

AMATHOLE DISTRICT MUNICIPALITY



AMATHOLE
DISTRICT MUNICIPALITY

DRAFT

2014 – 2015

DRAFT

INTEGRATED DEVELOPMENT PLAN

VERSION 1 OF 14\15

OUR LOCAL MUNICIPALITIES

EC 121: MBHASHE LOCAL MUNICIPALITY



EC 122: MNQUMA LOCAL MUNICIPALITY



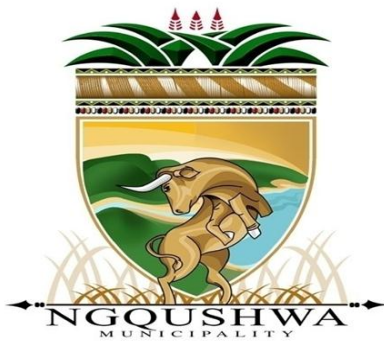
EC 123: GREAT KEI LOCAL MUNICIPALITY



EC124: AMAHLATHI LOCAL MUNICIPALITY



EC126: NGQUSHWA LOCAL MUNICIPALITY



EC127: NKONKOBÉ LOCAL MUNICIPALITY



EC128: NXUBA LOCAL MUNICIPALITY



REPORT OUTLINE

The structure of 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 Amathole 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 district 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 district municipality will implement to attain its objectives.

CHAPTER 5: SECTOR PLANS

This chapter provides a list of all ADM 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 6: FINANCIAL PLAN

Chapter six provides the District Municipality's financial strategies, medium term expenditure, proposed budget as well as the 3 Year Capital Plan.

CHAPTER 7: PERFORMANCE MANAGEMENT SYSTEM

Chapter seven provides an overview of the monitoring and evaluation process, a background to the ADM Performance Management Framework as adopted by the District Municipality.

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EXECUTIVE MAYOR'S FOREWORD



As a country, we have reached a stage that is one of the most important milestones in our democratic history, the celebrating two decades of freedom. On the 27th of April 1994 South Africa cast aside centuries of discrimination and oppression to form a new society built on the foundation of freedom and democracy.

This marked the end of apartheid and the birth of a new nation, one which is Amathole District Municipality is a resultant of. The momentous occasion of 2014 presents an opportunity for us to reflect on how our freedom and democracy was achieved. It becomes an opportunity for us to check on the progress that we have made in the past 20 years and how South Africa will work together as we march towards Vision 2030.

This is the first expectation we shall be undertaking in 2014 as a District, that of telling a clear unambiguous story of our achievements within the broader context of the South African government's terrain. In that same vein, we should also be able to let the public know of our shortfalls and challenges as well as the remedial actions thereof. I do not even have a shadow of doubt that working together since the dawn of democracy, we have made South Africa a better place.

A lot has been achieved and indeed we have a good story to tell. As government we have built millions of homes, and in Amathole District particularly, we have built thousands of toilets and have enabled more people to have access to clean quality good water. Our ambitious economic infrastructural regeneration of small rural towns has led to their inspiring development and the stimulation of their local economic environment.

We have created jobs, provided free basic water to the poor, built on the social gains by providing basic services to our people and expanded social grants. We have given out unaccounted for countless litres of free basic water annually.

Having done so though, a lot more still needs to be done.

And this is why our integrated development planning is vital towards finding the best solutions to us achieving long term development. Our IDP not only incorporates the inputs from our citizens but also takes into account the existing conditions, challenges and resources available for development.

The unfolding of this process is what our democratic principle is all about. It is the essence and the soul of the Freedom Charter which is all about people governing their own State. Through the active participation of all important stakeholders, the IDP ensures that service delivery related decisions are made in a democratic

and transparent manner. And these are made in conjunction with other spheres of government and aligned to the National and provincial Development Plans.

Notwithstanding the legislative obligations that are compulsory as an integral part of this process, it remains one of the most noble government actions that we have managed to champion.

The journey of how we have evolved as a district in our integrated planning, on its own is a good story to be told. The prospects and the service delivery spin off it holds as we seek to grow this tool, has even better prosperities.

Working together as a unified force, we can do more to enhance our thriving democracy by creating an IDP that is relevant, responsive and progressive.

N. Khonza
EXECUTIVE MAYOR

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MUNICIPAL MANAGER'S MESSAGE



On the 13-14 January 2014 the political and administrative leadership of Amathole District Municipality (ADM) converged at the Mpekweni Beach Resort to map out the municipality's strategic plan of action for the 2014/2015 financial year. The fundamental purpose of the strategic planning session was to develop clear strategic objectives and strategies that seek to respond to key institutional strategic and development challenges, which could be a hindrance to the achievement of the municipality's strategic goals if left unaddressed.

In his State of the Nation Address, the president of South Africa, President Zuma pronounced on the roadmap to take South Africa forward where all will have water, electricity, sanitation, jobs, housing, public transport, adequate nutrition, education, social protection, quality healthcare, recreation and a clean environment. The Eastern Cape Province is also undergoing a diagnostic process to identify and interrogate what is wrong and not working in the province. This exercise has culminated into the development of a comprehensive long-term plan, Vision 2030, which will chart the direction for a collective journey towards a qualitatively different and better future.

At the strategic planning session, the alignment of the district's strategic plans to the National Development Plan (NDP) 2030, Eastern Cape Province Vision 2030, political declarations and other development initiatives, were emphasised. To this effect, the importance of planning beyond the 5 year IDP cycle was emphasised, to ensure that there is an aspirational strategy that would guide development of strategies and allocation of resources at ADM over a period of 30 years. One of the issues that were discussed at the strategic planning session was the required paradigm shift in the implementation of projects and maintaining Dr Nelson Mandela legacy through fast tracking delivery of services to improve the lives of our people. Water provisioning and sanitation are among ADM's legislated functions and are ADM's core business; it was therefore felt that the municipality should focus more on these areas and ensure that mechanisms are put in place to eradicate backlogs.

Other crucial issues that were debated at the strategic planning session were, among others, the importance of cohesive planning between ADM and its Local Municipalities as the performance of the LMs is reflective of the district. The strengthening and capacitation of the governance structures, in particular Section 80 and Section 79 Committees, was identified as one of the areas that require improvement in order to improve the oversight function of Council. The legislated district powers and functions were outlined and it was felt that resource allocation should be informed by assigned powers and functions, in order to ensure that ADM delivers on its constitutional mandate. To this effect, it was further emphasised that unfunded mandates and agency functions should be scaled down as they deplete the municipality's limited financial resources.

The mainstreaming of Local Economic Development and the Expanded Public Works Programme within ADM was discussed at length, in order to reach a common understanding on principles of these two. Evaluation of the implementation of Free Basic services (water and sanitation) was done, to ascertain whether ADM is

complying with the relevant legislation in this regard. The restructuring of Customer Care services within the district was proposed, to ensure customer satisfaction and upholding the Batho Pele principles. Whilst this function remains critical, the form of fulfilling it appears to be capable of being rendered differently.

Discussions around the correlation between clean audits and improved service delivery also came up very strong. As the municipality improves in terms of obtaining unqualified audit opinions, this should be reflected in improved service delivery. In terms of revenue enhancement and financial viability, the strategic planning session discussed mechanisms of intensifying efforts in the collection of revenue and increasing the billable consumer base.

I would like to thank all key stakeholders who took it upon themselves as individuals and organised bodies to contribute to the development of this Integrated Development plan. The political leadership, local municipalities in the district as well as management and staff have all played a crucial role in ensuring the production of this quality document. This document will serve as a guiding tool and roadmap for councillors and officials, for the 14/15 financial year and will also ensure fast tracking of service delivery.

C. MAGWANQANA
MUNICIPAL MANAGER

DRAFT

THE EXECUTIVE SUMMARY

BACKGROUND TO THIS DOCUMENT

This document represents the 2014/15 draft reviewed Integrated Development Plan (IDP) as prepared for adoption by the Amathole District Municipality (ADM). It is submitted and prepared in fulfilment of the Municipality's legal obligation in terms of Section 32 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:

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

Section 25 of the Municipal Systems Act deals with the adoption of the IDP and states that:

"Each municipal council must adopt a single, inclusive and strategic plan for the development of the municipality which –

- links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality; aligns the resources and capacity of the municipality with the implementation of the plan; forms the policy framework and general basis on which annual budget must be based."

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."

THE IDP REVIEW PROCESS

On 30 August 2013, the Amathole District Municipality adopted its District IDP Framework Plan together with the IDP/PMS/Budget Process Plan. These plans were 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 District IDP Framework served as a guide to all local municipalities falling within the Amathole area of jurisdiction, and for purposes of alignment in the preparation of their respective Process Plans. In brief, the District Framework Plan outlines the time frames of scheduled events/activities, structures involved and their respective roles and responsibilities. The IDP/Budget Process Plan outlines in detail, the way in which the ADM embarked on its 2014/15 IDP review and Budget processes from its commencement in July 2013 to its completion in June 2014. The District IDP Framework plan together with the IDP/PMS/Budget Process plan are attached to this document as annexure "A".

Organizational arrangements were put in place as per the IDP/PMS/Budget Process Plan and all legislative prescripts were adhered to. Of particular note, have been the operations of structures, such as IDP/PMS/Budget Representative Forum, IDP Steering Committee, Budget Steering Committee, Intergovernmental Relations (IGR), District Mayor's Forum (DIMAFO), and District Planning Coordination Forum. These have executed their mandates in terms of the adopted IDP/PMS/Budget Process Plan and ensured the achievements of key milestones and deliverables. Particular attention was paid to the IDP, SDBIP & Budget linkages, district-wide analysis, integration and alignment of local, district and provincial plans.

In the process of developing the IDP and the Budget, a strategic planning session was held on 12-14 January 2014. The session was intended to facilitate provision of a framework that will guide the municipality's strategic direction as reflected in the 5 year strategic document. The strategic framework encompasses the strategic objectives and strategies aimed at realising the mandate of ADM. Furthermore, as part of the IDP process, an analysis was conducted in respect of various sector plans attached to the ADM's IDP. Some were found to be still relevant and required minor update done in-house, others required a major review, whilst new sector plans were developed.

The draft reviewed IDP and Budget for 2014-2015 will be tabled and approved by Council on 28 March 2014. These documents will be widely publicised for comments before being tabled before Council for adoption on 23 May 2014.

In order to address the IDP comments from the MEC, these were forwarded to the relevant departments and IDP cluster teams where they were discussed and used as a basis for improving the credibility of the IDP. Strict compliance with Regulation 3(5) has been ensured through an ongoing process of consultation between the ADM and its 7 local municipalities through the operations of the abovementioned structures as well as through the activities of the Municipal Support Unit.

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

ADM ACTION PLAN PARTICIPATION STRUCTURES & MEETING DATES	
PRE-PLANNING (July – August)	
IDP Steering Committee workshop to outline the review process	01 August 2013
Councillor workshop on the IDP review process	06 August 2013
IGR Forum meeting to outline the review process	21 August 2013
Budget Steering Committee to discuss the new budget legislation and membership	29 July 2013
IDP/PMS/Budget Representative Forum [district-wide launch]	18 September 2013
ANALYSIS (September– November)	
IDP Steering Committee to review implementation progress and prepare for the IDP Launch	14 October 2013
DIMAFO meeting	14 November 2013
District Planning Co-ordinating Forum to discuss situational analysis and local priorities	31 October 2013
Budget Steering Committee to assess project spending of the 1 st quarter	24 October 2013
IGR Forum to give feedback on the situational analysis	30 October 2013
IDP Steering Committee to present final situational analysis	04 November 2013
IDP/PMS/Budget Representative Forum [district-wide development priorities]	21 November 2013
District Planning Co-ordinating Forum to discuss District-wide IDP Engagement	
OBJECTIVES; STRATEGIES and PROGRAMMES (December – March)	
Technical Strategic Planning session	17-18 December 2013
Institutional Strategic Planning session	12-14 January 2014

**ADM ACTION PLAN
PARTICIPATION STRUCTURES & MEETING DATES**

PRE-PLANNING (July – August)

Departmental IDP workshop to refine objectives, strategies and draft projects	12-28 February 2014
Budget Steering Committee to approve draft budget allocation (IDP/Budget link)	26 February 2014
IGR Forum to discuss the draft IDP and Budget	05 March 2014
Council workshop on draft IDP & Budget	16-18 March 2014
IDP Steering Committee to check alignment and sector specific guidelines	06 March 2014
IDP Representative Forum (present draft IDP, Budget and SDBIP)	19 March 2014
Council approval of the draft IDP & Budget and Annual Report	28 March 2014
District Mayors' Forum (DIMAFO)	13 March 2014

APPROVAL (April – June)

IDP/ Budget road shows (public presentation hearings at LMs)	02 -17 April 2014
Council Open Day (present final draft)	08 May 2014
IDP/PMS/Budget Representative Forum	22 May 2014
Council Meeting (IDP and Budget final adoption)	23 May 2014

COMMUNITY INVOLVEMENT

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

EVENT	VENUE	DATE
Tourism Imbizo	Mnquma	13-15/03/2013
Mayor's Cup 2013	Nxuba	16/03/2013
Commemoration of Human Right's Day	Ngqushwa	26/03/2013
IDP/Budget Public Hearings	All LMs	11-25/04/13
Repatriation of Makhanda Spirit	BCMM	20/04/2013
Launch of EPWP at Elliotdale	Mbhashe	03/05/2013
Council Open Day	Mnquma	10/05/13
SODA	Ngqushwa	30/05/13
Heritage festival	Mbhashe	13-14/06/13
EPWP Launch at Cathcart	Amahlathi	26/06/13
Mandela Activities	All LMs	11-19/07/13
MRM activities	All LMs	11-30/07/13
Water forum at Nqancule	Mnquma	08/13
Adopt a school (Gwebityala)	Mbhashe	01/08/13
Launch of EPWP at Tholeni	Mnquma	08/08/13
Water forum at Peddie	Ngqushwa	22/08/13

EVENT	VENUE	DATE
Women's month commemoration	BCMM	08/13
Water Forum at Xhorha	Mbhashe	04/09/13
Agricultural Expo	Amahlathi	06/11/13
Mayor's challenge	Mnquma	09/13
Commemoration of wars of dispossession	Mnquma	14/09/13
5 th language conference of African intellectuals	Mnquma	26-27/09/13
Language conference	Nkonkobe	03-04/10/13
Rain water harvesting (ward 31)	Mbhashe	01/11/13
Mayors intervention(sanitation launch)	Nkonkobe	18/11/13
Mayors intervention(sanitation launch)	Amahlathi	19/11/13
Mayoral Imbizo	Mnquma	25/11/13
Rain water harvesting	Mnquma	26/11/13
Armed struggle	BCMM	28/29/11/13
Commemoration of 16 days of activism	Amahlathi	04/12/13
Christmas for elderly	Great Kei	17/12/13
Mayoral intervention (Rain water harvesting) Melitafa, Ntsimbakazi;Thaleni, Thwalimofu, Thafalehashe	Mbhashe	21-30/01/13
Annual Report Roadshows	ALL LMs	12/02-12/03/13
Rain water harvesting (Cebe)	Mnquma	31/01/14
Official opening of Mlungisi Mall	Mlungisi	22/02/14
Rain water harvesting(Nobanda village)	Mnquma	27/02/14

RELEVANT DOCUMENTS

The following documentation should be read with the IDP:

- Municipal Systems Act and relevant regulations
- IDP Guide Pack, with specific reference to Guide 3 and Guide 6
- District IDP Framework Plan
- ADM IDP/PMS/Budget Process Plan
- Various sector plans and programmes
- Amathole (7) Category B IDP's (2012 - 2017)
- ADM Performance Management Framework
- District Spatial Development Framework (SDF)
- Provincial Growth and Development Plan (PGDP) (2004-2014)
- Provincial Spatial Development Plan (PSDP)
- National Spatial Development Plan (NSDP)
- National Development Plan

ALIGNMENT WITH NATIONAL AND PROVINCIAL PROGRAMS

The following National programs informed the IDP process:

- State of the Nation Address (SONA)
- State of Local Government in South Africa
- Municipal Demarcation Board Reports

- COGTA: Local Government Turnaround Strategy (LGTAS)
- COGTA: Operation Clean Audit 2014
- Municipal 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

The following table depicts how ADMs 5 key performance areas are aligned with the national and provincial programs:

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Key Performance Areas	10 National Priorities	8 Provincial Priorities	12 Outcomes
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
	Build cohesive, caring and sustainable communities	Building cohesive and sustainable communities	9. Responsive, accountable, effective and efficient Local Government system
	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
	Pursuing African advancement and enhanced international co-operation		5. Skilled and capable workforce to support an inclusive growth path
	Building a developmental state including improvement of public services and strengthening democratic institutions		3. All people in SA are and feel safe
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
	Comprehensive rural development strategy linked to	Rural development, land and agrarian transformation, and	2. A long and healthy life for all South Africans

Key Performance Areas	10 National Priorities	8 Provincial Priorities	12 Outcomes
	land and agrarian reform & food security	food security	
	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
	Sustainable resource management and use	Building a developmental state	10. Protect and enhance our environmental assets and natural resources
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
	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 improved quality of household life
		Building a developmental state	10. Protect and enhance our environmental assets and natural resources

PERCEPTION SURVEY

ADM conducted a stakeholder perception survey in 2010/11 to assess the social and economic impact of development interventions at community level. The existing Community Development Workers (CDWs) and Community Liaison Officers (CLOs) were utilized as fieldworkers as they are well positioned to undertake the research due to their local knowledge of the communities they serve. ADM's aim is to improve the credibility of the information within the IDP by gaining a better understanding of:

- Service Delivery
- Local Economic Development
- Governance and public participation
- Municipal Transformation
- Institutional Development

The results of the survey showed that:

- People are satisfied with water services but not sanitation.
- There is a strong perception that poor roads have an impact on tourism.
- People are happy to pay for services.
- People are not satisfied with promotion of LED opportunities especially with regard to tourism and local investment.
- People trust ADM but would like to see an improvement in transparency.
- People would like to be heard but do not submit their opinions to ADM.
- Communication of Council decisions, policies etc. needs to improve.
- Customer Care offices are under-utilized, further research is required to find out why.
- The function of the Municipal Support Unit (MSU) is not widely publicized.

Recommendations:

- Further field study with more representative sample and expanded questionnaire
- Review Communications Strategy with focus on: LED; Indigent Subsidies; Communication of decisions, by-laws and policies; Business process analysis of information management.
- Organizational diagnosis of Customer Care and MSU focusing on: Organizational structure; financial structure; control mechanisms; communication processes; personnel requirements.

Since the establishment of the Policy and Research unit, ADM will be conducting comprehensive community satisfactory survey in the 14/15 financial year.

CHAPTER 1: THE VISION

The Vision, Mission and Core Values of ADM as adopted by Council in May 2012 are as follows:

Vision

“Amathole District Municipality:

Commitment towards selfless, excellent and sustainable service to all our communities.

Mission

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

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

Core Values

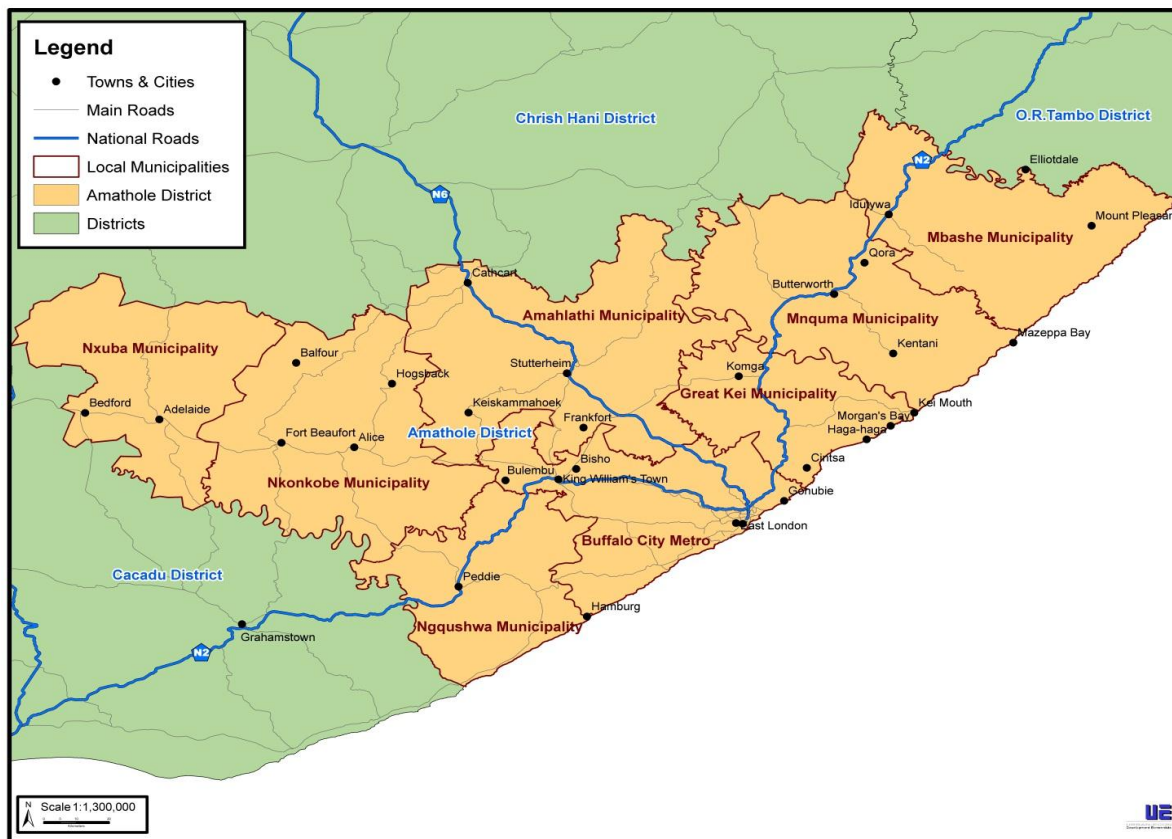
- **Selflessness**
In all our business activities we commit that corruption and unscrupulous business practices will be dealt-with decisively and objectively.
- **Pro-poor**
The poorest of the poor will be the main focal point for ADM’s business and service delivery.
- **Responsiveness**
We will continue to strive for improved turnaround time in the delivery of services and in dealing with our valuable customers.
- **Transformative**
We will make considerable strides to ensure that adequate capacity (skills and human capital) equates the mandate and business of ADM.
- **Inclusivity**
We will include all our stakeholders in our planning, implementation, monitoring, evaluation and reporting in ensuring an integrated effort towards service delivery.
- **Dignity and respect**
We will ensure that our service delivery restores human dignity and respect.
- **Good work ethics**
We will be professional in our conduct and ascribe to the Batho Pele principles.
- **Transparency**
Throughout our business operation we will ensure access to information and fairness to our stakeholders.
- **Integrity**
We will constantly conduct ourselves with utmost integrity as councillors and officials of ADM
- **Accountability**
We are committed in being held to account by our stakeholders and primary customers

CHAPTER 2: DEMOGRAPHIC PROFILE OF THE DISTRICT

A INTRODUCTION

The Amathole District Municipality is situated within the Eastern Cape Province, between Port Alfred and Port St John's. The district stretches from the Indian Ocean coastline in the south to the Amathole Mountains in the north. The District includes the large parts of the former Ciskei and Transkei homeland areas, which means the district has large disparities within its borders. It is bordered by the Cadadu, Chris Hani, and OR Tambo municipalities. The District covers a land area of roughly 21 229km².

Map of Amathole District Municipality



Source: Urban-Econ Eastern Cape, 2011

The **Amathole District Municipality's** area of jurisdiction is made up of 7 local municipalities, as follows:

- **Amahlathi Municipality**, comprising the towns of Stutterheim, Cathcart, Keiskammahoek and Kei Road, numerous peri-urban and rural settlements;
- **Nxuba Municipality**, comprising the towns of Bedford and Adelaide and surrounding rural areas;

- **Nkonkobe Municipality**, comprising the towns of Alice, Fort Beaufort and Middledrift, the smaller towns of Hogsback and Seymour, numerous peri-urban and rural settlements;
- **Ngqushwa Municipality**, comprising the town of Peddie, the coastal town of Hamburg, numerous peri-urban and rural settlements;
- **Great Kei Municipality**, comprising the town of Komga, the small coastal towns of Kei Mouth, Haga Haga, Morgan Bay and Cintsa, and a number of rural settlements;
- **Mnquma Municipality**, comprising the main town of Butterworth, the small towns of Ngqamakwe and Centani, numerous peri-urban and rural settlements; and
- **Mbhashe Municipality**, comprising the towns of Idutywa, Elliotdale and Willowvale, and numerous peri-urban and rural settlements.

B DEMOGRAPHIC PROFILE

1. *Population*

Population

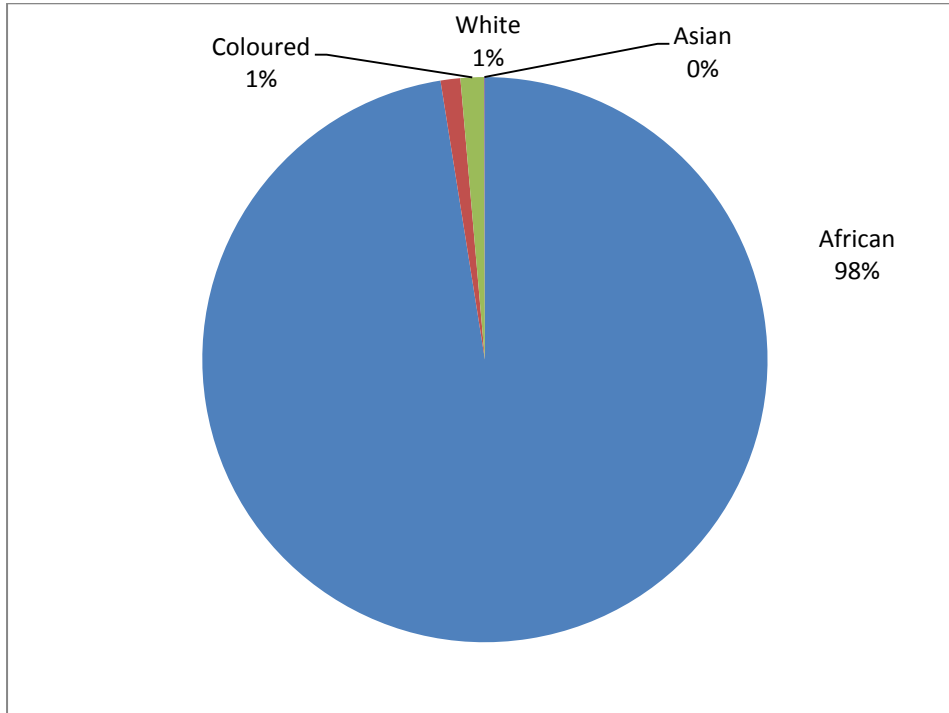
According to information from the 2011 Census, the population of the Amathole District Municipality was estimated at 892 637 in 2010. The population is unevenly distributed among the 7 Local Municipalities. The number of households was estimated at 252 252.

The majority of the Amathole District population reside Mbhashe Local Municipality (28.6%), followed by Mnquma Local Municipality (28.3%) The two Local Municipalities with the smallest percentages of the Amathole District population are Great Kei Local Municipality (4.4 %) and Nxuba Local Municipality (2.7 %)

Population distribution, ADM, 2011

Municipality	Census 2001		Census 2011	
	Population	% of total	Population	% of total
Mbhashe	263 959	27.2	254 909	28.6
Mnquma	283 667	29.3	252 390	28.3
Great Kei	44 459	4.6	38 991	4.4
Amahlathi	137 904	14.2	122 778	13.8
Ngqushwa	84 233	8.7	72 190	8.1
Nkonkobe	129 874	13.4	127 115	14.2
Nxuba	24 824	2.6	24 264	2.7
Amathole	968 920	100	892 637	100

1.1 Population Group

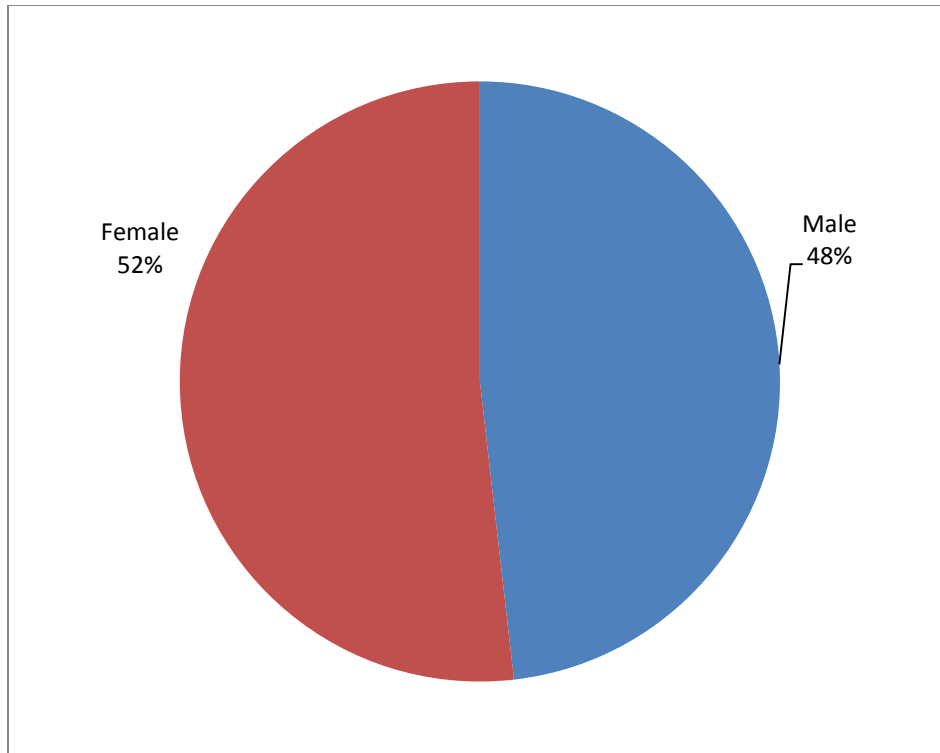


Source: Urban-Econ Eastern Cape, 2011

The ADM is made up predominately by Black South Africans (97.6%), this is followed by White South Africans (0.9%) then Coloureds (1.4%) and finally Indian or Asians (0.1%).

1.2 Population Characteristics | Population by Gender.

The population's sexual distribution reflects the following composition;



Source *Urban-Econ Eastern Cape, 2011*

The ADM's population is predominantly female dominated with males constituting 48% of the population as shown in the pyramid below. 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. The other fact is in society at large, there are more women-headed-households than the contrary owing to various human circumstances, thus the argument of women empowerment need to be started and intensified.

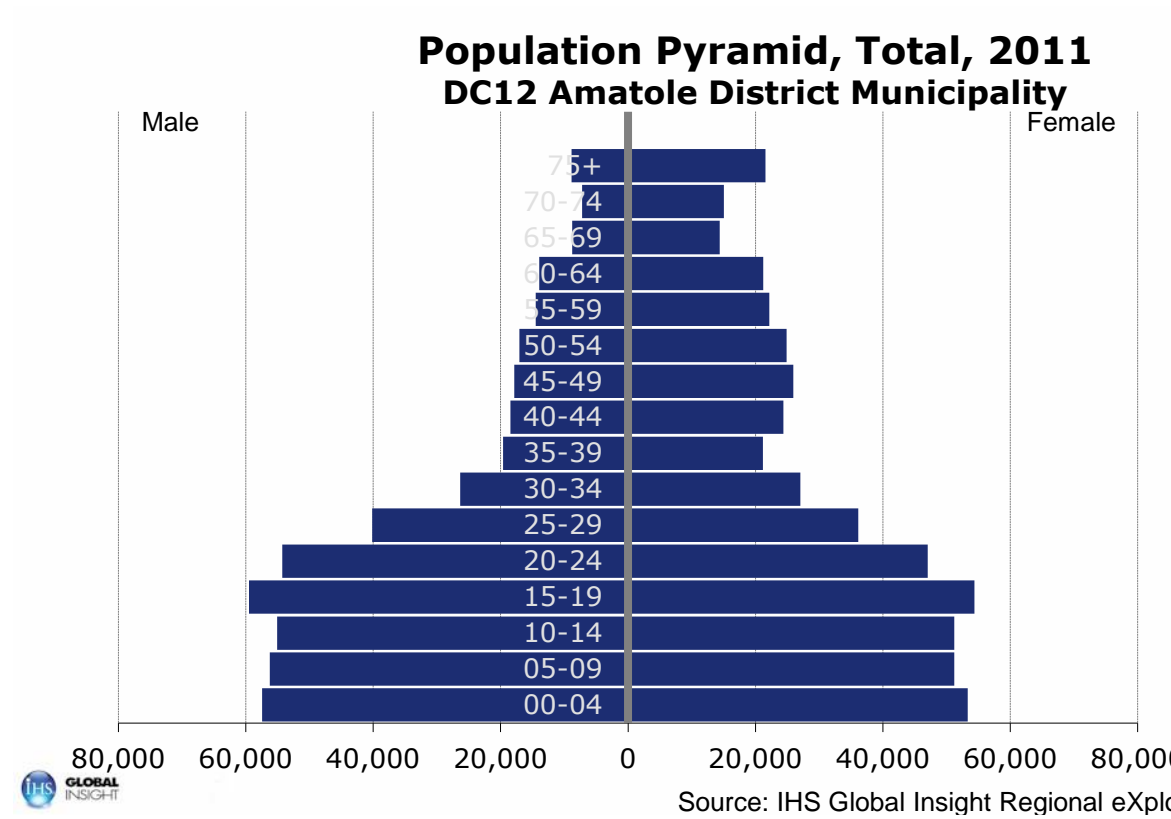
Such empowerment, when properly conceived and implemented will also curb population growth, which is perceived as an outcome of women's lack of economic opportunities. If women's health, education and economic well-being are improved along with their role and status in the community, the empowerment of women will inevitably lead to smaller families and lower or manageable population growth.

1.3 Population Characteristics | Population by Age.

The Amatole DM currently has a population of children from age 0-14 constituting 34% while it has a teen and early adult-hood population of age group between 15 – 24 constituting 23% of the total population in all its demographic forms. The working population of age group between 25 – 64 constitutes 36% whilst the older population of 65 and above constitutes 7% of the population.

The current age profile implies that the active labour-force (25-64) which constitutes 36% of the population has to work and support 64% of the population as the age group of 0-14, age group 15-25 and age group of 65 and above are an economically dependent burden in the sense that

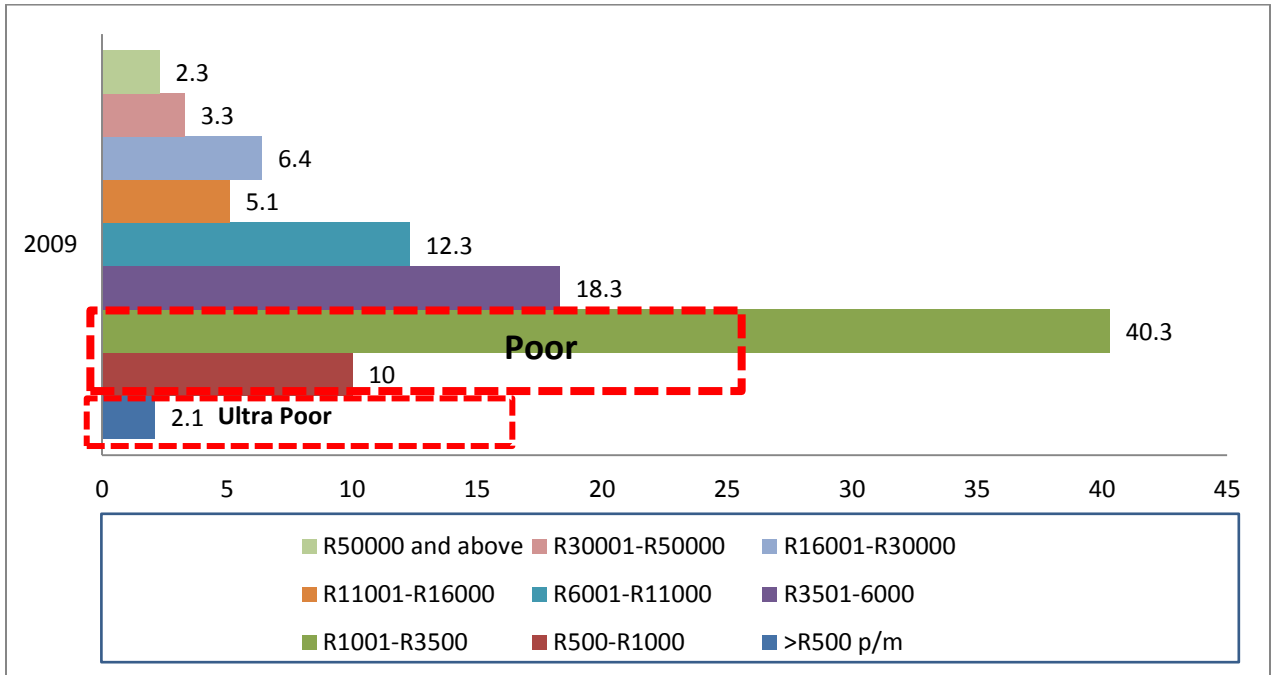
they are non-productive members of the society and must be supported by the economically active labour force and the state in the case of old age grant earners.



2. Labour-force Income and Wages.

The income and wages considerations are vital to understanding the standard of living within the entire ADM. As alluded in the introduction to this document, improving the standard of living should be one of the primary objectives of in the process of re-positioning the ADM’s economic spectrum.

2.1. Distribution of Households by Income.



The household distribution per income group indicates that the income levels of most households were between **R500** and **R3 500 per month**. About 2.1% of the ADM’s population earns a monthly income of less than R500 a month. Using the **Poverty Line of R174 per month**, which is an equivalent to **US\$2 a day**, this income group is considered “**Ultra Poor**”. About 50.3% of the population earn between R500 and not more than R3500 a month. Whilst this earning category has largely been concentrated, the majority of the workers in this income category cannot afford most of the basic services and are thus referred to as the “**Working Poor**” as their monthly income does not stimulate demand.

2.3. People Living in Poverty.

The district saw a rise in the number of people living in poverty between 1995 and 2005, before it fell to 48.8 percent of the total population in 2009. Despite this decrease, more than half of the population is still categorized as poor in the second-largest economy in the province.

	National	Eastern Cape	Amathole
1996	40.60%	54.10%	60.90%
2000	46.50%	58.60%	64.80%
2005	45.70%	56.30%	61.40%
2010	39.70%	49.50%	52.30%
2011	37.70%	46.80%	48.80%

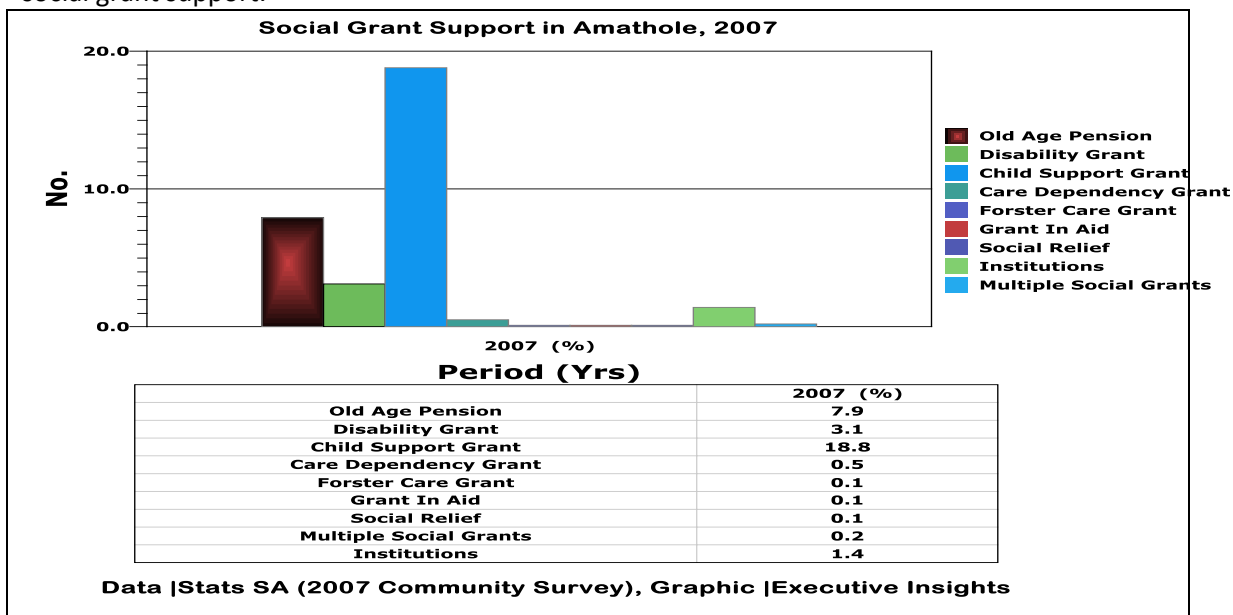
Source : Global Insight

The total population living in poverty was seating at **48%** of the estimate population, with Black Africans counting for 53% and Coloureds at 1%. The poverty levels have decreased by 1% from 2009 and 2% from 2008 for both races. The level of poverty within the ADM is in keeping with

its human development index and dependency ratio. With half of the population at 54% in 2010 living in poverty, the poverty level is considered widespread. The current level of poverty together with the HDI implies that a big percentage of the ADM population has no access to credit, are unable to finance their children’s education and use child support grant as a source of income. These factors also contribute to a lower per capita growth because of the income disparities. The high poverty rate if it remains unabated will result into aggravated levels of poor health, child malnutrition and lower levels of education. These factors will jointly lower economic productivity and result in a slow growth economy.

2.4. Social Grant’s Dependency.

Social grant dependence is higher in Amathole (66%) than the average for the Eastern Cape (64%) as a whole. Only Nxuba (59%) falls below the district and provincial averages with the remaining local municipalities recording 2/3 and more of households which depend on at least one social grant. The numbers of people who receive social grants give an indication of the number of people who earn a household income below a certain level and therefore qualify for social grant support.



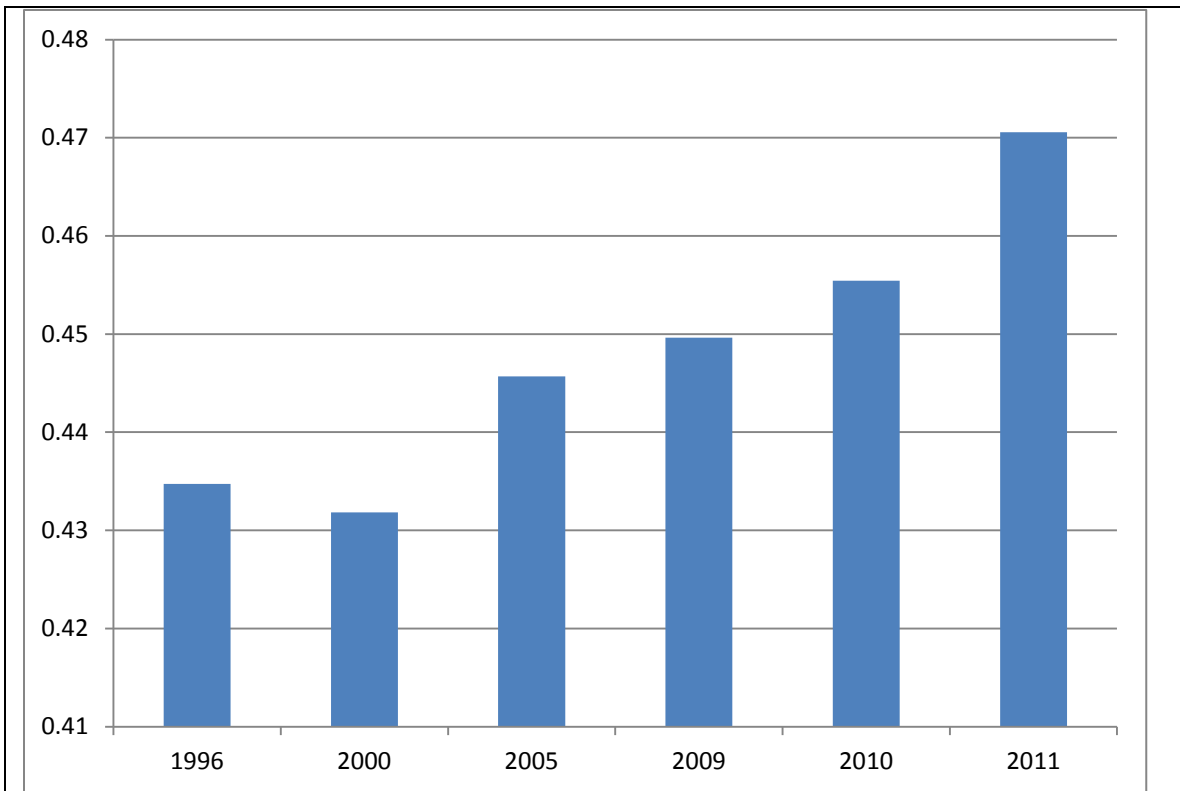
Child support grants are by far the most common type of social grant support received by ADM residents (18.8%), followed by Old Age Pension at 7.9%. With 32% of the ADM’s population being children under the age of 14 and currently on child support grant, this again alludes to a high dependency ratio in the region with a negative financial impact on the economically active population.

2.5. 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;

- 1) Longevity as measured by life expectancy at birth;
- 2) Knowledge as measured by a weighted average of adult literacy and means of schooling;
- 3) 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. The HDI in Amathole increased from **0.48** in 1995 to **0.53** in 2005, and remained constant at **0.53** until 2009, which is a medium HDI by international standards.



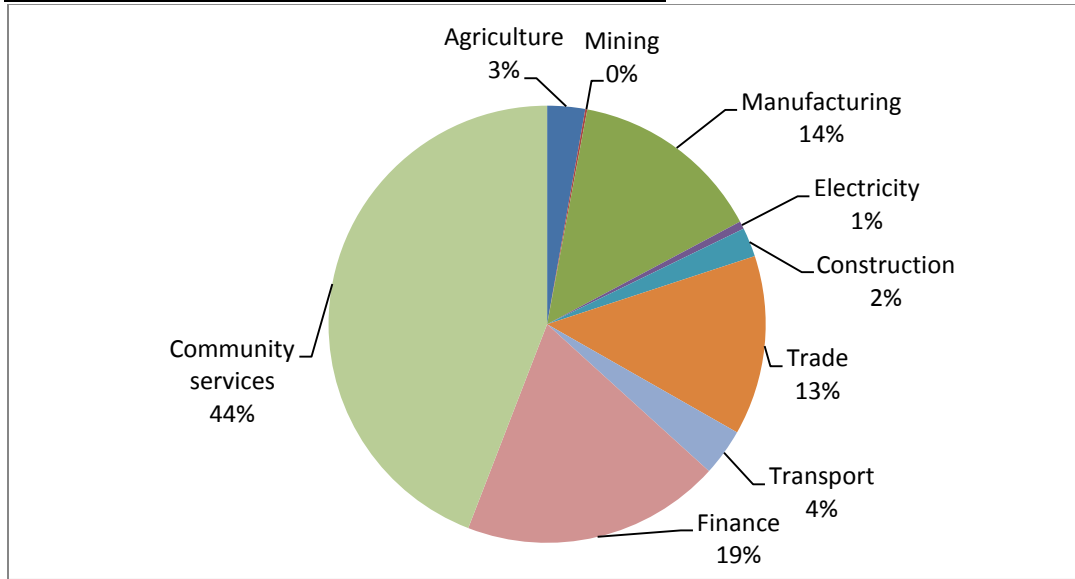
There has been a gradual improvement in the quality of life of the people of ADM over the years. The Human Development Index which is an indicator of development as used by the United Nations measures the aspects of education, longevity and income. For the quality of life to be acceptable the HDI needs to measure above 0.50. For the ADM area, there has been an improvement over the years as already alluded to, and based on the trend, it is possible that the 0.50 mark which is regarded as an acceptable level of development will be attained in the near future.

C ECONOMIC OVERVIEW

ADM has 3rd largest economy in the province after the Nelson Mandela Metropolitan Municipality and Buffalo City Metropolitan Municipality, contributing 12 percent to the provincial economy. Whilst Buffalo City Metropolitan Municipality is no longer part of the Amathole District Municipality economy, it remains the regional economic hub. The major towns in the ADM are now Butterworth, Idutywa, Peddie, Alice and Stutterheim. Economic activity is concentrated mainly within the Central Business Districts of these major towns. These towns also function as centres of economic activity for surrounding areas and smaller towns, with manufacturing, trade, finance and community services sectors dominating the district's economy. As a result of its central location in the province, the Amathole District has good economic links with neighbouring districts.

Outside of these towns, the rest of Amathole is mainly contrasted with an extremely poor rural economy in former homeland areas. An unemployment rate of 45% was recorded in the area in 2010 and 55 percent of the population in the district were estimated to be living below the minimum living level threshold. High levels of poverty and inequality exist especially in the eastern part of the district. There is a substantial need for investment in social and economic infrastructure throughout the district, but especially in the former homeland areas.

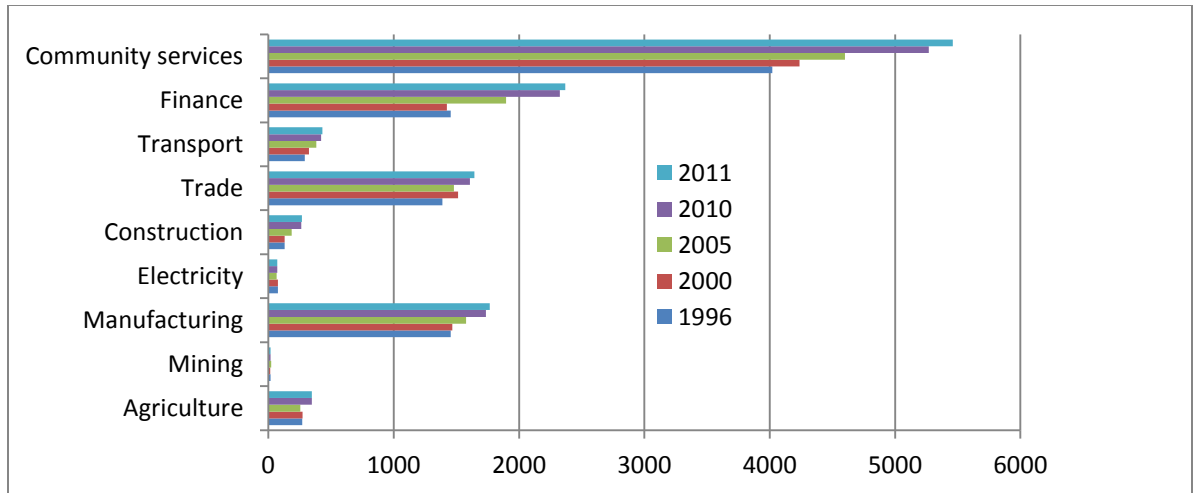
Sectoral production structure of the ADM economy, in 2011



Source: Global Insight

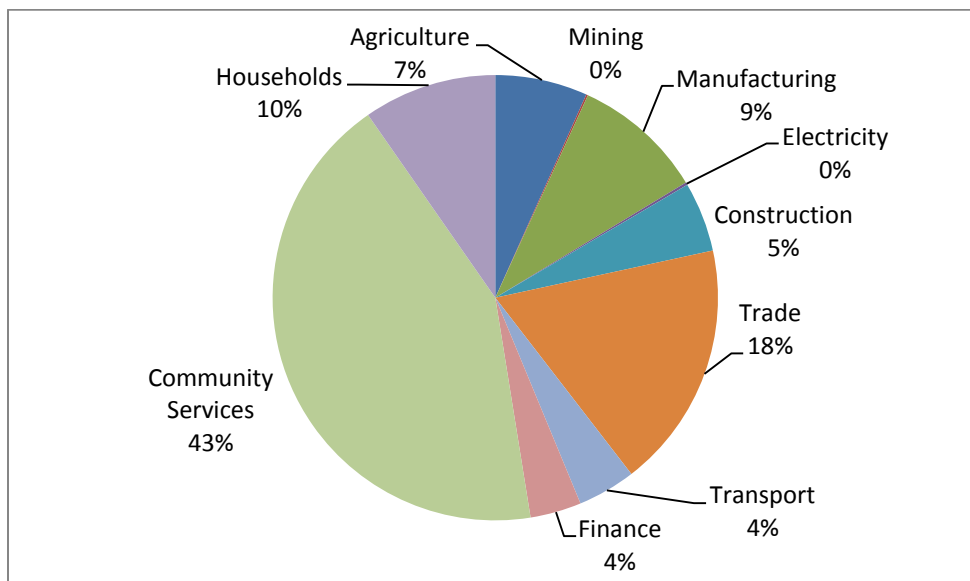
- The economy of ADM is dominated by the community services sector which contributed 44% to the GGP of ADM in 2011. This sector is also the major employer in the District as it accounted for 43% of all jobs in 2011.
- The second most important sector is the finance and business services sector which contributed 19% to the GGP of in 2011. However this sector is not labour intensive as it contributed only 4 % of the formal jobs in the District in 2011.
- The third most important contributor to the GGP of the Amathole District is the manufacturing sector, which accounted for 14% of ADM’s GGP in 2011. This sector is also a major employer as it contributed 23% of ADM formal jobs in 2010
- The contribution of the agriculture as well as mining sectors has been very minimal in the period from 1996 to 2010.

Sectoral Production Structure of the ADM 2011



Source : Global Insight

Sectoral Contribution to jobs in Amathole 2011



Source: Global Insight

D. ANALYSIS OF TRENDS IN THE VARIOUS SECTORS.

Agriculture

- 1) The land use patterns and land ownership in ADM are diverse. The latter varies from communal land ownership, particularly in the former homelands, to private commercial land ownership.
- 2) Agriculture in most parts of the ADM has not yet developed beyond subsistence because of constraints facing agriculture in rural areas.
- 3) The prospects of agriculture currently look dim because of the lack of inputs, resources and a lack of interest from the youth.

Mining

- 1) The mining sector is the lowest performing sector in the ADM
- 2) Furthermore the sector has been struggling over the past 9 years, suffering a continuous downward trend.
- 3) As a result of its small share in the ADM economy, the mining sector has no meaningful impact on overall growth.
- 4) The mining sectors employment trend is consistent with its decreasing low performance output trend as it accounted for 0.1 percent of total employment in the district in 2011

Manufacturing

- 1) From 1995 to 2008, production growth in manufacturing has been consistently been escalating, even though it started decreasing from 2009 to 2011
- 2) Improvement in the sector mainly has to do with the shift to hi-tech sub sectors.
- 3) The sector contributes about (9 percent) of the district's employment

Utilities (Electricity and Water)

- 1) The utilities sector is the second smallest contributor to the ADM economy.
- 2) This sectors contribution to employment in ADM has averaged around 0.4 percent in the period from 1996 to 2010

Construction

- 1) The construction sector has shown positive growth over the past 10 years
- 2) Success is attributed by an increase in both public infrastructure investment and private property development.
- 3) Currently the sector contributes 2 percent to GGP output.
- 4) This sector currently accounts for 5 percent of the formal jobs at ADM.

Trade

- 1) This sector has produced a firm increase in production over the past decade.
- 2) It is however only the 4th largest contributor to ADM,s GGP
- 3) Employment in the sector has experienced a positive increase, contributing about 18 percent of all the jobs in 2011

Transport and Communications

- 1) This sector currently contributes 6 percent of GGP of the ADM.
- 2) This sector currently contributes about 4 percent to formal employment of the district.

Finance and Business Services

- 1) As the second largest contributor to GGP, the sector has shown increasingly positive growth in the period from 1996 to 2011
- 2) Currently this sector contributes 19% to the GGP of the ADM economy.
- 3) This sector however only contributes 4 percent of the formal jobs in the ADM. This can be attributed mainly to the intellectual as well as high tech nature of finance and business services

Community and government services

- 1) This sector has dominated the ADM economy between in the period under review from 1996 to 2010

- 2) Currently this sector contributes about 44% to the GGP of the ADM.
- 3) This sector is also the largest contributor to formal jobs in the ADM , contributing about 43 percent of the formal jobs in ADM

CHAPTER 3: STATUS QUO ASSESSMENT

KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Strategic Goal: Improve organizational cohesion and effectiveness.

Intended Outcome: Improved organizational stability and sustainability.

1.1 ORGANIZATIONAL AND ESTABLISHMENT PLAN

Section 66 of the Local Government: The Municipal Systems Act (Act No 32 of 2000) requires a Municipal Manager to, within a policy framework determined by the Municipal Council and subject to any applicable legislation, establish a mechanism to regularly evaluate the staff establishment of a Municipality and, if necessary, review the staff establishment. (Amendment requires the approval of Council).

Institutional Structure of ADM

The Institutional structure of ADM is divided into two levels, namely, Political and Administrative structures. The Administrative structure is accountable to the Political structure.

Political Structure of ADM:

The principalship of ADM lies with Council under the Chairpersonship of The Speaker and it operates a number of committees that assist in the realisation of the Council's mandates. Listed below are the committees that assist Council in carrying out its responsibilities:-

E2.1 Municipal Public Accounts Committee

E2.2 Rules Committee

E2.3 Audit Committee

E2.4 Performance Audit Committee

E2.5 District Speaker's Forum

E2.6 Committee on Public Participation

Standing Committees:

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

Other Committees

- (a) District Mayors Forum
- (b) Intergovernmental Relations Committee
- (c) Local Labour Forum
- (d) Remunerations Committee

- (e) Special Programmes Forum
- (f) Skills Development and Employment Equity Steering Committee

Administrative Structure of ADM:

The head of the administrative structure is the Municipal Manager. Municipal Manager is accountable to Executive Mayor. The Council approved the creation of the following seven departments:-

- The Municipal Managers Office and Strategic Planning and Management;
- The Engineering Services;
- The Community Services;
- The Corporate Services;
- The Budget and Treasury Office;
- The Land, Human Settlement and Economic Development;
- The Legislature and Executive Support Services

Departments and Section 56 Managers

Name of Department	Section 56 Manager	Filled/Vacant
Municipal Manager	Chris Magwangqana (Mr)	Filled
Community Services	Sizeka Taleni (Ms)	Filled
Budget & Treasury	Nkosinathi Soga (Ms)	Filled
Engineering	Mpumelelo Shezi (Mr)	Filled
Strategic Planning and Management	Ralph Links (Mr)	Filled
Land, Human Settlements and Economic Development	Mpumelelo Gaba (Mr)	Filled
Legislative & Executive Support	Linda Simanga (Ms)	Filled
Corporate Services	Lulama Taleni (Mr)	Filled

Posts Per Department in 2013/14 Financial Year

Department	A Break Down of Posts Per Department and Divisions/Sections Branch/Division/Section/Post	Total	Filled	Vacant
Municipal Manager's Office and Strategic Planning and Management	Municipal Manager	1	1	
	Office Support: Municipal Manager	4	2	2
	Division: Internal Audit	18	18	
	Strategic Manager's Office	2	2	
	Planning, Monitoring and Evaluation Services	12	7	5
	Municipal Support Unit	11	10	1
	Information Systems Management	22	16	6
Total		70	56	14
Corporate Services	Director	1	1	
	Integrated Human Resources Management	38	28	10
	Integrated Administrative Support Services	95	71	24
Total		134	100	34
Engineering Services	Director	1	1	
	Administration Support Staff	2	2	
	Division: Project Management Unit	21	18	3
	Division: Water Services Authority	15	7	8
	Division: Water Services Provision	908	800	108
	Division: Building Management & Services Planning	20	18	2
Total		967	846	121
Health & Protection Services	Director	1	1	
	Office of Director Staff	3	3	
	Senior Manager	1	1	
	Municipal Health Services	32	26	6
	Protection Services	2	2	
	Fire Fighting Services	74	50	24
	Disaster Management	15	12	3
Community Safety Services	2	2		
Total		130	97	33
Budget & Treasury Office	Chief Financial Officer	1	1	
	Admin. Support Staff	5	5	
	Budget & Treasury Office	230	181	49
Total		236	186	49
Land, Human Settlements & Economic Development	Director	1	1	
	Office of Director Support	5	4	1
	Land & Human settlements	13	11	2
	Local Economic Development	12	11	1
	Agriculture	7	7	
	Environmental Management	5	4	1
	Heritage Management	6	5	1
Tourism	7	5	2	
Total		56	48	8

Legislature and Executive Support Services	Director	1	1	
	Legislative Support Services	12	6	6
	Executive Support Services	46	31	15
Total		59	38	21
GRAND TOTAL		1652	1371	281

1.1.1 Employment Equity Plan

The current Amathole District Municipality (ADM) Employment Equity Plan was reviewed and adopted by Council in May 2011. The Plan expires on 30 June 2014. The plan seeks to achieve reasonable progress towards Employment Equity in the workforce. After the analysis of the existing employee profile of ADM it was discovered that at ADM race is no longer a problem but the main challenges are:

- Under representation of females and
- Gross under representation of people with disabilities.

As a first step towards addressing the identified problems, it was necessary for ADM to set its targets as well as time frames attached to them.

Table A: ADM Employee Profile Including people with disabilities

(Total number of employees (including employees with disabilities) in each of the following occupational levels: Note: A=Africans, C=Coloureds, I=Indians and W=Whites)

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	5	1	0	0	1	0	0	0	0	0	7
Senior management	34	2	1	4	18	0	0	5	1	1	66
Professionally qualified and experienced specialists and mid-management	49	2	1	6	55	2	0	3	0	0	18
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	121	8	1	2	116	6	3	6	1	0	118
Semi-skilled and discretionary decision making	132	3	0	1	110	1	1	1	0	0	249

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Unskilled and defined decision making	568	7	0	0	162	1	0	0	0	0	738
TOTAL PERMANENT	909	23	3	13	462	10	4	15	2	1	1442
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	909	23	3	13	462	10	4	15	2	1	1442

The table above shows that ADM had, as at 30 June 2012, 1442 employees. Three (3) of the employees are foreign nationals and they do not count for the Employment Equity. Out of the 1442, 948 which is 66% are males and 491 which is 34% are females. The breakdown per occupational level is discussed below:-

- **Top Management** [Municipal Manager & Directors] – ADM has seven (7) positions in the top management level and all positions were filled at the period under review. There are six (6) males and one (1) female. In terms of percentage, males are at 86% and females count for 14% only. This is a gross under representation of females. The problem in this level is the fact that there are very few females who apply for the positions in this level. The municipality has yet to engage in a campaign to either attract prospective women candidates or progressively to develop women employees for senior responsibilities within its ranks, if there is none ready to assume such responsibilities. During the first half of the calendar year 2012, ADM advertised six (6) positions in this level. The panel appointed to select for the positions noted in their report to Council that there was **“a very limited number of females that applied, hence only two were shortlisted”**. It is also important to mention that during the time the positions were advertised, there were 23 females who were in the senior management occupational level in the structure of ADM and only two applied.
- **Senior Management** [TASK Grade 15 and above] – ADM has 64 employees in this occupational level. The figure excludes the foreign nationals as they do not count for the employment equity. There are 41 (64%) males and 23 (36%) females. There is also some lack of applications from females when the positions in this occupational level are advertised. The gap can be closed by embarking on concentrating on females for training and the use of promotion policy to get females to the senior management positions.

- **Professionally qualified specialists and mid-management** [TG 12 – 14] – In this occupational level there are 118 employees. The males are 58 (49%) and females are 60 (51%). There are no challenges in terms of gender balancing in this level but ADM needs to maintain the existing status. This is the level out of which the promotion policy may be used to feed in to the senior management level.
- **Skilled technical and academically qualified workers, junior management** [TG 8 – 11] – In this level there are 263 employees and the ratio is 50: 50, that is 132 males and 131 females. This status also needs to be maintained.
- **Semi skilled** [TG 5 – 7] – This category has 249 employees and the split is 136 (55%) males and 113 (45%) females.
- **Unskilled** [TG 1 – 4] – This occupational level has 738 employees. The split is 575 (78%) males and 163 (22%) females. This is where the biggest problem is. This level is mainly composed of the types of duties that require physical engagement like digging trenches, carrying heavy objects etc. The challenge with this level is that females do not apply for duties that require physical engagement. This can be overcome by changing the mindset of the community. There are no longer duties for males and duties for females. All people must be encouraged to apply.

One of the main challenges highlighted above is the gross under representation of people with disabilities. The statistics of people with disabilities are illustrated in Table B below:-

Table B: Total number of employees with disabilities only in each of the following occupational levels: Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	0	0	0	0	0	0	0	0	0	1
Senior management	0	0	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2	0	0	0	0	0	0	0	0	0	2

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	1	0	0	0	0	0	1
TOTAL PERMANENT	1	0	0	1	0	0	0	0	0	0	2
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	3	0	0	1	1	0	0	0	0	0	5

During the development of the EE plan a number of barriers that may hinder ADM achieving its goals were identified as including:

- Labour turnover,
- Imminent devolution of the Municipal Health Services function,
- The good practice of placing adverts for General Assistants and Plant Operator positions in the areas where the plants are yields no female applicants. The suspicion is that these jobs are taken as male jobs given the type of work these people are doing (digging trenches). As a result the Engineering Services Department continues to increase its male staff.

Opportunities/Enables

Opportunities that were identified include the following:

1. embarking on eliminating the identified barriers,
2. consideration of giving bursaries to women and people with disabilities,
3. in service-training,
4. Implementation of the Talent Retention Strategy,
5. to integrate goals with the performance management system of all heads of department.
6. to ensure that all managers and supervisors participating in ADM selection panels are sensitive to EE issues and always discuss it in their selection sessions.

1.2. HUMAN RESOURCE DEVELOPMENT

The ADM has a Human Resources Development Unit with its primary purpose to provide accredited, quality training for both employed and unemployed candidates of ADM and Local Municipalities within its jurisdiction. This is in line with the Skills Development Act No. of 97 of 1998, Skills Development Levy Act No. 09 of 1999, South African Quality Assurance (SAQA) Act No 58 of 1995 and Employment Equity Act No 55 of 1998.

The unit co-ordinates, monitors and evaluates all skills development initiatives to ensure that they enhance Service Delivery and Corporate Governance, as well as improve financial viability of ADM and Local Municipalities within its jurisdiction, stimulate local economic development which would subsequently alleviate poverty, and being change agents for effective Municipal Transformation and Institutional Development.

In 2012/13 ADM undertook training for the entire Councillors and officials. The training programmes are aligned to applicable Legislation, Policies, Political pronouncements and IDP linkage as follows;

Councillors

- Computer Skills
- Public Participation
- Personal Finance Management
- Infrastructural Development

Officials

- 1.1. Project Management
- 1.2. Policy Development
- 1.3. Conflict Management
- 1.4. Risk Management
- 1.5. Advanced Excel
- 1.6. Contract Management
- 1.7. Asset Management
- 1.8. Construction Plumbing
- 1.9. Plumbing
- 1.10. Health and Safety
- 1.11. Events Management
- 1.12. Report Writing
- 1.13. Communication Skills
- 1.14. Municipal Finance Management
- 1.15. First Aid training
- 1.16. Venus

1.2.1 District Human Resources Development (HRD) Strategy

The Human Resource Development Strategy was developed and adopted by Council in 2010-11 in line with the HRD Strategy for South Africa 2010 -2030 as well as the Provincial HRD Strategy. The Strategy was reviewed in 2012/13 in line with the IDP review process. As part of its implementation of the District HRD Strategy in 2012/13 conducting of the “New Venture Creation” Learnership continued into 2012/13, for 10 unemployed “People With Disabilities”(PWD) from Local Municipalities within ADMs jurisdiction. An Award giving Ceremony for Mathematics was also organized for 7 schools around the Amathole District. The gesture was to encourage schools to do better in Mathematics and Physics in line with the proposals set out on the Implementation Plan of the District HRD Strategy. The schools received

trophies, certificates of achievements as well as vouchers to the value of R18 000 each. Implementation of the HRD Strategy is on-going and will continue with new programmes for 2013/14 and the years beyond.

With the development of the Strategy, the entire Municipality has been able to understand the Skills Development dynamics of the District, including the skills development landscape in the District. This understanding has enabled the District to plan relevant skills development initiatives accordingly, in order to improve on service delivery. For 2012/2013 financial year, a budget of R1m was again set aside for the continued implementation of the District HRD Strategy. Various Artisan training interventions will also be conducted for employed candidates.

As is evident above, that the strategy does not only focus at strengthening internal capacity, but it also seeks to develop and improve capacity for its community members, particularly the previously marginalised groups. In his 2011 State of the Nation Address, President Jacob Zuma unveiled government's plans to intensify job creation initiatives. All spheres of government were requested to align their programmes with the job creation imperatives. Due to its rural nature, ADM is faced with challenges of high poverty and unemployment rates and views skills development as imperative to stimulate local economic development which would subsequently alleviate poverty and address unemployment needs.

Although ADM already embarked on a number of initiatives and programmes aimed at mitigating skills shortages within our area of jurisdiction, the Institution has realised that this is done in a fragmented fashion. This HRD Strategy will be used as tool to better coordinate, align and integrate human resources development initiatives that are already taking place at ADM. An In –House review was done in 2012/13 financial year, mainly in the light that Buffalo City Municipality acquired the status of being a Metro, and that has affected the demographics of the District. The review is meant to keep abreast with government's developments in the human resources development area.

a) Workplace Skills Plan (WSP)

According to the Government Gazette of June 2005, all employers are expected to submit their Workplace Skills Plans to their respective SETAs by the 30 June of each financial year. The approved Workplace Skills Plan for the financial year 2013/2014 was signed off by management, Portfolio Councillor and the Union, and it also reflects all the training programmes that were identified by the departments for both Councillors and employees, and the document was submitted to the Local Government SETA within the stipulated period. Currently Corporate Services is implementing the training identified in the plan.

b) Local Economic Development Learnership (NQF4)

This programme was identified in line with the implementation the approved District HRD Strategy for 2013/2014. A Service Provider was appointed in September 2013 for implementation and coordination programme for ADM. Fifteen candidates will be selected from the local municipalities with the assistance of the Skills Development Facilitators from the local municipalities. Classes will commence in November 2013.

c) Training of Officials and Councillors

Training is currently being conducted in line with the Council approved Workplace Skills Plan as well as the Annual Training Programme. An allocated budget with a total amount of R2800 000

was earmarked for training in 2013/14, and is currently being utilized for both Councillors and Officials. A sum of R1000 000 was allocated for Councillor Training and R1 800 000 was allocated for Officials for the 2013/14 financial year.

d) DWAF "ONCE OFF" Training

A graduation ceremony for twelve Process Controllers who attended DWAF "Once Off" Training was held in March 2013 at the International Convention Centre in East London.

All planned training interventions were conducted for ex - DWAF employees. Funds allocated were fully utilized. ADM did put together proposals for more funding from DWAF that will enable the Institution to train in line with legislation requirements

e) Internship Programme

Nine candidates are currently participating in the internship programme, 5 of the candidates are participating in the Municipal Finance Management Internship Programme which is funded by National Treasury and 4 candidates are participating in the Local Government Seta funded internship programme

All planned training interventions were conducted for ex - DWAF employees. Funds allocated were fully utilized. ADM did put together proposals for more funding from DWAF that will enable the Institution to train in line with legislation requirements

f) Experiential Training

A total number of 19 candidates were exposed to the world of work in the last financial year and 9 learners from various institutions are currently participating in the ADM's experiential learning programme.

g) Bursary on Rare Skills

Seven students from disadvantaged backgrounds are currently receiving assistance through this programme which is coordinated by HRD Unit, four of the seven are currently doing first year whilst the others are doing second year. One is currently undertaking experiential Learning at ADM.

h) Adult Education and Training (AET)

This programme was previously known as Adult Basic Education and Training (ABET). All Local Municipalities were encouraged to take part in this Programme at ADM. The rate of attendance is currently at 97%. During the Financial year 2012/2013 94 employees participated in the programme and we currently have 90 participants.

i) Minimum Competency Level Training

In order to meet the requirements of National Treasury as stipulated in the Gazette 29967, 4 managers are currently participating in the Municipal Finance Management Programme (MFMP) which is conducted by the Nelson Mandela Metro University, and 7 Managers are currently enrolled for the same programme with Univ. of Fort Hare. 4 Managers completed the programme with Univ. of Pretoria and 2 IDP/PMS professionals who were initially Interns completed with Wits Univ. 14 candidates with Fort Hare University were enrolled for the

programme during the second quarter, 2011/2012 until October 2012. During the Financial year 2012/2013 funding was received for 15 candidates enrolled with Kgolo Institute who commenced with the programme in July 2012 and are expected to complete the programme during the month of October 2013, and an additional 14 candidates also enrolled with Kgolo Institute were funded during 2012/2013 and are currently engaged in the programme until November 2013.

j) Employee Study Assistance Scheme

The department is currently co-ordinating a Study Assistance Programme. 249 employees are currently recipients of Study Assistance through the programme.

1.2.2 Human Resources (HR) Strategy

The development of HR Strategy and its implementation plan is a requisite of the IDP. The Strategy serves as a framework and guide to HR functions. The development and implementation of the HR Strategy will create an enabling environment that will assist towards improving service delivery. There will be future financial need for the implementation of HR Strategy imperatives.

1.3 RECRUITMENT AND SELECTION

The objective of the Recruitment and Selection Unit is to provide staff through the implementation of the Recruitment and Selection as well as the Promotion and Transfer policies. The unit is also responsible for compliance with the Employment Equity Act 55 of 1998.

The structure of the unit has a total eight (8) positions comprising of 1 manager, 2 Senior HR Officers, 2 Assistant HR Officers and 3 Senior HR Clerks. The average total number of positions filled per annum is about 300.

The strengths of the unit include:-

- a) There is a fully functional unit in which the institution has invested.
- b) The staff is well trained to deal with issues related to staff provisioning
- c) The unit has all the tools to recruit competent staff to enhance service delivery

The weaknesses include:-

- The unit is understaffed and is unable to deal with the work overload and deliver within the set targets.
- The IT support is sometimes a problem that hinders the delivery within the targeted timeframes.
- When positions of low levels are advertised, high numbers of applications are received. The situation is exacerbated by the high rate of unemployment in the district. The unit does not have resources to deal with high volumes of applications

Challenges and Remedial Actions.

- Inability to meet the Employment Equity targets. To deal with the challenge some measures are being employed where all selection panels are encouraged to appoint

female employees. A Women Empowerment Programme has also been implemented during the current financial year.

1.4 EMPLOYEE WELLNESS & OCCUPATIONAL SAFETY

The objectives of the Employee Wellness and Occupational Safety Division are to promote health by providing the employees with ongoing education, information and communication in all health related aspects. They are also encouraged to be proactive about their health and modify their lifestyle for their own health benefits. The Division has a responsibility of ensuring a safe work environment of all the employees at work and safety during operations.

This is to comply with the Occupational Health and Safety Act 85 of 1993, Medicine and Related Substances Control Act 101 of 1965, Employment Equity Act 55 of 1998 and the Compensation of Occupational Injuries and Diseases Act 130 of 1993.

In 2012/13, Council adopted Employee Wellness strategy together with the Occupational Safety strategy. These strategies are being implemented in the current year and focusing on the following programmes:

- Employee Assistance Programme
 - The following workshops were conducted in local municipalities:
 - 1. Substance abuse;
 - 2. HIV/AIDS, TB & STIs workshops;
 - 3. Personal Financial Management workshops
 - 4. Stress management workshops
 - 5. Wellness day
 - 6. World Aids Day
- Occupational Health
 - The following tests were conducted employees exposed to chemicals:
 - 7. Lung function test
 - 8. Hepatitis A & B
- Occupational Safety
 - The following trainings were conducted:
 - 9. Occupational Health and Safety trainings
 - 10. Fire marshal training

Challenges:

- Mismanagement of personal finances has resulted in a number of employees in debts
- Lack of compliance in plants with regards to safety standards.
- Inadequate office space in ADM
- Medical boarding processes takes long time to be approved and finalised
- Inadequate transport for employees for medical surveillance
- No store room for protective clothing
- Changing SCM procedures which results in delays
- Inadequate staff

- Delayed medical boarding processes (pension companies)
- Employees working in remote areas are exposed to life threatening conditions.

1.5 ORGANISATIONAL DEVELOPMENT & JOB EVALUATION

1.5.1 Organizational Development

The objective is to provide organisational design services to ensure that ADM has the most appropriate structure and improved work processes to achieve the goals of the organization. This is done through facilitating processes, advising management and departments about the most appropriate structures to be effective at ADM. ADM is undergoing a Business Re-engineering process was appointed with the aim of developing an optimal organisational structure for ADM for the future.

Challenges

- Prioritizing proposed new positions, taking into consideration the necessity of the Satellite Model and limited financial resources.
- Implementing the new structure over a phased-in period of time.
- Identifying and prioritizing funding for potential positions which have been identified on the Macro & Micro Structure

1.5.2 Job Evaluation

The objective is to ensure the correct grading of the jobs of the 8 municipalities in the ADM area. This done through developing of job descriptions, and submission of these JDs to a Job Evaluation Grading Committee with the intention of grading the jobs using the TASK Job Evaluation System. The grading results are externally audited to ensure accuracy of grading outcomes.

Challenges

- **Auditing of Results** - There is no SALGA initiated structure to audit jobs graded within ADM. This causes additional financial expenses due to having to contract a service provider
- **Pay Structure**- The ongoing dispute regarding the pay structure as detailed in the Categorization and Wage Curve Agreement continues to cause uncertainty within ADM and its staff.
- **Job Descriptions** - Although the standard of the job descriptions submitted for grading are generally of a high standard, there are still inconsistencies in the quality of one job description to another. It remains a challenge to ensure that JDs submitted are of the same standard.

1.6 ADMINISTRATION

1.6.1 Auxiliary Services

As part of the support functions for the success of the Amathole District Municipality in order to fulfil its statutory functions outlined in the Municipal Structures Act, 1998, it is key that the support mechanisms outlined in the Municipal Systems Act, 2000 be put in place. Part of those support mechanisms include functions related to giving support to Council as well as other ancillary functions and giving support and aid to ADM Council.

The goal of the Auxiliary Services Section is to provide an efficient auxiliary services function to both internal and external departments by providing the following services:

a) Asset Management

The ADM has developed an Asset Management Policy as a guide to properly manage and maintain assets.

- Immovable Assets

The ADM has about 209 immovable properties of which a total of more than 110 have been transferred back to the local municipalities. This process has to be fast tracked in order to reduce entries in the ADM's Asset register as indeed ADM will have a less effective role to play in the administrative processes of these properties.

This transfer process is influenced by the assignment of powers and functions in terms of the Section 12 Notices. Various conveyancers are ensuring that this is realized in terms of the Deeds Registries Act, 1937. Further-more, in managing such assets, provisions of Section 14 of the Municipal Finance Management Act always prevail.

In the process of analysing the current status quo on assets of Council, it became clear that these are not properly secured, including personnel and councillors hence the need to develop a security plan is identified as a key factor.

- Movable Assets (Fleet)

In order for Council to function and execute its core responsibility, a requirement being a support aid in the form of fleet was identified. This is a support aid which requires both acquiring and then maintaining.

The ADM's fleet as at October 2013 comprised a total of 336 vehicles which can be categorised as follows:

TYPE OF VEHICLE	NO. OF VEHICLE
Sedans	36
Trucks	29
Microbuses	3
Fire Engines	6

TLB's	02
Bakkies	245
Trailers	8
Tractor	5
Panel Van	2

In the process of ensuring the MFMA provisions are enhanced including property management process the ADM ensures that:

- Adequate control of allocated vehicles by some departments is always enhanced in a manner that designated officials within departments also prioritize the issuing of vehicle's trip authorities, return of keys to relevant Department, submission of accurate logbooks and petrol slips.
- It became clearly evident that the appointment of a dedicated official was necessary to manage the fleet operations, as well as to implement the policy on maintenance and manage the software that monitors the local movement of the vehicles. This will assist in ensuring effective service delivery.

Challenges

- Inadequate control of permanently allocated vehicles by some departments;
- High maintenance and fuel costs on old fleet;
- High accident rates
- Shortage of Staff while Fleet is growing
- No Fleet officials in Satellite offices
- Fleet Management System (computerised)
- Competency Certificates for all new drivers

b) Office accommodation

Office accommodation is a problem that is prevalent at Amathole District Municipality. It is for this reason of office space scarcity that an Office Accommodation Committee was established comprising representatives from all other departments was established. The main objective of the committee is to look at the office space challenges, prioritise and allocate according to departmental needs.

As a result of office space shortage, ADM has leased a number of buildings around East London where some of its departments are housed. ADM also has leased offices in the local municipalities falling within its area of jurisdiction and also the same scenario is prevalent. In order to address the office space challenge, ADM is sourcing office space in Satellite offices to accommodate all departments eg at Nkonkobe and Nxuba. Department of Provincial Public Works has been approached to donate land, vacant plot to ADM for building offices in Satellite offices. ADM is now sourcing office accommodation to house ADM in East London.

Challenges

- Unavailability of office accommodation that will house all the ADM departments.
- Lack of suitable office space for rental in satellite offices.
- Lack of adequate space for ADM vehicles in satellite offices and this exposes the vehicles to theft.
- The increasing number of new appointees in relation to the available office space has created congestion in some offices resulting in breaches of the Occupational Health and Safety Act Provisions
- Accessibility to ADM offices for the physically challenged is compromised and could lead to penalties from the Labour Department.

c) Security Services

ADM is providing security for both its Staff and Assets twenty four hours. Currently ADM is demarcated to three regions viz Eastern Region allocated to Eastern Guard security, Western Region allocated to Xhobani Security Services and Central Region allocated to Chippa Investment Holdings. This provision is made in the form of armed responses and security guards. Currently ADM is sitting with a compliment of 159 Guards from a number of 142 Guards during the last financial year and managing 75 sites.

d) Fencing

The following Water Work Stations need to be prioritized in terms of fencing, whether this is a O&M or CS responsibility viz. Seymour Water Treatment Works, Cintsa Water Treatment Works, Butterworth Water Treatment Works, Willowvale Water Treatment Works and Elliotdale Water Treatment Works. Remember all these are drinking water facilities of which the results could be catastrophic. Future Budget Forecasts and Planning are the key elements.

e) Switchboard Operations

The switchboard operators currently connect internal and external staff to the relevant officials within the institution. There are currently two (2) switchboard operators manning the switchboard operators are providing a service to the entire ADM and the public. The growth of staff members increased the service that is being delivered to more people. This has led to the switchboard board being constantly busy.

1.7 LABOUR RELATIONS

ADM has a Labour Relations Unit that aims to advance economic development, social justice, labour peace and the democratization of the workplace by fulfilling the primary objects of the following Acts:

- Labour Relations Act
- Basic Conditions of Employment Act
- SALGBC Collective Agreement on Discipline and Dispute resolution

The function of the unit is to manage and maintain good relations between labour and employer. Engagements with Organised Labour take place frequently, mainly through the Local

Labour Forum (LLF). Relations between the parties can be described as cordial. Meetings of the Local Labour Forum are scheduled to convene four (4) times a year in line with the municipal calendar of Council meetings.

The municipality has developed a Labour Relations Strategy in 2013/14 financial year. This strategy will pave way for proactive Industrial Relations practices.

There had been some isolated incidents to demonstrate that the relationship needs to be enhanced and maintained. This led to a situation where a dispute arose between the parties and while this may be normal, a caring employer must be able to avert fallouts that may occur as a consequence. There is a very high success rate in arbitration cases referred against the Municipality, attesting to the correctness of management decisions taken on disciplinary matters. The institution handles roughly about twenty disciplinary matters per quarter.

Challenges

- Understaffing of the Unit, rendering it incapable of dealing with the workload in terms of quantity and quality, and possible violation of Collective Agreements;
- Reluctance of managers to chair proceedings where unpopular outcomes might result;
- Lack of clear understanding of ADM disciplinary processes by some Presiding Officers.

1.8 PERSONNEL ADMINISTRATION

ADM has a fully-fledged Personnel Administration unit that provides personnel support especially in relation to payroll and benefit administration within ADM and support to Local Municipalities under its jurisdiction.

The key functions are:

- The payment of salaries for Councillors and employees;
- The maintenance of Personnel records of Councillors and employees;
- The administration of Councillor and employee benefits;
- The provision and interpretation of conditions of service and relevant legislation.

1.9 PERFORMANCE MANAGEMENT SYSTEM

The Municipal Systems Act 32 of 2000 requires all municipalities to develop a performance management system, set targets, monitor and review performance based on indicators linked to their IDP. The Municipal Planning and Performance Management Regulations set out in detail requirements for municipal Performance Management System.

ADM has a fully-fledged Performance Management section in the Planning, Monitoring & Evaluation Unit under the Strategic Planning and Management Department. The main purpose of establishing this unit is to ensure management and coordination of performance information. Its functions are as follows:

- Development and review of the Performance Management Framework
- Development of the Service Delivery & Budget Implementation Plan
- Facilitate performance monitoring, evaluation and reporting
- Cascading of the PMS to levels below Section 57 Managers (in line with SDBIP)

1.9.1 Organizational Performance Management

ADM adopted a Performance Management Framework in 2002, in line with the 2001 Performance Regulations. The Framework was then reviewed in 2007 following the 2006 Performance Regulations. This Framework is reviewed yearly as part of the IDP review process. Chapter 7 of this document provides an overview of the monitoring and evaluation process as adopted by Council.

ADM has improved its performance management system through the use of an Electronic system called E-perform which was introduced in 2011. E-Perform acts as catalyst for the inculcation of performance management across the organisation and can be applied at all levels. However, currently it is being successfully applied at an institutional and top tier management levels. There are plans in place to cascade the system to lower levels.

The 2012/13 audit revealed that there were no material findings concerning the usefulness and reliability of the performance information in the annual performance report. This is great achievement that we intend to keep up as we are moving towards a clean audit in 2014/15 financial year.

1.9.2 Individual Performance Management

According to PMS Framework, all municipalities are required to cascade Performance Management to all levels of employees in the municipality. This will ensure that all employees below the Section 57 managers are also held accountable for performance. An Employee Performance Management Policy was adopted in 2011 and reviewed in 2013.

ADM is currently cascading Performance Management System to all levels below the s57 Managers, using the following tools as means of planning, monitoring, review and reporting individual performance:

- Accountability Agreements, Performance Plans, Personal Development Plans (Task Grade 11-20)
- Performance Promises, Action Plans and Personal Development Plans (Task Grade 1-10).

Accountability Agreements and Performance Promises are currently being implemented in a manner that ensures the creation of an interface between Service Delivery and

Budget Implementation Plan and individual performance. Individual performance reviews are conducted at the end of each quarter. Annual assessment to determine who should get the performance rewards are conducted at the end of the fourth quarter.

However, the following challenges continue to hinder the progress with regard to implementation of Individual Performance Management System within ADM:

- Non co-operation of some supervisors in the implementation of the system
- The value of the performance rewards that are approved are perceived by many employees to be of a very low standard, as a result, it does not motivate or encourage them to perform beyond the set standards
- Low morale of staff
- Inaccessibility of some of employees to computers especially those in Satellite offices has a negative impact in the implementation of the system because in designing/developing the performance/action plans computers are utilised
- Limited capacity in District on PMS function
- Absence of uniform electronic PMS in LM's
- Minimal quality checking of information

1.10 INFORMATION AND COMMUNICATION TECHNOLOGY

ADM established an Information Management Unit with the main objective to manage the planning, development, evaluation, coordination, implementation and maintenance of enterprise wide Information Technology (IT) system initiatives that support organisation in meeting its strategic objectives and goals in service delivery. The unit must ensure the alignment is achieved between the IT initiatives (which is IT Strategy) and business strategy (that is the IDP – Integrated Development Plan). The unit is responsible to build and maintain the network infrastructure, data centres and business applications. In so doing the data management is inherent together with systems analysis as major functions. Then the governance in terms of legislative compliance and decision making is of high importance in managing IT services with security management of the infrastructure. The other responsibility is the development, implementation and coordination of Disaster Recovery and Business Continuity. Then the responsibility of supporting local municipalities as legislated and in our business model coordinated by the Municipal Unit then implemented by the line departments/ business units.

Infrastructure

The network infrastructure internally is of sound quality and standard. It connects all head office blocks around the East London main town via Virtual Private Network (VPN) which is currently being upgraded to meet the requirements as stipulated by the business to operate and run the

business systems/applications. The VPN extends to the 7 satellite offices in each main town of the local municipalities under its jurisdiction. The other remote areas beyond these main towns are connected via ADSL including the Water Schemes and Treatment Works.

The major challenge is telecoms service availability to install fixed lines and ADSL in other areas where this is not attainable which resulted in other areas being covered via 3G broadband. But it suffices to indicate that there are areas where none of these services are available thus leaving those site not connected and no communication. The most sites affected are service delivery related and core function of the municipality which is water, sanitation and health. The requirement is to create connectivity in all areas.

ADM has a healthy Internet connectivity that suffices the needs and the ability to host its own website and mailing services. This has further been enhanced by a second line support and mail being hosted as backup for continuity of using emails with an external service provider. This allows ADM to receive emails if the internal systems are down. Furthermore key users have been equipped with 3G cards to access systems and emails for enhancing and improving connectivity and communication. The only issue would be balance the requirement/need, which is the users, application and devices, with the bandwidth to be available. This will require upgrading the internet bandwidth. This is mainly caused by the organisational growth in terms of personnel with access to computers and internet. The IT Master Strategic Plan (ITMSP) guides this.

Data Centres

ADM has data centres that are consolidated and virtualised to host business systems/applications. These are used across the municipality and all areas hence the network connectivity using any available technology in those areas. Currently, the institution is building a data centre as a recovery site in terms of business continuity at first level. This has been a challenge since it is costly to replicate systems and cater for redundancy from all aspects. This has posed a challenge and issue in terms of meeting governance requirements for disaster recovery and business continuity, surely implications on audits in terms of legislative and standards compliance. The financial distress of municipalities has a heavy impact since ADM is not immune to this especially being a rural municipality where poverty levels are very high. The plans guiding this are the Disaster Recovery Plan (DRP) and Enterprise Business Continuity Management Plan (BCP).

Systems

ADM has implemented systems internally and shared others with its Local Municipalities. There are requirements for reporting to National and Provincial government and hence implementation of systems is key to meet these requirements. At minimum, the following systems are implemented at for major business processes and functions:

- Financial Management System (Venus)
- District Information Management System (DIMS) {Project Management & Reporting, Performance Management, Mapping of Projects, Supply Chain Management, HR}

- Water Information Management System (EDAMS) {centralised and shared with LM's}
- Electronic Document Management System (Documentum)
- Geographic Information System (GIS – ArcGIS ESRI)
- Payroll {Human Resource} System (Payday)
- Health Information Management System (Inzekile – for environmental health practitioners)

There are core services that form the foundations of building information systems that are in place in ADM and they are listed as follows:

- Directory Service (Microsoft Active Directory)
- Electronic Mail (Microsoft Exchange)
- File Storage (Storage Area Network – EMC SAN)
- Print Servers

The business systems applications analysis was conducted and currently being concluded with a Master Systems Plan (MSP) which is a roadmap for all IT systems/applications which in turn will be the guide. Of course, the recommendations will have to be implemented and resources be allocated to achieve the desired outcome.

Support Services

ADM has implemented a call logging system to track and log calls thus establishing the IT helpdesk. The system is ITIL compliant, thus requiring proper processes to be put in place in terms of IT Service Management. This is the area that is a challenge since it requires external support and experience and resources to be allocated such as funding. This area also forms part of the IT Audit as auditors put reliance on security, logical and physical access to systems, user accounts management etc. this ensures that the systems that hold data which contributes to the Annual Financial Statement are secured, integral and reliable.

Also this area requires personnel (in the form of IT Technicians) to be available to support and fix computer and IT related problems so that users in the service delivery departments are able to perform their functions. This includes the ability to write and produce reports, to have access to systems/applications related to their functions, and being agile to respond to all IT related issues. The major challenge is having enough resources to address these problems and get to reach all sites that are connected to the network and provide support at that level. The organisation is growing and expanding. Where possible technology is required to be used for remote support and automation. Furthermore with regards to office automation, this areas needs focus and strategy due to the shared responsibility internally. This creates a gap in providing support fully to a point of resolution. The ITMSP is guide and its implementation will yield result with the required resources. The helpdesk system is accessible via the web and intranet and linked to emails with notifications, escalations and satisfaction surveys.

Geographic Information System (GIS)

ADM developed a 3 year GIS Strategy in 2009 which was reviewed in 2012 for another 3 years.

The major are the following:

- 4 Land Audit – this covers the entire district using Deeds data with ownership and land parcels.

- 5 Social/Local facilities/amenities – this project captured all facilities within the district including schools, community halls, clinics, heritage sites, churches, shops, etc. of course the maintenance of this data is posing a challenge.
- 6 Water Infrastructure integration – capturing and integrating the corporate GIS system with the Water Information management Systems since it holds the infrastructure assets. The challenge is maintenance and updating of new water infrastructure and assets. But the major issue is the backlog in terms of the assets transferred from the local municipalities and Department of Water Affairs.
- 7 Cadastral – verification of ERF as allocated by the Surveyor General for surveyed land parcels and divisions approved.
- 8 Land Use Management System – integration to the corporate GIS and updates from the local municipalities. The major challenge is to complete and be consistent in flow of information thus requiring a business process mapping exercise with a require for all role players involved in managing land parcels and ervens.
- 9 GIS Shared Services established for local municipalities due to the lack of GIS skills at local municipality level. Of course the benefit being the ability to continue with the GIS service and maintenance of the systems deployed in each local municipality as ADM installed a GIS server for each municipality in its jurisdiction.

2014/15 KEY ISSUES TEMPLATE – ALL KPA's

KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

KPA	KEY ISSUE (core problem)	CAUSES	EFFECTS	DEPARTMENTS AFFECTED	INTERVENTION (remedial action)
MTI	Poor implementation of green agenda	Lack of guiding Framework Lack of institutional mainstreaming	- Excessive expenditure -Delays in service delivery (Late delivery of agendas) Consume lot of office space	All Departments	Develop guiding Framework for the Green Agenda
MTI	Poor monitoring and evaluation of programmes	<ul style="list-style-type: none"> • New targets being identified annually ignoring the targets of the 5 year IDP <ul style="list-style-type: none"> • No impact assessment and evaluation of service delivery programmes • Unreliable baseline information 	Minimum effect on service delivery	Strategic Planning and Management All Departments	(a) Conduct impact assessment studies every 2 years (b) Conduct community satisfaction survey (c) Develop guidelines for monitoring and evaluation (eg. During MM's and Sec 56/57 managers reviews)
MTI	Inadequate monitoring of contracts	Inadequate management of contracts	Poor services from service providers	IT/Strategic Planning and Management MM's Corporate Services BTO	<ul style="list-style-type: none"> • Improve on contract management and monitoring • Role clarification
MTI	Poor monitoring of water schemes, asset maintenance and	(d) Absence of a system or reporting framework to measure and report on	(g) Inability to meet legislated service standards (25 litres	Engineering	(k) Compile system / reporting framework to measure and report on scheme

	response time	<p>scheme functionality</p> <p>(e) Continuity of water supply is not monitored and reported on.</p> <p>(f) Less reliable systems & higher maintenance costs</p>	<p>per person per day)</p> <p>(h) Unaccountable service interruptions of greater than 48 hours</p> <p>(i) Inability to report on “reportable incidents” to Department of Water Affairs</p> <p>(j) Limited preventive maintenance</p>		<p>functionality</p> <p>(l) Develop mechanism / programme to monitor and report scheme functionality to include formalisation / use of CBO and fostering working relationship with LMs</p> <p>(m) Develop system and reporting framework to monitor and report on response times to attend to incidents</p> <p>(n) Procure / implement computerised maintenance system</p>
MTI	Inadequate provision of the MHS within the District/Its operational	<ul style="list-style-type: none"> • Minimum Environmental Health Practitioner (1:10 000) 	<ul style="list-style-type: none"> • Non compliance with National Health Act 	Community Services	<ul style="list-style-type: none"> • Provision of office accommodation in the new Satellite Model • Lift moratorium in a phased approach while keeping the placement policy in place towards the establishment of a fully fledged MHS

					unit
MTI	Inadequate provision of Fire Services	<ul style="list-style-type: none"> • Staff shortage • No communication system • 3 LMs not providing adequate fire services • Absence of Emergency Services Management System 	<ul style="list-style-type: none"> • Turnaround for response is too long • Non compliance with legislation • Difficulty in accessing required information 	Community Services	<ul style="list-style-type: none"> • Lobby the MEC for funding and transfer of fire services function to the DM for the seven LMs • Develop Emergency Services Management System
MTI	Lack of plans, policies and by-laws -LMs	▪	▪		<ul style="list-style-type: none"> ▪ Define clearly the kind of support that the District should provide to LM's ▪

KPA 2: SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

Strategic Goal: Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance.

Intended outcome: Sustainable delivery of improved services to all households.

2.1 WATER SERVICES

Amathole District Municipality became a Water Services Authority (WSA) in 2003 and a Water Services Provider (WSP) to the ADM district 2006. ADM completed its Section 78 process in 2006 and as a result has over the past eight years been building its capacity to manage the water services provider function as efficiently and effectively as possible. ADM adopted a Water Services Development Plan (WSDP) in 2006 and is reviewed yearly in line with the IDP review process.

In 2008 the ADM entered into a Bulk Service Support Contract with the Amatola Water Board for most of its Water and Wastewater Treatment Works within its area of jurisdiction. A decision was taken by Council not to further renew this contract when it expires on 30 June 2014. However, Amatola Water Board consequently began withdrawing its support services on 1 November 2013.

The severe drought during 2008 through to end of 2010, old infrastructure, funding constraints, high water loss and low levels of revenue collection have been constant challenges that the WSP Division has faced in trying to meet its objectives.

In this regard it has been decided that the goals and objectives of the Water Services divisions should centre around Key Performance Indicators (KPI's) that the Department of Water Affairs has developed as part of its Regulator Performance Monitoring System (RPMS). The RPMS framework will also be used as an outline for developing Water Services reports, in an attempt to improve the quality of monthly and quarterly reports, which has been identified as an area for improvement in the Water Services Division.

- **Access to water supply**

Water supply is defined as:

“The infrastructure necessary to supply 25 litres of potable water per person per day supplied within 200 metres of a household and with a minimum flow of 10 litres per minute (in the case of communal water points) or 6 000 litres of potable water supplied per formal connection per month (in the case of yard or house connections).”

Table 1 Access to Potable Water Supply

Total no. of households in ADM	Total no. of households in ADM with access to water	Total no. of households in ADM without access to water supply (backlog)
239 490	198 190	41 300

Over such an extensive district it is difficult to monitor the reliability of each water supply system and in this regard ADM will systematically roll out a **Telemetry system** in order to remotely monitor each water system. This will enable ADM officials to remotely monitor reservoir levels and water production.

Another critical aspect to ensuring access to water supply is to ensure all water infrastructure is in a good working condition. The recent Asset Verification Project revealed that an estimated **R 267million** is required over the next five years to repair or replace water and sanitation infrastructure assets in order to ensure that the assets are able to deliver the services they were designed to deliver in the most efficient and cost effective manner. **Refurbishment** of old and dilapidated infrastructure will therefore remain a critical objective of the ADM. Focus will be centred around the refurbishment and upgrading of Water and Waste Water Treatment Works, Dams and the replacement of old pipe networks.

Other initiatives that the ADM has embarked on to improve the reliability and sustainability of infrastructure designed to provide access to water supply include the development of Water Services Provider Business Plan, a **Ground Water Management** Plan and the development of **Dam operating rules**. The dam operating rules will need to inform a **Drought Policy**, which is yet to be developed. The ADM would also like to investigate the use of **cell phone technology** to monitor water scheme quality and reliability through the GPRS network.

Climate Change and Risk management in terms of Drought Situation

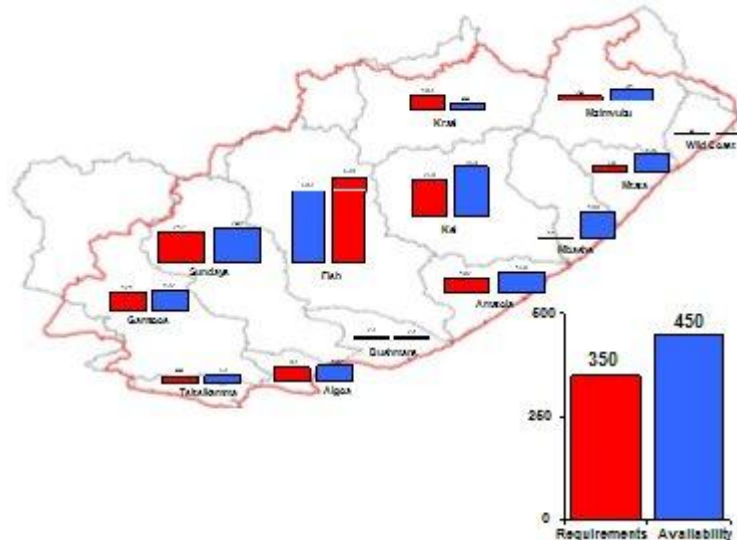
Climate change is a global concern caused by emissions of greenhouse gases into the atmosphere. South Africa is one of the greatest per capita emitters of greenhouse gases. Emissions are accounted for at the national level but the effects of climate change may be apparent at local levels, such as changes in local patterns of temperature and rainfall.

Due to the change in weather patterns and regular appearances of the El Nino phenomenon, certain areas in the District are experiencing regular periods of below-normal rainfall conditions and even serious drought conditions – in this regard special planning initiatives are required and alternative water resources need to be explored.

As it is likely that in the future there will be more frequent periods of drought caused by climate change, it is deemed wise for the ADM to invest in more sustainable and permanent drought intervention measures. In this regard the ADM has embarked on a retro-fitting project to reduce water loss and has investigated desalination and water re-use as alternative supplies for

certain areas. Re-use and desalination are however very capital intensive and implementation will depend available funding and prioritisation.

A comparison of total water required with the total water available for use provides a picture of the current or potential stress placed on water resources in the Eastern Cape. All areas, except the Kraai sub-WMA, have more water available than is currently required. This makes the Fish to Tsitsikamma and Mzimvubu to Keiskamma WMAs two of the eight WMAs in South Africa without a water deficit.



Raw Water Situation and Cross Boundary Issues

Despite urbanization and the rural development that is taking place, approximately 80% of the ADM water services backlog is located in the rural areas, especially in the local municipalities of Mnquma and Mbhashe. The ADM, OR Tambo DM and Chris Hani DM are jointly planning and implementing water service delivery to communities that share a boundary between the municipalities i.e. Intsika Yethu LM (CHDM) and Amahlathi LM (ADM) and (or) (Mbhashe –King Dalindyabo Sabata next to Elliotdale, Xhora Regional Water Supply Scheme) through a Memorandum of Agreement that will be signed between the two District Municipalities.

- **Access to free basic water supply**

Over 80% of ADM is considered indigent and therefore eligible for free basic services. Free basic water services are provided through means of a communal stand pipe within 200 meters walking distance from households. This service is found mainly, but not limited to rural areas, while indigent consumers living in towns receive a free allocation of 10kl of water per month via a normal house connection.

This issue with “free basic services” is that they are free only to the consumer, but someone still has to pay for providing the service. Payment for these services is thus received via the “equitable share” allocation. Considering the dispersed nature of the district, this grant is barely sufficient to cover the costs of providing the services required. It is therefore imperative that these services are monitored and controlled effectively. In this regard the ADM will begin dealing very strictly with **illegal connections**, by either legalising them or removing them. The

ADM is currently in the process of piloting the installation of yard connections in rural areas and following the outcomes of this project will develop a policy to regulate the installation of yard connections in rural areas across the District. The biggest challenge faced with this project is that allowing more flow, even if paid for creates two main challenges. Firstly the ADM currently does not have the capacity to bill rural consumers and secondly and more importantly rural systems were only designed to supply the free basic allocation, so allowing some customers to consume more water will prevent other users downstream receiving any water. The principle of “some for all” needs to be maintained instead of allowing the “all for some” situation to develop.

In urban areas where indigent households are fitted with house connections, consumption also needs to be controlled, possibly also through the installation of flow limiting devices, but more importantly leakage needs to be controlled. This will be done through “retro-fit” programmes where ADM will provide a subsidized repair service to indigent households with leaks beyond the meter. Households will, however, be expected to contribute something so that they understand the value of looking after the infrastructure. User education will be ongoing with the roll out of this programme.

The table below summarises current access to free basic services:

Table 4 Access to free basic services

No. of households in rural areas with access to free basic water supply:	154 192
No. of households in urban areas with access to free basic water supply:	0
No. of registered indigent households in urban areas with access to full water supply	
TOTAL No. of households receiving free basic supply	
*No. of billable households	43 998
TOTAL No. of households with access to water.	198 190

** It should be noted that there is still a reluctance for consumers to be registered as indigent and in reality many billable consumers are unable to pay for services rendered.*

▪ **Access to sanitation**

Access to sanitation can be defined as follows:

The provision of infrastructure necessary to provide a sanitation facility which is safe, reliable, private, protected from the weather and ventilated, keeps smells to the minimum, is easy to keep clean, minimises the risk of the spread of sanitation-related diseases and enables safe and appropriate treatment and/or removal of human waste and wastewater in an environmentally sound manner.

Table 2: Access to Sanitation

Total no. of households in ADM	Total no. of households in ADM with access to sanitation	Total no. of households in ADM without access to adequate sanitation (backlog)
239 490	84 444	155 046

In order to ensure the sustainability of the provision of sanitation services, ADM has developed a “**Maintenance Plan for Ventilated Improved Pit Latrines (VIP’s)**”. An aspect of ensuring access to sanitation will therefore be through the ongoing servicing of VIP latrines, while the “**retro-fit**” policy will assist in the maintenance of latrines constructed through the bucket eradication project and the **refurbishment** programme will begin to address the renewal / replacement of aging sewer networks and Waste Water Treatment Works.

- **Access to free basic sanitation**

In a similar way to water, free basic sanitation consists of VIP latrines for rural areas and full water borne service for most urban areas. Since the water borne service increases household water consumption, they ADM is currently developing a “**Free basic sanitation**” policy which will address this issue and will more than likely allow for an additional “free” allocation of water for sanitation purposes.

The ADM will also look at creating “**communal**” sanitation facilities, specifically for informal settlements where permanent structures will cause problems when the land is to be formally developed.

The table below summarises current access to free basic services:

Table 5 Access to free basic sanitation

No. of households in rural areas with access to free basic sanitation (VIP):	50 666
No. of households in urban areas with access to free basic sanitation (VIP’s):	5 911
No. of registered indigent households in urban areas with access to full water borne sewage connection	9 990
TOTAL No. of households receiving free basic sanitation	66 567
*No. of billable households with access to full water borne connection	15 556
No. of billable households with conservancy tanks	1 200
No. of consumers with own sanitation service (soakways)	1 121
TOTAL No. of households with access to sanitation.	84 444

** It should be noted that there is still a reluctance for consumers to be registered as indigent and in reality many billable consumers are unable to pay for services rendered.*

▪ **Drinking water quality management**

The ADM takes drinking water quality management seriously and will use the DWA developed “Blue Drop” System to monitor drinking water compliance. The results from the **Blue Drop** assessments are available to the public and can be accessed by logging onto the following web site: www.dwa.gov.za/dir_ws/dwqr/

ADM obtained an average of 74.62% in 2012, an improvement from 68.2% obtained for 2011 and aims to keep improving this scoring in the future. No Blue drop assessment was undertaken in 2013 and next assessment will be done during 2014. ADM has developed a Water Safety plan in order to meet Blue Drop compliance and has begun implementing the recommendations. The Drinking Water Safety Plan (DWSP) assessment outputs are as follows;

- Assess the water system
- Water quality risk assessment
- Water quality monitoring

▪ **Waste water quality management**

In a similar manner to the Blue Drop system, a “**Green Drop**” system has been developed for Waste Water Quality Management and ADM is currently working towards improving its Green Drop rating of 56% achieved during for 2011, no score was given during 2012 as the assessments will now be done every two years. The scores for the 2013 assessment had not been released at the time of the compilation of this report.

In order to improve the 2011 Green Drop rating the ADM developed a Waste Water Quality Risk Abatement Plan. ADM’s Wastewater Risk Abatement plan goals are as follows;

- Improvement in ADM’s Green Drop scores over time until achieving excellent status;
- Prioritise high risk areas and implement corrective measures in such areas where swift improvements could be achieved;
- Employ the process to advance understanding and trust between officials and political principles
- Employ the process to align and focus the WSA and WSP functions and outputs towards a common performance driven output; and
- Use the process to shift paradigms from corrective and under-resourced sanitation business to cost-effective and sustainable wastewater management.

2.1.7 Development of WSA-WSP Business Model

Local Government elections of May 2011 resulted in the Amathole District Municipality being de-Established and re-Established with new boundaries. In essence, several villages (around 15 of them) previously forming part of the Chris Hani District Municipality have now been made the responsibility of ADM for water services. In order to ensure that the ADM provides a cost effective and sustainable service of high quality to these villages and all other consumers in the ADM, a WSA-WSP Business Model Study was conducted.

Based on the recommendations of the study, the ADM will provide water services internally without the direct support of the Amatola Water Board. Details of the transition and timing of phasing out AW support are in progress.

2.1.8 Financial performance

There are two key challenges facing the ADM with respect to financial performance. These are poor cost recovery from consumers and poor operating efficiencies.

Since over 80% of ADM's consumers are considered indigent, the chance of improving cost recovery significantly is fairly small. Currently about 15 % of households are billable and of those that are billed, only 30% are paying their accounts. This is quite clearly an unsustainable situation and where possible cost recovery needs to improve. This can only happen if the metering is efficiently managed and credit strictly enforced. In this regard the ADM has been carrying out an extensive data cleansing exercise. This has included an extensive service coverage survey as well as an intensive meter installation programme. These and other identified initiatives will be used for **Revenue Enhancement** and improvement of the overall efficiency of water services function.

In order to ensure that there is continuous improvement in managing this situation it is also recommended that ADM budgets to replace its billing meters every ten years. This will amount to replacing approximately 4 000 meters per year. It is also felt that there should be continued research into different "smart" metering options which may be able to assist in limiting consumption to "free basic" amounts if consumers cannot afford to pay. Remote payment of services is also becoming more common and may also assist the ADM in managing consumer accounts.

The other major impact on financial performance is the lack of efficiency of water systems. Far too much water is lost through leaking infrastructure, both ADM infrastructure and "beyond the meter". Ongoing consumer education programmes are required to educate users about the effects of water wastage. Other initiatives required are intensive Water Conservation and Demand Management Programmes, retrofitting programmes and refurbishment programmes (mains replacement, midblock replacement).

2.1.9 Strategic asset management

Proper asset management is key to ensuring the sustainability and cost effectiveness of water and sanitation services. ADM has a **Water Management Information System** specifically to assist with asset management. The system is designed to link all job cards to specific assets, generate routine work orders / routine maintenance and produce AG compliant asset registers. The ADM is still rolling out this Water Management Information system and will require ongoing support from the developers in enhancing the functionality to suit ADM's needs, training new employees and providing advanced training.

The ADM has also adopted an Asset Management Plan which will be rolled out over the next five years. Although the implementation of this plan will be largely driven by ADM staff, the support of an expert "**asset manager**" will be required to guide the process.

- **Water Use efficiency**

Water use efficiency remains one of the biggest challenges for the ADM Water Services Divisions. High volumes of water remain unaccounted for and in order to provide a sustainable and cost effective service, it is necessary that this be urgently addressed. No one approach will solve the problem and a comprehensive approach is required. This will include:

- Water Conservation and Demand Management Projects
- Public awareness campaigns
- Proper asset management (routine maintenance)
- Refurbishment programmes
- Pipe replacement programmes
- The development of monthly water balance reporting systems for all water systems
- The roll out of zone metering (meter installation)
- The development of response mechanisms to high consumption zones
- Meter installation programmes
- Meter replacement programmes
- Meter calibration programmes
- Retro-fit programmes
- By-law enforcement (response to illegal water usage)
- Improved credit control

2.2 TRANSPORT

The National Land Transport Act 5 of 2009 assigns planning responsibilities for land transport to municipalities. This is to be executed in conjunction with other spheres of government. In terms of the powers and functions devolved by the Local Government Municipal Structures Act, 117 of 1998 as from 1 July 2005, Amathole District Municipality (ADM) is responsible for municipal public transport, which is a shared function with local municipalities in terms of services and infrastructure provision. In addition, ADM is responsible for regulation of the passenger transport services in all areas within the district, as of 1st July 2006. The ADM adopted its first Integrated Transport Plan (ITP) in June 2003 and subsequently reviewed on annual basis as part of the IDP process

According to the ITP, more than 60% of residents in the district do not have access to public transport services and or facilities within a 2km walking distance from their households. It is mainly the rural poor that are highly affected by the need for a better and more regular public transport service. Thus the ADM engaged in an initiative that seeks to close the urban-rural divide as far as public transport is concerned. These are evident in the infrastructure projects undertaken in the previous and current financial year.

Overview of Public Transport Key Issues

It has been identified in the ADM Current Public Transport Record (CPTR, 2008) that public transport in the Amathole district is dominated by taxis (mini-bus taxis, sedans and bakkies). More than 90% of passengers are transported by means of taxis, with buses serving only a small sector of the population (less than 10% of the daily local public transport users). Passenger rail

services are non-existent, except in Buffalo City Municipality and one rail service (Kei Rail) which runs between East London and Umtata through Amabele. The existing rail lines are currently used mainly for freight transport and therefore infrastructure for passengers at stations is limited and in most cases non-existent. Stations are only situated in some of the main towns, with a number of unused sidings located along the main line.

The ADM ITP together with the CPTR revealed a number of key public transport issues within the district as listed below:

Poor road infrastructure

The Amathole District, because of its rural nature and settlement patterns, is characterized by general lack of good road infrastructure, which essentially forms the backbone of any good public transport system. Access to social services and general mobility (to employment and economic opportunities) is restricted due to poor transport infrastructure and lack of suitable public transport services, particularly in remote rural areas. In many instances, missing road links prevent access to rural areas.

The poor road infrastructure results in mini-bus taxi operators restricting their services to paved roads, whilst bakkies and sedans operate most of the local routes on these gravel roads.

The National Department of Transport has initiated the Rural Transport Services and Infrastructure Grant to assist rural District Municipalities to set up rural road asset management systems and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa (RIFSA) of which ADM is one of the beneficiaries. The grant is being utilised to set up a Road Asset Management System for the ADM area in conjunction with the Provincial Department of Roads and Public Works. Almost all road infrastructure inventory has been assessed results of which are currently being consolidated. About 75% of gravel roads were found to be poor to very poor in condition while more than 75% of surface roads were to be fair to good in condition.

Use of Bakkies and Un-roadworthy vehicles as public transport

More bakkies and sedans are operated as public transport than the conventional mini buses, mainly due to the poor road condition and inaccessibility of rural areas. None of these bakkies have been converted to ensure safe transport of passengers and many are un-roadworthy, hence virtually all these vehicles are operated illegally.

The modal split per local municipality is tabled below:

Local Area	Municipal	Minibus	Sedan	Bakkie	Surveyed Vehicles
Amahlathi		60.9%	2.4%	36.7%	128
Great Kei		100.0%	0	0	16
Mbhashe		56.7%	0	43.3%	480
Mnquma		61.3%	0	38.7%	564

Ngqushwa	15.5%	13.1%	71.4%	84
Nkonkobe	42.5%	22.7%	34.8%	207
Nxuba	0%	100%	0%	34
Total (%)	53.7%	6.3%	40.0%	100.0%
Total (number)	813	95	605	1513

Lack of public transport facilities

Although the ADM has over the past few years embarked upon a process of upgrading public transport facilities, many of these are still operated informally, on-street or from vacant off-street areas. Many facilities lack basic infrastructure such as toilets, shelters, paving or formal trading facilities. Some of those deemed formal were found not to be operating and managed in an efficient manner. To address this challenge, ADM has initiated a study into the operation and management of public transport facilities. Space for these facilities also continues to be a challenge due to lack of land. Relevant land related targets have been put in place by the institution to address this challenge.

The rank facilities are tabled below:

Municipality	Town	Rank Name	Rank Type	Rank Status	No of Routes	Surface Condition	Shelter	Ablution	Action
Amahlathi	Keiskammahoe	Keiskammahoe Taxi Rank	Rank	Formal	12	Good	Average	Good	Completed
Amahlathi	Stutterheim	Stutterheim Taxi Rank	Rank	Formal	9	Good	Poor	Good	Feasibility study to upgrade completed
Great Kei	Komga	Komga Taxi Rank	Holding Area	Informal	4	Good	None	None	Feasibility study to upgrade completed
Mbhashe	Dutywa	Dutywa Public Transport Facility	Rank	Formal	5	Good	Good	Good	Currently being upgraded for phase 3
Mbhashe	Dutywa	A number of miscellaneous and informal ranks operating in Dutywa due to operating limitations at current facility							
Mbhashe	Xhora/Elliotdale	Elliotdale Taxi Rank	Rank	Formal	18	Good	None	None	Phase 1 has been completed.
Mbhashe	Xhora/Elliotdale	There are two other informal ranks operating within the town of Xhora/Elliotdale							
Mnquma	Butterworth	Blyth Street Taxi Rank	Rank	Formal	5	Good	None	Poor	
Mnquma	Butterworth	Bus Rank	Rank	Formal	1	Good	None	Average	Phase 1 completed and phase 2 which is the provision of shelters currently under construction.
Mnquma	Butterworth	A number of miscellaneous and informal ranks operating in Butterworth due to operating limitations at current facility							
Mnquma	Centane - A	Centane Taxi Rank	Rank	formal	5	Good	None	None	Phase 1, completed and phase 2 to be implemented depending on availability of funds
Mnquma	Centane - A	There are three other informal ranks operating within the town of Centane							
Mnquma	Ngqamakwe	Ngqamakwe Taxi Association Rank	Rank	Formal	11	Good	Good	Good	
Mnquma	Ngqamakwe	There are four other informal ranks operating within the town of Ngqamakwe							

Ngqushwa	Peddie	Peddie Taxi Rank (PETA)	Rank	Formal	15	Good	None	Good	Phase 2 completed, phase 3 for the provision of shelters and hawker stalls depending on funding availability.
Ngqushwa	Peddie	Peddie Taxi Rank (PETA)	Rank	Formal	4	Good	None	Good	

Nkonkobe	Middledrift	Xesi-Debe Taxi Rank	Rank	Formal	8	Good	Good	Good	
Nkonkobe	Seymour	Seymour Taxi Rank	Rank	Informal	1	None	None	Poor	
Nkonkobe	Alice - A	Victoria East Taxi Rank	Rank	Formal	6	Good	None	Good	
Nkonkobe	Alice - A	There is one other informal rank operating within the town of Alice							
Nkonkobe	Fort Beaufort	Fort Beaufort	Rank	Formal	9	Good	Good	Good	
Nxuba	Adelaide	Adelaide Taxi Rank 1	Rank	Formal	2	Good	Good	Good	
Nxuba	Adelaide	Adelaide Taxi Rank 2	There is one other informal rank operating within the town of Adelaide						
Nxuba	Bedford - A	Bedford Taxi Rank	Rank	Formal	2	Good	Good	Good	

- B1.1 Safety
- B1.2 Lack of learner transport
- B1.3 Illegal operations
- B1.4 Cost of public transport services
- B1.5 Service Coverage

1.0 Local ADM routes and associations in ADM

Local municipality	Origin	Association(s)	Intra-town routes	Inter-town routes	Routes with LDVs/sedans in use	
Mbhashe	Dutywa	Idutywa TA, Idutywa Uncedo Service TA	1	4	2	
	Elliotdale	Elliotdale TA	-	3	1	
	Willowvale	Willowvale Uncedo Service TA	1	3	2	
Mnquma	Butterworth	Butterworth TA, Butterworth Uncedo Service TA	1	7	4	
	Centane	Kentani TA, Kentani Uncedo Service TA	-	3	1	
	Ngqamakwe	Ngqamakwe TA	1	3	N/A	
Great Kei	Komga	-	-	-		
Buffalo City	East London	East London TA, East London Districts TA, Mdantsane Uncedo Service TA, Mdantsane East London and Districts TA	2	12		
	Gonubie	Mdantsane East London and Districts TA, Mdantsane East London TA	-	1		
	Mdantsane	Mdantsane East London and Districts TA, Mdantsane East London TA, Mdantsane East London TA	2	20		
	Berlin	Mdantsane East London and Districts TA, Mdantsane East London TA	-	1		
	Potsdam/Border Technikon	Mdantsane East London and Districts TA, Mdantsane East London TA	-	1		
	King William's Town	King Willam's Town Uncedo Service TA, Dimbaza and Districts TA, Bisho King TA	3	9		
	Dimbaza	Dimbaza and Districts TA	1	2		
	Bhisho	Dimbaza and Districts TA	-	3		
	Ngqushwa	Peddie	Peddie TA, Peddie Uncedo Service TA	1	4	1
	Amahlathi	Stutterheim	Stutterheim TA	1	2	2
Nkonkobe	Fort Beaufort	Fort Beaufort Uncedo Service TA	1	4	2	
	Alice	Victoria East TA	1	2	-	
	Middledrift	Xesi Debe TA	1	3	N/A	
	Keiskammahoek	Keiskammahoek TA	-	3	2	
	Seymour	Seymour Uncedo Service TA	-	5	N/A	
Nxuba	Adelaide	Adelaide Uncedo Service TA	1	3	3	
	Bedford	Bedford Uncedo Service TA	-	1	-	
TOTAL			1	76		

Source: NLTIS, OLB 2007

Passengers, although being dependent upon public transport as their only means of mobility in rural areas, generally have a negative perception of the public transport industry, mainly due to the problems listed above.

Non – Motorised Transport

Non – Motorised Transport (NMT) plays a key role in the provision of affordable, sustainable and environmentally friendly transportation systems in developing and developed countries. Major cities in many parts of the world are increasingly prioritising NMT as an alternative intervention to address congestion, over – reliance on fossil fuels and also to create an economically, environmentally sustainable and healthy environment in which all citizens live. This initiative is also in line with Climate Change mitigation interventions.

The ADM is predominantly a rural district of which walking and to a lesser extent cycling are major means of transportation for the rural communities. To enable and support walking and cycling, there is a need to continue to expand and maintain continuous networks such as sidewalks, footpaths, safe crossings, pedestrian bridges and dedicated cycle areas along lines of high demand.

2.3 SOLID WASTE

ADM is a Regional Waste Sites authority serving more than one municipality, solid waste management strategies covering the district as a whole and regulation of waste management services, under the powers and functions devolved by the Municipal Structures Act, 117 of 1998.

Amathole District Municipality adopted the reviewed Integrated Waste Management Plan (IWMP) in June 2011. The IWMP identified that more than 60% of residents in the district do not have access to solid waste services. The 60% comprises mainly rural and informal urban settlements. Challenges are experienced with technological advancements in the district, in particular local municipalities. The local municipalities remain responsible for the provision of cleansing services and local waste disposal sites.

National policy requires a 50% reduction of waste disposal by landfill by the year 2012. Subsequent to the completion of the feasibility study on sustainable recycling and composting, one transfer station has been established with a focus on waste separation and recycling in Hamburg (Ngqushwa). One transfer station is currently under construction in Mbhashe, with the one Mquma currently delayed due to land non availability. Operationalization of a recycling project is on-going in the Butterworth Regional Waste Site. ADM is also looking at plans of maximising potential of the Eastern Regional Waste site through initialisation of composting.

Having confirmed the need of a regional waste site in the Eastern Regional part of the district, this facility has since been completed. ADM has appointed an operator paving a way for the operationalization of this regional waste site. In support of this regional waste site, the ADM will also be constructing a transfer station in Mbhashe Local Municipalities. ADM is currently reviewing the feasibility study into the regionalization

of the solid waste service in the Western areas. Having revised the Waste Stakeholders Forum, ADM continues to create a platform where sharing and learning is promoted.

Overview of Key Issues

Key waste management issues that were identified are summarized as follows:

Public and Environmental Health:

The cleansing and waste disposal services within the district are inadequate though in some instances satisfactory. In terms of environmental law the general situation does not meet the requirements.

In many instances, residents have to deal with the waste themselves in a manner that is unsatisfactory. Cleansing services from municipalities is ineffective and mostly non-existent. Disposal sites are more often inadequately engineered and are not operated properly.

Institutional:

The causal effects of poor service delivery are, in the main, insufficient resources, inadequate policy guidelines, inadequate planning, inadequate management and lack of technical expertise and capacity.

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

TABLE 1: Licensed waste management facilities

Waste Site	Size	Status	Comments
<u>NKONKOBE MUNICIPALITY</u>			
Alice	C	Permit Issued	GCB-
Middledrift	C	Permit Issued	GCB-
Fort Beaufort Transfer Station		Permit issued	Transfer Station
<u>AM AHLATHI MUNICIPALITY</u>			
Stutterheim	GSB+	Permit Issued	GSB+
Carth carth	C	Licence	Transfer Station
Keiskammahoek	C	Permit Issued	GCB-
<u>NGQUSHWA MUNICIPALITY</u>			
Hamburg	C	Direction Issued	Transfer Station
Peddie	C	Direction Issued	GCB-
<u>MNQUMA MUNICIPALITY</u>			
Eastern Regional Waste Site	M	Permit Issued	GMB+
<u>MBASHE MUNICIPALITY</u>			
Elliotdale Waste Site	C	Permit Issued	GCB-
<u>GREAT KEI MUNICIPALITY</u>			

Kei Mouth	C	Licence Issued	Transfer Station
Chintsa East	C	Licence Issued	Transfer Station
<u>NXUBA MUNICIPALITY</u> Bedford	C	Permit Issued	GCB-

Local Disposal Sites

Although there are a number of waste sites that are not permitted, there are plans in place to eliminate their illegality. A feasibility study into the provision of transfer stations in Keiskamahoeek is also being undertaken through the Keiskamahoeek Restitution program. The table hereunder illustrates all the unauthorized sites in the district:

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

2.4 BUILDING SERVICES PLANNING

2.4.1 Building Regulations

The National Building Regulations and Standards Act, 103 OF 1977 present a legislative framework for the management of building activities in the country. ADM is responsible for two Local Municipalities since 2004/2005 vis Mbhashe and Nkonkobe. ADM continues to give support to other Local Municipalities as pronounced by Section 83. (3) of the Municipal Structures Act 117 of 1998. Currently, building regulations are only enforced in the established urban areas and on institutional, *farms as well as already planned sites* in rural areas due to complexity of the current rural set-up. The complexity comes in the form of land tenure as well as general level of service.

The major challenge faced by ADM in out rolling this function is lack of sharing of building plan fees by the two local municipalities with ADM. This challenge is being addressed.

2.4.2 Local Amenities

The Land Reform and Settlement Plan (LR&SP) of Amathole District has presented challenges in regeneration of rural and urban communities. The objective is integrating different land development objectives into spatial development modes. This continues to raise a need for the provision of adequate social and recreational infrastructure to support spatial goals and meet the needs of different social groups.

Enormous challenges in addressing the backlog on the social infrastructure within the district continue to be a major challenge. LR &SP is currently used as a planning tool to enable ADM and Local Municipalities to develop focused planning and implementation for both localized and regionalized social infrastructure in line with recognized land uses in our areas. ADM continues to provide social infrastructure to most of its existing low and middle income settlements utilizing mostly internal funding. The skewed nature of land uses in settlements established by the pre - 1994 era continues to pose challenges. The major challenge faced by ADM in addressing this backlog is the need to align the needs with the delegated Powers and Functions of the district.

2.5 Municipal Health Services

The Municipal Health Services Unit is entrusted in terms of the National Health Act, 2003 (Act 61 of 2003), with the following functions:

- (1) Water quality monitoring;
- (2) Food control;
- (3) Waste management
- (4) Health surveillance of premises;
- (5) Surveillance and prevention of communicable diseases, excluding immunization;
- (6) Vector Control;
- (7) Environmental Pollution control;
- (8) Disposal of the dead.

This is one of the core functions of the Amathole District Municipality (ADM) in terms of Local Government Municipal Structures Act. At present the function is awaiting ultimate process of transferring the resources that are utilised by the Provincial Department of Health both human and assets for the delivery of this service within the area of jurisdiction of Amathole District Municipality.

The following policies have been developed and adopted by Council:

- Informal Food Trading Policy
- Health Care Waste Risk Management Policy
- The Pauper Burial Policy underwent name change; namely: "Disposal of the Dead" Policy.

Major review of the following plans:

- Health Care Risk Waste Management Plan
- Communicable Diseases Prevention and Control Strategy

The Environmental Pollution Control Plan was developed and adopted. An Integrated Municipal Health Information Management System has been acquired.

Below are the listed functions currently rendered by ADM.

2.5.1. Water Quality Monitoring

Drinking Water Quality Monitoring

The purpose of the programme is to ensure that the water supplied to communities is safe for human consumption and complies with the South African National Standards (SANS 241:2006), which has been reviewed.

A water quality monitoring sub-unit was established to deal with water quality related issues, including the sampling and testing of water. Water samples are taken at the point of use, reservoirs and water treatment works monthly for microbiological analysis. Chemical analysis is done at water treatment works on a quarterly basis. There are 146 sampling sites i.e point of use, reservoirs and treatment works. These sites cover the whole Amathole District Municipality area. On-site tests are done for chlorine and turbidity.

As per the recommendations of the water safety plan on the increase of the number of sampling points, new sampling points have been identified at Mbhashe, Mnquma and Ngqushwa Municipality. The current monitoring programme is to be reviewed so that it is in line with the SANS 241:2011. Monitoring of the sampling points also includes taking samples from 4 rivers and bi-annually from 83 boreholes. A total of 1940 drinking water samples were taken from fixed drinking water sources for testing, of which 1752 complied and 188 did not comply. A total of 63 turbidity failures were reported. Non-compliance is investigated and remedial measures put in place by Engineering Services with the most common reasons being ageing infra-structure and operational problems. The level of compliance has improved since the programme started although water produced is still within Class 2

Challenges contributing to drinking water non-compliance:

- Lack of reservoir and pipeline maintenance due to cleaning schedule not being adhered to.
- Post-chlorination not being done effectively
- Low chlorine levels
- Delay in the repair of equipment e.g. broken pumps

Waste Water Monitoring

The purpose of the programme is to ensure that effluent discharged into the environment complies with the Authorisation and set Standards prescribed by the Department of Water Affairs. Samples are taken monthly from 16 waste water treatment works. A total of 227 waste water samples were taken for analysis, of which 28 samples complied with the General Authorisation Standards. A total of 39 samples were taken from rivers upstream and downstream to measure the level of pollution on the water sources as a result of effluent discharge.

Challenges that have a direct impact on the effluent compliance level and are as follows:

- Delay in the repair of equipment / machinery e.g. broken pumps , aerators etc
- Ineffective chlorination
- waste-water treatment works that are operating above their design capacity
- Operational monitoring at the waste water treatment works (WWTW) not being done at all plants

The following Waste Water Treatment Works have been approved for irrigation by DWA with conditions:

- Cintsa East irrigating
- Kei Mouth irrigating
- Seymour irrigating

A Water Safety Committee comprising of all water stakeholders convenes meetings quarterly to deal with water quality related issues.

Food Control

The purpose of the programme is to ensure that food sold to the public is fit for human consumption and complies with relevant legislation and encompasses the inspection of food handling premises, sampling and analysis of foodstuffs, milk products and milking sheds and capacitation of food handlers. A database on food handling premises is in place and is updated periodically. This database includes businesses such as supermarkets, restaurants, general dealers, spaza shops and butcheries.

A total of 1722 inspections were conducted in terms of R962 of the Food Control and Disinfectants Act.

A survey of food handling premises/establishments in the rural villages of Mbashe and Mnquma was undertaken and will be extended to all other local Municipalities.

A total of 657 food handlers were capacitated at sessions held in all local municipalities. The capacitation sessions are held in the form of workshops and on site education during inspections for both the formal and informal food handlers. Dairy farms continue to be inspected and milk samples being taken on quarterly basis. A total number of 215 milk samples were taken and the results show a gradual improvement in terms of compliance with legislation. Quarterly Food Safety Committee meetings are convened to deal with all food related issues. An Informal Food Trading policy has been developed and was adopted by Council in May 2013. The policy is currently being rolled out to the relevant stakeholders.

Challenges

- High rate of non- compliance of food premises.
- Local municipalities not having capacity to issue the business licences or trading licences.
- Difficulties to communicate with the foreigners from the businesses

Waste Monitoring

Monitoring of waste is done to ensure that all types of waste being generated is properly stored, regularly collected and transported and ultimately properly disposed. Inspection of waste disposal sites is done in towns of all seven local municipalities quarterly. The daily collection and disposal of waste is a local municipality function. Survey is also done in all towns, communities and schools to assess the process of dumping of waste. Public awareness campaigns are held once per quarter in each local municipality for communities and schools in the form of anti-litter campaigns and clean- ups.

Waste generators have been slow in familiarising themselves with the sorting and recycling of waste. Health and hygiene awareness campaigns are conducted, including possible waste recycling projects. Eight legal and illegal waste dumping sites were visited for assessment.

An audit of health care waste generators, covering the whole Amathole District Municipality area was carried out and the following challenges were highlighted:

- Lack of efficient waste collection services at local municipalities,
- no proper management in disposal sites and
- Increase in dumping of waste.

A pilot project on waste management promotion and sustainability – recycling has been launched in Fort Beaufort.30 volunteers from NkonkobeMunicipality wards for the Waste Management Promotion project have been recruited and trained.

Health Surveillance of Premises

Regular inspections of premises are carried out to prevent and abate conditions which are likely to constitute a danger to health. The main challenge identified in the premises is inadequate water supply and poorly managed sanitation facilities.

Surveillance and Prevention of Communicable Diseases

The purpose of the programme is to prevent and control environmentally induced diseases and related communicable diseases, aimed at reducing their impact on human health. A total number of 66 health and hygiene promotion awareness campaigns had been conducted and are on-going. These awareness campaigns are held with other stakeholders internally and externally.

The Participatory Hygiene and Sanitation Training (PHAST) approach is used for the effective control of communicable diseases at community level. Incidents of Typhoid and Meningococcal Meningitis were reported and investigated.

Challenges

- The process of disease notification from health facilities being delayed, resulting in cases being not investigated.

Vector Control

The vector control programme deals with the control of public health interest against pests, including the control of anthropods, molluscs, rodents and other alternative hosts of diseases. Satellite offices were inspected in all Municipalities and only Community Services Department satellite offices have yet been fumigated. Eight community garden projects (food security) were monitored on the use of pesticides and workers on the project were capacitated on the proper use of pesticides. Public awareness campaigns are being held in schools and communities on how to store chemicals in households and also how to use pesticides properly in vegetable community projects.

Challenges

- Unprotected vegetable community project workers to pesticides in rural communities

Environmental Pollution Control

Environmental pollution control is done by identifying agents capable of polluting the natural environment, their sources and implementing preventive measures. An Environmental Pollution Control sub –unit was established to deal with the environmental pollution control, waste management and vector control. An Environmental Pollution Control Plan was developed and adopted by Council in May 2013. The following key findings were identified as hazards which pose a significant high risk to the health of the communities

Air

- Informal waste combustion
- Indoor Air Pollution

Waste

- Continued growth in waste generation;

- Health care risk waste management;
- Unlicensed landfill sites;
- Burning of waste;
- Poor Leachate management;
- Industrial waste

Water

- Use of blue tanks for water storage;
- Poor blue and green drop scores;
- Illegal sand mining;
- Limited access of all to basic services
- Poor state of estuaries and beaches;
- Drought conditions
- Lack of Blue flag status assessments;
- Lack of implementation of the ADM Waste Water Risk Abatement Plan;
- Frequent sewer spills;
- Dilapidated infrastructure and
- Residual wastes from ANCA Abattoir being deposited into the Stutterheim WWTW.

Surveys are done in communities to identify any type of pollution in their surroundings areas. Monitoring of human activities that might have a negative impact to the natural environmental is also done throughout the district. Public awareness campaigns are held in schools and community centres to sensitize people about their activities that might contribute to the environmental pollution. The Environmental Pollution Control Plan is currently being rolled out to the relevant stakeholders.

Challenges

The vastness of the district limits the number of awareness campaigns that can be conducted and make a positive impact in each local municipality.

Disposal of the Dead

The purpose of the programme is to ensure that the funeral parlours comply with the requirements regarding handling of corpses.

A total of 97 funeral parlours are on the ADM database, with 56 funeral undertakers and 41 displays. Inspections are carried out periodically to ensure that premises comply with the requirements regarding transportation, handling and storage of corpses. A Disposal of the Dead Policy was reviewed and adopted by council in order to address the challenges associated with the burial of unknown and unclaimed bodies and the deceased from destitute families. Seven workshops were conducted in all municipalities to capacitate stakeholders, communities and funeral parlours on the content of the policy. 11 paupers and destitute were found and buried whilst 08 exhumations were conducted.

Challenges

- High rate of non-compliance of funeral parlours.
- Local municipalities not having capacity to issue the business licences or trading licences.

2.5.2 Community Safety

The purpose of the Community Safety function is to support crime prevention initiatives undertaken in collaboration with other stakeholders, in line with Section 15 of the Constitution of the Republic of South Africa. The Community Safety operates in terms of the National and Provincial Crime Prevention Strategies. The Special Programmes Unit supports the reduction of crime through some of their programmes such as sport against crime and activities focusing on the elder and young children.

The following programmes are undertaken:

District Community Safety Plan

The Community Safety Plan which was first developed in 2004 and reviewed annually has kept track of crime trends through the use of statistics and community surveys. The Community Safety Plan underwent a major review in 2011/2012 financial year.

Key Findings of the District Community Safety Plan:

- Murder and sexual offences have increased by 25% significantly in the Dutywa , Centane and Fort Beaufort stations.
- Lack of capacity in the development of liquor trading by-laws at LM.
- Safety issues do not appear in the LM IDP's

Local Municipality Safety Strategies

The Local Community Safety Strategies underwent a major review in 2012-2013. The annual crime statistics released in September 2012 indicates an increase in the following categories of crime: murder, rape, robbery, house-breaking and assault with intent to do grievous bodily harm [GBH]. The easy availability of liquor and other drugs has resulted in the high number of youth being involved in substance abuse. The statistics for Amathole District Municipal area is reflected below:

- A total of 469 cases of murder reported in 2013 compared to 462 cases reported in 2012
- House robberies saw a decline from 915 to 861 in 2013
- Sex related crimes – which include rape, molestation and sexual assault increase from 775 to 843 in 2013
- Assault with the intent to inflict grievous bodily harm declined from 2532 to 2411 in 2013
- Common Assault saw a decline from 956 to 934 cases in 2013
- Malicious damage to property increase from 800 to 825, while arson decreased from 96 to 93

The majority of murder cases stem from assaults linked to drug and alcohol abuse. For this to alter there needs to be some degree of change to the socio-economic conditions. Efforts to curb

the rising murder rate include a clampdown on illegal taverns and shebeens and awareness campaigns.

Three focus areas of the identified projects for 2012-2013 were implemented through capacity building workshops and crime prevention initiatives conducted.

Nine (09) Crime Prevention Initiatives were conducted in the District for the period July 2012 to March 2013 with emphasis on Crime Hotspots and youth substance abuse. Four (4) stakeholder sessions were held to improve the effectiveness of all stakeholders. The objective of the sessions was to explain the concept of Community Safety Forums and the roles and responsibilities of the members of community safety forums.

The capacitation programme also focused on the challenge of the lack of liquor trading by-laws in local municipalities and to identify what type of support ADM can provide.

A Bush clearing project was launched at the Toleni village in Mnquma.

Challenges

- The sustainability of Community Safety Forums at local municipalities due to a lack of resources and institutional capacity to coordinate community safety programmes;
- Lack of defined legislation on the role of local government in crime prevention and thus core functions are given precedence for funding.
- Lack of Integration of government programs.

2.5.3 Fire Services

The purpose of Fire Services function is to prevent the outbreak and/or spread of fire, extinguishing of fires, and protection of the life and property against fire or other threatening dangers and the rescue of life or property from fire; take measures to assist the recovery of fire fighters and the restoration of the ecosystem from the adverse impacts of wildfire and fire suppression on public land.

A Fire Risk Management plan was developed in 2010 [FRMP] and the Fire Protection Plan was incorporated into the FRMP as a chapter on fire protection and was adopted by Council in 2010/2011. The Fire Risk Management Plan underwent a major review and its situational analysis indicates that the “fuel load” [amount of vegetation affecting the potential for fires] is high in the Amathole District Municipality area and a high incidence of fires can be expected in winter 2013.

A District Fire Coordinating Forum encompassing cross border fire specialists has been established and meets quarterly for information sharing in order to strengthen the firefighting function.

The Fire Services function is composed of the following programmes

(i). Fire Compliance Inspections

Fifty three [53] compliance certificates were issued. Certain categories of businesses / traders and or categories of goods sold or used at the business premises are subject to compliance inspections. The businesses may not trade without a compliance certificate which is renewable annually. These businesses are inspected regularly to ensure compliance and thus safety. These include, garages, stores dispensing large volumes of flammable liquids, those using and dispensing large quantities of Liquid Petroleum Gas [LPG]and others, like spray booths that use high volumes of paint.

(ii) Improvement of Fire Services Coverage and Resources.

The ADM runs six [6] fire services stations. Four main stations located in Idutywa, Butterworth, Peddie and Komga and 4 satellite stations located at Chintsa, Kei Mouth, Elliotdale and Centane. Hamburg and Willowvale Satellite Fire Stations are currently under construction.

Challenges

- Delays occurred in the construction of the Willowvale Satellite Fire Station due to the project not meeting both financial and building progress targets.
- The building of a satellite station at Butterworth is being planned for the 2014-2015 and a delay is experience in the allocation of the land from Mnquma Local Municipality to ADM
- Elliotdale Satellite Fire Station is currently experiencing staff shortage.

Community Vulnerabilities

Urban: Communities are faced with fire risks, which include formal and informal structures as well as hazardous material fires. Poor building materials, close proximity of shacks and poverty exposes the informal structure dwellers to high fire risk.

Rural: The nature of housing and heat sources to sustain livelihood by rural communities places people at risk. The examples of these risks are veld fires, thatched roofs, unprotected cooking fires and open flame lighting.

The incidents of motor vehicle accidents remain high.

Despite high incidents of veld fires in 2013, the number of structures affected by these fires has reduced. This can be attributed to better awareness resulting in homeowners keeping the vegetation around their structures shorter and better response times due to the increased satellite stations and resources.⁷⁶ awareness campaigns conducted

Statistics of fire incidents January 2012 to June 2013:

FIRE STATISTIC PER LOCAL MUNICIPALITY				
	FIRES	MVA	SPECIAL SERVICES	TOTAL

Great Kei	203	105	18	326
Mbhashe	254	95	70	419
Mnquma	354	53	24	431
Ngqushwa	91	36	8	135

Challenges

- There is a critical need for additional supervisory posts as the operational size of the service continues to increase and it being wide-spread through the district affects the control over the services
- LM's that are responsible for their own fire services are not meeting basic fire provision standards.
- Staff shortages
- Hilly topography, poor roads and long distances between towns.
- Limited funding for the service
- Shortage of water tankers for relay pumping
- Training for specialized fire related courses are scarce within the ADM and neighbouring districts.
- Unavailability of suitable premises for fire stations in main towns thus funding for building of premises is required.
- Poor communication systems

2.5.5 Disaster Management

The Amathole District Municipality is responsible for the coordination of Disaster Management in all seven of its Local Municipalities. Sector departments, non-governmental organisation and the private sector also contribute to efforts of Disaster Management.

The District Disaster Management Centre is a point where disaster management activities are coordinated. The Disaster Management Centre was constructed in 2010 and completed in 2011. The Centre is operational but the Control Centre is still to be fully equipped with the necessary technology for integrating communications with the National Centre and other contributing stakeholders e.g. SA Weather Services warning systems. It also has the potential to become a 24 hour emergency centre for the ADM. The Head of Disaster Management Centre is the Director: Community Services as delegated by the Municipal Manager.

The centre is staffed with:

- Chief Disaster Management Officer
- 2x Senior Disaster Management Officers
- 1x Data Custodian
- 1x Administrative Assistant

ADM established Satellite centres to enable increase of access and quick response to emergency situations and disasters, such as life and property threatening hazards. These satellites are currently structured as follows:

Amahlathi: 1 x Disaster Management Officer and 1x Vehicle

Great Kei: 1 x Disaster Management Officer and 1x Vehicle

Mbhashe: 1 x Disaster Management Officer, 1x Assistant Disaster Management Officer and 1x Vehicle

Mnquma: 1 x Disaster Management Officer and 1x Vehicle

Ngqushwa: 1 x Disaster Management Officer and 1x Vehicle

Nkonkobe: 1 x Disaster Management Officer and 1x Vehicle

Nxuba: 1 x Disaster Management Officer and 1x Vehicle

Climate changes result in severe weather events which cause the above hazards to have a negative impact when interacting with lives and property. Incidents of severe weather conditions resulted in damaged houses.

Review of Sector plans:

The following sector plans were reviewed:

- Disaster Risk Contingency Plans of seven local municipalities were developed and reviewed internally.
- District Disaster Management Framework is currently undergoing a major review
- Major review of Risk and Vulnerability Assessment [RAVA] was done by an appointed service provider and the final report submitted.

The major risks identified for the ADM are as follows:

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

It has become apparent that risks from all angles in South Africa have to be considered. Strengths such as strong traditional structures should be targeted and utilised in focused community awareness programs aimed at reducing risk. A lot of risks are closely related and directly or indirectly influence each other. Plant Infestation will for example exasperate drought due to the fact that alien plants affect ground water.

These priority risks should also be reflected in the future budgets and the ADM IDP. There should be specific focused actions to reduce vulnerability, minimize hazards and to increase resilience with relation to these risks by all functional units of the ADM.

Challenges:

- Insufficient funding for disaster response and recovery.
- Sector Departments and other stakeholders do not show commitment of their roles and responsibilities in disaster management.
- Climate changes pose more threats to the environment and economy

2.6 LAND REFORM, SPATIAL PLANNING AND HUMAN SETTLEMENTS

Land Reform, proper Spatial Planning and provision of adequate Sustainable Human Settlements are amongst those that ensure government mandate is realised. Important to note are recently developed strategic documents, the outcomes approach and most recent, the National Development Plan “Vision 2030”.

i. Land Reform

The Policy on Land Redistribution for Agricultural Development (2000) makes an explicit provision for the district municipalities to play a role, and the involvement of local role – players to assist in the application process specifically the planning for land reform should occur in close co – operation with district and local municipality role players.

The complexity of the Land Reform environment has been acknowledged throughout the Land Reform & Settlement Plan which was developed in 2004, with specific reference to the identified challenges located within the areas of **land access, land tenure, and land administration**.

In broad terms, the ADM Land Reform Plan has since had substantial changes as when it was reviewed in 2005. These changes were effected due to changes in the applicable policy and legislation, most notably, the promulgation of the Communal Land Rights Act 11 of 2004 as well as policy changes relating to the acceptance of the validity of land claims made in cases of loss due to betterment planning.

Overview of key issues identified during the review:

- Injustices of land dispossession, equitable distribution of ownership, reduction of poverty and economic growth, tenure security as well as System of Land Management which will support sustainable land use patterns.
- Capacity building and support mechanisms in relation to project planning, management and implementation
- Co-ordination of the monitoring and valuation function to ensure ongoing measurement of land reform implementation (linked to the ADM's legislative duties and obligations in relation to Land Reform, as more fully explained here above).
- Clear guidelines for role of ADM with regard to National mandate of Rural Development through the Comprehensive Rural Development Programme (CRDP) Framework as well as the alignment of the Provincial Rural Development Strategy to CRDP.
- Land reform initiatives largely remain geographically focused and limited to certain types of interventions, to the detriment of a preferred, holistic implementation of the complete land reform package;
- Land Redistribution Planning Needs have focused on certain areas where eg. commonage needs are extensive throughout the district;
- Low availability of Arable Land for Agricultural purpose
- Implementation capacity is viewed as a serious challenge in land reform implementation throughout the area and specifically communication of the deliverables and the rate of implementation have been of concern;
- Breakdown of Land Administration Systems (in respect of both the legislative, regulatory and administrative aspects thereof) throughout the district has led to uncertainty and tensions;
- Tenure insecurity remains prevalent with the recent repeal of Communal Land Rights Act No.11 of 2004, to be addressed on the proposed Green Paper on Land Reform,
- Weak integration of existing land reform initiatives into the process of developing livelihoods and land productivity (It was specifically noted that projects appear to be addressing beneficiary needs in terms of housing *or* in terms of livelihoods, but often not in an integrated, sustainable manner);
- A need has been identified for a "clear and workable institutional framework for the delivery of land reform in its various components throughout the district. This emanates from unclear roles between relevant sector departments Traditional leaders and municipalities with regard to demarcations of sites in rural areas.
- Clear and authentic Land Audit is needed for the district
- Need for access to reliable statistics on unsettled land claims in the district

The above information explicitly demonstrate that Land reform is essential to permit economic progress and to ensure that the required redress does in fact take place, and that women and youth also receive the necessary support.

It was also imperative that the land be optimally utilised. Possession of land and/or housing provides the owner with a valuable asset. This could be defined as not merely fulfilling basic needs, but also the more concrete needs and also a right to live a meaningful life. All development thus has to be based on the assumption that all people want to be treated as worthy individuals. This developmental process therefore should include all aspects of life within a community and the relationships amongst its peoples.

The land development initiatives on Land Reform for the District are clearly outlined in the Revised Land Reform and Settlement Plan.

ii. SPATIAL PLANNING

In terms of Section 26 (e) of the Municipal Systems Act (Act No. 32 of 2000), a Spatial Development Framework (SDF) in respect of a Municipality's area of jurisdiction is a legally required component of a Municipality's Integrated Development Plan (IDP). The ADM SDF was developed in 2004 and the review was carried out in line with the outcome of the National Development Plan, Provincial Spatial Development Framework Review (PSDP) 2010, but more specifically with the following seven spatial frameworks, as recommended in the PSDP, so as to achieve alignment with the Provincial Growth Development Plan frameworks and programmes:

- Environmental
- Social Development and Human Settlements
- Rural Development
- Infrastructure
- Economic Development
- Human Resources; and
- Governance

SDF STRATEGIC THEMES

Basic Needs:

- Ensure availability-acceptable level of infrastructure
- Ensure service delivery

Spatial Fragmentation:

- To create an efficient and integrated settlement pattern in Amathole District Municipality

Linkages and Access:

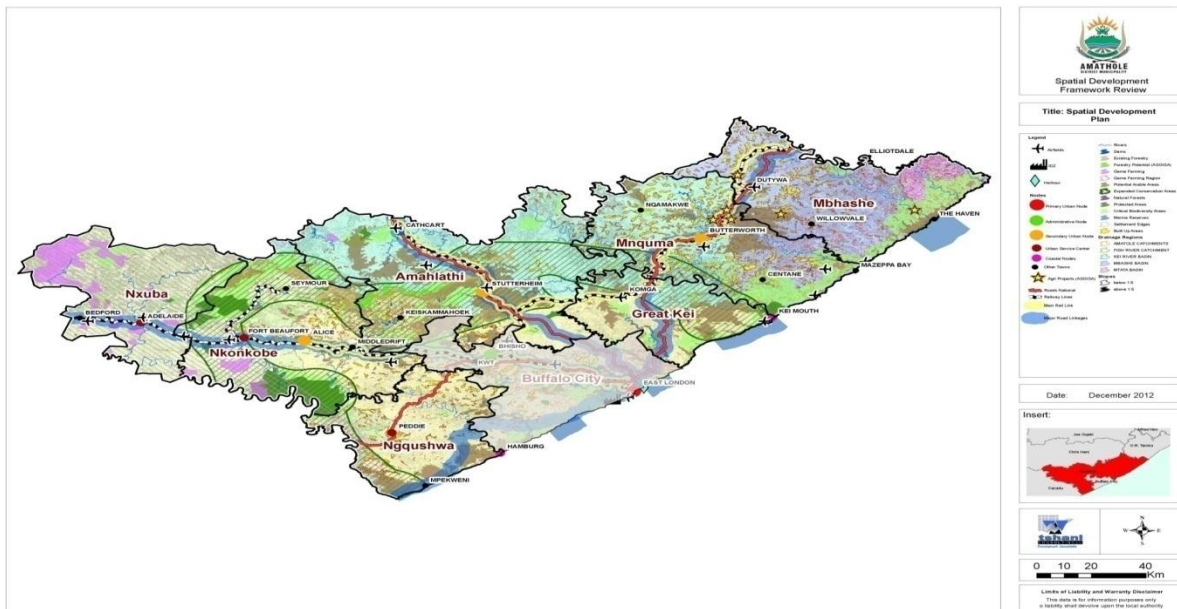
- Well-structured road and rail network system to ease movement
- Efficient and effective links between nodes, relevant products and services

Land Use Management:

- An appropriate Land Use Management Systems in operation across the District Municipality
- Security of access to land for development

Environment:

- Adhere to sound environmental practices in line with legislation
- Protect environmental sensitive areas





Overview of Key Issues

Key Spatial Development Issues are identified as follows:

- **Environmental Key Issues**
 - The prediction of the wetting and warming of the climate;
 - The prediction of the rise in the sea-level;
 - The reserving of high potential land for renewable energy projects;
 - The demand for housing and infrastructure versus high potential agriculture versus high conservation value;
 - Climate change risks to infrastructure should be incorporated in future planning.
 - **Social Development And Human Settlement Key Issues**
- 2 The high level of population increase.
 - 3 Demand in employment opportunities.

- 4 The population shows a high youthful component. This indicates that development planning and service delivery targeted at the youth should be an important consideration for development (i.e. schools, crèches and sportsfields).
- 5 Low levels of education and low level of skills base.
- 6 Low levels of education contribute to a high unemployment rate and low labour absorption.
- 7 Mbhashe, Ngqushwa and Mnquma Local Municipalities shows a high level of dependency on social grants, which has a negative effect on the economy and therefore translates into a low purchasing power.
- 8 Slow land release process has a negative impact on the development of settlements throughout the district.
- 9 The growth trends within existing settlements, especially major transport routes, places a burden on local authorities with regard to infrastructure demand, due to insufficient funds.

- **Rural Development Key Issues**

- 1 The failing and confusing land administration system affects all aspects of Land Administration.
- 2 Slow implementation process of housing delivery.
- 3 Land release issues are currently being experienced in the district.
- 4 Low arable land for agriculture opportunities within ADM.

- **Infrastructure Key Issues**

- 2 Poor conditions of railway lines.
- 3 The benefits that ADM previously had from being in possession of a Harbour and an Airport, was taken away by BCMM becoming a metropolitan municipality, thus breaking the air and/or water linkage between other districts and provinces.
- 4 The electricity capacity is under stress in the Amathole District Municipality and large development projects are often affected by these limitations.
- 5 The statistics reveal that a significant number of households still have limited access to sanitation services, which can lead to unhygienic situations. Inaccessible basic services lead to poor socio-economic conditions. The focus should therefore be on preventative strategies such as the provision of basic infrastructure.
- 6 The linkages between the harbours and IDZs of East London and Port Elizabeth have grown in significance over the last seven years or so. The R72 has become a significant economic link and coupled with the agricultural economy and tourism in the Sunshine coast.
- 7 The rural development corridor needs to be developed in order for the mass food production and forestry programmes to be successful.

- **Economic Situation Key Issues**

- The economy is highly dependent on the unproductive community services sector. The negative trend indicates limited private sector presence throughout the district. It also implicates that the economy is growing at a slow rate and employment has generally declined, which affects private sector investments as disposable income levels of the potential target market is low.

- The challenge remains how to achieve a more equitable distribution of economic development opportunities when the greater number of the population reside in less economically developed areas and experience an ever deepening poverty cycle.
- The tourist routes along the primary roads within the district require constant maintenance and upgrades.
 - **Human Resources Key Issues**
- Spatial and development planning tends to be biased towards the urban areas due to the historical focus of previous planning legislation and the relationship of municipal institutions towards those areas. Recent interventions towards mentorship of young planning professionals in various municipalities show a positive tendency towards upgrading planning capacity in the district and a 'wall to wall' approach will be required.
- Opportunities exist for the planning procedures, professional principles and management techniques to be adopted.
- The assessment of ADM's local municipalities SDFs shows that spatial development planning for the municipalities is evolving over time and becoming more detailed as local municipalities gain understanding of the trends, dynamics and programmes on the ground. There is however a need for to engage with local planning stakeholders to address areas of poor alignment gaps in regional linkages and definitions of structuring elements and integrated strategies.

PROPOSED INTERVENTION PROGRAMMES

The following projects need to be undertaken to consolidate the achievements of integrated spatial planning and development management. These include:

2 Environmental Programmes

- Investigate spatial planning and land use management implications in respect of climate change and the adaptation opportunities, including the implications of rising sea levels, flooding in low lying areas, drought, desertification and storm/tornado prone regions;
- Detailed mapping and identification of environmental sensitive areas;
- Mapping of resource areas including; high potential agricultural areas, forestry resource potential, indigenous natural resource areas, heritage areas, tourism and renewable energy potential areas.
- Establishment of an Amathole Mountains Biosphere Reserve.

3 Social Development And Human Settlements Programmes

- Research and information sharing on population movements and migration at a district and local level;
- Research into settlement dynamics, change trends and needs of communities in urbanising settlement environments;

- Identify those settlements, focus areas and centres showing signs of economic growth or development decline, conduct research into such development dynamics and devise measures to maximise opportunities and development potential;
- Research into settlement densities and desirable density guidelines managing edges.

4 Rural Development Programmes

- Institute a programme focusing on improving access to land for development, particularly for women;
- Obtain mapping of agro ecological areas, in order to define and conserve natural resource areas for food security; and
- Integrate Area Based Plans proposals into the Spatial Development Framework with priority land acquisition areas and focus areas.

iii. HOUSING /SUSTAINABLE HUMAN SETTLEMENTS

Amathole District Municipality plays a role with regard to housing development or sustainable human settlements development in our area, as outlined in the ADM Housing Strategy (IDP Sector Plan) adopted in 2007 and reviewed annually as part of the IDP review process. ADM Housing strategy inherits its main focus from the aspirations rooted in the Freedom Charter and has shifted its focus from Housing delivery to provision of Sustainable Human Settlements.

This Plan therefore clearly mentions that a key development issue identified during the IDP processes is also “housing development”, which was listed as one of the most important issues for the District Municipality to address. Thus in 2005, the ADM Housing Development Strategy was conceived and adopted in June that year. The Plan has been reviewed each subsequent year. The Housing Development Strategy is a chapter of the Municipalities Integrated Development plan (IDP), in line with the legislative compliances.

Furthermore, the strategy outlines ADM’s role in the Housing development is as enshrined in various legislative and policy framework. The following are detailed relevant laws and policies applicable to the housing service delivery arena:

AN OVERVIEW OF THE COMPREHENSIVE PLAN FOR THE DEVELOPMENT OF SUSTAINABLE HUMAN SETTLEMENTS

The Comprehensive Plan, introduced in September 2004, represents Government’s ten year housing programme. The *overall goal* is to address the housing needs of the people, within the context of broader socio-economic needs resulting in sustainable human settlements.

The Comprehensive Plan is supplemented by seven business plans:

- Stimulating the Residential Property Market;

- Spatial Restructuring and Sustainable Human Settlements;
- Social (Medium- Density) Housing Programme;
- Informal Settlement Upgrading Programme;
- Institutional Reform and Capacity Building;
- Housing Subsidy Funding System Reforms, and
- Housing and Job Creation.
 - o The Comprehensive Plan consists of **nine strategies and related mechanisms** that are currently being implemented.

(a) REVISED TECHNICAL NORMS AND STANDARDS FOR THE CONSTRUCTION OF STAND ALONE RESIDENTIAL DWELLINGS FINANCED THROUGH NATIONAL HOUSING PROGRAMMES

Type of Service	Minimum Level
<i>Water</i>	Single standpipe per stand (metered)
<i>Sanitation</i>	VIP or alternative system agreed to between the community, the municipality and the MEC
<i>Roads</i>	Graded or gravel paved road access to each stand. This does not necessarily require a vehicle access to each property
<i>Stormwater</i>	Line open channels
<i>Street Lighting</i>	High mast security lighting for residential purposes where this is feasible and practicable, on condition that such street lighting is not funded from the MIG initiative or other from other resources.

(b) ADJUSTMENT OF THE HOUSING SUBSIDY QUANTUM AND THE INTRODUCTION OF THE NEW 40 SQUARE METRE QUALITY HOUSE

Housing: MINMEC on 1 March 2007 formally approved the introduction of a new quality subsidised house with a minimum size of 40m² and the accompanying technical specifications as

provided by the NHBC. This new house typology and subsidy structure applies from 1 April 2007.

THE HOUSE DESIGN

The house must be at least 40m² gross floor area and as a minimum include:

- 2 x bedrooms;
- 1 x separate bathroom with a shower, hand basin and a toilet;
- 1 x combined kitchen/living area;
- A ready board electricity installation, where electricity grid is available.

The new housing subsidy scheme amount for the construction of the 40m² house is R55 706, 00.

The funding for the provision of municipal engineering services

The use of the annual housing funding allocation from the Integrated Housing and Human Settlement Development Fund (IHHDF) for the financing of such internal services may only be approved as an option of last resort.

In cases where the housing subsidy funding is used for the provision of municipal engineering services as indicated, the maximum amount that may be considered is R17 874, 00 per stand and the minimum standard of engineering services to be delivered with the R17 874, 00 is as follows:

This Policy directive does also apply to the ADM projects that are implemented.

The separation between the funding for the construction of 40m² houses and the funds for the provision of internal municipal engineering services has impacts on the administration of the housing subsidy funding. This affect than future planned projects at ADM.

HOUSING SITUATION AT AMATHOLE DISTRICT

Amathole District Municipality is comprised of a wide range of settlement typologies distributed within the seven local municipalities and could be classified as:

- Subdistrict Centres – Fort Beaufort, Butterworth and Stutterheim
- Local Centres – Alice, Adelaide, Bedford, Willowvale, Centane, Cathcart, Elliotdale, Nqamakwe, Dutywa, and Peddie
- Sub local Centres – Kei Road, Middledrift, Balfour, Keiskammahoek, Seymour, Hogsback, Komga, Kei Mouth, Hamburg
- Rural Villages

NATURE AND TYPE OF EXISTING SETTLEMENTS

Housing statistics are generally difficult to collect and verify, as a result the issue of determining the housing need and backlog is always a contested issue. There are a variety of elements that impact and influence both the demand and the supply of housing ranging from demographics, migration and basic economic conditions that prevail. However, according to statistics provided by Global Insight the situation with regard to housing in the district is as follows:

DWELLING TYPE	E.CAPE	ADM	MBSH	MNQU	G/KEI	AM AHL	NGQ	NKO	NXU
V/FORMAL	438446	16183	637	4 438	954	3122	556	4455	2022
FORMAL	535696	91418	13254	21893	5311	14245	14009	18529	4176
INFORMAL	127846	9838	942	3901	1553	1400	1015	539	488
TRADITIONAL	596013	127641	46185	38846	3404	17591	7 259	13969	386
OTHER DWELLING	9819	982	171	322	59	170	66	137	58
TOTAL	1 707839	246061	61190	69400	11281	36528	22905	37629	7 130

The share of Household occupying formal dwellings

E.CAPE	ADM	MBSH	MNQU	G/KEI	AM AHL	NGQ	NKO	NXU
57.0	43.7	22.7	37.9	55.5	47.5	63.6	61.1	86.9

What can be deduced from the above data is the fact that at ADM, more than 50% of existing households are not regarded as formal and that impact on the demand as well as the backlog for settlements supply.

1. NATURE AND TYPE OF SETTLEMENTS THAT CONSTITUTE DEMAND

The demand is determined through the acknowledgement of socio-economic character of demand as reflected by housing typologies. Identifying the area of greater demand for subsidy and establishing the exact need for beneficiaries also help to establish the extent of housing demand. Other factors that need to be considered when determining housing need or demand are:

- ❖ Migration
- ❖ House Hold changes
- ❖ Economic conditions
- ❖ Mortality issues
- ❖ Locational issues
- ❖ Backlogs

An indepth understanding of these can determine the potential demand in the future.

Migration

Migration forms the basis for determining the existing demand on housing in that understanding of types of migration and trends that exist assist in identifying and planning for areas of greater demand. An analysis of ADM migration has been explored within the context of the province as a whole and the following types dominate the existing trends:

THE PERCENTAGE OF POPULATION LIVING URBAN AREAS 2011 – GLOBAL INSIGHT

	TOTAL NUMBER	PERCENTAGE
AMATHOLE D.M.	171041	17
MBHASHE	13 166	4.9
MNQUMA	38471	14.8
GREAT KEI	11611	23.8
AM AHLATHI	37089	27.3
NGQUSHWA	7541	10.0
NKONKOBÉ	42154	30.4
NXUBA	21009	81.7

Greater percentage of the population in Amathole District Municipality are in rural areas and therefore the migration trends highlighted in the preceding paragraph need to be taken in consideration during this review as this implicitly indicate vast demand in rural areas.

HOUSEHOLD CHANGES

Household changes can result from population changes and population growth rates.

Amongst the most likely reasons for this decline could be attributed to high death rate, a low birth rate, out-migration or most likely a combination of all of these factors.

Mortality Issues (HIV Aids)

One of the key areas affecting housing predictions is the issue of HIV/Aids. There is great deal of uncertainty as to the overall effect the disease will have on housing demand both in terms of household types and tenure. With regard to the former, the issue is what kind of units will be needed and regarding the latter is uncertainty on whether more rental units will be appropriate for child – headed households when considering the fact that there are 5.7 million people who are HIV positive.

HOUSING DEMAND AS MANIFESTED BY BACKLOG

A clear detail of Housing Needs according to each Municipality and their IDPs is detailed in their individual Housing Strategies and complimented by an updated data extracted from Global Insight the housing backlog is as reflected below.

	2009	2010	2011
EASTERN CAPE	771 386	769 339	778 293
AMATHOLE	138593	138727	138460
MBHASHE	47705	47640	47299
MNQUMA	42730	42 969	43 069
GREAT KEI	5297	5150	5015
AM AHLATHI	19618	19375	19161
NGQUSHWA	8578	8 479	8 340
NKONKOBÉ	13703	14171	14645
NXUBA	962	943	932

(Source: Global Insight)

For appropriate response on housing demand, it should be disaggregated in terms of housing typology and tenure.

HOUSING SUPPLY

During the 2012/13 financial year Department of Human Settlements has implemented housing projects to the value of R 4 158 355. In terms of the supply, the pace of delivery has been very low. The Eastern Cape Department of Human Settlements attribute slow pace to the following factors:

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

- ✓ Complex **division of powers and functions between province, district and local level** contributes to slow pace of delivery
- ✓ Need for development of **anti-fraud and corruption plan on housing**
- ✓ Appropriate **linkages between housing development and infrastructure** provisioning
- ✓ Linkages between Land Reform programs for Rural Development

- ✓ Strategic approach in dealing with land invasions on municipal commonages **to curb development of informal settlements**
- ✓ Constant **update on LM's sector plans**
- The **Security Tenure** continues to be a problem more especially in communal areas
- Some **SDF's are not clear in depicting land for human settlement** development

Based on the above analysis a clear forward planning in terms of addressing housing development within the District will be enhanced. Strategies to deal with such will be clearly outlined in the Implementation Plan of the Amathole District Municipality Housing Strategy.

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2014/15 KEY ISSUES

KPA 2: SERVICE DELIVERY AND INFRASTRATURE DEVELOPMENT

KPA	KEY ISSUE	CAUSES	EFFECT	AFFECTED DEPARTMENTS	INTERVENTIONS
SDI	Non availability of suitable land available for ADM to construct infrastructure;	(o) Unregistered land where ADM plans to build infrastructure projects.	<ul style="list-style-type: none"> Land claims by land owners to ADM on infrastructure installed. 	Engineering LHSED Strategic Planning	<ul style="list-style-type: none"> Integrated planning approach; Establish land ownership and follow due process; Register servitudes to all the infrastructure assets under ADM. To include the registration of servitudes on new projects during the planning stages.
SDI	Delayed water service delivery	<p>(p) Non alignment of Eskom and ADM programs;</p> <p>(q) Slow electricity connections by Eskom to water sources on ADM projects</p>	<ul style="list-style-type: none"> Completed schemes/projects without water for years while waiting for Eskom connection. High expenditure cost on diesel 	Engineering	<ul style="list-style-type: none"> Political intervention Escalate to IGR, DIMAFO and MUNIMEC structures Integration of programs during planning stage

				pump generators while waiting for Eskom connections.	
SDI	Non provision of water services to informal settlements	<p>(r) Absence of legislation that allows installation of water services to informal settlements</p> <p>(s) Slow progress of housing provision by the Department of Human Settlements which leads to illegal land invasions (informal settlements).</p>		<ul style="list-style-type: none"> • Unable to address water services backlogs • Illegal connections 	<p>Engineering LHSED</p> <ul style="list-style-type: none"> • Develop a policy on services that can be provided to informal settlements (temporary services) • Formalisation of informal settlements by Dept of Human Settlements • Escalate to IGR, DIMAFO and MUNIMEC structures • Roll out pilot on connecting rural households to other LMs • Social mobilisation and awareness programs
SDI	Over stretched Water Treatment Works and Waste Water	(t) Increase in demand for water	4	Increased risk of non compliance to water	<p>Engineering Community Services</p> <ul style="list-style-type: none"> • Upgrade identified water treatment works and waste

	Treatment Works capacity		quality standard 5 Increased risk of failure of provision of basic services		water treatment works • Water Quality monitoring
SDI	Role of service delivery arm on WSA functions unclear	(u) Certain WSA functions are not being carried out and it is unclear how new structure will address this	Non-compliance to certain water and sanitation regulations	Engineering	• Develop a policy that will simplify the role of the affected departments i.e. Community Services, MMs office and the Engineering Dept
SDI	Poor and inadequate infrastructure (Roads, Water, Fire Stations, Fire Hydrants, Water sources, Fire Brigades)	Dilapidated infrastructure Budgetary constraints Slow pace of service delivery	Long turn around time to respond Inaccessibility of villages to conduct disaster assessments Inaccessibility of villages for Fire Service provision	Community Services Engineering	<ul style="list-style-type: none"> • Engage LMs and DRPW on Roads • Provision of Fire-Hydrants by DM • Alternative sources of water (e.g Sea Water) • Construction of new infrastructure; • Refurbishment of new structure;
SDI	Water supply Services backlog	In adequate access to infrastructure ; Limited funding;	Spreading of diseases; Political protests	Engineering	<ul style="list-style-type: none"> • Provide access to adequate quality water supply (Eradication of Backlog); • Development of technical reports for submission to

					<p>MIG</p> <ul style="list-style-type: none"> • Installation of water connections to HH; • Infrastructure Maintenance; • Conduct backlog study on water supply
SDI	Sanitation backlog	In adequate access to infrastructure ; Limited funding;	Spreading of diseases; Political protests	Engineering	<ul style="list-style-type: none"> • Development of technical reports for submission to MIG • Fast track eradication of bucket systems; • Construct adequate sanitation facilities • Conduct backlog study on sanitation services
SDI	Poor road conditions	In adequate access to proper infrastructure ; Limited funding; No road maintenance programs	Affects provision of basic services to communities.	Local Municipalities Strategic Dept. (MSU)	<ul style="list-style-type: none"> • Facilitate Road construction and maintenance of internal roads and related infrastructure • Development of the Road maintenance program
SDI	No electricity in some areas	Limited capacity of power supply .	Affects provision of basic services to communities.	ESKOM, DME,LMS	<ul style="list-style-type: none"> • Electricity connection to HH • Installation of high mast lights •
SDI	Inadequate amenities			Local Municipalities	<ul style="list-style-type: none"> • Construction of Community Halls

SDI	Non-compliance of business premises with Municipal Health legislation	LMs do not engage the DM when issuing licenses to businesses	High Risk of diseases Increase in number of non compliant businesses	Community Services IGR/ Strategic Planning and Management	<ul style="list-style-type: none"> Process of issuing business licences by LMs to be integrated with Certificate of Approvals and Certificates Of Compliance. IGR intervention
SDI	Illegal dumping of health care waste by Medical Practitioners / generators of waste	Poor Management of Health Care Waste by the waste generators	<ul style="list-style-type: none"> Non compliance with legislation High risk of disease exposure 	<ul style="list-style-type: none"> Community Services Engineering 	<ul style="list-style-type: none"> Seek buy in at the DIMAFO level; Entering into an MOU with relevant stakeholders to ensure multi sectoral approach.
SDI	Illegal dumping of refuse by LMs	Poor management of landfill sites	<ul style="list-style-type: none"> Non compliance with legislation High risk of disease exposure 	<ul style="list-style-type: none"> Community Services; Engineering Services 	Facilitate the development and implementation of LM By-laws to address the causes and effects Facilitate Provision of the necessary infrastructure (land fill sites)
SDI	Water sources continue being polluted	<ul style="list-style-type: none"> Low levels of Waste water compliance 	<ul style="list-style-type: none"> Health risk Non compliance with legislation 	Community Services Engineering Department	<ul style="list-style-type: none"> Water Quality monitoring ADM to improve effluent treatment works.

SDI	Increase in substance abuse- link to the Moral Regeneration issues	<ul style="list-style-type: none"> - Unemployment - Lack of positive parenting - Lack of by-laws for liquor trading - School drop out 	Teenage pregnancy;	Community Services	Collaborate with various sectors to address social ills
SDI	High demand of commonage land	<ul style="list-style-type: none"> (v) Access to land for commonages. (w) Land Redistribution Planning has <u>focused on certain areas</u> (x) No commonage Management Plans exist in LMs 	Delays settlement development process	LHSED Engineering	<p>7 Land identification plans are required.</p> <p>8 Development of Commonage Development Plans</p>
SDI LMs	Failing and confusing Land Administration Systems throughout the District	<ul style="list-style-type: none"> • The complex division of powers and functions between municipalities. • Unreformed land regulations • Spatial fragmentation • <u>Tenure insecurity</u> remains prevalent within the district • non existence of guiding legislation • 	<ul style="list-style-type: none"> • Delays settlement development process • Coherent and inclusive planning. • uncertainty and tensions; • Beneficiaries are not provided with 	LHSED Engineering	<p>To establish the land committees</p> <p>Development of land regulations to transform land administration environment</p> <p>expedite the finalisation of the Land Reform Act</p>

			<p>appropriate tenure rights</p> <ul style="list-style-type: none"> • Citizens within the district have inferior or no security of tenure 		
SDI	High demand of housing within the District	<ul style="list-style-type: none"> • Absence of accommodation for low/medium/high income earners • Absence of housing subsidy in rural areas 	<ul style="list-style-type: none"> • Low economic growth • Revenue loss • Increase in housing backlog • Inability to attract skills • Inability to attract investment 	LHSED	Provision of various settlement to accommodate all types of earners (DHS)
SDI	High crime rate in the District	Physical environmental factors i.e. long grass, shrubs, bushy areas, unoccupied dilapidated buildings, bad unmaintained roads, lack of road safety markings	Decline in moral fiber	<p>Community Services</p> <p>LESS</p>	<ul style="list-style-type: none"> • Infrastructure improvement by sector departments (High light Mast) • Facilitate LMs in the development and implementation of by-laws relevant to crime reduction. • Roll out of moral regeneration

					programs
SDI	Ownership infrastructure projects by Engineering Department	<ul style="list-style-type: none"> No binding memorandum of understanding between departments 	<ul style="list-style-type: none"> Misalignment of departmental programs 	Community Services Engineering	<ul style="list-style-type: none"> Conclude MOUs between the two departments Development of an MOU between departments All infrastructure related projects should be based in the Engineering Services Department

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KPA 3: LOCAL ECONOMIC DEVELOPMENT

Strategic Goal: Create an environment that promotes the development of the local economy and facilitate job creation

Intended outcome: Improved municipal economic viability

Key issues emanating from the socioeconomic profile of the Amathole District Municipality

- Unemployment, inequality and poverty remain the major economic challenges in the District. The close link between these three social ills means that interventions from Government and other developmental partners should directly and indirectly tackle these issues. The causes of this situation are mainly structural in nature.
- The economy of the District is over-reliant on the community services sector (government) to provide jobs. There is thus a need to diversify the economy of the region.
- Outside of the Buffalo City Municipality, there is very little investment in economic infrastructure that can lead to economic growth and development in these areas. Initiatives designed to attract investment into these areas should therefore be regarded as a priority
- The de-industrialisation that happened in the mid 1990s in areas like Butterworth have reduced the manufacturing base of the area. While not seeking to resuscitate these areas in their old form, attention needs to be given to broadening and building the industrial base of the area. This will lead to economic growth and development of the area.
- Retail services and finance are sectors of economic importance as illustrated by their contribution to the economy of the District. Efforts should therefore be made to understand and exploit the advantages and niche markets that come with these sectors.

3.1 Economic Research

Congruent with the key issues arising from the socio economic profile, the District has a programme on economic research to constantly update and improve on the economic statistics that it uses for economic planning purpose. As demonstrated by the socio economic profile, unemployment, poverty and inequality continue to characterize the economic landscape of the District. The research programme is thus designed to understand the causes of this situation as well as recommend measures that will improve the situation. The research thus focuses on the constant update and review of the LED Strategy to ensure its relevance to the prevailing economic climate. The prioritization of competitive industries is also a new area of focus with the release of industrial strategies by both the national and provincial government. It is important for the District Municipality in the development arena to upgrade the competitive and comparative advantage of industries in its area of jurisdiction, hence its intention to develop an industrial strategy.

The Amathole District Municipality is also characterized by significant levels of underdevelopment, especially in the Eastern side of its region. The cause of this has been that there is very little if any investment in these areas. To improve this situation, the Amathole District Municipality has begun a process of identifying catalytic projects, which if implemented can improve the economic situation of the inhabitants of the District. The identified projects

were packaged and sold to investors via an investment conference held on 25-26 April 2012. More investment means more jobs and an improvement in the socio economic problems, like, poverty and unemployment that face the people of the District.

Investor Conference IDP Action Programme 2013-2017

The Amathole Investor Conference held on the 25th to the 26th of April 2012 was an outcome of the Growth and Development Summit Review that was held in 2010. At this event it was agreed that the Amathole District Municipality should begin a process identifying and packaging so the so called High Impact Projects with the intention of marketing these to investors through an investor conference. Increased investment is regarded as a critical component to stimulate economic growth and development in the region and this will have the ultimate impact of reducing the social ills of unemployment and poverty that are predominant in this region. The event held on the 25th and 26th of April 2012 at Mpekweni Beach Resort was culmination of these activities and was geared towards addressing these.

The inaugural Amathole Investor Conference focused on the theme of **STRENGTHENING AMATHOLE THROUGH PARTNERSHIPS**. Recognizing that the economic challenges of the district, specifically job creation, poverty alleviation and economic development, cannot be met by government alone, the conference brought together and facilitated encounters between key stakeholders and role players (funders, private players, public sector, national and Eastern Cape institutions, and international markets) with a view to highlighting investor opportunities and support, and the forging of partnerships. Infrastructure challenges, access to funding, and existing projects and opportunities were addressed by speakers, panelists and an exhibition which ran concurrently with the two-day speaker programme.

The conference also entailed engaging with key international and local stakeholders in order to secure participation in the form of important delegates to the conference. This required a series of meetings and value proposition proposals showcasing the opportunities in the Amathole Region and the potential for lucrative investment. The conference was a turning point for the institution and the ADM will now facilitate the implementation of high catalytic projects which will make a difference to the lives of the poor and alleviate poverty and increase growth in the region.

Potential investors expressing interest and to be followed up by ADM are as follows:

- **Investors and Donor/Grant Funding institutions:**
 - Development Finance Institutions - IDC, DBSA, Land Bank
 - Metropolitan Alternative Investments, ABSA, NDA, etc
- **Public sector investors/developers:**
 - ✓ Infrastructure, energy, water, research, etc
 - **Private sector players:**
 - ✓ Citrus, dairy, renewable energy, tourism, etc
 - **National & Eastern Cape Institutions:**
 - ✓ National Department of Rural Development and Land Reform, ECDC, ELIDZ, Aspire, University of Fort Hare, DTI, ESKOM, ADM
 - **International Markets/Investors:**
 - Japan, Singapore, Turkey, United States of America

- **IDP sectors to be prioritized**
- Agriculture (grain production, citrus, pineapple)
- Agro-processing
- Tourism
- Aqua culture
- Forestry
- Renewable energy
- Manufacturing
- Land planning and agrarian reform
- Infrastructure

The outcomes of the conference and the high catalytic projects being pursued addresses all the key areas identified in the IPAP2, the New Growth Path and are aligned with the LED objectives.

The District has also noted that while it is involved in supporting local economic development initiatives, it does not have any information on whether these interventions are having the desired impact. The District has thus started a research process on an impact assessment of LED initiatives that it is supporting. The purpose of this is to inform its planning processes on initiatives that have worked in the past, or are likely to yield greater impact. The support of LED initiatives would then be justified, based on the study that has been undertaken.

The economic research agenda of the Amathole District Municipality is also in line with that of other stakeholders in the development arena. It is thus important that the institution forms strategic partnership with institutions like, Universities and Further Education and Training Institutions. Such areas include but are not limited to SMME and Cooperatives Development, microfinance, economic research and training of officials in LED related materials..

Post the Investor Conference initiatives were undertaken to ensure that the resolutions of the Conference have been implemented.

In August 2012, the municipality participated in the South African delegation to Singapore whereby an opportunity to present the Investor Profile of the District was presented.

In addition to this, the follow-up sessions have been held whereby further engagements and identification of the priorities have been conducted. This has led to the establishment of the ADM-DEDEAT working group whereby officials within the LED and the investment sector. Furthermore, the municipality is in the process of developing an investor incentive package, together with its local municipalities in identification of land for commercial purposes and tariffs rebates on water.

With reference to institutional arrangements, there is a political task team that has been nominated by the Executive Mayor and a technical team that will be monitoring the post-investor conference process.

A new development with regards to the investment profile of the area is the Integrated Wild Coast Development Programme that is being led by the Provincial Department of Economic

Development, Environment and Tourism. This is a provincial programme that will see major investment into infrastructure coming to the province through multibillion rand projects. Such projects include:

- Umzimvubu Water Project
- Wild Coast Highway- Studies are in place and are in the process of engaging National Government and SANRAL, and need more engagement
- Wild Coast Meander –From Kei Mouth to Port St John’s to unlock tourism potential,
- Bulk infrastructure Services
- Urban Nodal Development– Coffee Bay, Qholorha, Qhora, Mthatha Mouth and Mzamba

Of particular importance to the ADM region are Wild Coast Highway, the Wild Coast Meander, and the Urban Nodal Development in the areas of Qholorha and Qora.

3.2 ENTERPRISE DEVELOPMENT

Purpose of Enterprise development is to facilitate, promote and ensure Enterprise Development (which includes SMMEs, Cooperatives, Informal Traders) in order to secure opportunities for economic and business development , and also to increase local employment within the district through sustainable business sectors. Furthermore to implement new initiatives in National and Provincial Economic policies related to Enterprise Development and align them with district policies.

3.2.1 Cooperatives Sector

Co-operatives development has been identified as a priority area in the district.

The South African Co-operatives Act No. 14 (2005) and the Co-operatives Policy (2004) defines a Co-operative as ***“an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise”***.

- Legislative Mandate
- The Co-operatives Act No.14 of 2005

The Act aims to create a legal and institutional framework for the promotion and the development of sustainable Co-operatives and mandates other national departments, provincial and local levels of government, including delivery agencies, to also provide support for Co-operatives.

- The Co-operatives Amendment Bill of 2011

The Bill seeks to provide for tertiary Co-operatives and Co-operatives Apex organisations and their registration; to provide for the status of associate members of Co-operatives, etc.

Role of cooperatives in the district

Co-operatives have therefore been identified by the South African government as a viable means of alleviating poverty; address underdevelopment; reduce unemployment; stimulate the economy and enhance the social fabric of communities in which they operate. To this end, the formation and support of Co-operatives is seen as crucial to the development of the informal economic sector or the second economy.

Cooperatives in Amathole are at different stages of business development – entry stage, marginal, and surviving. The success of cooperatives is not solely the responsibility of the government, but most importantly, the cooperatives members themselves.

The development of cooperatives is trapped in rural and urban dichotomy of socio-economic development. A survey of cooperatives that was recently commissioned by ADM revealed a number of issues that relate to status of cooperatives in the district both in rural and urban areas.

Co-operatives Challenges in the district

The following are the challenges that were identified by the participating Co-operative members during the process:

- Limited under
- administration and marketing skills
- Limited understanding of product development and quality management/assurance systems
- Lack of adequate infrastructure to operate

Findings of a study commissioned by the district municipality revealed three (3) categories of co-operatives in the district: commercially viable, self-developing and marginal. The majority of the co-operatives in the district fall under the marginal category.

Despite the challenges facing cooperatives as highlighted hereunder, there are untapped opportunities in waste management, recycling, agro-processing (agriculture value chain), inter-trade among the cooperatives, cleaning services and many other services.

3.2.2 SMME Sector

Challenges faced by SMME's

The challenges faced by SMME's in the District that include: market, marketing, financial support, lack of information, skills shortage, poor product quality, lack of commitment amongst SMMEs and state grant dependence syndrome.

Proposed Solutions to the challenges:

The following are suggested as possible solutions to the challenges faced by the SMMEs in the Amathole District Municipality:

- Creating enabling SMME start-up and growth conditions through improving the regulatory environment and strengthening small business advocacy.
- Fostering technology based entrepreneurship and small business – policies, methodologies and practices for effective stimulation of innovation, technology transfer and technology commercialisation.
- Strengthening SMME competitiveness, sustainability and profitability through cleaner production techniques
- Increasing start-up and SMME funding through non-traditional financing – with special focus on crowd funding and angel investing.
- Increase small business presence in the global market through digital marketing.
- Create a standardised institutional arrangement approach to supporting SMMEs.
- Classification and definition of SMMEs and the necessary support relevant to each category;

3.2.3 Informal Trade Sector

It has been observed that various pieces of legislation dealing with national government and provincial government's areas of jurisdiction are silent on the informal economy. Consequently ad-hoc responses to the informal economy through unstructured and uncoordinated legislative and policy intervention exist.

The democratic government has promulgated an array of acts to address the inequality brought about by apartheid. The challenge is to ensure effective pro-poor implementation. The critical distinction that we need to make is between those informal businesses that have the potential to access markets other than their own community (external markets) and those that are only able to sell their goods and services to their community.

Few Hawkers claim to have received previous support for their businesses and even fewer have any dealings with local government outside of the Hawkers' Associations and of which appear to be the best established mechanisms for coordinating and communicating with street traders. It is notable that the overwhelming majority of Hawkers are inclined to participate in Hawkers support programmes.

Definition of "Hawker" or Informal Traders

Street trading is a common and vital source of income for many, particularly for those of the most vulnerable sections of the population. Despite being a common means of income, it is frequently omitted from national economic statistics due to the informal nature of its practice.

Analysis overview

The informal economy makes an important contribution to the economy and social life of the district. Due to the decline in formal employment and consequent increase in unemployment, many people seek alternative means of earning an income. It is generally accepted that the

informal sector plays a significant role in the district's economy. The Informal Sector Economy refers to that part of the economy that is not taxed, regulated, monitored or included in the gross national product.

The Eastern Cape has the fourth largest number of all informal businesses in South Africa. Within a broader South African context, the majority of these businesses are found in Wholesale and Retail Trade (52%), Manufacturing (12%) and Community, Social and Personal Services (10%). They can be further classified into three categories of small business, namely, home-based enterprises, street-traders and micro-enterprises. The question that arises within the provincial context is how best to facilitate the engagement of informal businesses with the formal economy.

Sectors within informal sector

There is variety of different types of informal sector operations taking place in the district. These include but are not limited to:

1. Hairdressing and hair cuts
2. Payphones
3. Shoe repair
4. Taxi drivers
5. Photography
6. Traditional medicine
7. Waste collectors
8. Food outlets
9. Traditional wear, decor and beadwork
10. Fruit and Vegetables
11. Car guards
12. Car Wash

The above activities are legal but unregulated. These are enterprises, employers and self-employed individuals who do not comply with standard business practises, taxation regulations and other business reporting requirements, but they are otherwise not engaged in overtly criminal activities. They include both employed (in the informal sector) and self-employed workers.

Challenges

a) Shelter

The weather affects the Hawkers' ability to trade. Although some shelter already exists, the extent to which this issue has been addressed suggests the municipality should prioritise the provisioning of such sheltered space in a fair and transparent manner.

b) Access to water & sanitation

A key issue of concern amongst the Hawkers is the lack of access to water and sanitation. Less than a quarter of all Hawkers claim to have access to running water and a similar amount claim

to lack access to a public toilet. It is absolutely vital that public facilities that are accessible, safe, sanitary and centrally located be made available to Hawkers.

c) Lowering input costs

Given that transportation of goods (53%) is the most commonly identified service cost to Hawkers, followed by storage facilities (24%), addressing these costs seems to be the best way to lower input costs for Hawkers. Transportation of goods is a cost related to storage facilities as some Hawkers are in the habit of taking their goods to and from their place of business on a daily basis.

d) Increase value chain participation

Hawkers are well-positioned to increase their value chain participation with a small portion already self-producing and selling their own products, as in the case of reed mats and baskets, cooked food and some produce. Fresh produce is the most frequently sold product with over a third of all Hawkers claiming to source their products from an informal market or trader, farmer, or self-produce. With such a proportion of goods sourced or produced locally, there is scope for initiatives that capitalise on the processing potential of locally produced agricultural products or that facilitate their distribution to other markets within the region, such as Mthatha or even further afield to East London and Durban. Since the majority of Hawkers are just re-sellers of products purchased from other shops and distributors, exploiting opportunities to involve them at the source of production or in the processing and distribution of those goods are the best potential to increase value chain participation amongst Hawkers, particularly in the face of potentially growing competition from formal businesses

Recommendations

- Have a built-in M & E in the implementation plan

3.3 TOURISM DEVELOPMENT AND PROMOTION

The history of our district contains a multitude of diverse stories and lessons and hence, the journey of our tourism industry. Our industry has been enriched by the hard work and contributions of the tourism role-players ranging from government institutions and organized business to the informal trader or local guide interacting with a tourist. The diversity of our people, history and experiences have brought a treasure trove of variety to the tourism industry and no doubt contributed to our success.

The outstanding performance ADM has in terms of attracting visitors to its shores is underscored by the fact that tourism continues to make a growing contribution to our economy. It has been reported that it contributes approximately about 5-6% of national and provincial GDP (ADM Tourism Survey 2010) when it is measured against agriculture and energy sectors. Of the 21.2 billion, 2.3 billion was spent by the domestic tourists. The annual report of Tourism South Africa indicates that, of the R124 billion tourism expenditure for 2010/11 spent by the 7.37 million foreign tourists in SA, 7.6 % (3.3 billion) was spent in the Eastern Cape, equating to R590 per day per spent in the Eastern Cape which is closer to foreign visitors that are visiting the

province. This shows the importance of investing on promoting domestic tourism within the district.

It is likely that the tourism sector provides a GVA of between 4% and 5% to the district economy. This means therefore, out of 3.3 billion spent in the Eastern Cape Province, an amount of R650 million was spent within the district equating to R299 per day per spent in the district. The findings of domestic tourism in Amathole District reveal that, VFR (Visiting Friends and Relatives) travel results in high volumes of tourists coming in. The greatest value however, is derived from the holiday market despite significantly lower volumes. Opportunity exists to grow the number of holiday travellers through the development of holiday culture that promotes short breaks and extended vacations and converts non-holiday travellers to holiday travellers.

3.3.1 Tourism Routes

The Eastern Cape has six tourism routes and four of these routes starts and/or end at Amathole District. The four routes which are part of Amathole District are the following:

- Wild Coast
- Friendly N6
- Amathole Mountain Escape
- Sunshine Coast

Challenges

- Limited transformation, constrained domestic air capacity and transport links,
- Limited involvement of local government in tourism planning,
- No defined Tourism Marketing Brand though it is still on the initial stages,
- Poor tourism signage,
- Poor roads conditions,
- Skills shortage,
- Lack of packaging of tourism product,
- No marketing material outside the district, and
- Economic difficulty, crime and security.

3.4 Film Industry Development

The development of the Film and Video Industry was identified as one of the key economic sectors that have a potential to make significant contribution towards economic development. The region is well-placed to develop a programme of co-ordinated Film Activity due to the following:

- Unique Locations
- Diverse Population
- Climate
- Government Support
- Cost effectiveness

3.5 Agricultural Sector

Agrarian Reform is the reform and development of complementary institutional framework such as the administrative agencies of the national government, rural educational and social welfare institutions and not limited simply to the question of the relationships of the farmers to the land. The role/mandate of Agricultural Unit is to facilitate and coordinate agricultural development in the Institution.

Key Findings

a) Demographic Characteristics

- Gender disparities of beneficiaries are still a challenge especially women representativity is clearly in the minority of those who received project funding. ADM needs to increase funding for projects. Ensuring that female targets on projects are met will go a long way in aligning the ADM projects to the national mandate.
- With regard to age, most farmers in ADM tend to be representative of the old age category and mostly male except for specifically women's projects. This perception needs to be changed but will require intense attitude change and incentive programmes that will change the profile of agriculture and farm management.

b) Livestock and Livestock Improvement

The commitment of the municipality to the livestock improvement programme has been demonstrated through the large number of animals provided to the farmers under the scheme. A large number of farmers in the Tsomo area, around Amahlathi Municipality received large numbers of Nguni bulls, rams and bucks from the ADM. The highlight of the livestock improvement was the provision of 150 Boer goats to Zibhityolo village. In spite of this large investment, there has been no visible progress made from this project as a large number of animals provided died. In other areas, a sizeable number of these farmers reported that the number of animals either remained the same or declined. The livestock improvement programme has proved to be probably one of the most

ineffective projects undertaken by the ADM, due to poor planning and lack of monitoring and evaluation.

There is lack of extension support and access to information and training, adequate support, poor planning with strong monitoring and evaluation system. This will also assist in informing remedial as well as preventative measures to avoid the recurrence of the problem to the same or similar projects.

c) Aquaculture

Aquaculture is a very specialized commodity, which, if properly structured could in the long run benefit both project beneficiaries and the ADM in terms of replication to other projects. The ADM is supporting projects in two strategic areas: Qolorha Abalon Fish Farming in Mquma Municipality and the Mhala Development Trust in Ngqushwa Municipality. As opposed to the cattle farmers, the fish farmers reported more positive results. The Qolorha project has managed to get fishing licence as well as a secure a market with Avin and Johnson in East London; and, is now making a reasonably good profit, R139 000 p.a. compared to the initial 900 fish provided when the project started. Mhala on the other side seems to be struggling to exceed minimum levels of survival as reported in high mortality rates and low yields.

Challenges

- The fact that the project has not yet obtained a fishing licence could also be a contributory factor.
- Lack of funding, training and equipment. Of significance, both projects reported very limited operational and management skills capacity related to fish farming; and apparently there is also a dearth of skills and capacity in the extension group which is supposed to provide support.
- Poor extension support and lack of access to information were identified as major challenges.

Possible Interventions

For fish farming to yield significant profits, significant investments in both start-up capital (for equipment and inputs) and skills development are critical. Notwithstanding the potential of these projects as critical pilots for fish farming for the ADM, the scale and level of investment is too limited to demonstrate possibilities for economic viability and market niche.

The levels of revenue being made per annum in both projects seem not to be economically viable. Relying on the erratic and irregular visits by the various institutions e.g. Marine Department, Rhode University and the ADM, is simply not sustainable and will lead to future autonomy and self-reliance. It is crucial that farmers run these enterprises themselves in the future, therefore, massive training workshops should be organized by the ADM to ensure that the skills profile of the beneficiaries complement the nature of work needed to sustain the project.

d) Crop Production

Almost all the projects supported by the ADM are still active.

Challenges

There is minimal visible progress and profitability and a lack of or poor extension support, over and above the harsh environmental conditions, which are not conducive to good yields. Majority of farmers seem to resort to market gates due to lack of markets. Even where markets exist, getting the produce to such markets is a challenge because lack of vehicles and/or cost of hiring local vehicles to transport their produce to markets. Market access and limited market information were is therefore a major challenge.

Possible Interventions

Given the real impact of climate change as an environmental variable which cannot be avoided or ignored, the initiation of modern farming methods such as tunnels and/or

hydroponics that protect crops from the harsh environmental conditions can no longer be delayed.

Hydroponics should be prioritized if higher yields intended for export markets are to be expected. This would provide an all-year yield of quality crops, even high-value crops for both national and international markets.

e) Agro-Processing

A steady progress is being made in this regard to the extent that the ADM has in the /2012 financial year purchased two hammer mills for Sheshegu and Tswelilitye maize growers. However, such machines may become a white elephant if there is a lack of capacity to operate them among the project members, as is currently the case. A maintenance plan is urgently needed to ensure that the machines remain in good working order. In this regard, focus should be on training the beneficiaries in the operation and maintenance of the mills.

One of the biggest shortcomings of the project, once again demonstrating poor planning, is that there is no storeroom for keeping the equipment and machinery. Neither is there a workshop for efficient operation of the business. Instead the equipment is kept at one of the beneficiaries' homes. Value adding initiatives such as this are commendable, but these should not be undertaken without proper planning.

f) Irrigation Projects and Schemes:

The ADM has been responsible for revitalization of a number of irrigation projects, mainly with the provision of irrigation equipment and installation of irrigation systems, as well as fencing between the years 2006 and 2011, which means that most of the interventions in these projects are very recent. Most of the irrigation systems are not in the best operational condition or not operating at all, with only a handful of schemes operating effectively examples of these include the Zanyokwe and Chata irrigation schemes in Amahlathi and Zintukwini Irrigation. This should raise concerns as projects that have potential benefit small holders and their surrounding communities have failed. Examples include from support include Zekhenime Nogqala, Bongithole Irrigation Scheme, Maweleni Irrigation Project.

Tyefu Irrigation Scheme seems to be doing well in terms of adopting irrigation methods that are more efficient and water saving. Additionally, there has been continued support for the projects with the Project receiving R8 million had been spent on the Tyefu Irrigation Scheme benefiting 1 678 farmers for the 2010/11 financial year. Other projects that received significant support under CASP are indicated below:

This continued support and investment is a necessary measure to mitigate against the negative effects of climate change and ensure sustainability for future production. The ADM needs to ensure that agricultural engineers with expertise on irrigation systems are engaged on a regular basis to service the irrigation systems thereby maintaining them in good working condition. Farmer training on the use of irrigation machinery is a critical necessity to avoid untimely damage to machinery and to limit costs associated with unscheduled maintenance.

There is a need to intensify the supply of these irrigation systems to ensure continued food production in the district, even during the times of harsh weather cycles often characterized by droughts. Notwithstanding the obvious benefits of irrigation systems, these should be balanced with cautionary measures aimed utilizing efficient and environmentally friendly systems given the recent drought spells and worsened water scarcity intensified by climate change. To this end, it would make sense to adopt the types of irrigation systems that serve a dual purpose of irrigating crops but also saving water. In this regard, the ADM could explore models and methods from arid countries such as Israel that have over the years have explored and mastered efficient ways of managing profitable agricultural businesses in spite of water scarcity.

g) Bee-Keeping

In Ngqushwa Local Municipality Mgwangqa Honey production started their projects in 2003 with two boxes of bees. The ADM assisted this project with 90 boxes of bees later on. Again, concern was raised regarding ongoing support by the ADM. Instead the Department of Agriculture was commended for the interest and support to the project.

An immediate need on the project includes basic resources such as containers to improve security for fear of theft, which is currently the looming threat at the moment.

Other challenges faced by the project include the following:

- Drought
- Veld fires that decrease production because bees flee
- Viruses (Asian mites)
- Transportation
- Honey extracts machines.

The DoA's interest in the current Bee-Keeping projects should serve as an opportunity for close collaboration and partnership which will also serve as skills transfer opportunity for the ADM Agricultural Unit officers considering that the DoA already has in-house capacity and expertise in bee-keeping.

h) Other Agricultural Support Activities

- **Drought Relief:**

The ADM was instrumental in providing assistance to farmers during the recent droughts which left a lot of farmers, who had been severely affected, particularly in areas such as Nxuba Local Municipality. A large number of people have benefited from the Jojo tanks that were meant for drought relief. However, these measures are short term and will not bring about a lasting solution. More resources should be channelled toward preparing farmers and communities about the reality of climate change and its impact on daily life and agriculture as a whole. This will have far more long-lasting impact on the protection of the environment and resources such as water. In this regard, the ADM is to be applauded for its efforts in the drought awareness campaign.

- **Infrastructure Support to Emerging Farmers (Including Individual Emerging Farmers:**

The district has supported farmers with implements such as disc harrows, tillers, planters, cultivators, ploughs, ridges, tool boxes and rotovators. Farmers who benefited are mostly those engaged in food production projects, especially those at Mnquma, Mbhashe and Amahlathi Local Municipalities. Without proper planning and a comprehensive strategy

informing assistance of this nature, the value of this spending will remain questionable. Also the criteria of support are not clear and this area has potential to cause tensions among the farmers as to who qualifies for such support. The ADM should work closely with the local municipalities and the Community Development Workers and the Ward Councillors in this regard.

- **Provision of Production Inputs and Mechanization:**

Mechanization that the district renders often includes the provision of services to farmers such as hiring of tractors to till their land and purchasing of tractors for food production projects. While positive reports with regard to provision of tractors to emerging farmers; there are concerns regarding the process related to the distribution of the tractors. Concerns relate to the criteria used, the ownership, usage as well as implications for the district asset management register as there are questions relating to whether or not the machinery has been registered.

To this end, the ADM seems to be facing major difficulties regarding monitoring progress of the mechanization project. The affected areas are the villages of Zibhityolo, Mtawelanga and Mtwaku. There is currently no mechanisation infrastructure in the aforementioned localities, and production inputs such as fertilisers, seeds/seedlings and others were also provided to the farmers; and without clear a monitoring system, demonstrating results will remain a challenge.

The need to increase the scope and intensity of project cannot be overemphasized if the targeted projects are to be supported by financial institutions. The large scale envisaged can only be achieved through partnerships with the private sector. And clearly, adequate commitment has been demonstrated in this regard. For instance, since the onset of 2012, the IDC has publicly declared its commitment to support large-scale agro-processing and value adding initiatives (Financial Mail, February 2012).

The projects identified through this 'Review Process' should be implemented without any delay. Identification of projects and development of bankable business plans should be

urgently addressed for ensure that no time is lost in taking advantage of such opportunities through capital raising. Because of the high investments required and the risk involved, financial institutions can only consider such projects if done in partnership with renowned agricultural companies with competency and a proven track record.

To this end, **identifying key pilot projects, one per local municipality depending on the availability of funds, should be seen as a point of departure for the implementation of the ADP.**

Potential and opportunities of ADM Agricultural projects

While the ADM has huge agricultural potential in varying degrees and disparately for different municipalities, there is no intensive agriculture, except along the coastal strip where there is higher rainfall, deeper soils, and almost 8 000 ha under irrigation. The greater part of the district is restricted to extensive livestock production and about 3 000 ha are used for citrus farming. According to the Industrial Development Plan (2011/2012) of the ADM, the lack of inputs, resources as well as the lack of interest from the in agriculture are the prominent factors that contribute significantly to the ADM's inability to unlock its agricultural potential. In the discussion below, the key agricultural activities/projects are highlighted, followed by key challenges and/or constraints. This is illustrated in Table 18 towards the end of this Section.

- **Agricultural Projects / Enterprises**

a) Livestock Farming

Livestock farming in the Amathole District Municipality is the prominent and most dominating of all agricultural activities, particularly sheep and beef; and contributes to more than 72% of value adding agricultural sector. With minimum support directed towards marketing, branding, genetic improvement, among others, the industry could be greatly improved. Similarly, improved co-operation between communal livestock farmers, commercial farmers, Provincial Department of Agriculture and Municipalities

could yield positive results towards the improvement of this sector (ADM IDP, 2011/2012: 53).

b) Irrigated Horticultural Crops

Horticulture plays also a significant role in the ADMs agricultural sector, making a meaningful contribution of more than 21%, and is the second largest industry after livestock. Horticulture is concentrated in the well-watered coastal belt and in the valleys of the district's many rivers. Important crops include vegetables (tomatoes and cabbages), citrus, pineapples and subtropical fruits list of high-value crops.

Horticultural crops tend to perform better than field crops, even under similar conditions in this district. However, compared to dry land field crops, horticultural crops pose major challenges related to cost and labour as this form of farming requires a certain level of skills and competency to be able to yield positive results. Combined these challenges render horticultural crops a non-viable option for small-scale farmers because of lack of resources.

The ADM has supported nine irrigation schemes in a number of areas within the district including the former homelands and in the following towns: Keiskammahoek, Tyefu and Kat River Irrigation Schemes. Currently, there is a concerted drive aimed at rehabilitating about 2215 hectares, and 1000 smallholders (2.2 ha per smallholder). Over and above these, there are 276 private irrigation schemes with 21ha per farmer.

Irrigated horticulture and field crops Horticulture accounts for 21% of the value added of the district's agricultural sector, and is the second most important agricultural subsector (after livestock). Horticulture is concentrated in the well-watered coastal belt and in the valleys of the district's many rivers. Among key crops being produced are: the following: vegetables such as tomatoes and cabbages, citrus, pineapples and subtropical fruits, among others.

c) Field Crops

The potential of field cropping in the district is limited due to shallow and erodible soils and low rainfalls in the inland areas in the western half of the district. It is estimated that over 50% of the area suitable for field crops is under cultivation. Dryland field crops (mainly maize) accounts for only 5.3% of the district's agriculture value added. This is being supported in the communal areas by PGDP's Massive Food Programme, driven by the Provincial Department of Agriculture. In addition the Department is driving the Siyazondla Programme to increase food production from homestead and other (schools, clinics etc) gardens. Once again, to increase the impact of these programmes, collaboration and participation in the AsgiSA-driven bio-fuels programme is imperative and should be prioritized to ensure that historically disadvantaged communities and emerging farmers benefit from the provincial value-adding and agro-processing initiatives.

d) Game Farming

Game farming in the ADM is gaining momentum, although it seems to be lagging behind other neighboring districts. According to the ADM IDP (2011/12: 53), ADM growth rate in game farming ranks approximately 5% less than other neighboring municipalities.

e) Dairy Farming

The majority of the dairy production in the ADM is localized within the confines of the coastal areas, whereas inland dairy production is mainly confined within the mainstream commercial sector (ADM IDP, 2011/12). The expansion constraints experienced by the sector are mainly due to the market surpluses. These surpluses serve or act as a deterrent to farmers who wish to switch to dairy production. For small scale farmers the major challenge is the start-up capital as well as geographical and logistical limitations.

f) Aquaculture

The aquaculture in the district has a potential to develop and improve. This requires promotion and strengthening of intersectoral links in the district and within the province

as a whole. Planned and proposed projects includes Trout Project and the Finfish project planned for establishment at Qolorha, which is a stepping stone towards the development of aquaculture/marine culture within the ADM. There are other small pilot aquaculture projects established by the ADM at various Local Municipalities. The evaluation of the successes and failures is yet to be undertaken to assess their performance and assess their suitability as best practice models.

Agricultural Potential and Opportunities

Agricultural potential of the ADM

In spite of resource and other challenges outlined above, the ADM has great agricultural potential and is currently supporting a number of projects within the local municipalities; and it is worth mentioning that the initiatives are based on extensive research conducted within the broad public-private partnerships initiatives within the Province.

The ADM has undoubtedly demonstrated commitment and support to emerging farmers and communities through a number of promising viable projects. These include the following: Sheshegu, Tswelilitye, citrus pack sheds, infrastructure support to farmers, provision of production inputs, livestock mechanization, livestock improvements and irrigation projects and schemes. All these projects regardless of size and structure have high potential for sustainability and long-term economic viability.

However, experience has proved that without proper planning and coupled with partnership, ongoing support and adequate resources, training and capacity building, these projects will continue to be a frustration to all stakeholders including beneficiaries. Adequate skilled and motivated support through agricultural officers will go a long way in ensuring that resources are utilized effectively and efficiently through proper monitoring and evaluation.

Opportunities for agricultural development in the ADM

The District's agricultural competitive advantage is enhanced by a number of factors. However, sustainability and economic viability requires focused effort to ensure that these are developed to improved production standards that will satisfy niche markets, both local and international. Among these are the following:

- **Proximity to Markets:** East London is situated close to the harbour, the Airport and IDZ, making it easy and accessible for export of a produce.
- **Diversification of Products:** By design, the ADM's topography is diverse with potential for enterprise diversification.
- **Telecommunication:** Like the rest of South Africa, the main cities/towns of the ADM are far advanced regarding business services, ICT, and logistics network in general; however, there is an immediate need to ensure that these facilities are extended to farmers and rural communities.
- **Livestock:** The district contains some of the richest livestock land in the province, but many commercial farmers have migrated to game farming due to stock-theft and lack of funding for production inputs. Public private partnerships and improved farming methods can expand commercial livestock farming in the former homelands;
- **Crops:** The coastal belt is warm and well watered and presents many opportunities for diversified horticultural production, including further expansion of pineapples, tomatoes, citrus and exotic fruits and vegetables;
- **Forestry:** can be expanded both in the Amatola Mountains and in the southern Transkei, creating potential for wood products and furniture industries;

Fishing: The small East London fishing fleet has limited opportunities to expand with new quota allocations to the province, but there are a number of potential sites for aquaculture such as the pilot project at Qolorha;

- **Food Processing:** Existing canning and bottling of fruits and fruit juices can be expanded to meet national and international standards; and the introduction of high-value branded products such as dehydrated vegetables and fortified drinks, which would meet the urgent markets in the region where food security is an urgent need. These would also be marketed to school-feeding programmes, hospitals and destitute families.
- **Leather and Leather Goods:** With intensive skills development and training, this industry could be developed to meet the ever-increasing local and regional markets. In the longer term, expanded livestock production in the Transkei holds potential for small-scale tanneries and leather craft industries. Similarly, the tourism sector would provide a major boost to the district's economy, linking the many diverse attractions of the Amatole Mountains, the Transkei Wild Coast, the long beaches, and the rich culture and history of the area. Strong branding is needed to link the different features.
- **Other high-value Crops:** While high value crops such as cotton, chilli, paprika, and others do not meet immediate food security needs or 'market gate' requirements, these would contribute significantly to sustainable income generation and economic viability of farmers and communities. These can be planted side-by-side with other products that will meet local consumption needs.
- **Fresh Produce Markets:** The success of projects based on sound partnership such as the fresh produce market supported by the Dohne Agricultural Research Institute have demonstrated the value and impact which has culminated in skills transfer for both production and management. More improved budgets should be directed to more public-private projects which will result in sustainability and economic viability.

Challenges and threats to the success of the ADM projects and successful implementation of the plan

There seems to be a number of factors that, if not given immediate attention, may hamper the success of the current and envisaged projects and opportunities within the ADM. Below is a list of the key challenges followed by the 'problem tree' highlighting some of the key challenges facing small-scale farmers within the ADM.

Farmer Organisations: While there seems to be some structures intended to support farmers, these are government driven and do not provide vertical level relationship of support or farmer-to-farmer support.

Monitoring and Evaluation: Project support by the ADM Agricultural Unit Officers is acknowledged. However, most farmers seem to feel neglected and without support/mentorship or even coaching. During consultation meetings, almost all farmers raised concerns that the municipality "throws resources at them and never come back to check how those resources are utilized".

Intersectoral/Stakeholder Collaboration: Government departments including municipalities serve the same farmers/communities, but there seems to be very little if any intersectoral collaboration between government officials towards supporting the programmes. This often results in duplication of the scarce resource, as most of the time, 'the left does not know what the right is doing'.

Planning and Coordination: Proper planning, which can be extended to recording and reporting, seems to be the biggest challenge facing the programme. While some personnel are in touch with what goes on at projects, others were completely detached from the project, making beneficiaries feel completely isolate and left to their own devices.

Management of Resources/Inventory: Proper inventory of stock and equipment is currently a cause for concern. Beneficiaries reported loss due to mortality, theft, and implement breakdown. The ADM does not currently have the capacity of monitoring and

ensuring a proper inventory of all implements and stocks that are issued to farmers and there should be a way of indicating losses due to mortality, theft, implement breakdown etc. and there should be clearly stated reasons for such losses.

Training and Capacity Building: Capacitation of both the staff and the beneficiaries remains a challenge for the ADM. Unless a training concerted efforts and budgets dedicated to this critical area, the Unit will continue to experience implementation challenges. Delivery in this area will demand development of a comprehensive multi-year skills development/training plan, which should be preceded by a skills audit process, particularly where personnel are involved.

Natural Disasters: In spite of the ADM's efforts to put the necessary precautions for unforeseeable natural disasters resulting from project change such as the recent drought, continue to present a challenge for most local municipalities resulting in budget review for disaster mitigation to help affected communities. Although the drought was handled effectively by the ADM, the appropriate strategy would be to develop effective preventive strategies to ensure minimal disruptions to normal operations of the Unit. To this end, the ADM has already created an enabling environment through its ADM Climate Change Policy which was initiated through the ADM Summit held in 2010

3.6 ENVIRONMENTAL MANAGEMENT

The objective of environmental management is to ensure promotion of environmental integrity by securing ecologically sustainable development and use of natural resources while promoting justifiable economic and social development and creating socio-economic resilience in the face of accelerating environmental change

i. Geographical location

Amathole District municipality is an extremely diverse area ranging from the misty Amathole Mountain Range down to a well-watered Wild Coast. The region has a mild and temperate climate, unspoiled estuaries, afro-montane forests, waterfalls and malaria-free game reserves. The diverse climate has given rise to a range of vegetation types, including the semi-arid Karoo, thornveld, succulent and thicket areas. Further inland, the Great Fish River reserve complex can also be found, originating in the beautiful Amathole Mountain Range. This diversity of natural resources provides the district with numerous opportunities for growth, development, agriculture, industry, biodiversity management and conservation and tourism.

ii. Natural state of the ADM local municipalities

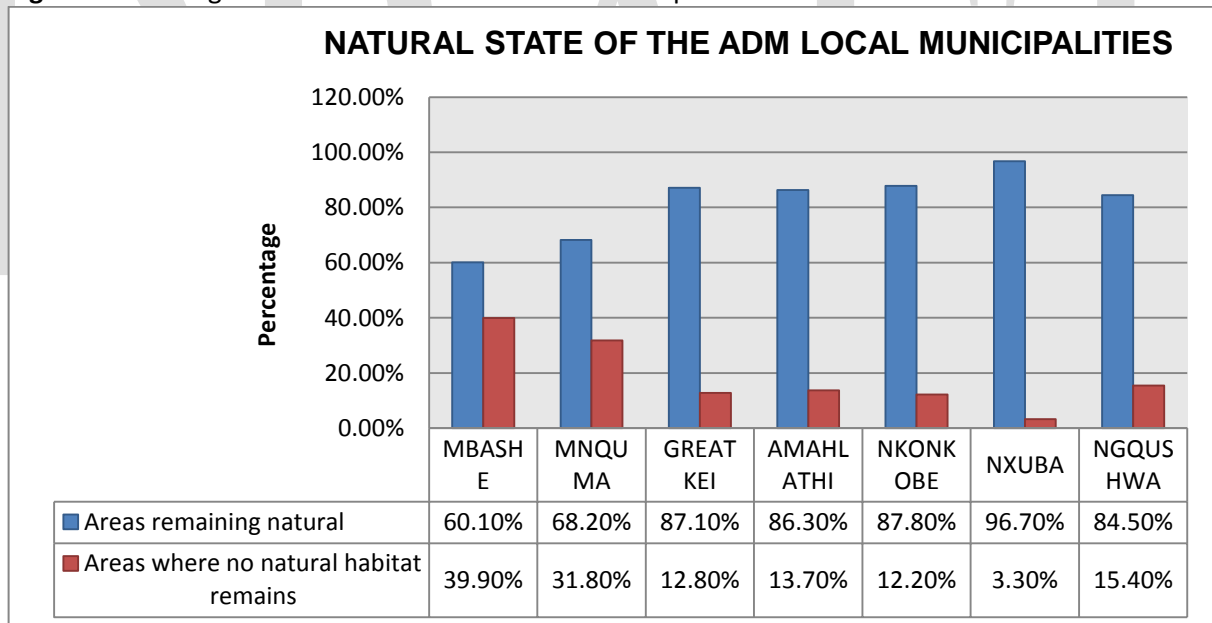
Amathole District is generally in a good natural state as it is shown in Table 1, i.e., 81.52 are areas remaining natural and 18.48 are areas where no natural habitat remains. The natural state

of the district varies across the local municipalities as it is shown in Figure 1, e.g, Nxuba, Great Kei, Ngqushwa and Nkonkobe municipalities are in a pristine state of environment with less areas with no natural habitat remaining, whereas Mbhashe and mnquma need some attention in terms of preserving the natural state of the environment .

Table 1: Showing areas remaining natural and areas where no natural habitat remains in the ADM

Municipalities	Areas remaining natural	Areas where no natural habitat remains
MBASHE	60.10%	39.90%
MNQUMA	68.20%	31.80%
GREAT KEI	87.10%	12.80%
AMAHLATHI	86.30%	13.70%
NKONKOB	87.80%	12.20%
NXUBA	96.70%	3.30%
NGQUSHWA	84.50%	15.40%

Figure 1: Showing natural state of the ADM local municipalities



Challenges

- The highest levels of transformation in Amathole DM have been experienced in the Mbhashe and Mnquma LM.
- Development pressures on the wild coast is one of the key impact drivers

Opportunities

- Eco-tourism
- Agri-Ecology/Conservation agriculture
- Environmental Projects

iii. Biodiversity

The biodiversity of the Amathole DM is represented in 5 major biomes that describe the different biotic communities (see Figure 2). These biomes are Savanna (34.5%), Grasslands (31.5%), Albany Thicket (29.6% of the area), Indian Ocean Coastal Belt (3.7%) and Forests (0.6%). The variety in landscape and biodiversity within the Amathole DM is recognised within the Pondoland Centre of Endemism that stretches along the east coast below the Great Escarpment. One type of forest (Licuáti forest), three types of thicket, six types of bushveld, and five types of grassland are found only within the hotspot. About 80 percent of South Africa’s remaining indigenous forests fall within the Pondoland centre of endemism. The region includes warm temperate forests that hold nearly 600 tree species, the highest tree richness of any temperate forest on the planet. The Amathole Complex is home to high biodiversity and is regarded as a centre of endemism. It falls within an area classified as Critically Endangered by the Subtropical Thicket Ecosystem Project (STEP).

Figure 2. Terrestrial Ecosystems [Biomes and Vegetation types]

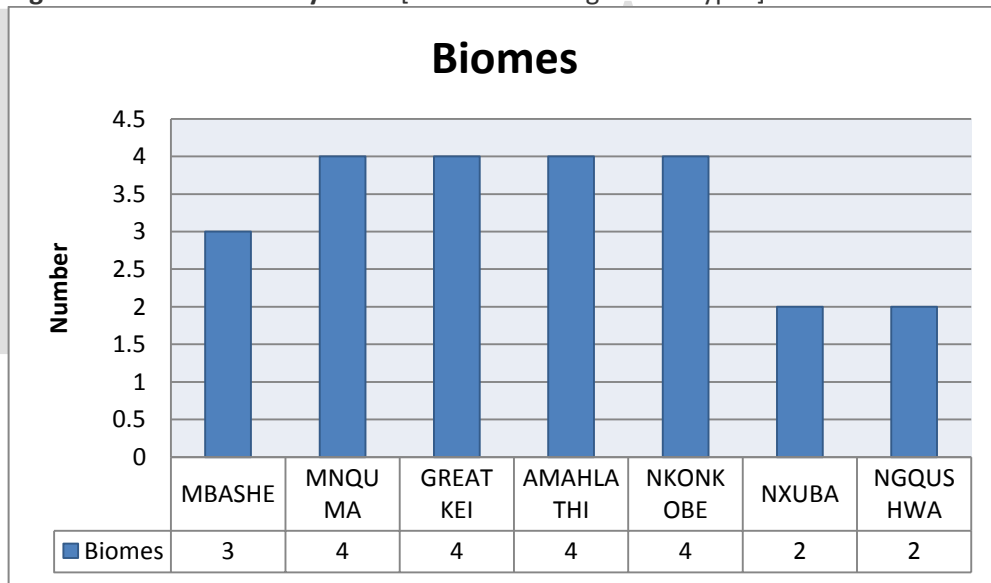
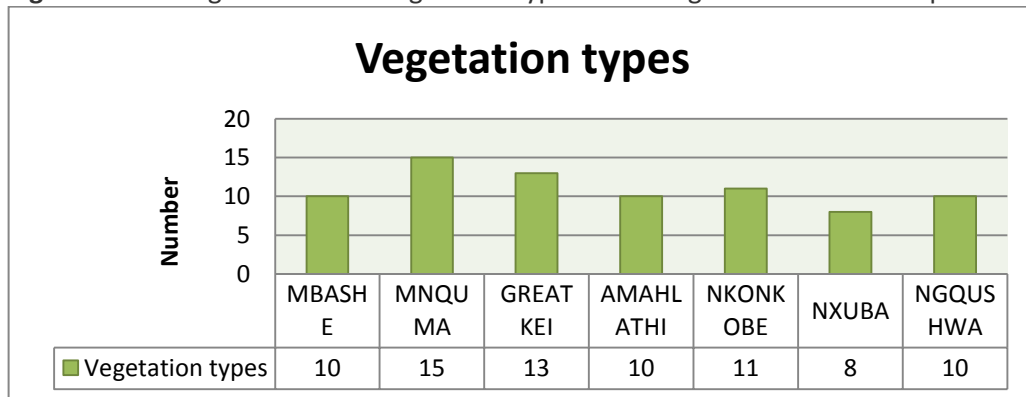


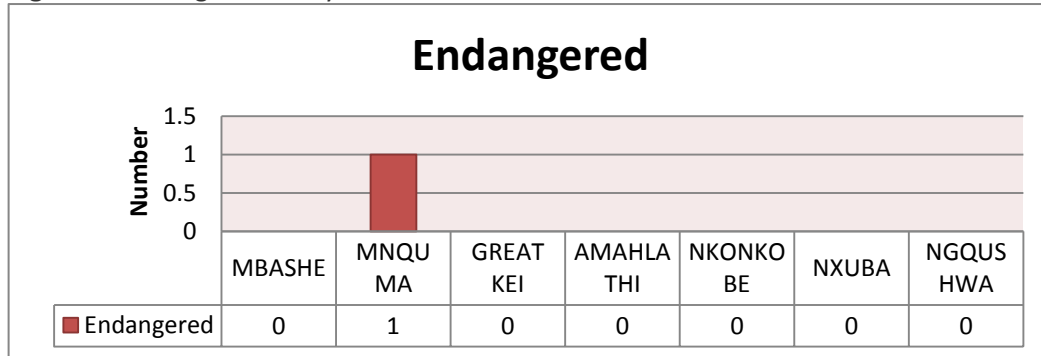
Figure 3: Showing a number of vegetation types according to the local municipalities.



Threatened Terrestrial Ecosystems

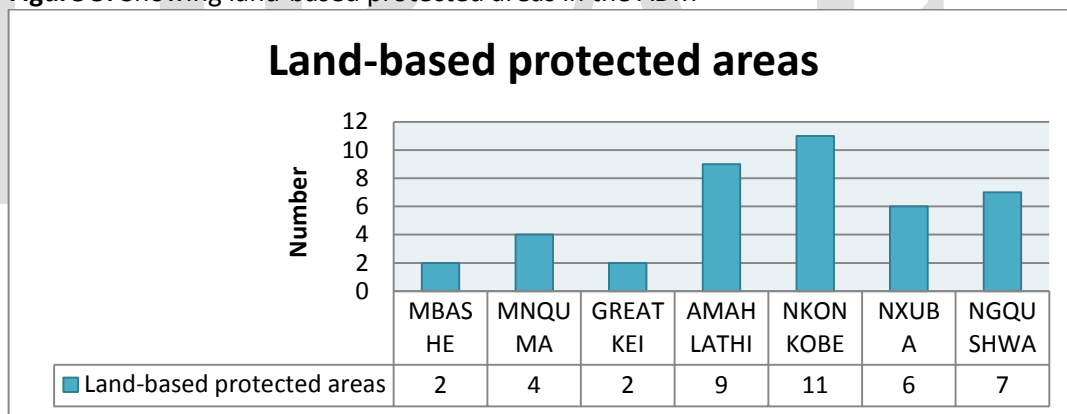
According to the NEM:BA regulations on Threatened and Protected Species there are 52 listed threatened species in the Eastern Cape. These include 3 Critically Endangered, 9 Endangered, 26 Protected and 14 Vulnerable Species. In the ADM there is one endangered ecosystem (Figure 4) which is Kobonqaba Forest Complex in Mquma local municipality.

Figure 4: Endangered ecosystem in the ADM



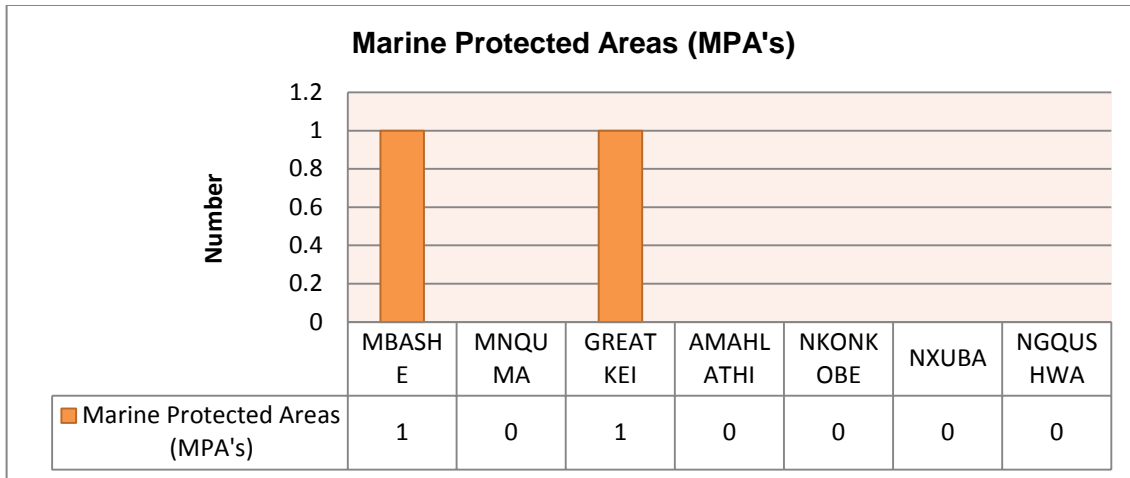
PROTECTED AREAS [Land-based protected areas (formal) and Marine Protected Areas (MPA's)]
 The presence of marine protected areas (MPAs) as well as land based protected areas in the Amathole region is of critical importance to the district from a biodiversity perspective and need to be managed and maintained in a sustainable and practical manner, particularly given the intentions and aims of the National Protected Areas Expansion Strategy (NPAES). ADM have 41 land-based protected areas as shown in Figure 5, with more numbers recorded at Nkonkobe and Amahlathi with least numbers at Great Kei and Mbashe

Figure 5: Showing land-based protected areas in the ADM



South Africa has 23 Marine Protected Areas (MPAs), with the most recent proclamation being the Amathole MPA in the Eastern Cape. The three separate marine areas Gxulu, Gonubie and Kei, which are located in the BCM and ADM in South Africa's Eastern Cape province, are forming the new Amathole Marine Protected Area (MPA), which got declared in 2011 as the 21st proclaimed marine protected area in South Africa. The two marine protected areas in the ADM that are shown in Figure 6 are Dwesa (South)-Cwebe (North) at Mbashe and Nyara River mouth to Great Kei River mouth at Great Kei

Figure 6: Marine protected areas in the ADM



Challenges

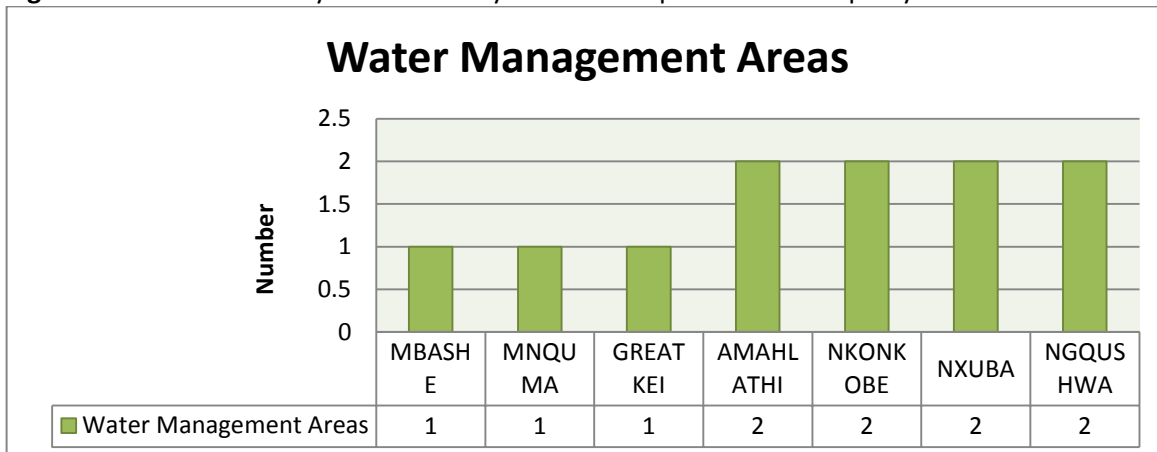
- Habitat loss, degradation and fragmentation (Khubonqaba forest)
- Exploitation and over utilisation of biological products by humans
- The Amathole DM is faced with a backlog of development and the fast track of providing services adds pressures to biodiversity.
- Commercial overexploitation of indigenous plants for medicinal purposes, and to a lesser degree for ornamental/horticultural purposes
- The highest levels of transformation in Amathole DM have been experienced in the Mbashe and Mmquma LM

Opportunities

- Eco-tourism
- Agri-Ecology/Conservation agriculture
- Biosphere reserve

▪ Freshwater Ecosystems

Figure 7: Freshwater ecosystem summary information per local municipality in Amathole DM



Rivers

There are 56 recorded rivers in the Amathole district municipality which are classified in Table 2. Nearly the whole of the Amathole DM fall in the Mzimvubu to Keiskamma Water Management Area, with the exception of Bedford, Adelaide and Fort Beaufort which forms part of the Fish to Tsitsikamma Water Management Area. There are four major drainage regions in the ADM, i.e., Great Fish River catchment, Amathole catchment, Great kei River basin, and Mbashe River basin. The major rivers of the Amathole DM are the Koonap and Kat Rivers of the Groot Vis River in the western extent; the Keiskamma and Groot-Kei in the central extends; and the Mbhashe River in the eastern extent. The dams of the Amathole DM include: Binfield Dam, Bridle Drif Dam, Cata Dam, Debe Dam, Gcuwa Dam, Gubu Dam, Katrivier Dam, Laing Dam, Maden Dam, Mnyameni Dam, Nahoon Dam, Pleasant View Dam, Rooikrans Dam, Sam Meyer Dam, Sandili Dam, Stanford Dam, Toleni Dam and Xilina Dam. In terms of Blue drop ADM is rated at 74.62 which is a good status. However there is a need for improvemen and attention should be given to:

- Compliance with the set requirements
- Risk assessment and management, consistent with the principles of water safety planning

Challenges and Opportunities

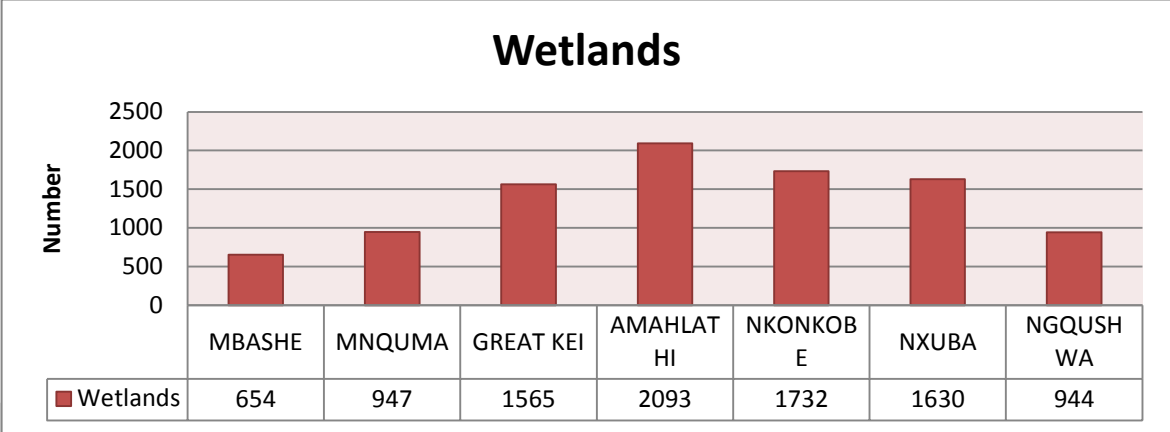
Issue	Intervention actions
Ecological thresholds	<ul style="list-style-type: none"> - Ensure ecological reserves are implemented for rivers and estuaries - Monitor groundwater abstraction and use - Apply innovative water use and recycling projects
Impacts on freshwater quality	<ul style="list-style-type: none"> - Efficient and consistent monitoring of freshwater resource quality according to DWA standards - Removal of invasive alien plant species from rivers, wetlands and riparian areas
Encroachment into water resources	<ul style="list-style-type: none"> - All development plans must be approved by relevant authorities - Illegal developments must removed from floodlines - No development allowed within 100 year floodlines
Soil erosion	<ul style="list-style-type: none"> - Careful management and control of stormwater runoff (through engineering design) - Prevent erosion and sedimentation occurring in sensitive catchments

	- Provide
--	-----------

Wetlands

There are 9565 wetlands at Amathole district municipality which are distributed as follows across the local municipalities (see Figure 8).

Figure 8: ADM Wetlands



Challenges

- Unsustainable use of wetland resources through; overgrazing, over cultivation, over abstraction of water for domestic use
- Eutrophication/pollution
- Establishment of new human settlements in wetland areas.
- Cutting and burning of aquatic and other vegetation for fuel, housing and commercial activities.
- Introduction of alien species into wetlands

Opportunities

- Wetlands contribute to the local economy by producing resources, enabling recreational activities and providing other benefits, such as pollution control and flood protection.

Estuaries

Estuaries are situated at the interface between the marine and freshwater environments, and as such are amongst the most dynamic, but also productive ecosystems on earth.

The Eastern Cape has the highest concentration of estuaries of all provinces (estimated at 50% of South Africa’s estuaries), the major systems including the Great Fish, Nahoon, Kei, Mtata and Umzimvubu estuaries (DEAT, 1998). Two of these, the Great Fish and Kei, are located in Amathole.

The estuary of greatest importance is the Great Fish River, which forms the boundary between the Amathole DM and Cacadu DM to the south. This is the 13th most important estuary in South Africa due to its large size, significant habitat and biological diversity, and it is imperative that the system be effectively managed by both DMs. There are 8 other systems that are within the national top 50 in terms of estuarine importance, viz. Mpekweni, Mtati, Mgwalana, Keiskamma, Great Kei, Nxaxo/Ngqusi, Mbashe, and Xora. With respect to current health state, an outstanding feature of the estuaries of the Amathole DM is that 65% of these systems are classified as category B, i.e. largely natural with few modifications. In general, the level of protection afforded estuaries of the Amathole DM is weak.

There are a number of estuaries which fall within protected areas: Mbashe, Ku-Mpenzu, Ku-Buhla/Mbhanyana, Ntlonyane, and Nkanya (Dwesa-Cwebe Nature Reserve); with the latter adjacent to the Dwesa-Cwebe Marine Protected area.

Figure 9: ADM Estuaries

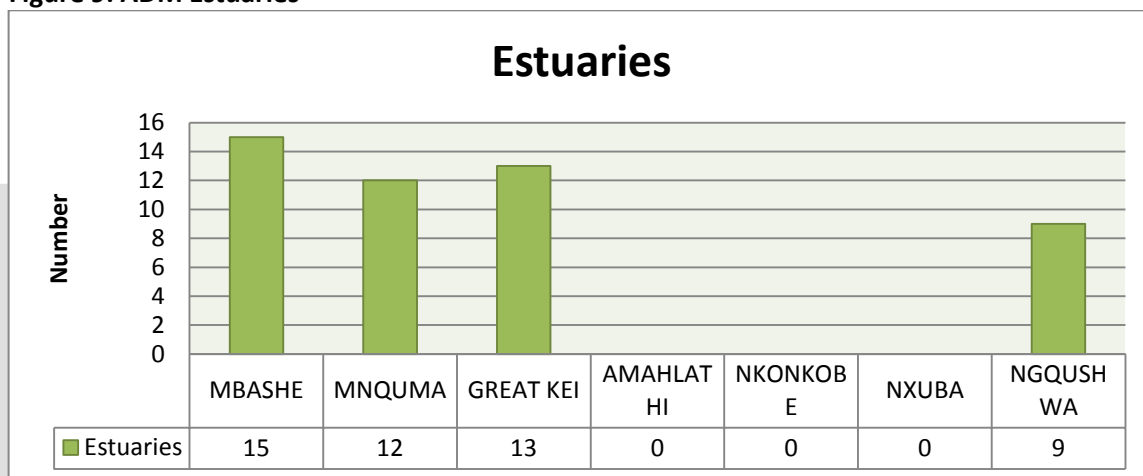


Table 3: State and types of estuaries in the ADM Estuaries

MUNICIPALITY	TOTAL NUMBER OF ESTUARIES	HEALTH CONDITION			TYPE	
		<i>Excellent</i>	<i>Good</i>	<i>Fair</i>	<i>Opened</i>	<i>Closed</i>
Mbhashe	15	11	4	0	4	11
Mnquma	12	9	2	1	2	10
Great Kei	13	6	7	0	0	13
Ngqushwa	9	5	3	1	0	9

Challenges

- The level of protection afforded estuaries of the Amathole DM is weak.
- The direct exploitation of resources (i.e. sand mining, over-fishing)
- Introduction of alien species,
- Threats to the diversity of species within the coastal zone exist.

- development pressure and invasion and competition by alien species which may place extreme pressures on rare and endemic species which occur in this region of the province
- Pollution(e.g. agriculture, waste water treatment works (WWTW), industrial, sediment)
- Flow modification
- Habitat destruction (within estuarine functional zone); and
- Climate change e.g.,Sea Level Rise
-

Opportunities

1. Eco-tourism
2. Conservation agriculture
3. Working for the water and Coast programs

▪ Marine and Coastal

Amathole DM is situated in the central coastal portion of the Eastern Cape, between the Mbashe River in the northeast and the Great Fish River in the southwest. The coastline extends for approximately 269 km, which accounts for about a fifth of the districts' jurisdictional boundary and roughly 34.1% of the Eastern Cape coastline. The coastline is generally warm, with humidity increasing towards the east. In total, the district covers a geographical area of 23 577 square kilometres.

Table 4: Coastline lengths of the Eastern Cape and Amathole DM

Local Authorities	Coast (Km)	Coast (%)
Mbashe	64	33.68
Mnquma	41	21.58
Great Kei	43	22.63
Ngqushwa	42	22.11
TOTAL	190km	100%

Challenges

- Exploitation of resources
- Marine invasive species
- Shoreline development
- Coastal storm surges, flooding and erosion
- lack of public awareness regarding the rules and regulations pertaining to the coast and coastal resources

Some of the district coastal assets include: Wild Coast, characterised by unspoilt beaches and coastal forests, rural subsistence farming accompanied with the harvesting of ecological goods

and services provided by coastal ecosystems, and some tourism. Sunshine Coast A large number of pristine estuaries; and Diverse coastal ecosystems.

Amathole does not have any Blue Flag certified beaches or marinas, though ADM is currently in a process of piloting with Hamburg Beach at Ngqushwa.

Opportunities

- Community based initiatives in rural coastal communities
- Tourism
- Recreational activities
- Job creation through sustainable livelihood projects, Alien removal
- Fishing farming

3.6.1 CLIMATE AND CLIMATE CHANGE

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

In terms of vulnerability and risk, the District needs to consider the following:

Drought, Flooding, Sea Level Rise, Heatwaves, Pests and diseases, Changes in biodiversity, Spread of invasive alien vegetation. Accordingly, the highest vulnerabilities are concentrated along watercourses (flooding, alien plants, pests), the coastal strip (sea level rise and storm damage), and in the eastern regions (drought, erosion, impacts on agriculture). In addition, increasing levels of heat stress (fires, heat waves) will be experienced the further inland a particular community is situated.

Future projections for the Amathole District Municipality

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

Opportunities

- ADM has developed a Renewable Energy strategy which outlines the following opportunities
 - Wind Energy (Great Kei, Ngqushwa and some parts of Nxuba and Nkonkobe)
 - Sola Enery (Nxuba, Nkonkobe and Amahlathi)
 - Biomass and Waste
 - Hydro Energy

Air Quality

- a) Topography

In the ADM, almost all the major emission sources are located at the lowest altitudes or more simply, near the floor of a valley basin. They are generally below the inversion layer which acts as a barrier to the vertical dispersion (upward mixing) of the pollutants, whilst the valley topography serves to laterally confine emissions, especially during calm winter nights.

SOURCE CONTRIBUTIONS

The Air quality Management plan identified the following air pollution sources in the ADM:

- **Industry and Manufacturing**

There are a number of industrial boilers within the district (approximately 15) who either use coal, heavy fuel oil or paraffin. The type and concentration of emissions to air from the boilers is dependent on the fuel used. There are also a number of wood drying operations by an external source of heat (i.e. a kiln) in operation at sawmills throughout the district. Emission for these operations include PM and NOX.

- **Residential Fuel Use:**

A significant source of particulate emissions is domestic burning from households and burning at landfill sites. While electricity is the dominant lighting source for households in ADM, paraffin and gas is used to a certain extent. Electricity is the dominant fuel source for cooking requirements, followed by wood, paraffin and gas. The use of wood is of concern due to pollutants emitted when wood is burnt.

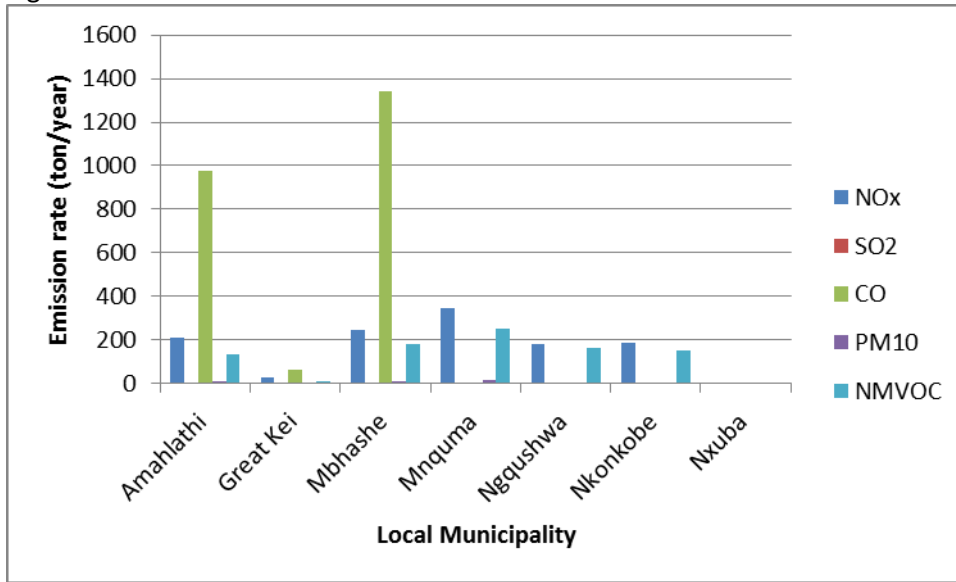
- **Biomass burning**

Burning of fire breaks and run away fires do occur during the winter period, however, the practice is not continuous and thus it is not considered as a significant issue in ADM.

- **Motor Vehicles and Unpaved Roads**

One of the largest sources of particulate emissions is vehicular travel on unpaved roads, which are situated throughout the District. Given the rural extent of the District, a large portion of roads are unpaved which results in entrained PM and greater exposure to dust for humans residing close to the roads. Estimated emissions from motor vehicles in the Amatole DM are shown in Figure 10 in tons per annum. The total NOX emission is estimated as 1204 tons per annum, CO as 1039 tons per annum and NMVOC at 894 tons per annum. The total SO₂ and PM₁₀ emissions are only 22.2 and 39.2 tons per annum respectively.

Figure 10: Estimated emissions from motor vehicles in the Amatole DM



Priority Pollutants

Total CO emissions are estimated to be 2 644.79 tons per annum and total PM10 emissions are 350.43 tons per annum, largely attributed to wood burning. Total NOx emissions are 57.35 tons per annum of which 24.59 tons per annum and 31.91 tons per annum are contributed by paraffin and wood respectively. 15.90 tons of SO2 are emitted each year, largely due to burning of paraffin which releases 9.70 tons per annum of the pollutant” (uMoya-NILU, 2013).

Major sources

The sources presented in the Table below are largely industrial point, area sources and agricultural area sources. It should not be assumed, that the industrial sector and agricultural sector are the only major contributors to air pollution in ADM

Local Municipality	Local/Nearest Town	Source Description	Source Type	Co-ordinates	Height ASL	AEL Req.
Mnquma	Butterworth	WWTW	Area	-32.332 28.190	526	No
Mnquma	Butterworth	Transkei Quarries	Area	-32.330 28.182	545	No
Mnquma	Butterworth	Informal Landfill	Area	-32.330 28.181	540	No
Mnquma	Butterworth	Suntex Factory 3 stacks	Point	-32.327 28.177	530	No
Mnquma	Butterworth	Woodcity Wood Fibres	Wood Point	-32.328 28.173	536	No

Mnquma	Butterworth	Kei Engineering	Point	-32.328 28.173	532	No
Mnquma	Butterworth	Panelbeater, Spray paint shop	Point	-32.327 28.158	535	No
Mnquma	Butterworth	Siyavuma blocks	Area	-32.329 28.161	538	No
Mnquma	Butterworth	Chibuku Beer Factory – 3 stacks	Point	-32.333 28.156	561	No
Mnquma	Butterworth	Genesis body works	Point	-32.329 28.153	549	No
Mnquma	Butterworth	Old factory for recycling – just closed down	Point	-32.311 28.217	695	No
Mnquma	Butterworth	Hongfuclothing	Point	-32.315 28.222	716	No
Mnquma	Butterworth	Charcoal (Kentani Hill)	Area		530	No
Mnquma	Butterworth	Hospital	Point	-32.331 28.138	585	No
Mbhashene	Dutywa	WWTW	Area	-32.101 28.288	856	No
Mbhashene	Dutywa	Landfill	Area	-32.105 28.325	795	No
Mbhashene	Dutywa	Sewerage works	Area	-32.102 28.315	760	No
Great Kei	Komga	Landfill	Area	-32.581 27.877	656	No
Amahlathi	Stutterheim	StuttGroup Quarry	Area	-32.619 27.468	880	No
Amahlathi	Stutterheim	Chicken Houses	Area	-32.608 27.445	767	No
Amahlathi	Stutterheim	Newmans Candles	Point	-32.586 27.427	835	No
Amahlathi	Stutterheim	Newmans Timber Products & unpaved road	Point and Line	-32.584 27.428	835	No
Amahlathi	Stutterheim	ANCA Farm Chicken Abettor and Shop	Area	-32.583 27.428	834	No
Amahlathi	Stutterheim	Stutt Group Brickmaking	Area	-32.577 27.424	840	No
Amahlathi	Stutterheim	Rance Timbers	Area and	-32.587	980	TBD

thi	m		Point		27.289		
Amahla	Stutterhei	Prairy Sawmills	Area	and	-32.672	900	Yes
thi	m		Point		27.320		
Amahla	Stutterhei	Sandile Timber	Area	and	-32.675	904	Yes
thi	m	Sawmills	Point		27.675		
Amahla	Stutterhei	Kubusie Sawmill	Area	and	-32.585	981	TBD
thi	m		Point		27.288		
Amahla	Melani,	Schenk	Area	and	-32.722	528	TBD
thi	Alice	Enterprises	Point		26.879		
Amahla	Stutterhei	Amabele Poles	Area	and	-32.661	807	TBD
thi	m		Point		27.523		
Amahla	Stutterhei	Stutt Poles and	Area	and	-32.560	807	TBD
thi	m	Preservation Plant	Point		27.435		
Amahla	Stutterhei	Hospital	Point		-32.571	860	No
thi	m				27.419		
Nkonko	Middledri	Middledrift Prison	Area		-32.812	441	No
be	ft	Abetoru and			26.991		
		Chicken Farm					
Nkonko	Alice	Chicken & Dairy	Area		-32.804	524	No
be		Farm			26.883		
Nkonko	Fort	Landfill	Area		-32.775	459	No
be	Beaufort				26.665		
Nkonko	Fort	Kluklu Quarry	Area		-32.799	584	No
be	Beaufort	(Stutt Group)			26.540		
Nxuba	Adelaide	WWTP (New)	Area		-32.714	637	No
					26.322		
Nxuba	Adelaide	Landfill	Area		-32.681	590	No
					26.318		
Nxuba	Adelaide	Abettor	Point		-32.702	576	No
					26.303		
Ngqush	Peddie	Landfill	Area		-33.188	360	No
wa					27.113		
Ngqush	Peddie	WWTW	Area		-33.204	278	No
wa					27.117		
Ngqush	Peddie	Quarry	Area		-33.151	383	No
wa					27.143		

Challenges

- There is a general and disturbing paucity of any air quality data across ADM.

- There is no comprehensive emission inventory for the district. Should a new industry or development be proposed in ADM, the Municipality has no way of defining the status quo for the area.
- There is one air quality officer for the district and capacity is thus limited. Capacity building at a local and district level is on-going.
- There is no formal air quality management system for the ADM.
- Historically there is limited communication between the various spheres of government. There is limited communication with key industries in the District and the public regarding management of air quality.
- There is no active enforcement of NEMAQA S21, Minimum Emission Standards in the District.

Opportunities

- Implementation of the Air quality and pollution control
- Implementation of the Atmospheric Emission licensing (AEL)

Air Quality and Pollution Control By-Laws

ADM has issued Air Quality and Pollution Control By-Law under the powers conferred by Section 56(2) of the Constitution of the Republic of South Africa, 1996. Those pertaining to air quality management focus on management of local emission and, nuisances, and the issuing of Atmospheric Emission Licenses for Listed Activities (NEM:AQA, Section 21, List of Activities; Chapter 3 Institutional and Planning Matters).

3.6.2 WASTE MANAGEMENT

Nationally, the practice is to dispose of waste in landfill sites, because this is inexpensive which further promotes this practice as a preferred end-of-pipe option for waste management. The same is true for the Amathole DM, which poses a challenge to meet the requirements as per the NEM:WA which focuses on the implementation of the waste management hierarchy.

Challenges

- Poor waste inventories and lack of data
- The conventional end-of-pipe options are still operational in the Amathole DM where most of the waste in the district is disposed of by landfill site.
- The burning of waste in certain municipalities still take place which needs serious attention given the significant negative impact this has on the environment, as well as the non-compliance to NEM:WA requirements.
- The inadequate operation and management of the landfill sites
- Illegal operation of certain landfill sites
- lack of funds for machinery and vehicles which will aid solid waste management

Opportunities

- Implementation of the integrated waste management plan (IWMP)
- Recycling, Reuse and Recovery projects
- Waste to Energy

Environmental Governance

ADM has both the Environmental management forum and Waste management forum which is used as a platform to share environmental projects, programs and strategies.

The following environmental awareness campaigns are held annually by the ADM:

- Water Week in March yearly
- Environmental week in June yearly
- Arbor week in September yearly
- Marine Week Yearly in November
- Weed buster week in December
- Wetlands Month in April yearly

Challenges

- Lack of mainstreaming of environmental issues;
- Environment is regarded as an unfunded mandate
- Lack of clear roles and responsibilities

DRAFT

2014/15 KEY PRIORITY ISSUES

KPA 3: LOCAL ECONOMIC DEVELOPMENT

KPA	KEY ISSUE (core problem)	CAUSES	EFFECTS	DEPARTMENTS AFFECTED	INTERVENTION (remedial action)
LED	Limited access to funding streams , markets and infrastructure for SMMES and Co-ops	<ul style="list-style-type: none"> • Limited availability of start-up and expansion capital; • Lack of capacity to tap into Co-operatives funding schemes (<i>grants & loans</i>); • Inability to buy shares into the Co-operatives, resulting to a very low establishment capitalization base; • Lack of Trading and market facilities; • Lack Storage facilities for products/ goods; 	<ul style="list-style-type: none"> • Inability to generate sufficient surpluses to re-invest in operations • Low production quality • Lack of growth within the SMMES • Absence of a centralized media or platform for advertising • Absence of marketing and sales strategies 	LHSED	Facilitation of access for the SMMES and Co-orps

LED	Insufficient Use of Natural Resources across the District (both coastal and terrestrial)	<ul style="list-style-type: none"> Environment is not regarded as one of the key priority areas 	ADM end up loses an opportunity for sustainable economic development through environmental program	LHSED	Intensify the utilisation of identified resources in the Region including Marine, Wind, Solar, Hydro as identified in the Strategies
LED	Lack of Integrated/Utilisation of Environmental Planning in the ADM	<ul style="list-style-type: none"> Lack of recognition and under-utilization of Environmental management in the ADM 	<ul style="list-style-type: none"> Degradation of environment Delays in development (EIAs) Non compliance with NEMA 	LHSED Community Services Engineering	Development of the Environmental Management Plan (National Biodiversity)
LED	Insufficient conservation of heritage resources	<ul style="list-style-type: none"> Lack of conservation measures to manage our heritage resources Absence of infrastructure tracing isiXhosa literature development 	<ul style="list-style-type: none"> Heritage sites are not formally declared. dilapidation and depletion of heritage property 	LHSED	Sustained identification, conservation, development and management of Heritage Resources in the District

LED	Lack of marketing & promotion of tourism products(what is the product, target)	<ul style="list-style-type: none"> Alignment of the ADM tourism brand to the Provincial tourism brand 	<ul style="list-style-type: none"> Decrease in visitor numbers 	LHSED Strategic Planning	Identification, packaging and marketing of niche products
LED	Inadequate sustainable Tourism Development	<ul style="list-style-type: none"> Poor support Tourism Initiatives (Signage, roads physically challenged-friendly facilities) 	<ul style="list-style-type: none"> Decreases competitiveness of the ADM as a destination of choice Affects the easy movement of tourists and leads to poor safety and security of travellers. 	LHSED Engineering	Standardised level of services for all facilities in the District
LED	Inadequate Film and Creative Industry development Support	<ul style="list-style-type: none"> Lack of skills, funding, market access and gear for the film makers and creative industries. 	<ul style="list-style-type: none"> Loss of economic opportunities 	LHSED	Creating enabling environment for the Film and Creative Industry (by law development)
LED	Low impact of Agriculture as economic driver	<ul style="list-style-type: none"> Lack of proper monitoring tool in order to grow the agricultural sector. 	<ul style="list-style-type: none"> Loss of economic opportunities Decrease in food 	LHSED	Assessment of previous interventions Review Agricultural Development Plan Organise Farmers into

			secured communities		Cooperatives Commercialisation of Agriculture(Agro-processing)
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KPA 4: MUNICIPAL VIABILITY AND FINANCIAL MANAGEMENT

Strategic Objective: To improve overall financial management in the municipalities by developing and implementing appropriate financial management policies, procedures and systems.

Intended Outcome: Improved financial management and accountability

4.1 ESTABLISHMENT

According to Chapter 9 of the Municipal Finance Management Act No. 56 of 2003:-

- Every municipality must have a budget and treasury office.
- A budget and treasury office consists of-
 - A chief financial officer designated by the accounting officer of the municipality;
 - Officials of the municipality allocated by the accounting officer to the chief financial officer; and
 - Any other persons contracted by the municipality for the work of the office

4.2 REVENUE MANAGEMENT

This division ensures the collection of revenue and the billing of clients.

Challenges

During the data cleansing process a reasonable certainty was achieved on properties, service coverage, metering and households. However BTO needs to build capacity to maintain and update the data including the GIS information. The revenue section managed to achieve a link between tenants and landlords. There is however transfer problems where Local Municipalities are developers for low cost housing.

There are water losses and ADM id struggling to measure consumption on free basic services and water distribution losses. With the installation of new meters there is a disjuncture between the capacity to install and capacity to link to the financial system. Cost recovery remains a challenge and there is a need to increase tariffs. It is however surprising that the actual collected revenue increased three-fold after the last tariff increase.

High levels of indigents in the Amathole District still exist. The ongoing indigent registration campaign aims to assist ADM in ensuring that qualifying indigents within the district who cannot afford to pay for services are registered as indigents in order for them to gain access to the indigent subsidies. This result in reduced ability to collect monies owed to the institution which results in the lack of an effective leverage over the ADM's customers.

Capacity issues in terms of enforcing restrictions and by-laws is still a problem.

4.3 FINANCIAL MANAGEMENT

4.3.1 Budgeting

ADM produces a three year budget, in line with the Medium Term revenue and expenditure framework. ADM, being a grant dependent institution utilises the government grants as gazetted in DoRA as the basis for determining the bulk of its anticipated revenue stream. In terms of own revenue, service charges, interest on investments and on current account are the main revenue streams, which are not showing any signs of major growth.

Challenges

Budget moves occur in large volumes on a daily basis, indicating that the required due diligence is not applied either at budget time or in the utilization of the budget during the year. Budgets are moved from key accounts such as rental for office accommodation to top up unnecessary expenditure accounts. The issue of expenditure misallocation continues to be a problem, with departments allocating expenditure to wherever budget might exist, instead of to the relevant account, which results in inaccuracies in the statement of financial performance.

Cash flow projections for operating budgets are either not accurately done, or not done at all by departments, and the need for monthly variance explanations continues to frustrate departments.

Minimal control over expenditure levels is exercised at department level to ensure that budgets are not exceeded, and ADM incurred unauthorized expenditure in the 2012/13 audit at vote level. Should this re-occur in the 2013/14 year it could lead to a qualification.

i. Accounting And Reporting

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

Functions of the Accounting and Reporting Unit:

- [a] To maintain accounting records in support of financial reports
- [b] To develop and update accounting policies in line with the applicable reporting framework
- [c] To prepare annual financial statements and consolidated annual financial statements in accordance with the applicable financial reporting framework for each year end
- [d] To facilitate the preparation of the audit file supporting the annual financial statements

Challenges

- 3 There are inadequate reconciliations of control and suspense accounts and long outstanding reconciling items must be investigated and cleared.
- 4 Information supporting the figures in the annual financial statements are not received in a timely manner resulting in incomplete financial statements being submitted and possible material misstatements.
- 5 The current Financial System is outdated and cannot integrate with new support functionalities.
- 6 A new version of the system is in the process of being investigated.

4.3.3 Asset Management

Asset Management refers to all activities and processes carried out during the cycle of acquisition or construction, maintenance, renewal or refurbishment and disposal of all resources consumed during the provision of services by the municipality to the communities or customers. These resources are consumed on the basis that there is future economic benefit derived from their consumption or their utilisation results in economic benefit for the municipality.

The audit of the Municipality's assets was undertaken by the Auditor General and all assets were accounted for.

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

Capital Assets are classified into the following categories for financial reporting purposes:

1. Property, Plant and Equipment (GRAP 17)

- Land and Buildings (land and buildings not held as investment)
- Infrastructure Assets (immovable assets that are used to provide basic services)
- Community Assets (resources contributing to the general well-being of the community)
- Housing Assets (rental stock or housing stock not held for capital gain)
- Heritage Assets (culturally significant resources)
- Other Assets (ordinary operational resources)

2. Intangible Assets (GRAP 102) - Intangible Assets (assets without physical substance held for ordinary operational resources)

3. Investment Property (GRAP 16)- Investment Assets (resources held for capital or operational gain)

4. Biological Assets (GRAP 101) -Biological Assets (livestock and plants held)

5. Assets classified as Held-for-Sale (GRAP 100) - Assets Held-for-Sale (assets identified to be sold in the next 12 months and reclassified as Inventory.

Challenges

- 3 The Main Asset functions are being performed by consultants.
- 4 Asset Management has limited institutional skill and capacity and the Municipality needs to build on the current capacity.
- 5 The Asset Management function very technical in nature – requires highly skilled financial and technical professionals which the Municipality does not have.
- 6 Ownership of water assets poses a threat to ADM as the owners of the land through which ADM infrastructure passes have a tendency to restrict our access to that infrastructure causing obstructions and delays in service delivery. The major challenge is that no registered servitudes exist over those lands.

4.3.4 Financial Audit Outcome

In July 2009 the Minister for Cooperative Governance and Traditional Affairs introduced the launch of Operation Clean Audit 2014. The strategic vision and objective of the project is that by 2014 all 283 municipalities will have achieved clean audits on their financial statements and it was expected that by 2011 all municipalities must have dealt or cleaned disclaimers and adverse opinions.

ADM has come a long way in the past few years in moving towards a clean audit opinion. Among the efforts made is a straight forward approach taken by the Budget and Treasury Office to resolve all matters that would normally lead to qualified audit reports in the past, as well as to fast track efforts in addressing identified risk areas.

This meant improved internal controls, quality controls of financial reporting, record keeping, revenue enhancement, compliance with relevant legislation, and further risk identification. A number of key controls were identified which are being monitored on a monthly basis. These controls will enable the institution to identify possible problem areas and implement corrective measures to resolve them promptly.

In 2010/2011, 2011/2012 and 2012/2013 financial years, ADM received an unqualified audit report from the Auditor General with no emphasis of matters.

Therefore the unqualified audit opinion proclaimed by the Auditor General for past three financial years verifies that the financial and accounting transactions of ADM were dealt with in a manner which is consistent with the required financial practices and legislation.

4.4 EXPENDITURE MANAGEMENT

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

Challenges:

- **Pink Requisitions and Orders**

The decentralisation of payment requisition processing coupled with the incorrect completion of these pink requisitions exposes the ADM to errors in procurement and to the risk of potential fraud and corruption which adversely affects and threatens the institution and result in weak controls.

The over- reliance on the Post Office for the delivery of orders to suppliers results in delays in orders reaching appointed service providers which is a weakness identified.

- **Commitments Register**

The commitments register is managed as a year-end activity as opposed to daily and monthly maintenance and does not give sufficient details on the projects contained therein. Processes are improving around this and the register is now being updated on a daily basis.

- **Non-Compliance with Circular 49 of MFMA**

Section 65 (2) (e) of Municipal Finance Management Act No 56 of 2003 states that, (1) the accounting officer of a municipality is responsible for the management of the expenditure of the municipality. The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.

Circular 49 of the Municipal Finance Management Act No 56 of 2003 mandates the municipality to ensure that all monies owed to the people should be paid within 30 days of submission of invoice.

This remains a challenge as the delivery of payment certificates to the individual project managers as opposed to a centralised office at ADM results in invoices not reaching BTO which results to non-compliance with Circular 49 as required by the Treasury.

In addition delays in payment are as a result of:

- invoices not being verified as evidence of receipt of good and/or services,
- insufficient budget
- and non-compliance with procurement procedures.

- **Fruitless and Wasteful Expenditure**
- The lack of monitoring and poor communication relating to incidences of fruitless, wasteful and unauthorised expenditure results in deviations and breaches. A policy regarding this has been put in place. However there are still instances occurring.
- **VAT Inclusion/Exclusion**
- The incorrect inclusion or exclusion of VAT on purchases serves as a weakness in the administration of VAT.
- This has mainly occurred on general expenditure items such as travel, motor vehicle hire and conference refreshments.
- It may also result in penalties being levied by SARS for VAT being incorrectly claimed.

4.5 SUPPLY CHAIN MANAGEMENT

That the municipality's supply chain management policy is implemented in a way that is fair, equitable, transparent, competitive and cost-effective: and that all financial accounts of the municipality are closed at the end of each month and reconciled with its records.

The Amathole District Municipality's [ADM] Supply Chain Management (SCM) Policy seeks to promote an innovative form of targeted procurement, which will encourage socio-economic transformation within its region.

Functions of the SCM Unit

- [a] To manage and administer the acquisition/procurement of goods and services for the Municipality.
- [b] To manage the tender processes of the Municipality.
- [c] Manages the Municipality's suppliers/ service provider database.
- [d] Manages possible procurement risks.
- [e] Manages the disposal of municipal goods no longer needed.
- [f] Manages the contracts of the Municipality.
- [g] Manages the Municipality's Stores.
- [h] Ensure compliance to all legislation relating to SCM.
- [i] Develops procurement plans aligned to the budget (Demand Management).

Challenges

- There is a high usage rate of consultants.
- There is also a high rate of procurement deviations.
- Then Decentralised procurement system below R30 000 results in weak procurement controls.

- More detailed monitoring of service provider performance is required which often leads to termination of these suppliers.
- There is overpricing of certain commodities and this needs to be controlled.
- Project managers are not sticking to their planned dates for their projects resulting in under-spending on projects.
- Supplier development is not structured which leads to SMME's not being sustainable

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2014/15 KEY ISSUES

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

KPA	KEY ISSUE (core problem)	CAUSES	EFFECTS	DEPARTMENTS AFFECTED	INTERVENTION (remedial action)
MFV	Ineffective delegation framework	<p>Limited accountability resulting in poor budgeting and poor management of budget</p> <p>Managers not in control of their own budgets (cannot approve / sign for own expenditure)</p>	Poor financial management	Engineering LHSED	Revise and implement delegations policy
MFV	Collection of revenue on functions ADM is performing. Eg Building plans rates	The LM's reluctant to enter into MOU with ADM on sharing of revenue.	Low revenue base	Engineering	Start bilateral with Mbashe and Nkonkobe and enter into an agreement to share revenue received on building plans and expenditure in rendering this service.
MFV	Financial and Asset Management systems are outdated and cannot be integrated with all other financial systems	ADM focuses on use of standalone systems and use of spreadsheets for Asset Management.	<ul style="list-style-type: none"> • Having to record transactions manually • Registers being compiled no spreadsheets manually • No linkages between venus and Baud, etc. 	BTO	Procurement of an integrated financial management system or upgrade the current system to reduce the number of stand-alone financial systems currently in use

MFV	Poor utilization and administration of ADM registered land and owned properties –	<ul style="list-style-type: none"> • ADM owned land and properties not utilized optimally and sustainably • Opportunity cost of land optimally 	Loss of opportunities to generate revenue	BTO Corporate Services	Leasing the properties or partnering with the private sector.
MFV	Ineffective recovery cost on services rendered by ADM in rural areas.	Illegal connection by communities.	Loss of revenue.	Engineering	Control of water usage in rural. Proper tariff development. Review current policies – credit control policy. Distribution Losses
MFV	Implementation of unfunded mandates (Agriculture)	Government closest to the people. New Aspire Projects.	Inability to fully fund services that are constitutional to ADM.	BTO	Support SALGA taking up this with relevant departments. Revitalise Donor Management
MFV	Low debt collection rate	Culture of non payment by debtors	Loss of revenue	BTO Engineering Community Services Strategic Planning	Implementation of by-law Restricting water use Awareness campaigns

				and Management	
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KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives:

Intended Outcome:

5.1 INTEGRATED DEVELOPMENT PLANNING

The Municipal Systems Act 32 of 2000 requires municipalities to adopt and review their Integrated Development Plans, and throughout this processes must consult and involve the public. ADM adopted in 2012 its 5 year strategic plan that will guide its development from 2012-2017. The 2012-2017 IDP is reviewed on an annual basis to consider changes identified during the review process. Thus version 2 of ADMs IDP was adopted in 2013 (2013/14 IDP) and version 3 in 2014 (2014/15 IDP).

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

The unit is responsible for the following functions:

- Coordinate the development of the District Integrated Development Plan
- Management of the IDP process throughout the 5 phases of the IDP
- Co-ordinate functioning of the IDP structures
- Ensure IDP and Budget integration
- Ensure vertical and horizontal alignment of internal and external programs
- Build capacity of ADM Local Municipalities on development planning
- Ensure compliance with local government and other relevant legislation

To support and enhance planning in the district, the established Clusters and re-aligned Standing Committees resemble the 5 Key Performance Areas of Local Government to enable issues of planning to find space for discussion in such committees. For ADM to have an integrated development plan, it is very crucial that all spheres of government plan together so as to arrive at an integrated development plan that reflects district-wide planning. A District Planning Coordinating Forum was therefore established in 2011 to ensure horizontal and vertical alignment of plans and processes throughout the District.

District Planning Coordinating Forum

Amathole's District-wide Planning and Coordinating Forum (DPCF), has taken strides in improving the planning and implementation of the IDP's within the district. Amongst areas of focus of the district-wide planning and coordinating forum are the following:

- To facilitate the rapid implementation of development programmes designed to meet the goals and objectives set by the Provincial Government;
- To ensure co-operation and co-ordination between municipalities
- To ensure alignment, co-operation and co-ordination between municipalities and the Provincial and National government.

This is a platform where various areas of development and service delivery are shared, discussed and also, alignment and coordination between sector departments takes place to ensure horizontal and vertical alignment of plans and programmes.

The IDP alignment of the ADM and that of local municipalities has improved tremendously since the establishment of the DPCF as various planning tools are shared. The silo- planning of various sector departments is minimised, as planning information is shared and also, projects and programmes to be implemented find room within the IDP's of various municipalities, even though there is still room for improvement. Project planning and implementation progress are also discussed in the same platform which has helped improve reporting on performance within the district.

Capacity Building Initiatives

ADM provides technical support to all ADM Local Municipalities in the review of the IDPs and ensuring that all municipalities falling within the District comply with relevant legislation. As a result, the comments from the MEC in the previous previous years and from the below table show that municipalities in the District have been improving with no regression experienced in the last financial year. Amahlathi local municipality is now the only municipality with medium rating and this is largely caused by lack of a unit dedicated in coordinating the IDP processes in the municipality. The IDP/PMS Officer was appointed in April 2013.

IDP Assessments results on 2013/14 IDPs in the District

Although some municipalities have shown improvement or even attained a high rating that does not mean all is well . There may be areas in the Key Performance Areas that the municipality may still need to polish as part of the review process.

Municipality	2008 Assessment Ratings	2009 Assessment Ratings	2010 Assessment Ratings	2011 Assessment Ratings	2012 Assessment Ratings	2013 Assessment Ratings
AMATHOLE DM	High	High	High	High	High	HIGH
Amahlathi LM	Medium	Medium	Medium	Medium	Medium	MEDIUM
Great Kei LM	Low	Medium	Medium	High	Medium	HIGH
Mbhashe LM	Medium	Medium	Medium	High	High	HIGH
Mnquma LM	Medium	High	Medium	High	High	HIGH
Ngqushwa LM	Low	Medium	Medium	High	High	HIGH

Nkonkobe LM	Low	Low	Medium	High	High	HIGH
Nxuba LM	Low	Low	Low	High	High	HIGH

Challenges

- Lack of regulatory framework that regulate and binds other spheres role/involvement/meaningful participation
- Non-co-operation of spheres in district planning processes including the District and LMs
- Community Apathy in development planning processes
- Insufficient Political and Administrative buy-in during the IDP process
- Absence of representation of municipalities in the Provincial Planning Forum
- Skewed demarcation of areas in other spheres e.g Education, which are different from municipalities
- Silo mentality in planning (minimal utilization of sector plan information in the IDP)
- Absence of a central planning data bank/ repository in the Province and District (reliability, accuracy, timeous and accessibility)
- Different systems and methodology used in conducting needs verification and prioritisation within the district

5.2. LEGAL SERVICES

The ADM Legal Services Unit provides legal guidance and advice to the institution, including:

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

Legal Services is also responsible for driving anti-fraud and corruption management within the institution.

Recently, there has been recognition that a more formal role should be played by Legal Services in assessing and monitoring legal compliance within the Institution and in By-law enforcement.. It is also proposed that as the Municipal Manager is the head of the ADM, as the Water Services Authority (WSA), Legal Services should be responsible for WSA compliance with applicable legislation.

Challenges

The Unit currently does not have the capacity to meet all the responsibilities expected of it, in respect of the following areas:

- Ant-fraud and corruption management;
- Legal Compliance;
- By-Law Enforcement;
- WSA compliance.

Way Forward

The Legal Services Unit requires restructuring to meet the additional responsibilities documented above. Whilst the current budget for Legal Services does provide for the appointment of senior staff and other personnel in respect of Anti-fraud/corruption management, legal compliance and by-law enforcement, these posts still need to be approved on the staff establishment by Council and office accommodation needs to be sourced. There is no budget provided for WSA compliance.

5.3 MUNICIPAL SUPPORT UNIT

The Amathole District Municipality (ADM) has a legislative mandate to achieve an integrated, sustainable, social and economic development within its area of jurisdiction. This obligation is executed by adopting an integrated approach to planning and development for the entire district.

- Section 154 of the 1996 Constitution of the Republic of SA states that the national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs to exercise their powers and perform their functions.
- Sections 83 -3(c) of the Municipal Structures Act 117/1998 requires District Municipalities through an integrated and sustainable approach to build the capacity to local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking;
- Section 88 (1) of the structures act states that a district municipality and the local municipalities within the area of the district municipality must co-operate with one another by assisting and supporting each other.

Among other priorities the ADM is obliged to build capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking. In fulfilling its responsibility the ADM the District provides support through its directorates and the Municipal Support Unit.

In the past financial year the Municipal Support Unit interacted with the Local Municipalities and conducted a capacity needs assessment and requirements for implementation in the 2012/2013 financial year. The identified projects have been incorporated as part of the operational plan and the Service Delivery and Budget Implementation Plan (SDBIP) of the Strategic Planning and Management Department.

The MSU comprise of the Engineering, Finance, Land & Human Settlements, Corporate Services and IDP & PMS subsections and its mandate is to provide support to Local municipalities in order to perform their functions and exercise their powers where such capacity is lacking.

5.3 1 Corporate Services Support

Local Municipalities have been assisted on policy development and capacity building for both Councillors and officials. The interventions that have been undertaken in the past financial year can be summarised as follows:-

Training and development at Local Municipalities

Six training initiatives were conducted for the seven local municipalities. A **workshop on disciplinary code** and that was to capacitate supervisors and managers with skills of dealing with disciplinary procedures. The other training was on **Occupational Health & Safety** and the intended objectives were train safety committees on occupational Health and Safety in the Workplace.

Policy Development training: Competency based training was conducted for officials to capacitate them so that they can be able to develop their own policies. **Minute Taking Training for 21 officials.** Council support officials were trained on how to write credible minutes. **Report writing Training;** officials were equipped with report with report writing skills. **Job Description Writing Workshop;** The training intended to capacitate officials on how to write Job descriptions so that they can be able to assist LMs in the process.

Development of Human Resource Strategies; Amathole District Municipality developed the Human Resources Strategies of Nxuba and Mbhashe local municipalities. Reviewal of Human Resource Strategies; The Human Resources of Ngqushwa and Mnquma local Municipalities were reviewed. Reviewal of Human Resource Policies. The Human Resource Policies of Great Kei and Nkonkobe local Municipalities were reviewed.

5.3.2 Finance support

The key focus is gearing the Local Municipalities to obtain clean audits by 2014; the District therefore through the MSU is providing technical support. ADM have allocated R1,4 million rand in the 13/14 financial year to assist LM's within the district build the capacity of the financial officials within the LM's to assist in obtaining a clean audit by 2014.

The following is the audit outcomes for the past three financial years:

Municipality	09/10 Outcome	10/11 Outcome	11/12 Outcome
Amahlathi	Unqualified	Qualified	Qualified
Ngqushwa	Qualified	Disclaimer	Disclaimer
Mnquma	Qualified	Unqualified	Unqualified
Mbhashe	Disclaimer	Qualified	Qualified
Great Kei	Disclaimer	Disclaimer	Disclaimer
Nkonkobe	Disclaimer	Qualified	Qualified
Nxuba	Disclaimer	Disclaimer	Disclaimer

In the past years ADM have rolled out the Venus Financial Management system to six LMs, being Nkonkobe, Ngqushwa, Amahlathi, Mbhashe, Nxuba and Great Kei. In the 2013/14 period it is implementing support initiatives to 4 Municipalities. The intervention is due to limited financial

resources hence prioritisation was on focussed on the Municipalities that had a disclaimer and qualified opinion.

Venus Academy training was established but ended in the year 2012/2013. However when the analysis of the readiness for Local municipalities was done the need for continuation was identified. Therefore funding was secured for the 13/14 financial year as part of the capacity building initiatives for finance officials.

In order for Local Municipalities to effectively undertake their Municipal Function, there is a need to develop a spatial register of all properties that are within their jurisdiction. The spatial needs are to contain amongst others the property description, location extent and ownership details. This therefore state that the need for a spatial register can be met by conducting a land audit for the municipality and the obtaining of the updating of the cadastral information, through the Geographic Information System. The ADM BTO, MSU and the Engineering are championing this project and all the municipalities are participating.

For the 2012/2013 financial year the focus is the cleansing of the financial data and revenue collection. This in turn will enable both the Local municipality and the District to account of their assets that are always raised as a query in the Auditor General Report.

Supply Chain Management (SCM) is not being fully implemented in accordance with the Municipal Finance Management Act and Supply Chain Management Regulations in the Local Municipalities. This is due to a lack of internal capacity within the SCM units, lack of knowledge in SCM by those involved in the SCM process and lack of regard to adhere to laws and regulations pertaining to SCM.

Supply Chain Management Bid Committee training are provided to bid committee members in all the Local municipalities when required. There are trainings that have been budgeted for the 13/14 financial year targeting the SCM officials. Many of the Local Municipalities financial policies are not being reviewed regularly, and the debtors, creditors; bank and value added tax (vat) reconciliations are not being performed on a monthly basis. Local Municipalities are fully dependent on service providers to assist and compile their annual financial statements on an annual basis and the audit report action plans are being compiled but not implemented as there is no monitoring of progress being performed.

Debt collection is a major challenge at the Local Municipalities and as a result many municipalities have very low collection rates which affect service delivery as revenue is required in order to effectively render services. Municipalities need to focus on enhancing their revenue and implement revenue strategies.

5.3.3 Land and Human Settlements Support

The land and housing function inclusive of the spatial and development planning support. The programme has got a number of aspects that are a responsibility of more than one state department or organ but what is central is that all the required deliverable happen in the Municipal locality space. The reform is the competency of Rural Development and Land Reform and the Local municipality has a responsibility for land use management of that use. The District Municipality has a supportive role to play.

Within the Municipalities, there is a number of disjuncture and miss alignments in terms of institutional arrangements as to where and how the function of land and housing should be located and how does it relate to other line departments. Municipalities continue to have a challenge in the proper management of land, wherein plans are developed but are not adhered to. The introduction of the Spatial Planning and the Land Use Management Act of 2013 is seen as an alternative to the stringent land use restrictions that are applicable within the District.

The Promulgation of this act is to provide a uniform approach in dealing with Spatial Planning and land Use Management in the Amathole District and as a Country as a whole. The objects of this Act are to—

- provide for a uniform, effective and comprehensive system of spatial planning and land use management for the Republic;
- ensure that the system of spatial planning and land use management promotes social and economic inclusion;
- provide for development principles and norms and standards;
- provide for the sustainable and efficient use of land;
- provide for cooperative government and intergovernmental relations amongst the national, provincial and local spheres of government; and
- redress the imbalances of the past and to ensure that there is equity in the application of spatial development planning and land use management systems.

During the 2012/2013 financial year the Municipal Support Unit provided both financial and technical support to the Local Municipalities. Some of the interventions was the assistance with the review of the Nkonkobe Spatial Development Framework, Review of the Ngqushwa Zoning Schemes, Development of the Housing Emergency Plans for Mbhashe and Amahlathi and a guide to manage the mushrooming of informal settlements.

The initiatives were done in partnership with other support organs of state i.e. Rural Development and the Department of local Government and Traditional Affairs. Going forward the identified gaps will be translated into projects in the next IDP cycle.

5.3.4 Engineering Support

National Environmental Management Act (Act 107 of 1998): Air Quality Management Act

The object of this Act is to protect the environment by providing reasonable measures for-

- the protection and enhancement of the quality of air in the Republic
- the prevention of air pollution and ecological degradation and
- securing ecologically sustainable development while promoting justifiable social and economic development

Municipal Structures Act (Act 117 of 1998)

Section 84 of the Municipal Structures Act deals with the division of powers and functions between District and Local municipalities. Solid Waste disposal sites in so far as it relates to:

- the determination of a waste disposal strategy for the district as a whole
- the regulation of waste disposal strategy for the district as a whole
- the regulation of waste disposal strategy for the district as whole
- the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities and waste disposal facilities for more than one local municipality in the district.

In relation to the Local Municipality:

- 4 the determination of a waste disposal strategy for the local municipality only
- 5 the regulation of local waste disposal for the municipality only
- 6 the collection and removal of waste, disposal site, Bulk transfer facility and District disposal site
- 7 The Establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for the Lm only.

NEMA: Waste Act 59 of 2008

The act is a framework legislation that provides the basis for the regulation of waste management. The waste act adopts the waste hierarchy as national approach to waste management where waste minimization is on the top of the hierarchy and the waste disposal by landfill is the last alternative

On the assessment done by the Engineering section within MSU the issue of the conditions of access roads within Local Municipalities are on a bad state and need attention. The capacity of the technical services and skills of officials within the Local Municipalities require assistance and consultation with the relevant funding departments. The solid waste section requires assistance as far as management of the solid waste sites are concerned. Most of the Municipalities do not comply with Extended Public works programs requirements.

The provision of electricity or installation of infrastructure has also been identified as a challenge especially when it comes to tempering, as most of their electricians are not qualified and registered. Shortage of staff in all sections within the technical services and staff turnover. Some of the municipalities do not comply with waste management requirements, and require assistance. The Municipalities also require assistance in terms of contract management and awareness on building control function, especially for communities. Capacity building in terms of design and making changes of small section of the projects is needed.

5.4 COMMUNICATION

The Local Government Municipal System Act 32, 2000, as amended, Chapter 4 (16) (a) (i) stipulates that “ A municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose –encourage and create conditions for the local community to participate in the affairs of the municipality including in preparation, implementation and review of its integrated and development plan in terms of chapter 5.

Intergovernmental relations Act 13, 2005, provides for cooperative government between the three spheres of government and all state organs within those spheres and to facilitate co-

ordination in the implementation of policy and legislation including effective provision of services. Local Government Municipal Structures Act informs and states the goal of Communications Unit as that of continuously building public trust and confidence in the integrity of the municipality and government as a whole.

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

Status Qou

The aforementioned structures include the Eastern Cape Intergovernmental Communicators Forum (IGCF) which is coordinated by the Office of the Premier, GCIS and SALGA-EC. Communicators from provincial departments, State Owned Enterprises (SoEs) and district/metro municipalities are represented in the forum. The forum main objective is to coordinate programmes and projects each year and to monitor and evaluate progress and achievements.

A Local Government Communicators Forum (LGCF) has also been established and is driven by the Communications Office of the Department of Housing, Local Government and Traditional Affairs. The Forum provides a platform for sharing of information about local government issues and best practices.

ADM also established the District Communicators Forum (DCF) in 2002. Communicators and communication portfolio heads as well as community development workers from all the local municipalities, and communicators from all local municipalities, and communicators from government departments in the district are invited to attend and participate. Local Communicators Forums should also be established at local municipalities.

This is a fully fledged unit that is currently of two (2) Senior Communications Officers, one (1) Senior Customer Care Officer, Customer Care Assistants in seven (7) seven satellite offices, and a Communications & Media Relations Manager. The Unit has made concerted efforts to communicate on an ongoing basis with the media and also directly with the affected stakeholders through water forums, account statements, news releases and newsletters (internal & external), Mayoral Imbizos and public participation platforms.

Communications audits undertaken by the ADM amongst its local municipalities reveal a lack of capacity and resources to adequately deal with communication challenges (currently only 4 municipalities have communications officials in place) and to project a positive image of local government achievements. As a result, media tend to set the agenda with negative reporting. This leads to reactive communications (fire-fighting) from local municipalities.

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

It is therefore critical that local municipalities provide for adequate communications structures and to communicate proactively with both the media and with all their stakeholders, and to develop a communications strategy that will address the challenges. They need to ensure a

two-way flow of information and to build relationships and partnerships so that service delivery can take place in a conducive environment.

ADM Communications is currently disintegrated and not adherent to the Communications Policy. There is an urgent need for streamlining, re-alignment and joint implementation of communications programmes. Among other things, this will help in maximizing gains from the available communication platforms and improving service delivery.

Since the ADM took over the role of Water Services Authority, the workload of the Communications and Customer Care Unit has significantly increased. The re-engineering project which is currently underway is expected to take into consideration a need for restructuring of the Communications and Customer Care Unit. Institutional Capacity Building and Training in Batho Pele principles and Customer service for satellite offices has already started and should be complete by end of the year. This exercise is conducted with the help of a service provider and provincial Communicators Structures. The organizational website is also under review.

Council has also approved for a process to introduce a fully-fledged electronic and integrated customer relations management system. It is hoped that this process will be completed by the end of the current financial year. There are also concerted efforts to heighten staff morale and improve working environment and organizational culture. The Municipal Manager's driven Transformation Agenda is underway and is expected to yield positive results on organ

The 2014 National Elections campaign by various political parties makes way for a hostilely contested public platforms and possible distortion of local government achievements and challenges. Public perceptions and image of local government are at a risk of being easily influenced by electioneering campaigns. This poses a challenge to local government to communicate more effectively and efficiently about service delivery.

If unguarded jealousy, the distortions could exacerbate the communication gaps which exist between municipalities and their communities.

Challenges

- 4 Delayed annual review of the ADM communications policy, strategy and implementation plan;
- 5 Lack of synergy in planning and implementation of the communication programmes/activities within the ADM;
- 6 Inadequate and insufficient utilisation of communication platforms and media properties to maximize gains (media, website, events, social media etc);
- 7 The Delayed appointment of the Communications and Media Relations Manager has led to lack of technical support to the Head of Department;
- 8 Internal stakeholders lack an understanding of the role and relevance of the Communications Unit in supporting the work of the political and administrative mandates of the ADM;
- 9 Lack of adequate communication and customer care systems;

- 10 Inadequate resourcing of the Communications and Customer Care unit (financial and human resources);
- 11 Inadequate working relationship with the media and external stakeholders;
- 12 Lack of direct provision of onsite IT support services at Customer Care satellite offices;
- 13 Inadequate institutional communication and customer care services at local municipalities under the jurisdiction of the ADM;

5.5 INTERGOVERNMENTAL RELATIONS AND INTERNATIONAL RELATIONS

The unit owes its existence to the Supreme Law of the country, Act No. 108 of 1996 as amended. Subsequent to the act, the IGR Framework Act , No. 13 of 2005 was promulgated. The aim is to achieve 'mutual consultation, co-ordination of policy, legislation and programmes' of government. In essence, the task of the unit is to ensure that all the government stakeholders within the jurisdiction of ADM adhere to the principles of corporate government. The unit has two components i.e Intergovernmental Relations and International Relations. In terms of structure, the manager is the head of the unit and reporting to the manager is the senior IGR/IR officer.

Functions of the Unit

- Co-ordination of stakeholders for IDP processes
- Ensure that structures to co-ordinate IGR exist both in the district and at Local Municipalities
- Ensure that the district municipality convenes IGR meetings on a quarterly basis and whenever it is necessary.
- To provide secretariat and support to both the district technical IGR meeting and the district political forum headed by the Executive Mayor.
- To provide technical support on matters of IGR to all the ADM municipalities.
- Assist the institution in preparation for international visits and hosting of international guests.
- To ensure that ADM implements the MoUs it signs with its strategic partners internally and abroad.

Programmes:

- **District IGR Technical Meeting**

The meeting still manages to sit every quarter. There is an improvement in attendance by the sector departments and the local municipalities. It is very rare that the meeting has got less than 70% attendance of its stakeholders. The level at which the discussions are pitched has also improved. This can be attributed to the consistency of members attending the meetings and the improvement in communications with the sector departments. The local government component of the government stakeholders in the district manages to present itself as a united front during the meetings speaking in one voice in raising the expectations of municipalities from the government departments. At the end of the meeting, all the stakeholders agree which

issues have to be presented in the DIMAFO. In this way you have most of the stakeholders being responsible for inputting in the DIMAFO agenda.

- **District Mayoral Forum**

The DIMAFO manages to meet although not in a set pattern like its predecessor. It has some challenges of being postponed and sit later than it is expected. This does not necessarily affect its attendance. The postponement impacts mostly on the events following the meeting. As in the district technical Forum, DIMAFO is well attended. With the councillors being part of the meeting the issues are teased even more vigorously. A lot of information is shared about service delivery and the councillors are able to advise their respective counterparts within the district on how best to approach a particular challenge. One can say that the DIMAFO has some elements of political oversight over service delivery programmes targeting the municipalities and also serves as an intra district peer review structure.

- **The MoUs**

ADM got involved in a process of reviewing MOUs with its strategic partners. Few were kept for consideration going forward. The following MOUs were preferred for further engagements:

- **MoU with University of Fort Hare**

The two parties have not had a meeting to operationalise the MoU. A meeting that was planned in the last financial year between the two strategic partners didn't materialise. ADM has plans to make sure that a meeting with the university discussing the way forward of the MoU does materialise.

- **Kampala Central City Authority**

The MoU is in a state of being dormant for almost 36 months. Changes in both councils might have resulted to the MoU stagnating. Attempts to invite the new Kampala Central Authority council to respond to ADM 's concerns about the MoU have been in vain. The last formal meeting that discussed the MoU between the two municipalities was in 2010. Both agreed to extend the MoU for another 18 months. After the 18 months it was advised by the High Commissioner then that ADM should seek closer relations with Kampala City Council. Progress in this regard was hampered by the changes of personel in council.

- **Sedibeng**

Both Councils never allocated time to their representatives to make sure that the MoU takes of the ground. There was no implementation plan for the areas of cooperation raised in the MoU. Only matches between the employees of the two organisations took place. It is still a challenge to get Sedibeng Council get down with ADM to discuss the MoU.

- **Glasgow City Council and Oxford County Council**

The two twinning programmes are dormant. There are no activities between ADM and the two UK municipalities. The twinning between ADM and Glasgow City Council went through all the phases set for the programme. A closing report was written marking the end of the relations as

per the MoA. The other one with Oxford County Council did not move forward due to disagreement on the future programmes by the facilitator and the representatives of the municipality.

- **MoU with Department of Agriculture and Rural Development**

In the last financial year, ADM signed a MoU with the Eastern Cape Department of Agriculture and Rural Development. The department signed on behalf of Fort Cox Agricultural College. Both institutions committed themselves to enhancing each other's efforts towards its respective competencies. To date nothing has happened toward fulfilling the promises made in the MoU. However, the parties involved in the MoU have just held a second Agricultural EXPO in succession.

- **MoU with Eastern Cape Community Radio Stations Hub**

The MoU is relatively newly signed. The aim is to improve ADM's access to its communities by communicative effectively to its stakeholders. A meeting has been held in which the two representatives of the respective institutions pronounced on how each will implement its promises.

Challenges

1. Clashes of activities in the calendars of the respective institutions impact negatively on the events organised.
2. Two of the municipalities in the jurisdiction of ADM are still struggling to have their IGR structures sit in a consistent manner.
3. IGR meetings do not have 100% attendance.
4. Silo mentality by government departments still prevails
5. ADM's strategic partners in the twinning programmes are not responsive as would be expected.
6. Lack of administrative assistant dedicated to the unit slows down progress.

5.6 RISK MANAGEMENT

Risk Management unit focuses on assessing and identifying key risk areas at strategic level and within departments in terms of established and new projects. Risk Management unit also ensures the formulation of a uniform risk management approach for its clients (departments). Furthermore, risk assessments form the basis for planning internal audits within the organisation.

Challenges

- Mainstreaming of Risk of Risk Management within the institution is still a challenge.
- Inadequate human resources.

5.7 TRAVEL DESK

In the previous financial years Amathole District Municipality made use of external services for travelling, accommodation and conferencing. As part of forward planning, the institution embarked on a transformation agenda and as a result a number of areas were looked at. The transformation that ADM has embarked on hinges on an understanding that the local government sector in South Africa has evolved from year 2000. During 2012/2013 the ADM Council resolved not to outsource this service and established an In-house Travel desk to deal with all travelling, accommodation and conferencing bookings for all, ie. Council and Administration.

The Amathole District Municipality (ADM) staffs complement increases yearly, so is the number of trips to areas inside and outside of the Eastern Cape, Africa and overseas. The Travel Desk will ensure timely and cost efficient of travel requirements of ADM's Councillors, Managers and Employees at large, ensuring that ADM's S/T policy is adhered to at all times when making such bookings.

Purpose

- To present step by step procedure on how the Travel Desk is going to operate;
- Collecting and keeping of information on travelling and accommodation facilities for various areas inside and outside the country;
- Tracking availability of accommodation facilities on the basis of reservations;
- Liaising with the providers of travelling and accommodation facilities;
- Controlling travelling and accommodation budget;
- Ensuring control measures are in place;
- Dealing with challenges experienced by Councillors, Managers and Employees at large during the trips.

Legal mandate

According to the Municipal Systems Act, 32 of 2000 as amended, section 55(1) provides that a Municipal Manager, as a head of administration is, subject to the policy directions of the municipal council, responsible and accountable for

- the formation and development of an economical, effective, efficient and accountable administration
- equipped to carry out the task of implementing the municipality's integrated development plan in accordance with Chapter 5;
- operating in accordance with the municipality's performance management system in accordance with Chapter 6; and
- responsive to the needs of the local community to participate in the affairs of the municipality;
- the management of the municipality's administration in accordance with this Act and other legislation applicable to the municipality;

- the implementation of the municipality's integrated development plan, and the monitoring of progress with implementation of the plan:

Challenges

- Late requests for bookings for the same date or following day.
- Too many changes after the quotations have been issued, that end up delaying other requests.
- Delays in getting the orders, and in some cases expect Travel Desk to confirm bookings without orders.
- Requests that are against S/T Policy, eg requesting to be booked in a 4 star knowing you qualify to be booked on a 3 star
- Requesters taking too long to process the order, sometimes when we receive the order the venue will no longer be available, and then we will have to start the process all over again.
- Requesters not getting all the information prior, adding after the vouchers have been issued which lead to top-ups
- Increasing/ decreasing number of attendees, which means changing quotations.

5.8 LEGISLATIVE AND EXECUTIVE SUPPORT

Amathole District Municipality is a Category C municipality established in terms of Section 12 of the Municipal Structures Act, 117 of 1998, as amended, with a mayoral executive system. The legislative authority is vested in the Speaker who is elected in terms of Section 36 of the Municipal Structures Act.

The main responsibilities of the Legislative and Executive Support Services department are as follows:-

- To provide an interface between Council, the public, executive and administrative structures;
- To provide strategic and administrative support to the political office bearers;
- To promote a culture of participatory governance;
- To provide secretariat services to legislative and executive structures of Council;
- To ensure that the programmes of the department are integrated into the main functioning of the institution.

5.8.1 Legislative Support

The core functions of the unit are as follows:-

- Provide support to the Speaker by facilitating the development and regular updating of Standing Rule and ensure that the rules comply with the relevant local government legislation
- Ensure and support the development of a schedule of meetings for council and

- council committees.
- Monitor the attendance of councillors to council, committees as any workshops or seminars approved by the Speaker or Council.
 - Support the functioning of the Municipal Public Accounts Committee through:
 - Facilitating training and capacity building of the Committee in collaboration with the HRD unit;
 - Conduct research to support the functioning of the Committee
 - Conduct a critical analysis of reports of the Executive and the Administration to support the functioning of the Committee. This includes public participation on the annual report which ensures that communities are afforded an opportunity to comment on the performance of the municipality on service delivery
 - Develop and submit reports of the Committee to Council and
 - Ensure the development of a program of action for the review of the Annual report.
 - Coordinating the functioning of the office of the Chief Whip.
 - Provide support to the Women's Caucus.

5.8.2 Moral Regeneration Movement

The Moral Regeneration Movement established a District Committee constituted of Traditional Leaders and Religious Leaders which convenes meetings on a monthly basis. It is gratifying to note that this model has been escalated to the Province such that a number of District and Local Municipalities have asked ADM to help them in the establishment of their structures. As such local municipalities within ADM's area of jurisdiction have already established MRM structures.

In August 2013 Council adopted a Moral Regeneration Strategy that identifies two main pillars of focus, i.e. education and family. The unit is currently in the processes of mainstreaming MRM in the District with focus on the following:

1. Awareness campaigns in schools with anti-drug messages.
2. Intergenerational dialogue focused on systematic transfer of values from the elderly to the youth
3. Family enrichment program focused on lifting the role of father as head of the family.

Civic Education

In 2013/2014 the department initiated the process of establishing a district-wide Civic Education Programme. The purpose of the programme is to empower citizens within ADM to understand issues relating to the functioning of government institutions especially in areas such as, inter alia; the rights of citizens with regard to the services rendered to them, responsibility of citizens with regard to support, defence and promotion of democracy, responsibility of citizens with regard to voting, public participation and reporting practices, available mechanisms for citizens to voice their complaints with government and the private sector. The first phase of the project

is to develop training modules and thereafter train the trainers who will be actively involved in the roll-out the programme to citizens.

Challenges

- Lack of human resource capacity to support MPAC/oversight function.
- Duplication of resources allocated to Councillors and Traditional Leaders
- Increase substances abuse among the youth.
- Increase in incidents of crime.
- Lack of social cohesion
- Communities do not understand the respective roles of DM and LM;
- Failure to ensure that resolutions are carried through and implemented in the LMs;

Remedial Actions

- Beef up human resources capacity to support MPAC/ oversight function.
- Develop a policy on councillors' welfare to regulate the tools of trade for Councillors and Traditional Leaders.
- Implementation of Moral Regeneration Strategy.
- Capacity building of MRM structures in the LM's
- Roll out of positive values campaigns.
- Roll out of community education and empowerment program to communities.

5.8.3 Executive Support

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

- To Create sustainable positive relationship between the council & the public;
- Managing & coordinating all public, council, council-sponsored events and activities;
- To ensure that public participation is an integral part of service delivery;
- To manage & oversee the organisation of imbizos, water forums and other community outreach programmes;
- Integrate the needs of vulnerable groups to main activities and programmes of the District Municipality;
- To create structured platforms and institutional arrangements for effective participation of vulnerable groups in decision making, monitoring and evaluation of policies and programmes;
- to combat the spread and mitigate the impact of HIV and AIDS pandemic in the District Municipality; and
- to emphasis of Government on health and wellbeing of the nation, and the growth of the sport in the District

5.8.4 Special Programs

ADM is one of the complying municipalities when it comes to Special Programmes implementation. In the 2031/14 financial year Council adopted a Special Programmes Strategy

which seeks to ensure mainstreaming of the following special programmes components across the district, and into the programmes and operations of ADM departments:

- HIV and AIDS and TB
- Youth Development
- Peoples' with Disability
- Children's Development
- Gender Development
- Older Person's

In the processes of rolling out the strategy, a number of capacity building programmes for designated groups to various communities within the district, are conducted.

Service delivery to the disabled people remains a serious challenge. Very little of government programmes impacts on the lives of the disabled people. The issue of disability remains very much stigmatized in our communities and the latter are not safe for the disabled people to live. ADM continues to respond to issues of the disabled on request. ADM SPU unit plans to have a programme that seeks to reach out to all these people in the district and ensure that their plight is attended to.

A challenge was identified in that HIV/ AIDS is currently a component of the Special Programmes Strategy which is not aligned with the National and Provincial HIV/AIDS strategies. The department has embarked in a process of developing a stand-alone HIV/AIDS Strategy which is aligned to the National Strategic Plan on HIV, STIs and TB (2012-2016). It is envisaged that the strategy will be adopted with the 2014/2015 Integrated Development Plan as one of the sector plans.

Challenges:

- Coordination of intervention measures for SP mainstreaming is a challenge as it is disintegrated
- No mechanisms in place to ensure sustainability of projects for designated groups (sustained support);
- Vulnerable groups not integrated in ADM programmes and operations;

Remedial Actions

- Mainstreaming of special programmes (internally and externally).
- Partner with LED in ensuring sustainable support to designated groups.
- Foster collaborations with LMs when implementing special programmes within their respective areas of jurisdiction.

5.8.5 Sport Coordination

If South Africa is a playing nation, then ADM is a playing district. Amathole District Municipality established a portfolio for Sport and Recreation to ensure the co-ordination, development and wellness of its citizens within the district, as well as to foster social cohesion and unity among employees. One of the strategies in the Service Delivery Budget Implementation Plan of the institution is to co-ordinate Sport Development Programs.

The Sports Development Strategy was reviewed in the 2013/2014 and the municipality is

currently implementing the action plan entailed in the strategy. Besides taking part in a number of mini tournaments, the municipality participated in the SAIMSA games hosted by Namibia in September 2013 in the following sports codes: football, netball, lawn tennis, table tennis, darts, pool table, chess and golf. ADM also participated in SALGA games held in Matatiele in November 2013. The participating teams were made up of players selected from various local municipalities under the Amathole District Municipality's area of jurisdiction. ADM obtained the following achievements:

Volleyball (ladies)	-	Gold
Netball	-	Silver
Table Tennis	-	2 Silver Medals (1 individual and 1 for doubles)
Darts	-	Bronze
Pool	-	Bronze
Soccer	-	Lost in the group stages

In promoting inter-stakeholder relations and collaboration in sports development within Amathole District Municipality, a quarterly District Sport Forum Meeting is convened and is chaired by the Portfolio Councillor for Special Programs and Public Participation. The District Sport Forum is composed of all stakeholders in the sport sector and the primary intention of the meeting is to discuss matters around sport development and promote synchronised operations between various stakeholders.

Challenges:

- Inadequate support for Community Sports development programs;
- Underdevelopment of sports infrastructure in small towns and rural areas;
- No alignment and cooperation between local, provincial and national in terms of planning and implementing sports development programmes.
- Incapacity of LMs to support sports programmes in their areas of jurisdiction.
- There are no sustainable/ continuous programmes that are aimed at developing sport within the district as there are currently ADHOC sport programmes.
- No dedicated personnel at LMs to coordinate sports development programmes.

Remedial Actions

- Encourage LMs to appoint Sports Officers.
- Alignment with national and provincial Sports Development Plan.
- Review TORs of the District Sports Forum.
- Review the Sports Development Strategy.
- Promotion of sports tourism.
- Promotion of sports legends/ ambassadors

5.8.6 Public Participation

Every municipality is required by Section 16 of the Municipal Systems Act, Act 32 of 2000, to develop a culture of municipal government that complements formal representative government with a system of participatory governance, and must for this purpose –

- (a) Encourage and create conditions for the local community to participate in the affairs of the municipality, including in –
 - (i) The preparation, implementation and review of its IDP in terms of Chapter 5;
 - (ii) The establishment, implementation and review of its performance management systems in terms of Chapter 6;
 - (iii) The monitoring and review of the performance, including the outcomes and impact of such performance;
 - (iv) The preparation of its budget; and Strategic decisions relating to the provision of municipal services in terms of Chapter 8

Various public participation activities

ADM developed a Public Participation Framework which clearly articulates the methodology that it will employ in interfacing with its communities. Guided by the MSA and other relevant pieces of legislation, a range of promotional activities are held throughout the year, as per the communications cycle, which include, inter alia:- Health Awareness Programmes, Water Week, Sanitation Week, Heritage and Tourism Month, 1 Days of Activism of no violence against women and children, Youth Month, Women's Month, etc. which also serve to promote the interests of special groups such as the youth, gender disabled etc. During each year, + 70 public participation events/meetings are held within the district.

Water forum meetings

Water forum meetings are held at various municipalities as a way of consulting with political leadership and communities, as well as other ADM stakeholders which includes but is not limited to ward councillors, ward committees, community development workers, religious sector, business sector and ratepayers associations. These meetings are held at least monthly but special meetings can be convened on the basis of concerns by communities. The purpose of these meetings is to create awareness and to educate people on water conservation.

Mayoral Imbizo

In a bid to promote interfacing with the communities and also give feedback on issues raised for the attention of the municipality as well as furnish and update communities on all projects of the municipality, the institution has resolved to hold two Mayoral Imbizo- (public participation meetings) per annum.

The 2013 Mayoral Imbizo was held at Mente, in Mnquma Local Municipality on the 25 November 2013. The Imbizo was prompted by various issues, most of which were raised by community members during IDP Road-shows, further than that CLOs from the Public Participation Unit were deployed to verify, assess and find solid facts for attention of the Executive Mayor.

IDP Representative Forum

In accordance with the Local Government Municipal Systems Act, ADM holds regular IDP/PMS/Budget Representative Forum meetings in drafting its IDP. At the beginning of the planning cycle, advertisements are placed in the local newspaper calling for interested parties to contact the ADM. The IDP/PMS/Budget Representative Forum meetings convene 4 times per year in preparation for each phase of the IDP (Analysis, Strategies, Projects and Integration).

Annual Report Public Hearings

The Annual Report Public Hearings take place in the third quarter of the financial year. It is per the prescripts of Chapter 4 of the Municipal Systems Act that encourages the municipality to account to the public on all matters relating to finances and performance. The hearings are driven by MPAC.

IDP and Budget Roadshows

By law IDP after completion has to be taken to public for their comments. The unit has a responsibility to invite views from the public through IDP and Budget road-shows. The event takes place during the third to the fourth quarter of the financial year. As part of the IDP/Budget Road-show, ADM consults with the traditional leaders in the district. Traditional Leaders also form part of the IDP/PMS/Representative Forum meetings.

District Speakers' Forum

The department is responsible for the co-ordination of the District Speakers Forum which is a forum of Speakers from all the Category B Municipalities within ADM. This forum enables speakers to share lessons on matters pertinent to the legislative sector in local government. The Speakers' Forum is an important platform for Speakers to compare notes on their functions as well a lobby government and the organized local government on matters pertinent to the Offices of the Speaker. Amathole District Municipality has over the years played a central role in the establishment and development of a forum of Speakers at provincial level.

Petition Management

In the 2013/2014 financial year the department has initiated a process of developing a Petition Management System. The system will seek to ensure that petitions are attended and responded to within a reasonable period of time.

CDW Roundtable

Challenges

- Uncoordinated public participation activities between ADM and the LMs;
- No public participation structures at LMs;

Remedial Actions

- Development of a Public Participation model;
- Establishment of structures and public participation forum

5.8.7 Council Support

Council Support unit provides secretariat services to all Council structures, which include Section 79 and 80 Committees, Mayoral Committee, Council and other Ad-hoc meetings. The unit is responsible for the compilation and distribution of agendas and the recording of meeting proceedings. The unit is also assigned with the responsibility of developing an annual Schedule of Meetings.

Challenges

- Inadequate quality assurance of agendas and minutes;
- Late submission of items which contributes towards last minute preparations of agendas;
- Departments not updating items from other structures;

Remedial Actions

- Appointment of a Copy Editor;
- Adhere to the provisions of the Council Support Manual;

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2014/15 KEY ISSUES

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KPA	KEY ISSUE (core problem)	CAUSES	EFFECTS	DEPARTMENTS AFFECTED	INTERVENTION (remedial action)
GGP	Poor utilisation of sports as youth development and social cohesion.	<p>Inability to fully implement community sports development programs due to the following:-</p> <ul style="list-style-type: none"> • Uncoordinated of activities and stakeholders; • Inequitable allocation of community sports development programmes. 	Inadequate support for Community Sports development programs	LESS LHSED	<ul style="list-style-type: none"> • Alignment with national and provincial Sports Development Plan. • Review TORs of the District Sports Forum. • Review the Sports Development Strategy. • Promotion of sports tourism. • Promotion of sports legends/ ambassadors.
GGP	Citizens are not informed of their democratic rights to participate in government processes	Lack of information on policies and procedures for community participation	Poor quality of inputs from communities on municipal planning processes.	LESS	Roll out of community education and empowerment program to communities.
GGP	Decline in moral standards in the district	<ul style="list-style-type: none"> • Collapse in the family as a primary unit for socialization of the young. • High rate of unemployment among the youth. 	<ul style="list-style-type: none"> • Increase in incidents of crime. • Lack of social cohesion. • Increase substances abuse among the youth. 	LESS	<ul style="list-style-type: none"> • Implementation of Moral Regeneration Strategy. • Capacity building of MRM structures in the LM's • Roll out of positive

		<ul style="list-style-type: none"> Negative impact of media 			values campaigns
GGP	Lack of oversight on Executive action	<ul style="list-style-type: none"> The size and structuring of council makes unable to do oversight on its own 	<ul style="list-style-type: none"> Council unable to couch for reports submitted. 	LESS	<ul style="list-style-type: none"> Perform oversight on the annual report. Conduct visits to ADM projects Implementation of MPAC program of action
GGP	Disintegrated planning across the district	<ul style="list-style-type: none"> Poor alignment and integration of plans throughout the district Poor information management Non-co-operation of national and provincial spheres, including the LMs Misalignment of provincial service delivery boundaries vis-à-vis municipal demarcation e.g Education 	<ul style="list-style-type: none"> IDP not inclusive of all development taking place in the District Difficult in undertaking cross-border planning or to secure collaboration between municipalities – wall to wall municipalities. No central planning data bank in the Province and the DM(reliability, 	Strategic Planning MMs Office LHSED Engineering Community Services	<ul style="list-style-type: none"> Strengthen the District Planning Coordination and the IGR Fora. Centralisation of data and statistics in the Research and Policy Unit.

			accuracy, timeous accessibility)		
GGP	Ineffective coordination of support to LM's	<ul style="list-style-type: none"> Fragmented planning, supporting and reporting on programmes implemented at LMs by the institution 	<ul style="list-style-type: none"> Under reporting on district support to local municipality Duplication of resources 	All Departments	MSU to be the centre for coordination and reporting
GGP	Uncoordinated public participation activities between ADM and the LMs	Disintegrated planning of public participation activities (between ADM and its LMs).	<p>Misinformation of public participation and programs</p> <p>Diminishing of public interest in the municipal development processes</p>	LESS	Develop a Public Participation model.
GGP	Poor regulation of tools of trade	Absence of policy on tools of trade for Councillors and Traditional Leaders.	Duplication of resources allocated to Councillors and Traditional Leaders	LESS	Develop a policy on councillors' welfare to regulate the tools of trade for Councillors and Traditional Leaders.
GGP	Poor corporate identity and image protection for the district	<ul style="list-style-type: none"> No central control of corporate identity. Lack of image building 	<ul style="list-style-type: none"> Non adherence to corporate identity standards 	Strategic Planning and Management	<p>(y) Centralised control of corporate identity.</p> <p>(z) Reposition of the ADM brand through an</p>

		<p>programmes.</p> <ul style="list-style-type: none"> • Lack of an aggressive marketing strategy 	<ul style="list-style-type: none"> • Misinformed public perception about ADM. 		aggressive branding marketing strategy
GGP	Inadequate customer care services and systems	<ul style="list-style-type: none"> • Disintegrated customer care services and systems 	<ul style="list-style-type: none"> • Deterioration of public confidence on ADM 	Strategic Planning and Management	(aa) Procurement of Integrated Electronic Customer Care System/Service
GGP	Inconsistent media coverage	<ul style="list-style-type: none"> • Lack of media exposure and training for ADM councillors and senior management officials • Non-compliance and enforcement of the Communications and Media Policy and recommendations of SALGA and Government Communicators Structures 	<ul style="list-style-type: none"> • Missed opportunities for media coverage • Information leakages 	Strategic Planning and Management	(bb) Facilitate annual media training workshops for all Councillors , HoDs and senior management officials in ADM and all 7 LMs.
GGP	Ineffective management of enterprise risk	(cc) Lack of monitoring and evaluation of identified risk	<ul style="list-style-type: none"> • Non alignment of risk management 	All departments	<ul style="list-style-type: none"> • Integration of risk management and internal audit.

		<ul style="list-style-type: none"> Lack of buy-in from the departments 	<ul style="list-style-type: none"> plan to Internal Audit Plan Poor reporting and measurement of risk 		<ul style="list-style-type: none"> Risk reporting should form part of the HOD performance agreement
GGP	Ineffective use of Internal Audit by the institution	Inactioning of internal audit recommendations	<ul style="list-style-type: none"> Audit outcome. Additional costs. 	All Departments	<ul style="list-style-type: none"> Maximise the use of Internal Audit Monitoring of the internal audit action plan
GGP	Ineffective management and implementation of MOU's with local/national and international relations	(dd) Non coordination and reporting of MOU's	<ul style="list-style-type: none"> Poor coordination of IR local/national/international relations 	Strategic Planning and Management	<ul style="list-style-type: none"> Development of a guiding framework to manage MOUs. Centralised coordination of local, national and international relations. <p>(ee) Establishment of Departmental MOU's Monitoring Committee</p>

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165 DISTRICT-WIDE PRIORITY ISSUES

NXUBA
Construction of roads
No electricity in some areas
Provision of Free Basic Electricity
Construction of skills development centre
Installation of street lights
NKONKOBE
Provision of Free Basic Electricity
HIV/AIDS awareness campaigns
Purchase roads construction equipment
Inadequate social amenities
Processing of African potatoes, Aloe, Ashore
Skills Development programmes for unemployed youth
Building of school in Golf Course
Poultry project, Purchasing of washing machines for women project
Shearing sheds
Market for vegetable produce needed
Regravelling of roads in Ntilini and Amherst
Renovation of Community Halls: Lushington
Multi –purpose centre – Ward 11
Construction of a community halls
Skills development (cotton, candle making, juice making, brick making, soap production and piggery project, poultry project, bakery and beadwork
HIV/AIDS awareness campaigns
Grass cutting and Bush clearing
Regravelling and upgrading of roads in all villages and wards
Renovations of halls – Kolomane, Ekuphumleni, Trust No 2,
Land for grazing and for cemeteries
Establish Solid waste site in Seymour
Brickmaking at Gqumashe
Fishing project at Magaleni, Guqawe , Lower Gqumashe, Skhutshwana
Electrification of Ngqele Community hall
Cleaning of cemeteries
MNQUMA
Avail land – for the construction of RDP Houses
Electricity – Bhungeni, Smith, Taps – Smith, Bhungeni, Road Construction – Bhungenitemporals, Bhungeni
Speed Humps at Skiti, Smith and next to S.W Mbanga, Terminus and CentaneTown
Youth Development programmes
Women Developments projects
Clean & Green Project
Maintenance of streets – Cuba township
Grass cutting
Street light extension 24
Community Indoor Sport Centre
Road Maintenance
Tarred Streets the whole ward
Housing-Flat Maintenance
Fresh Produce Market

Cemeteries are not fenced which enables animals to enter and demolish tombstones
Road Cegcuwana R5-R4
Dipping Tanks - Mahlubini, Dlepu, Mangweni
Community Halls
Sheering Shed
Poverty alleviation projects
Development of Masiphakame Garden Project
Nolufefe Poultry Project
Nofoty Cultural Project
GREAT KEI LM
Escalation of crime especially house breaking, robbery and theft of clinic medication. Taverns at Tuba are not adhering to regulations, which is causing crime
Sports facilities and youth centres are needed to give children the opportunity to socialize as currently Shebeens are the only option
When farm worker die they don't have cemeteries to be buried in and are scattered all over the place. A Cemetery for farm workers is needed
Road diversion for easier access between villages.
Inadequate monitoring of Community hall Projects – quality of construction not of a good standard
The community is no longer able to access Free Basic Electricity.
Influx of farm workers and land is not available to accommodate them.
Sports facilities are needed
Removal of Refuse is a challenge
Land for building churches
Need a multi-purpose centre.
In need of a library in the ward as the town library closes at 14h00.
In need of street lights and highmast lighting as it becomes very dark at Phitsini and between the areas of Siviwe and Hlumani– has seen fatalities and robberies
Graveling of internal roads in Siti area in preparation of the festive rainy season – when roads are wet Police cars cannot access the town.
Community is not sure of the boundary of the cemetery(identification of cemeteries)
Fencing of cemeteries in Kei Mouth
Inadequate monitoring of Community hall Project – quality of construction not of a good standard
Condition of roads is very bad chasing away tourism
Recycling project that stalled because people were not being paid, should be reinstated.
More street light are required in HagaHaga
High mast electrification in Kei Mouth and Morgan Bay is needed as these areas are dark and promote crime
To stimulate tourism Kei Mouth needs a Shopping Mall and banking facilities
Illegal electricity connections
Tender awarding is not done fairly. Municipality's need to be transparent
Storm water drainage needs to be constructed road are often flooded as a result of the lack of proper drainage
The municipality does not employ its community though they have the required skills.
There is no acknowledgement of receipt to any correspondence by the Municipal Manager – communication between the GKLM and community must be improved including feedback. Not aware of the heritage event therefore did not participate in it.
Advertisement strategy need to improve as processes that take place in the municipality does not reach the community (brick-manufacturing project)
Thosung centre (shopping centre, and skill development centre and all Departments to be housed there (DoHA; Social Development)
Procurement Processes taking place in the municipality must be transparent to the community. (eg

application of a tender for sport facility)
Denial of access to the Reception must be considered (Use of security gates) The Security arrangement inconvenience entry to the municipality – access is done one by one
Town Planning needs to consider the need and make provision for church sites
The community wants a swimming pool
Updated register for the records in cemeteries. Cemetery plots to be marked, numbered and recorded in a data register for ease of recognition.
Hiring rates for halls are unaffordable especially when it is for non-profit activities (eg funerals and church activities and others)
Provision of refuse bags is not satisfactory.
Human soil (Sanitation) is disposed in the Township (Health Hazard)
A sewerage disposal dam needs to be erected by the municipality.
Internal access roads are in a very poor condition – were last tarred 11 years ago.
Unemployment is high (youth wants to be registered on the municipal data base of service providers).
Renovation of the town hall
A youth centre is needed as currently, a hall is utilized in the township (which is often used for other functions)
Nongxili area needs to be upgrade street lights not working no refuse collection
There is a bridge that is dangerous to cross in Ward 7

DRAFT

CHAPTER 4: DEVELOPMENT OBJECTIVES AND STRATEGIES

INTRODUCTION

The Institutional Strategic Planning session conducted on 14-16 January 2014 confirmed the following strategic goals and objectives for the five key performance areas:

KPA 1 - MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPEMENT	
Outcome	Quality basic education
	Skilled and capable workforce to support an inclusive growth path
	All people in SA are and feel safe
	Responsive, accountable, effective and efficient Local Government system An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship
National priority	Strengthen skills and human resource base
	Pursuing African advancement and enhanced international co-operation
	Building a developmental state including improvement of public services and strengthening democratic institutions
Provincial priority	Strengthen education, skills and human resource base
District Strategic goal	Improve organisational cohesion and effectiveness
District intended outcome	Improved organisational stability and sustainability

Strategic Objectives

- ✓ Ensure ADM performs optimally in all its assigned powers and functions by 2017
- ✓ To attract, retain, build capacity and maximise utilization of ADM human capital by 2017
- ✓ Ensure integrated and responsive ICT function by 2017
- ✓ To enhance institutional capacity to plan and implement service effectively and efficiently by 2017
- ✓ To ensure ADM has a fully operational and effective Fleet Management function by 2017
- ✓ To ensure sound and sustainable management of municipal finances by 2017
- ✓ Mainstreaming of Special programmes by 2017
- ✓ To ensure district-wide coordination of implementation, monitoring and evaluation of IDP by 2017
- ✓ Facilitate sustainable and self-sufficient livelihoods in Rural Communities by 2017
- ✓ Ensure coherent strategic SDF to guide development by 2017
- ✓ To ensure that local municipalities are empowered to render services that are within their powers and function by 2017
- ✓ Ensure the development and review of sector plans in line with the Spatial Development Framework and Integrated Development Plan by 2017
- ✓ Ensure the development, review and implementation of policies and by-laws by 2017
- ✓ Facilitate development of sustainable and viable settlements by 2017
- ✓ Facilitate sustainable and self-sufficient livelihoods in rural communities by 2017

KPA 2- SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	
Outcome	A long and healthy life for all South Africans
	Sustainable human settlement and improved quality of household life
National priority	Sustainable human settlement and improved quality of household life
	Massive programme to build social and economic infrastructure
	Sustainable resource management and use
Provincial priority	Massive programme to build social and economic infrastructure
	Building cohesive, caring and sustainable communities
District Strategic goal	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance
District intended outcome	Sustainable delivery of improved services to all households

Strategic Objectives

- ✓ Provision of adequate, potable and sustainable water services infrastructure by 2018
- ✓ Provision of sustainable and environmentally friendly sanitation and services to all communities by 2018
- ✓ To ensure reduction of the prevalence of communicable diseases by 2017
- ✓ To improve the compliance of business premises related to Municipal Health Services legislation by 2017
- ✓ Enhance the provision and standardisation of fire services by 2017
- ✓ Facilitate Sustainable coordination of disaster relief and response by 2017
- ✓ Ensure that solid and medical waste is managed in an integrated, environmentally friendly and sustainable manner throughout ADM by 2017
- ✓ All households to have access to public transport facilities, within 2km walking distance by 2022
- ✓ Facilitate development of sustainable and viable settlements by 2014
- ✓ Develop, conserve and maintain heritage sites by 2017
- ✓ Ensure efficient and effective procurement of goods and services by 2017
- ✓ Ensure efficient and effective ICT system by 2017
- ✓ Facilitate sustainable and self-sufficient livelihoods in rural communities by 2017
- ✓ To ensure that local municipalities are empowered to render services that are within their powers and function by 2017

KPA 3- LOCAL ECONOMIC DEVELOPMENT	
Outcome	Responsive, accountable, effective and efficient local government system
	Decent employment through inclusive economic growth
	Skilled and capable workforce to support an inclusive growth
	An efficient, competitive and responsive economic infrastructure network
National priority	Decent employment through inclusive economic growth
	An efficient, competitive and responsive economic infrastructure network
	A long and healthy life for all South Africans

Provincial priority	Massive programme to build social and economic infrastructure
	Speed up growth and transforming the economy to create decent work and sustainable livelihood
	Strengthening education, skills and human resource base
	Intensifying the fight against crime and corruption
	Rural development, land and agrarian reform and food security
District Strategic goal	Create an environment that promotes the development of the local economy and facilitate job creation
District intended outcome	Improved municipal economic viability
Political commitment	Creation of decent work and sustainable livelihoods
	Rural development, food security and land reform

Strategic Objectives

- ✓ To promote holistic sustainable regional economic development by 2030
- ✓ Facilitate sustainable and self-sufficient livelihoods in rural communities by 2017
- ✓ To ensure compliance with the Municipal Health Legislation within ADM by 2017
- ✓ To ensure that local municipalities are empowered to render services that are within their powers and function by 2017

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	
Outcome	Responsive, accountable, effective and efficient local government system
National priority	Intensify the fight against crime and corruption
Provincial priority	Intensifying the fight against crime and corruption
District Strategic goal	To improve overall financial management in the municipalities by developing and implementing appropriate financial management policies, procedures and systems.
District intended outcome	Improved financial management and accountability.
Political commitment	Fight against crime and corruption

Strategic Objectives

- ✓ To ensure 43% recovery of costs incurred to provide water and sanitation services by 2017
- ✓ To ensure 100% utilisation of budget by 2017
- ✓ To ensure sound and sustainable management of municipal finances by 2017
- ✓ To ensure ADM Assets are adequately managed and monitored by 2017
- ✓ To ensure that local municipalities are empowered to render services that are within their powers and function by 2017
- ✓ Facilitate development of sustainable and viable settlements 2017

KPA 5- GOOD GOVERNANCE AND PUBLIC PARTICIPATION	
Outcome	Responsive, accountable, effective and efficient local government system
	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship
	Vibrant, equitable, sustainable rural communities contributing towards food security for all
	Create a better South Africa, a better Africa and a better world
National priority	Building a capable state

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

Strategic Objectives

- ✓ Implementation of management action plans
- ✓ To ensure clean and accountable governance in the district by 2017
- ✓ To facilitate coordination, cooperation and joint planning between the spheres of government by 2017
- ✓ To promote learning and sharing, both domestically and internationally by 2017
- ✓ Mainstreaming of Special programmes into ADM programmes by 2017
- ✓ To ensure a district-wide coordination of integrated planning, implementation, monitoring and evaluation by 2017
- ✓ To ensure that Local Municipalities are empowered to render services that are within their powers and functions by 2017
- ✓ To promote effective communication of ADM's business to its stakeholders by 2017
- ✓ To deepen local democracy through community participation by 2017
- ✓ Facilitate development of sustainable and viable settlements by 2017
- ✓ To ensure implementation of organisation strategy

The following tables provide a detailed breakdown of objectives that indicate what the district municipality can reasonably achieve within the available resources, as well as strategies and programmes that provide the concrete interventions that the district municipality will implement to attain its objectives:

4.1 KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Human Resource and Administration	Ensure ADM performs optimally in all its assigned powers and functions by 2017	MTI 1	Implementation of the outcomes of the business engineering study	% of positions filled as per the approved organogram	MTI 1:1	Quarterly reports	13/14 Organogram that is in line with the IDP	50% of new positions filled as per the approved organogram	30% of new positions filled as per the approved organogram	20% of new positions filled as per the approved organogram	Director Corporate Services
			Increase and improve management of employee attendance	Implemented \Rollout Biometric System	MTI 1:2	Quarterly reports	Installed Biometric system	Roll-out of Biometric System to ADM new office site	Roll-out of Biometric System to plants and water treatment works	Roll-out of Biometric System to plants and water treatment works	Director: Strategic Planning & Management
			Management of staff leaves	No. of Staff leave reconciliation reports submitted to EMC	MTI 1:3	Quarterly report	Staff Leave Reconciliation report	Roll-out and implementation of Employee self-service leave system	Roll out and implementation of Employee self-service leave system	4 Staff leave reconciliation reports submitted to EMC	Director: Strategic Planning & Management
	To attract, retain, build capacity and maximise utilization of ADM human capital by	MTI 2	Implementation of the Retention Strategy	No. of Implemented programs per retention strategy implementation plan	MTI 2:1	Quarterly reports	10 Retention Strategy programs	3 Retention Strategy programs	3 Retention Strategy programs	5 Retention Strategy programs	Director Corporate Services

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
	2017		Implementation of the Human Resources Strategy	No of implemented programmes as per Human Resource Strategy Implementation plans	MTI 2:2	Quarterly reports	Approved Human Resources Strategy	3 Human Resources Strategy programmes	4 Human Resources Strategy programmes	Review of the Human Resource Strategy	Director Corporate Services
			Implementation of the Workplace Skills Plan	% budget spent on implementing WSP	MTI 2:3	Quarterly reports	100% spent on WSP budget allocated to ADM	100% budget spent on implementation of WSP	100% budget spent on implementation of WSP	100% budget spent on implementation of WSP	Director Corporate Services
				No. of training interventions conducted in line with Workplace Skills Plan	MTI 2:4	Quarterly reports	25 Workplace Skills Plan training interventions	5 Training interventions for Councillors in line with WSP	5 Training interventions for Councillors in line with WSP	5 Training interventions for Councillors in line with WSP	Director Corporate Services
								20 Training interventions for Officials in line with WSP	20 Training interventions for Officials in line with WSP	20 Training interventions for Officials in line with WSP	Director Corporate Services

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			Implementation of Human Resources Development Strategy	No. of programs implemented per Human Resources Development Strategy	MTI 2:5	Quarterly reports	4 HRD programs	4 HRD Strategy programs	3 HRD Strategy programs	3 HRD Strategy programs	Director Corporate Services
			Implementation of the Employment Equity Plan	No. of programs implemented as per Employment Equity Plan	MTI 2:6	Quarterly reports	1 programme	2EEP programs	2 EEP programs	2 EEP programs	Director Corporate Services
				% compliance with the Employment Equity Plan	MTI 2:7	Quarterly reports	34% Female representation within the institution	36% Female representation within the institution	40% Female representation within the institution	42% Female representation within the institution	Director Corporate Services
			Implementation of the Occupational Health and Safety Strategy	No. of programs implemented per Health and Safety Strategy	MTI 2:8	Quarterly reports	8 programs	8 Health and Safety Strategy programs implemented	8 Health and Safety Strategy implemented	8 Health and Safety Strategy Implemented	Director Corporate Services
			Implementation of Wellness	No. of programs	MTI 2:9	Quarterly reports	8 programs	8 Wellness Strategy	8 Wellness Strategy programs	8 Wellness Strategy programs	Director Corporate

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			Strategy	implemented per Wellness Strategy				programs	implemented	implemented	Services
			Implementation of the Labour Relations Strategy	No. of programs implemented as the Labour Relations Strategy	MTI 2:10	Quarterly Reports	Nil	4 programs implemented as per the approved LR Strategy	4 programs implemented as per the approved LR Strategy	4 programs implemented as per the approved LR Strategy	
			Development of Councillors and Traditional Leaders Welfare Policy	Councillors and Traditional Leaders welfare policy developed and submitted to Council for approval	MTI 2:11	Quarterly reports	S&T Policy for Traditional leaders	Councillors and Traditional Leaders welfare policy developed and submitted to Council for approval	Implementation of the policy	Implementation of the policy	Director: Legislative and Executive Support Services
			Development of a Knowledge and information Management Strategy	Knowledge and Information Management Strategy developed and	MTI 2:12	Quarterly reports	Nil	Knowledge and Information Management Strategy developed and submitted for approval	Implementation of the Strategy	Implementation of the Strategy	Director: Strategic Planning and Management/MM

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL	
				submitted for approval								
Information and Communication Technology	Ensure integrated and responsive ICT function by 2017	MTI 3	Review and Implementation of the ICT Master Strategic Plans	Reviewed ICT Master Strategic Plan	MTI 3:1	Quarterly reports	ICT Master Strategic Plan	Reviewed ICT Master Strategic Plan	-	-	Director Strategic Planning and Management	
				Implementation of the ICT Master Strategic Plan	Implementation of the ICT Master Strategic Plan	MTI 3:2	Quarterly Reports	3 programs	3 programs implemented as per ICT Master Plan	3 programs implemented as per ICT Master Plan	3 programs implemented as per ICT Master Plan	Director Strategic Planning and Management
				Implementation of IT Business continuity plan/Disaster Recovery plan	No. of programs implemented as per IT Business continuity plan/Disaster Recovery plan	MTI 3:3	Quarterly reports	Departmental Business Continuity Plans; IT Disaster Recovery Plan	Implemented IT Business continuity plan/Disaster Recovery plan	Implemented IT Business continuity plan/Disaster Recovery plan	Implemented IT Business continuity plan/Disaster Recovery plan	Director Strategic Planning and Management
				Implementation of the GIS Strategy	No. of programs implemented	MTI 3:4	Quarterly reports	3 programmes	2 programs implemented as per GIS	3 programs implemented as per GIS Strategy	3 programs implemented as per GIS Strategy	Director Strategic Planning

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
				as per GIS Strategy				Strategy			and Management
			Implementation of IT Master Systems Plan	No. of programs implemented as per the IT Master Systems Plan	MTI 3:5	Quarterly reports	IT Master Systems Plan	No. of programs implemented as per the IT Master Systems Plan	No. of programs implemented as per the IT Master Systems Plan	No. of programs implemented as per the IT Master Systems Plan	Director: Strategic Planning & Management
			Implementation of the Corporate ICT Governance Framework	No of programmes implemented as per the Corporate ICT Governance Framework	MTI 3:6	Quarterly reports	IT Governance Framework	2 programmes implemented as per the Corporate ICT Governance Framework	2 programmes implemented as per the IT Governance Framework	2 programmes implemented as per the IT Governance Framework	Director: Strategic Planning & Management
			Development of Information Management Plan	Information Management Plan developed and submitted to Council	MTI 3:7	Quarterly Reports	Nil	Developed of Information Management Plan	Developed of Information Management Plan	Developed of Information Management Plan	Director: Strategic Planning & Management

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			Development of a Green Economic Strategic Framework	Developed Green Economic Strategic Framework	MTI 3:8	Quarterly reports	Environmental Management System	Green Economic Strategic Framework developed and submitted for approval	Implementation of the Green Economic Strategic Framework	Implementation of the Green Economic Strategic Framework	Director: Land, Human Settlement and Economic Development
Policy and Research	To enhance institutional capacity to plan and implement services effectively and efficiently	MTI 4	Implementation of Policy development and Research management model	No. of programs implemented as per the Policy development and Research management model	MTI 4:1	Quarterly reports	Adopted Policy Development and Research Management model	3 programs implemented as per the Policy development and Research management model	3 programs implemented as per the Policy development and Research management model	3 programs implemented as per the Policy development and Research management model	Director: Strategic Planning & Management
			Implementation of Policy Development Framework	no. of programs implemented as per the Policy Development Framework	MTI 4:2	Quarterly reports	adopted Policy Development Framework	report on the implementation of policy development framework	report on the implementation of policy development framework	report on the implementation of policy development framework	

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			Coordination and management of policy formulation and research	Coordination and management of policy formulation and research initiatives	MTI 4:3	Quarterly reports	adopted policy development and research management model	Coordination and management of policy formulation and research report	Coordination and management of policy formulation and research report	Coordination and management of policy formulation and research report	MM's Office
			Formation of institutional strategic partnerships	No. of formed partnerships	MTI 4:4	Quarterly reports	Adopted policy development and research management model	1 Formed institutional strategic partnership	1 Formed institutional strategic partnership	1 Formed institutional strategic partnership	MM's Office
Fleet Management	To ensure ADM has a fully operational and effective Fleet Management function by 2017	MTI 5	Development of a Fleet Management Strategy	Developed Fleet Management Strategy submitted to Council	MTI 5:1	Quarterly reports	Fleet Management Policy	Developed Fleet Management Strategy submitted for Council approval	Implementation of the Fleet Management Strategy	Implementation of the Fleet Management Strategy	Director Corporate Services

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Budget Reform	To ensure sound and sustainable management of municipal finances by 2017	MTI 6	Payment of all invoices within 30 days of receipt in line with Section 65 of the MFMA	% of invoices paid within 30 days of receipt	MTI 6:1	Quarterly report	97%	100% payment of invoices paid received within 30 days	100% payment of invoices paid received within 30 days	100% payment of invoices paid received within 30 days	Chief Financial Officer
			Implement reviewed SCM systems and procedures to address issues causing deviations	% reduction in the number of deviations	MTI 6:2	Quarterly Reports	SCM Policy	Reduce in number of deviations by 0.5 %	Reduce in number of deviations by 3%	Reduce in number of deviations by 5%	Chief Financial Officer

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Performance Management	To ensure a district-wide coordination of implementation, monitoring and evaluation of IDP by 2017	MTI 7	Reviewed and implementation of PM Framework submitted to Council for approval	Reviewed Performance Management Framework	MTI 7:1	Quarterly Reports	2013 Performance Management Framework	Reviewed Performance Management Framework	Implementation and review Performance Management Framework	Implementation and review Performance Management Framework	Director: Strategic Planning and Management
			Coordinate performance reporting, monitoring and evaluation	No. Quarterly organisational performance assessment reports	MTI 7:2	Quarterly performance assessment reports	Approved Service Delivery & Budget Implementation Plan	4 Organisational performance assessment reports	4 Organisational performance assessment reports	4 Organisational performance assessment reports	Director: Strategic Planning and Management
			No. of Quarterly Individual performance assessment reports	MTI 7:3	Quarterly performance assessment reports	Approved Employee Performance Management Policy & Procedure	4 Individual performance assessment reports	4 Individual performance assessment reports	4 Individual performance assessment reports	Director: Strategic Planning and Management	

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
				No. of Departmental individual performance evaluation reports submitted to Strategic Planning	MTI 7:4	Quarterly reports	Nil	4 Departmental individual performance evaluation reports submitted to Strategic Planning	4 Departmental individual performance evaluation reports submitted to Strategic Planning	4 Departmental individual performance evaluation reports submitted to Strategic Planning	All HOD's
				Annual report submitted to Council	MTI 7:5	Annual report submitted to Council annually	Approved 12/13 Annual report	13/14 Annual report submitted for Approval	14/15 Annual report submitted for Approval	15/16 Annual Report submitted for Approval	Director: Strategic Planning and Management
Rural Development	Facilitate Sustainable and self-sufficient livelihoods in Rural Communities by 2017	MTI 8	Development of a District Rural Development Plan	Developed District Rural Development Plan submitted to Council	MTI 8:1	Approved District Rural Development Plan	Nil	Developed District Rural Development Plan submitted to Council	Implementation of the District Rural Development Plan	Implementation and review of the District Rural Development Plan	Director: LHSED

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Spatial Planning	Ensure Coherent Strategic SDF to guide development by 2017	MTI 9	Ensure sector plans complies with the District SDF	No. of quarterly reports indicating compliance to sector plans	MTI 9:1	Quarterly Reports	SDF	Annual assessment reports (4 quarterly) indicating compliance	Annual assessment reports indicating compliance	Annual assessment reports indicating compliance	Director LHSED
			Implementation of Shared Services recommendations	Report on SPLUM Shared Services Centre	MTI 9:2	Quarterly Reports	Nil	SPLUM implementation report	SPLUM implementation report	SPLUM implementation report	Director: LHSED

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			Review SDF Spatial Development Framework	Reviewed District Spatial Development Framework submitted to Council	MTI 9:3	Quarterly Reports	SDF	Reviewed Spatial Development Framework submitted to council	Reviewed Spatial Development Framework submitted to council	Reviewed SDF Reviewed Spatial Development Framework submitted to council	Director: LHSED
Support to LM's	To ensure that Local Municipalities are empowered to render services that are within their powers and functions by 2017	MTI 10	Implement Municipal Support Empowerment and Capacity Building Programs to Local Municipalities	No. of ICT support initiatives implemented	MTI10: 1	Quarterly reports	Draft ICT Master plans for 6 LM's	2 ICT Support initiatives	2 ICT Support initiatives	2 ICT Support initiatives	Director: Strategic Planning & Management
				No. reviewed ICT Risk Registers in LM's	MTI10: 2	Quarterly reports	2 ICT support initiatives	7 Reviewed ICT Risk Register in LM/s	2 ICT Support initiatives	2 ICT Support initiatives	Director: Strategic Planning & Management

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			Implement Municipal Support Empowerment and Capacity Building Programs to Local Municipalities	No. of Corporate Services support initiatives implemented	MTI 10:3	Quarterly reports	12 Corporate Services support initiatives	5 Corporate Services support initiatives	6 Corporate Services support initiatives	6 Corporate Services support initiatives	Director: Strategic Planning & Management

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Sector Plans, Policies and By-Laws	Ensure the development and review of sector plans in line with the Spatial Development plan and Integrated Development Plan	MTI 11	Development and review of sector plans in line with the Spatial Development plan and Integrated Development Plan	Developed Communication, Branding and Marketing Strategy submitted to Council	MTI 11:1	Quarterly reports	Existing sector plans	Developed and implemented Sector Plans submitted to Council	Developed and implemented Sector Plans submitted to Council	Developed and implemented Sector Plans submitted to Council	ALL HOD's
			Review and update Spatial Development Framework	Reviewed Spatial Development Framework	MTI11:2	Quarterly reports	SDF	Reviewed SDF submitted to Council			Director: LHSED

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
	Ensure development and review of policies and by-laws		Develop, review and implementation of policies and by-laws	Developed, reviewed and implemented polices and by-laws	MTI 11:3	Quarterly reports	Existing policies and by-laws	Developed and reviewed policies and by-laws	Developed and reviewed policies and by-laws	Developed and reviewed policies and by-laws	ALL HOD's
Land, Reform and Human Settlements	Facilitate development of sustainable and viable settlements by 2017	MTI 12	Implementation of the Land Reform and Settlement Plan	No. of LRHSP	MTI12: 1	Quarterly reports	Land Reform and Settlement Plan	5 Land Reform and Settlement Plan Projects implemented	5 Land Reform and Settlement Plan Projects implemented	5 Land Reform and Settlement Plan Projects implemented	Director: LHSED

I. KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT PROPOSED PROJECTS

IND Code	Department	Project Description	Source of Funding			
			Internally	Externally	MIG	
MTI 1:1	Corporate Services	Business Process Reengineering Implementation	Operating Budget			
MTI 2:1		Retention Strategy implementation (3 Programmes)	R 500 000.00			
MTI 2:3		Human Resource Strategy Implementation	R1000 000.00			
MTI 2:4		WSP Implementation	R3 000 000.00			
MTI 2:5		EEP Implementation	R1000 000.00			
MTI 2:2		HRD Strategy Implementation	R1 500 000.00			
MTI 2:10		Labour Relations Strategy Implementation	R500 000.00			
MTI 5:1		Development of Fleet Management Strategy	R500 000.00			
MTI 3:5		LHSED	Development Green Economy Strategic Framework	R700 000.00		
MTI 10:1			Development of the District Rural Development Plan	R650 000.00		
MTI 3:1	Strategic Planning and Management	IT Master Strategic Plan implementation	R600 000.00			
MTI 3:2		IT Disaster Recovery Plan Implementation	R500 000.00			
MTI 3:3		GIS Shared Services implementation	R500 000.00			
MTI3:4		Development of Government-wide Enterprise Architecture Framework	R250 000.00			
MTI 9:4		Development of Annual Report	Operation budget R300 000			
MTI 13:1		Training and development at LM's	R 600 000			
		Development of HR Strategy at 1 LM	R 400 000			
		Development of HR Policies	R 400 00			
MTI 13:2	Development ICT Master Plans at Amhlathi, Great Kei, Mbhashe, Nxuba and Nkonkobe	R 1 400 000				

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

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASURE NT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABL E OFFICIAL
Water	Provision of adequate, potable and sustainable water services infrastructure by 2018	SDI 1	Implement water resource plans as part of the Water Services Development Plan	Refurbished Adelaide canal as per design report	SDI 1:1	Quarterly Report	Partial refurbishment of Adelaide Canal	Refurbished Adelaide Canal as per design report	Refurbished Adelaide Canal as per design report	Refurbished Adelaide Canal as per design report	Director Engineering
			Eradicate water backlogs	No. of household with new water connection	SDI 1:2	Quarterly report	200 901 Households (39 099 backlogs) (Q2- 2347)	5297 HH with new water connections	7292 HH with new water connections	8021HHwith new water connections	Director Engineering
			Refurbishment of water infrastructure	Developed and implemented Refurbishment Plan submitted to EMC for approval	SDI 1:3	Quarterly report	Commenced implementation in Dutywa and Butterworth /refurbishment plan updated	Implemented refurbishment plan 14/15 submitted to EMC	Implemented of refurbishment plan	Implementation of refurbishment plan	Director Engineering
			Conduct	No of water	SDI 1:4	Quarterly	Plant	3 Water	3 Water	3 Water	Director

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			audit to comply with blue drop standards	treatment works audited (process audit)		report	process audits completed for 3 water treatments	Treatment Works process audit	Treatment Works process audit	Treatment Works process audit	Engineering
			Rainwater harvesting	No of household with rain water tanks	SDI 1:5	Quarterly report	2 525 House Holds (3091)	424 HH with rain water tanks	450 HH with rain water tanks	500 HH with rain water tanks	Director Engineering
			Establishment of a Laboratory	Implementation of the feasibility study	SDI 1:6	Quarterly report	(Feasibility Study)	Partial implementation of the feasibility study	Complete implementation of the feasibility study	Operation of the Laboratory	Director Engineering
			Registration of Indigent Consumers	No. of new registered indigent consumers receiving 10kl free water basic services	SDI 1:7	Quarterly reports	2500(its not accumulative) registered Indigent consumers receiving 10kl free basic water services	2 000 new registered Indigent consumers receiving 10kl free basic water services	2 000 new registered Indigent consumers receiving 10kl free basic water services	2 000 new registered Indigent consumers receiving 10kl free basic water services	Chief Financial Officer

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			Aligning District Water Management Plans to SDF and land use management plan	No. of existing servitudes registered	SDI 1:8	Quarterly report	nil	Registered EXISTING Servitudes	Registered Servitudes	Land Audit reports	Director: Engineering
			Implementation of the Water safety plan	No of programmes implemented from Water Safety Plan	SDI 1:9	Quarterly report	Water Safety Plan	2 water safety programmes implemented	3 water safety programmes implemented	4 water safety programmes implemented	Director: Engineering Services
Sanitation	Provision of sustainable and environmentally friendly sanitation and services to all communities by 2018	SDI 2	Implement sanitation infrastructure as an alternative to the bucket systems in informal settlements	No. of households with eradicated Bucket system in informal settlements and replaced with flushing toilets (Nkonkobe and Nxuba)	SDI 2:1	Quarterly report	All formal settlements have been eradicated (300 backlog in Nxuba and Nkonkobe informal settlements)	Progress on the 300 bucket eradicated in Nxuba and Nkonkobe informal settlements	Progress on the 300 bucket eradicated in Nxuba and Nkonkobe informal settlements	300 informal households eradicated	Director Engineering Services

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREME NT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABL E OFFICIAL
			Eradicate sanitation backlogs utilizing service delivery fast tracking mechanism	No of household supplied with new VIP Toilets	SDI 2:2	Quarterly report	101 000 HH (14 400 sanitation backlog)	9300 HH with new VIP Toilets	17 000 HH with new VIP Toilets	18 700 HH with new VIP Toilets	Director Engineering
			Implementa tion of Waste Water Risk Abatement Plan to comply with Green Drop Standards	No of programmes implemented	SDI 2:3	Quarterly report	Waste Water Risk Abatement Plan	2 programmes implemented	2 programmes implemented	2 programmes implemented	Director Engineering
			Upgrading of sanitation infrastruc ture	Implementati on of the outcomes of the feasibility study of the sanitation infrastructure	SDI 2:4	Quarterly report	Feasibility study	Implemented outcomes on the feasibility study of the sanitation infrastructure	Implemented outcomes on the feasibility study of the sanitation infrastructure	Implemented outcomes on the feasibility study of the sanitation infrastructure	Director Engineering
Municipal Health services	To ensure reduction of the prevalence	SDI 3	Monitor water and waste water	No. of drinking water	SDI 3:1	Quarterly reports	1420 drinking water	1520 drinking water samples	1520 drinking water samples tested	1520 drinking water samples tested	Director: Community Services

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
	of communicable diseases by 2017		quality compliance on a monthly basis	samples taken to determine compliance with SANS 241			samples tested	tested			
				No. of waste water samples taken to determine compliance with General Authorisation Standards	SDI 3:2	Quarterly reports	180 waste water samples tested	188 waste water samples tested	188 waste water samples tested	188 waste water samples tested	Director: Community Services
	To improve the compliance of business premises related to Municipal Health Services legislation by 2017		Align LM with the district municipality's business licencing services	No. of LM with business licences registration complying with MHS legislation (Nxuba and Mbhashe)	SDI 3:3	Quarterly reports	Nil	2 LM's with business licences registration complying with MHS legislation (Nxuba and Mbhashe)	2 LM's with business licences registration complying with MHS legislation	2 LM's with business licences registration complying with MHS legislation	
Fire	Enhance the	SDI 4	Construct	No. of Fire	SDI 4:1	Quarterly	5 fire	1 fire satellite	100 %	-	Director:

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
services	provision and standardisation of fire services by 2017		and operationalize legally compliant fire stations in identified areas	Satellite Stations constructed		reports	stations completed (Cintsa , Centane Kei Mouth, Willowvale and Hamburg)	station (Butterworth) 50% completion	construction of Butterworth Fire Satellite Station		Engineering
			Integrate Fire Services requirements with Water Services Provision	No. of water outlets fitted for fire services use in ADM area of jurisdiction	SDI 4:2	Quarterly reports	Nil	2 LM fitted with water outlet for fire services (Centane and Elliotdale)	2 LMs fitted with water outlet for fire services (Mbhashe, Great Kei)	1 LM fitted with water outlet for fire services (Ngqushwa)	Director: Engineering Services/Community Services
			Enhance fire safety compliance	No. of compliance inspections undertaken	SDI 4:3	Quarterly reports	44 of compliance inspections undertaken	60 of compliance inspections undertaken	65 of compliance inspections undertaken	70 of compliance inspections undertaken	Director: Community Services
Disaster Management	Facilitate Sustainable coordination of disaster relief and response by 2017	SDI 5	Rehabilitation of disaster damages as per Disaster Management Framework	No of LMs provided with disaster relief material to address backlogs	SDI 5:1	Quarterly reports	3 LMs provided with disaster relief material	Disaster relief material distributed to 4 LMs (Mbhashe, Mnquma , Ngqushwa and Nkonkobe)	Disaster relief material distributed to 4 LMs (Mbhashe, Mnquma, Ngqushwa and Nkonkobe)	Disaster relief material distributed to 4 LMs (Mbhashe, Mnquma, Ngqushwa and Nkonkobe)	Director: Community Services

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
				No. of awareness campaigns conducted in 7 LMs	SDI 5:2	Quarterly report with supporting evidence	56 awareness campaigns conducted in 7 LMs	60 awareness campaigns conducted in 7 LMs	66 awareness campaigns conducted in 7 LMs	70 awareness campaigns conducted in 7 LMs	Director : Community Services
Waste Management	Ensure that solid and medical waste is managed in an integrated, environmentally friendly and sustainable manner throughout ADM by 2017	SDI 6	Implementation of the Integrated Waste Management Plan	No. of solid waste transfer stations built	SDI 6:1	Quarterly report	Phase1 of solid waste transfer station built (Dutywa)	Dutywa solid waste station completed	1 Solid Waste Transfer Station built in Nxuba	1 Solid Waste Transfer Station built in Nkonkobe	Director Engineering
			Implementation of outcomes of the feasibility Study for the Western Regional Solid Waste Site	No. of programmes implemented as per the outcomes of the feasibility study	SDI 6:2	Quarterly reports	Feasibility study for the Regional Solid Waste Site in the Western Region.	1 programme implemented.	1 programme implemented	Completion of the Regional Solid Waste Site in the Western Region.	Director Engineering
Transport	All households to have access to public transport facilities,	SDI 7	Implementation of the Integrated Transport Plan	No. of Integrated Transport Plan programs	SDI 7:1	Quarterly report	1 Integrated Transport Plan program implemented	2 Integrated Transport Plan programs implemented	2 Integrated Transport Plan programs implemented in Mooiplus and	2 Integrated Transport Plan programs implemented	Director Engineering

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
	within 2km walking distance by 2022			implemented			d in Butterworth	in Elliotdale and Willowvale	Komga		
				Developed Road Assessment Management System (RAMS)	SDI 7:2	Quarterly report	Integrated Transport Plan and RAMS Database developed	Development of RAMS	Completion of RAMS	-	Director Engineering
				No. of programs implements as per the outcomes of the feasibility Study into the management of Public Transport Facilities	SDI 7:3	Quarterly report	Feasibility Study into the management of Public Transport Facilities submitted to EMC for approval	Implementation of the outcomes of the Feasibility Study	Implementation of the outcomes of the Feasibility Study	Implementation of the outcomes of the Feasibility Study.	Director Engineering
Land reform & Human Settlements	Facilitate development of sustainable and viable settlements by 2017	SDI 8	Provision of engineering services to land reform settlements	No. of settlements provided with engineering services	SDI 8:1	Quarterly reports	Design reports for Victoria Post, Hertzog, Lewis,	5 settlements Provided with engineering services	2 settlements Provided with engineering services	2 settlements Provided with engineering services	Director: Engineering

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
							Willowvalle and Mboya Settlements				
			Implementation of the Land Reform and settlement plan	No. of LRSP projects implemented	SDI 8:2	Quarterly reports	10 LRSP Projects	8 LRSP projects implemented	6 LRSP projects implemented	4 LRSP projects implemented	Director Land, Human Settlements and Economic Development
			Implementation of the housing strategy	No. of land parcels identified for Social Housing in ADM	SDI 8:3		Social Housing Feasibility Study	2 land parcels for 3 LMs areas covering (Great Kei, Amahlathi, ADM) identified	2 land parcels for 2 LMs areas covering (Nkonkobe and Nxuba) identified	2 land parcels for 2 LMs areas covering (Mbashe and Mmquma) identified	Director: Land, Human Settlements and Economic Development
				No. of Housing Finance Risk Programmes implemented	SDI 8:4	Quarterly reports	10 Housing Projects	2 Housing Finance Risk Programmes implemented	8 Housing Finance Risk Programmes implemented	8 Housing Finance Risk Programmes implemented	Director Land, Human Settlements and Economic Development
Heritage Sites	Develop, conserve and maintain heritage sites	SDI 9	Implementation of the Heritage Resource	No. of Heritage resource management	SDI 9:1	Quarterly reports	4 Heritage Projects	2 Heritage routes (Development of Phalo-	4 Heritage routes Maintained	4 Heritage routes Maintained	Director Land, Human Settlements and Economic

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
	by 2017		Management Strategy	strategy projects implemented (Infrastructure projects)				Centane War Memorial Park; Maqoma route– Ntaba Kandoda)			Development
Supply Chain management	Ensure efficient and effective procurement of goods and services by 2017	SDI 10	Monitoring and reporting on contractual commitments and performance of service providers	No. of Reports submitted to Council on contractual commitments and performance of service providers	SDI 10:1	Quarterly reports	Annual SCM reports	4 Reports submitted to Council on contractual commitments and performance of service providers	4 Reports submitted to Council on contractual commitments and performance of service providers	4 Reports submitted to Council on contractual commitments and performance of service providers	Chief Financial Officer
			Enhance the capacity of emerging contractors to deliver on	No. of interventions to improve emerging contractors' performance	SDI 10:2	Quarterly report	1 Training workshop with emerging contractors	1 Training intervention per region (3) with emerging contractors	1 Training intervention per region (3) with emerging contractors	1 Training intervention per region (3) with emerging contractors	Chief Financial Officer
Information and Communication Technology	Ensure efficient and effective ICT system 2017	SDI 11	Service improvement in addressing queries as	Turnaround time for desktop support using the system	SDI 11:1	Quarterly Reports	4 hours turnaround time	3 hours turnaround time	2 hours turnaround time	1 hours turnaround time	Director: Strategic Planning and Management

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Community support			per the ICT master plan	log in							
Rural Development	Facilitate sustainable and self-sufficient livelihoods in rural communities by 2017	SDI12	Implement and participate in the National Presidential Rural Development Infrastructure Programme	No. of infrastructure rural development projects implemented	SDI 12:1	Quarterly reports	4 Infrastructure projects	2 infrastructure rural development projects implemented	2 infrastructure rural development projects implemented	2 infrastructure rural development projects implemented	Director: LHSED
Support to LM's	To ensure that Local Municipalities are empowered to render services that are within their powers and functions by 2017	SDI 13	Implement Municipal Support Empowerment and Capacity Building Programs to Local Municipalities	No. of Engineering support initiatives implemented	SDI 13:1	Quarterly reports	19 Engineering support initiatives	8 Engineering support initiatives	8 Engineering support initiatives	8 Engineering support initiatives	Director: Strategic Planning & Management
				No. of Land and Human Settlements support initiatives implemented	SDI 13:2	Quarterly reports	10 LHS support initiatives	4 LHS support initiatives	4 LHS support initiatives	2 LHS support initiatives	Director: Strategic Planning & Management

4.2.1 KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT PROPOSED PROJECTS

IND Code	Department	Project Description	Source of Funding		
			Internally	Externally	MIG
SDI 1:1	Engineering Services	Refurbishment of Adelaide Canal	R5 000 000.00		
SDI 1:3		Implementation of Refurbishment Plan 14/15 -Gcuwa Dam Implementation of Refurbishment Plan- Butterworth Pipe Replacement	R13 000 000.00		
SDI 1:2		Household water connections			R200 000 000.00
SDI 1:4		Plant process reports	R800 000.00		
SDI 1:5		Rainwater Harvesting program	R2 000 000.00		
SDI 1:6		Laboratory Establishment	R1 000 000.00		
SDI 1:9		Water Safety Plan Program	R10 000 000.00		
SDI 2:1		Bucket Eradication			R22 000 000.00
SDI 2:2		VIP Toilets	R???????		
SDI 2:3		Implementation of Sludge Management Plan	R1 000 000.00		
		Implementation of Risk Abatement Plan	R 5000 000.00		
SDI 2: 4		Sanitation Infrastructure Upgrade	R 800 000.00		
SDI 4:1		Construction of Fire Station in Butterworth	R1 000 000.00		
SDI 6:1		Construction of Dutywa Transfer Station	R 3 000 000.00		
SDI 6:2		Implementation of Western Regional Solid Waste Site feasibility study	R 300 000.00		
SDI 7:1		Upgrade of Willowville Public Transport Facility	R6 000 000.00		
		Upgrade of Elliotdale Public Transport Facility	R5 000 000.00		
		Upgrade of Kieskammahoek Public Transport Facility	R1 000 000.00		
SDI 7:3		Komga Public Transport Facility (Preliminary Design)	R500 000.00		
		Mooiplaas Public Transport Facility (Preliminary Design)	R500 000.00		
		Implementation of the Recommendations of the Study into O&M of PTF	R1 000 000.00		
		Non Motorised Transport	R 3 000 000.00		
		Waterberg Settlement	R 340 000.00		
	Msobomvu Settlement	R 340 000.00			
	Cuntsula an Gwentsha Settlement	R 340 000.00			
	Mavathulana Settlement	R 340 000.00			

		Hala Settlement	R 340 000.00		
SDI 5:1	Community Services	Disaster Damaged Backlogs	R 2 000 000.00		
SDI 5:2		Community Services Awareness Campaigns	R1 000 000.00		
SDI 3:2		6 Community Safety Capacities Building Programme	R 300 000.00		
SDI 8:2	LHSED	Implementation of 16 LRSP projects	R2 500 000		
SDI		Implementation of Social Housing Feasibility Study	R 300 000		
SDI 8:3		Implementation of 8 Housing Strategy Projects	R 350 000.00		
SDI 9:1		Implementation of Heritage Resource Management Strategy	R 3 800 000.00		
SDI 12		4 Rural infrastructure Projects	R 100 000.00		
SDI 12:1	Strategic Planning and Management	Purchase of Civil Designer for Great Kei, Ngqushwa and Nxuba	R 600 000.		
		Mentoring programs for all LM's	R 400 00		
		Storm water designer for Amahlathi, Nxuba and Great Kei	R 600 000		
		Road Maintenance plan for Nxuba	R 100 000		
		Pothole patching for LM's	R 200 000		
		Storm water management Plan for Amahlathi	R 100 000		
		Building control Policy for Amahlathi	R 100 000		
		Technical assistance for 2 LM's	R 400 000		
SDI 12: 2		Planning and Surveying of Kolorha Settlement (500 sites) Amahlathi LM	R375 000		
		Planning and Surveying of Nxuba Settlement (200 sites) Nxuba LM	R150 000		
	Review of Nkonkobe SDF	R 100 000			
	Development of Great Kei Zoning Schemes	R 150 000			

4.3 KPA 3: LOCAL ECONOMIC DEVELOPMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Tourism	To promote holistic sustainable regional economic development by 2030	LED 1	Implementation of the Tourism Master Plan	No. of Tourism master plan projects implemented	LED 1:1	Quarterly reports	12 Tourism projects	5 High Impact Tourism projects implemented	5 High Impact Tourism projects implemented	5 High Impact Tourism projects implemented	Director: Land, Human Settlements & Local Economic Development
			Implementation of Film Industry Strategy	No. of Film Industry Strategy projects implemented	LED 1:2	Quarterly reports	3 Projects	2 Film Industry Strategy project	2 Film Industry Strategy project	2 Film Industry Strategy project	Director: Land, Human Settlements & Local Economic Development
Heritage			Implementation of the Heritage Resources Management Plan	No of Heritage management plan projects implemented	LED 1:3	Quarterly reports	9 Heritage projects	6 High Impact Heritage projects implemented	6 High Impact Heritage projects	6 High Impact Heritage projects	Director: Land, Human Settlements & Local Economic Development
Agriculture			Implementation of the Agricultural Development Plan focusing on	No. of Agricultural development plan projects implemented	LED 1:4	Quarterly reports	9 Agricultural projects implemented	6 High Impact Agricultural projects implemented	7 High Impact Agricultural projects implemented	7 High Impact Agricultural projects implemented	Director: Land, Human Settlements & Local Economic Development

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			commercial and high value projects								
Environment Management			Implementation of the Integrated Environmental Management Plan	No. of Environmental management plan projects implemented	LED 1:5	Quarterly reports	15 Environmental projects	6 Flagship Environmental projects implemented	5 Flagship Environmental projects implemented	5 Flagship Environmental projects implemented	Director: Land, Human Settlements & Local Economic Development
Enterprise Development			Implementation of Enterprise development strategy	No. of Enterprise development strategy projects implemented	LED 1:6	Quarterly reports	13 Enterprise development strategies projects	6 Enterprise development strategies projects implemented	6 Enterprise development strategies projects implemented	6 Enterprise development strategies projects implemented	Director: Land, Human Settlements & Local Economic Development
Job Creation			Implementation of Special Programme Strategy	No. of Special Programmes Strategy projects implemented	LED 1:7	Quarterly reports	8 capacity building programmes	4 Special Programmes Strategy projects implemented	4 Special Programmes Strategy projects implemented	4 Special Programmes Strategy projects implemented	Director: LESS

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
				d							
			Implementation of EPWP Policy	No. of jobs created through EPWP	LED 1:8	Quarterly reports	3500 jobs created	500 jobs created	500 jobs created	500 jobs created	Director: Land, Human Settlements & Local Economic Development
				No. of jobs created through Capital projects	LED 1:9	Quarterly reports	Provide number of jobs created	EPWP Compliance Report on complying projects	EPWP Compliance Report on complying projects	EPWP Compliance Report on complying projects	Director: Engineering
			Implementation of the HRD Strategy	No. of candidates participating in Learnership program created through HRD Strategy	LED 1:10	Quarterly Report	30 candidates	20 candidates participating in HRD learnership program	20 candidates participating in HRD learnership programs	20 candidates participating in HRD learnership programs	Director: Corporate Services
Investment promotion			Implementation of Amathole Regional Economic	No. of AREDS projects implemented	LED 1:11	Quarterly reports	8 AREDS projects	1 AREDS projects implemented	3 AREDS projects implemented	3 AREDS projects implemented	Director: Land, Human Settlements & Local Economic Development

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			Development Strategy								
Rural Development	Facilitate sustainable and self-sufficient livelihoods in rural communities by 2017	LED 2	Implementation of the Land Reform and Settlement Plan	No. of LRSP implemented	LED2:1	Quarterly Report	10 Projects	2 LRSP projects implemented	2 LRSP projects implemented	2 LRSP projects implemented	Director: Land, Human Settlements & Local Economic Development
Municipal Health	To ensure compliance with the Municipal Health Legislation within ADM by 2017 ADD THE MUNICIPAL PREMISES LICENSING	LED 3	Implementation of Municipal Health Regulations and By-Laws	No. of Quarterly reports reflecting inspected food handling premises	LED 3:1	Quarterly Report	4 Quarterly reports reflecting premises compliance	4 Quarterly reports reflecting inspected food handling premises	4 Quarterly reports reflecting inspected food handling premises	4 Quarterly reports reflecting inspected food handling premises	Director: Community Services
				No. of waste management promotion projects conducted in LMs	LED 3:2	Quarterly Reports	1 Waste management promotion project conducted (Nkonkobe)	1 Waste management promotion project conducted in 1 LM	1 Waste management promotion project conducted in 1 LM	1 Waste management promotion project conducted in 1 LM	Director: Community Services

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Support to LM's	To ensure that Local Municipalities are empowered to render services that are within their powers and functions by 2017	LED 4	No. of Land and Human Settlements support initiatives implemented	No. of Land and Human Settlements support initiatives implemented	LED 4:1	Quarterly Reports	10 Land and Human Settlements support initiatives	4 Land and Human Settlements support initiatives implemented	4 Land and Human Settlements support initiatives implemented	4 Land and Human Settlements support initiatives implemented	Director: Strategic Planning and Management

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▪ **KPA 3 :: LOCAL ECONOMIC DEVELOPMENT PROPOSED PROJECTS**

IND Code	Department	Project Description	Source of Funding		
			<i>Internally</i>	<i>Externally</i>	<i>MIG</i>
LED 1:1	LHSED	Implementation of Tourism Master Plan	R12 898 000.00		
LED 1:2	LHSED	Implementation of Film Industry Development Strategy	R 1 360 000.00		
LED 1:3	LHSED	Implementation of Heritage Management Plan	R 4 000 000.00		
LED 1:4	LHSED	Implementation of Agricultural Development Plan	R30 000 000.00		
LED 1:5	LHSED	Implementation of Environmental Management Plan	R 30 000 000.00		
LED 1:6	LHSED	Implementation of Enterprise Development Strategy	R4 500 000.00		
LED 1:7	LHSED	Implementation of EPWP Projects	R3 800 000.00		
LED 1:9	Corporate Services	Learnership programmes	R 2 000 000.00		
LED 1: 10		Implementation of Post Investor Conference	R 350 000.00		
LED 1:11		Implementation of Special Programs Strategy	R 1 000 000.00		

4.4 KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Cost recovery	To ensure 43% recovery of costs incurred to provide water and sanitation services by 2017	MFV 1	Implement a costing model for ADM services.	Reviewed tariffs submitted to Council for approval	MFV 1:1	Quarterly reports	Approved 13/14 tariffs for Sanitation, Fire & Sundry services	Reviewed tariffs submitted to Council for approval	Reviewed tariffs submitted to Council for approval	Reviewed tariffs submitted to Council for approval	Chief Financial Officer
				Report on the total cost of providing free basic services per annum excluding losses	MFV 1:2	Quarterly reports	Approximately R130 675 100(to be submitted)	Annual report on the cost of providing FBS	Annual report on the cost of providing FBS	Annual report on the cost of providing FBS	Chief Financial Officer
			Expansion of billable water consumers to all households in the district	% billing of billable metered households	MFV 1:3	Quarterly report	98% billing	99% billing of billable metered water consumers	100% billing of billable metered water consumers	100% billing of billable metered water consumers to	Chief Financial Officer
				Procured and Implemented Electronic Meter Reading Management System	MFV 1:4	Quarterly report	Manual Meter reading system	Procured and implemented meter reading system	100% billing of billable metered water consumers	100% billing of billable metered water consumers	Chief Financial Officer
				% Increase in	MFV	Quarterly	4% increase in	6% Increase in	n/a	n/a	Chief Financial

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
				billing base	1:5	report	billing base	billing base of identified consumers that are not currently billed			Officer
			Management of telephone costs	% reduction on telephone costs	MFV 1:6	Quarterly report	Telephone Policy	Installed Telephone Management System	10% Reduction in telephone expenditure	10% Reduction in telephone expenditure	Director: Corporate Services
			Pilot household yard connections in rural water schemes that have sufficient water capacity	Implementation of the outcomes of the Pilot study	MFV 1:8	Quarterly report	Yard connection Piloted in 2 villages	N/A	Implement Household connections in rural areas and new schemes as per the outcomes of the study	Implement Household connections in rural areas and new schemes as per outcomes of the study	Director: Engineering
Project Management	To ensure 100% utilization of budget by 2017	MFV 2	Implementation of an Accelerated Plan for service delivery	Reduced turn-around time in awarding contracts after closing date of	MFV 2:1	Quarterly reports	90 days turn-around time(to be submitted	60 days turn-around time on awarding tenders	50 days turn-around time on awarding tenders	40 days turn-around time on awarding tenders	Chief Financial Officer

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			projects	tender							
			Monitoring of variance on actual against projected budget project expenditure	Spending not less than 90% of departmental internally funded projected budget	MFV 2:2	Quarterly reports	70%	90% expenditure of departmental internally projected budget	90% expenditure of departmental internally projected budget	90% expenditure of departmental internally projected budget	ALL HOD's
				Spending not less than 90% of projected operational budget	MFV 2:3	Quarterly reports	Nil	90% expenditure of departmental projected budget	90% expenditure of departmental projected budget	90% expenditure of departmental projected budget	ALL HOD's
				Spending not less than 70% of departmental projected externally funded budget	MFV 2:4	Quarterly reports	Nil	70% expenditure of departmental projected externally funded budget	70% expenditure of departmental projected externally funded budget	70% expenditure of departmental projected externally funded budget	ALL HOD's

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			Improve monitoring and evaluation of projects	No. of project management reports submitted to EMC	MFV 2:3	Quarterly reports	Nil	4 Quarterly Project management reports submitted to EMC	4 Quarterly Project management reports submitted to EMC	4 Quarterly Project management reports submitted to EMC	Director: Strategic Planning & Management
Revenue Management	To ensure sound and sustainable management of municipal finances by 2017	MFV 3	Implementation of Credit Control and Indigent Policies	% total collection on outstanding debts	MFV 3:1	Quarterly report	48% collected on outstanding debts	70% total collection on outstanding debts less provision for doubtful debts	80% total collection on outstanding debts less provision for doubtful debts	90% total collection on outstanding debts less provision for doubtful debts	Chief Financial Officer
			Management of Calgary Conference Centre tariffs	% Increase on amount generated from hiring of Calgary Conference Centre	MFV 3:1	Quarterly report	20% increase to confirm	15% Increase on amount generated from hiring of Calgary Conference Centre	20% Increase on amount generated from hiring of Calgary Conference Centre	25% Increase on amount generated from hiring of Calgary Conference Centre	Director: Corporate Services

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Asset Management	To ensure ADM Assets are adequately managed and monitored by 2017	MFV 4	Implementation of an Integrated Asset Management Information System	Automated Asset register	MFV 4:1	Quarterly reports	Manual Asset Register in place	100% Updated Automated Asset Register	100% Updated Automated Asset Register	100% Updated Automated Asset Register	Chief Financial Officer
			Tracking of infrastructure assets component	% Tagged infrastructure components with allocated asset register codes	MFV 4:2	Quarterly reports	Allocated unique codes in the Asset Register	100% updated of fixed asset register with all Tagged Assets	100% updated of fixed asset register with all Tagged Assets	100% updated of fixed asset register with all Tagged Assets	Chief Financial Officer
Support to LM's	To ensure that Local Municipalities are empowered to render services that are within their powers and functions by 2017	MFV 5	Implement Municipal Support Empowerment and Capacity Building Programs to Local Municipalities	No. of Finance support initiatives implemented	MFV 5:1	Quarterly reports	5 Finance support initiatives	3 Finance support initiatives	3 Finance support initiatives	3 Finance support initiatives	Director: Strategic Planning & Management

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Human Settlements	Facilitate development of sustainable and viable settlements by 2017	MFV 6	Ensure Asset Management through Inventory Management	No of quarterly reports on Quarterly Housing Stock take	MFV 6:1	Quarterly reports	Opening inventory at beginning of year	Quarterly report on the quarterly stock take undertaken	Quarterly report on the quarterly stock take undertaken	Quarterly report on the quarterly stock take undertaken	Director: LHSED
			Management and review of lease contracts	% registration of properties with lease agreements	MFV 6:2	Quarterly reports	Lease contracts	Quarterly report on 100% properties with lease agreements	Quarterly report on 100% properties with lease agreements	Quarterly report on 100% properties with lease agreements	Director: LHSED
			Implementation of the Land Reform and Settlement Plan (Settlement property register)	% update on the Settlement property register asset register	MFV 6:3	Quarterly reports	Asset register	100% updated asset register on settlement property	100% updated asset register on settlement property	100% updated asset register on settlement property	Director: LHSED
			Implementation of the Land Reform and Settlement Plan	No of LRSP projects implemented	MFV 6:4	Quarterly reports	10 Projects	1 of 22 LRSP projects implemented	1 of 22 LRSP projects implemented	1 of 22 LRSP projects implemented	Director: LHSED

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			Implementation of the Housing Strategy	No of Housing Strategy projects implemented	MFV 6:5	Quarterly reports	4 Projects	Progress report on 2 Housing Strategy projects implemented	Progress report on Housing Strategy projects implemented	Progress report on Housing Strategy projects implemented	Director: LHSED

▪ **KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT PROPOSED PROJECTS**

IND Code	Department	Project Description	Source of Funding		
			Internally	Externally	MIG
MFV 1:3	BTO	Electronic Meter Reading System	R 1000 000.00		
MFV 1:4	BTO	Service Coverage	R4 000 000.00		
MFV 1:5	Corporate Services	Installation of Telephone Management System	R 200 000.00		
MFV 4:1	BTO	Automated Asset Register	R 3 000 000.00		
	BTO	Solar	R 3 000 000.00		
	BTO	Solar Hardware	R 500 000.00		
	BTO	Data Management Tool	R 800 000.00		
MFV 5:1	Strategic Planning and Management	Data Cleansing Nkonkobe	R 1 200 000		
		Financial Data Analysis – Nxuba, Ngqushwa, Great Kei	R 580 000		
		SCM Supplier Database	R 1 200 000		
		Capacity Building	R 420 000		

4.5 KPA5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION OBJECTIVES AND STRATEGIES

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Governance	To ensure clean and accountable governance in the district by 2017	GGP 1	Implementation of management action plans	No. of management action plans implemented to address Internal Audit Findings	GGP 1:1	Quarterly Reports	Audit Reports	4 Quarterly updated management responses submitted to EMC	4 Quarterly updated management responses submitted to EMC	4 Quarterly updated management responses submitted to EMC	All HoDs
				% of Audit reports produced as per approved Audit Plan and submitted to Audit Committee	GGP 1:2	Quarterly Reports	13/14 Audit Plan	80% of Audit reports produced as per approved Audit Plan and submitted to Audit Committee	80% of Audit reports produced as per approved Audit Plan and submitted to Audit Committee	80% of Audit reports produced as per approved Audit Plan and submitted to Audit Committee	Director: Strategic Planning and Management
				No. of Updated Management responses with time bound action plans submitted to EMC	GGP 1:3	Quarterly Reports	Auditors General 's report for 12/13	4 quarterly updated management responses submitted to EMC	80% of Audit reports produced as per approved Audit Plan and submitted to Audit Committee	80% of Audit reports produced as per approved Audit Plan and submitted to Audit Committee	All HoDs

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			Provide assurance and consulting services on matters relating to Governance processes, Risk Management and Internal Controls								
				Financial statements compliant with MFMA and GRAP submitted to Auditor-General by 31 st August annually	GGP 1:4	Annual Financial Statement report to Council	12/13 audited AFS	13/14 Annual Financial Statements	14/15 Annual Financial Statements	15/16 Annual Financial Statements	Chief financial officer
				Monthly budget statement & Mid-year budget assessment reports submitted to Mayor, Provincial & National Treasuries	GGP 1:5	Quarterly report	Section 71 & 72 reports	Monthly budget statements & Mid-year budget assessment reports submitted to Mayor, Provincial & National Treasuries	Monthly budget statements & Mid-year budget assessment reports submitted to Mayor, Provincial & National Treasuries	Monthly budget statements & Mid-year budget assessment reports submitted to Mayor, Provincial & National Treasuries	Chief Financial Officer

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
				No. of SCM reports submitted to Council for noting	GGP 1:6	SCM Quarterly report	SCM quarterly and annual reports submitted to Council	4 SCM report submitted to Council for noting (3 Quarterly and 1 Annual reports)	4 SCM report submitted to Council for noting (3 Quarterly and 1 Annual reports)	4 SCM report submitted to Council for noting (3 Quarterly and 1 Annual reports)	Chief Financial Officer
			Coordinate functioning and capacity of Council oversight structures	No. of MPAC programs conducted per financial year	GGP 1:7	Quarterly reports	9 MPAC sittings	5 MPAC programs conducted	5 MPAC programs conducted	5 MPAC programs conducted	Director: Legislative & Executive Support Services
				No. of capacity building programs conducted for Committees of Council (S79)	GGP 1:8	Quarterly reports	4 capacity building programs	4 capacity building programs conducted for 79 Committees Speakers, Whips, Women's Caucus and MPAC	4 capacity building programs conducted for Committees of Council (S79)	4 capacity building programs conducted for Committees of Council (S79)	Director: Legislative & Executive Support Services
				Annual evaluation report on the	GGP 1:9	Quarterly report	4 Evaluation reports	Annual evaluation report on the	Annual evaluation report on the	Annual evaluation report on the impact of council	Director: Legislative & Executive Support

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
				impact of council structures submitted to Council				impact of council structures submitted to Council	impact of council structures submitted to Council	structures submitted to Council	Services
				No. of Council resolutions submitted to 7 LMs	GGP 1:10	Quarterly reports	4 quarterly Council resolutions submitted to 7 LMs	4 quarterly Council resolutions submitted to 7 LMs	4 quarterly Council resolutions submitted to 7 LMs	4 quarterly Council resolutions submitted to 7 LMs	Director: Legislative & Executive Support Services
			Implementation of the Risk Master Plan	No. of programs implemented as per Risk Master Plan	GGP 1:11	Quarterly report	Year 1 programmes	Implementation of year 2 programmes as per the Risk Master Plan	Implementation of year 3 programmes as per the Risk Master Plan Year 3 programs	Implementation of year 4 programmes as per the Risk Master Plan	Director: Strategic Planning & Management
			Review Risk Management Framework to incorporated ICT Risk Management Plan (remove to operational plan)	Reviewed RMF	GGP 1:12	Quarterly reports	RMF	Reviewed RMF submitted to EMC	Implementation of the RMF	Implementation of the RMF	Director: Strategic Planning and Management

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			Implementation of departmental Risk Registers	No of Updated Risk Registers for 7 departments	GGP 1:13	Quarterly Reports	Departmental Risk Registers	21 Updated departmental Risk Registers	Updated departmental Risk Registers	Updated departmental Risk Registers	All HODs
			Develop and conduct legal compliance audits	No of Compliance audit reports for S56 Managers submitted to EMC	GGP 1:14	Quarterly reports	Departmental Legal registers	4 Legal Compliance audits per department	4 Legal Compliance audits per department	4 Legal Compliance audits per department	Director: Strategic Planning and Management
				Developed Legal compliance registers for TG 14-16 submitted to EMC for approval	GGP 1:15	Quarterly reports	Departmental Legal registers	Developed Legal compliance registers for TG 14-16 submitted to EMC for approval	Developed Legal compliance registers for TG 7-13 submitted to EMC for approval	Developed Legal compliance registers for TG 7-13 submitted to EMC for approval	Director: Strategic Planning and Management
			Setting up of the By law enforcement function	Established By-law enforcement Unit	GGP 1:16	Quarterly reports	Draft By law implementation plan	Establishment of By-law enforcement Unit	By-law enforcement	By-law enforcement	Director: Strategic Planning & Management
			Enhance oversight	Develop and Implement a	GGP 1:17	Quarterly reports	Capacity buildings	Developed and			Director: LESS

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			committee	Technical needs analysis report Capacity buildings submitted to (MPAC)				implemented technical needs analysis report submitted to Council(MPAC)			
Inter-governmental and International Relations	To facilitate coordination, cooperation and joint planning between the spheres of government by 2017	GGP 2	Strengthen IGR structures within Amathole area of jurisdiction	No. of municipalities with functional IGR Structures	GGP 2:1	Quarterly reports	5 LM's with functional IGR structures (ADM, Mnquma & Nkonkobe, Nxuba, Ngqushwa)	2 LMs (Great Kei & Mbhashe)	-	-	Director: Strategic Planning & Management
			Monitoring the effectiveness of the District IGR Foras	No. quarterly Assessment reports on effectiveness of District IGR Foras	GGP 2:2	Quarterly reports	District IGR Foras	4 forum meetings and Quarterly Assessment reports on effectiveness of District IGR Foras	4 forum meetings and Quarterly Assessment reports on effectiveness of District IGR Foras	4 forum meetings and Quarterly Assessment reports on effectiveness of District IGR Foras	Director: Strategic Planning & Management

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
			Monitoring the effectiveness of the district IGR and Strengthening District Planning and Coordination and IGR For a	No. of quarterly assessment reports on effectiveness of District IGR Foras	GGP2:3	Quarterly reports	Sitting of IGR Foras	4 quarterly assessment reports on effectiveness of District IGR Foras	4 quarterly assessment reports on effectiveness of District IGR Foras	4 quarterly assessment reports on effectiveness of District IGR Foras	Director: Strategic Planning Director: LESS Director: Engineering
	To promote learning and sharing, both domestically and internationally by 2017	GGP 3	Establishment and resuscitation of Memorandum of Understandings	No. of quarterly reports on the status of developed and resuscitated MOUs	GGP 3:1	Quarterly reports	8 MoUs to be confirmed	4 Quarterly reports on the status of developed and resuscitated MOUs	4 Quarterly reports on the status of developed and resuscitated MOUs	4 Quarterly reports on the status of developed and resuscitated MOUs	Director: Strategic Planning & Management
Special programs	Mainstreaming of Special programmes into ADM	GGP 4	Implementation of programs as per approved SPU Strategy	No. of implemented programs as per Special programs Strategy	GGP 4:1	Quarterly reports	12 Special programs	12 programs implemented as per Special programs Strategy	12 programs implemented as per Special programs Strategy	12 programs implemented as per Special programs Strategy	Director: Legislative & Executive Support Service

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
	programmes by 2017			No. of implemented programs as per District Sports Development Strategy	GGP 4:2	Quarterly reports	4 programs implemented	6 programs implemented District Sport Development Strategy	6 programs implemented District Sport Development Strategy	6 programs implemented District Sport Development Strategy	Director: Legislative & Executive Support Service
			Institutionalization of Special Programs in all departments	No. of quarterly reports on the special programmes implemented by each department	GGP 4:3	Quarterly report	Special programs mainstreaming plan and Road shows	4 Quarterly reports on the number of beneficiaries from designated groups supported by each department	4 Quarterly reports on the number of beneficiaries from designated groups supported by each department	4 Quarterly reports on the number of beneficiaries from designated groups supported by each department	Director: Legislative & Executive Support Service/ All HOD's
			Promotion of Sports Tourism and legends/ambassadors	Report on the ambassadors/legends sports programme, prioritise sporting codes and support	GGP 4:4	Quarterly report	Nil	Identify ambassadors/legends sports programme, prioritise sporting codes and support identified groups submitted to	Implementation of Sports Ambassador Tourism programmes	Implementation of Sports Ambassador Tourism programmes	Director: Legislative & Executive Support Service

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
				identified groups submitted to Council				Council (the whole year???)			
			Implementation of a Moral Regeneration Strategy	No of programs implemented as per the Moral Regeneration Strategy	GGP4:5	Quarterly report	MRM Strategy	4 programs implemented as per the Moral Regeneration Strategy	4 programs implemented as per the Moral Regeneration Strategy	4 programs implemented as per the Moral Regeneration Strategy	Director: Legislative & Executive Support Service
			Implementation of the Woman Caucus Program of Action	No of programs implemented as per the Women Caucus Program of Action	GGP 4:4	Quarterly report	Terms of reference	4 programs implemented as per the Women Caucus Program of Action	4 programs implemented as per the Women Caucus Program of Action	4 programs implemented as per the Women Caucus Program of Action	Director: Legislative & Executive Support Service
Integrated planning,	To ensure a district-wide coordination of integrated planning,	GGP 5	Coordinate development and alignment of the IDP, SDBIP and budget integration	Integrated Development Plan submitted to Council for approval	GGP 5:1	Draft & Final IDP reports to Council	Approved 13/14 IDP submitted to Council for approval	15/16 IDP submitted to Council for approval	16/17 IDP submitted to Council for approval	17/18 IDP submitted to Council for approval	Director: Strategic Planning & Management

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
	by 2017			Budget & Adjustment budget submitted to Council for approval	GGP 5:2	Draft & Final Budget reports to Council	Approved 14/15 Budget	15/16 Budget submitted to Council for approval	16/17 Budget submitted to Council for approval	17/18 Budget submitted to Council for approval	Chief Financial Officer
				Automated Budget Tool	GGP 5:3	Quarterly report	Manual budget	Automated Budget tool	-	-	Chief Financial Officer
				% performance achievement in each key performance area in all 4 quarters	GGP 5:4	Quarterly report	Approved Service Delivery & Budget Implementation Plan	70% achievement in each KPA	80% achievement in each KPA	85% achievement in each KPA	All HOD's
	To deepen local democracy through community participation by 2017	MTI 6	Review the Public Participation Strategy	Reviewed Public Participation Strategy	MTI 6:1	Quarterly report	District Public Participation Strategy	Reviewed Strategy	Implementation of the Strategy	Implementation of the Strategy	Director: Legislative and Executive Support Services

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
Support to LM's	To ensure that Local Municipalities are empowered to render services that are within their powers and functions by 2017	GGP 7	Implement Municipal Support Empowerment and Capacity Building Programs to Local Municipalities	No. of Community Safety Capacity building programs	GGP 7:1	Quarterly reports	6 Community Safety capacity building programs	6 Community Safety capacity building programs	6 Community Safety capacity building programs	6 Community Safety capacity building programs	Director: Community Services
			Coordinating planning and reporting of District support provided to LMs	No of reports submitted on District support to the EMC	GGP 7:2	Quarterly reports	Nil	4 Quarterly reports on District support provided to LMS	4 Quarterly reports on District support provided to LMS	4 Quarterly reports on support provided to LMS	Director: Strategic Planning and Management
Communication	To promote effective communication of ADM's	GGP 8	Implementation and management of customer queries	No of status quo reports on Customer complaints	GGP 8 :1	Quarterly report	Manual recording system	4 Quarterly status quo reports on Customer complaints	4 Quarterly status quo reports on Customer complaints	4 Quarterly status quo reports on Customer complaints	Director: Strategic Planning & Management

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
	business to its stakeholders by 2017		Development and Implementation of an Integrated Customer Relations Management System	Developed ICRM System	GGP 8:2	Quarterly reports	Manual	Developed ICRM System	Implementation of the ICRM System	Implementation of ICRM System	Director: Strategic Planning & Management
			Implementation of Communication Strategy	No. of programs implemented as per Communication Strategy	GGP 8:3	Quarterly reports	5 programmes	12 Programs implemented as per Communication Strategy	3 Programs implemented as per Communication Strategy	3 Programs implemented as per Communication Strategy	Director: Strategic Planning & Management
Public Participation	To deepen local democracy through community participation by 2017	GGP 9	Implementation of petitions management system	No of quarterly reports on Petition management submitted to Council	GGP 9:1	Quarterly reports	Petition Management System	4 quarterly reports on Petition management submitted to Council	quarterly reports on Petition management submitted to Council	quarterly reports on Petition management submitted to Council	Director: Legislative & Executive Support Services
			Implementation of a Civic Education programme	No of awareness's done on civic education programme	GGP 9:2	Quarterly reports	Civic education Training Manuals	4 Awareness's on civic education conducted in 4 LM's	Roll-out of the civic education programme	Roll-out of the civic education programme	Director: Legislative & Executive Support Services

PRIORITY AREA	OBJECTIVE	OBJ CODE	STRATEGY	INDICATOR	IND CODE	MEASUREMENT SOURCE AND FREQUENCY	BASE-LINE	TARGET: 14/15	TARGET 15/16	TARGET: 16/17	ACCOUNTABLE OFFICIAL
				for LM's							
			Implementation of the Public Participation Strategy	No. programs implemented as per Public Participation Strategy	GGP 9:3	Quarterly reports	15 programs implemented	15 programs implemented	15 programs implemented	15 programs implemented	Director: Legislative & Executive Support Services
Land reform and Human Settlements	Facilitate development of sustainable and viable settlements by 2017	GGP 10	Implementation of the Land Reform and Settlement Plan	No of LRSP projects implemented	GGP 10:1	Quarterly reports	10 Projects	3 LRSP projects implemented	3 LRSP projects implemented	3 LRSP projects implemented	Director Land, Human Settlements and Economic Development
			Implementation of Housing Strategy Projects	No of Housing Strategy projects implemented	GGP 10:2	Quarterly reports	Housing Finance Fraud Plan	4 Housing Strategy projects implemented	4 Housing Strategy projects implemented	4 Housing Strategy projects implemented	Director Land, Human Settlements and Economic Development
Institutional Land and Human Settlements	Ensure implementation of organisational strategy	GGP 11	Development of capacitation programmes	No. of Land and Housing programmes implemented in the 7LM's	GGP11:1	Quarterly reports	Land Admin Handbook	Development of capacitation programmes	Development of capacitation programmes	Development of capacitation programmes	Director Land, Human Settlements and Economic Development

▪ **KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION PROPOSED PROJECTS**

IND Code	Department	Project Description	Source of Funding		
			Internally	Externally	MIG
GGP 1:6	LESS	5 Programs implemented	R 855 000.00		
GGP 1:7	LESS	4 Section 79 Capacity building programmes	R650 000.00		
GGP 1:10	Strategic Planning and Management	Implementation of Risk Master Plan	R300 000.00		
GGP 1:9 (operational plan)	LESS	Development and Implementation of Technical Needs Analysis Reports	R 200 000.00		
GGP 4:1	LESS	Implementation of 8 SPU Strategy	R1 200 000.00		
GGP 4:2	LESS	Implementation of 6 Sports Development Strategy	R 2 300 000.00		
GGP	LESS	Identification of Sports legends and Ambassadors	R 30 000.00		
	LESS	Implementation of MRM programs	R 800 000.00		
	LESS	Women Caucus Programmes	R 200 000.00		
GGP 5:1	Strategic Planning and Management	IDP Development	R1 500 000 (Operational Budget)		
GGP	BTO	Automated Budget Model	R 300 000.00		
GGP 7:2	Strategic Planning and Management	Development of Customer Relations Management Systems R	R10 000 000		
GGP 7:3	Strategic Planning and Management	Implementation of Communication Strategy	R24 000 000.00		
	Strategic Planning and Management	Implementation of 2 Tourism and Marketing campaigns as per Strategy	R 7 000 000		
	LESS	Implementation of Civic Education program for LMs	R 200 000.00		
GGP 8:2	LESS	Implementation of Public Participation programs	R900 000.00		
	LHSED	Consultative meetings (Social Housing	R50 000 (operational budget)		
	LHSED	Implementation of Housing Strategy (Trainings)	R50 000.00 (operational budget)		
	LHSED	Implementation of Housing, Finance, Risk and Fraud Management Plan	R100 000.00		

		Sitting of Housing Finance Risk Committee	R50 000		
		Sitting of 4 LRSP Forum	R 50 000.00		
		Capacitation of Land and Housing			

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CHAPTER 5: SECTOR PLANS

INTRODUCTION

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

5.1 LIST OF ADOPTED SECTOR PLANS

Communications Strategy
Employment Equity Plan
Donor Management Strategy
Revenue Enhancement Strategy
Land Reform and Settlement Plan
Housing Strategy
District Spatial Development Framework
SMME Strategy
Amathole Economic Development Strategy
Integrated Agricultural Plan
Tourism Master Plan
Heritage Resources Management Strategy
Film Development Strategy
Integrated Environmental Management Plan
Disaster Management Risk and Vulnerability Assessment Plans
District Fire Prevention Strategy
Disaster Management Plans
Communicable Diseases Prevention and Control Strategy
Health Care Waste Management Plan
Community Safety Plan
Disaster Management Framework
Fire Risk Management Plan
Integrated Transport Plan
Integrated Waste Management Plan
Water Services Development Plan
Risk Management Strategy
Geographic Information System (GIS) Strategy
Performance Management Framework
Air Quality Management Plan
Climate Change Strategy
Human Resources Development Strategy
Industrial Development Plan
Talent Retention Strategy
Cooperatives Strategy
Supply Chain Management Strategy
Asset Management Strategy
Industrial Development Strategy
Geographic Information Systems (GIS) Strategy
HIV/AIDS Mainstreaming Plan

IT Master Plan
Environmental Pollution Control Plan
Business Continuity Plan
Risk Management Plan
Compensation Strategy
Employment Wellness Strategy

5.2 LIST OF NEW SECTOR PLANS

Labour Relations Strategy
Human Resource Plan

5.3 LIST OF REVISED PLANS

Communicable Diseases Control and Prevention Strategy
Health Care Waste Management Plan
Fire Risk Management Plan
Community Safety Plan
7 LM Community Safety Strategies
Disaster Management Framework
7 LM Disaster Contingency Plans
Risk and Vulnerability Assessment
Land Reform and Settlement Plan
Housing Strategy
Rural Development Strategy
Tourism Master Plan
Heritage Resources Management Plan
SMME Strategy
Cooperatives Strategy
Environmental Management Plan
Agricultural Development Plan
Film Development Strategy
Amathole Regional Economic Development Strategy
Industrial Development Strategy
Informal Trade Strategy
Spatial Development Framework
Human Resources Development Strategy
Water Services Development Plan
Solid Waste Management Plan
Integrated Transport Plan
Revenue Enhancement Strategy
Supply Chain Management Strategy
Asset Management Strategy

5.4 **STATUS OF ADOPTED SECTOR PLANS AND KEY ISSUES**

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
Engineering Services	Water Services Development Plan	2006/07	2007/08 2008/09 2009/10 2010/11 2011/12	<p>Drought intervention measures Raw water situation and cross boundary issues Water conservation and demand Water resource planning intervention Operation and Maintenance</p> <p>Additions Operation and Maintenance Wastewater Treatment Works [WWTWs] which generally are in dire need of repairs Ongoing publicity campaigns about the drought and conserving water Free Basic Services Eradicating Service Level Backlogs Undertake ground water investigations Eradication of Bucket System RDP Standard Water and Sanitation provision</p>
Engineering Services	Integrated Waste Management Plan	2003/04	2006/07 2009/10 2010/11 2011/12	<p>Public and Environmental Health; Waste Minimisation and Education; Integrated Waste Management Planning; Capacity issues; Institutional and Organisational Issues.</p> <p>Additions: Solid waste disposal sites - The determination of waste disposal strategy Regulation of waste disposal strategy Establishment, operation and control of waste disposal sites, Cleansing assessment Levels of cleanliness in urban centers Implementation of properly structured operational plans and education/awareness programmes. Waste disposal Establishment of Transfer Stations Regional Waste Site. Separation of Waste at source. Waste minimization and education By-laws Resources and capacity Planning Waste minimization: Infrastructure development: Local Disposal Sites</p>
Engineering Services	Integrated Transport Plan	2003/04	2006/07 2008/09 2009/10 2010/11 2011/12	<p>Poor Road conditions; Hitch-hiking; Law enforcement; Public Transport Facilities upgrade ; Non- motorized transport facilities; Rail transport resuscitation.</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>Additions:</p> <p>Use of Bakkies and Un-roadworthy vehicles as public transport</p> <p>Modal Transport facilities</p> <p>Lack of public transport facilities</p> <p>The rank facilities</p> <p>Safety</p> <p>Lack of learner transport</p> <p>Illegal operations</p> <p>permits or operating licenses,</p> <p>Permit Conversion Process and Taxi Recapitalisation</p> <p>Process is</p> <p>Cost of public transport services</p> <p>Service Coverage</p> <p>Public Transport Coverage per municipal area and average for district</p>
Land, Human Settlements & Economic Development	Land Reform & Settlement Plan	2003/04	2006/07 2008/09 2009/10 2010/11 2011/12 2012/13 2013/14	<p>General acceptance of the spatial planning framework;</p> <p>Pace of land reform within the municipal area still lags behind;</p> <p>Land reform initiatives largely remain geographically focused;</p> <p>Land redistribution planning needs;</p> <p>Implementation capacity is viewed as a serious challenge in land reform;</p> <p>Breakdown of land administration systems;</p> <p>Tenure insecurity remains prevalent;</p> <p>Weak integration of existing land reform initiatives into the process of developing livelihoods;</p> <p>Clear and workable institutional framework for the delivery of land reform.</p> <p>Additions:</p> <p>Land reform initiatives largely remain geographically focused and limited to certain types of interventions, to the detriment of a preferred, holistic implementation of the complete land reform package;</p> <p>Land Redistribution Planning Needs have focused on certain areas where eg. commonage needs are extensive throughout the district;</p> <p>Implementation capacity is viewed as a serious challenge in land reform implementation throughout the area and specifically communication of the deliverables and the rate of implementation have been of concern;</p> <p>Breakdown of Land Administration Systems (in respect of both the legislative, regulatory and administrative aspects thereof) throughout the district has led to uncertainty and tensions;</p> <p>Tenure insecurity remains prevalent, to be addressed on the proposed Green Paper on Land Reform,</p> <p>Weak integration of existing land reform initiatives into the process of developing livelihoods and land productivity</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>A need has been identified for a “clear and workable institutional framework for the delivery of land reform in its various components throughout the district</p> <p>Clear and authentic Land Audit is needed for the district</p> <p>Need for access to reliable statistics on unsettled land claims in the district</p>
Land, Human Settlements & Economic Development	District Spatial Development Framework	2003/04	2006/07 2008/09 2009/10 2010/11 2011/12 2012/13 2013/14	<p>In the coming 3-year planning cycle, ADM & PDLG&TA and the LMs in the District to investigate the feasibility of developing a “Shared Services” approach</p> <p>SDF cross reference with other plans when reviewing or developing</p> <p>Lack of mechanisms in ensuring alignment with local municipalities</p> <p>Lack of mechanisms to ensure compliance by both municipalities and sector departments</p> <p>Linkages with neighbouring municipalities with regard to impact of regional economic concentrations</p> <p>Key Spatial Development Issues are summarised:</p> <p>ENVIRONMENTAL KEY ISSUES</p> <p>The prediction of the wetting and warming of the climate;</p> <p>The prediction of the rise in the sea-level;</p> <p>The reserving of high potential land for renewable energy projects; The demand for housing and infrastructure versus high potential agriculture versus high conservation value;</p> <p>Climate change risks to infrastructure should be incorporated in future planning.</p> <p>In terms of the Feasibility Study conducted for the Establishment of an Amathole Mountains Biosphere Reserve dated 8 July 2008, it is recommended to embark upon the nomination and implementation process of establishing such a Reserve.</p> <p>SOCIALDEVELOPMENTAND HUMAN SETTLEMENT KEY ISSUES</p>

Department	Focus	Status	Review YEAR	KEY ISSUES
		Adoption YEAR		
				<p>Demand in employment opportunities.</p> <p>The population shows a high youthful component. This indicates that development planning and service delivery targeted at the youth should be an important consideration for development (i.e. schools, crèches and sportsfields).</p> <p>Low levels of education and low level of skills base.</p> <p>Low levels of education contribute to a high unemployment rate and low labour absorption.</p> <p>Mbhashe, Ngqushwa and Mnquma Local Municipalities shows a high level of dependency on social grants, which has a negative effect on the economy and therefore translates into a low purchasing power.</p> <p>Slow land release process has a negative impact on the development of settlements throughout the district.</p> <p>The growth trends within existing settlements, especially major transport routes, places a burden on local authorities with regard to infrastructure demand, due to insufficient funds.</p> <p>RURAL DEVELOPMENT KEY ISSUES</p> <p>The failing and confusing land administration system affects all aspects of Land Administration.</p> <p>Slow implementation process of housing delivery.</p> <p>Land release issues are currently being experienced in the district.</p> <p>Low arable land for agriculture opportunities within ADM.</p> <p>INFRASTRUCTURE KEY ISSUES</p> <p>Poor conditions of railway lines</p> <p>The R72 has become a significant economic link and coupled with the agricultural economy and tourism in the Sunshine coast.</p> <p>The rural development corridor needs to be developed in order for the mass food production and forestry</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>programmes to be successful.</p> <p>ECONOMIC SITUATION KEY ISSUES</p> <p>The economy is highly dependent on the unproductive community services sector.</p> <p>The challenge remains how to achieve a more equitable distribution of economic development opportunities when the greater number of the population reside in less economically developed areas and experience an ever deepening poverty cycle.</p> <p>The tourist routes along the primary roads within the district require constant maintenance and upgrades.</p> <p>. There is a need for to engage with local planning stakeholders to address areas of poor alignment gaps in regional linkages and definitions of structuring elements and integrated strategies.</p> <p>GOVERNANCE KEY ISSUES</p> <p>The roles and responsibilities of stakeholders are unclear and the opportunities for sustainable development through community involvement are limited due to poor capacity in the Traditional Authority and Ward Committees.</p> <p>A vital need for single universally legislation for spatial planning to reduce legal complexity around development. There needs to be effective and integrated spatial planning at all levels.</p> <p>A need exists for greater commitment from other spheres of government to support the district in the rural development initiative.</p>
Land Human Settlements and Economic Development	Housing Strategy	2006/07	2008/09 2010/11 2011/12 2013/14	<p>Household sizes are decreasing by approximately 27% and this should be brought into consideration in all forward planning exercises;</p> <p>No quantitative data on the impact of HIV/Aids & therefore housing needs should be scientifically determined by means of a comprehensive needs analysis, being inter alia:</p> <p>Changes in households size;</p> <p>Age and gender distribution;</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>Impact of HIV and Aids; Economic mainstreaming of potential beneficiaries; Completed and/or approved housing projects; and Migration patterns, etc.</p> <p>The infrastructure related needs, in relation to an integrated, sustainable human settlement; Existing water and sanitation needs as per the WSDP be evaluated against the existing housing needs; Alignment of new housing related bulk and connector infrastructure be ensured with existing and proposed bulk and connector infrastructure provisioning; Several new policy directives have emerged since the last ADM Housing Strategy Review which included breaking new ground and more particularly community driven housing Initiatives; Certain national policy imperatives in terms of the national strategic thrusts and strategic objectives need to be incorporated in the ADM strategy review currently undertaken; No new housing projects were approved within the ADM area Houses completed and under construction indicates a relatively slow rate of delivery; The extent of houses to be included as part of the rectification programme should be quantified as soon as possible.</p> <p>Additions: The infrastructure related needs, in relation to an integrated, sustainable human settlement strategy for the ADM area Existing water and sanitation needs as per the ADM WSDP should be interrogated and evaluated against the existing housing needs and housing policy instruments Alignment of new housing related bulk and connector infrastructure Complex division of powers and functions contributes to slow pace of delivery. Need for development of anti-fraud and corruption plan on housing Appropriate linkages between housing development and infrastructure provisioning Linkages between Land Reform programmes for Rural development Strategic approach in dealing with land invasions on municipal commonages to curb development of informal settlements Constant update LM's sector plans.</p>
Community Services Department	Disaster Management Risk Vulnerability	2006	2009/2010 2010/2011 2011/12	<p>Overview of Risks. Vulnerability and underlying causes Risk and vulnerability strategies. The state of institutions relevant to disaster management Interface between the District Disaster Management and</p>

Department	Focus	Status	Review YEAR	KEY ISSUES
		Adoption YEAR		
	Assessment Plan		2013/2014	<p>IDPs.</p> <p>Additions in 2011=2012</p> <p>There are other risks that have been identified namely:</p> <p>Xenophobia</p> <p>Railway lines</p> <p>Drought</p> <p>Hazardous material</p>
Community Services Department	Environmental Pollution Control Plan - Review	2012	2012/13 2013/14	<p>1.Air Quality</p> <p>-Informal combustion of waste(burning of waste in waste disposal sites & at households as a method of disposal)</p> <p>- Indoor air pollution</p> <p>2.Land pollution</p> <p>-Continuous increase in the generation</p> <p>-Poor operating practices at waste disposal sites and leachate management.</p> <p>-Illegal dumping of waste</p> <p>3.Water Quality</p> <p>Use of blue storage water tanks for drinking water</p> <p>Poor water Quality</p> <p>Drought conditions</p>
Community Services Department	Communicable Disease Strategy Communicable Diseases Prevention And Control Strategy	2003/04	2008/09 2009/2010 2010/11 2012/13 2013/14	<p>The development of an integrated response that will reduce impact of communicable diseases</p> <p>Reviewal of the Communicable Diseases Strategy focused on the following priority areas:</p> <p>Drinking water quality and proper sanitation</p> <p>Waste management</p> <p>Environmental pollution</p> <p>Surveillance of premises</p> <p>Food safety/control</p> <p>Proper disposal of the dead</p> <p>The situational analysis revealed the following:</p> <p>Water Quality Monitoring</p> <p>Drinking water testing not adequately implemented, due to the slow devolution process, fragmentation of services and lack of coordination among the different implementing authorities.</p> <p>Waste Management.</p> <p>Unlicensed disposal sites,</p> <p>Inadequate management of waste disposal sites-</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>waste segregation not done No reclaiming and recycling procedure in place No controlled access at sites.</p> <p>Sanitation Sewerage Treatment Plants not managed adequately. Ageing infrastructure and occasional power outages, therefore require more regular testing of the final effluent.</p> <p>Food Food safety programme not adequately implemented due to the slow devolution process, fragmentation of services and lack of coordination among the different implementing authorities; Erratic sampling done due to a number administrative challenges including staff shortages.</p> <p>TB TB is still the major health challenge in the district with 100 000 people on treatment.(JAN-DEC 2008) 5000 Started treatment in December 2008 8000 HIV positive people tested for TB</p> <p>HIV SNAP SHOT 81 000 tested at clinics in ADM including BCM A total of 17 000 people tested positive in 2008.</p> <p>Swine Fever No longer considered a threat and no cases reported within last year (Reporting Period)- Dept Agriculture</p> <p>Rabies About 2 isolated incidences that were managed by Dept Agriculture- (Vaccination programmed in place)</p> <p>Bird Flu Control Guidelines- to be included in report(2010 readiness)</p> <p>Diarrhoea Stats- 2008 Total of 16153 admitted for treatment.</p> <p>The following interventions need to be put in place: Develop a school health promotion programme; Conduct serological survey to determine level of HIV infection in TB clients; Conduct training of community health workers and traditional Healers on DOTS strategy; Develop a downward referral programme for MDR treatment; Conduct awareness campaigns and health education to communities on communicable diseases including ARVs; Training of staff on management of patients on ARV; Develop a plan for the District Aids Council; Develop and implement an effective food handler's education programme; Conduct communication strategy on water services</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>provision; Workshop EHP's on solar water disinfections; Develop and implement a disease surveillance plan.</p> <p>Additions: Sanitation Challenges TB Prevention HIV/AIDS matters Swine Fever Rabies Bird Flu Rabies Awareness CAMPIGNS OUTBREAK Preparedness Health promotion Prevention Skills Information dissemination</p>
Community Services Department	Health Care Waste Management Plan	2008/2009	2009/2010 2010/2011 2012/13 2013/2014	<p>The need for a plan to deal with Health Care waste was identified. An audit of Health Care Waste Generators was conducted and this was used as the basis for the development of a Health Care Waste Management Plan.</p> <p>Health Care waste situation in South African and Eastern Cape Legislative obligations Base-line survey /audit and recommendations Compliance assessment Profile of waste generated in ADM at HOSPITALS AND CLINICS Health Care Waste Management Implementation Plan with objective and 6 strategies and activities as follows: Maintain an integrated approach to HCW Management Address the shortcomings in relation to HCW at clinics administered by ADM Streamline the Municipal Health Services function in relation to HCW. Enforce standards at facilities generating HCW Formulate a Waste Management Plan Formulate and Air Quality Management Plan</p> <p>Additions: Internal health care waste – collection and storage External health care – collection and transport Treatment and disposal General issues Training Awareness Monitoring</p>
Community Services Department	Disaster Management	2008/09	2009/2010 2010/20	<p>Policy Making process for Disaster Risk Management in the Amathole DM Standards for the establishment of the Amathole and</p>

Department	Focus	Status	Review YEAR	KEY ISSUES
		Adoption YEAR		
t	Framework		11 2013- 2014	<p>functioning of the Amathole District Municipality Disaster Management Centre.</p> <p>Parameters for the appointment of the Head of the Centre.</p> <p>Policy of municipal departments and other municipal entities for the execution of DRM</p> <p>Standard for the establishment and functioning of the Amathole DM IDRMC</p> <p>Standard for the establishment of Satellite Disaster Risk Management Centres</p> <p>Mechanisms for the integrated direction and execution of DRM Policy between the Amathole DM and local Municipalities: The establishment and functioning of Amathole DM DRM DIS-LOC Forum</p> <p>Standard for the integrated execution of DRM policy in Local Municipalities in the Amathole DM</p> <p>Standard for the establishment and functioning of the Amathole DM DRMAF</p> <p>Standard for conducting disaster risk Assessments in the Amathole DM</p> <p>Standard for the establishment and functioning of the Technical Advisory Committee</p> <p>Mechanisms for processing Disaster Risk Management Policy Frameworks in the Amathole DM</p> <p>Standards and scoping of Disaster Risk Management Plans for the Amathole DM</p> <p>Additions: The recruitment, training and participation of volunteers Additions in 2013-2014 external review Development of a Disaster Management policy Framework:</p> <p>Key performance areas</p> <ul style="list-style-type: none"> • Institutional arrangement • Disaster Risk Assessment • Disaster Reduction • Disaster response and recovery <p>Enablers</p> <ul style="list-style-type: none"> • Information Management and communication • Education, Training and Public awareness • Funding Arrangements
Community Services Department	Fire Risk Management Plan	2008/09	2009/2010 2010/2011 2011/12 2013-2014	<p>Identifying and assessing the Bush/Veld Fire Risk</p> <p>Monitor fuel management</p> <p>Present annual awareness campaigns to schools and communities at risk.</p> <p>Improve Fire Services Resources to ensure effective Fire Fighting Services</p> <p>Reduce the number of human – induced bush/veld fire ignitions that cause damage to life, property and the environment by improving its preparedness; and</p> <p>Effectively contain fires with a potential to cause damage</p>

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<p>to life, property and the environment.</p> <p>Regulating the use/risks associated with liquefied petroleum gas (LPG)</p> <p>Regulating the use/risks associated with flammable liquids (petrol, diesel, etc)</p>
Community Services Department	Community Safety plan	2005	Annually	<p>Natural and built environmental conditions that contribute to Crime</p> <p>Socio- economic conditions that contribute to crime</p> <p>Annual Crime Statistics</p> <p>Objectives and strategies towards reducing crime 2013-2014</p> <p>Increased substance abuse amongst learners and the youth leading to increased crime</p>
Budget Treasury Office	Asset Management Strategy	2009/10	2010/11 2013/14	<p>The goal of asset management is to provide the desired level of service for current and future customers in the most cost-effective manner. This supports the IDP objective of improved service delivery. International best practice has shown that effective asset management requires a holistic approach that involves the entire organisation, rather than just the technical departments. Industry experiences suggest that a comprehensive measure of the asset management capabilities and performance in an organisation can be demonstrated through the assessment of the following seven key elements:</p> <ul style="list-style-type: none"> • Data and knowledge; • Information systems; • Lifecycle processes and practices; • Asset management planning; • People issues; • Organisational issues; and • Commercial tactics.
Budget Treasury Office	Revenue Enhancement Strategy	2008/2009	2009/2010 2010/2011 2011/12	<p>Review of tariff policy</p> <p>Billing of billable consumers</p> <p>Metering of all consumptive consumers</p> <p>Improved accuracy of consumer database</p> <p>Increase indigent register</p>
Strategic Planning And Management	Performance Management Framework	2002	2006 2007 2008 2009 2010 2011 2012	<p>The framework constitutes council policy with regards to:</p> <ul style="list-style-type: none"> • requirements that a PMS will need to fulfil • principles that will inform its development and application; • a model that describes what areas of performance will be managed; what processes will be followed in managing performance; • what institutional arrangements are necessary for this; • who will take responsibility for parts of the system; and how this links to individual personnel. • (Financial rewards on performance for officials below Section 57 Managers)

Department	Focus	Status		KEY ISSUES
		Adoption YEAR	Review YEAR	
				<ul style="list-style-type: none"> Upgrade of the Electronic system used to manage Performance Management

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CHAPTER 6: FINANCIAL PLAN

The IDP is the guiding document for the 2014/15 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 2014/15 Medium-term Revenue and Expenditure Framework (three year budget) was a direct product aligned to the imperatives and strategic direction of this Municipality.

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 district.

The financial plan of Amathole District 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;

Amathole District Municipality inherited old Infrastructure assets from the Local Municipalities. This occurred as a result of the transfer of Water Services function from Local Municipalities to District Municipalities.

During the transfer of the infrastructure assets, a condition assessment and valuation of assets was not undertaken. This resulted in ADM inheriting old infrastructure assets. ADM is therefore operating a dilapidated water infrastructure. This assertion is further confirmed by the repairs and maintenance expenditure that ADM is incurring on a yearly basis to fix the old infrastructure.

It is vital to note that ADM is currently building up new infrastructure assets to respond to the backlog inherited.

6.1 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 2014/15 MTEF, each strategic department had to review the business planning process, setting of priorities and targets. These have essentially informed the detail operational budget appropriations and three year capital programme. The extensive business planning process as undertaken with the compilation of the 2014/15 MTEF has essentially been refined and further aligned incorporating key measurable objectives and targets to ensure the planning process translates into actual performance.

BUDGET STATEMENT FOR 2012/13 TO 2014/15

EXPENDITURE	2012/13	2013/14	2014/15
SALARIES AND WAGES	311 885 203	333 934 092	357 880 792
SOCIAL CONTRIBUTIONS	87 461 875	94 856 149	102 569 410
REMUNERATION OF COUNCILLORS	11 503 613	12 366 383	13 293 864
PROVISION FOR BAD DEBTS	64 223 965	67 627 834	70 610 481
COLLECTION COSTS	4 200 000	4 391 039	4 606 200
DEPRECIATION	90 586 148	95 387 214	99 276 356
REPAIRS AND MAINTENANCE	27 375 384	28 826 281	30 134 739
INTEREST EXPENSE	32 290	34 002	52 484
GENERAL EXPENSES – OTHER	319 138 597	297 359 329	312 858 740
BULK PURCHASES	64 363 382	67 774 642	70 872 177
CONTRACTED SERVICES	61 379 706	67 517 577	70 825 938
TOTAL NEW CAPITAL	493 829 811	470 092 786	517 520 147
TOTAL CAPITAL REPLACEMENT	18 011 250	9 000 257	9 405 819
TOTAL EXPENDITURE	1 553 991 224	1 549 167 586	1 659 907 147
INCOME			
	2012/13	2013/14	2014/15
SERVICES CHARGES	-161 603 024	-170 167 980	-177 701 522
INTEREST EARNED - OUTSTANDING DEBTORS	-26 978 020	-28 407 854	-29 425 627
RENT OF FACILITIES AND EQUIPMENT	-271 807	-286 212	-300 236
INTEREST EARNED - EXT. INVESTMENTS	-27 416 422	-28 869 492	-29 299 591
EQUITABLE SHARE	-355 922 000	-380 901 000	-408 894 000
LEVY REPLACEMENT GRANT	-227 618 000	-248 104 000	-270 433 000
FMG FUNDING	-1 096 491	-1 315 789	-1 096 491
PMU OPERATING SUBSIDY	-3 500 000	-3 500 000	-3 500 000
WATER SERVICES OPERATING SUBSIDY	-18 281 000	-	-
EXPANDED PUBLIC WORKS PROGRAMME	-6 022 000	-	-
RURAL ROADS ASSET MANAGEMENT GRANT	-1 557 895	-1 635 965	-1 730 702
NATIONAL DEVELOPMENT PROGRAMME GRANT	-64 156 000	-35 000 000	-30 897 000
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	-877 193	-763 158	-833 333
MIG	-341 917 544	-360 682 456	-396 034 211
NDPG IN KIND	-4 000 000	-5 000 000	-2 000 000
REGIONAL BULK INFRA GRANT IN KIND	-51 929 000	-51 504 000	-64 400 000
WATER SERVICES OPERATING SUBSIDY IN KIND	-300 000	-5 000 000	-
OTHER INCOME	-260 544 829	-228 029 679	-243 361 434
TOTAL INCOME	-1 553 991 224	-1 549 167 586	- 1 659 907 147

OPERATIONAL FINANCING STRATEGIES

In the prior financial year (2013/2014), a further R16 million from accumulated surplus was used to finance the deficit on the operating account. At the end of the 2012/2013 financial year the payroll costs were 36% of total expenditure, while the 2014/15 budget yields a percentage of 35%.

The total expenditure, excluding conditional grant funding expenditure, amounted to R1 040 billion. This means that in order to balance the operating expenditure including projects funded from own resources, investment income amounting to R26 million plus a contribution from the accumulated surplus amounting to R15 million, had to be used to finance the deficit on the operating account. It is therefore critical that the current practice of redistributing non sustainable discretionary resources to finance service delivery projects should be revisited.

The repairs and maintenance expenditure as a percentage of total operating expenditure remains at 2%. This is mainly as a result of the salaries for staff being employed to perform maintenance duties being part of the employee costs and not repairs and maintenance.

The current expenditure trends have informed the following assumptions:

- that payroll cost will increase at 7.5% pa;
- that the interest on investments will be at an average of 5.6%
- that other operating expenditure will increase by 6% pa;

The municipality remains grant dependent with its revenue base comprised of 75% grant income and 25% own revenue.

The Service Charge revenue for the 2013/14 budget was based on billing and not on collections which is indicative of cash flow constraints in 2013/14. The budget for 2014/15 is based on a credible and cash-backed basis taking into consideration the collectable revenue.

Based on the above assumptions and current expenditure trends, it is evident that the continued use of the accumulated surplus to finance operations will have the following impact:

- interest income will be drastically reduced in the medium term;
- the accumulated surplus will be depleted in the medium term; and
- by 2015/2016 financial year there will be insufficient revenue sources to balance the budget.

The following budget **principles** and **guidelines** have directly informed the compilation of the 2014/15 MTREF

- Confirmation of the 2014/15 priorities and targets as well as the MTREF baseline allocations per main function
- measurable objectives, targets and backlog eradication goals
- Maintain best practice within the planning context always taking into consideration the funded budget constraint
- An analysis of performance trends in terms of operational and capital budget components, with specific attention being given to underperforming functions/strategic units
- Specific allocation towards the Amathole Economic Development Agency (ASPIRE)

6.2 CAPITAL FINANCING STRATEGIES

Project Name	2012/13 MIG	2013/14 MIG	2014/15 MIG
PROJECT SCHEDULE			
WATER, SANITATION AND HOUSING			
PMU Operating Budget	3 500 000	3 500 000	3 500 000
Sub Total for All	3 500 000	3 500 000	3 500 000
Fish River Pumping Scheme	500 000	-	-
Bedford & Adelaide BEP- Phase 3 (Adelaide WWTW)	5 000 000	3 000 000	1 000 000
Bedford & Adelaide BEP - Phase 4 (Bedford WWTW)	7 000 000	4 000 000	2 000 000
Nxuba Towns WTW and BS Upgrade (New WTW for Lingeletu and Adelaide Reservoir)	3 000 000	6 000 000	5 000 000
Bedford & Adelaide BEP - Phase 6	2 000 000	6 000 000	3 000 000
NEW PROJECTS STILL TO BE REGISTERED TO MIG			
Wortel Drift Farm Settlement	1 500 000	4 000 000	1 000 000
Sub Total for Nxuba	19 000 000	23 000 000	12 000 000
West Victoria East (Roxeni) Water Supply (Phase 3)	7 000 000	1 000 000	-
Ekuphumleni & 9 Villages Water Supply (Phase 4)	5 000 000	3 000 000	500 000
	5 000 000	9 000 000	10 000 000
Bhofolo & Newtown BEP - Phase 5	4 000 000	5 000 000	1 000 000
NEW PROJECTS STILL TO BE REGISTERED TO MIG			-
Gaga -Tyume Valley Region Water Supply (Phase 6)	1 000 000	5 000 000	5 000 000
Kolomane Bulk Water Supply : Phase 3	6 000 000	1 500 000	500 000
Upgrade Alice Waste Water Treatment Works	-	2 000 000	3 000 000
Upgrade Bulkwater Supply Newtown	1 000 000	2 000 000	3 000 000
Hogsback Water Treatment Works and New Reservoir	1 000 000	2 000 000	3 000 000
Fort Beaufort Bulk Water Services Upgrading	8 000 000	10 000 000	9 000 000
Hogsback Settlement	500 000	2 000 000	5 000 000
Upgrade Fort Beaufort Waste WTW	-	2 000 000	5 000 000
Fort Beaufort pipe replacement	-	2 000 000	3 000 000
Sub Total for Nkonkobe	38 500 000	46 500 000	48 000 000
Ngqushwa Ward 12 Sanitation Project (New: Ward 14)	1 000 000	200 000	-
Ngqushwa: Area Wide Sanitation Programme(Phase 1A)	8 600 000	15 000 000	30 000 000
Peddie Waste Water Treatment Works Upgrade	8 000 000	5 000 000	6 000 000
NEW PROJECTS STILL TO BE REGISTERED TO MIG			
Hamburg Sewerage Treatment Plant	1 000 000	10 000 000	3 000 000
Ngqushwa Villages - Water Reticulation	7 000 000	15 000 000	16 000 000
Prudhoe Housing (Bulk Water)	500 000	5 000 000	1 000 000
Sub Total for Ngqushwa	26 100 000	50 200 000	56 000 000

Project Name	2012/13 MIG	2013/14 MIG	2014/15 MIG
Dontsa Phase 2 Water Supply	2 622 893	184 171	2 807 064
Stutterheim Sewerage Treatment Work	139 377	450 233	589 610
Stutterheim upgrade of Bulk WS Phase 2 (Kubusie Weir)	4 863 132	343 989	5 207 121
Kei Road WTW Phase 2	2 374 256	612 816	2 987 073
Gubevu Sanitation	1 743 585	25 204	1 768 789
Area wide Sanitation Projects (Amahlathi Phase 1A)	6 000 000	15 000 000	25 000 000
NEW PROJECTS STILL TO BE REGISTERED TO MIG			
Tsomo Regional Water Supply	5 000 000	8 000 000	20 000 000
Zingcuka Water Supply	5 000 000	8 000 000	1 000 000
Mgwali Church Tenants (Village 6) Provision of Water & Sanitation	5 000 000	3 100 000	-
Kei Road Settlement	600 000	3 000 000	2 000 000
Ndlovini Settlement	600 000	2 000 000	2 000 000
Sutterheim Pipe replacement	-	2 000 000	3 000 000
Cathcart Water Treatment Works Upgrade	1 000 000	3 000 000	
Upper Old Town Reservoir	500 000	-	-
Old Town Zone Reticulation	500 000	-	-
Cathcart Sewerage Reticulation	1 000 000	3 000 000	-
Sub Total for Amahlathi	36 943 244	48 716 413	66 359 657
Komga Commonage Settlement Services	5 500 000	5 000 000	5 000 000
Area Wide Sanitation Projects (Great Kei Phase 1A)	3 000 000	5 000 000	5 000 000
NEW PROJECTS STILL TO BE REGISTERED TO MIG			
New Waste Water Treatment Works Morgans Bay	1 000 000	4 000 000	5 000 000
Morgan's Bay WTW upgrade	-	1 000 000	2 000 000
Kei Mouth Reticulation	542 756	1 000 000	2 000 000
Upgrade Komga WTW	-	5 000 000	2 000 000
Sub Total for Great Kei	10 042 756	21 000 000	21 000 000
Ehlobo Phase 3 Water Supply	5 000 000	2 000 000	-
Crouch's Bush Water Supply Project	5 000 000	1 000 000	-
Ibika - Centane Regional Water Supply	23 500 000	19 000 000	25 000 000
Myoyo Water Supply Project	3 000 000	1 500 000	-
Ngcizele Water Supply Project	5 000 000	500 000	-
Ngqusi Water Supply Project	500 000	1 000 000	-
Teko Housing Engineering Services	2 000 000	-	-
Area Wide Sanitation Projects(Mnquma Phase 1A and Kotana Phase 2)	20 000 000	20 000 000	25 000 000
Centane Bucket Eradication	1 000 000	5 000 000	500 000
Centane Sanitation Project	34 000 000	20 000 000	22 500 000

Project Name	2012/13 MIG	2013/14 MIG	2014/15 MIG
Eastern Regional Solid Waste Landfill site Phase 1b	500 000		-
NEW PROJECTS STILL TO BE REGISTERED TO MIG			
Zizamele Sewer	500 000	3 000 000	5 000 000
Ngqamakwe Regional Water Supply	5 000 000	3 000 000	5 000 000
Gcuwa West Regional Water Supply	15 000 000	3 000 000	5 000 000
Centane Phase 4 Water Supply	1 000 000	3 000 000	5 000 000
Bawa Falls Water Supply Project	1 000 000	3 000 000	5 000 000
Nxaxo and Cebe Water Supply	8 000 000	3 000 000	5 000 000
Toleni Regional Water Supply Upgrade	-	3 000 000	5 000 000
Upgrade Ngqamakwe WTW	-	3 000 000	5 000 000
Butterworth pipe replacement	1 000 000	3 000 000	1 000 000
Upgrade Ngqamakwe Waste WTW	500 000	1 000 000	5 000 000
Sub Total for Mnquma	131 500 000	98 000 000	119 000 000
Mbhashe North Regional Water Scheme	11 000 000	3 000 000	-
Nqadu Water Supply	100 000	-	-
Qwaninga EC1158 Water Supply (Phases 2&3)	200 000	-	-
Qwaninga Water Supply (Phases 4&5)	4 000 000	400 000	-
Kumbanga & Cwebe Sanitation	3 000 000	1 000 000	-
Sundwane Water Supply Scheme	4 000 000	18 000 000	20 000 000
Xora Water Supply Project	26 000 000	23 000 000	23 000 000
Mncwansa Water Supply Scheme	30 000 000	19 000 000	10 000 000
Mgwali North Water Supply Project	5 000 000	5 000 000	10 000 000
Mgwali South Water Supply Project	6 000 000	12 861 587	15 000 000
Idutywa East Water Supply Project	10 000 000	10 000 000	10 000 000
Area Wide Sanitation Projects(ASAP)(Mbhashe Phase 1A, Mhlohlozi Phase 2 and Gatyane Phase 2)	19 500 000	20 000 000	21 619 343
NEW PROJECTS STILL TO BE REGISTERED TO MIG			
Dwesa Water Supply Scheme Extension	700 000	1 000 000	2 000 000
Cwebe Water Supply Scheme Phase 2	700 000	1 000 000	2 000 000
Dwesa Cwebe Sanitation Project	700 000	1 000 000	2 000 000
Mangeyela Water Supply Scheme	700 000	1 000 000	2 000 000
Cafutweni Water Supply Scheme	700 000	1 000 000	2 000 000
Bende Water Supply Scheme	700 000	1 000 000	2 000 000
Shixini Water Supply Scheme	700 000	1 000 000	2 000 000
Elliotdale Waste Water Treatment Plant	500 000	1 000 000	2 000 000
Sub Total for Mbhashe	124 200 000	120 261 587	125 619 343
TOTALS	389 786 000	411 178 000	451 479 000

Municipal Infrastructure Grant

The largest infrastructure transfers over the MTEF years remain the MIG, which supports government's objectives of expanding the delivery of basic services to poor households and the alleviation of poverty. The grant also seeks to stimulate economic development and job creation over the medium term.

Below is a table depicting the municipality's MIG allocation in terms of DoRA for the 2013/14 financial year and outer years:

GRANT	2013/14	2014/15	2015/16	2016/17
MIG	R 399 847 000	R 425 764 000	R 445 210 000	R 466 445 000
'% increase		6%	5%	5%

It is evident from the table above that the increase in the MIG below the inflation rate. This means that the programmes of the Amathole District Municipality will be negatively affected and it is becoming more difficult to perform its legal mandate. In addition district has a significant sanitation backlog for which funding is required.

6.3 POLICIES AND BY-LAWS

The Budget and Treasury Office are reliant on the following policies to assist in the achievement of its respective IDP priorities:

- Banking and Cash Management Policy
- Investment Policy
- Budget Policy
- Tariff Policy
- Debt Collection and Credit Control Policy
- Indigent Policy
- Asset Management and Disposal Policy
- Supply Chain Management Policy
- Revenue By-Law

All polices and by-laws are reviewed annually and adopted by Council with the exception of the Banking and Cash Management Policy and the Investment Policy. These two policies are reviewed tri-annually due to the high probability of no amendments.

6.4 REVENUE STRATEGIES

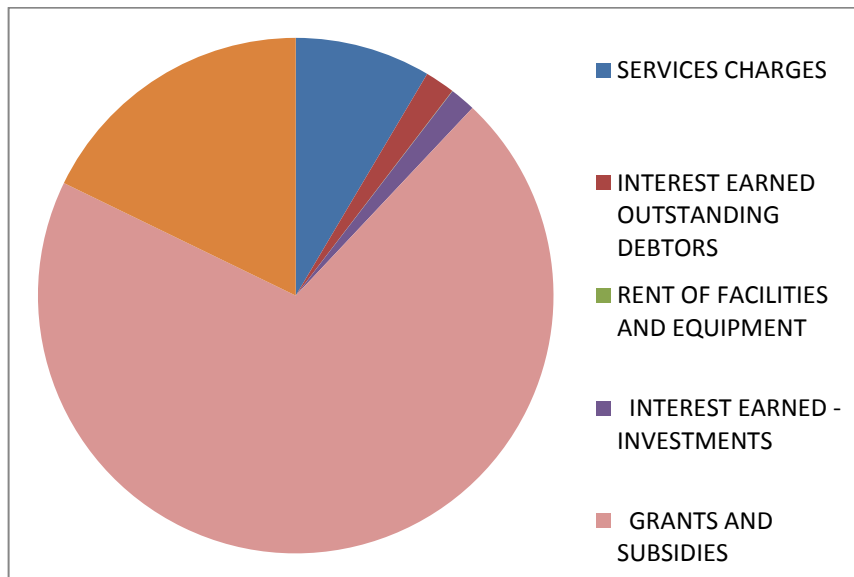
The Amathole District Municipality remains committed to improving the quality of life of all its citizens in the district. In accordance with Section 18 of the MFMA, municipalities are to table a funded and credible budget, based on realistic estimates of revenue that are consistent with their budgetary resources and collection experience.

The needs of the communities and local municipalities are met within the financial capacity and resource constraints of the municipality.

The Amathole District Municipality has very few significant sources of discretionary or sustainable revenue. These include:

- Interest Earnings;
- Equitable Share;
- Levy replacement Grant

The Pie Chart below indicates all the discretionary revenue sources utilized to fund the 2014/2015 operating budget:



Interest Earnings

Interest earnings of R36 million was budgeted for the 2013/14 budget, which contributes to 2% of the total revenue. The interest earnings are not re-invested to allow the investments to grow and increase earning potential, but are fully utilised to fund operating expenditure.

These investments were built up from the time that the municipality levied Regional Service levies. In addition these investments are meant to cash-back the commitments of the municipality such as the leave provision and employee benefit provision, both of which are growing at a greater percentage than the investments. It has become evident that the municipality is dependent on interest earning to assist in balancing its operating budget. This financing approach is not sustainable and strategies must be developed to reduce expenditure in line with discretionary sources of revenue. It is ironic that in the medium term, the more efficient the municipality becomes at delivering its budgeted result, the greater this investment income will be reduced.

Equitable Share

The local government equitable share allocation is based on achieving the Constitutional requirements as provided for in sections 214 and 227 of the Constitution. In terms of these provisions, local government is entitled to an equitable share of nationally raised revenue to enable municipalities to provide basic services to communities and to assist municipalities in maintaining functioning administrations.

Equitable share takes into account the fiscal capacity, fiscal efficiency, developmental needs, extent of poverty and backlogs in municipalities. It is an unconditional grant which has the following components on it in terms of the Division of Revenue Act, 2007 (DoRA)

- BS = Basic services component
- I = Institutional component
- CS = Community services component
- R = Revenue adjustment factor
- C = Correction and stabilisation factor

The Amathole District Municipality prioritises its budget towards poor households for the provision of free basic services.

The affordability threshold that informs the equitable share formulae at National Treasury is set at R2 300 per month and is based on the 2011 Census data, however municipalities are not specifically required to use this threshold in their individual indigent polices. Municipalities are to clearly justify in the budget document why their affordability threshold is different in a narrative to the budget document.

Below is a table depicting the municipality's Equitable share allocation in terms of DoRA for the 2013/14 financial year and outer years:

GRANT	2013/14	2014/15	2015/16	2016/17
Equitable Share	R 373 527 000	R 393 118 000	R 409 127 000	R 426 437 000
'% increase		5%	4%	4%

From the above table it is evident that the increase in the equitable share is below inflation. These funds are to be increased in order to avoid the municipality from being restricted in the range of services and support it can deliver to the communities within the district.

Levy Replacement Grant

The Minister of Finance announced in the 2005 Budget that RSC levies will be phased out on 1 July 2006. However, for municipalities to meet their expenditure obligations, especially in terms of poverty alleviation and social and economic development, it was important to maintain the existing levels of revenue. Hence the national government compensated municipalities for lost revenue within the national budget framework through the Levy Replacement Grant.

The RSC Levy Replacement Grant for the 2012/2013 financial year and outer years reflects a low growth rate as more fully detailed below:

GRANT	2013/14	2014/15	2015/16	2016/17
Levy Replacement Grant	R 248 104 000	R 270 433 000	R 290 538 000	R 315 116 000
'% increase		9%	7%	8%

It is evident that the increase in the Levy replacement grant is slightly above the inflation rate.

The Amathole District Municipality envisages increasing its billing base with the take-on of the Amatola Water Board consumers with effect 1 July 2014. This is expected to generate revenue of approximately R22 million.

SERVICE CHARGES & TARIFF-SETTING

The Amathole District Municipality continues to service a very rural and poverty-afflicted district. This is evidenced in the outstanding debt that is due to the municipality in respect of service charges with 87% of the debt being comprised of domestic consumers. In addition the collection rate is very low with only 40% of the current debt being collected. This equates to the municipality recognising a provision for bad debts of 80% of its outstanding debt.

The municipality is looking into new and innovative strategies to increase the collection rate.

Out of the 54001 debtors on the financial system, only 2478 debtors were registered for indigent status during 2012/13. This also has an adverse impact on the debt of the municipality as the outstanding debt is growing.

The existing fees, tariffs and charges are reviewed annually in order to ensure that the revenue attributable to fees and charges are maximised and that the bases for determining fees and charges are cost reflective and/or market related.

The balance between affordability and sustainability remains a challenge and the current tariffs levied are not indicative of cost-recovery.

6.5 EXPENDITURE MANAGEMENT

In accordance with Section 65(2)(e) of the MFMA, municipalities are required to paid all money owing within 30 days of receiving the relevant invoice or statement. The Amathole District Municipality pays between 92% - 98% of its invoices within 30 days (this varies from month to month). In an effort to achieve full compliance with the MFMA, the municipality has established processes and procedures for payments such as the centralisation of the receipt of invoices and the maintenance of a register so that invoices can be tracked.

6.6 FINANCIAL MANAGEMENT STRATEGIES

Sustainability of the Municipality

In order to assess the liquidity of the Amathole District Municipality on an on-going basis, various financial ratios, trend analysis and other measurement mechanisms are utilised to assess the cash position to support the implementation of the Budget.

The following ratios have been included in the IDP in order to assess the adequacy of the available cash and cash equivalents to meet the Amathole District Municipality's commitments arising from the approved Budget:

- Liquidity ratio
- Debtors Collection rate
- Creditors payment rate

(a) LIQUIDITY RATIO

This ratio provides an indication of the municipality's ability to pay its short term debts in the short-term (viability of an entity). This ratio focuses on current assets (debtors, bank and cash, inventory) and current liabilities (trade and sundry creditors, provisions, accruals).

The ratio indicates how many times the current assets, if liquidated, pay the current liabilities. The norm (considered acceptable) is 2:1 i.e. the current assets are double the current liabilities.

The ratio currently exceeds the norm of 2:1 as the current assets exceed the current liabilities. This is as a result of the R460 million Investments. The ratio has however decreased from December to January due to the decrease in the debtors and the bank balance. Spending must be monitored so as to prevent cash flow constraints. Reliance on the equitable share tranches is also evident.

Ratio	2012/13	2013/14
Liquidity ratio	3,2 : 1	2,9 : 1

This ratio is used to evaluate the effective application of the municipality's credit policy. A high ratio implies that the municipality operates only on a cash basis or that its extension of credit and collection of accounts receivable is efficient. A low ratio implies that the municipality should re-assess its credit policies in order to ensure the timely collection of imparted credit.

A ratio of 40% is calculated using the current billing and current receipting only. If the total outstanding debt (before any provision for bad debts) to total revenue collected during the period is used, a ratio of 16% is reflected. The municipality currently has a provision for bad debts that constitutes 80% of the total outstanding debt. This provision is based on past collection trends and risk associated with each debtor category and complies with the GRAP standards.

The municipality is looking into new strategies to assist in improving the collection rate.

Debtors Collection Rate	2012/13	2013/14
Current billing vs current receipts	38%	40%
Total debt vs total receipts	30%	16%

CASHFLOW POSITION

The Amathole District Municipality has experienced a significant decrease in its cash reserves over the last few months. This can be attributed to the fact that the creditors are to be paid within 30 days and that debtors pay in excess of 90 plus days, creates a significant disparity in the cash flow of the municipality. Another contributing factor is that the municipality has demonstrated a certified effort to increase spending especially on its internally funded projects. The municipality is grant dependent and the significantly low collection rates coerce the municipality to be heavily reliant on the equitable share and levy replacement grant tranches.

CASH FLOW	2012/13	2013/14
Net (Decrease)/Increase in cash flows	(R155 229 822)	(R136 728 478)

Cash flows and projections are being monitored closely by management so as to prevent an over-draft situation and to maintain the investment base of the municipality.

CREDITORS PAYMENT RATE

The ratio must be compared to the company's credit terms which it receives from customers and that determined by the MFMA to determine whether the management of accounts payable is effective or not. The longer the credit terms the better for the municipality as the credit is usually interest free. Trade creditors carry no explicit cost. However, when cash discounts are being offered, the cost of not taking the discount is an implicit cost. Additional strain is placed on working capital requirements if creditor's payment days are significantly less than the debtor's collection period.

Payment can only be made upon receiving the original invoice. The Budget and Treasury office has implemented procedures and controls to ensure that invoices are received and paid within the legislative timeframes .i.e. payment within 30 days of receipt of invoice. This intervention has greatly improved the payment turn-around times to ensure compliance with the MFMA. The municipality is continually trying to improve controls and procedures to stream-line the process and compliance.

Creditors Payment % within 30 days	2012/13	2013/14
	93%	94%

6.7 SUMMARY OF AUDIT OUTCOMES

The municipality has continued to improve on its audit outcomes and has maintained an unqualified audit opinion for three consecutive years. This positive result is a result of the dedication of the staff to maintain and improve on the audit outcomes. In addition the municipality develops action plans to manage the resolution of the audit findings.

ADM Four Year Audit Outcomes	2010	2011	2012	2013
Clean Audit Opinion Unqualified opinion, with no findings				
Unqualified Audit Opinion Unqualified opinion, with findings		√ with emphasis	√ with no emphasis	√ with no emphasis
Qualified Audit Opinion Qualified opinion, with findings	√			
Adverse Opinion Adverse opinion, with findings				
Disclaimer of Opinion Disclaimer of opinion, with findings				

6.8 CONCLUSION

The application of sound financial management principles for the compilation of a financial plan must be considered an on-going basis through which the integration of the IDP and Budget is ultimately achieved. The continual application of sound financial principles and management will contribute to ensuring that the Amathole District Municipality remains financially viable and that municipal services are provided economically to all communities. In addition it will strengthen the transparency and accountability of public finances.

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CHAPTER 7: PERFORMANCE MANAGEMENT SYSTEM

The Municipal Systems Act (2000) enforces the idea of a local government PMS and requires all municipalities to:

- Develop a performance management system
- Set *targets*, monitor and *review performance* based on indicators linked to their IDP
- Publish an *annual report* on performance for the councilors, staff, the public and other spheres of government
- Incorporate and report on a set of *general indicators* prescribed nationally by the minister responsible for local government
- Conduct an *internal audit* on performance before tabling the report.
- Have their annual performance report audited by the Auditor-General
- *Involve the community* in setting indicators and targets and reviewing municipal performance

In responding to the above requirements, Amathole District Municipality developed the following tools aimed at operationalizing its Performance Management System.

1. Performance Management Framework
2. Performance contracts and agreements
3. Service Delivery & Budget Implementation Plan
4. Procedure Manual for Management of Performance Information
5. Accountability agreements and Performance Promises Procedure Manual
6. Reporting templates
 - a. Quarterly performance assessment reports
 - b. Mid-year performance report
 - c. Annual Performance report
7. Performance scoring tool/ Electronic performance system

7.1 THE PERFORMANCE MANAGEMENT FRAMEWORK

For purposes of monitoring and evaluation, Amathole District Municipality adopted a Performance Management Framework in 2002. This has since been reviewed in 2008, 2009, 2010, 2011, and 2012 to be in line with the 2001 and 2006 Regulations as well as the IDP.

The Performance Management framework is a municipal policy document that defines and describes the municipal performance management system, including how it operates. The framework constitutes council policy with regards to:

- The requirements that a PMS of Amathole will need to fulfil;
- The principles that will inform its development and application;
- A model that describes what areas of performance will be managed, in Amathole District Municipality;
- What processes will be followed in managing performance;

- What institutional arrangements are necessary for this;
- Who will take responsibility for parts of the system;
- How this links to personnel performance management, especially S57 managers.
- Management of Municipal Entities and Service Providers performance.

Amathole District Municipality makes use of the Municipal Scorecard Model as a model for performance management. The Municipal Scorecard Model is now reviewed and is based on one scorecard namely, the SDBIP (Service Delivery and Budget Implementation Plan) Scorecard. The Municipal Scorecard Model embodies five Key Performance Areas adopted by the then Department of Local Government and Traditional Affairs in the Five Year Local Government Strategic Agenda. Performance is then measured according to the five KPAs. The Municipal Scorecard Model is based on the *Balanced Scorecard* methodology by Drs Robert Kaplan & David Norton, but customised by aligning the 5 Key Performance Areas with the traditional 4 Perspectives of performance management. This then caters for measuring the elements of performance management as required for the *Balanced Scorecard* such as Costs, Inputs, Outputs, Outcomes and Process.

The Heads of Department will be primarily responsible for performance on the SDBIP Scorecard. As such, the SDBIP Scorecard is closely linked and forms the largest component of how a Head of Department's performance will be appraised.

Furthermore, the SDBIP Scorecard will be cascaded down to the departments where it will be monitored.

Departments in the municipality are constituted by sections and the head of each section is responsible for reporting to the Head of Department. SDBIP Scorecards and performance reports must be formulated at departmental meetings constituted at least by the Head of Department and section heads. Sectional planning must be informed by the SDBIP Scorecard and performance reporting must feed into the SDBIP Scorecard report. Therefore each section must have its own implementation plan that contributes to the overall implementation of the SDBIP Scorecard.

The District Municipality will facilitate the implementation of a coordinated annual cycle of municipal performance management within the district area. This cycle will have agreed critical dates and timelines for the following activities:

- Development of Organisational Scorecard (as part of the District IDP Process)
- Development of SDBIP Scorecards by all departments at Amathole DM (as part of the IDP processes)
- Conclusion of Performance Contracts, Performance Agreements, Accountability Agreements and Performance Promises
- Completion of the first quarter reviews and audits
- Completion of the midyear/ second quarter reviews and audits
- Completion of the third quarter reviews and audits
- Completion of the annual reviews and audits
- Preparation of the Annual Performance Report
- Submission of inputs to the Annual Report

7.2 PERFORMANCE REPORTING & REVIEWS

7.2.1 Departmental Reviews

It is intended that departments review their performance monthly, using their SDBIP Scorecards. Decision-makers should be immediately warned of any emerging failures to service delivery such that they may intervene if necessary.

Departments should use these reviews as an opportunity for reflection on their goals and programmes and whether these are being achieved. Minutes of these reviews should be forwarded to the office of the Municipal Manager. Changes in indicators and targets may be proposed at this meeting but can only be recommended for approval by the Municipal Manager to the Executive Mayor.

On a monthly basis the HoD (Head of the Department) will submit a report on the department's performance using the SDBIP Scorecards to the Cluster Champ who will table the report to the Cluster and submit a report to the HOD Forum.

HODs will formulate their SDBIP Scorecard reports by taking into account the performance of the various units/sections within each department. The SDBIP Scorecard requires inputs from each unit/section such that a comprehensive report is collated on the performance of each department. The Unit Manager/Sectional Head is responsible for the provision of unit/sectional reports to the HOD.

7.2.2 Municipal Manager's Review Panel

Twice annually, the review panel setup by the Municipal Manager will review the departmental performance (HoD or manager reporting directly to the municipal manager) using the SDBIP Scorecards for departments. It will then submit reports from this review to the Municipal Manager for HOD/Working Forum, Performance Audit Committee then to the Executive Mayor to submit to council.

The Municipal Manager's Review Panel will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, the Municipal Manager can endorse these, for recommendation to the Executive Mayor for approval.

In preparation for and prior these reviews, the office of the Municipal Manager must develop an analysis of performance.

7.2.3 Executive Mayor's Review Panel

Twice annually, the review panel setup by the Executive Mayor will review the top organisational performance (municipal manager) using the Top level SDBIP Scorecard. It will then submit reports from this review to the Executive Mayor to submit to and Council.

The Executive Mayor's Review Panel will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, a recommendation will be submitted to the Executive Mayor for approval.

In preparation for and prior these reviews, the office of the Municipal Manager must develop an analysis of performance.

7.2.4 Performance Audit Committee Reviews

On a quarterly basis, the Performance Audit Committee will review the departmental and municipal performance (municipal manager) using the SDBIP Scorecard. Other function that is linked to the Performance Audit Committee is the auditing and assurance guarantee on the assessment and processes of the framework and the system. This is further detailed in section dealing with Auditing and Quality Control.

The quarterly report will be submitted to the Executive Mayor and quarterly and bi-annually to council.

The Performance Audit Committee will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Furthermore, they will verify and give assurance to the process of reviews undertaken by the panels and recommendation.

Where targets need to be changed, a recommendation will be submitted to the Executive Mayor for approval.

7.2.5 Council Reviews

At least twice annually, the council will be required to review municipal performance based on the performance report submitted by the Executive Mayor. The council will use the report submitted by the Executive Mayor from the Performance Audit Committee.

The first review will be in January in preparation for the budget adjustments. The second review will be an annual performance review. This will form part of the annual report as required by the Municipal Systems Act. A report annually will be submitted to the provincial government in the form of an annual report. A report annually will also be submitted to the Inter-Governmental Forums established by Amathole District Municipality in the form of a citizen's report on performance of the municipality.

7.2.6 Public Reviews

The Municipal Systems Act requires the public to be given the opportunity to review municipal performance and they will be part of the panels established by the district municipality. Furthermore, a citizen's report will be produced for public consumption and submitted to the IGR structures established by Amathole District Municipality. A citizen's report should be a simple, easily readable and attractive document that summarises the performance of the municipality public consumption.

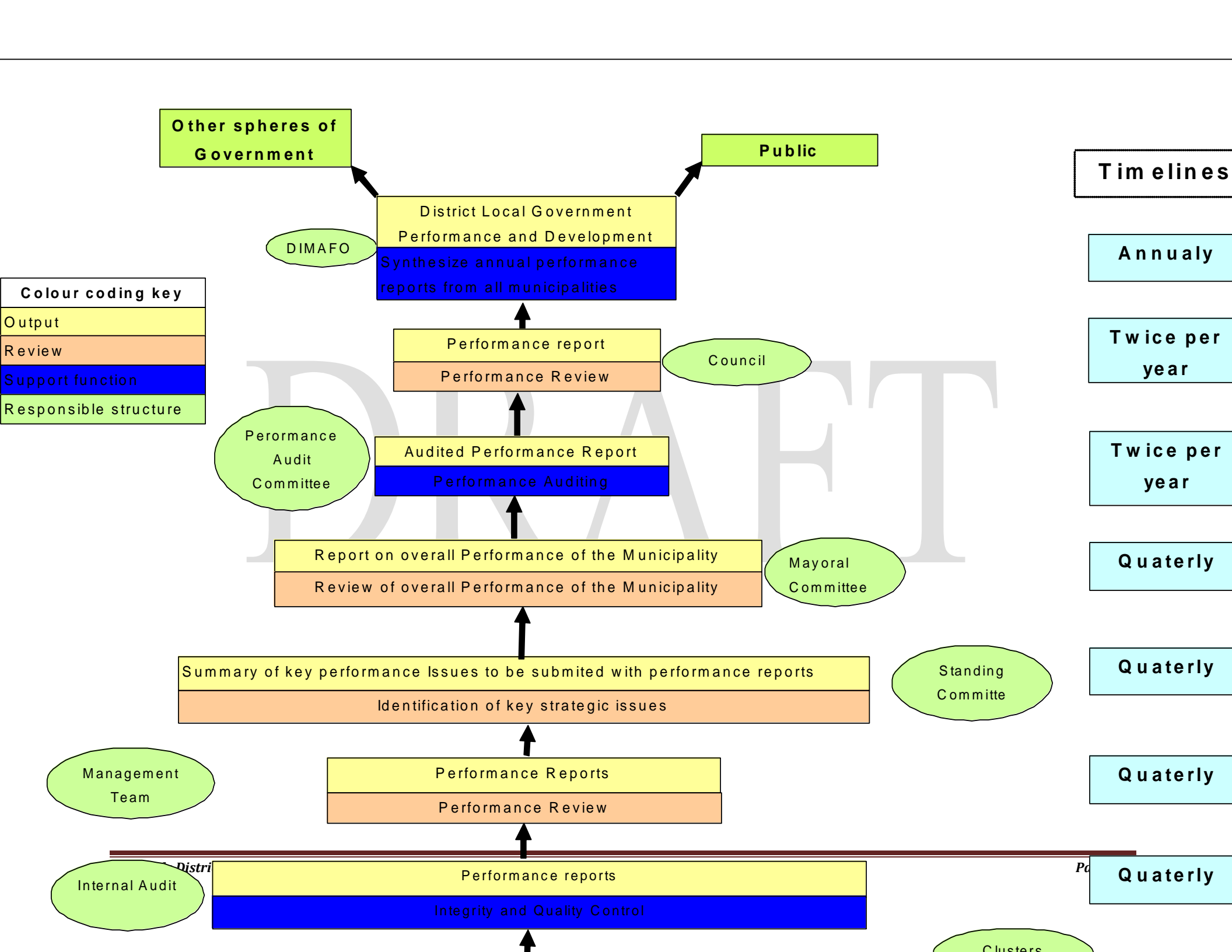
Annually an annual report will be developed and be open for public comments on the assessment of the municipality's performance. It is also proposed that a public campaign be annually embarked on to involve communities in the review of municipal performance. Such a campaign could involve the following methodologies:

Various forms of media including radio, newspapers and billboards can be used to convey the communities' report. The public should be invited to submit comment via telephone, fax, email and public hearings to be held in a variety of locations.

The public reviews should be concluded by a review by the IDP Representative Forum.

The diagram below provides a picture of the annual process of reporting and reviews:

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7.2.6 Auditing And Quality Control

The Office of the Municipal Manager will be required on an ongoing basis to co-ordinate and ensure good quality of reporting and reviews. It will be its role to ensure conformity to reporting formats and check the reliability of reported information, where possible. The municipality's internal audit function will be continuously involved in auditing the performance reports, evidence file and SDBIP scorecards. As required by the regulations, they will be required to produce an audit report on a quarterly basis, to be submitted to the Municipal Manager, Executive Mayor, Performance Audit Committee and Audit Committee. The Performance Audit Committee will also be tasked with assessing the reliability of information reported.

Also the Municipality will need to appoint a Performance Evaluation Committee to assess s56 and the Municipal Managers annual performance. The composition of the Committee must adhere to the one prescribed in the 2006 Regulations.

7.3 INDIVIDUAL PERFORMANCE

In cascading the performance management system to the levels below the managers reporting directly to the Municipal manager Amathole District Municipality is using the Accountability Agreements (AA) for task grade 11 – 18, and Performance Promises (PP) for task grade 1 – 10.

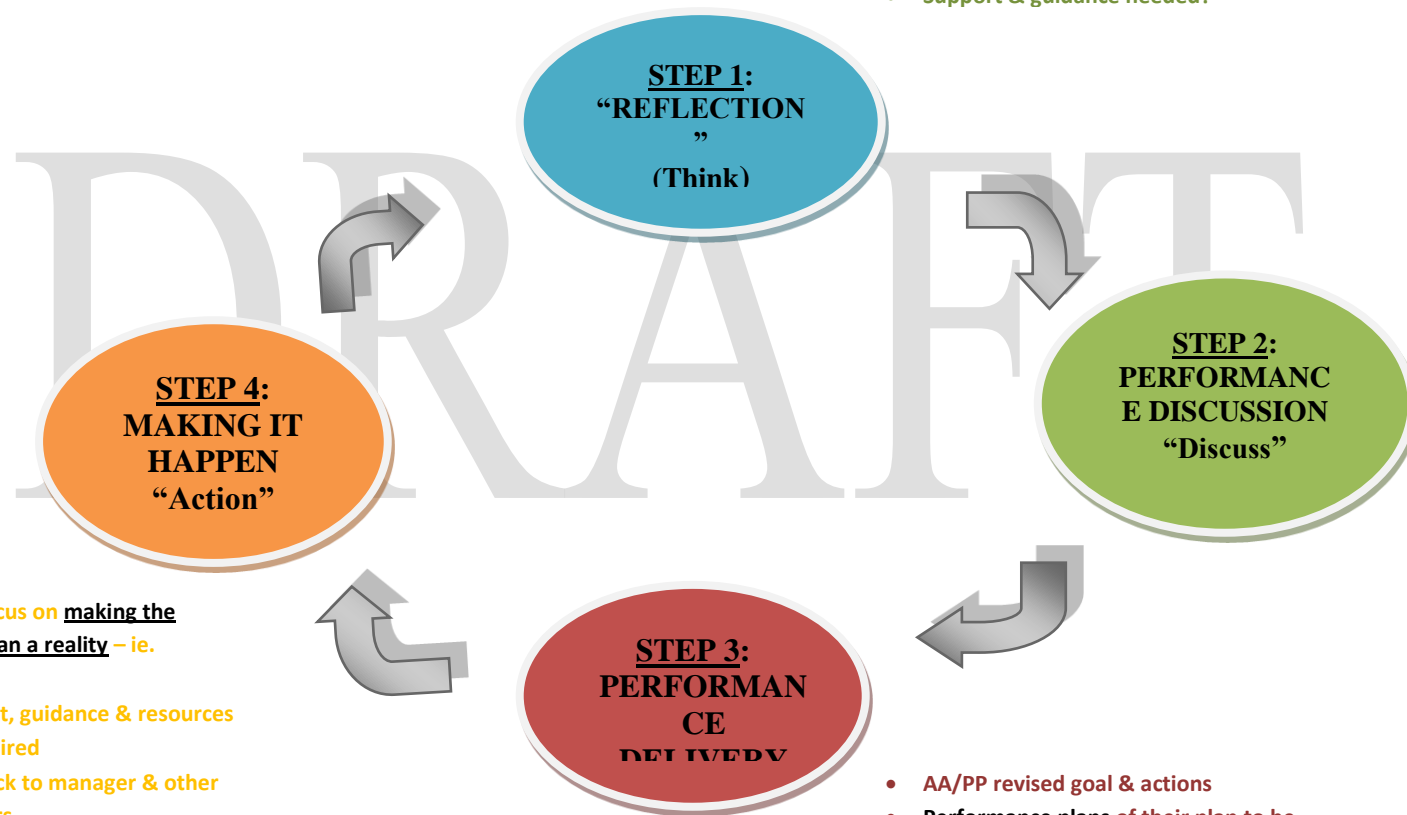
ADM has ensured that it respond to Employee Performance by using a rewarding system and a Mayor's Merit award for employees below section 56/57 managers, and the process is explained in the PM Framework.

There are 4 logical, simple steps to the process to be taken by both the manager & the employee

Employee & Manager each need to **reflect or review the AA/PP goals & actions agreed upon & documented.**

- Were these realistic, appropriate, and relevant to getting results in the job?
- Level of achievement? Areas of concern? Resources available? Lessons learnt?
- Way forward?

- **One-on-One discussion** on the AA/PP goals & action plans over the period. Review original AA/PP documents.
- Focus on the principle of accountability for results – no excuses, only performance solutions! What worked, what didn't & why?
- Agree on corrective actions.
- Monitoring & measuring ahead?
- Support & guidance needed?



- Employee to focus on **making the performance plan a reality** – ie. Delivery
- Request support, guidance & resources as & when required
- Regular feedback to manager & other key stakeholders

- AA/PP revised goal & actions
- **Performance plans** of their plan to be completed
- Both manager & employee to sign-off
- PDP entries & actions?
- Lessons learnt.

7.4 EVALUATION AND IMPROVEMENT OF THE PERFORMANCE MANAGEMENT SYSTEM

ADM Annually evaluate its performance management system, and thus has resulted in the procurement of an Electronic Performance Management System to assist in measuring and reporting.

The E-perform system act as a supporting tool for ADM's Performance Management, it has capabilities to assist users in capturing diagnostic information. It provides a comprehensive integrated system for measuring and reporting on the achievement of planned performance. The system seeks to implement the key objectives and benefits that are at the core of the performance Management Framework.

It must once again be emphasised that there are no definitive solutions to managing municipal performance, the process of implementing a performance management system must be seen as a learning process, where there is a conscious buy in to incremental improvement of the way the system works in order to fulfil the objectives of the system and address the emerging challenges from a constantly changing environment.

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