | (1,000)            |                   | (1,000)   | (1,048)                | (1,098)                |
| Transfers and Grants                             | 1   |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b> |     | <b>2,733</b>    | <b>(35,593)</b> | <b>20,932</b>   | <b>43,068</b>        | <b>46,562</b>   | <b>46,562</b>      | <b>-</b>          | <b>27,777</b>                                       | <b>35,881</b>          | <b>41,939</b>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>      |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Receipts</b>                                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Proceeds on disposal of PPE                      |     | 2,928           | -               |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Decrease (increase) in non-current debtors       |     | 143             | 10              |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Decrease (increase) in non-current receivables   |     |                 | -               |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Decrease (increase) in non-current investments   |     | (1,069)         | -               |                 |                      |                 |                    |                   | -   | -                      | -                      |
| <b>Payments</b>                                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Capital assets                                   |     | (34,776)        | (29,327)        | (17,707)        | (43,232)             | (31,202)        | (31,202)           |                   | (26,679)  | (34,730)               | (40,732)               |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b> |     | <b>(32,774)</b> | <b>(29,317)</b> | <b>(17,707)</b> | <b>(43,232)</b>      | <b>(31,202)</b> | <b>(31,202)</b>    | <b>-</b>          | <b>(26,679)</b>                                     | <b>(34,730)</b>        | <b>(40,732)</b>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>      |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Receipts</b>                                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Short term loans                                 |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Borrowing long term/refinancing                  |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Increase (decrease) in consumer deposits         |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| <b>Payments</b>                                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Repayment of borrowing                           |     | (3,736)         | (218)           | 212             |                      |                 |                    |                   | -   | -                      | -                      |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b> |     | <b>(3,736)</b>  | <b>(218)</b>    | <b>212</b>      | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>          | <b>-</b>  | <b>-</b>               | <b>-</b>               |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>     |     | <b>(33,776)</b> | <b>(65,128)</b> | <b>3,437</b>    | <b>(164)</b>         | <b>15,360</b>   | <b>15,360</b>      | <b>-</b>          | <b>1,098</b>  | <b>1,151</b>           | <b>1,206</b>           |
| Cash/cash equivalents at the year begin:         | 2   | 105,825         | 72,050          | 6,922           | 6,922                | 10,359          | 10,359             |                   | 25,719  | 26,818                 | 27,969                 |
| Cash/cash equivalents at the year end:           | 2   | 72,050          | 6,922           | 10,359          | 6,758                | 25,719          | 25,719             |                   | 26,818  | 27,969                 | 29,175                 |

In an ideal situation, the operating budget should produce annual operating surpluses so as to improve the Amahlathi's cash reserves. Amahlathi must ensure that its budget is balanced and cash-backed, meaning that the expenditure must be covered by realistically anticipated revenue to be received or collected. Services are to be provided at both an affordable and sustainable level. The Equitable share grant received from National Government has declined significantly putting more pressure on service delivery. The weakening financial situation, adoption Unfunded mandates remain a financial strain on the Amahlathi's revenue sources.

### 8.1.3 Accountability and transparency

The Amahlathi is accountable to the taxpayers and communities, who are the providers of the resources, of how resources are utilized, managed and safe-guarded. Hence the IDP and budget processes are open to public participation. The Amahlathi has reporting procedures to produce accurate financial information for both management and oversight decision purposes.

#### 8.1.4 Development and investment

Below is a table depicting the extent of the investment made by the municipality in terms of capital projects to be implemented in 2020/2021 financial year:-

| Vote Number                                | Dept. | Project                          | Budget     |
|--|-------|----------------------------------|------------|
| C0006-2//IA00092/F0002/X052/R0839/001/COR  | IT    | Upgrade Network                  | 105 400    |
| C0040-19//IA00132/F0791/X099/R2127/001/P&D | PMU   | Cata Internal Roads              | 500 000    |
| C0040-20//IA00132/F0791/X099/R2128/001/P&D | PMU   | Gxulu Internal Roads             | 500 000    |
| C0228-1//IA00032/F0791/X099/R1514/001/P&D  | PMU   | KKH Fire Station                 | 1 500 000  |
| C0237-1//IA00032/F0791/X099/R2125/001/P&D  | PMU   | Mlungisi Sportfield              | 4 000 000  |
| C0040-4//IA00132/F0791/X099/R2132/001/P&D  | PMU   | Ethembeni Internal Roads         | 500 000    |
| C0040-27//IA00132/F0791/X099/R1514/001/P&D | PMU   | Sophumelela Internal Roads       | 150 000    |
| C0224-2//IA00032/F0791/X099/R0840/001/P&D  | PMU   | Fencing of Cemeteries            | 1 500 000  |
| C0040-24//IA00132/F0791/X099/R2123/001/P&D | PMU   | Gubevu Internal Roads            | 500 000    |
| C0040-22//IA00132/F0791/X099/R1514/001/P&D | PMU   | KKH Paving                       | 1 500 000  |
| C0040-23//IA00132/F0791/X099/R2133/001/P&D | PMU   | Border Post Internal Roads       | 2 573 400  |
| C0230-2//IA00032/F0791/X099/R2123/001/P&D  | PMU   | Nothenga Community Hall          | 150 000    |
| C0040-30//IA00132/F0791/X099/R2129/001/P&D | PMU   | Surfacing of Cathcart Street     | 3 500 000  |
| C0049-6//IA00172/F0791/X099/R2124/001/P&D  | PMU   | Rehabilitation of Landfill Sites | 1 200 000  |
| C0040-31//IA00132/F0791/X099/R2131/001/P&D | PMU   | Paving of Matolaville Streets    | 3 500 000  |
| C0040-32//IA00132/F0791/X099/R1515/001/P&D | PMU   | Ngcamngeni Access Roads          | 2 500 000  |
| C0040-33//IA00132/F0791/X099/R2134/001/P&D | PMU   | Amabele Internal Roads           | 2 500 000  |
|  |       | Total                            | 26 678 800 |

## 8.2 FINANCIAL STRATEGIES

The financial plan of the municipality is intended to enhance the financial sustainability and viability through the following strategic financial objectives:

- Revenue raising strategies;
- Asset management strategies;
- Financial management strategies;
- Capital financing strategies; and
- Operational financing strategies;

### **8.2.1 Revenue Raising Strategies**

Some of the significant programs and projects that the municipality is implementing are as follows:

- The implementation of the reviewed and approved Rates Policy, Tariff policy, Debt collection and Credit Control policy, Indigent Policy, Budget policy Investment policy etc. These policies outline the relevant procedures of levying tariffs, credit control, debt collection and indigent support. The indigent policy also defines the qualification criteria for indigent status. The tariff policy endeavors to levy affordable and sustainable service charges for services rendered to all consumers within the municipal area. The municipality has also developed a Revenue Enhancement Strategy for implementation from 01 July 2020.

### **8.2.2 Asset Management Strategies**

The municipality continues to ensure the safe-guarding of its assets as well as sound management of its assets. This is mainly achieved by the following:

- 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.
- Further to the policy and strategy, the municipality uses an Asset Management System in order to capture, track and update the Asset register. This is done to assist in the improved control and management of assets, particularly moveable assets. This system also includes the production of a GRAP compliant asset register
- With regards to safe-guarding of assets the municipal assets are insured in an effort to transfer and share the risk in the event of an occurrence.

### **8.2.3 Financial Management Strategies**

Some of the more significant programmes include the following:

- Integration of all computerized systems to ensure accurate, relevant and timely reporting to all stakeholders.
- Continue the implementation of public participation in the budget process.

### **8.2.4 Capital Financing Strategies**

The grant funding received from national government has a significant influence on the capital investment programmes of the municipality. The municipality is faced with a challenge of continuous under spending in MIG funding which has affected the MIG funding negatively for 2020/21. Improved planning is required to ensure that municipal projects are implemented as planned. The table below indicates the percentages of capital expenditure for the past two years.

| Detail              | Year 2018/19 | Year 2017/18 |
|---------------------|--------------|--------------|
| Capital Expenditure | 83%          | 100%         |

### **8.2.5 Operational Financing Strategies**

At the end of the 2018/2019 financial year the payroll costs excluding remuneration of councillors were 43% of total expenditure, while the 2017/18 budget yields a percentage of 46%.

For the 2020/21 financial year, the total expenditure, excluding capital expenditure, amounted to R225 892 622. The repairs and maintenance expenditure as a percentage of total operating expenditure remains below 8%. The 2020/21 expenditure trends have informed the following assumptions:

- that payroll cost will be increased in line with the Bargaining Council agreement;
- salaries of senior managers and office bearer will be in line with the gazette on remuneration of office bearers and senior managers;
- that other operating expenditure will increase in line with National Treasury guidelines;

The municipality remains grant dependent with its revenue base comprised of 64% grant income and 36% own revenue. The municipality is in the process of finalizing its valuation roll for the next cycle effective from 1 July 2020 to 2025. The last valuation roll was for the cycle (2014 – 2019) which was further extended by a year to 2020. The development of the valuation roll is in its final stages of preparation where properties owners are invited to object to the proposed values as per MPRA. Revenue collection for service charges increased slightly when compared to prior year from R35m to R38m. The revenue for the municipality is continuously declining which puts pressure on available cash and increasing debtor's collection period.

### **8.3 THREE (3) 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 2020/21 MTREF, each strategic department had to review the business planning process, setting of priorities and targets. The extensive business planning process as undertaken with the compilation of the 2020/21 MTREF has essentially been refined and further aligned incorporating key measurable objectives and targets to ensure the planning process translates into actual performance.

## 2020/21 INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW

**EC124 Amahlathi - Table A4 Budgeted Financial Performance (revenue and expenditure)**

| Description  | Ref  | 2016/17         | 2017/18         | 2018/19          | Current Year 2019/20 |                 |                    |                   | 2020/21 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|------|-----------------|-----------------|------------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |      | Audited Outcome | Audited Outcome | Audited Outcome  | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2020/21                                 | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
| <b>Revenue By Source</b>   |      |                 |                 |                  |                      |                 |                    |                   |   |                        |                        |
| Property rates   | 2    | 14,013          | 16,893          | 17,885           | 17,659               | 17,659          | 17,659             | -                 | 23,785  | 24,926                 | 26,123                 |
| Service charges - electricity revenue  | 2    | 28,873          | 25,280          | 26,775           | 45,161               | 35,161          | 35,161             | -                 | 34,992  | 36,672                 | 38,432                 |
| Service charges - water revenue  | 2    | -               | -               | -                | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Service charges - sanitation revenue   | 2    | -               | -               | -                | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Service charges - refuse revenue   | 2    | 9,133           | 10,140          | 11,433           | 10,000               | 10,000          | 10,000             | -                 | 10,000  | 10,480                 | 10,983                 |
| Rental of facilities and equipment   |      | 827             | 474             | 486              | 1,112                | 251             | 251                |                   | 251   | 263                    | 276                    |
| Interest earned - external investments   |      | 8,442           | 4,096           | 965              | 1,894                | 1,894           | 1,894              |                   | 1,845   | 1,934                  | 2,026                  |
| Interest earned - outstanding debtors  |      | 2,302           | 4,524           | 5,676            | 2,777                | 2,777           | 2,777              |                   | 6,000   | 6,288                  | 6,590                  |
| Dividends received   |      | -               | -               | -                | -                    | -               | -                  |                   | -   | -                      | -                      |
| Fines, penalties and forfeits  |      | 172             | 572             | 13               | 506                  | 106             | 106                |                   | 106   | 111                    | 116                    |
| Licences and permits   |      | -               | 915             | 1,170            | 2,749                | 2,749           | 2,749              |                   | 2,740   | 2,872                  | 3,009                  |
| Agency services  |      | 3,052           | 355             | 852              | 1,668                | 1,000           | 1,000              |                   | 1,000   | 1,048                  | 1,098                  |
| Transfers and subsidies  |      | 124,982         | 102,211         | 102,387          | 112,541              | 112,727         | 112,727            |                   | 118,050   | 122,267                | 127,717                |
| Other revenue  | 2    | 503             | 1,604           | 7,649            | 1,371                | 41,010          | 41,010             | -                 | 1,124   | 1,178                  | 1,235                  |
| <b>Gains</b>   |      | <b>543</b>      | <b>2,262</b>    |                  |                      |                 |                    |                   |   |                        |                        |
| <b>Total Revenue (excluding capital transfers and contributions)</b>   |      | <b>192,840</b>  | <b>169,325</b>  | <b>175,290</b>   | <b>197,439</b>       | <b>225,335</b>  | <b>225,335</b>     | <b>-</b>          | <b>199,893</b>                                      | <b>208,039</b>         | <b>217,606</b>         |
| <b>Expenditure By Type</b>   |      |                 |                 |                  |                      |                 |                    |                   |   |                        |                        |
| Employee related costs   | 2    | 112,135         | 120,080         | 126,609          | 115,165              | 109,137         | 109,137            | -                 | 113,127   | 117,482                | 122,702                |
| Remuneration of councillors  |      | 11,561          | 12,243          | 11,456           | 12,244               | 12,244          | 12,244             |                   | 12,200  | 12,786                 | 13,399                 |
| Debt impairment  | 3    | 7,916           | 10,352          | 9,366            | 2,500                | 10,000          | 10,000             |                   | 10,000  | 10,480                 | 10,983                 |
| Depreciation & asset impairment  | 2    | 30,342          | 29,853          | 65,983           | 28,000               | 26,000          | 26,000             | -                 | 26,000  | 27,248                 | 28,556                 |
| Finance charges  |      | 2,507           | 38              | 576              | 100                  | 1,000           | 1,000              |                   | 1,000   | 1,048                  | 1,098                  |
| Bulk purchases   | 2    | 26,165          | 27,072          | 28,928           | 31,612               | 31,612          | 31,612             | -                 | 31,000  | 32,488                 | 34,047                 |
| Other materials  | 8    |                 |                 |                  | 236                  | 236             | 236                |                   | 229   | 240                    | 251                    |
| Contracted services  |      | -               | -               | 19,394           | 15,509               | 16,745          | 16,745             | -                 | 13,371  | 13,640                 | 14,295                 |
| Transfers and subsidies  |      | -               | -               | -                | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Other expenditure  | 4, 5 | 62,942          | 62,290          | 30,858           | 20,360               | 19,142          | 19,142             | -                 | 18,966  | 19,876                 | 20,830                 |
| <b>Losses</b>  |      | <b>47,128</b>   | <b>2,339</b>    | <b>3,954</b>     |                      |                 |                    |                   |   |                        |                        |
| <b>Total Expenditure</b>   |      | <b>300,697</b>  | <b>264,266</b>  | <b>297,122</b>   | <b>225,725</b>       | <b>226,116</b>  | <b>226,116</b>     | <b>-</b>          | <b>225,893</b>                                      | <b>235,287</b>         | <b>246,161</b>         |
| <b>Surplus/(Deficit)</b>   |      |                 |                 |                  |                      |                 |                    |                   |   |                        |                        |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)  |      | (107,857)       | (94,941)        | (121,831)        | (28,286)             | (781)           | (781)              | -                 | (26,000)  | (27,248)               | (28,556)               |
|  |      | 21,640          | 31,600          | 19,363           | 43,632               | 25,402          | 25,402             |                   | 26,573  | 34,619                 | 40,616                 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | 6    | -               | -               | -                | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Transfers and subsidies - capital (in-kind - all)  |      |                 |                 |                  |                      |                 |                    |                   |   |                        |                        |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b>   |      | <b>(86,217)</b> | <b>(63,341)</b> | <b>(102,469)</b> | <b>15,346</b>        | <b>24,621</b>   | <b>24,621</b>      | <b>-</b>          | <b>573</b>  | <b>7,371</b>           | <b>12,060</b>          |
| Taxation   |      |                 |                 |                  |                      |                 |                    |                   |   |                        |                        |
| <b>Surplus/(Deficit) after taxation</b>  |      | <b>(86,217)</b> | <b>(63,341)</b> | <b>(102,469)</b> | <b>15,346</b>        | <b>24,621</b>   | <b>24,621</b>      | <b>-</b>          | <b>573</b>  | <b>7,371</b>           | <b>12,060</b>          |
| Attributable to minorities   |      |                 |                 |                  |                      |                 |                    |                   |   |                        |                        |
| <b>Surplus/(Deficit) attributable to municipality</b>  |      | <b>(86,217)</b> | <b>(63,341)</b> | <b>(102,469)</b> | <b>15,346</b>        | <b>24,621</b>   | <b>24,621</b>      | <b>-</b>          | <b>573</b>  | <b>7,371</b>           | <b>12,060</b>          |
| Share of surplus/ (deficit) of associate   | 7    |                 |                 |                  |                      |                 |                    |                   |   |                        |                        |
| <b>Surplus/(Deficit) for the year</b>  |      | <b>(86,217)</b> | <b>(63,341)</b> | <b>(102,469)</b> | <b>15,346</b>        | <b>24,621</b>   | <b>24,621</b>      | <b>-</b>          | <b>573</b>  | <b>7,371</b>           | <b>12,060</b>          |

EC124 Amahlathi - Table A7 Budgeted Cash Flows

| Description                                      | Ref | 2016/17         | 2017/18         | 2018/19         | Current Year 2019/20 |                 |                    |                   | 2020/21 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2020/21                                 | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>       |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Receipts</b>                                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Property rates                                   |     | 14 013          | 16 893          | 8 137           | 17 659               | 14 361          | 14 361             |                   | 23 785  | 24 926                 | 26 123                 |
| Service charges                                  |     | 38 006          | 32 861          | 30 263          | 55 161               | 35 613          | 35 613             |                   | 44 992  | 47 152                 | 49 415                 |
| Other revenue                                    |     | (6 473)         | 3 919           | 10 170          | 7 406                | 45 617          | 45 617             |                   | 5 221   | 5 472                  | 5 735                  |
| Transfers and Subsidies - Operational            | 1   | 123 474         | 102 211         | 102 387         | 112 541              | 113 993         | 113 993            |                   | 118 050   | 122 267                | 127 717                |
| Transfers and Subsidies - Capital                | 1   | 23 147          | 31 600          | 19 363          | 43 632               | 38 132          | 38 132             |                   | 26 573  | 34 619                 | 40 616                 |
| Interest   |     | 10 744          | 4 096           | 6 641           | 1 894                | 4 671           | 4 671              |                   | 7 845   | 8 222                  | 8 616                  |
| Dividends  |     | -               | -               | -               |                      |                 |                    |                   | -   | -                      | -                      |
| <b>Payments</b>                                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Suppliers and employees                          |     | (197 671)       | (227 174)       | (155 455)       | (195 125)            | (192 095)       | (192 095)          |                   | (197 689)   | (205 728)              | (215 184)              |
| Finance charges                                  |     | (2 507)         | -               | (573)           | (100)                | (1 000)         | (1 000)            |                   | (1 000)   | (1 048)                | (1 098)                |
| Transfers and Grants                             | 1   |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b> |     | <b>2 733</b>    | <b>(35 593)</b> | <b>20 932</b>   | <b>43 068</b>        | <b>59 292</b>   | <b>59 292</b>      | <b>-</b>          | <b>27 777</b>                                       | <b>35 881</b>          | <b>41 939</b>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>      |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Receipts</b>                                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Proceeds on disposal of PPE                      |     | 2 928           | -               |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Decrease (Increase) in non-current debtors       |     | 143             | 10              |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Decrease (increase) in non-current receivables   |     |                 | -               |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Decrease (increase) in non-current investments   |     | (1 069)         | -               |                 |                      |                 |                    |                   | -   | -                      | -                      |
| <b>Payments</b>                                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Capital assets                                   |     | (34 776)        | (29 327)        | (17 707)        | (43 232)             | (43 932)        | (43 932)           |                   | (26 679)  | (34 730)               | (40 732)               |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b> |     | <b>(32 774)</b> | <b>(29 317)</b> | <b>(17 707)</b> | <b>(43 232)</b>      | <b>(43 932)</b> | <b>(43 932)</b>    | <b>-</b>          | <b>(26 679)</b>                                     | <b>(34 730)</b>        | <b>(40 732)</b>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>      |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Receipts</b>                                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Short term loans                                 |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Borrowing long term/refinancing                  |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Increase (decrease) in consumer deposits         |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| <b>Payments</b>                                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Repayment of borrowing                           |     | (3 736)         | (218)           | 212             |                      |                 |                    |                   | -   | -                      | -                      |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b> |     | <b>(3 736)</b>  | <b>(218)</b>    | <b>212</b>      | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>          | <b>-</b>  | <b>-</b>               | <b>-</b>               |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>     |     | <b>(33 776)</b> | <b>(65 128)</b> | <b>3 437</b>    | <b>(164)</b>         | <b>15 360</b>   | <b>15 360</b>      | <b>-</b>          | <b>1 098</b>  | <b>1 151</b>           | <b>1 206</b>           |
| Cash/cash equivalents at the year begin:         | 2   | 105 825         | 72 050          | 6 922           | 6 922                | 10 359          | 10 359             |                   | 25 719  | 26 818                 | 27 969                 |
| Cash/cash equivalents at the year end:           | 2   | 72 050          | 6 922           | 10 359          | 6 758                | 25 719          | 25 719             |                   | 26 818  | 27 969                 | 29 175                 |

## Capital Budget

| Vote Description   | Ref | 2016/17         | 2017/18         | 2018/19         | Current Year 2019/20 |                 |                    |                   | 2020/21 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2020/21                                 | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
| <b>R thousand</b>  | 1   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Capital Expenditure - Functional</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Governance and administration</b>   |     | 1 469           | 301             | 700             | 100                  | 5 600           | 5 600              | -                 | 105   | 111                    | 116                    |
| Executive and council  |     | 932             | 77              | 635             |                      | 5 000           | 5 000              |                   |   |                        |                        |
| Finance and administration   |     | 536             | 224             | 65              | 100                  | 600             | 600                |                   | 105   | 111                    | 116                    |
| Internal audit   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Community and public safety</b>   |     | 694             | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Community and social services  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Sport and recreation   |     | 5               | -               |                 |                      |                 |                    |                   |   |                        |                        |
| Public safety  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Housing  |     | 690             | -               |                 |                      |                 |                    |                   |   |                        |                        |
| Health   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Economic and environmental services</b>   |     | 23 635          | 24 571          | 13 006          | 38 132               | 38 332          | 38 332             | -                 | 26 573  | 28 619                 | 30 116                 |
| Planning and development   |     | 22 117          | 24 503          | 13 006          | 38 132               | 38 132          | 38 132             |                   | 26 573  | 28 619                 | 30 116                 |
| Road transport   |     | 1 518           | 68              |                 |                      | 200             | 200                |                   |   |                        |                        |
| Environmental protection   |     | 0               | -               |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Trading services</b>  |     | 10 077          | 4 455           | 5 000           | 5 500                | -               | -                  | -                 | -   | 6 000                  | 10 500                 |
| Energy sources   |     | 5 477           | 4 455           | 5 000           | 5 500                | -               | -                  | -                 | -   | 6 000                  | 10 500                 |
| Water management   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Waste water management   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Waste management   |     | 4 600           | -               | -               |                      |                 |                    |                   |   |                        |                        |
| <b>Other</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Total Capital Expenditure - Functional</b>  | 3   | 35 875          | 29 327          | 18 706          | 43 732               | 43 932          | 43 932             | -                 | 26 679  | 34 730                 | 40 732                 |
| <b>Funded by:</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| National Government  |     | 26 480          | 28 958          | 18 006          | 43 632               | 38 132          | 38 132             |                   | 26 573  | 34 619                 | 40 616                 |
| Provincial Government  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| District Municipality  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial)   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Transfers recognised - capital</b>  | 4   | 26 480          | 28 958          | 18 006          | 43 632               | 38 132          | 38 132             | -                 | 26 573  | 34 619                 | 40 616                 |
| <b>Borrowing</b>   | 6   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Internally generated funds</b>  |     | 9 395           | 369             | 700             | 100                  | 5 800           | 5 800              |                   | 105   | 111                    | 116                    |
| <b>Total Capital Funding</b>   | 7   | 35 875          | 29 327          | 18 706          | 43 732               | 43 932          | 43 932             | -                 | 26 679  | 34 730                 | 40 732                 |

## 2020/21 INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW

EC124 Amahlathi - Supporting Table SA19 Expenditure on transfers and grant programme

| Description  | Ref | 2016/17         | 2017/18         | 2018/19         | Current Year 2019/20 |                 |                    | 2020/21 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2020/21                                 | Budget Year +1 2021/22 | Budget Year +2 2022/23 |
| <b>EXPENDITURE:</b>  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Operating expenditure of Transfers and Grants</b>       |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>                                |     | 117 974         | 99 964          | 101 187         | 111 341              | 111 937         | 111 937            | 116 494   | 122 267                | 127 717                |
| Local Government Equitable Share                           |     | 113 780         | 95 446          | 97 114          | 105 863              | 105 863         | 105 863            | 111 895   | 118 561                | 123 832                |
| Finance Management   |     | 1 625           | 1 700           | 1 770           | 2 235                | 2 235           | 2 235              | 2 200   | 2 200                  | 2 300                  |
| Municipal Systems Improvement                              |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| EPWP Incentive   |     | 1 062           | 1 389           | 921             | 1 236                | 1 236           | 1 236              | 1 000   | -                      | -                      |
| PMU 5%   |     | 1 507           | 1 429           | 1 382           | 2 007                | 2 007           | 2 007              | 1 399   | 1 506                  | 1 585                  |
| Disaster Relief Grant                                      |     | -               | -               | -               | -                    | 596             | 596                | -   | -                      | -                      |
| <b>Provincial Government:</b>                              |     | 2 314           | 2 248           | 1 200           | 1 200                | 1 556           | 1 556              | 1 556   | -                      | -                      |
| Sport and Recreation                                       |     | 1 200           | 1 200           | 1 200           | 1 200                | 1 200           | 1 200              | 1 200   | -                      | -                      |
| LED Promotions   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Waste Grant 2m   |     | 647             | 771             | -               | -                    | 234             | 234                | 234   | -                      | -                      |
| Waste Grant 770k   |     | 297             | 240             | -               | -                    | -               | -                  | -   | -                      | -                      |
| Capacity   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Recycling  |     | -               | -               | -               | -                    | 122             | 122                | 122   | -                      | -                      |
| Vuna Awards  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Seta   |     | 170             | 37              | -               | -                    | -               | -                  | -   | -                      | -                      |
| Disaster Relief Grant                                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>District Municipality:</b>                              |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>[insert description]</i>                                |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Other grant providers:</b>                              |     | -               | -               | -               | -                    | 500             | 500                | -   | -                      | -                      |
| AGSA Donation  |     | -               | -               | -               | -                    | 500             | 500                | -   | -                      | -                      |
| <b>Total operating expenditure of Transfers and Grants</b> |     | 120 289         | 102 211         | 102 387         | 112 541              | 113 993         | 113 993            | 118 050   | 122 267                | 127 717                |
| <b>Capital expenditure of Transfers and Grants</b>         |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>National Government:</b>                                |     | 26 333          | 31 600          | 19 363          | 43 632               | 38 132          | 38 132             | 26 573  | 34 619                 | 40 616                 |
| Municipal Infrastructure Grant (MIG)                       |     | 21 640          | 27 145          | 14 363          | 38 132               | 38 132          | 38 132             | 26 573  | 28 619                 | 30 116                 |
|  |     | 4 693           | 4 455           | 5 000           | 5 500                | -               | -                  | -   | 6 000                  | 10 500                 |
| Other capital transfers/grants <i>[insert desc]</i>        |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Provincial Government:</b>                              |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other capital transfers/grants <i>[insert description]</i> |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>District Municipality:</b>                              |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>[insert description]</i>                                |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Other grant providers:</b>                              |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| AGSA Donation  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total capital expenditure of Transfers and Grants</b>   |     | 26 333          | 31 600          | 19 363          | 43 632               | 38 132          | 38 132             | 26 573  | 34 619                 | 40 616                 |
| <b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>           |     | 146 622         | 133 811         | 121 749         | 156 173              | 152 125         | 152 125            | 144 623   | 156 886                | 168 333                |

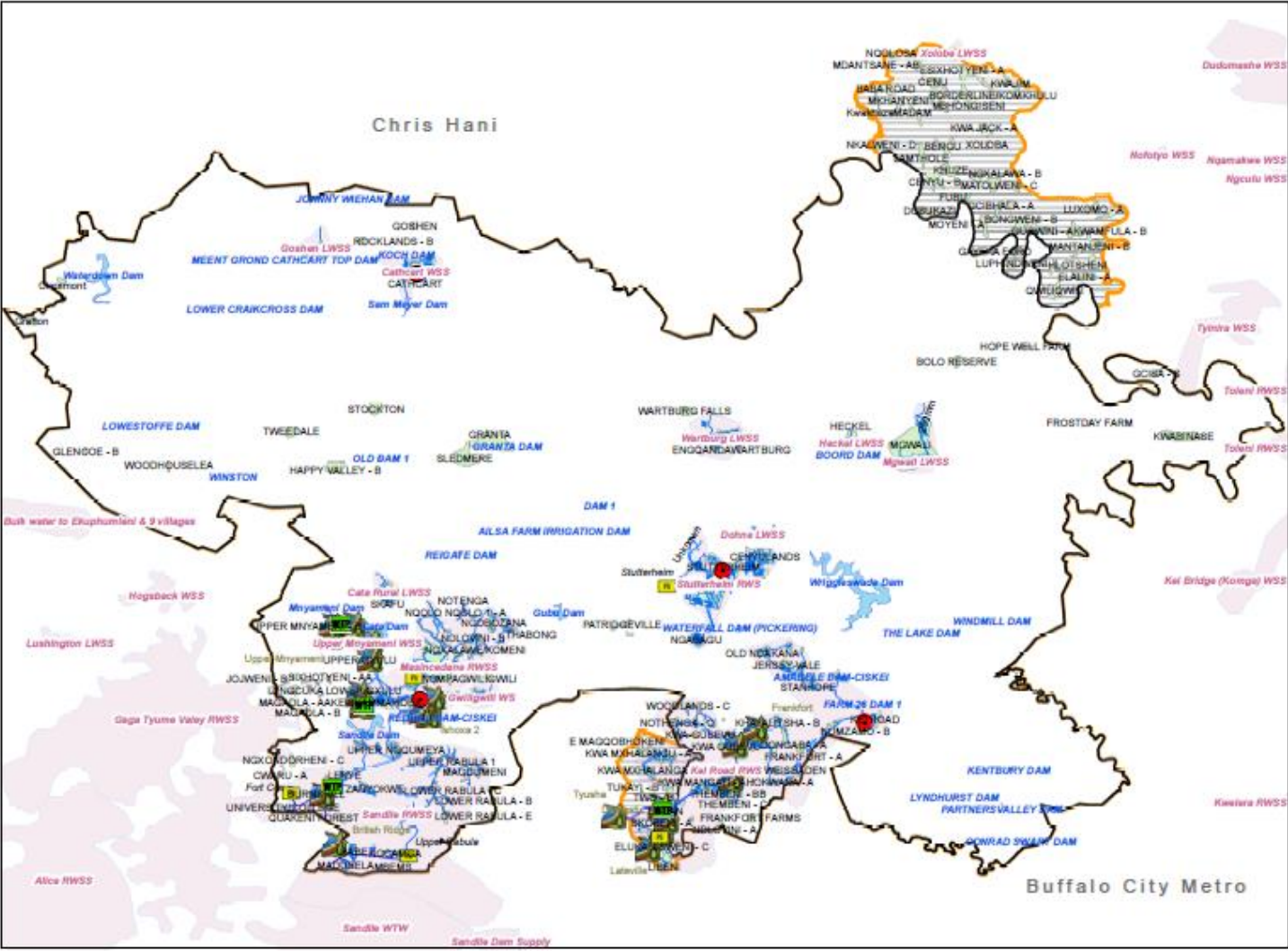


## CHAPTER 9: AMAHLATHI DEVELOPMENT PLANS

### **THERE ARE FOUR SPATIAL DEVELOPMENT PLANS:-**

1. Amahlathi Spatial Development plan that was adopted in 2006 reviewed and adopted in 2013.
2. Ndakana Spatial development plan has been developed in 2015.
3. Mlungisi Spatial Development plan that was adopted by the council on May 2009 and will be consolidated with Stutterheim SDF.
4. Keiskammahoek was adopted in 2011 and will be consolidated with the Stutterheim SDF review.

# AMATHOLE NEW DEMARCATATIONS - AMAHLATHI



**Legend**

- Water Treatment Works (WTW)
- Water Supply Scheme (WSS)
- Dam
- Reservoir
- Canal
- Road
- Watercourse
- Boundary
- Other

File Path: C:\Desktop  
 PCD\IDP\IDP\IDP  
 MAPPING\CORRECTS  
 Date: June 2018

Waterbury Park  
 3-33 Philip Frame Road  
 Chalkfont, 5247

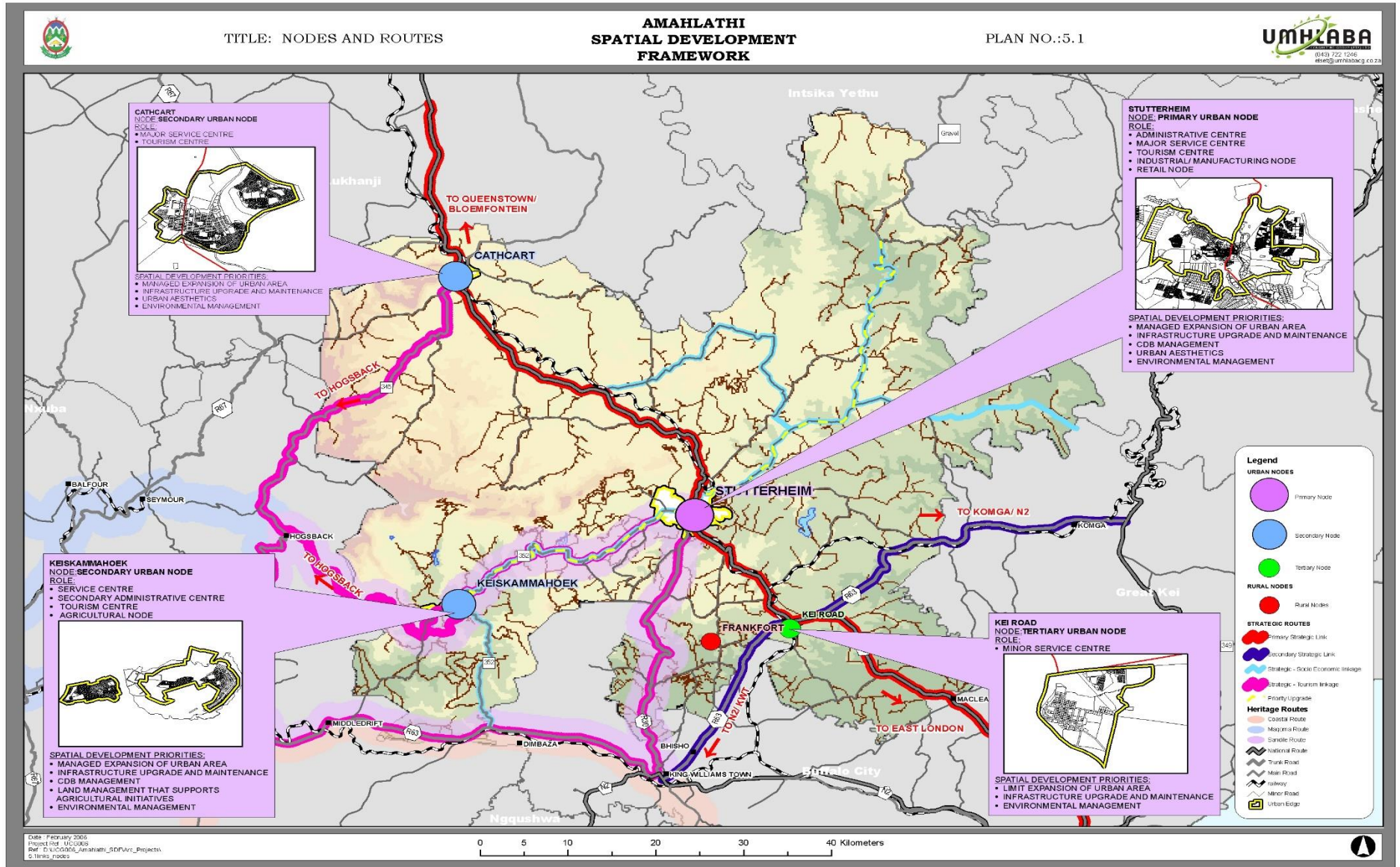
Tel: 043 762 2412  
 Fax: 086 642 8107  
 Email: moolah@amathole.gov.za

Projection: Transverse Mercator  
 Spheroid: WGS 84

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## CHAPTER 10: IDP & BUDGET PROCESS PLAN

### SECTION ONE: IDP PROCESS PLAN

#### 1. INTRODUCTION

On the 31st May 2019, Amahlathi Municipality adopted its reviewed 2019/2020 Integrated Development Plan (IDP) for the municipality. The IDP was developed in accordance with requirements set out in the Municipal Systems Act (32 of 2000) and Local Government Municipal Planning and Performance Management Regulations (2001).

Section 28 (1) of the Municipal Systems Act no. 32 of 2000 states that each municipal council must, within a prescribed period after the start of council's elected term, adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP. The way in which the IDP process will be undertaken is outlined in Process Plans which all municipalities must prepare. These Process Plans need to comply with this Framework Plan to ensure alignment and co-ordination between district and local municipalities as stipulated in the Municipal Systems Act.

The Local Government: Municipal Planning and Performance Management Regulation, 2001 provides elaborately on the contents of the Integrated Development Plan and the processes the Municipality must subject the IDP process into when doing its development or review.

#### **1.1 Legal context**

According to Section 27(2) of the Municipal Systems Act, the framework plan binds both the district municipality and the local municipalities. The Act states that the framework plan must at least cover the following issues:

- Identify plans and planning requirements binding in terms of national and provincial legislation on the district municipality and the local municipalities or on any specific municipality;
- Identify matters to be included in the integrated development plans of the district municipality and the local municipalities that require alignment;
- Specify the principles to be applied and co-ordinate the approach to be adopted in respect of those matters; and
- Determine procedures:
  - i) For consultation between the district municipality and the local municipalities during the process of drafting their respective integrated development plans; and
  - ii) To effect essential amendments to the framework.

The Municipal Finance Management Act (MFMA) is very clear in respect to time-frames for the IDP and the budget. The MFMA requires the budget and IDP schedule (or the IDP Process Plan) to be adopted by Council by the end of August, the budget and IDP to be tabled before the council in March and Budget and IDP to be adopted by council in May (section 21 and 24).

### **1.2 Elements of IDP development**

The IDP review process is mainly geared towards picking up on early-warning sign for corrective action whenever it is required. The Performance Indicators are flowing from the IDP and constitute the heart of the Performance Management System. The above lay the basis for the review of the Integrated Development Plan.

Aside from the statutory imperative, it is necessary for Amahlathi Municipality to review its IDP in order to:

- Ensure the IDP's relevance as the municipality's strategic plan
- Inform other components of the municipal business processes, including institutional and financial planning and budgeting
- Inform the cyclical inter-governmental planning and budget processes

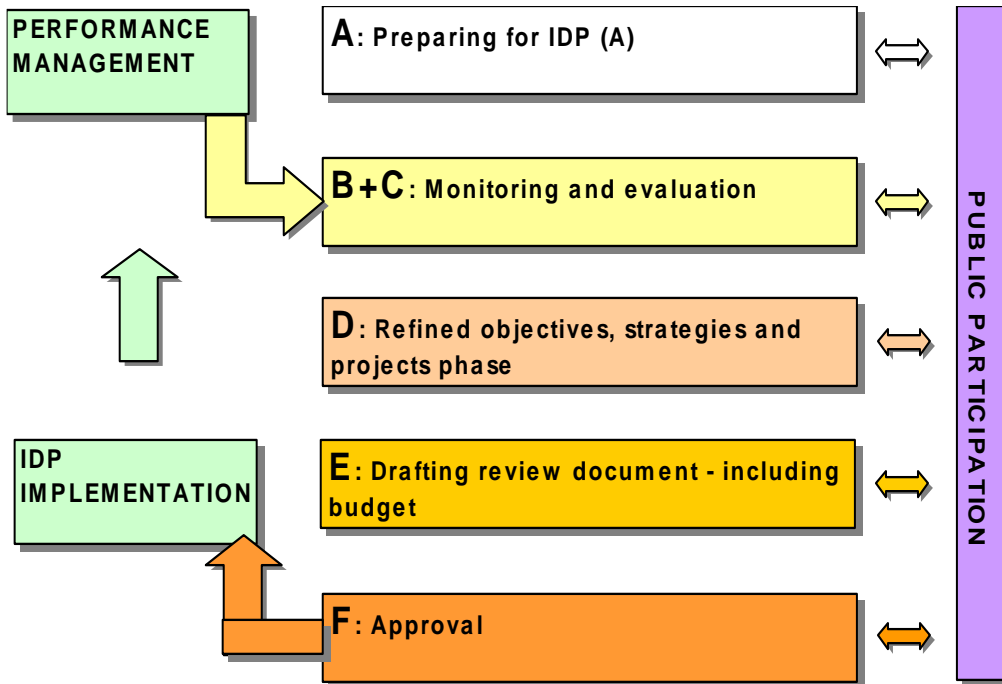
In the IDP review cycle changes to the IDP may be required from these main sources:

- Comments from the MEC, if any;
- Incorporation of the most recent descriptive data
- Review and refinement of the objectives and strategies
- Review and refinement of the projects
- Amendments in response to changing circumstances; and
- Improving the IDP process and content.

The significant development, which in all probabilities will have a huge impact on the IDP, is the Community Based Planning. The Community Based Planning is a planning instrument, which is geared towards the enhancement of the community participation component of the IDP. Of particular concern has been the inability of the IDP to translate community participation into an organic process.

### **1.3 IDP Process**

This process describes a continuous cycle of planning, implementation and review as can be seen in the 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 for consideration in the next IDP review (DPLG, IDP Guide Pack, Guide IV).



Each of these steps is reflected in the Action Plan which outlines the time frames and activities within which these steps should take. Because the roll out of the PMS is part of the review process, it is also included in the Action Plan.

## 2. ORGANISATIONAL ARRANGEMENTS

Three structures will guide the IDP Review Process within the Amahlathi Municipal Area

- 2.1 IDP & Budget Steering Committees
- 2.2 Inter-Governmental Relations
- 2.3 IDP Representative Forums

### 2.1 IDP & Budget Steering Committee

The Mayor of a municipality must establish a Budget Steering committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act (MFMA). The Budget Steering Committees shall be comprised as follows guided by MBRR.

- (a) the councilor responsible for financial matters;
- (b) the municipal manager;
- (c) the chief financial officer;

- (d) the senior managers responsible for at least the three largest votes in the municipality;
- (e) the manager responsible for budgeting;
- (f) the manager responsible for planning and any technical expects on infrastructure.
- (g) The manager responsible for internal auditing.

An IDP & Budget Technical Working Committee (Task Team) that would function as a technical working team consists of the following members:

- Municipal Manager – Chairperson
- Director Strategic Services
- Director Planning & Development
- Chief Financial Officer
- Director Engineering Services
- Director Corporate Services
- Director Community Services
- Senior Manager Budget
- IDP & PMS Manager
- Senior Accountant Budget and Reporting, to provide secretariat
- Senior and middle management

The steering committee would provide a technical support to the IDP Driver to ensure a smooth planning process. It is supposed to guide the process. This means that amongst other things it will be responsible for:

- Establishment of the Representative Forum
- Define criteria to choose members of the Forum
- Inform public about the establishment of the forum, request submissions of applications from stakeholders and communities (indicate objectives, activities and number of members)
- Identify additional stakeholders from unorganized groups, e.g. potential academics, advocates, doctors and resource persons.
- Submit proposed groups/ members to the Council for consideration

## **2.2 Inter-Governmental Relations**

The main objective of the Amahlathi Local Municipality IGR Forum is to enhance coordinated, integrated and aligned development and consider priorities in the entire municipal area. Additional objectives include the following:

- h) Development of a Local Government Programme of Action in relation to the National and Provincial Programmes.

- i) To facilitate the coordination, integration and alignment of provincial and municipal strategic planning and to put in place mechanisms and procedures that will ensure that provincial strategic planning informs and is informed by the IDP of the Amahlathi Local Municipality.
- j) To consult on policy issues that materially affects Local Government.
- k) To develop and provide mechanisms to engage Provincial Government and the Office of the Premier on IGR related matters and/or challenges.
- l) To consider such other matters of mutual interest as either party may place on the agenda of a meeting from time to time.
- m) To promote economic growth and development through trade, investment and tourism.
- n) To share knowledge and expertise in local governance generally or in agreed functional areas.

The goal of the Amahlathi Local Municipality IGR Forum is to ensure that the decisions reached are implemented by:

- d) Sharing of information on/and understanding of the respective programmes of all stakeholders.
- e) A clearer understanding of mutual strategic priorities and how these complement each other.
- f) A commitment to collaborate, engage continually and share information on policy implementation, success stories and co-ordinate activities.

### **Role of Amahlathi Local Municipality in the IGR Forum**

The Amahlathi Local Municipality IGR Forum is a consultative forum for Amahlathi Local Municipality to discuss and consult with stakeholders on matters of mutual interest, including:

- i. Coordinating, overseeing and monitoring the implementation of national, provincial and district governance policies and legislations relating to matters affecting local government interests in Amahlathi Local Municipality;
- j. Matters arising in the District Mayors Forum (DIMAFO), Provincial MuniMEC and the Premier's Coordinating Forum affecting Amahlathi Local Municipality;
- k. Mutual support in terms of the section 88 of Local Government Municipal Structures Act 117 of 1998;
- l. The provision of services in Amahlathi Local Municipality as well as the performance of the Amahlathi Local Municipality in the provision of services in order to detect failures and to initiate supportive, preventive or corrective action when necessary;
- m. Coherent planning and development in Amahlathi Local Municipality;
- n. The coordination and alignment of the strategic and performance plans and priorities, objectives and strategies between the Amahlathi Local Municipality, District Municipality and other spheres of government.
- o. Any other matters of strategic importance which affects the interests of Amahlathi Local Municipality
- p. Coordination of IGR cluster forums that are aligned to Key Performance Areas of local government

### **THE IGR CLUSTERS**

It is critical to note the importance of clarity in the allocation of powers and functions to role players and a keen understanding of specific roles and responsibilities within the realm of service delivery. The IGR System functions more effectively when the role players share a very specific objective that needs to be achieved within a non-negotiable period of time.

- g. The Amahlathi Local Municipality IGR Forum established Clusters to assist and advise it in the performance of its functions and exercise of its powers.
- h. The Amahlathi Local Municipality IGR Forum appointed the members of such Clusters.
- i. The members of the Clusters are members of the IGR Forum as well as other partners/stakeholders of the Amahlathi Local Municipality.



- j. The Amahlathi Local Municipality IGR Forum developed the Terms of Reference of Clusters established by it but may not delegate any decision making powers to these Committees.
- k. The composition of clusters internally is determined by the respective functional areas.
- l. Each cluster may establish sub-clusters within the cluster to ensure that details of planning, coordination, implementation, monitoring and evaluation are discussed.

The established Clusters meet quarterly or as determined by the cluster established so as to consolidate reports to the Amahlathi Intergovernmental Relations Forum which also sits quarterly.

Allocation of the clusters is aligned to the five (5) KPAs of Local Government as well as the 5 Pillars of the Back to Basics Approach.

IGR forum is regarded as a strategic planning body with emphasis and updates on current financial year programmes and projects. It therefore serves as a feeder to the IDP and should sit before the IDP Rep forums.

### **2.3 *Integrated Development Plan Representative Forum***

The most critical structure established for this process, especially for purposes of ensuring maximized participation of different interest groups and sectors, is the IDP Representative Forum. The rationale behind the establishment of this committee is to ensure that communication channels are kept smooth and efficiently.

The function of the IDP Representative Forum includes the following:

- To ensure that every activity and decisions taken in the IDP development process are communicated to the communities.
- To monitor and ensure that all decisions that are taken with regards to routes that the IDP must take from time to time are followed to the latter.
- To reflect and safeguard the community inputs. This means that they are the mouthpiece of the communities.
- To represent the interests of their communities.
- To provide an organizational mechanism for discussion, negotiation and decision making between stakeholders including the municipal government.
- To participate in the process of setting and monitoring key performance indicators.

#### *Ward/PR Councilors, Traditional Leaders and Ward Committees:*

Their responsibility is to ensure that at all times their mandate in the Integrated Development Forum comes from communities which they represent particularly on issues affecting them. The Ward/PR Councilors, Traditional Leaders and ward Committees are further expected to communicate deliberations of the IDP Representative Forum and always ensure that feedback is given to the communities on progress registered. The minutes on the forums convened are always reported to the Council for considerations.

#### *Ward Planning Forum:*

Voices of the community responsible for social mobilization, stressing the need to engage with local government to secure services and resources. This forum will champion the planning review processes at a ward level.

District Municipality:

The main role of the Amathole District Municipality is to provide technical inputs and assistance on the processes.

**2.4 Schedule of activities**

In addition, various activities are required for the IDP Review Process:

| 2019/20 IDP, BUDGET & PMS PROCESS ACTION PROGRAM |  |   |   |
|--|--|---|---|
| PHASE  | Activities   | Timeframe   | Responsible Department                        |
| <b>A</b>   | <b>Preparation phase / Pre-planning</b>  |   |   |
| <b>IDP AND BUDGET</b>                            |  |   |   |
| 1.   | Signing of Performance Agreements  | 31/07/2019  | Strategic Services- IDP/PMS                   |
| 2.   | Intergovernmental Relations (IGR) Meeting  | 28/08/2019  | Strategic Services- IDP/PMS                   |
| 3.   | Development of Framework Plan Process Plan (IDP & Budget), later submitted to the Council for Approval | 30/08/2019  | Strategic Planning / BTO / Corporate Services |
| 4.   | Submit adopted Framework and Process Plans with Council resolution to MEC - CoGTA                      | 05/09/2019  | Strategic Services- IDP/PMS                   |
| 5.   | Budget Steering Committee  | 06/09/2019  | BTO & Strategic Services                      |
| 5.   | Advertise IDP Framework and IDP/Budget Process Plan  | 11/09/2019  | Strategic Services- IDP/PMS                   |
| 7.   | IDP REP Forum Meeting  | 18/09/2019  | Mayor's Office                                |
| <b>PERFORMANCE MANAGEMENT</b>                    |  |   |   |
| 8.   | Finalise 4th quarter report for 18/19 financial year   | Within 6 working days of the next month after the end of each Quarter<br>08/07/2019 | Strategic Services- IDP/PMS                   |
| 9.   | Departmental performance evaluation sessions to fine tune the quarterly reports.                       | 11/07/2019  | Strategic Services- IDP/PMS                   |
| 10.  | Consolidated Directorates Quarterly Performance Reports and later submit to Internal Audit             | Within 10 working days of the next month after the end of the Quarter<br>12/07/2019 | Strategic Services- IDP/PMS                   |

**2020/21 INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW**

|                       |  |   |  |
|-----------------------|--|---|--|
| 11.                   | Head of Department's performance evaluations   | 18th of the next month after the end of the quarter<br>22/07/2019 | Municipal Manger                               |
| 12.                   | Mayor approval of the SDBIP with performance agreements (within 28 days after budget)  | 25/06/2019  | Mayor's Office                                 |
| 13.                   | Submit annual performance report to Internal Audit Committee   | 15/08/2019  | Strategic Services- IDP/PMS                    |
| 14.                   | Publicize SDBIP and Performance Agreements no later than 14 days after approval  | 04/07/2019 and<br>07/08/2019                                      | Strategic Services- IDP/PMS                    |
| <b>ANNUAL REPORT</b>  |  |   |  |
| 15.                   | Submission of directorate Unaudited Annual report information (Section 127 report)   | 20/07/2019  | Strategic Services- IDP/PMS                    |
| 16.                   | Development and Consolidation of Unaudited Annual Report (Section 127 report)  | 31/07/2019  | Strategic Services- IDP/PMS                    |
| 17.                   | Submit AR including AFS and APR to combined Audit/Performance Committee  | 20/08/2019  | Municipal Manager/Strategic Planning – IDP/PMS |
| 18.                   | Mayor tables the unaudited Annual Report in Council  | 30/08/2019  | Office of the Mayor/ Municipal Manager         |
| 19.                   | Submit AR including AFS and APR to AG for auditing purposes  | 20/08/2019  | Strategic Services- IDP/PMS                    |
| 20.                   | Council to submit unaudited tabled annual report to MPAC for vetting and verification of councils' directive on service delivery and the committee to evaluate Senior Managers' performance against agreement entered into   | 31/08/2019  | Strategic Services- IDP/PMS                    |
| 21.                   | Annual Report public hearings  | 1-8/11/2019   | Mayor's Office & MPAC                          |
| <b>B+C</b>            | <b>Analysis Phase / Monitoring and evaluation</b>  |   |  |
| <b>IDP AND BUDGET</b> |  |   |  |
| 22.                   | *Assessment of existing level of development - Situational analysis<br>*Prepare analysis information on existing services, current backlogs and identification of development priorities<br>*Collect data from other sources, analyze impact of new information and unexpected events<br>*Evaluate achievement of objectives and strategies<br>*Get inputs from Sector Plan information<br>*Assess implementation progress, overview of funding available per department (both from savings as well as internal budget and external funds) | Sept - November 2019  | All Departments                                |

|                               |  |   |  |
|-------------------------------|--|---|--|
| 23.                           | Budget Steering Committee  | 17/10/2019  | BTO/ Strategic Planning                      |
| 24.                           | Ward based planning (Mayoral community visits on priority need)  | 4-18/10/2019  | Strategic Services-IDP/PMS<br>Mayor's Office |
| 25.                           | Budget Steering Committee  | 06/11/2019  | BTO/ Strategic Planning                      |
| 26.                           | Intergovernmental Relations (IGR) Meeting  | 19/11/2019  | MM's office - IGR                            |
| 27.                           | IDP REP Forum Meeting  | 21/11/2019  | Strategic Services-IDP/PMS<br>Mayor's Office |
| 28.                           | Commencement of Departmental Strat Plans   | 26/11/2019  | All Directorates                             |
| 29.                           | Technical Strategic Planning Session   | 22-24/01/2020   | Strategic Services-IDP/PMS                   |
| <b>PERFORMANCE MANAGEMENT</b> |  |   |  |
| 30.                           | Quarter 1 Performance reporting (July - Sept)  | Within 6 working days of the next month after the end of each Quarter<br>08/10/2019 | Heads of Departments                         |
| 31.                           | Departmental performance evaluation sessions to fine tune the quarterly reports.                         | 11/10/2019  | Strategic Services-IDP/PMS                   |
| 32.                           | Consolidated Directorates Quarterly Performance Reports and later submit to Internal Audit               | Within 10 working days of the next month after the end of the Quarter<br>14/10/2019 | Strategic Services-IDP/PMS                   |
| 33.                           | Head of Department's performance evaluations   | 18th of the next month after the end of the quarter<br>24/10/2019                   | Municipal Manager's Office                   |
| <b>PERFORMANCE MANAGEMENT</b> |  |   |  |
| 34.                           | Quarterly & Mid-term Performance Report  | Within 6 working days of the next month after the end of each Quarter<br>08/01/2020 | Heads of Departments                         |
| 35.                           | Departmental performance evaluation sessions to fine tune the quarterly reports.                         | 13/01/2020  | Strategic Services-IDP/PMS                   |
| 36.                           | Consolidated Directorates Quarterly & Mid-Year Performance Reports and later submitted to Internal Audit | Within 10 working days of the next month after the end of the Quarter<br>14/01/2020 | Strategic Services-IDP/PMS                   |

|                       |   |   |  |
|-----------------------|---|---|--|
| 37.                   | Head of Department's performance evaluations  | 18th of the next month after the end of the quarter<br>24/01/2020 | Municipal Manager's Office                                 |
| 38.                   | Submit mid-year performance assessment report for 2018/19 to Council  | 24/01/2020  | Municipal Manger/Strategic Planning/BTO/Corporate Services |
| <b>ANNUAL REPORT</b>  |   |   |  |
| 39.                   | Mayor tabled audited Annual Report and financial statements to Council  | 06/12/2019  | Office of the Mayor/MM/Strategic Manager                   |
| 40.                   | Audited Annual Report is made public e.g. posted on municipality's website  | December 2019   | Strategic Services-IDP/PMS                                 |
| 41.                   | Council adopts Oversight report   | December 2019   | MM/Strategic Manager                                       |
| 42.                   | Oversight report is made public   | December 2019   | Strategic Services – IDP/PMS                               |
| 43.                   | Oversight report is submitted to Legislator, Provincial /National Treasury and CoGTA  | December 2019   | Strategic Services – IDP/PMS                               |
| <b>IDP AND BUDGET</b> |   |   |  |
| <b>D</b>              | <b>Strategies Phase / Refined objectives, strategies, programmes and projects phase</b>   |   |  |
| 44.                   | Refine strategies, programmes and draft projects as necessary for MTREF period, with key performance indicators and targets (as per strategic plan outcome) | Dec 2019- Jan 2020  | All Departments  |
| 45.                   | Budget Steering Committee -KPA's to present planning and implementation progress  | 10/01/2020  | Strategic Services/BTO                                     |
| 46.                   | Consolidate all inputs including sector plan information and prepare draft IDP and Budget   | February - March 2020   | Strategic Services / BTO                                   |
| 47.                   | Budget hearings to be held between HoDs and MM to assess budgets that exceed funding envelopes  | January 2020  | Municipal Manager  |
| 48.                   | Budget Steering Committee to approve draft Budget allocations (IDP/ Budget link)  | 04/02/2020  | Budget & Treasury Office                                   |
| 49.                   | Mid-year Performance engagements with Treasury  | 06/02/2020  | Strategic Services/Budget & Treasury Office                |
| 50.                   | Finalize Parameters for MTREF using guidelines from Treasury and outer year budgets   | February 2020   | Budget & Treasury Office                                   |
| 51.                   | Institutional Strat Plan .Adopt proposed programs and projects - agree on key financial issues  | 05-07/02/2020   | Strategic Services- IDP/PMS                                |
| 52.                   | Intergovernmental Relations (IGR) Meeting   | 03/03/2020  | Strategic Planning - IGR                                   |

**2020/21 INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW**

|                               |  |   |  |
|-------------------------------|--|---|--|
| 53.                           | Budget Steering Committee to present the draft IDP and Budget                              | 04/3/2020   | Strategic Services/Budget & Treasury Office                    |
| 54.                           | IDP REP Forum Meeting to present the draft IDP   | 05/03/2020  | Mayor's Office/ Strategic Services- IDP/PMS                    |
| 55.                           | Council approval of the draft IDP & Budget and noting of the SDBIP                         | 30/03/2020  | Strategic Services/BTO/ Corporate Services                     |
| 56.                           | Draft IDP and Draft Budget published - Advertise for public comment (21days)               | 14/04/2020  | Strategic Services- IDP/PMS                                    |
| 57.                           | Budget and Benchmarking Engagements with Treasury  | 24/04/2020  | Budget & Treasury Office                                       |
| <b>PERFORMANCE MANAGEMENT</b> |  |   |  |
| 58.                           | Quarter 3 Performance reporting (Jan - March)  | Within 6 working days of the next month after the end of each Quarter<br>08/04/2020 | Strategic Services- IDP/PMS                                    |
| 59.                           | Departmental performance evaluation sessions to fine tune the quarterly reports.           | 13/04/2020  | Strategic Services- IDP/PMS                                    |
| 60.                           | Consolidated Directorates Quarterly Performance Reports and later submit to Internal Audit | Within 10 working days of the next month after the end of the Quarter<br>14/04/2020 | Strategic Services- IDP/PMS                                    |
| 61.                           | Head of Department's performance evaluations   | 18th of the next month after the end of the quarter<br>24/04/2020                   | Municipal Manager  |
| <b>E</b>                      | <b>Reviewed IDP document (Integration/ programme implementation and operational plan)</b>  |   |  |
| <b>IDP AND BUDGET</b>         |  |   |  |
| 62.                           | IDP/Budget Public Hearings   | 04-18/04/2020   | Strategic Services/ Budget & Treasury Office<br>Mayor's Office |
| 63.                           | Incorporate relevant comments to the Draft final reviewed IDP                              | May 2020  | Strategic Services- IDP/PMS                                    |
| 64.                           | Budget Steering Committee (implementation and operational plan)                            | 07/05/2020  | Strategic Services/ Budget & Treasury Office                   |
| 65.                           | Intergovernmental Relations (IGR) Meeting  | 19/05/2020  | Strategic Planning - IGR                                       |
| <b>F</b>                      | <b>Approval phase</b>  |   |  |
| <b>IDP AND BUDGET</b>         |  |   |  |

|     |   |   |  |
|-----|---|---|--|
| 66. | IDP REP Forum Meeting   | 15/05/2020                                  | Mayor's Office/ Strategic Services-IDP/PMS       |
| 67. | Council Approval of IDP & Budget  | 29/05/2020                                  | Strategic Services/BTO/ Council Support Services |
| 68. | Final IDP and Budget published  | Within 14 days of approval)<br>(14/06/2020) | Strategic Services- IDP/PMS                      |
| 69. | Submit IDP, Budget and SDBIP to MEC - DLGTA, Provincial and National Treasury | 05/06/2020                                  | Strategic Services- IDP/PMS                      |

### 3. MECHANISMS AND PROCEDURES FOR PUBLIC PARTICIPATION

The following public participation mechanisms are proposed for each and every milestone.

#### Preparation Phase

Adverts on Newspaper  
Announcements on Local Radio Station

#### Monitoring and Evaluation Phase

Representative Forum Meetings  
Public Hearings

#### Objectives, strategies and Projects Phase

Representative Forum Meetings

#### Reviewed IDP Phase

Public Hearings  
Representative Forum Meetings

#### Approval Phase

Adverts on Newspaper  
Announcements on Local Radio Stations  
Representative Forum Meetings

#### 3.1 Public Participation Strategy

The Municipality has a Public Participation Policy that was adopted by Council on 1 September 2015. In accordance with Municipal systems Act 2000, the municipality should hold regular IDP/PMS/ Budget Representative Forum meeting in drafting IDP and Budget. Forum meetings are convened 4 times per year or quarterly in preparation of each phase. The following forms are used in calling the interested parties

- Website to publish our notices
- Community Radio Stations to reach those parts of our community that do not read newspaper
- Daily Dispatch
- Posters, pamphlets, ward councillors and announcements through community gatherings and community based organizations.
- Loud hailing

Other structures used to enhance public participation is through Ward Committee Meetings, LED Forums and SPU Forums and Local Communicator's forum which are convened quarterly.

To ensure that the needs of unorganized groups are represented as well, advocacy groups and or Non-Governmental Organizations (NGOs) will be used as well for communication. Meetings of the Representative Forum will be held in any appropriate Municipal buildings and the languages to be used are:

- English
- Xhosa

#### 4. BINDING PLANS AND LEGISLATION

National legislation can be distinguished between those that deal specifically with municipalities arising from the Local Government White Paper on the one hand and sector planning legislation on the other.

The Municipal Structures and Systems Acts are specific to municipalities. The Systems Act has a specific chapter dedicated to IDPs and is the driving piece of legislation for the development of IDPs. Arising from the Systems Act, the IDP Regulations need to be complied with.

National sector legislation contains various kinds of requirements for municipalities to undertake planning. Sector requirements vary in nature in the following way:

- Legal requirements for the formulation of a district sector plans (e.g. a water services development plan).
- A requirement that planning be undertaken as a component of, or part of, the IDP (like a housing strategy and targets).
- Links between the IDP and budget process as outlined in the Municipal Finance Management Bill.
- Legal compliance requirement (such as principles required in the Development Facilitation Act – DFA – and the National Environmental Management Act – NEMA).
- More a recommendation than a requirement, which is deemed to add value to the municipal planning process and product (in this case, Local Agenda 21).

Those are highlighted in the table below:



| CATEGORY  | SECTOR REQUIREMENT                                      | NATIONAL DEPT  | LEGISLATION/POLICY                                  |
|---|---|--|---|
| Legal requirement for a district/local plan                 | Water Services Development Plan                         | Department of Water Affairs and Forestry   | Water Services Act                                  |
|   | Integrated Transport Plan                               | Department of Transport  | National Transport Act                              |
|   | Waste Management Plan                                   | Department of Environmental Affairs & Tourism  | White Paper on Waste Management                     |
|   | Spatial planning requirements                           | Department of Rural Development and Land Reform  | Land Use Management Act                             |
| Requirement for sector planning to be incorporated into IDP | Housing strategy and targets                            | Department of Human Settlements  | Housing Act (Chapter 4, Section 9)                  |
|   | Coastal management issues                               | Department of Environmental Affairs & Tourism  |   |
|   | LED   | Department of Economic Development, Environmental Affairs and Tourism,                 | Municipal Systems Act                               |
|   | Integrated Infrastructure Planning                      | Department of Local Government and Traditional Affairs                                 |   |
|   | Spatial framework                                       | Department of Rural Development and Land Reform,<br>Department of Local Government and | Municipal Systems Act, Land Use Management Act Bill |
|   | Integrated Energy Plan                                  | Department of Minerals & Energy  | White Paper on Energy Policy, December 1998         |
| Requirement that IDP complies with                          | National Environmental Management Act (NEMA) Principles | Department of Economic Development Environmental Affairs & Tourism                     | National Environment Management Act (107 of 1998)   |
|   | Development Facilitation Act (DFA) Principles           | Department of Rural Development and Land Reform  | Development Facilitation Act                        |
|   | Environmental Implementation Plans (EIPs)               | Department of Economic Development, Environmental Affairs & Tourism                    | National Environment Management Act (107 of 1998)   |
|   | Environmental Management Plans (EMPs)                   | Department of Economic Development Environmental Affairs & Tourism                     | National Environment Management Act (107 of 1998)   |

| CATEGORY                  | SECTOR REQUIREMENT | NATIONAL DEPT     | LEGISLATION/POLICY               |
|---------------------------|--------------------|-------------------|----------------------------------|
|                           | IDP/ budget link   | National Treasury | Municipal Finance Management Act |
| Value adding contribution | Local Agenda 21    |                   |                                  |

The National Development Plan should be also considered during the review phase.

Each local municipality and the district municipality needs to include those planning documents that have been approved by Council or other strategies that might be relevant to the IDP process in their process plans.

## 5. PROGRAMME OF ACTION

The action programme will be broken into five phases

- Preparation phase
- Monitoring and evaluation phase
- Objectives, Strategies, Projects phase and Scorecards
- Consolidate Reviewed IDP and Budget
- Approval phase

## 6. MECHANISM AND PROCEDURE FOR ALIGNMENT

Processes at the District Municipality level inform the alignment process. The framework plan is the guiding document. The municipality was part of the process of drawing up the framework plan together with other Municipalities that are under the Amatole District Municipality.

## 7. EXISTING DOCUMENTS

- Legally Binding Documents
  - Municipal Systems Act
  - Municipal Finance Management Act
- Other Documents
  - Spatial Development Framework
  - Amahlathi LED Strategy
  - Tourism Strategy

- Indigent Policy
- Integrated Waste Management Plan
- Agricultural Plan
- Housing Sector Plan
- Employment Equity Plan
- Workplace Skills Plan
- Employee Performance Management Policy Framework
- Community Safety Strategy
- Disaster, Risk Management and All Hazards Contingency Plan
- Tariffs Policy
- Rates Policy
- Credit Control and debt write-off Policy
- Cash Management and Investment Policy
- Asset Management Policy
- Budget Policy
- Customer Care Policy
- Supply Chain Management Policy
- Communication Strategy
- Petition Policy
- Public Participation Policy

## 8. SOURCES OF FUNDING

| FUND               | SOURCE | AMOUNT    |
|--------------------|--------|-----------|
| IDP PROCESS PLAN   | ALM    | R0        |
| STRATEGIC PLANNING | ALM    | R0        |
| ANNUAL REPORT      | ALM    | R0        |
| <b>TOTAL</b>       |        | <b>R0</b> |

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## SECTION TWO: BUDGET PROCESS PLAN

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### 1. INTRODUCTION

The concept of a 3-year budget is now well-entrenched in the Council's budgeting process and has been improved upon over the last number of years. Guidelines issued on budget processes by National Treasury from time to time have helped to refine and improve our systems.

The budget proposals for the 2021 MTREF should be informed by Council's Integrated Development Planning Process, particularly in terms of objectives, outputs and targets envisioned for the next 3 years. In this way, budget proposals and the Integrated Development Plan will be properly aligned.

Better budgeting enhances service delivery. This is the main message underlying the Municipal Finance Management and Budgeting Reform Programme. In particular, integrated planning, budgeting and monitoring of service delivery performance strengthens the link between the services that departments provide and the benefits and costs of these services. The performance management system gives effect to the emphasis on improved transparency and accountability for the management and use of public resources.

The *Budget Process Plan* is issued to the Council, Executive Committee, Municipal Manager and various departments for the preparation of their 2021 MTREF budget proposals. It sets out the tasks to be performed and timeframes for each process. It is imperative that the timeframes are strictly adhered to in order to finalise the budget on time.

### 2. BUDGET PROCESS

The Medium Term Revenue and Expenditure Framework (MTREF) details 3-year rolling expenditure and revenue plans for Amahlathi Municipality. The MTREF budget process is designed to match the overall resource envelope, estimated through 'top-down' macroeconomic and fiscal policy processes, with the bottom-up estimation of the current and medium-term cost of existing departmental plans and expenditure programmes

The budget process allows Council to:

- **Strengthen and evaluate the alignment between medium and long-term plans and funding proposals**
- **Revise its policy priorities, macroeconomic framework and resource envelope**
- **Evaluate departmental plans and allocate available resources in line with policy priorities**

**Obtain the required authority from Council to spend [service delivery]**

**Align parameter setting with budget outcomes and resource allocations.**

**Link the Integrated Development Planning Process with the budget process**

The purpose of the 2021 budget process will be the completion of a medium-term expenditure framework that apportions resources in line with Council's policy priorities for the next three years. How this will be achieved is described below.

#### 2.1.1 Matching policy priorities and resources

Deciding and agreeing on the best allocation of scarce resources to fund Council's many social, economic and political goals is the main purpose of the budget process.

Drafting these three-year plans will guide the policy prioritisation and budgeting process for the 2021 MTREF.

Formulating an MTREF that has a three-year outlook will be put together by various role-players who interact at various stages of the budget process.

### 2.1.2 Medium term policy review

The budget process starts early in the year with a review of the IDP and budget processes of the previous year. Additional resources for funding new priorities arise from a review of the overall budget framework, including fiscal policy considerations, overall spending growth, inflation assumptions, and debt interest projections [if applicable at this stage].

The allocation of resources to the different sections and departments will be largely determined by Council's policies and priorities, which are reviewed during the process of developing the MTREF/budget and will take into account the various departments responsibilities for service delivery.

The timeline for critical budget decisions in the policy review stage of the process is outlined in table 1.

**Table 1: Process plan timeline**

|                     |   |
|---------------------|---|
| July – August       | Establishment of Budget Steering Committee, IDP and budget process plan review and table to council before <b>31 August</b>   |
| November - December | Setting budget parameters<br>Consideration of the revision of the Council's establishment plan – meeting the HR capacity needs and the cost application of such capacity (functions to be considered) |
| December - January  | Mid-year review process, Costing of personnel requirements, Submission of Budget Proposals  |
| January             | Mid- year review approved by council not later <b>25<sup>th</sup> January</b> , Consolidate Adjusted Budget Proposals   |
| February            | Revised Budget approved by council not later than <b>28<sup>th</sup> February</b>   |
| February            | Consolidation Draft Budget Inputs and Prepare Draft Budget  |
| March               | Tabling the Draft budget to Council not later than <b>31<sup>st</sup> March</b>   |
| April – May         | Public Consultation on the IDP and Budget ; Council Approval not later than <b>30<sup>th</sup> May</b>  |
| June                | Submission to National Treasury within <b>10 days</b>   |

## 3. COMPILING MTREF BUDGET PROPOSALS

### 3.1.1 Budget Principles

Budgeting within the Medium Term Revenue and Expenditure Framework is based on a set of core principles that relate to:

- Fiscal policy and the budget framework
- Policy priorities and public expenditure
- Political oversight of the budget process

### **Budgeting for service delivery**

#### 3.1.2 Fiscal policy and the budget framework<sup>2</sup>

Medium-term spending plans of the various clusters for the period 2020/21 to 2023/24 will be prepared within the context of Council's macroeconomic and fiscal framework.

As part of a three-year rolling budget process, the budget framework is revised each year. Additional resources for new expenditure will form part of the macroeconomic forecast. Growth in external funding particularly for capital projects is important if Council is to meet the objectives established in the IDP. Council is dependent on the Equitable Share to provide free basic services and support to the indigent in terms of council's Indigent support Policy.

The various role-players will have to examine the fiscal implications of new spending pressures and match them to available resources.

### *3.1.3 Policy priorities and public expenditure*

Strengthening the link between Council policy priorities and expenditure is at the core of medium-term budgeting. Expenditure allocation translates policy priorities into the delivery of services to communities, and is therefore a key tool for accomplishing Council's goals.

### *3.1.4 Political Oversight of the Budget Process*

The key to strengthening the link between priorities and spending plans lies in enhancing political oversight of the budget process. The Mayor has established a Budget Steering Committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the MFMA.

Political oversight of the budget process is essential to ensure that:

- The political executive is responsible for policy and prioritization

### **Policy priorities are linked to cluster spending plans and the delivery of quality services**

The Budget process commences with parameter and policy assessment and formulation.

Budgeting is primarily about the choices and trade-offs that Council has to make in deciding how to meet the agreed set of policy objectives through better service delivery. Political oversight of the budget process allows Council to manage the tension between competing policy priorities and fiscal realities.

### *3.1.5 Budgeting for Service Delivery*

Strengthening the link between Council's priorities and spending plans is not an end in itself. The goal is to improve delivery of services and ultimately the quality of life of people throughout Amahlathi.

Better budgeting, as mentioned in the introduction, leads to enhanced service delivery. In particular, integrated planning, budgeting and monitoring of service delivery performance strengthens the link between the services that departments provide and the benefits and costs of these services. It is important to emphasize the role of performance management which serves to monitor performance against measurable performance objectives that are informed by service delivery targets as captured in the IDP.

The municipality must develop and approve measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's IDP. These measurable performance objectives must inform the Service Delivery and Budget Implementation Plan which must be approved by the Mayor within 28 days after the approval of the budget.

## ACTION PLAN FOR IDP/PMS/BUDGET

| MONTH           | ACTIVITIES   |   |   |
|-----------------|--|---|---|
|                 | IDP  | PMS   | BUDGET  |
| <b>AUG 2019</b> | <ul style="list-style-type: none"> <li>• Preparation of the Draft IDP and PMS Process Plan.</li> <li>• Present IDP Process Plan to IDP/Budget Steering Committee</li> <li>• IDP Process Plan tabled to Council for approval.</li> <li>• Self-assessment to identify gaps in the IDP process.</li> <li>• Council Meeting (Budget &amp; IDP Process Plan, Annual Performance Report, Financial Statements and Draft Annual Report)</li> <li>• Submissions to AG, MEC and Treasury etc. (Annual Performance Report, Annual Financial Statements and Draft Annual Report)</li> </ul> | <ul style="list-style-type: none"> <li>• Publicizing Approved SDBIP for inspection and information</li> <li>• Signing of new performance contracts for Section 57 Managers</li> <li>• 2018/19 Final S57 Managers' Performance Assessments.</li> <li>• Submission of Q4 SDBIP Reports</li> <li>• Quarter 4 performance report submitted to Council</li> <li>• Submission of Performance Agreements to EC-Cogta</li> <li>• Submission of the Annual Performance Reports prepared in terms of s46 of MSA 2000 to Council</li> <li>• Quarterly Audit Committee meeting (for the last quarter of 16/17) MFMA Sect 166 &amp; MPPR Reg. 14(3)(a)</li> <li>• Evaluation Panel Audit Committee meeting (for the last quarter of 17/18) MFMA Sect 166 &amp; MPPR Reg. 14(3)(a)</li> </ul> | <ul style="list-style-type: none"> <li>• Preparation of the Draft Budget Process Plan.</li> <li>• Present the Budget Process Plan to the IDP/Budget Steering Committee</li> <li>• Budget Process Plan tabled to Council for approval</li> </ul> |

| MONTH            | ACTIVITIES  |   |  |
|------------------|---|---|--|
|                  | IDP   | PMS   | BUDGET   |
|                  |   | <ul style="list-style-type: none"> <li>Evaluation Panel Audit Committee meeting (for evaluation of Sect 57 Managers final assessments) MPPR Reg. 14(3)(b)</li> <li>Submission of draft annual report (MFMA Circular 63)</li> </ul>          |  |
| <b>SEPT 2019</b> | <ul style="list-style-type: none"> <li>Advertisement of the IDP and PMS Process Plan</li> <li>Review and updating of the IDP Vision, Mission and Objectives.</li> <li>IDP/Budget Steering Committee Meeting</li> <li>Advertise to resuscitate the IDP Rep Forum</li> <li>IDP Rep Forum meeting</li> </ul> | <ul style="list-style-type: none"> <li>Reminder to be sent to HOD's to submit their Q1 SDBIP Reports in terms of s41 MSA</li> </ul>   | <ul style="list-style-type: none"> <li>Advertisement of the Budget Process Plan and submission to Provincial and National Treasury.</li> </ul> |
| <b>OCT 2019</b>  | <ul style="list-style-type: none"> <li>IDP/Budget Steering Committee Meeting</li> <li>Process Plan and the role of the Steering Committee</li> <li>Develop agenda for Rep forum</li> <li>Priority needs assessment (Ward Community visits)</li> </ul>   | <ul style="list-style-type: none"> <li>Submission of Q1 Reports by HOD's</li> <li>Q1 Reports tabled to Council (for first quarter of 18/19) <b>MPPR Reg. 14</b></li> <li>Sect 57 Managers' quarterly <b>informal</b> assessments</li> </ul> |  |



| MONTH           | ACTIVITIES  |  |   |
|-----------------|---|--|---|
|                 | IDP   | PMS  | BUDGET  |
|                 | <ul style="list-style-type: none"> <li>▪ Council Adopts Audited Annual Report</li> </ul>  |  |   |
| <b>NOV 2019</b> | <ul style="list-style-type: none"> <li>▪ IDP/Budget Steering Committee Meeting</li> <li>▪ Rep forum meeting</li> <li>▪ Budget Assumptions &amp; Strategies</li> <li>▪ Identification of priority needs.</li> <li>▪ Departments to submit situation analysis and or status quo for IDP review</li> <li>▪ Commencement of Departmental Strat plans</li> </ul> | <ul style="list-style-type: none"> <li>▪ Quarterly Audit Committee meeting (for the first quarter of 18/19) MFMA Sect 166 &amp; MPPR Reg. 14(3)(a)</li> <li>▪ Annual Report Public hearings</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Set parameters for the next three years based on market trends and circular issued by National Treasury.</li> <li>▪ Determine the funding/revenue potentially available for next three years in Dora.</li> <li>▪ Review and update pricing strategies of National Regulators e.g. NERSA</li> </ul> |
| <b>DEC 2019</b> | <ul style="list-style-type: none"> <li>▪ Submit Situation Analysis to Council with Community priority needs</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Reminder to be sent to HOD's to submit their Q2 SDBIP Reports in terms of s41 MSA</li> <li>▪ Council adopts Final Annual Report and Oversight report</li> <li>▪ Final Annual report and oversight report submitted to Treasury and Cogta</li> </ul> | <ul style="list-style-type: none"> <li>▪ Departments to submit Budget proposals for Adjustment and next 3 year MTREF Budget.</li> </ul>   |

| MONTH             | ACTIVITIES  |   |   |
|-------------------|---|---|---|
|                   | IDP   | PMS   | BUDGET  |
| <b>JAN 2020</b>   | <ul style="list-style-type: none"> <li>▪ Review of Municipal Strategies, Objectives, KPA's, KPI's and targets.</li> <li>▪ IDP/Budget Steering Committee Meeting</li> <li>▪ Technical Strategic Planning Session</li> </ul>                | <ul style="list-style-type: none"> <li>▪ Submission of Q2 Reports by HOD's</li> <li>▪ Sect 57 Managers' <b>formal</b> quarterly assessments (for second quarter of 18/19 on the 11<sup>th</sup> of January)</li> <li>▪ Municipal Manager submits Midterm/Midyear Report to the Mayor with recommendations (in terms s72 MFMA)</li> <li>▪ Midyear Reports submitted to Treasury (provincial and National)</li> <li>▪ Midterm/Midyear Report is published</li> <li>▪ Review SDBIP and publicize any amendments</li> </ul> | <ul style="list-style-type: none"> <li>▪ Review Tariffs and Charges and develop options for changes to be included in draft budget.</li> <li>▪ Prepare and submit Mid-year performance review to council by <b><u>25th January.</u></b></li> <li>▪ Consolidate Adjusted Budget Proposals and prepare Adjustment Budget.</li> </ul>  |
| <b>FEB 2020</b>   | <ul style="list-style-type: none"> <li>▪ Continuous Review of Municipal Strategies, Objectives, KPA's, KPI's and targets.</li> <li>▪ Institutional Strategic Planning Session</li> <li>▪ IDP/Budget Steering Committee Meeting</li> </ul> | <ul style="list-style-type: none"> <li>▪ Quarterly Audit Committee meeting (for the second quarter of 18/19) MFMA Sect 166 &amp; MPPR Reg. 14(3)(a)</li> <li>▪ Review PMS policy framework</li> </ul>   | <ul style="list-style-type: none"> <li>▪ IDP/Budget Steering Committee for Adjustment Budget</li> <li>▪ Submit Adjustments Budget for current year to Council not later than the <b><u>28th February.</u></b></li> <li>▪ Submit Adjustment Budget to National and Provincial Treasury.</li> <li>▪ Publicize Adjustment Budget within 10 working days of approval.</li> <li>▪ Consolidate Draft Budget proposals and prepare Draft Budget</li> </ul> |
| <b>MARCH 2020</b> | <ul style="list-style-type: none"> <li>▪ IDP/Budget Steering Committee</li> <li>▪ IDP Rep Forum</li> <li>▪ Submission of draft IDP and Budget 2020/21 to council</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Draft SDBIP's for 2020/21 developed and for incorporation into draft IDP 2019/20 FY</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Review and workshop all budget related policies</li> <li>▪ IDP/Budget Steering Committee for Draft Budget</li> <li>▪ Table Draft Budget to Council by <b><u>31 March.</u></b></li> </ul>   |

| MONTH            | ACTIVITIES   |   |   |
|------------------|--|---|---|
|                  | IDP  | PMS   | BUDGET  |
|                  | <ul style="list-style-type: none"> <li>Submit Strategic Session Report to Council</li> </ul>   | <ul style="list-style-type: none"> <li>Reminder to be sent to HOD's to submit their Q3 SDBIP Reports in terms of s41 MSA</li> </ul>   |   |
| <b>APR 2020</b>  | <ul style="list-style-type: none"> <li>Publicize tabled IDP (Invite Local Community to make written comments in respect of the IDP)</li> <li>IDP/Budget Steering Committee</li> <li>Public participation process launched through series of public hearings on the IDP and Budget</li> <li>Review written comments in respect of the Budget and IDP</li> </ul> | <ul style="list-style-type: none"> <li>Submission of Q3 Reports by HOD's</li> <li>Sect 57 Managers' <b>informal</b> quarterly assessments</li> <li>Quarter 3 performance report submitted to Council</li> </ul> | <ul style="list-style-type: none"> <li>Publicize tabled Budget, inviting comments and undertake community consultation on tabled Budget.</li> <li>Receive and analyse additional inputs from community and other stakeholders.</li> <li>Incorporate feedback from community and other stakeholders and if required revise the budget previously tabled to Council.</li> </ul> |
| <b>MAY 2020</b>  | <ul style="list-style-type: none"> <li>IDP/Budget Steering Committee</li> <li>Rep forum meeting</li> <li>Adoption of the 2019/20 IDP by Council.</li> </ul>  | <ul style="list-style-type: none"> <li>Community input into organization KPIs and targets</li> </ul>  | <ul style="list-style-type: none"> <li>IDP/Budget Steering Committee for Final Budget</li> <li>Municipal council approves budget, tariffs and revised budget related policies by <b><u>31 May</u></b>.</li> </ul>   |
| <b>JUNE 2020</b> | <ul style="list-style-type: none"> <li>Publicize Approved IDP</li> </ul>   | <ul style="list-style-type: none"> <li>Reminder to be sent to HOD's to submit their Q4 SDBIP Reports in terms of s41 MSA</li> </ul>   | <ul style="list-style-type: none"> <li>Publicize Approved Budget and Tariffs</li> <li>Submission of Final Budget to National and Provincial Treasury</li> </ul>   |

| MONTH | ACTIVITIES   |  |   |
|-------|--|--|---|
|       | IDP  | PMS  | BUDGET  |
|       | <ul style="list-style-type: none"> <li>▪ Submission of the Final IDP to EC- Cogta, Treasury (National and Provincial)</li> </ul> | <ul style="list-style-type: none"> <li>▪ Submission of final SDBIP to The Honorable Mayor for approval s53 MFMA</li> </ul> | <ul style="list-style-type: none"> <li>▪ Complete and submit the budget returns required by National Treasury.</li> <li>▪ Email Approved Budget to All Departments</li> </ul> |

**ANNEXURE A: ORGANOGRAM/ INSTITUTIONAL STRUCTURE**

**ANNEXURE B: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)**