

RAYMOND
MHLABA
MUNICIPALITY
.....
UMANTLA NO KUPHELELISO

RAYMOND MHLABA LOCAL MUNICIPALITY
FINAL INTEGRATED DEVELOPMENT PLAN
2017/2022

Table of Contents

Description	Page
Foreword by the Municipal Manager	
Executive Summary	1
Chapter 1: Background and Legislative Context	3
Chapter 2: Demographic Profile of Raymond Mhlaba Local Municipality	20
Chapter 3: Status Quo Assessment/Situational Analysis	41
Chapter 4: Strategies and Objectives	94
Chapter 5: Projects	106
Chapter 6: Spatial Development Frame Work	121
Chapter 7: Sector Plans	130
Chapter 8: Financial Plan	130
Chapter 9: Framework for Management of Performance Management System	141

Annexure A: FINAL BUDGET

Executive Summary

It is my pleasure on behalf of the administration [as an accounting officer], to present the executive summary of the 2017/22 Integrated Development Plan to the public, communities and stakeholders.

In 2011, the National Minister of Cooperative Governance and Traditional Affairs requested Municipal Demarcation Board (MBD) to conduct a study for re-determination of municipal boundaries. The process was finalised in 2013 and gave way to Ward Delimitation process. Subsequently, the Eastern Cape Department of Cooperative Governance and Traditional Affairs received a directive from the Minister of Cooperative Governance and Traditional Affairs, to submit a list of municipalities that are unviable and considered for re-determination. This resulted to the proposed amalgamation of Nkonkobe and Nxuba local municipalities. This resulted in the establishment of Raymond Mhlaba Local Municipality after the 3rd August 2016 Local Government elections.

The shift is intended to promote an integrated planning approach that will facilitate effective-

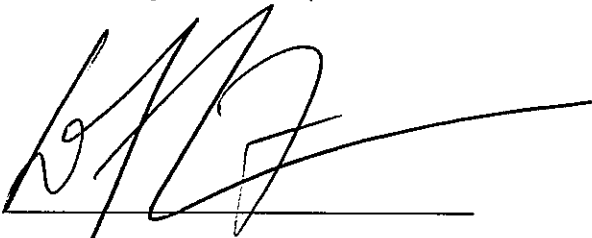
- establishment of key development priorities and objectives;
- localising government strategies and integrating programmes into projects;
- resource allocation;
- Implementation and monitoring of all development projects undertaken within the boundary of Raymond Mhlaba Local Municipality.

In light of the above, as a municipality we have to confront a myriad of challenges in order to realize the key objectives of local government as embedded in the Constitution of the Republic of South Africa (1996). These include, inter-alia, rural nature of our municipality, the thin revenue base and implementation of by-laws. Moreover, the municipality has got numerous strengths and opportunities which include the following, heritage sites, academic institution such University of Fort Hare, Lovedale FET College, and Fort Cox Agricultural College. Notably, the University of Fort Hare celebrated its centenary in 2016, a great opportunity for Raymond Mhlaba Local Municipality to leverage on the opportunities this centenary brings to the municipal area.

We wish to express our gratitude to all those who gave input into this process. Most importantly the political leadership of Raymond Mhlaba Local Municipality, management and staff of Raymond Mhlaba Municipality have also taken it upon themselves to provide their technical inputs without reservations.

The focus of the IDP under review remains largely unchanged, although it is now recognised that focused attention needs to be placed on improving sector participation and institutional reforms, particularly financial sustainability and capacity development.

I am sure we are all up to the challenge. Working together, we can do more!! This is the pattern that we all have to recognise and adopt and build our democratic state.

A handwritten signature in black ink, appearing to be 'L. Menze', written over a horizontal line. The signature is stylized and extends to the right.

L MENZE

INTERIM MUNICIPAL MANAGER

EXECUTIVE SUMMARY

The municipality is named after an apartheid stalwart, Raymond Mhlaba (commonly known as Oom Ray). The municipality is situated along the mountain range of Winterberg (intaba zeNkonkobe). The range is of significance in that many historical events occurred around it, such as the War of the Axe and the War of Maqoma in which the great Xhosa king resisted land dispossession by the British colonialists. During the war he retreated to the peak of the mountain, called Mthontsi (now called Fort Fordyce), where there are caves. It is here that he conducted the Guerrilla Warfare until his capture and imprisonment on Robben Island.

ESTABLISHMENT AND TYPE

Raymond Mhlaba Local Municipality is a third sphere of government established in terms of the following:

- Section 151 of the Constitution of the Republic of South Africa, 1996.
- Chapter 2, Section 12 of the Municipal Structures Act 1998, (Act 117 of 1998).
- Eastern Cape Province Government Gazette Extraordinary General Notice 3481, August 25, 2015.

THE ENTITY'S DOMICILE

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RAYMOND MHLABA LOCAL MUNICIPALITY

The Raymond Mhlaba Municipality is situated along the southern slopes of the Winterberg Mountain range and escarpment, and is within the greater Amathole District Municipality in the Province of the Eastern Cape. The municipal area covers approximately 6 474 km², with major towns being Alice, Adelaide, Bedford, Fort Beaufort and Middledrift. Smaller settlements include Hogsback, Seymour, Red, Jumper, Balfour, Blinkwater and Debenek.

Main access corridors are the R63 from King Williams Town through Alice and Fort Beaufort towards Adelaide and Bedford and the R67 from Grahamstown through Fort Beaufort, Blinkwater, Seymour towards Queenstown. Raymond Local Municipality is comprised of 23 wards with a total population of approximately 151 379 of which the majority [about 72%] resides in rural villages and farms.

Urbanisation is concentrated in Alice, Adelaide, Bedford and Fort Beaufort. The municipal area includes parts of the former Ciskei homeland and Cape Provincial Administration (CPA) areas, which means that it has a history of land expropriation and disposition in many parts due to the consolidation of land to create Ciskei in the 1960s. A distinct land tenure and land use system prevails with two distinctly different systems in the former Ciskei homeland and Cape Province areas.

Raymond Mhlaba is a rural municipality and the economy is largely driven by the agricultural sector, which includes citrus, forestry and crop production. The citrus industry is one of the municipality's largest employers. Forest plantations and timber processing are also undertaken in the area. Raymond Mhlaba Local Municipality is well-known for its rich heritage and culture. The historic education institutions of Healdtown, Lovedale College and the University of Fort Hare – are important heritage sites in Raymond Mhlaba but as yet are underutilised as tourism or cultural sites. The tourism sector remains largely unsupported and underexploited in a municipality with iconic natural resources in the form of the Amathole Mountains and national significant heritage sites. Some of the major challenges facing Raymond Mhlaba LM include infrastructure challenges and high levels of unemployment and poverty.

CHAPTER 1

BACKGROUND AND LEGISLATIVE CONTEXT

A municipal Integrated Development Plan (IDP) serves as an enabler for mutual accountability on the agreed priorities and allocation of resources to contribute to the long-term development of the municipality. It is therefore one of the most critical plans in ensuring effectiveness and efficiency, as well as, community participation at a local government level.

An IDP encourages both short- and long-term planning. In the short term it assists in addressing issues or challenges that may be resolved within the relevant term of office while at the same time it provides space for the long term development of the area in an integrated and coordinated manner.

In terms of section 34 of the Municipal Systems Act 32 of 2000 as amended, a municipal council must review its integrated development plan:

- Annually in accordance with an assessment of its performance measures; and
- To the extent that changing circumstances so demand.

Based on the review a municipal council may amend its integrated development plan in accordance with a prescribed process. In compliance with the above, Raymond Mhlaba Local Municipality has embarked on a review to further develop its IDP and Budget towards the 2017/18 to 2022 financial years in accordance with the requirements as embedded in in Municipal Systems Act 32 of 2000, the Local Government: Municipal Planning and Performance Regulations 2001 & 2006 and the Local Government: Municipal Finance Management Act 56 of 2003.

Key Informants

The IDP/Budget for 2017/18 financial year has been informed by the following:

- Ward priorities from the two erstwhile municipality IDP's;
- Priorities of the Ruling Party;
- State of the Nation Address;
- State of the Province Address;

- 12 Outcomes of Government;
- Sustainable Development Goals;
- The Provincial Growth and Development Plan;
- The National Spatial Development Perspective;
- Erstwhile Nkonkobe and Nxuba Local Spatial Development Plan;
- Municipal Public Accounts Road Shows;
- 2013 Local Economic Development Summit;
- National Development Plan.

This chapter outlines the legislative framework that guides the development of the Integrated Development Plan and Municipal Budget

1.2 LEGISLATIVE FRAMEWORK

Key pieces of legislation that provide guidance and define the nature of integrated development planning include the South African Constitution 1996, the Municipal Systems Act 2000, and the Municipal Finance Management Act 2003.

1.2.1 South African Constitution, 1996

Section 151 of the Constitution of the Republic of South Africa provides a legal status of municipalities as thus:

- The local sphere of government consists of municipalities, which must be established for the whole of the Republic.
- The executive and legislative authority of a municipality is vested in the Municipal Council.
- A municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution.
- The national or a provincial government may not compromise or impede a municipality's ability or right to exercise its powers or perform its functions.

Section 152 also provides the objects of local government as thus:

The objects of local government are –

- to provide democratic and accountable government for local communities;
- to ensure the provisions of services to communities in a sustainable manner;
- to provide social and economic development;
- to promote a safe and healthy environment; and
- to encourage the involvement of communities and community organisation's in matters of local government.

A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1) of the Constitution of the Republic of South Africa.

Section 153 provides for developmental duties of municipalities as thus:

- Structure and manage its administrative and budgeting and planning processes to give priority to basic needs of the community, and to promote the social and economic development of the community; and
- Participate in national and provincial development programmes.

Other legislative guidelines for Developmental Local Government include:

- White Paper on Local Government, 1998
- Municipal Demarcation Act, 1998
- Municipal Structures Act, 1998 (Amendment, 2000)
- Municipal Systems Act, 2000 regulates core municipal systems
- National Environment Management Act, 1998
- Water Services Act, 1997
- Municipal Finance Management Act, 2003
- Fire Act

1.2.2 Municipal Systems Act, 2000

Section 25 of the Municipal Systems Act 2000 (as amended), stipulates that each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality. An Integrated Development Plan, adopted by the Council of a

municipality, is the key strategic planning tool for the municipality. Section 35 (1) (a) of the Municipal Systems Act 2000, describes an IDP as:

- The principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality;
- Binds the municipality in the exercise of its executive authority.

In terms of section 34 a municipality is required to review its IDP annually. Annual reviews allow the municipality to expand upon or refine plans and strategies, to include additional issues and to ensure that these plans and strategies inform institutional and financial planning. The review and amendment of the IDP thus, further, develops the IDP and ensures that it remains the principal management tool and strategic instrument for the municipality.

1.2.3 Municipal Finance Management Act, 2003

Section 21 (1) (a) of the Municipal Finance Management Act states that the Mayor of a municipality must coordinate the process for preparing the annual budget and for reviewing the municipality integrated development plan and budget for reviewing the municipality's integrated development plan and budget related policies to ensure the budget and integrated development plan are mutually consistent and credible. The act further makes provisions for development of the Service Delivery and Budget Implementation Plan as a mechanism to strengthen alignment between the IDP and Budget.

1.3 Local Planning Context

1.3.1 National Planning Context

Raymond Mhlaba Local Municipality takes cognizance of the essential challenges facing the country as a whole and the electoral mandate for the next coming years. The ruling party identified the following five priority areas:

- Creation of decent work and sustainable livelihoods;
- Education;
- Health;

- Rural development, food security and Land Reform; and
- The fight against crime and corruption.

These 5 priorities of the ruling party were cascaded into a Medium Term Strategic Framework (MTSF) which is aimed at translating the electoral mandate into a clear and time-bound government delivery programme. The MTSF is a statement of intent identifying the developmental challenges facing the country and outlining the medium-term strategy for improvements. The MTSF identified 10 priorities which are as follows:

- Speed up economic growth and transform the economy to create decent work and sustainable livelihoods
- Massive programmes to build economic and social infrastructure
- A comprehensive rural development strategy linked to land and agrarian reform and food security
- Strengthen the skills and human resource base
- Improve the health profile of society
- Intensify the fight against crime and corruption
- Build cohesive, caring and sustainable communities
- Pursue regional development, African advancement and enhanced international cooperation
- Sustainable resource management and use
- Building a developmental state, including improving of public services and strengthening democratic institutions.

Alignment of national programmes and municipal plans becomes very paramount. Closer interaction and cooperation between the three spheres of government is critical during the planning processes.

1.3.2 Provincial Planning Context

After the last General elections in 2009, the Eastern Cape Provincial Government embarked on a process to align the growth and development directions to conform to the objectives and priorities of the manifesto of the ruling party. The Provincial Strategic Framework (PSF) was endorsed by the Provincial Executive Committee in June 2009. The PSF is a high level medium term strategic framework that responds to the provincial challenges by translating the electoral mandate into a government programmes – furthermore, it allows for the cascading of the current national MTSF into the province. In the context of planning in the province, the PSF is a strategic framework that unpacks the strategic objectives, priorities of an electoral

term. The PSF [also] have links to other planning instruments, which include the Provincial Growth and Development Plan (PGDP) and the Programme of Action. The PGDP is a blue-print which focuses on a longer term vision of the province. The PSF priorities are as follows:

Strategic Priority 1	Speeding up growth and transforming the economy to create decent work and sustainable livelihoods
Strategic Priority 2	Massive programme to build social and economic infrastructure
Strategic Priority 3	Rural development, land and agrarian reform and food security
Strategic Priority 4	Strengthen education, skills and human resource base
Strategic Priority 5	Improving the Health profile of the Province
Strategic Priority 6	Intensifying the fight against crime and corruption
Strategic Priority 7	Building a developmental state and improving the public services, and strengthening democratic institutions
Strategic Priority 8	Building cohesive, caring and sustainable communities

PSF Priorities

Consideration will have to be given to the above provincial strategic framework priorities throughout Raymond Mhlaba Local Municipality's IDP Processes as it is indicated in the table below in terms of the 5 Key Performance Areas that are guiding local government.

KEY PERFORMANCE AREA	10 NATIONAL PRIORITIES	8 PROVINCIAL PRIORITIES	12 OUTCOMES
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	<ul style="list-style-type: none"> - Improving health profile of the nation - Comprehensive rural development strategy linked to land agrarian reform and food security - Massive programme to build economic and social infrastructure - Sustainable resource management and use 	<ul style="list-style-type: none"> - Improve health profile of the province - Rural development, land and agrarian transformation, and food security - Massive programme to build social and economic infrastructure - Building a development state 	<ul style="list-style-type: none"> 1. A long and healthy life for all South Africans 8. Sustainable human settlements and improved quality of household life 10. Protect and enhance our environmental assets and natural resources
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	<ul style="list-style-type: none"> - Strengthening skills and human resource base - Pursuing African Advancement and enhanced international cooperation - Building a developmental state including improvement of public services and strengthening democratic institutions 	<ul style="list-style-type: none"> - Strengthening education, skills and human resource base 	<ul style="list-style-type: none"> 1. Quality basic education 5. Skilled and capable workforce to support an inclusive growth path 3. All people in South Africa are and feel safe 9. Responsive, accountable, effective and efficient Local Government system 12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship
LOCAL ECONOMIC DEVELOPMENT	<ul style="list-style-type: none"> - Speeding up economic growth and transforming economy to create decent work and sustainable livelihoods - Comprehensive rural development strategy linked to land and agrarian reform and food security 	<ul style="list-style-type: none"> - Speeding up growth and transforming the economy to create decent work and sustainable livelihoods - Rural development, land and agrarian transformation, and food security - Massive programme to build social and economic infrastructure - Building cohesive and sustainable communities 	<ul style="list-style-type: none"> 2. Decent employment through inclusive economic growth 6. An efficient, competitive and responsive economic infrastructure network 7. Vibrant, equitable, sustainable rural communities contributing towards food security for all 8. Sustainable human settlements and improved quality of household life

		<ul style="list-style-type: none"> - Building a developmental state 	<p>10. Protect and enhance our environmental assets and natural resources.</p>
FINANCIAL VIABILITY	<ul style="list-style-type: none"> - Intensifying the fight against crime and corruption 	<ul style="list-style-type: none"> - Intensifying the fight against crime and corruption 	<p>9. Responsive, accountable, effective and efficient local government</p>
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	<ul style="list-style-type: none"> - Intensifying the fight against crime and corruption - Building cohesive, caring and sustainable communities - Pursuing African advancement and enhanced international cooperation - Building a developmental state including improvement of public services and strengthening democratic institutions 	<ul style="list-style-type: none"> - Intensify the fight against crime and corruption - Building cohesive and sustainable communities 	<p>7. Vibrant, equitable, sustainable rural communities contributing towards food security for all</p>
		<ul style="list-style-type: none"> - Building cohesive and sustainable communities 	<p>9. Responsive, accountable, effective and efficient Local Government system</p>
			<p>12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship</p>
			<p>11. Create a better South Africa, better Africa and better world.</p>

1.4IDP PLANNING PROCESS

1.4.1 Phases of the IDP

PHASE 0: PLANNING
During Phase 0 of the IDP the municipality have to develop an IDP Process Plan that is in line with the District IDP Framework. All organisational arrangements for the development of the IDP should be put in place during this phase.
PHASE 1: ANALYSIS
The Analysis phase is aimed at establishing the current developmental status of the municipal area. This will be done by comparing community needs with statistical information that is available to be able to identify priority areas, jointly with community.
PHASE 2: STRATEGIES
During the Strategies phase the developmental priorities of identified priorities during the analysis are used as the basis for developing a vision and a mission for the municipality. Thereafter strategic objectives and strategies are developed to ensure that the vision is achieved.
PHASE 3: PROJECTS
During the Projects phase projects are identified in line with the strategies developed during phase 2. These projects have to be prioritised.
PHASE 4: INTEGRATION
During the integration phase all sector plans and programmes are developed e.g. Spatial Development Framework, Housing Sector Plan etc. Only summaries of these plans are included in the IDP document.
PHASE 5: APPROVAL
During the approval phase of the IDP, the IDP document has to be advertised for 21days to enable all stakeholders and members of the public to give inputs – thereafter, the IDP has to be adopted by council before the commencement of the new financial year.

Phases of the IDP

1.4.2 Internal Institutional Arrangements for the IDP Process

	Composition	Responsibilities
Council	All Councillors	<ul style="list-style-type: none"> - Final Decision Making in terms of approval - Approval of the Reviewed IDP/PMS and Budget - Consider and approve Process Plan - Approval of budget calendar - Ensure conclusion of management performance agreements
Mayoral Committee	EXCO Members	<ul style="list-style-type: none"> - Chaired by the Mayors - Plays pivotal role in the review of the IDP - Considers community inputs in the IDP and motivate to Council - Involved in quality check of the IDP document before its tabled to Council
Mayor		Ensure that IDP is reviewed annually, and that issues raised by communities find expression in the IDP and re given necessary attention and consideration
Municipal Manager		<ul style="list-style-type: none"> - Preparation of the Process plan - Undertaking the overall management and coordination of the planning process ensuring that (participation and involvement of all different role players; time frames are adhered to; conditions for participation are provided and results of the planning and IDP review process are documented) - Nominating persons in charge of different roles - Adjusting the IDP in accordance with proposals from the MEC for local Government and Traditional Affairs - Responding to comments on the draft IDP from the public and other spheres of Government to the satisfaction of the municipal Council - Chairing the IDP Steering Committee
IDP & PMS Manger		<ul style="list-style-type: none"> - Day to day management of the IDP and PMS Process - Ensure that the contents of the IDP and PMS satisfy the legal requirements and the requirement of the District Framework - Consolidate inputs from various stakeholders to the IDP

Managers and Heads of Departments		<ul style="list-style-type: none"> - Managers, with the assistance of officials, will be responsible for coordination and submission of departmental inputs for all phases of the IDP and PMS - Reporting progress with regard to project implementation - Provision of relevant technical and financial information for budget preparation
IDP/BUDGET/PMS Steering Committee	Municipal Manager (Chair); Senior Managers; Middle Managers IDP/PMS (Secretariat)	<ul style="list-style-type: none"> - Serve a s working committee of the IDP, PMS and Budget - Ensure integration between the IDP, PMS and Budget by adhering to process Plan - Ensure alignment with Provincial Government and District Municipality Plans.
IDP/PMS/BUDGET Cluster Teams	Chaired by EXCO Members Government Departments	<ul style="list-style-type: none"> - Provide technical assistance in the development of the IDP

Institutional Arrangements of IDP Structures

1.5 PROCESS OVERVIEW: STEPS AND EVENTS

1.5.1 Amathole District Municipality Process Plan

IDP Phase	Time Frames
Preparatory Phase	By the 30 June 2016
Analysis Phase	By the 31 August 2016
Strategies Phase	By the 31 December 2016
Project Phase	By the 28 February 2017
Integration Phase	By the 28 February 2017
Approval Phase (Draft IDP/Budget)	By the 31 March 2017
Approval Phase (Final IDP/Budget)	By the 31 May 2017

Amathole District Municipality Process Plan

1.5.2 IDP/Budget/PMS Process Plan for 2016/ 2017 IDP

The municipality adopted a process plan in August 31, 2016. This process plan is in line with the District IDP Framework plan of Amathole District Municipality.

EVENTS	DATES	RESPONSIBLE DEPT
IDP Steering Committee to deliberate on draft IDP Process Plan <ul style="list-style-type: none"> • Review Implementation • Prepare full IDP process • Review Performance Management System 	04 August 2016	Strategic Planning
First IDP Representative Forum <ul style="list-style-type: none"> ▪ Presentation of the Process Plan ▪ The provision of feedback on the <i>status quo</i> and strategic framework components of the IDP; i.e. Key issues, Strategies and Objectives and other programs 	11 August 2016	Strategic Planning
Joint Standing Committee Finance & LED (Special)	15 August 2016	Speaker's Office
Presentation to the Executive Committee (Special)	22 August 2016	Mayor's Office
Presentation to Council for Adoption(Special)	31 August 2016	Mayor's Office
Submission to Amathole District Municipality	31 August 2016	Strategic Planning
Advertisement of the IDP Process Plan to members of the public	04 September 2016	Strategic Planning
IDP Cluster Team Meetings	16-18 October 2016	Strategic Planning/Cluster Teams

Second IDP Representative Forum <ul style="list-style-type: none">▪ Presentation of Situational Analysis▪ IDP Vision and Mission	10 November 2016	Strategic Planning
IDP and Budget Steering Committee	17 January 2017	Strategic Planning & BTO
IDP Cluster Team Meetings	22-24 January 2017	Strategic Planning/Cluster Teams
Steering Committee Meeting <ul style="list-style-type: none">• Cluster Team Reports• Agenda for the Rep Forum	21 February 2017	Strategic Planning
Institutional Strategic Planning Session	15-17 February 2017	Strategic Planning
IDP Rep Forum <ul style="list-style-type: none">• Presentation of the draft IDP and Budget ahead of public participation process• Prioritised Projects and Programs• Draft Revised Analysis• Draft Revised Objectives and Strategies• Draft Projects and Programmes linked to budget	16 March 2017	Strategic Planning
Steering Committee Meeting <ul style="list-style-type: none">• Confirm contents of the IDP and Budget, and consider inputs from the Rep Forum• Review Performance Management System	07 March 2017	Strategic Planning/ BTO
Table Draft IDP/Budget to LED and Finance Standing committee	20 March 2017	Speaker's Office
Table Draft IDP/Budget to Exco	24 March 2017	Mayor's Office
Table Draft IDP/Budget Council	29 March 2017	Mayor's Office
21 Days Advertisement Period for public comments	03 April 2017	Strategic Planning
Submission of draft IDP to DLGTA	March/April 2017	Strategic Planning
Provincial IDP Assessment Week	April 2017	Strategic Planning
IDP/ Budget Road-shows	16-20 April 2017	Strategic Planning
Review progress – Steering Committee <ul style="list-style-type: none">• Public participation programme & comments received• Present final draft to be adopted by council	25 April 2017	Strategic Planning
IDP Rep Forum <ul style="list-style-type: none">• Feedback on comments received during the 21 day advert period on the Budget and IDP as well as the public participation process and suggested ways of addressing these issues.	11 May 2017	Strategic Planning

<ul style="list-style-type: none"> • Presentation of the Prioritised Projects and Programmes • Recommendations by the IDP for adoption of the IDP by Council 		
Present IDP Review to LED and Finance Standing Committee	17 May 2017	Speaker's Office
Present Final IDP/Budget to EXCO	22 May 2017	Mayor's Office
Council adopts IDP Review 14/15	26 May 2017	Mayor's Office
<ul style="list-style-type: none"> • Submit copy of IDP to ADM and to MEC (DHLG&TA) 		
Drafting of Service Delivery and Budget Implementation Plan(SDBIP)	03 April 2017	All HODs
Submit draft SDBIP within 14 days after approval of the Budget	June 2017	Strategic Planning
Approval of SDBIP within 28 days After adoption of the Budget	June 2017	Mayor's Office
Signing of MM and Section 57 Managers Performance agreements	June 2017	Municipal Manger
Publicise SDBIP and Performance Agreements within 14 days after the approval	30 June 2017	Strategic planning

IDP Process Plan

1.6 PUBLIC PARTICIPATION

Raymond Mhlaba Local Municipality has established appropriate mechanisms, processes and procedures to consult the local communities in terms of Chapter 4 of the Municipal Systems Act 32 of 2000.

In line with Chapter 4 of the Local Government: Municipal Systems Act 32 of 2000 (as amended) each municipality has to establish a culture that will promote inclusivity and participation amongst its citizens. In Raymond Mhlaba, public participation is used as a tool of fostering participatory governance. The municipal area comprises a large geographical area with an official population figure of approximately 151 377. As such, this situation obviously requires that public participation be coordinated in a structured form.

The structure for public participation is through Public Participation Programmes (Outreaches/Roadshows), limbizo, Ward Committee Meetings, IDP Representative Forums, IDP Cluster Meetings, Sector Forums. In order to ensure that there is representation of the various organized and unorganized groups within our municipal area, the municipality makes use of the following approach:

- Placing adverts in newspaper(s), Daily Dispatch, in English and isiXhosa
- Municipal Website to publish our notices.

- Community Radio Stations.
- Flyers, posters, ward Councillors, announcements through church gatherings and community based organizations, etc.
- Making an effort to reach unorganized groups and marginalized groups to ensure that their voices are heard. We will do this by approaching non-governmental organisation and community based organization's that represent the need of such groups.

1.7 INVOLVEMENT OF WARD COMMITTEES AND COMMUNITY DEVELOPMENT WORKERS

Involvement of ward committees is crucial in the promotion of participatory governance as they serve as an extension of council and in communicating council programmes. The Local Government: Municipal Structures Act 117 of 1998 and the Local Government: Municipal Systems Act 32 of 2000 advocates for formation of wards committees in each ward of the municipality.

After the swearing in of the new council, the municipality established ward committees in all the wards of the municipality. Further to that the municipality, together with Office of the Premier, Department of Cooperative Government and Traditional Affairs (COGTA) established War Rooms in most wards of the municipality. The ward committees will then convene their ward committee meetings on quarterly basis, items and issues raised in ward committee meetings find expressions in Council meetings through the Office of the Speaker – which in most occasions plays the secretariat role in ward committee meetings. Ward Committee meetings are chaired by the Ward Councillor.

In respect of the Community Development Workers (CDW's) the institution has 23 wards, therefore, each ward is supposed to have a community development worker, in Raymond Mhlaba , participation by these CDW's is minimum, however, there are those who play a significant role together with their coordinator. This minimum participation by some CDW's thwarts the municipal efforts of participatory governance – as CDW's are supposed to directly assist communities and channel their concerns to municipality and various sector departments. Of the 23 wards, the municipality has a total of 15 CDW's.

1.7 Key issues raised by Communities

- Water
- Roads
- Sanitation

- Housing
 - Sports Fields
 - Clinics
 - Fire
- Services

Issues Raised

Ward 1: Councillor Zukisa Kenneth Qaqawe	
No	Description
1	Community Issue Electricity <ul style="list-style-type: none"> • Provision of Free Basic Electricity, • Provision of Paraffin for villages without electricity
2	Roads <ul style="list-style-type: none"> • Regraveling and upgrading of Roads in all villages • Construction of bridge in the following areas: Middledrift River, Ndulwini & Seko, Qibira & Ndulini, Qutubeni, Qamdobowa & Zalaze
3	Community Amenities <ul style="list-style-type: none"> • Fencing of Qamdobowa community hall • Completion of Xhukwana Day Care Centre • Construction of sports field in Ngaba
4	SMME <ul style="list-style-type: none"> • Training on skills development programmes (Cotton, candle making, juice making and soap production)
5	Agriculture <ul style="list-style-type: none"> • Revive irrigation scheme : Qamdobowa, Zalaze • Fencing of grazing lands • Dam scooping --all villages • Shearing Shed Needed • Market for vegetable produce needed
6	Health <ul style="list-style-type: none"> • Building of clinic- Mgxyenyeni • Provision for mobile clinic in Zigodlo
7	Water & Sanitation <ul style="list-style-type: none"> • Installation of VIP toilets in all village • Installation of taps
Ward 2: Councillor Wisizwi Justice Nika	
No	Description
1	Community Issue Electricity <ul style="list-style-type: none"> • Maintenance of high mast lights
2	Roads <ul style="list-style-type: none"> • Re-graveling and re-surfacing of Zinyoka road • Construction of speed humps between Lovedale and Victoria Hospital

		<ul style="list-style-type: none"> • Upgrading of roads leading to schools and cemeteries • Construction of Skutshwana bridge
3	Community Amenities	<ul style="list-style-type: none"> • Construction of recreational facility • Construction of soccer field • Construction of sports field in lower Gqumashe
4	SMME	<ul style="list-style-type: none"> • Poverty alleviation in Maplangeni location
5	Agriculture	<ul style="list-style-type: none"> • Construction of dipping tank in Niselamanzi • Employment of rangers
6	Water and Sanitation	<ul style="list-style-type: none"> • Water outages in Niselamanzi
7	Telecommunications	<ul style="list-style-type: none"> • Access to wi-fi internet
8	Land and human Settlements	<ul style="list-style-type: none"> • Construction of RDP houses in Maplangeni
Ward 3: Councillor Nomhle Beauty Sango –Blackie		
No	Community Issue	Description
1	Electricity	<ul style="list-style-type: none"> • Rehabilitation of Mqhayi and Mankayi streets • Installation of high masts lights in Chris Hani
2	Roads	<ul style="list-style-type: none"> • Repair of bridge in Mxhelo • Re-gravel and re-surface roads leading to cemeteries
3	Community Amenities	<ul style="list-style-type: none"> • Renovation and rehabilitation of Fort Beaufort (Zwellitsha) Stadium • Construction of Community Hall in Mamela • Construction of community hall in Esigingqini • Establishment of Old Age centre
4	Tourism	<ul style="list-style-type: none"> • Revive Mxhelo Caves
5	SMME	<ul style="list-style-type: none"> • Job creation through LED initiative and Capital Projects • Provide assistance to the Mxhelo bakery
6	Agriculture	<ul style="list-style-type: none"> • Implementation of Draught relief programmes • Construction/ scoop new dam in Mxhelo village • Dam scooping in Mxhelo
7	Land and Human Settlements	<ul style="list-style-type: none"> • Rectification of Mxhelo demarcation i.e Mxhelo is geographically a village under Fort Beaufort cluster, wherein in the SAPS system, it is clustered under Alice
Ward 4: Councillor Xolani Dyantyi		
No	Community Issue	Description
1	Electricity	<ul style="list-style-type: none"> • Upgrade electrical reticulation and supply in Hosback • Electrification of Cartcath Valley
2	Roads	<ul style="list-style-type: none"> • Regravelling and upgrading of roads – All villages
3	Community Facilities	<ul style="list-style-type: none"> • Construction of sport facilities in Hogsback • Renovation of unused building for multi-purpose centre and VIC-Seymour • Construction of Sport field in Seymour

4	Tourism	<ul style="list-style-type: none"> Establishment of new tourist sites in Hogsback Revival of Tourist sites in Hogsback Request for settlement project
5	Agriculture	<ul style="list-style-type: none"> Processing of African potatoes, Pelargonium (Mwendle), Aloe, Ashore Funding for Ikhala Co-operatives Projects-Seymour
6	Land and Human Settlements	<ul style="list-style-type: none"> Land for grazing and for cemeteries Platform
7	SMME	<ul style="list-style-type: none"> Processing of spring water in Hogsback (Ward 10) Skills development (Cotton, candle making, juice making, soap production, financial & project management Piggyery, poultry, bakery, beadwork, etc.)
8	Safety and Security	<ul style="list-style-type: none"> Establishment of fire station in Hogsback
Ward 5: Councillor Nandipha Colleen Guzi		
No	Community Issue	Description
1	Electricity	<ul style="list-style-type: none"> Electrification of Gaga Community Hall
2	Waste and Environment	<ul style="list-style-type: none"> Refuse collection in Gaga location
3	Roads	<ul style="list-style-type: none"> Mavuso bridge maintenance
4	Community Amenities	<ul style="list-style-type: none"> Completion of day care centres
5	Water and Sanitation	<ul style="list-style-type: none"> Water leakage
6	Safety & Security	<ul style="list-style-type: none"> Illegal water and electricity connections
Ward 6: Councillor 6 Singilizwe Alfred Nivi		
No	Community Issue	Description
1	Electricity	<ul style="list-style-type: none"> Repair High mast lights in Golf Course
2	Roads	<ul style="list-style-type: none"> Rehabilitation of storm water infrastructure Maintenance of pavements and internal streets in Alice town Re-gravelling of internal streets between Davidson School and main road to Golf Course Paving of Hillcrest road Rehabilitation of Happy Rest to Sheshegu Road Rehabilitation of Golf Course roads
3	Community Amenities	<ul style="list-style-type: none"> Renovation of Hillcrest Community Hall Fencing of Happy Rest Community Hall
4	Waste and Environment	<ul style="list-style-type: none"> Refuse collection in Happy Rest
5	Water and Sanitation	<ul style="list-style-type: none"> Water leakage and wastage in town
6	SMME	<ul style="list-style-type: none"> Access to small business centre
7	Land and Human Settlements	<ul style="list-style-type: none"> Completion of RDP houses in Golf Course Transfer of Public Works properties to the Municipality
Ward 7: Councillor Luyolo Lennox Kiswa		
No	Community Issue	Description
1	Roads	<ul style="list-style-type: none"> Re-gravelling and re-surfacing of Mdeni roads

		<ul style="list-style-type: none"> • Repair and rehabilitate Ngquthu bridge • Construction of Ngquth roads • Construction of Healdtown road • Re-gravelling and re-surfacing of Rhwantsana and Gonstana Roads • Construction of Manzazana road
2	Community Amenities	<ul style="list-style-type: none"> • Construction Ntulini Community Hall • Construction of day care centre in Lamyeni Location • Renovation of day care centre in Mabheleni location
3	Free basic Services	<ul style="list-style-type: none"> • Free basic electricity
4	Agriculture	<ul style="list-style-type: none"> • Removal of alien vegetation • Construction of dipping tanks in Mdeni Location
Ward 8: Councillor : Eiten Bantam		
No	Community Issue	Description
1	Electricity	<ul style="list-style-type: none"> • Installation of high mast lights in Newtown
2	Roads	<ul style="list-style-type: none"> • Construction of speed humps in Newtown • Paving of Newtown streets
3	Community Amenities	<ul style="list-style-type: none"> • Construction of rugby sports field in Newtown • Construction of pound in Krummie • Construction of community hall in Mt Pleasant • Construction of sports field
4	Agriculture	<ul style="list-style-type: none"> • Grazing land for livestock
5	Waste and Environment	<ul style="list-style-type: none"> • Establishment of dumping site in Newtown
6	Water & Sanitation	<ul style="list-style-type: none"> • Water outages in Newtown • Damaged water metre
Ward 9: Councillor Xola Bethwell Jezile		
No	Community Issue	Description
1	Electricity	
2	Roads	<ul style="list-style-type: none"> • Re-gravelling and re-surfacing of Nggekana, Mthocwa and Buxton
3	Community Amenities	<ul style="list-style-type: none"> • Renovations of Maarsdorp and Mhlangeni community halls • Renovation and fencing of Balfour Sports field • Renovations of Ekuphumleni Community hall • Construction of a Sports field in Tshokotshela
4	SMME	<ul style="list-style-type: none"> • Municipality to provide details on supporting SMME's
5	Tourism	<ul style="list-style-type: none"> • Establishment of game reserve in Reedsdale
6	Youth	<ul style="list-style-type: none"> • Skills development through community colleges
7	Waste and Environment	<ul style="list-style-type: none"> • Removal of wattle project
8	Water and Sanitation	<ul style="list-style-type: none"> • Completion of toilet facilities

Ward 10: Councillor Mlungiseleli Lookington Ndongeni	
No	Description
1	<ul style="list-style-type: none"> • Construction of bridge in Guquka • Re-gravelling and re-surfacing of Mathole Basin roads • Re-gravelling and re-re-surfacing of Zixhenene roads • Road signage for Makhuzeni
2	<ul style="list-style-type: none"> • Construction of community hall in Gomoro • Construction and fencing sports field in Gomoro • Completion of Hala Community Hall • Fencing of Makhuzeni sports field
3	<ul style="list-style-type: none"> • Provide assistant to SMME's in Makhuzeni
4	<ul style="list-style-type: none"> • Dams scooping in Nothenga
5	<ul style="list-style-type: none"> • Construction of Nothenga Clinic
6	<ul style="list-style-type: none"> • Fencing of Cemeteries
7	<ul style="list-style-type: none"> • Construction of RDP houses in Gomoro • Construction of RDP houses in Mathole
8	<ul style="list-style-type: none"> • Construction of abolish facilities in Mathole Basin • Shortage of taps within the ward
Ward 11: Councillor Luyanda Tyobeka	
No	Description
1	<ul style="list-style-type: none"> • Rehabilitation of main road from Upper Gqumashe to the tar (Hogsback Road)
2	<ul style="list-style-type: none"> • Telecommunication
3	<ul style="list-style-type: none"> • Re-gravelling and re-surfacing of internal streets in Dyamala, Guburu, Tukulu and insertion of culverts
4	<ul style="list-style-type: none"> • Construction of community hall in upper Gqumashe • Construction of community hall in Gubura • Rehabilitation of Sports field in Dyamala
5	<ul style="list-style-type: none"> • Poverty elevation through job – creation and utilisation of local suppliers
6	<ul style="list-style-type: none"> • Dam scooping in Dyamala • Livestock water basins in Dyamala • Fencing of grazing land in Dyamala • Construction of Dipping tank in Upper Gqumashe
7	<ul style="list-style-type: none"> • Establishment of clinic in Dyamala
8	<ul style="list-style-type: none"> • Regular visits by Department of health mobile clinic
9	<ul style="list-style-type: none"> • Regular conservancy cleaning (septic tank cleaning) • Unavailability of water in Dyamala, Gubura, Tukulu
10	<ul style="list-style-type: none"> • Construction of RDP houses in Dyamala • Land remuneration for Dyamala residents formerly from Bukazana

Ward 12: Councillor Selinah Mkwayimba	
No	Description
1	<ul style="list-style-type: none"> • Installation of electricity for new sites
2	<ul style="list-style-type: none"> • Re-gravelling of roads in all villages
3	<ul style="list-style-type: none"> • Renovation of Msobomvu • Construction of soccer stadium
4	<ul style="list-style-type: none"> • Facilitate funding for cooperatives
5	<ul style="list-style-type: none"> • Dam scooping • Irrigation system at Msobomvu • Fencing of grazing land and irrigation land • Provide support to Poultry projects and re-build damage structures • Implementation of youth programmes
6	Youth
7	Health
8	<ul style="list-style-type: none"> • Constructions of abolition facilities • Installation of water pipes/ facilities per household
Ward 13 Councillor Zukiswa Mpendu	
No	Description
1	<ul style="list-style-type: none"> • Electrification of extensions in Ndulini • Construction of High Masts lights throughout the ward
2	<ul style="list-style-type: none"> • Re-gravelling of all access roads within the ward
3	<ul style="list-style-type: none"> • Construction of community hall in Qibirha
4	<ul style="list-style-type: none"> • Complete construction of Middledrift abattoir • Municipality to support Citrus Production in Zalaza • Removal of alien vegetation • Construction of dipping tanks • Dam scooping in ward dams
5	<ul style="list-style-type: none"> • Establishment of clinic in Dikidikana • Engage the Department of Health on the response time of ambulance service
6	<ul style="list-style-type: none"> • Establishment of police station
7	<ul style="list-style-type: none"> • Water leakage through the ward
8	<ul style="list-style-type: none"> • Implementation of youth programmes via NYDA and the Municipality
9	<ul style="list-style-type: none"> • Double Drift Game Reserve Beneficiaries
Ward 14: Councillor Songezo Mashengqana	
No	Description
1	<ul style="list-style-type: none"> • Electrification of areas within the ward
2	<ul style="list-style-type: none"> • Re-gravelling of Saki Road • Re-gravelling of road between Mxumbu and Phewuleni

3	Community Amenities	<ul style="list-style-type: none"> • Completion of Saki Community Hall • Construct/ scoop new dam in Ngwenya Location • Reconstruction of Saki Sports field • Construction of Day care centre in Gqadushe location • Construction of Mxumbu sports field
4	SMME	<ul style="list-style-type: none"> • Provide assistance to the Saki and Njwaxa Poultry project
5	Agriculture	<ul style="list-style-type: none"> • Repair and renovate dipping tank in Njwaxa • Removal of alien vegetation
6	Water and Sanitation	<ul style="list-style-type: none"> • Completion of toilets projects • Connection of water taps
Ward 15: Councillor Thozama Ngaye		
No	Community Issue	Description
1	Roads	<ul style="list-style-type: none"> • Rehabilitation of access roads and internal streets in tyutyuza • Complete construction of Ncerha Road • Complete construction of Emabheleni main road
2	Community Amenities	<ul style="list-style-type: none"> • Complete construction of Ngcwazi Community hall • Chairs for Tyutyuza Community Hall • Construction of community hall in Jonini • Construction of public toilets in Alice Taxi Rank • Construction of hall in Ncerha Skweyiya
3	SMME	<ul style="list-style-type: none"> • Local suppliers not utilised for local service rendering
4	Agriculture	<ul style="list-style-type: none"> • Construction of dipping tank in Tyutyuza • Fencing of grazing land in Tyutyuza
5	Health	<ul style="list-style-type: none"> • Establishment of clinic in Jonini
6	Water and Sanitation	<ul style="list-style-type: none"> • Installation of additions public water taps in Tyutyuza • Completion of abolition facilities in Tyutyuza and Zibi
7	Free Basic Services	<ul style="list-style-type: none"> • Free basic electricity for eJonini and Tyutyuza residence
8	Youth	<ul style="list-style-type: none"> • Implementation of youth programmes within the ward
Ward 16: Councillor Xolile Caswell Badi		
No	Community Issue	Description
1	Electricity	<ul style="list-style-type: none"> • Electrification of Ngele community hall
2	Roads	<ul style="list-style-type: none"> • Re-gravel and re-surface Ngele roads
3	Community Amenities	<ul style="list-style-type: none"> • Construction of community hall in Zibi • Construction of municipal pound
4	SMME	<ul style="list-style-type: none"> • Skill developments for Cooperative Members • Provide assistance to the Lower Regu cooperative
5	Education	<ul style="list-style-type: none"> • Municipality must engage with the University of Fort Hare to improve/ increase local enrolment

6	Water & Sanitation	<ul style="list-style-type: none"> Water outages in Gugulethu
7	Human Settlements	
Ward 17: Councillor Millicent Nonkoliseko Qawu		
No	Community Issue	Description
1	Small Town Revitalisation	<ul style="list-style-type: none"> Urbanisation of Debe
2	Roads	<ul style="list-style-type: none"> Re-gravelling and re-surfacing of Trust 2 roads Re-gravelling and re-surfacing of Nonaliti roads Re-gravelling and re-surfacing of Thafeni Roads Construction of tar road from Debe to Doubledrift
3	Community Amenities	<ul style="list-style-type: none"> Construction of day care centre in Trust 2 Renovation of Trust 2 stadium Construction of community hall in Trust 1 Renovations of Nonaliti shed Completion of Thafeni community hall
5	Free basic Electricity	<ul style="list-style-type: none"> Availability of free basic electricity
6	Agriculture	<ul style="list-style-type: none"> Fencing of animal grazing land
7	Water and sanitation	<ul style="list-style-type: none"> Eliminate water outages in trust 2 Construction of public toilets in Debenek town
Ward 18: Councillor Thobeka Priscilla Mjo		
No	Community Issue	Description
1	Roads	<ul style="list-style-type: none"> Repair and upgrade Sheshegu bridge Construction of Gxwederha bridge
2	Community Amenities	<ul style="list-style-type: none"> Renovation of Khayamnandi, Joji, and Llyod community halls Maintenance of ward 18 sport fields
3	Water & Sanitation	<ul style="list-style-type: none"> Installations of public water structures (taps) Unavailability of water in Njami location and Sheshegu Completion of abolitions facilities
4	Agriculture	<ul style="list-style-type: none"> Removal of alien vegetation Implementation of draught relief programmes Construct/ scoop new dams Repairs of dipping tanks Fencing of grazing land
5	Telecommunications	<ul style="list-style-type: none"> Liaise with network service providers to improve connection and frequency within the Gxwederha area
6	Land and Human Settlements	<ul style="list-style-type: none"> Construction of RDP houses
Ward 19: Councillor Zamikhaya Lunga Papu		
No	Community Issue	Description
1	Electricity	<ul style="list-style-type: none"> Installation of high mast lights

		<ul style="list-style-type: none"> • Replace/ repair electricity transformers • Issue notice for electricity outages
3	Roads	<ul style="list-style-type: none"> • Re-gravelling and re-surfacing of all roads • Maintenance of tarred roads; effective patching of potholes • Paving in Dubu, Zwellitsha, Gomma-Gomma, Enkukwini and Lange, Daweti • Paving at the cemetery street • Construction of stormwater drainage infrastructure
4	Community Amenities	<ul style="list-style-type: none"> • Renovation of Mpolweni community hall • Construction of sports field • Recreation facilities • Construction of sports field in Mcathu
5	SMME	<ul style="list-style-type: none"> • Processing of African potatoes, Aloe and Ashore • Shelters for informal traders
6	Education	<ul style="list-style-type: none"> • Renovations of Eyabantu and inyibiba Schools
7	Free basic Services	<ul style="list-style-type: none"> • Provision for free basic services
8	Water & Sanitation	<ul style="list-style-type: none"> • Timeous repairs of water leakages • Install water infrastructure at the Zwellitsha sports field • Issue notice for water outages
9	Health	<ul style="list-style-type: none"> • HIV/ AIDS awareness campaigns • Circumcision patrols • Employment of additional staff at the Dubu Clinic
10	Waste & Environment	<ul style="list-style-type: none"> • Improve refuse collection • Provide refuse black plastic bags • Dumping sites need bigger refuse bins
11	Safety and Security	<ul style="list-style-type: none"> • Increase security at the Gontsi Hall
12	Cemeteries	<ul style="list-style-type: none"> • Fencing of cemeteries
13	Agriculture	<ul style="list-style-type: none"> • Provision of animal feed • Grazing land
Ward 20: Councillor Lindilwa Doris Penisi		
No	Community Issue	Description
1	Electricity	<ul style="list-style-type: none"> • Repair high mast light in Hillside • Installation of high mast lights for Nloleni, Ndaba and Mlamandle
2	Roads	<ul style="list-style-type: none"> • Re-gravelling and re-surfacing of Vizi to Wezo road
3	SMME	
4	Agriculture	<ul style="list-style-type: none"> • Fencing of Hillside dam
5	Disaster Management	<ul style="list-style-type: none"> • Re-built damaged houses
6	Health	<ul style="list-style-type: none"> • Mobile clinic for Nloleni

7	Waste and Environment	<ul style="list-style-type: none"> • Refuse removal bins for Golf Course
8	Community amenities	<ul style="list-style-type: none"> • Renovation of Hillside community hall • Construction of sports field in Hillside • Construction of day care centre in Golf Course • Renovations for Ntoleni day care centre and community hall • Avail land for cemeteries
9	Cemeteries	<ul style="list-style-type: none"> • Water outages in Ntoleni, Mlalande and Golf Course
10	Water and Sanitation	
Ward 21 and Ward 22: Councillor Sinethemba Mjakuca and Councillor Frans Christian		
No	Community Issue	Description
1	Electricity	<ul style="list-style-type: none"> • Installation of Street lights in Adelaide town • Electricity outages • Installation of high mast lights in Katang location
2	Roads	<ul style="list-style-type: none"> • Paving of Red location • Paving of Lingelethu location • Construction of new tar from town to Katang • Contraction of new tar in town internal streets
3	Community Amenities	<ul style="list-style-type: none"> • Renovation of Adelaide Town hall • Renovation of Lingelethu Community hall • Construction of Netball and Tennis Courts • Upgrading of club house • Old library to be refurbished • Fencing of commonage • Regular maintenance of sports fields
4	Waste and environment	<ul style="list-style-type: none"> • Illegal dumping • Roll out Masticoe programme to Adelaide and bedford
5	Cemeteries	<ul style="list-style-type: none"> • Availability of land for cemeteries in Katang
6	Health	<ul style="list-style-type: none"> • Old clinic to be refurbished
7	Safety & Security	<ul style="list-style-type: none"> • Establish community policing forum to curb crime related activities
Ward 23: Councillor Mhlobo Douglas Dywill		
1	Electricity	<ul style="list-style-type: none"> • Curb unplanned electricity outages • Installation of high mast lights in Bedford
2	Community Amenities	<ul style="list-style-type: none"> • Renovations of Msobomvu community hall
3	Land and Human Settlements	<ul style="list-style-type: none"> • Rectification of Goodwin park houses
4	Youth	<ul style="list-style-type: none"> • World Vision to roll out programmes to Bedford
5	Safety & Security	<ul style="list-style-type: none"> • Establish community policing forum to curb crime related activities

The municipality is mandated to perform the following powers and functions as stipulated in the Constitution of the Republic of South Africa 1996:

SCHEDULE 4 B	SCHEDULE 5 B
Air Pollution	Billboards and display of advertisement in public places
Building Regulations	Cemeteries
Child Care Facility	Cleansing
Electricity	Control of Public nuisance
Fire Fighting Services	Control of undertaking that sells liquor to the public
Local Tourism	Fencing and Fences
Municipal Planning	Local Amenities
Stormwater management system	Local Sport Facilities
Trading Regulations	Markets
	Municipal Abattoirs
	Municipal Parks and Recreation
	Municipal Roads
	Noise Pollution
	Pounds
	Public Places
	Refuse Removal, Refuse Dumps, Solid waste disposal
	Street Trading
	Street lighting
	Traffic and Parking

CHAPTER 2

DEMOGRAPHIC PROFILE OF RAYMOND MHLABA LOCAL MUNICIPALITY AND ENVIRONMENTAL CHARACTERISTICS

2.1 INTRODUCTION

This section deals with the existing situational analysis of Raymond Mhlaba Local Municipality. It considers the brief description of the municipal area, demographic indicators, socio-economic indicators, infrastructure, land use and related issues, institutional and the physical environment.

2.2 Raymond Mhlaba LOCAL MUNICIPALITY PROFILE

2.2.1 Raymond Mhlaba Local Municipality in Context

Raymond Mhlaba local Municipality was established in 2016 and is made of now disestablished Local Councils of Nkonkobe and Nxuba. Alice remains is a legislative seat and Fort Beaufort is the administrative seat, the latter is situated about 140km North West of East London on the R63 and is approximately 200km North East of Port Elizabeth. The municipality is the second largest local municipality covering 6 474 km², of the surface area of the Amatole District Municipality. Raymond Mhlaba Local municipality is a countryside municipality that sits on the foot of the ever imposing and majestic mountain range of the Winterberg (Intaba ze Nkonkobe). The municipal head-offices are located in Fort Beaufort (as already indicated above) and the council meetings and other standing committee meetings are convened at Alice. The municipality has the following satellite offices – Middledrift, Hogsback, Alice, Seymour, Adelaide and Bedford. The Raymond Mhlaba area is neighbored by the boundaries of Makana Local Municipality, Blue Crane Local Municipality, Amahlathi Local Municipality, Ngqushwa Local Municipality, Enoch Mgijima Local Municipality and the Buffalo City Metropolitan Municipality.

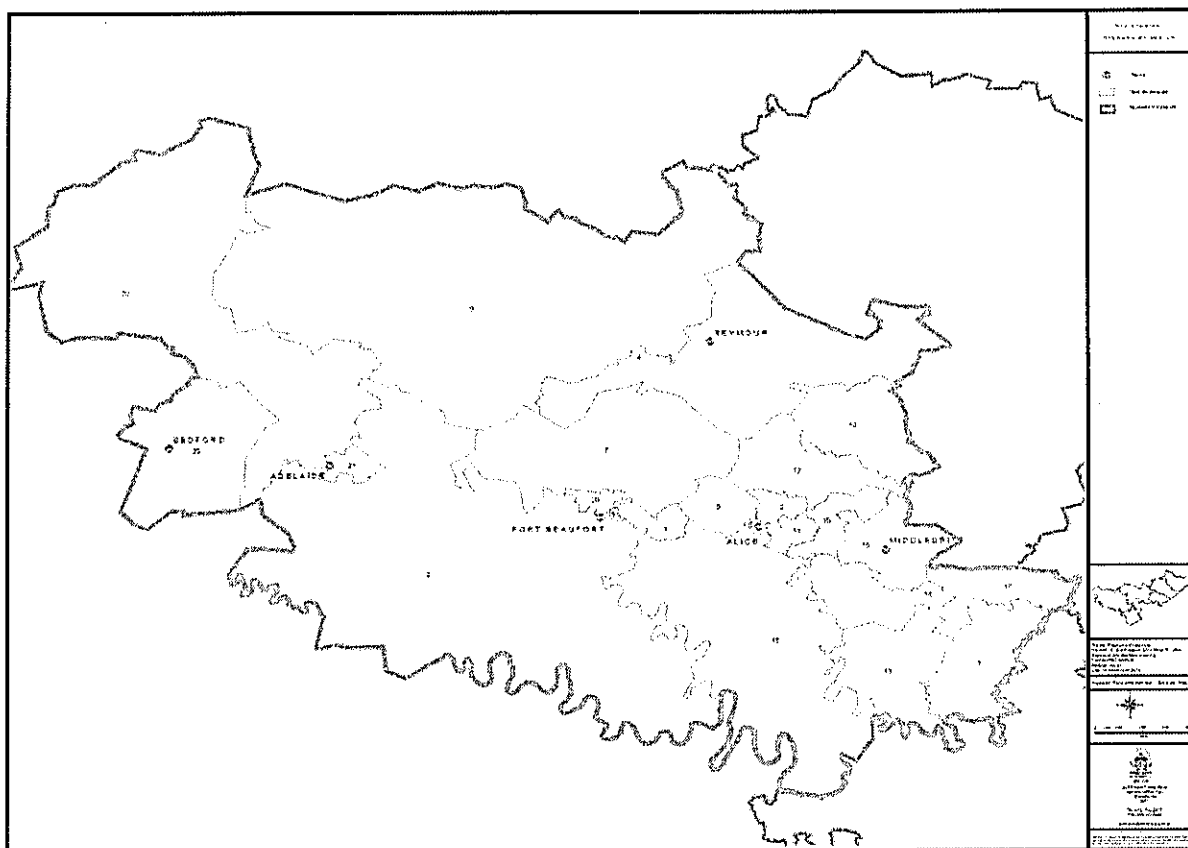


Figure 1: Map of Raymond Mhlaba Local Municipality

WARD BASED INFORMATION

Ward	Councillor	Villages
1	Zukisa Kenneth Qaqawe	Qamdobowa; Zigodlo; Ndindwa; Mgxotyeni; Khulle; Nqaba; Xhukwane
2	Wasizwi Justice Nika	Township; Ntsela; Gqumashe; Skhutshwane
3	Nomhle Beauty Sango	Takalani; Kanana; Mpolo 1-2-3; Nkukwini; Chrishani; Tyoks Valley; Ntlekisa; Sgingqini; Lalini; Skolweni; Memela
4	Xolani Dyantyi	Seymour; Katkat Valley; Lushington; Lundini/Elukhanysweni; Hogsbag; Hertzog/Tambuksvlei; Platform
5	Nandipha Colleen Guzi	Ngobe; Ngwabeni; Gaga Sikolweni; Kwameva; Mgquba; Lenge; Nkobonkobo; Mavuso; Roxeni; Nomaqamba
6	Singilizwe Alfred Nivi	Golf Course; Happy Rest; Alice central town; Hillcrest;
7	Luyolo Lennox Kisswa	Rwantsane; Nobhanda; Mabheleni; Lamyeni; Ngwevu; Tyatyora; Luzini; Sikolweni; Mdeni; Cimezile; Tebha; Gontsana; Oakdene; Mancazana; Pikat
8	Elten Bantam	Town; Newtown; Mount Pleasant; Rietsfontein; Sparkington; Hellowoods; Molweni; Wagondrift

9	Xola Bethwell Jezile	Balfour; Buxton; Upper Blinkwater; Glenthon; Winterberg country club; Post Retief; Ekuphumleni; Massdorp; Jurieshoek; Katberg; Readsdale; Blackwood; Philipton; Fairbairn; Kolomani (Marais; Grafton; Ngikane; Votywe; Phathikala; Edika; Dunedin; Cains; Diphala)
10	Mlungiseleli Lookington Ndongeni	Gomoro; Machibi; Mpundu; Gilton; Guquka; Sompondo; Khayaletu; Hala; Nothemba; Hopefield; Benfield; Gato; Mathole; Komkhulu; Ngwangwane; Mkhuthuleni; Mdeni; Esphingweni; Machibini; Mqayise; Ndlovurha; Zixinene; Chamama; Mdlankomo
11	Luyanda Tyobeka	Dyamala, Tukulu, Upper Gqumashe, Fort Hare, Gubura
12	Selinah Mkwayimba	Msobbomvu; Magala; Ngothoyi; Bergplaas; Melani; Kwakwa; Upper Ncera; Majwareni; Khwezana; Mazotweni; Macfalani; Wordon; Dis; Mkhobeni; Taylor
13	Zukiswa Mpendu	Zalaze; Qutheni; Fama; Ngcabasa; Ngqolowa; Qhomro; Didikana; Phewuleni; Qhibira; Ndulwini
14	Songezo Mashengqana	Mfiki; Ngwenya; Njwaxa; Mbizana; Gxadushe; Debe Marele; Faki; Mxumbu
15	Thozama Ngaye	Lower Ncera; Tyhali; Zibi; Mbheleni; Tyutyuza; Ngqele 1; Ngqele Lalini; Ncera Skweyiya
16	Xolile Caswell Badi	Anshaw; Town/Gugulethu; Lower Regu; Mfiki; Cwaru; Qawukeni; Cilidara; Ngele; Nothenga; Gudwini
17	Millicent Nonkoliseko Qawu	Qanda; Trust 1&2; Koloni; Farm Bill; Thafeni; Nonaliti; Debenek; Zihlaheni; Mayiphase; Ntonga
18	Thobeka Priscilla Mjo	Joji; Loyd; Phumlani; Khayamnandi; Thembisa; Xolani; Gwederu; Bhelura; Lalini; Eskolweni; Kwali; Mpozisa; Lower Sheshegu; Nofingxana; Nomtayi; Lokhwe; Jowu; Jimi; Korks Farm; Krwanyini
19	Zamikhaya Lunga Papu	Gontsi; Dudu; Gommagomma; Zwelitsha; Nkukwini; Mike Valley; Kuwait; Group 5; Zwide; Daweti 1&2
20	Lindelwa Doris Penisi	Hillside; Golf Course; Ndaba; Kwepile; Ntola; Mlalandle
21	Sinethemba Mjakuca	Red Location; Lingeletu; Town
22	Frans Christian	Beizedenoutville; New Area; 7de Laan; Alldin; Fair Hotel; Walkerville
23	Mhlobo Douglas Dywili	Goodwin Park; KwaNonzwakazi; Bhongweni; New Brighton, Ndlovini, Polar Park, Tyoksville, Colouredville, Sizakele; Town

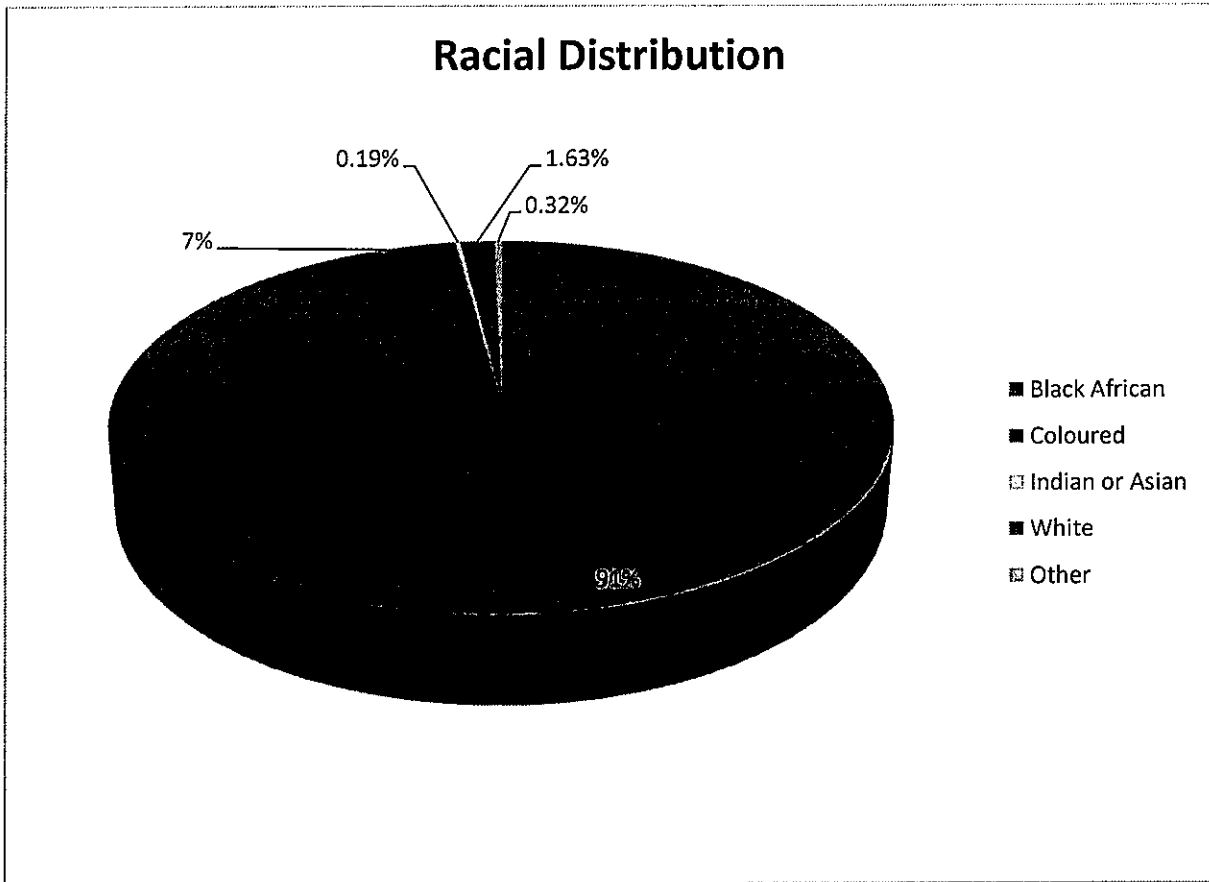
2.3 Demographic Indicators

2.3.1 Total Population

The Census 2011 results from Statistics South Africa indicates that the total population in Raymond Mhlaba Municipality is 151 379. The municipality has 23 wards; and it is dominated by large populace which is indigent. The majority of the population of Raymond Mhlaba of just over 70% resides in both villages and farms, and minorities are located in urban dwellings. Urbanisation is mainly concentrated in Alice, Fort Beaufort, Adelaide and Bedford.

2.3.2 Racial Distribution

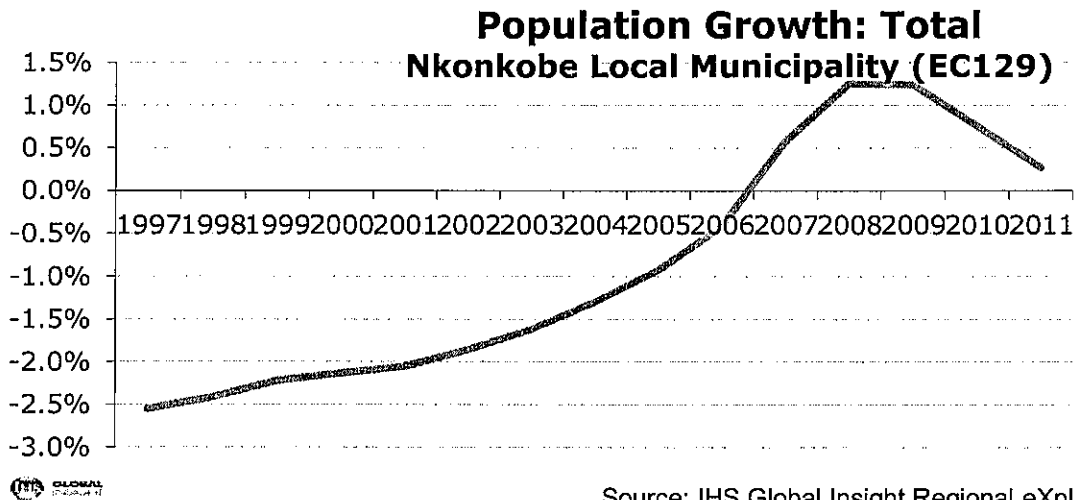
The results from the pie chart foreshadowed (below) indicate that Black Africans form majority of the total population in Raymond Mhlaba Local Municipality, whereas there is small Coloured population sporadically populated around the municipal area and Indians/ Asians being the least represented population group.



Source: Census, 2011

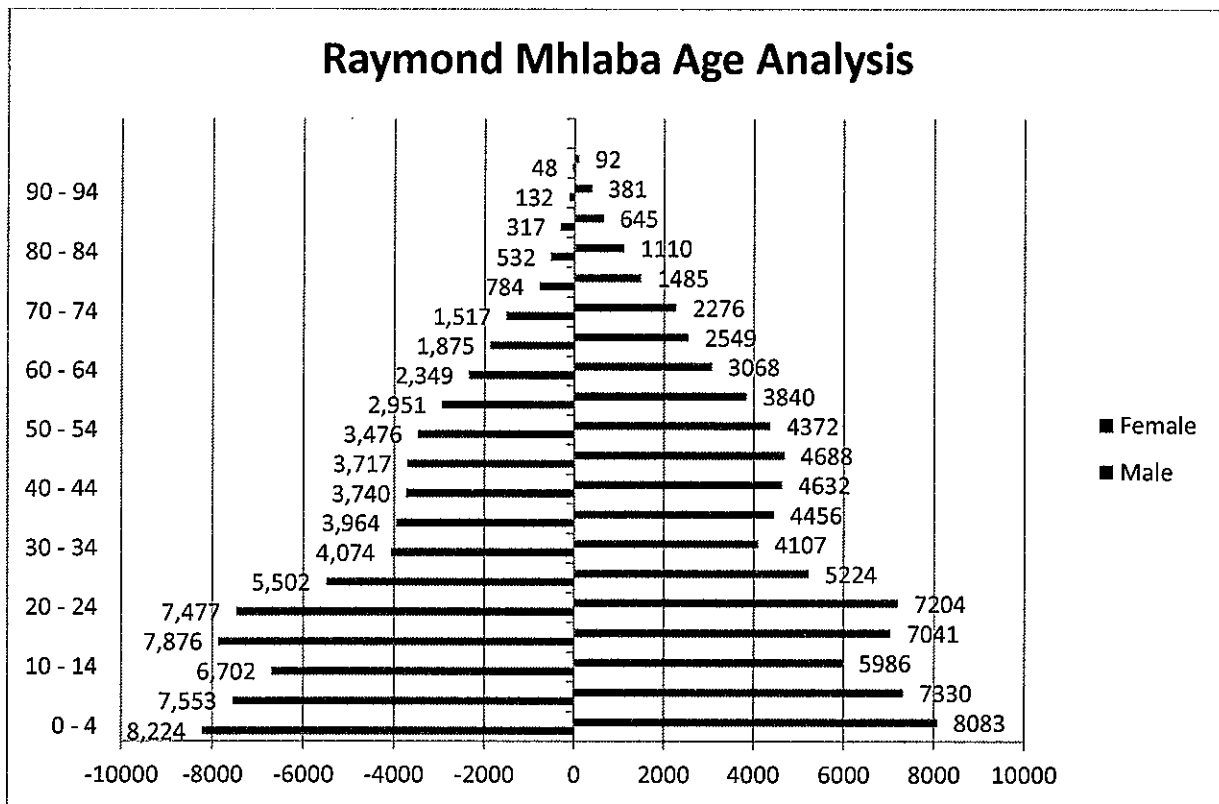
2.3.3 Population Growth Rate

The population of Raymond Mhlaba has moved from -2.5% in 1997 to 0.5% in 2011. This is according to Global Insight estimates for 2011 and is reflected in the graph below. However, in view of the above, population growth slowed in 2001, 2002, in view of the above, though, the growth rate shows signs of population growth this occurs at a decreasing rate.



2.3.4 Population Distribution by age and gender

2.3.4.1 Population Distribution by age and gender



Source: Census Data 2011

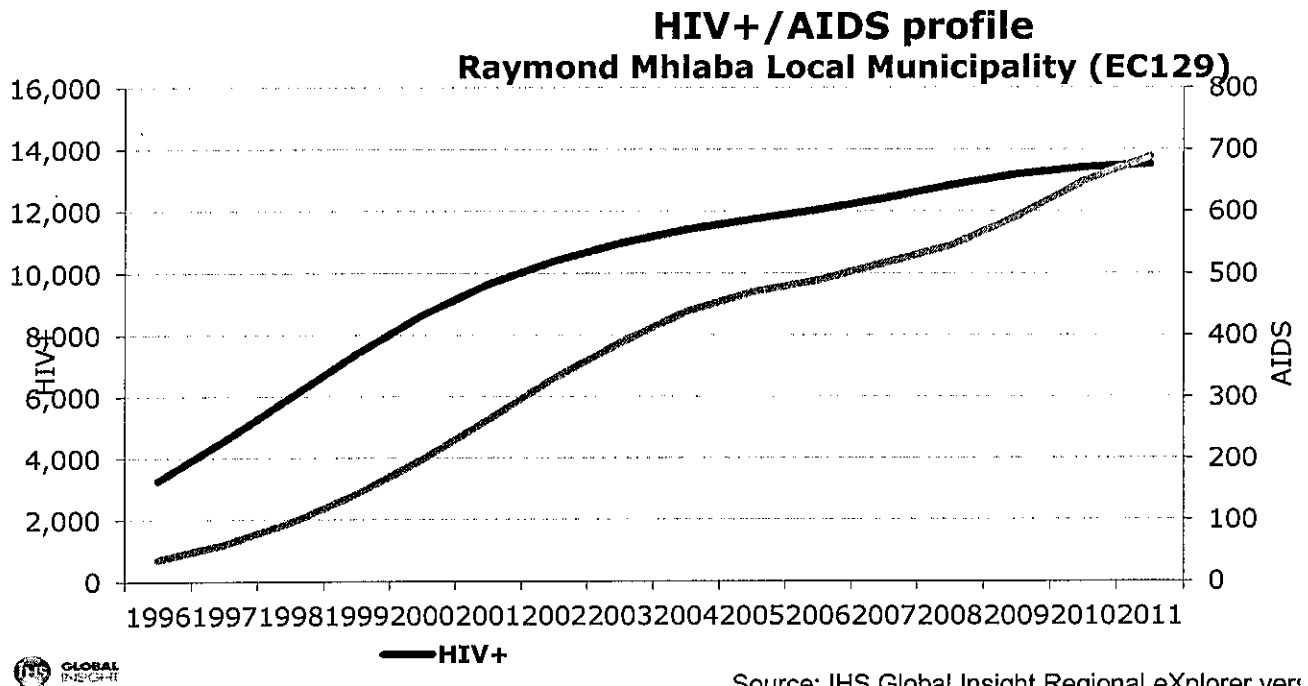
The population pyramid above, indicates that the population of Raymond Mhlaba Local Municipality is dominated by youth and women, ages from 10-34 are in the majority. Moreover, it reveals that the women live longer than men, as there are more females at age 92+ in contrast to males.

Implication for Economic Growth

Population growth is stagnant, which is indicative of people leaving the area of Raymond Municipal Area. This could impact negatively on economic activity in the area as this could result in a reduction in labour supply. Currently the area has a high dependency ratio, as the working age population supports a large number of dependents.

2.3.6 HIV and AIDS

The population of Raymond Mhlaba is said to be declining and one of the contributors is suspected to be the HIV/AIDS pandemic but not conclusive. The Graph below shows that HIV infections are growing, however this growth is happening at a declining rate. Taking for instance the number of infected people from 1996 to 2010 it shows that the infection numbers are growing.



Statistics have shown that there will be increased deaths in the 0-4 year old category and the 25-34 year old category and the majority of people will be infected between the ages of 18 and 25. It is clear then that HIV/AIDS impacts most heavily on the youth and the young adult population, which can have negative social and economic repercussions. One key repercussion is the loss of skills and experienced labour. According to an International Labour Organisation (ILO) study, more than 60% of firms, in 2000, reported that they would experience problems replacing skilled and highly skilled labour. The point at which the economy runs out of skilled labour has serious implications for the macro-economy. Due to the low number of unemployed skilled workers and rampant demand for certain skills such as engineering, any deaths in these workers from HIV/AIDS will have a large effect. The economy will be constrained by skills shortages and upward skilled wage pressure.

Implications for Economic Growth

It is clear that HIV/AIDS have numerous effects and a massive social and economic impact. One of these is that it will push up the dependency ratio. There are also reductions in efficiency and productivity as people that are HIV positive tend to be less economically active than those who are not. A study (Booyesen and Molelekoa, 2001) in KZN found that on average 27 days production are lost in a 2 year cycle due to sick leave, and visits to clinic and hospitals. There are also increased costs as a study found that the average cost per AIDS death in 2001 was approximately R44, 319.00 for an unskilled labourer, R70, 437.00 for a skilled labourer and R190, 877.00 for a highly skilled employee. There is also the implication of a loss of skills and experienced labour. Due to the shortage of highly skilled individuals in the economy, as well as the rampant demand for certain skills any losses of these individuals including from HIV/AIDS will have a huge effect and will see the economy constrained by a skills shortage as well as creating upward pressure on skilled wages.

2.3.7 Development

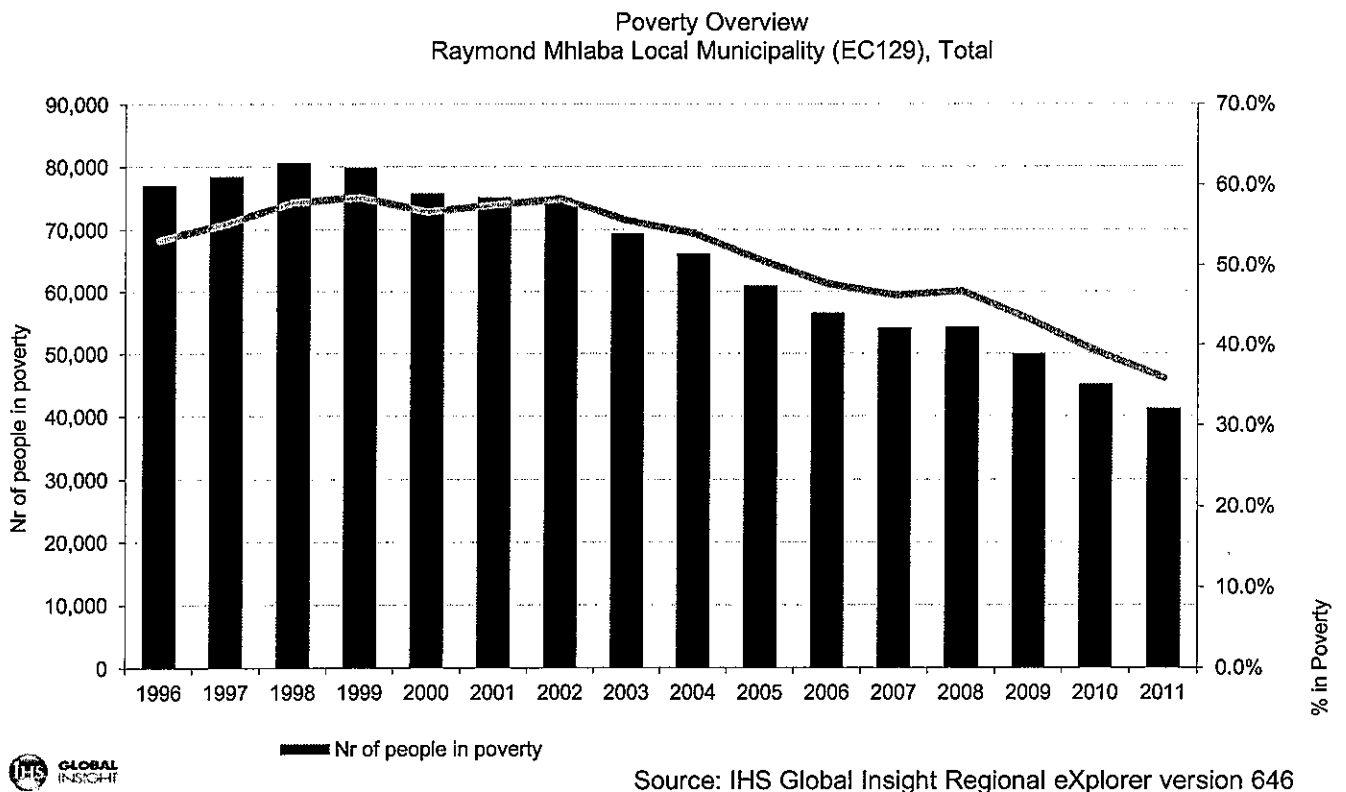
2.3.7.1 Human Development Index (HDI)

HDI is a summary of composite index that measures a country's average achievements, in the three basic aspects of the human development: longevity knowledge, and decent standard of living. Longevity is a measurement by a combination of adult literacy rate and the combined primary, secondary and tertiary

gross enrolment ratio and the standard of living is measured by Gross Domestic Product (GDP) per capital. The Human Development Index (HDI) reported in the HDI report of the United Nations is an indication of where a country is, in terms of development. The index can take value between 0 and 1, countries with an index over 0.800 are part of the high Human Development Group and countries between 0.500 and 0.800 are part of the medium and countries below 0.500 are part of the HDI group. The human development for Raymond Mhlaba Municipality is sitting at 0.60. This shows that the levels of human development are still very low.

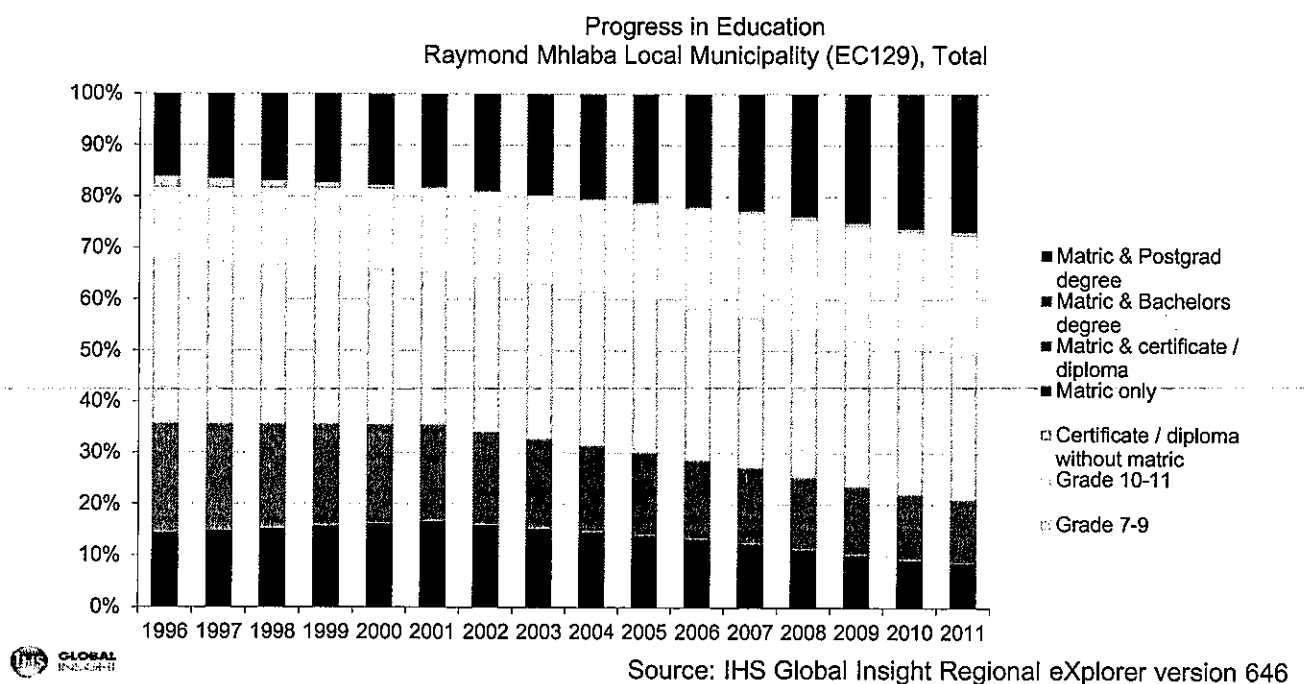
2.3.8 Poverty Indicators

The graph below shows that the level of poverty in Raymond Mhlaba is declining. The total number of people living in poverty is less than 40%. This may be attributed to many aspects. The social grants offered by national government, seasonal jobs offered in the citrus industry and even contributions done by the municipality in terms of infrastructure development



2.3.9 Education

A key dimension that directly influences the potential employability of community members is their education background and levels of skills that they possess. The level of education and skills within a region impacts on many factors, including: the productive efficiency of investments (e.g. health, capital), employment potential, the gender gap and productivity and income levels. In view of the foregoing, education is therefore, acknowledged as being inextricably linked to the economic development of Raymond Mhlaba Municipal area and to a growing society at large. The Raymond Mhlaba local Municipality is showing great improvement in terms of education. This is reflected by the bar chart below of highest levels of education of people at age 15+.



In addition to the above graph, the following table, is sourced from SA Stats 2011, indicates the low level of education amongst the population within Raymond Mhlaba Local Municipality.

Educational Levels			
Level of Education	Male	Female	Grand Total
Some Primary	27476	27226	54702
Some Secondary	20204	23222	43426
No schooling	2949	4043	6992

Grade 12	6976	8561	15537
Higher	2827	3845	6672
Other	80	81	161
Not applicable	12297	11590	23887
Grand Total	72809	78568	151377

Implication for Economic Growth

There has been a gradual improvement in the level of education in Raymond Mhlaba and the population is relatively well educated compared with other municipal areas in the province, however overall education levels are still quite low. There is a large proportion of the population who are unable to be fully economically active members of the community due to the fact that they are unemployable. This impacts on income levels of the community and reduces the potential for economic growth. Another could be the lack of employment opportunities for more skilled workers, which reduces the incentives for further study. Skilled people are more likely to leave the area to look for work or higher paying work elsewhere, reducing the skills available in the area.

2.3.10 Household Infrastructure

Formal Housing

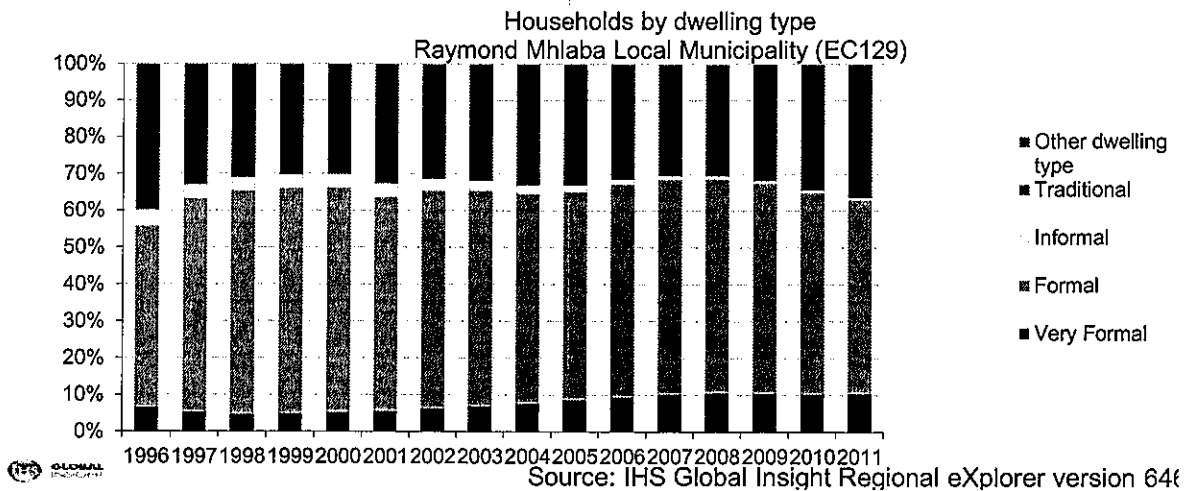
Out of 27 716 households, Raymond Mhlaba municipality has various types of houses ranging from very formal, formal, informal, traditional and other dwellings. The following table shows the number of households by type of dwelling

No of households by type of dwelling unit

No of households by type of dwelling unit										
Formal	Informal	Traditional residential	Farms	Parks and recreation	Collective living quarters	Industrial	Small holdings	Vacant	Commercial	Total
18869	514	20009	1917	70	483	8	-	92	104	42066

Source: Census 2011

This puts 45% of households occupying formal dwellings in Raymond Mhlaba Local Municipality. The backlog of formal housing is estimated at just over 15 000 within the municipal area.



2.3.11 Labour

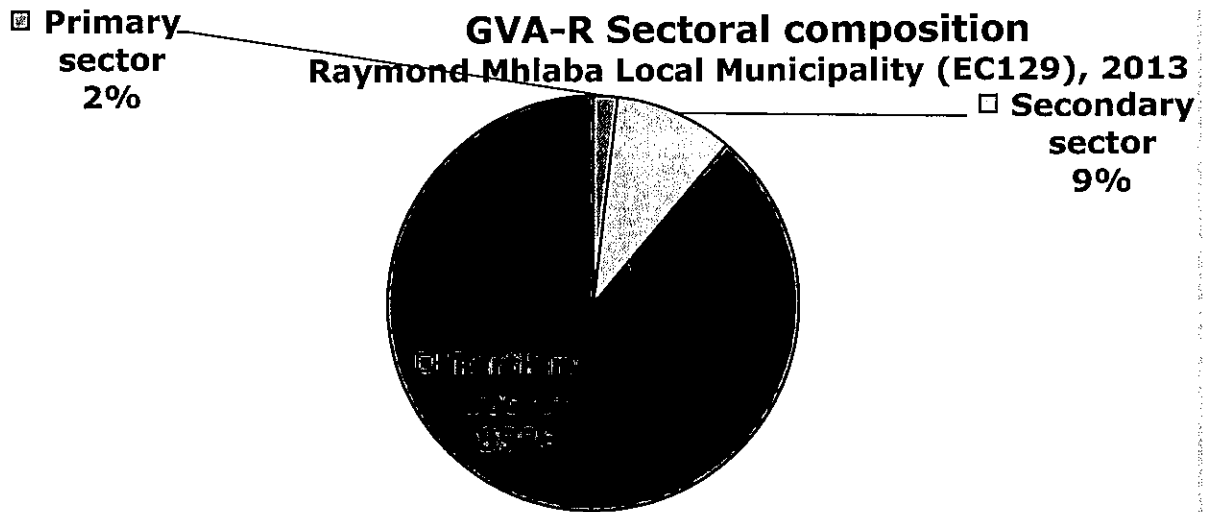
2.3.11.1 Unemployment

Raymond Mhlaba Local municipality experiences high levels of unemployment. According to the official definition of unemployment, there are 132 325 unemployed people in the municipality. Unemployment rate is 87%. The figures are broken on the table below.

Employed	Unemployed	Discouraged work-seeker	Other not economically active	Not applicable	Total
19054	16700	10996	47008	57620	151379

2.3.11.3 Employment

Employment refers to people who are actively engaged in the production of goods and services. The total number of people employed in Raymond Mhlaba Municipality is 19054 as per the official definition of employment (Formal Employment). The biggest employer is the community services, followed by Households and agriculture.

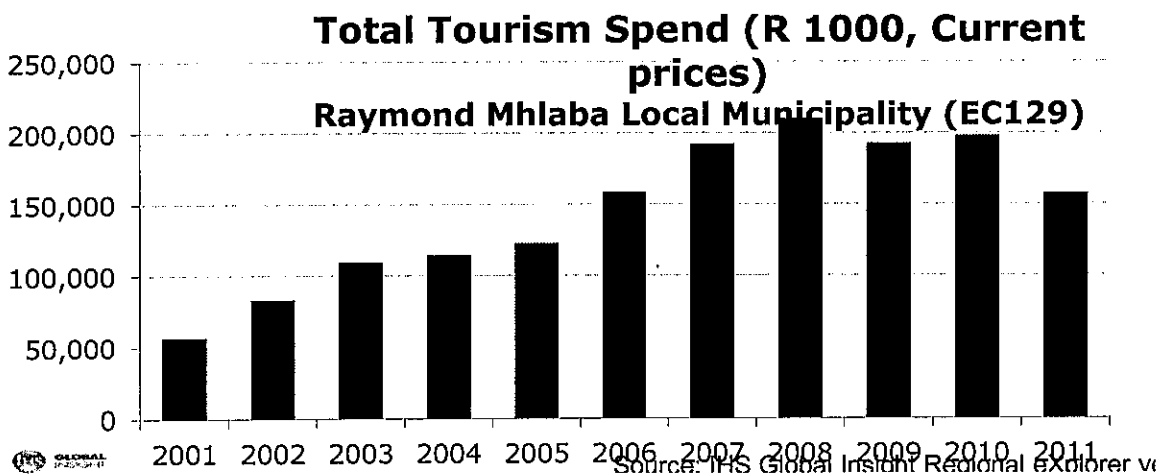


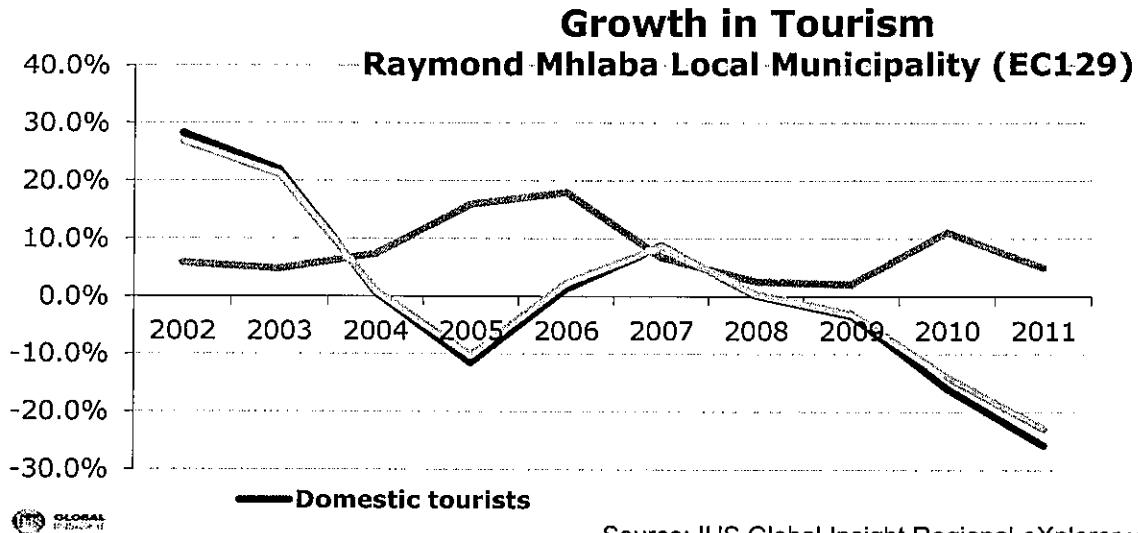
Source: IHS Global Insight Regional eXplorer v6

2.3.12 Economic Potential

2.3.12.1 Tourism

Tourism in Raymond Mhlaba is one of the key sectors of economic growth. Raymond Mhlaba is renowned of its rich heritage and history. It is the home to the University of Fort Hare, Lovedale College, the Historical Adelaide Gymnasium High School and Healdtown; moreover the municipal area boasts a number of tourism routes. This rich history and heritage however is not yet exploited. Events like Hogsback Christmas in July, Garden Festival in Bedford and the Raymond Mhlaba Heritage Rugby Tournament boosts Tourism.





2.3.13 Crime

Like all small towns, Raymond Mhlaba Local Municipality is affected by various forms of crime ranging from, rape, robbery, burglary and assault. For the purpose of this document, four types of crime are happening in the Raymond Mhlaba area have been selected ,namely sexual crimes, common robbery, burglary at residential premises and assault with the intent to inflict grievous bodily harm.

2.3.14 ENVIRONMENTAL CHARACTERISTICS

This section provides background on the current status of the Environmental conditions and characteristics within Raymond Mhlaba Local Municipality. Furthermore, this section also reflects the key issues facing the environment within the municipal area.

2.3.14.1 Physical Attributes

Vegetation Types

- **Amatole Montana Grassland:** Sweet grassland dominated by grasses such as Themeda tiandra, Pennisetum sphacelatum, and Earhart calycina. This vegetation is good for cattle and sheep grazing. It is suitable for winter grazing but is vulnerable to transformation to sourveld, Karoo and Grassy Fynbos due to overgrazing.

- **Bedford Dry Grassland:** This grassland is composed of a few Acacia Karoo trees along water courses. It is suitable for grazing, and erratic summer rainfall makes the area high risk for agronomy.
- **Eastern Cape Escarpment Thicket:** The enclosed canopy is up to 6m in height and woody evergreen species are dominant. There is also a great variety of species in this thicket type and it is suitable for grazing of angora and Boer goats.
- **Eastern Cape Thornveld:** Open savannas dominated by Acacia Karoo bush clumps or individuals. They have a strong grassy characteristic, except in areas where overgrazing is present. Fire and grazing are important processes in the extent of this vegetation type.
- **Great Fish Thicket:** This vegetation is characterized by shrubs of an adult height, and dense and tangled shrubs with spines and thorns. On steep valleys it is characterized by tall, succulent tree euphorbias.

2.3.15 Geology and Soils

The Geology of Raymond Mhlaba Local Municipality mainly consists of the Beaufort sediments that are intruded by the Karoo dolerite that have thus penetrated the formation in many areas in the form of sills and dykes. The Beaufort sediments therefore comprise of shale, mudstone and sandstone. The soils in the area are therefore derived from the Beaufort and Molteno series of the Karoo sequence, most of the soils are therefore shallow and poorly developed and rocky. Alluvium occurs in the river terraces and no mineral deposits are found in the area although there is building stones and gravel that can be obtained from the area.

2.3.16 Topography

Raymond Mhlaba Local Municipality has a landscape that has a character of a flat, regular topography; the Northern Part of the municipality is structured by high mountain ranges, having the second highest peak being the Winterberg, which has a height level of over 2000m above the sea. The Hogsback region has the second highest peak which is between 1700 – 2000m a. Towards the southern region, the topography starts to have a relatively flat surface and evens out, having some of the southern parts with the heights of less than 200m above sea level. The topography has influenced the distribution of human activities in the area, with most of the settlements occurring at heights of 200m-400m above sea level.

2.3.17 Biodiversity Conservation

Most of the Raymond Mhlaba jurisdiction is undisturbed and untouched environment, therefore the biodiversity in the area is very rich. There are areas that are categorized as those that are of primary environmental sensitivity, and these areas include those that are around the rivers and dams, those that are along wetlands and nature reserves. These areas are those that require environmental policies that are there to protect them and to ensure that they contribute towards the thriving economy of the municipality. In the Raymond Mhlaba Local Municipality the notable areas include:

- A natural corridor, which according to Terrestrial Critical Biodiversity Areas exists in the central portion of the Municipality.
- Water resources, which include Keiskamma River Basin, Koonap River, Baviaans River, Thyume River, Mxhelo River, Kat River Dam, and other rivers.
- Protected areas include the Doubledrift Nature Reserve, the Great Fish River Complex, Fort Fordyce and the Mpofu Game Reserve.
- Existing forests include the forestry products such as eucalyptus, pine, wattle and indigenous forests.

2.3.18 Climate Change Strategy

Climate change is a phenomenon that seems to have effect on everyone and therefore every area is affected by it, this phenomenon therefore has effects as to change climatic conditions, whether in a positive or negative way, this means that weather conditions are subjected to change because of a phenomenon known as global warming, which therefore lead to temperature increase and change in seasonal patterns within a region. The effects of such are associated with heavy rainfalls, unbearably hot conditions, mudslides due to heavy rainfalls therefore resulting in soil erosion. The result of such implications therefore result in depletion of food security, depletion of water sources therefore resulting in increased poverty to those that are dependent on subsistence farming, and increased prices to consumers that rely on commercial crop production, as it requires the farmers to increase technological efforts to sustain food production. Lastly, the municipality intends to develop a Climate Change Strategy in the next financial year.

2.3.19 Water Resources

- **Rivers:** Raymond Mhlaba Local Municipality is well drained by a number of rivers, the major ones thus being the Keiskamma River that is located easterly of the municipality, the Kat River which is located on runs north to south on the western side of the municipality, the Thyume river which runs from the mountainous Hogsback region and proceeds westerly towards Alice and then the southern- easterly to join the Keiskamma river. The Southern edge of the municipality is drained by the Koonap River and the Great Fish River. The municipality has been affected by drought leading to a number of rivers being adversely affected.
- **Dams:** Raymond Mhlaba Municipality is supported by two main dams, which are the Kat River Dam and the Benfield Park Dam. There are also other small dams that are found within the municipal area, and they are known as the pleasant view dam, Hogsback Dam and the Debe Dam. These dams, along with the Sandile Dam that is found in a neighboring municipality known as the Amahlathi Municipality, serve as main water supply schemes for the area and therefore serve as water supply for both domestic and agricultural use in the area. The municipality has however identified a tourism opportunity with the Foxwood dam, north of Adelaide. Although there's much attraction on site, indication received from national government is that construction may take place in 2021, provided that there is funding for it.
- **Wetlands:** The term Wetlands refers to rivers/ dams and their marginal zones, such as floodplains. A number of wetlands occur within the catchments of significant dams. According to the study, wetlands have been heavily impacted upon either by human activities cultivation, overgrazing, or soil erosion.
- **Ground Water:** Due to the high levels of rain in the region, there is an abundance of groundwater. This water is accessed through boreholes. Due to water quality, the practice is only limited to small scale use in the villages.
- **Waterfalls:** the municipal area has water falls around Hogsback area, which is one of the beautiful resorts around Raymond Mhlaba.

2.3.20 Environmental Sensitivity

As most of the area in Raymond Mhlaba Municipality is undisturbed, the biodiversity in the area is still very rich. Areas of primary environmental sensitivity, mostly along rivers, dams, wetlands and nature reserves

are categorized as conservation areas. These areas require sound environmental policies and practices to ensure a sustained and thriving economy in the municipality. In the Raymond Mhlaba Municipality the notable areas include:

- A natural corridor, which according to Terrestrial Critical Biodiversity Areas exists in the central portion of the Municipality.
- Water resources include Keiskamma River Basin, Kat River Dam, and other rivers.
- Protected areas include the Doubledrift Nature Reserve, the Great Fish River Complex, and the Mpofu Game Reserve.
- Existing forests include the forestry products such as eucalyptus, pine, wattle and indigenous forests.

2.3.21 Ecosystem Status

The ecosystem has guidelines that are attached to it that are intended to inform the land use management processes within the area and they assist with the identification of the need for Environmental Impact Assessment also known as the (EIA) in certain areas within the municipality. Endangered, vulnerable and least threatened areas describe some of the relevant characteristics of the ecosystem status that falls within the municipality.

- **Endangered Areas:** These are areas whose original ecosystem has been so reduced that they functioning and existence is under threat of collapsing. Endangered land cannot withstand loss of natural area through disturbance or development. Portions of endangered areas have been identified mainly in Alice and Fort Beaufort and a small portion in Adelaide.
- **Vulnerable Areas:** Vulnerable areas cover much of their original extent but further destructions could harm their health and functioning. Vulnerable land can only withstand limited loss of the area through disturbance or development. Vulnerable land covers a large extent of the Raymond Mhlaba Local Municipality.
- **Least Threatened Areas:** The ecosystems of the less threatened areas cover up most of their original extent which are mostly intact, healthy and functioning. These areas can withstand some loss to the natural areas through development. A greater portion of Raymond Mhlaba is covered by least threatened eco-system status.

CHAPTER 3

STATUS QOU ASSESSMENT

BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT

Service delivery falls within the functional area of a number of different institutions, but all impact on the lives of the community and are hence mentioned here. Service delivery is divided into various divisions, namely roads and storm-water, land use management, housing, electricity, building inspectorate and municipal infrastructure (MIG) projects.

3.1 ELECTRICITY

The supply of electricity in Raymond Mhlaba Municipality is provided for by two suppliers, *i.e.* Eskom and the Local Municipality. The municipality has a NERSA license to provide electricity in Adelaide, Bedford and Fort Beaufort and the surrounding townships. Electricity in the other administrative areas of Alice, Middledrift, Hogsback, Seymour, farm areas and all rural villages is supplied by Eskom. In areas supplied by Eskom it is estimated that electricity provision stands at 80% with a backlog of 20%, whereas, in areas supplied by Eskom it is estimated that electricity provision stands at 87% with a backlog of 17%.

Key Challenges:

- Ailing infrastructure
- Panels are very old and need to be replaced.
- No signage on exterior of substations and mini subs.
- Links and conductors damaged.
- Eskom Notified Maximum Demand exceeded and penalties are charged on a monthly basis.
- Lack of funds to commence with the rehabilitation and paying for Notified Maximum Demand upgrade.

Current Electricity Projects:

- Energy Efficiency and Demand Side Management

The Energy and Efficiency Demand Side Management is currently funded by the National Department of Energy. Through the Energy Efficiency Demand Side Management Programme, it is expected that Raymond Mhlaba Local Municipality will reduce its electricity bill, by optimizing its energy use. This would be achieved by retrofitting existing street lights, buildings, pumps and waste treatment plants with energy efficient technology. The work is currently undertaken, in the following towns: Fort Beaufort, Adelaide, Alice, Hogsback, Seymour and Middeldrift.

- **Integrated National Energy Plan**

The implementation of the Integrated National Electrification Programme is implemented through provision of capital subsidies to electricity distributors (Eskom and Municipalities) as well as, non-grid service providers licensed by National Electricity Regulator of South Africa (NERSA). Under this programme there are about 300 connections to be completed in the Dorishoek and Philip ton – and this will in a way address the backlog currently facing the areas supplied by ESKOM.

3.2 ROADS AND STORM WATER MANAGEMENT

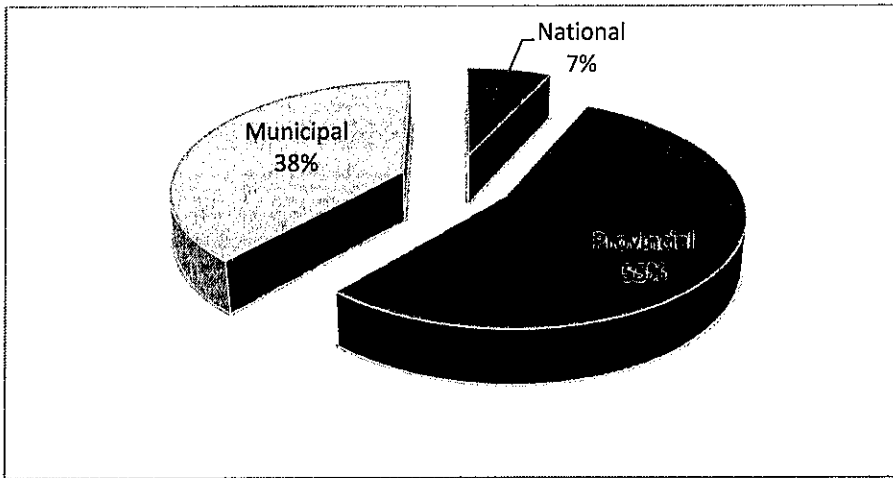
The road network within the Raymond Mhlaba Municipal area falls under the jurisdiction of three (3) authorities, namely:

- South African National Roads Agency Limited (SANRAL) - responsible the National Route R63 and R67, which traverses the area;
- Eastern Cape Department of Roads and Public Works - responsible for the provincial trunk, main, district and minor roads within the area;
- Raymond Mhlaba Local Municipality - responsible for all municipal roads.

The road network within the Raymond Mhlaba Local Municipality Area, together with the relevant road authority is indicated in table below:

Road network in the Raymond Mhlaba Local Municipal Area

ROAD AUTHORITY	LENGTH
SANRAL	158.35
DRPW	1234.24
RAYMOND MHLABA L.M	878.64
Total	2 280.23



CONDITION OF THE SURFACED ROADS:

The surfaced road network was assessed in accordance with the procedure set out in TRH 22. The condition of the roads are summarized in the table below.

Road network in the Raymond Mhlaba Local Municipal Area

Condition	Fort Beaufort	Alice	Middledrift	Rural/other	Total
Very Good	0.0%	0.0%	0.0%	0.0%	0.0%
Good	12.3%	73.9%	51.6%	0.0%	32.6%
Fair	51.5%	20.8%	16.1%	22.3%	40.0%
Poor	35.9%	5.3%	32.2%	77.7%	27.3%
Very Poor	0.3%	0.0%	0.0%	0.0%	0.2%

CONDITION OF THE UN-SURFACED ROADS:

Below is the section that sets out in summary, the current condition of the Municipal un-surfaced roads network in terms of visual assessment.

Condition	Fort Beaufort	Alice	Middledrift	Seymour	Rural/Other	Total
Very Good	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Good	0.0%	0.0%	0.0%	0.0%	0.5%	0.4%
Fair	0.6%	1.6%	4.5%	2.3%	0.2%	0.4%
Poor	5.6%	19.1%	78.8%	7.3%	3.0%	4.8%
Very Poor	93.8%	79.4%	16.8%	90.4%	96.2%	94.3%

The road network has been divided between (EPWP) Expanded Public Works Programme and (MIG) Municipal Infrastructure Grant; this enables the municipality to attend to some of road network challenges. There are four Taxi ranks in Raymond Mhlaba Municipality namely (Alice, Adelaide, Fort Beaufort, and Middledrift), where commuters use them to board the taxis and buses in and around the villages within the municipality, as well as, to surrounding towns. Of the four, three are licensed and operate within the

regulations set by the municipality and department of transport. Seymour and Balfour, as well as, Debe Nek do not have licensed taxi ranks – even though there is commuting activity taking place in those areas. The municipality in partnership with ASPIRE (Development Agency of Amathole District Municipality) on the Alice regeneration projects intends on rehabilitating the Alice Taxi Rank. This is part of the Small Town Regeneration Project, and this project is envisaged to commence in November 2015 and it will finish in June 2016.

The disestablished Nkonkobe Municipality developed a Roads Management forum, this forum is chaired by the Engineering Portfolio Head, and it is constituted by other local councillors, officials from the district municipality, also from Department of Roads and Public Works. This forum discusses, roads infrastructure problems within the municipal area, furthermore, identifies areas that need to be prioritised by the municipality.

The municipal area also has bus shelters around the R63 from Debe Nek to Alice. These shelters play a pivotal role, shielding and providing shade to the commuters against scorching heat and subsequently protecting them on rainy days. There are bus shelters in the rural areas; these were done through the EPWP and Community Works Programme.

The municipality also offers Traffic Services – these officials regulate traffic offences by all road users and ensure that there is tolerance on the road by all who are making use of it. The traffic services unit also provides the following services: Driver's License Testing Stations in Fort Beaufort and Adelaide, Renewal of Drivers Licenses (Alice and Fort Beaufort), Public Driving Permit, Learners License application and issue (Fort Beaufort), Driver's License application and issue (Fort Beaufort and Adelaide) and Registration and licensing of vehicles (Alice, Adelaide and Fort Beaufort).

Areas of prioritized intervention:

Develop a storm water / pavement management system;

Facilitate the improvement of road infrastructure. (Road Maintenance Plan)

3.3 STORMWATER

The Storm-water management system is provided for in the town of Adelaide, Alice, Bedford, Fort Beaufort, Middeldrift and Seymour. The municipality still has to develop and approve Storm Water Management Plan for the areas that are mentioned above. The Municipality has prioritized storm water and storm water management needs. The network has been neglected for some time and this situation has caused major flooding during rainy seasons. This prevailing situation will cause the road network to disintegrate rapidly over the years to come resulting to high maintenance cost.

3.4 LAND AND HUMAN SETTLEMENT

Land administration

In terms of land ownership statistics and ownership information, the municipality does not have a comprehensive land audit. The municipality has formulated a general valuation roll which undertakes a similar process to that of a land audit which a preliminary report is done yearly and the valuation roll is being done every 5 years. Raymond Mhlaba LM does not have an established GIS unit; the municipality receives on-going assistance from the ADM GIS unit. In terms of land administration the municipality attends to land ownership identification, land disposals and land leasing.

In the Adelaide area, the municipality in conjunction with the Amathole district Municipality is attending to land reform projects such as the Wortel drift farms as part of land restitution project. Land Restitution and Land Reform Land dispossession and removal of black people in South Africa was formalised through the Land Act of 1913 and the Group Area Act which resulted in black citizens owning only 13% of land and white counterparts owning 87% of land in South African by 1994. As redress to this challenge the South African government developed the Restitution of Land Rights Act 22 of 1994 and the Policy on Land Redistribution for agricultural development (2000).

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

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

Human Settlement

There is a rectification project currently underway in Seymour, Middledrift, and other settlements (i.e. Fort Beaufort) for rectification have been identified in other administrative areas. There is a plan to rectify the following projects:

1. Seymour 232
2. Kanana 300
3. Hillside phase 2 500

The list for rectification is as follows:

1. Newtown Housing project 662
2. Hillside Phase 2 500
3. Bhofolo Phase 1 300
4. Gomma-Gomma 18
5. Middledrift Phase 2 311
6. Adelaide 624
7. Adelaide 481
8. Bedford – Goodwin park 200
9. Bedford zinc houses 172
10. Bedford Nyarha houses 161

Estimated Housing Backlog

GEOGRAPHICAL AREA	NUMBER OF UNITS
Emabaleni	300
Spoornet Area (Winterberg Middle income)	100
Ndlovini (Bedford)	300
Tyoksville Informal settlement (Bedford)	600
Sizakele Informal settlement (Bedford)	300
Tyoksville informal settlement	100
Worteldrift	255
Mpolweni (Adelaide)	200
Kuwait (Adelaide)	100

Housing Developments

The Municipality facilitates the housing projects with the Department of Human Settlements. The majority of households in Raymond Mhlaba Local Municipality live in a formal house on individual stands (66.1%). A relatively large percentage (29.2%) of households still resides in traditional dwellings (hurts/structures made of traditional material). The housing backlog is estimated at 6700 in Raymond Mhlaba Local Municipality. There is a rectification project currently underway in Seymour, Middledrift, and other settlements (*i.e.* Fort Beaufort) for rectification have been identified in other administrative areas. There is a plan to rectify the following projects:

- Seymour - 232
- Kanana - 300
- Hillside phase 2 - 500

The list for rectification is as follows:

- Newtown Housing project 662
- Hillside Phase 2 500
- Bhofolo Phase 1 300
- Gomma-Gomma 18
- Middledrift Phase 2 311

Further 5 new projects were identified and applications were submitted to Provincial Department of Human Settlements for approval. These projects were approved as follows:

- Bhofolo Phase 2: 1000 units,
- Lower Blinkwater: 1 500 units,
- Daweti : 260 units,
- Joji: 300 units
- Khayelitsha (Emaplangeni Alice): 260 units.

Informal Settlement and Backyard Structures

There are 2 359 households living in **informal settlements** and 802 in **informal structures** in backyards. The large majority of these is likely to have incomes of R3 500 or less and would therefore be eligible for housing subsidy. Given the low income levels many would not afford the necessary formal rentals even within subsidized social housing and CRU programmes. In addition the majority are likely to be unemployed

or working within the informal sector. Again this would make tenancies in formal rental very difficult. The majority of these households are likely to be eligible for government subsidy this is most achievable through in-situ **informal settlement upgrade** or **Greenfield RDP** development. In view of the foregoing, the Housing Sector Plan of the municipality reveals that informal settlements are fewer in Alice, whereas Fort Beaufort is having the high number – and there are no evidence of informal settlements in Adelaide, Bedford, Middledrift, Seymour and Hogsback.

Rural Housing and Farmworker Housing

Around 18 181 households in Raymond Mhlaba presently live in traditional structures in rural areas 17 008 households (or 95%) earn below R3 200.00 per month. It cannot be assumed that all of these are inadequately housed. More research is required within the district to better understand the actual housing need of these households also differentiating between those on communal land and those living on farms in the commercial farming sector. In the former case the initial emphasis is likely to be on the resolving of some of the tenure issues and then the provision of basic needs water and sanitation services. After this consideration can be given to the best approach to supporting improvements to top structures. In the case of farmworkers there is the need to establish more clearly the conditions and whether provision through Agricultural villages will provide tangible improvements in quality of life. On the existing information it is difficult to precise such options and more focused research is required by the municipality.

Land use management

The municipality is responsible for land use management within its area of jurisdiction. At present the municipality does not have a wall to wall scheme but has land use management legislation applicable in its areas including:

- Land Use Planning Ordinance 15 of 1985
- Land Invasion / Encroachment

3.6 SOLID WASTE MANAGEMENT

Raymond Mhlaba Local Municipality is responsible for waste management which includes the street sweeping, collection, transportation and disposal of solid waste. This service is not provided in farm in rural areas. Refuse removal is currently not performed in rural and farm areas as refuse disposal sites are

situated only in the urban areas. Refuse removal service is currently performed in urban areas due to the following reasons;

- Capacity of the municipality as well as readiness of rural community members.
- Long distances to and from the waste sites (waste disposal sites situated only in urban areas)
- Shortage & ageing transport system.

The mayor after 100 days in office, launched a flagship programme called Masicoce aimed at keeping all the municipal towns clean. This programme was underpinned by the following pillars

- Waste management and refuse removal;
- Environmental management and beautification
- Cleaning campaigns;
- Enforcement of By-laws.

Another pillar of the programme that has not yet been implemented is that of ensuring that municipality adopts a strategy that will promote recycling programmes. Currently the third pillar has been fully implemented and the first pillars, as such workshops have been conducted to ensure that the programme is implemented.

Key challenges

- Shortage and ageing fleet for transportation of refuse.
- Insufficient budget for waste management programmes
- Updated by-laws which relates to waste management
- Scarce skill of plant operators
- Vandalism in the landfill sites.

Raymond Mhlaba Local municipality has six (6) solid waste sites and two refuse transfer stations (Fort Beaufort and Seymour- which is still under construction). They are located in Alice, Bedford, Seymour and Fort Beaufort). All these landfill sites as well as transfer/disposal station have permits as issued in terms of the Environment Conservation Act, 1989.

WASTE MANAGEMENT COOPERATIVES

The municipality has waste management community cooperatives in two areas namely: Alice Golf Course and Newtown. The cooperatives are intended to improve the standard of the service by the municipality by rendering the following services: refuse collection; litter picking; street sweeping; removals of illegal dumping's and conduct environmental and waste awareness campaigns. The cooperatives were involved to achieve the following:

- render refuse removal service where the municipal cannot
- assist in job creation
- capacity building in communities
- create a sense of ownership among the citizens
- increase awareness on waste related issues

Illegal dumping is a serious challenge in residential areas; as an attempt to address this; the municipality has constructed refuse drop off points in Newtown. In order to prevent illegal dumping of refuse, the municipality has appointed peace officers that are enforcing waste management and environment management by-laws. Moreover, there are "no dumping" signs around major towns as well to caution the inhabitants of the municipality not to dump irresponsibly.

WASTE DISPOSAL

Raymond Mhlaba municipality has five (5) solid waste sites and three refuse transfer stations (Fort Beaufort, Adelaide and Seymour- which is still under construction). They are located in all administrative units (Middledrift; Hogsback (no longer operational); Alice; Seymour and Fort Beaufort). Three of the sites do not have licenses (Hogsback; Seymour and Fort Beaufort) and four has licenses (Fort Beaufort and Seymour refuse transfer stations; Alice and Middledrift landfill sites). The municipality is in the process of addressing the issue of non-licensed sites and poor operations. Hogsback is currently not operational, and two other sites (Seymour and Fort Beaufort) will be closed down and rehabilitated. Gibb consultants have been appointed by Amathole District Municipality (ADM) to process the application for closure of the Fort Beaufort disposal site. Public participation with Fort Beaufort residents was done and application was submitted to Department of Environmental Affairs. The municipality has constructed a refuse transfer station at Seymour which is not yet complete. There was also intention to construct a refuse transfer station also at Hogback and consultants were appointed but couldn't materialize due to lack of land; thus the project has been put on hold until the matter is resolved.

3.5. INTEGRATED WASTE MANAGEMENT PLAN (IWMP)

As a mandate by the National Environmental Management: Waste Act of 2008 that all municipalities develop their own Integrated Waste Management Plans (IWMP). Former Nkonkobe had developed its own IWMP that was await approval from MEC for Economic Development and Environmental Affairs and Tourism in the province of Eastern Cape for approval. Currently the new municipality doesn't have an IWMP.

3.6 CEMETERIES

Raymond Mhlaba Municipality currently has a total of fourteen (14) cemeteries that are located in urban areas which are being maintained by the municipality. The location of the cemeteries is illustrated on the graph below, all of the cemeteries full to capacity as such the municipality is in the process of identifying new places for the establishment of new cemeteries. Application to Department of Environmental Affairs to have Seymour cemetery extended has been objected due to close proximity to the dam. A process of establishing new cemeteries in Seymour and Fort Beaufort is unfolding.

The municipality also has a programme of fencing rural cemeteries which are identified by ward councillors in consultation with members of the community in their respective wards in each financial year. The fencing is labour intensive; thus contractual workers are taken from the communities and trained on fencing (transfer of skill).

LOCALITY	NUMBER
Adelaide town	1
Bezuidenhoutville	1
Lingelethu (Old and New)	2
Bedford town	1
Bongweni	1
Colored area	1
Fort Beaufort	4
Alice	1
Middledrift	1

Seymour	1
TOTAL	14

Key challenges

No allocated budget for Cemetery Management System

No allocated budget for cemetery programmes/activities

3.7 FIRE FIGHTING

Raymond Mhlaba Municipality does not have fire stations but is using the municipal buildings as fire stations, these buildings do not have necessary equipment / resources as to enable fire fighters to operate effectively and efficiently. The municipality has realised a need for fire station, however, that is inhibited by the low revenue base to undertake that activity. External funding for construction of the firebase is being currently explored. Raymond Mhlaba local Municipality has employed 2 permanent fire fighters however Amathole District Municipality has sent 9 additional fire fighters to fire and rescue training for a period of 3 months to reinforce the current situation at the Municipality. The 9 volunteers 6 are from unemployed members of Raymond Mhlaba Municipality community and 3 are the existing employees of Raymond Mhlaba Municipality. To remedy the situation, a chief fire officer has been appointed. There is an agreement that was signed by the municipality and Amahlathi Local Municipality for areas around Hogsback. The tariffs are also reviewed annually, and these tariffs are published in the newspapers and noticeboards. Based on the current situation the following were identified as current challenges for the unit.

KEY CHALLENGES:

- Skilled Staff in Fire and Rescue Services
- Lack of Fire Station Building
- Emergency vehicles

The following are challenges facing the unit:

- Fire station base needs to be established in Fort Beaufort, this will be the administration building for the section.
- The 24/7 control centre must be establish to channel all calls and process incidents

- Fire engine which will be based in Fort Beaufort, with capacity of 5000litres of water and 500litre of foam be bought and be an off road engine, as well as a 4X4 bakkie for Adelaide and Alice.
- Lack of Fire Station Building

3.8 COMMUNITY SAFETY

In the past, crime prevention and by implication community safety was the exclusive domain of the SAPS. The 1996 Constitution introduced a fundamental change to the role played by municipalities in the management of crime and safety in South Africa, by requiring them to provide a safe and healthy environment for the communities within their areas of jurisdiction. The South African Police Service Act as amended made provision for the establishment of municipal police services and community police forums and boards. Six Police stations and four Magistrate Courts operate within the jurisdiction of Raymond Local Municipality. Domestic violence, substance abuse, stock theft and unlawful breaking and entering are the most prevalent.

KPA 2: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

3.9 Administrative Structure of Raymond Municipality

Raymond Mhlaba Local Municipality has an organisational structure which was adopted by a Council Meeting of August 31, 2016. The current approved organizational structure together with the proposed positions that will ensure attainment of the objectives entailed in the IDP is illustrated below. The municipal main offices are at Fort Beaufort, while the Council Chamber is located in Alice. The municipality has satellite offices in Adelaide, Alice, Bedford, Seymour, Middledrift and Hogsback. The municipality has a code of conduct for Councillors, as well as, for all employees. The principal-ship of the Raymond Mhlaba Local Municipality's administrative structure lies with the Municipal Manager who administers the Institution with departments and various units reporting directly to him/her. Functions of the Municipal Manager include:

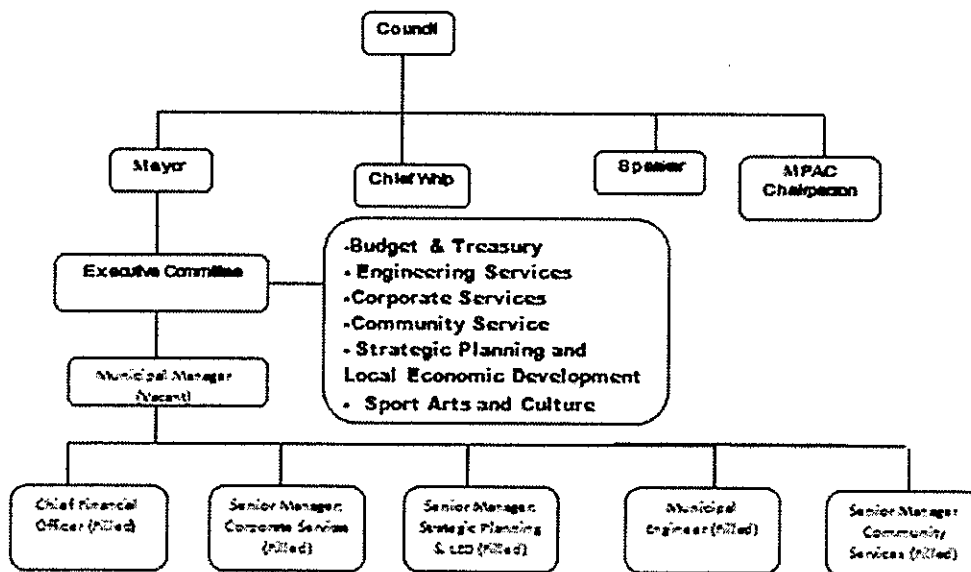
- The management of the Municipality;
- The rendering of Raymond Mhlaba Municipality's administrative Services to the Municipality;
- The rendering of Financial Services to the Municipality;
- The rendering of Corporate Services to the Municipality;
- The rendering of Protection Services;

- The rendering of Engineering Services;
- The rendering of support to the Office of the Mayor.
- The rendering of support to the Office of the Speaker
- The rendering of support to the office of the Chief Whip.

Of the functions identified five (5) departments were established to perform the functions, these being:

- Municipal Manager's Office
- Corporate Services
- Budget & Treasury Office
- Strategic Planning & Local Economic Development
- Engineering Services
- Community Services

Illustration of the Institutional Structure of Raymond Mhlaba Municipality is as follows:



Employment Equity

Legislation: Employment Equity Act (Act 55 of 1998)

Purpose: The plan seeks to achieve reasonable progress towards Employment Equity in the workforce.

After the analysis of the existing employee profile of Raymond Mhlaba Municipality it was discovered that the Municipality race is no longer a problem but the main challenges are the:

1. Under-representation of females.
2. Gross under representation of people with disabilities.

The Municipality strives to meet the Employment Equity targets to comply with the Employment Equity Act and redress past imbalances. 100% of Section 56 employees are African and 50% of Section 56 employees are female. The institution makes submissions to the Department of Labour around equity targets.

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	2	0	0	0	2	0	0	0	0	0	4
Senior management	2	0	0	0	2	0	0	0	0	0	4

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	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	1	0	0	0	0	0	0	0	0	0	0

Temporary employees		0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	1	0	0	0	0	0	0	0	0	0	0

Summary of Workplace Skills Plan (WSP)

According to Government Gazette of 3 December 2012, all employers are expected to submit their Workplace Skills Plan and Annual Training Report to their respective SETA's by the 30 April of each financial year. Moreover, **the WSP in Raymond Mhlaba Municipality was developed, adopted and implemented as per the training interventions identified.** Employers are also expected to prepare monitoring reports on any training that has taken place as per the submitted WSP and submit to LGSETA on quarterly basis. The following programs are reflected in Raymond Mhlaba Municipality Workplace Skills Plan (WSP).

- National Treasury Minimum Competency Requirement
- Workplace Integrated Learning
- Unit Standard based and Non Unit standard based Trainings

In line with the Government Gazette no 29967 on Minimum Competency Level, The municipality commenced with the implementation of the regulations in that:

- 1 Senior Manager
- 7 Managers
- 5 Officials

Training of officials, Councillors and Ward Committees

Training is currently being conducted in line with the Council approved Annual Training Programme and an allocated a budget for training. The training of officials, councillors and ward committees is also a target in the institutional scorecard of the municipality. Therefore training is one of the areas that is being prioritised by the municipality.

3.11 Local Labour Forum

The above-mentioned structure serves as a consultative structure between labour and management and is functional. The structure is made up of councillors, managers and both two recognized union in the sector

as prescribed in the Collective Agreement on Organizational Rights. The LLF convenes its meeting quarterly.

Human Resource Development Strategy

The disestablished councils Nkonkobe and Nxuba Local Municipality developed individual Human Resource strategies which were endorsed by their respective Councils. These strategies were informed by a number of challenges facing local government throughout the country, which are as a result of the prerequisite skills of employees. Currently, Raymond Mhlaba too, is affected by that, as there is shortage of people with technical skills which then in turn inhibit the municipality in delivering on its key mandate. The HRD strategies were developed in 2012/13 financial year and were created in-line with the national strategy 2010-30, as well as the provincial strategy and the strategy of Amathole District Municipality. These strategies has created and guided the municipality in its recruitment process, even though there are still slight difficulties in attracting scarce skills due to rural nature and setting of the municipalities. The strategy does also highlight the issue of capacity building for both employees and politicians within the municipal area. There are on-going capacity development initiatives for employees and councillors – these are in line with the adopted workplace skills plan. Currently Raymond Mhlaba Local Municipality is in a process to develop it conclusive HRD Strategy that will be in-line with the National Strategy 2010-2030.

KPA 3: LOCAL ECONOMIC DEVELOPMENT

The purpose of Local Economic Development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. Local Economic Development offers local government, the private and not-for-profit sectors, and local communities the opportunity to work together to improve the local economy. It focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth within a local area is inclusive.

Policy context for LED

"A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the

community” Constitution of the Republic of South Africa (1996). The White Paper on Local Government (1998) introduces the concept of ‘developmental local government’, which is defined as:

“Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives”.

GOVERNMENT’S PERSPECTIVE ON MUNICIPAL LED ROLE:

“Local Government is not directly responsible for creating jobs. It is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities” refer to Local Government White Paper (1998). The Local Economic Development, according to LED Guidelines (2005), is not about municipalities or other public bodies financing small local projects from the public purse. Nor is it about Mayors, Councillors or municipal officials trying to run or manage these or even larger projects. All too frequently these have been initiated without real business plans or any serious notion of sustainability and they only last and provide temporal employment for as long as the public grant, which created them, lasts.

Raymond Mhlaba Local Municipality will through many initiatives strive to strengthen the local economic development within the area as informed by the mentioned legislations. The disestablished Councils (Nkonkobe and Nxuba local municipality) developed an individual Local Economic Development Strategy that was subsequently adopted by the respective Councils in an effort to streamline and accelerate service delivery. The strategies had an implementation plan with proper timelines on attracting investments, building SMME’s and promoting economic development and tourism. This overall LED strategy aims at promoting economic growth and redistribution, integrating the second economy, and eradicating poverty and underdevelopment by creating jobs and economic opportunities. It rests on the following five pillars:

- Attracting investment;
- Support for SMMEs and Cooperatives;
- Skills development;
- Sustainable livelihoods; and
- Economic diversification.

The Raymond Mhlaba is currently in a process of consolidating the said pieces of the Local Economic Development Strategy. In the face of historic levels of unemployment and widespread poverty, Local Economic Development (LED) has become a critical policy priority in South Africa generally and in the Eastern Cape. LED is a unique policy tool for government to build a more inclusive society and economy, to increase the numbers of people who are in sustainable economic activity, as well as to actively reduce levels of dependence, poverty and exclusion. It is designed to help build capacity of local institutions and communities – public and private – to work in common purpose with national and regional bodies to build strong, adaptable, confident, outward looking, cohesive and inclusive economies. Whereas other policies tend to work within their respective sectors – LED is cross-sectoral and integrative. It is dedicated to making the connections where these are not in place – often enabling national and provincial sectoral programmes to be better targeted and relevant to local circumstances. It is thus able to deal with complex problems that cannot be reached by standard sectoral approaches because of its ability to draw on local intelligence, networks, and commitment – and its capacity to bring a range of perspectives to bear on the issues being addressed.

SETTING UP THE LED UNIT

The LED unit consists of Agriculture, SMME/Cooperative Development, Informal Traders, Tourism and Heritage. These sections are filled with skilled personnel to perform the LED tasks. Personnel in this unit have the relevant skills and knowhow to perform this task.

In implementing the LED programmes and LED Strategy, the municipality has an Economic Development Agency called Raymond Mhlaba Economic Development Agency (formerly known as NEDA); this entity focuses mainly on high impact projects and assists the municipality in the implementation of LED projects that are captured in the Municipal IDP. LED Unit/ agencies/forums have appropriate and sufficient powers, functions and resources to enable them to discharge their responsibilities effectively. Hence, administrative capacity of Raymond Mhlaba Local Municipality is properly developed and strengthened. The setting up of LED institutions and structures are attempts to facilitate an inclusive and robust approach to achieve LED objectives

LED FORUM

The municipality has established the LED forum for all stakeholders to participate in local economic development issues within the area. The LED forum is composed of all major stakeholders within the locality inclusive of businesses, economic, social and environmental sectors, sector departments, state institutions such as NEDA, local businesses, NGOs and Labour. A long term and shared vision on how to develop and drive a robust and inclusive local economy with a view to create job opportunities and eradicate poverty should be realized by the LED forum. It is imperative that systematic baseline data (for example, socio-economic data) must be gathered before the initiation of a policy project and on-going monitoring process must take place throughout the lifespan of the project and even after its completion in order to enable effective evaluation of that project.

INTERVENTIONS IDENTIFIED

Two catalytic interventions have been identified, which will have the maximum impact in moving Alice from its current position towards its vision. Focusing attention in these interventions is seen as something that will unlock opportunities and encourage further investments into Alice, whilst also providing tools towards the spatial integration of Alice and University of Fort Hare (UFH). These two catalytic interventions are middle-income residential developments for students and middle-upper income earners and upgrading of the CBD and creation of a civic core.

3.10 AGRICULTURE

Agriculture is one of the mainstays of the region's economic base; it involves the investment of basic infrastructure (water supply) as well as, poverty alleviation programmes such as crop and livestock production. In Raymond Mhlaba, there are two types of agricultural areas, that is:-

- Agriculture and rural development: the entire Raymond Mhlaba area is regarded as an important as it has a potential for general agricultural purposes.
- Intensive agriculture: refers to areas identified for its potential for citrus and/or irrigated crop production. These areas will need to be considered for specialized infrastructure provision and appropriate land development and tenure arrangements.
- The agricultural strategy has prioritized the following sectors for investment:
- Livestock production (e.g. cattle production scheme) and agro-processing

- High value crop production, e.g. citrus in the Kat River Basin and Machibini and Essential Oils in the Debe Nek area
- Revival of old irrigation schemes and establishment of new ones. Potential irrigation areas in the Raymond Mhlaba Region are:
 - 68ha irrigation below Binfield Dam
 - 240ha irrigation below Pleasant View Dam
 - 680ha irrigation below Sandile Dam
 - 680ha irrigation after constructing new Baddafort Dam
 - Construction of Foxwood dam
- Promote purchase of local agricultural produce – establishment of Alice Fresh Produce Market
- Agricultural priority Debe Nek area.

3.11 TOURISM

Raymond Mhlaba municipality prides itself for world - class tourist destinations namely; Hogsback, Katberg, Foxwood Dam, Mpofu and the Double Drift Game Reserves, Maqoma Heritage Route to mention just a few, the battle fields of the Frontier wars, the battles of the Axe and Amalinda, It cuts across water streams of the AmaGqunukhwebe tribe and to the popular sites of our rich heritage like Lovedale College across the Tyhume river and the University of Fort Hare in Alice which have both produced heroes and heroines, great sons and daughters of Africa in Dr. Tengo Jabavu, Prof. Z.K. Matthews, Nelson Mandela, Oliver Tambo, Julius Nyerere, Robert Mugabe, Seretse Kama, Robert Sobukwe, Thabo Mbeki (the list is long).

Raymond Mhlaba Municipality has identified Tourism as one of the catalyst to drive economic growth and development. Tourism alone cannot be exclusively looked at without considering heritage given the historic endowment of the municipal area. The Tourism sector within Raymond Mhlaba Municipal area is clustered according to accommodation, game reserves, heritage and history, education, outdoor activities, cultural villages, craft and tour guiding. Many studies that have been undertaken in the Raymond Mhlaba Municipal area reveals that the Tourism sector is one of the sectors that seems to possess a strong potential to regenerate the economy of the Raymond Mhlaba Municipal area.

The following were identified as tourism products in the area:

- Nature-based attractions and activities; nature reserves, hiking trails, sport tourism.
- Heritage-based attractions and activities; the built heritage (architectural buildings), cultural heritage.

The tourism sector is clustered according to accommodation, heritage, hiking trails, cultural villages, outdoor adventure, art and craft. Some of the Raymond Mhlaba tourism resources include the following:

- Double Drift Game Reserve, Mpofu, Hogsback, Katberg
- Battle fields of Frontier Wars
- Rich Heritage of Lovedale College and University of Fort Hare
- Tower Hospital in Fort Beaufort
- Churches, missions and shrines
- Educational facilities and hotels
- Forts, military buildings and monuments, memorials
- Gravesites – (e.g. Nontetha Grave)
- Oral History (Story Telling)
- Xhosa cultural sites and other heritage sites
- Maqoma Heritage Route comprising four routes
- Natural Waterfalls
- Horse and Biking Trails
- Foxwood Dam

TOURISM SUPPLY

Raymond Mhlaba Local Municipality has a small selection of accommodation available to the visitors/or any prospective visitor. This includes country hotels, town-based guest houses and B&B's, guest farms (farm stays), guest cottages, game farms, lodges and facilities for camping / caravanning. In most categories, there is a relatively limited selection of different establishments. The majority of the establishments are located in and around Hogsback. The number of formal tourist beds in Raymond Local Municipality and their measured average bed occupancies, divided into the categories of accommodation.

VISITOR INFORMATION CENTRES

Raymond Mhlaba Municipality has four operating visitors information centres, one in Alice, Bedford, Hogsback and the other in Balfour. Fort Beaufort and Adelaide Museum serves as tourist information office in order to disseminate tourism information to the visitors. These were built as part of Amathole heritage route. Visitor Information centres can play multiple roles within a destination. The most crucial of these is the role they play as the visitor's contact with a region / destination whether by telephone, letter, fax, email or in person. They provide a welcome to the area, information on accommodation, places to eat, attractions and outdoor activities, events, transport and tours, craft and cultural villages and other essential services. The Arts and Craft centre, located in the same premises with a Visitor Information Centre in Alice has been converted into a Museum to house the heritage of this area.

LOCAL TOURISM ORGANIZATIONS

The disestablished councils of Nkonkobe and Nxuba Municipality had successfully established the Local Tourism Organisation that is a structure that drives tourism within the Municipality. The structure is working hand in hand with the municipality and the way it is constructed it includes all sub sectors within the area that have products to offer in the tourism sector. Various tourism development initiatives are originating from the CTO's that will be implemented by the LTO those activities include annual events and festivals. The main function and role of the LTO is ideally to market the destination, facilitating the development of the tourism products in the destination, establish a sustainable financial model upon which the Visitor Information Centre's can operate, networking and collaboration, route and itinerary development and research.

3.12 SMME and COOPERATIVE DEVELOPMENT

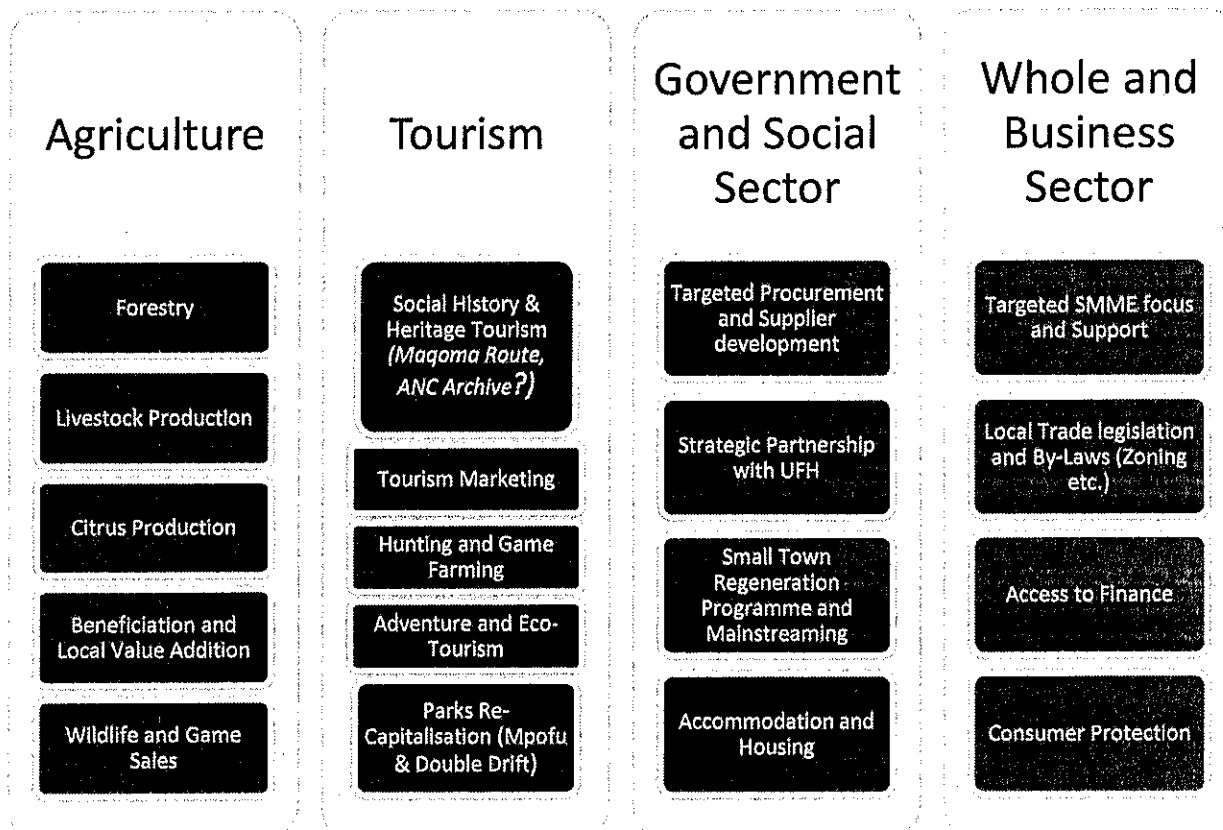
Generally, cooperatives in Raymond Mhlaba are black owned, run by the elderly individuals who barely have any skill capacity, and the legacy still continues to exist and this leaves cooperatives unsustainable even if they are skilled, they suffer from natural attrition due to old age. Most cooperatives and group enterprises are started with unemployed people, often with low technical skill capacity levels and no prior business experience in economically marginal areas; hence their chances of success is reduced to the absolute minimum. The Cooperative Act No.14 of 2005 spells out how cooperatives should operate and as such the Municipality has assisted local cooperatives in the form of training and legal registration. However there is new amendment Act No. 6 of 2013 which seeks to address the strengthening of Cooperative

governance, adhering to cooperative regulations as per cooperative constitution and also to ensure the effective directorship, leadership and management of the cooperative. Furthermore to enhance the effectiveness and financial viability and stability, Department of Trade and Industry, Eastern Cape Development Corporation, SEDA and DEDEAT has got funding for SMME development and the municipality has (disestablished councils) explored these funding opportunities by assisting SMME in developing their business plans for funding. Auditing of SMME's is of essence to ensure that the municipality has statistical information of its SMME's. A need to develop an SMME strategy is still outstanding and has to be developed for sustainable projects. The municipality for this current FY has scheduled plans to conduct a baseline survey of all SMME's. This will yield a way for development of SMME strategy. The municipality is working hand in hand with NEDA for registration of new SMME's. Below is the table that reflects 19 cooperatives that are under the supervision of the LED unit. The table clearly shows the assistance provided by the municipality, capacity building programmes and other assessment measures that were undertaken.

LED STRATEGIC FRAMEWORK

The diagram beneath depicts the overall strategic vision for the municipality in terms of implementing a viable LED strategy. From the diagram we can see that Raymond Mhlaba municipality has identified four pillars which will underpin the strategy, namely: Agriculture, Tourism, Government and Social Sector and Whole business Sector. Each pillar has a number of relevant drivers/priority interventions which have been designated as areas which have the potential to stimulate the local economy.

In order for these sectors to be viable, the municipality has recognised the importance of a number cross-cutting issues depicted in the arrow figure beneath, namely: Infrastructure Development, Skills Development, Good Governance and responsive local government. These issues cut across all the pillars and economic activities and are therefore imperative for economic stimulation. Below, are the uniquely distinct competitive areas in contrast to the local municipality throughout the district.



1. Infrastructure Development / 2. Skills Development / 3. Good Governance and Responsive Local Government

3.13 RAYMOND MHLABA ECONOMIC DEVELOPMENT AGENCY

Raymond Mhlaba Economic Development Agency hereinafter referred to as RMEDA was established by the disestablished Nkonkobe Municipality in the year 2002. After the disestablishment of Nkonkobe Municipality, this agency has been renamed. The Agency was established along the principles of government entity with a primary role of focusing on high impact projects, whilst the municipality's focus would be on medium-term impact projects. The decision had to be made on whether it is going to be precinct-based agency or sector focused agency. The decision was made that the Agency will be neither of the two but it would rather be assuming the middle ground. The rationale behind that approach was the fact that the Agency has been expected to operate in a relatively small area. The implications of the space constraints to the Agency were mainly the bases on its ability to create a critical mass. It has thus looked

into projects in all the sectors and geographic pockets of the erstwhile Nkonkobe Municipal area and now is looking implementing its projects in the vastness of Raymond Mhlaba Municipal area.

However it should be noted that the Agency's area of operation has always been characterised by a strong dominance of rural inclined economic sectors. Agriculture has always been and it still is the lead sector. In an economic turnaround it is extremely important that a balance is struck between the long term agenda which must have strong sustainability elements and the short term agenda which is mainly characterised by quick win projects and catalytic projects.

3.14 ALICE REGENERATION PROGRAMME (ARP)

Since 1994 there has been an implicit policy focus on small town development contained in the notation of developmental local government, municipal integrated development and local economic development (LED). In 2012 the Provincial Government of the Eastern Cape, completed a paper titled "concept document on the Integrated Small Town Revitalization Strategy" with the following pillars:

- Infrastructure development
- Beautification and environmental management
- Local Economic Development
- Tourism, heritage and marketing
- Small towns are confronted with several problems such as:
- Infrastructure is overloaded, ageing and collapsing (such as leaking sewers and pot-holed roads; power outages etc.)
- small towns are not attracting new private investment;
- new private investment is constrained by lack of public land transfer and (in some cases) tenure issues
- municipality lack capacity in infrastructure development.

As part of the programme, the town of Alice has been identified by the province of the Eastern Cape for revitalisation programme. It was identified against the backdrop of being a town that is home to the University of Fort Hare and with a view of placing it as a University Town. The municipality together with other key stakeholders (*i.e.* University of Fort Hare, RMEDA, Office of the Premier, Department of Economic Development, Environmental Affairs and Tourism, Victoria Hospital, Lovedale *etc.*) are working

hard to ensure that vision is realised. There is a steering committee established by the office of the Mayor and it is constantly meeting to coordinate the Revitalisation programme. Two catalytic interventions have been identified, which will have the maximum impact in moving Alice from its current position towards its vision. Focusing attention in these interventions is seen as something that will unlock opportunities and encourage further investments into Alice, whilst also providing tools towards the spatial integration of Alice and University of Fort Hare (UFH). These two catalytic interventions are middle-income residential developments for students and middle-upper income earners and upgrading of the CBD and creation of a civic core. However there are other key interventions that are suggested as part of Alice Regeneration Programme and they are as follows:

- ICT Development (Implementation of Broad-Band Technology)
- Heritage Preservation and Tourism
- Promotion and Development of Agriculture value chain

KPA 4: Municipal Financial Viability

The following policies were adopted:

- Indigent Policy;
- Budget policy;
- Rates Policy;
- Tariff Policy;
- Supply Chain Management Policy;
- Credit Control Policy;
- Debt Collection Policy;

As indicated above that these policies are reviewed on annual basis. Once adopted they are promulgated into by-laws and are used by the institution to control the municipal revenue, as well as, the municipal credit control.

3.15 REVENUE

The section mainly deals with collection and management of the municipal revenue, section 64 Municipal Finance Management Act 56 of 2003 clearly states that the municipality must have a revenue collection

systems in place consistent with section 95 of the Municipal Systems Act 32 of 2000 and the municipality's credit control and debt collection policy. There has been increasing signs of undecided economic factors that also had an impact on the municipality's cash flow and collection rates. It is against this backdrop the municipality partially has done well in terms of collection and has sustained a firm cash flow. The municipality has a Revenue Enhancement Strategy that is utilised by the municipality to manage its revenue. The municipality bills on monthly basis, in line with the standard of revenue management.

Considerable amount of municipal revenue is obtained from levying rates and services in order for the municipality to determine its stability, efficiency and capacity to finance municipal services into the future. In order to remain financially viable and sustainable, the municipality must generate sufficient resources and balancing these resources is essential to the effective provision of services. As limited scope exists to generate alternative revenue, it is necessary to increase rates and tariffs annually. The determination of tariffs is the responsibility of Council, as per the provision of the Local Government Municipal Systems Act. Affordability is an important factor when considering the rates and tariff increases. Consideration was also given to the alignment between these sources of the municipality, level of service and customer expectations. Below is the classification of services rendered by the municipality.

3.16 PROPERTY RATES

The levying of rates in terms of the Municipal Property Rates Act has had an impact in the revenue that is generated by the municipality. Properties are assessed based on the market value (which had substantial gains in value); however, the gains in terms of rates revenue are limited given the rural nature of the municipality. The municipality has an updated valuation roll, which has been implemented. There were quite a relatively few appeals on the valuation roll. The supplementary valuation was also conducted in the previous financial year. In addition, the impact on the indigent, pensioners, disability grants and lower and middle-income ratepayers was not considered to ensure a limited impact. As it is a major source of municipal revenue all relief measures were projected for the previous financial year as it reflects in the budget as income on the revenue side on rates but the item had remained with low figures collected in relation to the prior year's performance.

3.17 ELECTRICITY

The electricity charge rates either increasing or decreasing as it is closely linked to the tariffs that are approved and monitored by National Energy Regulator of South Africa (NERSA). The challenge of the municipality is that it does not have enough electricians and resources, which partly hamper electricity revenue with the followings

- The focus of ensuring that disconnection of services for non-payment of accounts is done immediately and effectively and immediate follow up on those customers that have been disconnected and have not made any arrangements to pay electricity debt.
- Accurate meter readings for billing which results in disputes and late payments
- Monitoring of electricity usage on municipal premises and street lighting that are always on during the day also contributed in the loss.
- The municipality has been allocated funds to reduce its demand from the grid thereby reducing the amount of penalties by Eskom through energy efficiency program by DOE.

3.18 REFUSE REMOVAL

The municipality is providing this service to all urban areas of its jurisdiction. A business classification form for determining the category that a business falls into has been developed. This form quantifies the volume of refuse produced by the business and then determines the amount to be charged for refuse collection. Currently, the municipality has adequate resources to perform this function on stipulated dates as agreed between the council and the consumers of this service. Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff.

SOCIAL PACKAGE / FBS

Raymond Mhlaba LM has a free basic services unit which is dedicated at ensuring that all indigent households within the jurisdiction of the municipality receive free basic services. There is an indigent policy in place which regulates the whole indigent beneficiary programme. A register of qualifying beneficiaries is maintained on a monthly basis and only person(s) in this register get the subsidy. As of 30 June 2016 all qualifying indigent households who registered in the database of the municipality have received the indigent support. The services rendered under this programme are as follows;

1. Subsidised electricity
2. Subsidised refuse removal
3. Alternative energy i.e. paraffin

4. Subsidised property rates

Qualifying beneficiaries at end June 2016 and amount allocated was as follows:

Description	No of beneficiaries	total budget for the year	Budget allocation/service
electricity	14877	13,000,000	6 000 000.00
refuse	5656		4 000 000.00
alternative energy	946		3 000 000.00
Total	21,479		13 000 000.00

DEBT STATUS OF CONSUMER DEBTORS AS AT END JUNE 2016

Service type	Debt as at June 2016
ELECTRICITY	10 741 547.00
REFUSE	10 933 405.00
RATES	143 598 129.00
TOTAL	165 273 081.00

3.19 GOVERNMENT DEBT

Government departments are one of the primary customers in the debt book of the municipality. Their debt value equals R48, 988,403 which is equivalent to 26% of the total debt book of R 186 864 404.30. The debt payment ratio of the government departments is slowed down by the unconfirmed or unvested properties that they own within the jurisdiction of Raymond Mhlaba Local Municipality which are still registered as unknown and or under the former Ciskei government. Prior to receiving payment for such properties a verification exercise is undertaken for each property.

REVENUE COLLECTED BY SOURCE FOR 2015/2016

REVENUE BY SOURCE	BUDGET	ACTUAL COLLECTION	VARIANCE
Property Rates	54 000 000.00	26 225 214.91	49%
Service Charges	36 969 956.99	34 397 808.74	93%
Other Income	7 701 300.00	9 174 170.81	119%
Interest Income	6 770 000.00	2 207 486.70	33%

REASONS FOR REDUCTION IN COLLECTION RATE

A reduction in collection rate is caused by the slow pace of the verification process of the government properties that do not have deeds information and are registered under the Ciskei government. Also there are disputes in property rates by certain areas of the Raymond Mhlaba Municipality. Raymond Mhlaba LM is a rural municipality and there are inadequate employment opportunities for the communities around and as such their ability to settle long outstanding accounts is minimal.

Implementation of municipal property rates act

The municipality has an updated and approved property rates policy that is aligned to the Municipal Property Rates Act 2004. The policy is enforced by way of an approved and promulgated tariffs and by-laws.

Rebates are granted to the various categories of owners as per the act i.e. agriculture, churches etc. The rates policy is reviewed annually and compliance thereof of the rates policy, tariffs and by-laws is tested by Department of National Treasury.

Implementation of credit control policy

The municipality has an approved credit control policy that gets reviewed annually. The policy is applied plainly to all our debtors. After several attempts made to collect the outstanding debt has failed the last option as per the policy is to handover the debt to the collecting attorneys.

3.20 GOVERNMENT DEBT

There have been successes in recovering outstanding debts. Government departments have displayed great commitment and dedication in ensuring that their accounts are up to date. Upon reconciling the government departmental accounts with the relevant departments, payment is received within few days. However, there are still challenges faced with as far as properties owned by Department of Public Works and yet not recorded into the asset register of the department. The department will not pay for such properties up until such time that they are recorded into the asset register of the department. Currently the municipality collects more revenue in Fort Beaufort area, reason being, the municipality distributes electricity in the area, therefore it is simple to implement credit control policy to defaulters e.g. blocking of electricity is exercised. For other areas where Eskom is a distributor the municipality is unable to do proper debt collection in case of defaulters all these accounts were handed over to the appointed attorneys namely Dyushu Majebe Attorneys

- Statements and invoices are delivered to all debtors on a monthly basis

REVENUE COLLECTED BY SOURCE FOR 2015/2016

REVENUE BY SOURCE	BUDGET	ACTUAL COLLECTION	VARIANCE
Property Rates	54 000 000.00	26 225 214.91	49%
Service Charges	36 969 956.99	34 397 808.74	93%
Other Income	7 701 300.00	9 174 170.81	119%
Interest Income	6 770 000.00	2 207 486.70	33%

REASONS FOR REDUCTION IN COLLECTION RATE

Implementation of municipal property rates act

The implementation of MPRA had a substantial negative impact in the collection rates of our debtors and the budget was over estimated, e.g. indigent debtors were not excluded from the valuation roll and that affected the budget's estimates. Secondly newly rated farmers also did not pay for rates because accounts are in dispute. Government properties that do not appear on the valuation roll of the government departments also have a large impact on collection rates due to the fact payment can only be received after they have been included.

Implementation of credit control policy

The main sources of municipal income are from Grants and own generated revenue such as: property rates refuse removal and the sale of electricity and other. Credit control policy is implemented on a continuous basis. Debt handover to attorneys for recovery is also implemented as the final step of credit control policy. However, it is worth noting that Raymond Mhlaba municipality jurisdiction area is mainly composed of rural areas where properties are exempt from rates and where majority of the households are indigent.

GRANTS RECEIVED 2015/ 2016

Description	Budgeted Amount	Total Received
Equitable Share	130 357 000.00	130 357 000.00
Municipal Finance Management Grant	1 800 000.00	1 800 000.00
Municipal Systems Improvement Grant	930 000.00	930 000.00
Municipal Infrastructure Grant	33 426 000.00	34 361 979.58
Energy Efficiency and Demand Side Management Grant		-
Integrated National Electrification Programme (INEP)	12 000 000.00	9 047 013.50
Expanded Public Works Program	1 041 000.00	1 041 000.00
LG-SETA	150 000.00	212 598.74
Library Grant	801 000.00	801 000.00
Quarry Mining Grant	-	177 144.60
	180 505 000.00	178 727 736.42

3.21 ASSET MANAGEMENT

Asset management is now controlled under Budget and Treasury Office through the Chief Accountant Office. The asset register is GRAP compliant; the institution migrated from Directive 4 which was utilised in the prior years.

3.22 GRAP 17

The municipality has an asset management policy that is GRAP 17 compliant as per the accounting standards. Both the movable and immovable assets were evaluated. Section 63 of the MFMA No. 56 of 2003 stipulates that "the Accounting officer is responsible for the management of:-

- The assets of the municipality, including the safeguarding and the maintenance of those assets
- Ensure that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality
- That the municipality has and maintains a system of internal control of assets and liabilities including an asset and liabilities register, as may be prescribed".

3.23 SUPPLY CHAIN MANAGEMENT.

Raymond Mhlaba Municipality's Supply Chain Management (SCM) Policy seeks to promote an innovative form of targeted procurement, which will encourage socio-economic transformation within its locality. The SCM policy seeks to empower the municipality to empower the Municipality to continue to redress the skewed distribution of wealth. The policy maintains a fair, transparent, equitable, competitive and cost effective procurement practices this is to ensure all procurement processes are expedited to a reason period of one to two months, however service delivery linked procurement are done instantaneously and in line with the MFMA regulations. The SCM unit reports to National Treasury, Provincial treasury all contracts above R100 000 on a monthly basis.

Functions of the SCM Unit

- To manage the tender processes of the Municipality.
- To manage the day to day procurement process of the municipality.
- Manages, acquires and compiles databases of Professional Service Providers (PSP), General Service Providers (GSP) and Contractors for the Municipality.
- Manages possible procurement risks by verifying and scrutinising submission of information from tenderers and service providers.
- Manages the disposal of municipal goods no longer needed and/or are redundant.
- Manages the Municipality's Stores.
- Develop and continuously review the SCM Policy of Raymond Mhlaba Municipality.
- Ensuring that all additions of assets a correctly accounted for and updated on the asset register

- Effectively and efficiently overseeing the constant flow of units into and out of an existing inventory of the municipality.
- This process usually involves controlling the transfer in of goods in order to prevent the inventory from becoming too high, or dwindling to levels that could put the operation of the municipality into jeopardy.

3.24 EXPENDITURE MANAGEMENT

This section contains the level of spending for the whole institution; it is detailing actual expenditure incurred versus budgeted figures.

Operating Expenditure

DESCRIPTION	BUDGET/ OPEN BAL	YTD MOVEMENT	BALANCE	%
REPAIRS & MAINT-MUN ASSETS e.g.(community halls, roads, vehicles)	6 822 368.00	1 003 786.48	5 818 581.52	14.71
PURCHASE OF BULK ELECTRICITY	22 100 229.00	11 178 909.92	10 921 319.08	50.58
SECURITY SERVICES	243 936.00	57 001.55	186 934.45	23.36
GENERAL EXPENSES e.g.(consumable material, stationery, advertisement)	60 422 188.00	12 886 494.44	47 535 693.56	21.32
TOTAL	89 588 721.00	25 126 192.39	64 462 528.61	28.05

Repairs & Maintenance

Expenditure on repairs and maintenance was at 71.46% as at 30 June 2016.

General expenses

Expenditure on general expenses was standing at 78.82% as at 30 June 2016.

Capital Expenditure

VOTE NUMBER	DESCRIPTION	BUDGET	YTD MOVEMENT	BALANCE	%
1000/00/5/02/999 9	MIG: GRANT & SUBS e.g.(multi purposes centre, testing centre, surfacing of roads)	30 616 600.00	5 219 860.49	25 396 139.51	17.05
1000/00/5/01/999 9	REVENUE FUNDED CAPITAL e.g.(fencing of cemeteries, building of pre-schools, building of community halls)	9 700 000.00	2 596 488.27	7 103 511.73	26.77
	TOTAL	40 316 600.00	7 816 348.76	32 499 651.24	19.39

Capital related expenses as at end of June 2014 was sitting at 100% for MIG and 77.77% for own revenue funded capital. Total Capex as at June 2016 was sitting at 90.36%

3.25 RESOLVING THE OUTSTANDING MATTERS RAISED BY THE AUDITOR GENERAL

The Audit Report for the financial year 2014/2015 has been issued by Auditor General wherein the disestablished Councils Nkonkobe (qualified) and Nxuba Municipality (adverse) received their audit opinions on a number of issues namely, comparatives, trade and other receivables; Interest earned-outstanding receivables, vat receivables, non-current provisions, prior-provisions for long-service award. The municipality has effective internal control systems that are utilised to manage day to day operations of the institution.

The audit report stipulated the following:

Audit outcomes

	2011/12		2012/13		2013/14		2014/15		2015/2016	
Opinion	Qualified Outcome	Audit	Qualified Outcome	Audit	Qualified Outcome	Audit	Qualified Outcome	Audit	Qualified Outcome	and Adverse

MUNICIPALITY	11/12 Outcome	12/13 Outcome	13/14 Outcome	14/15 Outcome	15/16 Outcome
Amahlathi	Unqualified	Qualified	Qualified	Qualified	
Ngqushwa	Qualified	Disclaimer	Qualified	Qualified	
Mnquma	Qualified	Unqualified	Unqualified	Unqualified	
Mbhashe	Disclaimer	Qualified	Unqualified	Unqualified	
Great Kei	Disclaimer	Disclaimer	Disclaimer	Disclaimer	
Nxuba	Disclaimer	Disclaimer	Qualified	Qualified	
Amathole	Unqualified	Unqualified	Unqualified	Unqualified	

Reporting on performance information

Auditor General has raised the following issues with regard to performance information

Progress made on issue raised by Auditor General:

- Effort has been put on streamlining performance information so that reported indicators are reliable and underperformance is addressed

- Implementation of PMS policy is still a challenge however efforts have been made in reviewing the performance of S57 manager; informally and the Municipal Manager formally
- The template used for reporting performance has improved to include measurement source for audit And reporting purposes.
- Internal Audit reviewed the performance reports before submitted to council and advice on areas of under achievement as required by Sec 14 of MPPR.

An Audit Action Plan to address the issues that have been raised by the Auditor General has been developed. The institution also conducts risk management on quarterly basis, furthermore each department has risk champions. These risk that are identify are categorized based on their severity and they assist management to develop mitigating factors to address such risks. The Municipality has an audit which is constantly updated and given to the Auditor General during the audit period.

3.26 THE AUDIT COMMITTEE FUNCTIONALITY

The function of the Audit Committee is primarily to assist the Raymond Mhlaba Municipality in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of financial reports and statements. The Committee operates in terms of section 166 of the Municipal Finance Management Act 2003 (MFMA) (Act 56 of 2003), and has endeavored to comply with its responsibilities arising from those requirements. The Committee has performed its duties according to its terms of reference in the form of an Audit Committee Charter which stipulates amongst other issues the primary purpose of the Committee, which is:

- To monitor the integrity of the Council's financial statements and announcements relating to its financial performance, reviewing significant reporting financial reporting judgments.
- To review the effectiveness of the Council's internal controls and risk management systems.
- To monitor the effectiveness of the internal audit function and review its material findings.
- To oversee the relationship with the internal and external auditors, including agreeing the latter's audit fees and terms of engagement, monitoring their independence, objectivity and effectiveness.

The Audit Committee has no executive function and its primary objective is to review and challenge rather than assume responsibility for any matters within its remit. In view of the foregoing, the role of Audit Committee has increased its scope of work and thus focuses also on Performance Audit of the Municipality and its Entity (Nkonkobe Development Agency). The Chairperson of the Performance Audit Committee is

Mr. R. Ortlieb. Both these committees convened their meeting on quarterly basis, and their sitting is embedded on the municipal calendar.

Composition of the Audit Committee and Attendance of Meetings

The Committee commenced the year with four members and during the year under review four meetings were held.

Member
A. Yeboah (Chairperson)
L. Smith (Audit Committee Member and Chairperson of Performance Audit Committee)
A Le Roux
T. Labase
L. Ntshanga
Dr. Plaatjies
H. Masberg

KPA 5 Good Governance and Public Participation

3.27 Political Structure of Raymond Mhlaba Municipality

The principal-ship of Raymond Mhlaba Municipality lies with Council, which operates a number of committees. The Committees listed below are established in terms of Sections 79 and 80 of Local Government Municipal Structures Act (Act no 117 of 1998). Listed below are the committees that assist Council in carrying out its Political responsibilities:

1. Executive Committee
2. Rules Committee
3. Remuneration Committee
4. Audit Committee and Performance Audit Committee
5. Advisory Committee
6. Municipal Public Accounts Committee

Oversight Committee & Audit Committee

The Audit Committee, Audit Performance Committee and Municipal Public Accounts Committee are operational.

Standing Committees:

- Engineering Services;
- Corporate Services;
- Strategic Planning and Local Economic Development;
- Community Services
- Budget & Treasury; and
- Sports, Arts and Culture.

INTERACTION BETWEEN COUNCIL, STAFF AND COMMUNITY

The municipality make uses of various mediums of communication; the institution has a functional website. Even though there is no intranet, there is instant communication that is used on the website to communication critical information. The municipality has a newsletter called Umhlali, which is released on quarterly basis; it is used as a communication tool to disseminate council programmes to community. Information on the website gets updated regularly even though there are challenges in that regard, however information that is supposed to be posted on the website in terms of section 75 of the Local Government: Municipal Finance Management Act 2003 (Act 53 of 2003) is regularly updated.

COMMUNICATION STRATEGY

The Amalgamation Communication Strategy and Plan were adopted by the erstwhile Nkonkobe and Nxuba Councils in 2016, and is a working document. The communication plan is reviewed annually and guides all communication activities within the municipality (internally and externally). The Strategy has assist in the following:

- help us achieve our overall organisational objectives
- engage effectively with stakeholders
- demonstrate the success of our work
- ensure people understand what we do
- Change behaviour and perceptions where necessary.

NEWSLETTERS

The municipal newsletter, "*Umhlali*", is printed quarterly. However, there is no specific date of production. The current circulation is currently standing at 1500 copies – subject to the availability of funds. The whole production of the newsletter is done in-house

LOCAL COMMUNICATORS FORUM (LCF)

The main purpose for the establishment of the LCF was to close the information gap between the municipality and its communities and to ensure the co-ordination of a local level information management system advising the council and government on issues affecting the communication environment at local level. The strategy that the municipality has adopted is to include ward committees as part of the LCF to ensure that information reaches communities. An induction workshop for Councillors, Ward Committees and CDWs will be held during the 2016/ 2017. Seating's of the forum are proposed to be conducted on a quarterly basis.

3.28 INTERGOVERNMENTAL RELATIONS FORUM (IGR)

The IGR is a forum that is chaired by the mayor, and includes senior managers of departments in Raymond Mhlaba Municipality as well as senior managers within the municipality. Government departments in this forum present their programmes within the municipal space for the year as well as programmes they want the municipality to be involved in. Non-attendance by sector departments was reported to the office of the Premier as resolved by Council. The office of the Premier advised that all non-cooperative departments should be reported to MEC's responsible for such departments for intervention.

PRESIDENTIAL HOTLINE

The presidential Hotline was launched by the President of South Africa in 2009. It is an instrument in defining a government that understands the needs of its people and responds faster to those needs. The initiative does not ask if government will or is able to provide the services. It focuses on how government should improve the service by working faster and smarter. Members of the public are allowed to raise issues pertaining to delivery of services, fraud and corruption. This will obviously assist in unblocking service delivery matters. The Municipality receives complaints through the ITMS7 System which is web-based. The turnaround time for responses is 3 days. The system has been upgraded on numerous occasions, which then presented challenges for the Public Liaison Officers to access it. The Presidency

subsequently conducted a workshop in August 2013, which has seen much improvement in the handling of complaints. The Municipality is currently performing at 95% [out of 100%].

PUBLIC PARTICIPATION

Chapter 4 of the Local Government Municipal Systems Act, 32 of 2000 encourages municipalities to create conditions for the local community to participate in the affairs of the municipality. In terms of strengthening public participation, a wide range of communication tools are used to communicate with the community and also to disseminate information. These includes:-

- Newspapers; Winterberg, Times Media, Dike lethu, Umhlali newsletter
- Imbizo's / Road shows,
- Loud hailing,
- Library;
- Notice boards, and
- Nxuba/ Nkonkobe Municipal Website.
- IGR
- Meetings of CDW's and ward committees
- Suggestion and Complaints boxes
- Forte FM

The office of the Speaker also engages with Traditional Leaders in matters of Public Participation where there are Traditional Councils and with ward councillors to mobilize the ward committee members and community members to attend the meetings.

The IDP is summarized and presented to communities in English and presented in isiXhosa for comment and discussion. Records of these meetings are kept. Once all the comments and discussions have been taken into consideration towards an amended IDP and Budget, the above process is followed up by ward committees meeting before it goes to an IDP Representative Forum, where the amended/Draft IDP and Budget is again presented for the last time before they are submitted to Council for adoption. It is difficult though for the municipality to implement all the projects raised by communities due to budget constraints of council. The Raymond Mhlaba Municipality also engages volunteers within the community in a wide range of activities, including community health care, disaster management, community policing forums etc.

3.29 WARD COMMITTEES

Ward Committees are playing a huge role in the municipality's IDP and budget processes including Community Based Plans. The municipality has 230 ward committees in 23 wards. Ward committees are given an out of pocket expense on a monthly basis which amount to R1000 and a handset with airtime amounting to R350.00 per month. As part of capacity building programmes, 2 wards committees per ward will be ear marked to attend the basic minute taking workshop which is scheduled to take place towards end of the current financial year. The purpose of the training is to ensure that when committee clerks are not available to take minutes, ward committee secretaries will be able to carry out that task. They are also participated in the Forums and also workshops conducted by other institutions. Ward Committees enjoys a good rapport, during the previous financial year, there were no bad relations reported by community against a ward committee. The ward committees are contributing to development of IDP priorities and do influence the IDP processes within the municipality. The office of the Speaker coordinates ward committees, as such, ward committee meeting resolutions are handed to Speaker and they are then tabled in Council Meetings through the Speakers Office.

3.30 SOCIAL COHESION

Social cohesion is about improving a way the community interacts – ensuring that all its members can participate in social activities and access services without suffering a sense of exclusion based on their ethnic background, faith, disability and or age. It is a way that promotes interaction and understanding between different groups of people in society, and through this generates a sense of trust and community spirit. In promoting a cohesive society in Raymond Mhlaba, the municipality has a number of programmes – these include, Mayors Cup, Community Builder of the Year, Miss Raymond Mhlaba Beauty Pageant, Ward Championships, various programmes for elderly, disable etc. all these programmes are directed at harnessing people from all races, united in their diversity.

3.31 SPECIAL PROGRAMMES

The municipality established Special Programmes Unit (SPU) under the office of the Mayor; however, the office now is currently located in the Strategic Planning and Local Economic Department. The focus of the unit is the implementation of youth, disabled, women, elderly and children programmes and projects. A policy on special programmes was adopted by the Council to manage issues related to designated groups.

The vision of the municipality on special programmes: Raymond Municipality envisages a future for all designated groups which:

- Is free from discrimination
- Promotes enabling environment to build capacity amongst women, youth and people with disability to be active participate in the life of the Raymond Mhlaba municipality with the view to fulfill their potential, hopes, and aspirations.

The policy identifies the following as the focal priority areas for the Special Programmers Unit:

- Youth,
- Women
- HIV/AIDS,
- People with disabilities,
- Elderly
- Children and
- Sport

The principles and values of the policy are:

- Redressing imbalances
- Sustainability
- Empowering environment
- Gender inclusion
- Mainstreaming designated group issues

The Special Programmes Unit (SPU) facilitates the integration and mainstreaming of the designated groups into the development of the Municipality by:

1. Creating the necessary / conducive environment both internal and external through establishment of structures that will promote participation of youth, Woman, Disabled, Children, Elderly and HIV/AIDS infected individuals in our local Municipality.
2. Developing Policies, strategies and plans for the above groups for integration, mainstreaming, and alignment of such policies, plan and strategies into the sector plans of the Local Municipality.

3. Maintaining a mutual relationship between stakeholders in an endeavor to share experiences, align programmes and plans harness resources for better implementation of policies, strategies and plans

The population demographics of the Raymond Mhlaba Municipality show that youth is the dominant group. The municipality entered into partnership with the National Youth Development Agency wherein a Youth Advisory Centre (YAC) was opened in the Municipality, subsequent to that partnership the office was then absorbed by the municipality for sustainability. There are two officers permanently employed responsible for the provision of services in the office. Their main focus is on career counselling and outreach programmes. The office has the mandate of ensuring youth development in the community and the mandate is informed by the lack of skills, high unemployment rate, poverty and crime and scarcity of required resources. The office is located in Alice town one of the municipal units. The targeted group mainly are unemployed youth, entrepreneurs and upcoming entrepreneurs, in & out of school youth, skilled & unskilled and the disabled.

OBJECTIVES OF THE OFFICE

- Dissemination of information to young people on employment (finding work, job preparation, etc.), self-employment (starting your own business, financing, etc.), education and training (career planning, skills development, etc.), citizenship (life skills, rights, community work, etc.), and health and well-being (reproductive health, general health, mental health, etc.).
- Linking young people to entrepreneurship support services (business support and finance).
- Provision of basic career and business counseling and support to young people.
- Placement of young people into exit opportunities.
- Referral of young people to other specialized service providers for follow-up services.

3.32 HEALTH SERVICES

There are a total of thirty - eight (38) clinics in the entire Raymond Mhlaba Municipal area. Twenty- seven (27) clinics are run by the Provincial Department of Health for Raymond communities. There are four (6) hospitals in the Raymond Mhlaba Municipal area and one (1) Health centre, namely:

- Provincial Hospital
- Tower Hospital in Fort Beaufort
- Winterberg SANTA Hospital in Fort Beaufort
- Victoria Hospital in Alice

- Middledrift Health Centre
- Bedford Hospital
- Adelaide Hospital

Three of these hospitals are in Fort Beaufort and the fourth one is situated in Alice whilst the two are situated in Adelaide and Bedford. Along the R63 to King Williams Town is the Middledrift Health Care Centre. A need for health posts was identified; these should be established more especially in areas like Hogsback and Cangca, due to the financial constraints of the Department these areas are being serviced by Mobile clinics. This sector has got challenges that need to be addressed as a matter of urgency, shortage of staff has been identified and the solution to that challenge was a need to appoint an administrative staff to assist nurses. There is a need to aggressively recruit and train young people to be nurses especially locally based ones. A need to use retired nurses to assist in clinics and hospitals as some of the retired nurses are still interested in serving their communities and an increase of salaries for nurses to prevent them living the country for better salaries. Accommodation is also a challenge for the staff. The Department of Health has currently sent two (2) candidates to Cuba to be trained as Doctors and also twelve (12) candidates are currently being trained at Liliitha College of Nursing in different categories of Nursing. Eleven (11) Community Health Workers have been trained are back to work as Assistant nurses now. The Department is also in a process of sending retired Nurses for training and enrolled Nurses for training.

3.33 GOVERNMENT STRUCTURES

Out of the 38 Clinics that are at Raymond Mhlaba Municipal area only twenty nine (29) clinics that having functional Clinic Committees. Local Aids Council has recently been established, also driven by Councillor, this structure is fully functional.

3.34 LOCAL SPORT FACILITIES

The municipality has listed the upgrading of sport facilities in the IDP as one of the development objectives and strategy projects. It is important for the municipality to facilitate the provision of sport facilities so as to uplift the standard of living but due to financial constraints the municipality finds it difficult to establish new sport fields and maintain the existing ones, which therefore leads to vandalism.

The following are the existing sport facilities:

- Chris Hani in Debe Nek,
- Wilton Mkwazi Stadium for cricket in Middelburg
- Alice grounds rugby field and are also utilized for soccer.
- Ntselamanzi Cricket grounds owned by Alice Cricket Board
- Victoria East Rugby Union fields in Alice
- Happy Rest Cricket Fields in Alice
- Zwelitsha Stadium in Fort Beaufort
- Gontsi in Fort Beaufort
- Newtown multipurpose fields
- Ngumbela park in partnership with Healdtown Cricket Board
- Old Country Club multipurpose fields in Fort Beaufort
- Seymour sport field for rugby and soccer
- Dyamala Sport fields
- Sakhi sport fields
- Lower Blinkwater sport fields
- Wanderes Sport Fields
- Goodwin Park
- Nyarha Park

Apart from the sporting fields that are foreshadowed above, the municipality also has parks in Alice, Fort Beaufort and Bedford used as recreational facilities. The municipality is responsible for monitoring these community facilities and ensuring that they are kept in a good standard. An audit of all facilities is done annually.

3.35 LIBRARIES

Library service is the function of the Department of Sport, Recreation, Arts and Culture in terms of Schedule 5 of the Constitution of South Africa 1996. Raymond Mhlaba Municipality is performing this service with the Service Level Agreement. Libraries are local gateways to knowledge, providing individuals and social groups with the basic facilities for lifelong learning, independent decision making and cultural development. It strengthens reading habits and computer literacy in children and adults. The fundamental principle in Raymond Mhlaba Local Municipality libraries is that its services must be accessible to all its inhabitants. Tertiary material is provided to distance higher learning students.

- Fort Beaufort Public Library- Fort Beaufort Town
- Washington Bongco Public Library- Bhofolo location
- Newtown Public Library- Fort Beaufort, Newtown
- Alice Public Library- Alice
- Bezuidenshoutville
- Bedford Library
- Adelaide Library

The Fort Beaufort Public Library is manned by two Librarians (one from the Municipality and one from the Department of Sports, Recreation, Arts and Culture) and one cleaner, Newtown Public Library is manned by one Librarian and one cleaner, Alice by two Librarians, one Library assistant and one cleaner and Washington Bongco is manned by one Librarian from the Department of Sports, Recreation, Arts and Culture and one cleaner.

Libraries offer the following services:

- Assist community members by registering them to become members of the library
- Internet access free to all library members
- Give out books and other library material available to all members of the library.
- Provide information services for the benefit of use by the community.
- Promote and encourage the informal self-education of the community people.
- Offer supplementary information to those pursuing formal educational courses.
- Conserve books and other library material.
- Meet the recreational and educational needs of the community and encourage sound use leisure time.
- Design various outreach programs targeted at communities that surrounds the library

CHAPTER 4

OBJECTIVES, STRATEGIES, INDICATORS AND TARGETS

INSTITUTIONAL TRANSFORMATION											
REF	IDP REF	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	Programme/Activity	UNIT MEASUREMENT	ANNUAL TARGET (2017-2022)	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
IT1		To provide and effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services	Submit the Mid-year s72 Report to the Mayor by January 25	Programme/Activity	Midyear report submitted to the Mayor by January 25	5	1	1	1	1	1
IT2		To provide and effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services	The number of people from employment equity targets groups employed in the three highest levels of management in compliance with a Municipality's approved employment equity plan	Programme	Report on the number of people from employment equity groups employed in the three highest levels of management submitted to the Office of the Municipal Manager by 30 June						

IT3	To provide and effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services	The percentage of the municipality's budget actually spend on implementing its workplace skills plan	Programme	Report on the % of the Municipality's budget actually spent submitted to the Office of the Municipal Manager by 30 June						
IT4	To provide and effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services	Spent the training budget to develop the skills staff (Actual amount spent on training/total budget allocated for training)	Programme	% of approved training budget spent by 30 June						
IT5	To provide and effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services	Implementation of Senior Managers (Municipal Manager and s56 Managers) PMS	Activity	Number of Performance Assessments conducted by 30 June						
IT6	To provide and effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality	Annual Assessment of Community Facility/Building Maintenance needs	Programme	Documented Maintenance Plan for facilities to be submitted to the Municipal Manager by March 31 each						

REF	services	Development Communication Strategy	Activity	year						
IT7	To provide and effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services	Development Communication Strategy	Activity	Developed Communication Strategy approved by Council 31 March						
IT8	To provide and effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services	Review of Organisational Structure and submit to Council by May 31	Activity	Reviewed Organisational Structure submitted to Council by May 31						

GOVERNANCE AND STAKEHOLDER PARTICIPATION											
REF	IDP REF	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	Project/Activity/Programme	UNIT MEASUREMENT	ANNUAL TARGET (2017-2022)	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
GSP 1	KPI1	To promote proper governance and public participation	% of Audit Committee recommendations submitted and adopted by Council annually.	Programme	% of Audit Committee recommendations submitted and adopted by Council by 30 June						

GSP 2	KPI2	To promote proper governance and public participation	Attend to 100% of formal public complaints received	Activity	% of complaints attended to by 30 June						
GSP 3	KPI3	To promote proper governance and public participation	IDP and Budget consulted with community by 30 October and 30 April	Activity	No of community meetings held by 30 October and 30 April to consult on the IDP and Budget	10	2	2	2	2	2
GSP 4	KPI4	To promote proper governance and public participation	Investigate 100% of all fraud, theft and corruption cases formally reports to the municipality (Number of reported cases investigated for the year/number of cases reported for the year)	Activity	% of reported fraud, theft and corruption cases investigated by 30 June						
GSP 5	KPI5	To promote proper governance and public participation	Submit IDP to Council by 31 May	Activity	IDP submitted to Council by 31 May	5	1	1	1	1	1

GSP 6	KPI6	To promote proper governance and public participation	Submit the compiled Top Layer SDBIP to the Mayor for approval within 28days after the approval of the budget	Activity	Top layer SDBIP submitted to the Mayor for approval within 28 days after the Budget has been approved by Council	5	1	1	1	1	1
GSP 7	KPI7	To promote proper governance and public participation	Compile and submit the Draft Annual Report to Council by 31 January	Programme	Draft Annual Report submitted to Council by 31 January	5	1	1	1	1	1
GSP 8	KPI8	To promote proper governance and public participation	Monitor Council Resolutions by submitting progress reports on the implementation of Council Resolutions to Council at Council Meetings	Activity	Number of reports submitted to Council by 30 June						
GSP 9	KPI9	To promote proper governance and public participation	Submit Ward Committee Meeting Monitoring Reports to Council	Activity	Number of Monitoring Reports to Council by 30 June						
GSP 10	KPI10	To promote proper governance and	Develop and Review IGR Strategy and	Programme	IGR Strategy and action plan developed and						

GSP 11	KPI11	public participation	Action to Plan to Council for Approval by 30 June	reviewed submitted to Council by June 30									
		To promote proper governance and public participation	Compile a Schedule of Municipal By-laws to be developed and reviewed	Schedules developed and submitted to Council by June 30									

PHYSICAL INFRASTRUCTURE, PLANNING AND ENERGY EFFICIENCY												
REF	IDP REF	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	Programme/Project Activity	UNIT MEASUREMENT	ANNUAL TARGET (2017-2022)	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	
PPE1	KPI1	To ensure road infrastructure is rendered to rural villages	Implementation of the rural road development programme	Programme	Completion of 1 village per. 1km internal roads re-graveled.	60	12	12	12	12	12	
				Programme	Dry Blading of 3 villages per month	180	36	36	36	36	36	
PPE2	KPI2	To ensure that surfaced road infrastructure in formal towns are maintained	Implementation of the Road Maintenance Plan	Programme	Completion of 2km per quarter	40km	8km	8km	8km	8km	8km	

PPE3	KPI3	To ensure that stormwater channels are cleared, maintained and reconstructed when needed	Implementation of the Stormwater Maintenance Program	Programme	Completion of 2000m per month	24 000m	24 000m	24 000m	24 000m	24 000m
PPE4	KPI4	To ensure that sport fields are levelled	Implementation of a sport fields levelling program	Programme	Grading of 2 sport fields per month	24	24	24	24	24
PPE5	KPI5	To ensure that roads are marked in forma towns	Implementation of road marking programme	Activity	Marking of 100 intersection every 3 months	400	400	400	400	400
PPE6	KPI6	To ensure that road signs are maintained and replaced when needed	Implementation of road signage maintenance programme	Programme	Replace signage when needed					
PPE7	KPI7	To ensure maintenance of electricity infrastructure	Implementation of electricity maintenance plan	Programme	Completion of MV, Substations, LV line and meters	1753	400	453	400	100
PPE8	KPI8	To ensure that rural communities in the eskom area of supply have access to electricity	By conducting an audit of households that are with electricity within Raymond Mhlaba area	Number of beneficiaries that are without electricity	Signed list of beneficiaries					

PPE9	KPI9		By sourcing funding from the Department of Energy for the purpose of reducing electricity backlog	Submission of application to DoE every August	Signed application forms and DoE acknowledgment	5	1	1	1	1	1
GSP 10	KPI10	To provide community facilities to Raymond Mhlaba communities by 2022	By building community halls, child care facilities, and other community facilities needed	Project scope of work per project	Formation of project teams						

FINANCIAL SUSTAINABILITY											
REF	IDP REF	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	Programme/Project/Activity	UNIT MEASUREMENT	ANNUAL TARGET (2017-2022)	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
FS1		To ensure the financial sustainability in order to fulfil the statutory requirements	Raise/collect Operating Budget revenue as per approved budget	Programme	% of total Operating Budget revenue raised/received by 30 June	70%	60%	60%	65%	70%	70%
FS2		To ensure the financial sustainability in order to fulfil the statutory requirements	Spend Operating Budget expenditure as per approved budget	Activity	% of total Operating Budget expenditure over projected budget	100%	90%	95%	100%	100%	100%

FS4	requirements To ensure the financial sustainability in order to fulfil the statutory requirements	Compilation of the 2018 General Valuation Roll: Draft by 1 October 2017 and Certified Rolls by 31 December 2017	Programme	by 30 June	100%	100%	100%	100%	100%	100%
		Draft Rolls received by 01 October 2017, Certified Rolls received by 31 December 2017			GRAP Compliant FAR	GRAP Compliant FAR	GRAP Compliant FAR	GRAP Compliant FAR	GRAP Compliant FAR	GRAP Compliant FAR
FS5	To ensure the financial sustainability in order to fulfil the statutory requirements	Asset Management	Activity	Compilation of a GRAP Compliant Fixed Asset Register as at 30 June	GRAP Compliant FAR	GRAP Compliant FAR	GRAP Compliant FAR	GRAP Compliant FAR	GRAP Compliant FAR	GRAP Compliant FAR
FS7	To ensure the financial sustainability in order to fulfil the statutory requirements	Disclose in Annual Financial Statements all deviations condoned by Council	Activity	Disclose in Annual Financial Statements all monthly reported deviations condoned by Council	100	100	100	100	100	100
FS8	To ensure the financial sustainability in order to fulfil the statutory requirements	Submit the Annual Financial Statements by 31 August to the Office of the Auditor-General	Activity	Annual Financial Statements submitted by 31 August	1	1	1	1	1	1
FS11	To ensure the financial sustainability in order to fulfil the statutory requirements	To compile a report that will assess the financial health of the Municipality	Activity	Submitted Section s72 and the assessment the health report.	1	1	1	1	1	1

FS12	requirements	together with the Midyear performance assessment report	Submit the Financial Plan for inclusion in the IDP for approval by 31 March (draft) and by 31 May (final)	Activity	Financial Plan approved by Council by end of March and May	5	1	1	1	1	1	1	1
FS13	requirements	Submit the MTREF aligned to the IDP to Council for in principle by 31 March and final approval by 31 May	Activity	MTREF approved by Council by end March and end May	5	1	1	1	1	1	1	1	1
FS14	requirements	Submit the Adjustments Budget to Council for approval by 28 February	Activity	Adjustments Budget submitted to Council by 28 February	5	1	1	1	1	1	1	1	1
FS15	requirements	Compile and Update Indigent Register	Programme	100% of all qualifying indigent applications processed by 30 June	90	90	90	90	90	90	90	90	90

FS19	To ensure the financial sustainability in order to fulfil the statutory requirements	Facilitate the Develop Procurement Plan of the Institution submit to Municipal Manager by May 30	Activity	Procurement Plan submitted to Municipal Manager by May 30	5	1	1	1	1	1	1	1
	To ensure the financial sustainability in order to fulfil the statutory requirements	Ensuring the development and capacitation of service providers SMMEs and Vulnerable groups with the Raymond Mhlaba Jurisdiction	Programme	Establishment of a Raymond Mhlaba Incubator program. Percentage of procurement directed to local content								
					20%	25%	30%	35%	35%	35%	35%	35%

ENVIRONMENT, SOCIAL AND COMMUNITY DEVELOPMENT												
REF	IDP REF	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	Programme / Project / Activity	UNIT MEASUREMENT	ANNUAL TARGET (2017-2022)	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	
ESC 1		To assist facilitate with the development, safety and empowerment of the poor and the most vulnerable.	Submit quarterly reports to Council on the implementation of library programmes	Activity	Quarterly reports submitted to Council	20	4	4	4	4	4	

ESC 2	To Facilitate the construction of two libraries in the Raymond Mhlaba area	Lobby DSRAC to contract libraries	Project																	
ESC 3	To assistance facilitate with the development, safety and empowerment of the poor and the most vulnerable.	Provision of refuse removal services and solid waste disposal to formal households	Programme	Monthly reports to the Municipal Manager on the number of formal households where refuse is collected																
ESC 4	To assistant facilitate with the development, safety and empowerment of the poor and the most vulnerable.	Report on the provision of basic service delivery to Raymond Mhlaba Municipality Residence	Activity	Report to the Senior Management and Mayor on the % of households with access to basic level of solid waste removal.																
ESC 5	To ensure effective law enforcement in relation to equipment use	Implementation of essential user car scheme	Activity	Submit essential user scheme policy for adoption						Adopted										
ESC 6	To strengthen law enforcement by 2022	By appointing Traffic officers	Programme	Appointment Letters	20	0	5	5	5											

ESC 7	Registration and Licensing	Establish one grade A testing station in Alice and upgrade grade B testing station center in Fort Beaufort to grade A	Programme	Construction of testing grounds and appointment of management representatives as well as grade A examiners	2	Fort Beaufort	Alice	Appoint a contractor	Alice	Fort Beaufort	Adelaide
ESC 8		To introduce parking payment system for motor vehicle in all major towns of the municipality, that is Alice, Fort Beaufort and Adelaide	Programme								
ESC 9		To upgrade and construct animal pound facilities in key areas of Raymond Mhlaba	Capital Projects	Upgrade and construct	2	Upgrade Adelaide pound	Construction of pound in Alice				
ESC 10		To establish fully functional firefighting base in Fort Beaufort and one satellite station in Alice and Adelaide by 2022.	Capital Projects		4	Refurbishment of Fort Beaufort Proposed base	Establish Adelaide satellite Base	Establish Alice Satellite base	Establish Hogsback satellite base	Establish Both Seymour and Bedford satellite base	

ESC 11	To assist with the development, safety and empowerment of the poor and the most vulnerable.	Review and submit to Council the Public Transport Traffic Plan by June 30	Public Transport Traffic Plan reviewed (each year) and submitted to Council by June 30							
ESC 12	To assist with the development, safety and empowerment of the poor and the most vulnerable.	Review the Disaster Risk Management Plan and submit to Council by 31 May	Disaster Risk Management Plan reviewed and submitted to Council by 31 May							
ESC 13	To establish fully functional firefighting base in Fort Beaufort and one satellite station in Alice and Adelaide by 2022.	By constructing of Fire Bases and procurement of firefighting engine	4	4	Refrishment of Fort Beaufort Proposed base	Establish Adelaide satellite Base	Establish Alice Satellite base	Establish Hogsback satellite base	Establish Both Seymour and Bedford satellite base	
ESC 14	To assist with the development, safety and empowerment of the poor and the most vulnerable.	Respond to law enforcement complaints	% response to all law enforcement complaints within 24 hours							
ESC 15		To have a fully functional community safety	Quarterly meetings with relevant stake		Establishment of	Adoption of Comm				

ES 16			forum to address the public safety complaints by 2018		holders.		the safety forum and Development of a strategic plan	unity Safety Strategic Plan by council				
			To a fully-fledged security unit that will protect the municipal assets, personnel and information.			2022	Development and adoption of the security policy					
ES 17			To have municipal by laws fully implemented by 2022	Activity	Execution of by laws	2022		Promulgation of by laws				
ES 18			To assist in facilitate with the development, safety and empowerment of the poor and the most vulnerable.	Capital Projects	% of approved Capital Budget spent by 30 June							
			Implement the parks, cemeteries and open spaces capital projects measured quarterly in terms of approved Capital Budget Spent									

ESC 19		Identify cemetery sites in all towns of Raymond Mhlaba	Capital Projects	To have cemetery site in all areas	physibility study on identified sites					
ESC 20		Fencing of cemetery site	Capital Projects	Fencing of cemetery		23	23	23	23	23
ESC 21	To assistant facilitate with the development, safety and empowerment of the poor and the most vulnerable.	Submit report annually on the available solid waste air space at existing landfill facility	Programme	Reports submitted to Council by 30 June						
ESC 22	To assistant facilitate with the development, safety and empowerment of the poor and the most vulnerable.	Development of an Integrated Waste Management Plan for Raymond Mhlaba Municipality	Capital Projects	Developed IWMP for Raymond Mhlaba Municipality						
ESC 23	To assistant facilitate with the development, safety and empowerment of the poor and the most vulnerable.	Submit 1 Business Plan to Department of Environmental Affairs (DEA) and Department of Economic Development, Environment Affairs AND Tourism (DEDEAT) for	Capital Projects	Business Plan Submitted to DEA and DEDEAT						

ESC 24	To assist facilitate with the development, safety and empowerment of the poor and the most vulnerable.	fund of Recycling Project Develop Beautification Plan for entrance to all towns and submit to Council for approval by June 30, 2018	Capital Projects	Beautification Plan submitted to Council by June 30, 2018									
ESC 25	To assist facilitate with the development, safety and empowerment of the poor and the most vulnerable.	Finalise and Submit to Council the Draft Climate Change Adaption Plan	Programme	Final Climate Change Adaption Plan Submitted to Council by 30 June 2019									

ECONOMIC GROWTH AND DEVELOPMENT											
REF	IDP REF	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	Programme/Activity	UNIT MEASUREMENT	ANNUAL TARGET (2017-2022)	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
EGD 1		To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development	The number of jobs created through the municipality's local economic development initiatives including capital projects	Programme/Activity	Number of job opportunities created by 30 June	500	100	100	100	100	100
EGD 2		To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable and conducive economic environment	Develop a Local Economic Development Strategy for Raymond Mhlaba Local Municipality by June 2019	Project	Developed Local Economic Development Strategy	Developed LED Strategy		Developed LED Strategy			

EGD 3	through the development of related initiatives including job creation and skills development	To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development	Compile a Rural Development Strategy and submit to Council by May 31, 2018	Rural Development Strategy developed and submitted to Council by May 31, 2018	Developed Rural Development Strategy	Developed Rural Development Strategy												
EGD 4	through the development of related initiatives including job creation and skills development	To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development	Facilitate 2 annually oversight visit to funded LED Projects by Standing Committee members	2 Annual oversight visit to funded LED Projects by Standing Committee members	Developed Rural Development Strategy	Developed Rural Development Strategy												

EGD 5	environment through the development of related initiatives including job creation and skills development	To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development	Development of Tourism Products for Raymond Mhlaba Municipality	Developed Tourism Products	Programme	10	2	2	2	2	2
EGD 6	To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable and conducive	Submit Annually 2 Business Plans to assist SMME's or Cooperatives for funding	2 Business Plans submitted annually to funding institution for SMME's and Cooperatives								

EGD 7	economic environment through the development of related initiatives including job creation and skills development To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development	Annually Agree and Sign Memorandum of Agreements between Local Tourism Organisation and municipality to promote Tourism after it has been established.	Programme		Signed MOA by June 30	5	1	1	1	1	1	1
EGD 8	To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable	Annually Agree and sign Memorandum of Agreements between Sports Council and municipality to promote Sport	Programme		Signed MOA by June 30	5	1	1	1	1	1	1

EGD 9	and conducive economic environment through the development of related initiatives including job creation and skills development	after it has been established.	Annually Agree and Sign Memorandum of Agreements between Raymond Mhlaba Cricket Development and municipality to promote Cricket after it has been established.		Signed MOA by June 30	5	1	1	1	1	1	1	
EGD 10	To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development	Develop and Review SMME Strategy	Develop and Review SMME Strategy	Developed and Reviewed SMME Strategy	Developed and Reviewed SMME Strategy	Developed SMME Strategy							

	enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development					20	Quarterly reports to Council on Small Town Revitalisation Programme	Activity		4	4	4	4	4																																																																											
EGD 11	To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development	Submit quarterly reports to Council on Small Town Revitalisation Programme	Activity		4	20	Quarterly reports to Council on Small Town Revitalisation Programme	Activity	4	4	4	4	4																																																																												
EGD 12	To facilitate sustainable economic empowerment for all communities within Raymond	Update Database with Local Business by June 30		Update Database of Local Business	5	1	Updated Database of Local Business	Activity	1	1	1	1																																																																													

EGD 13	Mhlabha and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development	To facilitate sustainable economic empowerment for all communities within Raymond Mhlabha and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development	Arrange 1 Annual Training Workshop for unemployed youth	1 Annual Training Workshop for unemployed youth	Developed Strategy for Informal Traders	1	1	1	1	1	1

Programme

EGD 14	To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development	Develop Strategy for Informal Traders	Developed Strategy for Informal Traders							Developed Strategy for Informal Traders
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IDP Linkage to Budget 2017/ 2022

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	IDP OBJECTIVE IN THE 2017/2018 BUDGET	CAPITAL AND OPERATIONAL PROJECTS IDENTIFIED IN THE PROJECT SEGMENT
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	To ensure road infrastructure is rendered to rural villages	Repairs and Maintenance of Municipal Assets
	To ensure that surfaced road infrastructure in formal towns are maintained	Project Management Unit
	To ensure that stormwater channels are cleared, maintained and reconstructed when needed	Regravelling of Roads

		<p>To ensure that sportfields are levelled</p> <p>To ensure that roads are marked in formal towns</p> <p>To ensure that road signs are maintained and replaced when needed</p> <p>To ensure maintenance of electricity infrastructure</p> <p>To ensure that rural communities in the Eskom area of supply have access to electricity</p> <p>To provide community facilities to Raymond Mhlaba communities by 2022</p> <p>To construct and upgrade of animal pound facilities</p> <p>To establish a fully functional fire-fighting base in Fort Beaufort and one satellite station in Alice and Adelaide by 2022</p>	<p>Installation of High mast lights and Electricity Infrastructure</p> <p>Resurfacing of Existing Roads/ Roads</p> <p>Paving streets/ Roads</p> <p>Upgrading of community facilities sport fields</p> <p>Construction of Public Facilities Parks</p> <p>Fencing of existing rural cemeteries</p> <p>Distribution of Electricity</p> <p>Electrification of Eskom areas</p>
KPA 2: LOCAL ECONOMIC DEVELOPMENT	IDP OBJECTIVE IN THE 2017/2018 BUDGET		CAPITAL AND OPERATIONAL PROJECTS IDENTIFIED IN THE PROJECT SEGMENT
KPA 2: LOCAL ECONOMIC DEVELOPMENT	To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development		<p>BCMM - SMME's and cooperatives & TOURISM</p> <p>Cooperative Indaba</p> <p>SMME Day</p> <p>Informal Traders</p> <p>Development of LED Strategy</p> <p>NMMM- cleaning co-operative</p> <p>RAY MAF Agricultural show</p> <p>Flea market days</p>
KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY	IDP OBJECTIVE IN THE 2017/2018 BUDGET		CAPITAL AND OPERATIONAL PROJECTS IDENTIFIED IN THE PROJECT SEGMENT

<p>KPA 3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY</p>	<p>To ensure the financial sustainability in order fulfil the statutory requirements</p>	<p>Implementation of Revenue enhancement strategy, Credit control policy and Indigent policy</p> <p>Finance Cost</p> <p>Payment of Creditors within 30 days</p> <p>Depreciation and Impairment of Municipal Assets</p> <p>Write-off of Bad debtors</p> <p>Support reform in Financial Management</p> <p>Transfers and Subsidies</p>
<p>KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT</p>	<p>IDP OBJECTIVE IN THE 2017/2018 BUDGET</p> <p>To provide effective and effective workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services</p>	<p>CAPITAL AND OPERATIONAL PROJECTS IDENTIFIED IN THE PROJECT SEGMENT</p> <p>Development and Reviewal of existing by-laws</p> <p>Leased Plant / Machinery and Equipment</p> <p>Integrated security services</p>
<p>KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</p>	<p>IDP OBJECTIVE IN THE 2017/2018 BUDGET</p> <p>To promote proper governance and public participation</p> <p>To assist and facilitate with the development, safety and empowerment of the poor and the most vulnerable</p>	<p>CAPITAL AND OPERATIONAL PROJECTS IDENTIFIED IN THE PROJECT SEGMENT</p> <p>Acquisition of non-infrastructure Assets</p> <p>Advertising</p>

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	To facilitate the construction of two libraries in Raymond Mhlaba are	Auction of Municipal Assets
	To ensure effective law enforcement in relation to equipment use	Employee related cost
	To strengthen law enforcement by 2022	Remuneration of Councillors
		Auditor General
		Meetings, workshop and Forums
		Municipal Standard chart of accounts framework
		Indigents subsidy
	Creation of Job Opportunities	

CHAPTER 5

PROJECTS

Row Labels	Sum of 2017/2018	Sum of 2018/2019	Sum of 2019/2020
Property, plant and equipment	43,389,300.00	38,337,050.00	39,854,950.00
CHICKEN ABATTOIR - MIG	1,000,000.00		
COMMUNITY HALL - KHULILE	500,000.00	500,000.00	
COMMUNITY HALL - MAZOTSHWENI	690,000.00		
COMMUNITY HALL - CITY	500,000.00		
COMMUNITY HALL - THAFENI	690,000.00		

COMMUNITY HALL - ZIBI	500,000.00		
COMMUNITY HALL- QOMFO	690,000.00		
CONSTRUCTION OF MUNICIPAL POUND	500,000.00		
COUNCIL CHAMBERS	2,500,000.00		
DAY CARE - QHOMFU	890,000.00		
DAY CARE CENTRE- FORT BEAUFORT	500,000.00		
DAYCARE CENTRE - LUGWIDINI	450,000.00		
DAYCARE CENTRE - MEVA	440,000.00		
DAYCARE CENTRE - XHUKWANA	500,000.00		
DAYCARE CENTRE - ZIGODLO	500,000.00		
FENCING OF CEMETERIES	560,000.00		
HIGHMAST LIGHTS	1,000,000.00	4,000,000.00	4,000,000.00
INSTALLATION OF ELECTRICAL INFRASTRUCTRE	1,000,000.00	2,500,000.00	2,500,000.00
MAKHUZENI SPORT FIELD	1,500,000.00	5,000,000.00	5,000,000.00
MULTI-PURPOSE CENTRE - MIG	1,150,000.00		
MULTIPURPOSE CENTRE- GOODWIN PARK	1,500,000.00		
NGQOLOWA SPORT FIELD - MIG	1,500,000.00		
PARK - MIG		2,610,200.00	5,000,000.00
PAVING & GREENING - CHRIS HANI	2,120,000.00		
PAVING AND GREENING - GOLF COURSE	1,500,000.00		
PAVING AND GREENING - GQUMASHE	1,000,000.00		
PAVING AND GREENING - NTSELAMANZI	2,376,150.00	1,600,000.00	4,220,000.00

PAVING AND GREENING- HILLSIDE TO NTOLENI			1,500,000.00	3,500,000.00	4,000,000.00
PAVING DEBE-NEK - MIG			1,500,000.00	3,500,000.00	4,000,000.00
PAVING GUGULETHU - MIDDLEDRIFT			1,000,000.00		
PAVING OF STREETS- JAKARANDA			1,500,000.00	3,500,000.00	
RECREATIONAL FACILITIES - HORSE RACING			2,000,000.00		
REGRAVELLING OF ADELAIDE			973,150.00		
REHABILITATION OF WANDERES SPORTFIELD			1,000,000.00		
RESURFACING OF ADELAIDE			2,500,000.00	4,500,000.00	4,500,000.00
RESURFACING OF BEDFORD			2,000,000.00	6,126,850.00	5,000,000.00
SPORT COMPLEX FORT BEAUFORT PHASE 1			2,500,000.00	1,000,000.00	1,634,950.00
UPGRADING OF NONZAKWAZI SPORTSFIELD			300,000.00		
VIC-DEBE NEK			560,000.00		
Grand Total			43,389,300.00	38,337,050.00	39,854,950.00

DEPARTMENT OF SOCIAL DEVELOPMENT AND SPECIAL PROGRAMMES

PROJECT TYPE	NUMBER	BUDGET	NO. OF BENEFICIARIES	NO. OF JOBS CREATED	2017/18 EXPECTED BUDGET
HOMES FOR DISABLED	02	R1 473 125.00	98	40	R 2 058 000. 00
SPECIAL DAY CARE CENTRES	01	R53800.00	12	02	R53800.00

OLD AGE HOMES	02	R1 040 400.00	51	20	R1 224 000.00
SERVICE CENTRES	29	R3 362 400.00	1401	139	R3 362 400.00
HCBC	02	R600 000.00	600	20	R533 200.00
ECDC	81	R6 037 200.00	2064	130	R7 014 075.00
CPO's	02	R952 250.00	800	7	R952 250.00
ISIBINDI PROJECT	01	R589 000.00	950	19	R589 000.00
FAMILY RESOURCES	02	R138 826.00	50	09	R138 826.00
WDCOH	06	R983 828.00	900	28	R681 680.00
TADA PROJECT	01	R136 000.00	600	06	R136 000.00
COOPERATIVES	01	R199 271.00	07	04 CASUALS	R184 000.00
CNDC	01	R50 000.00	65	05	NIL
TOTAL	131	R15 616 100.00	7598	429	R16 927 231

DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENTAL AFFAIRS & TOURISM

Project name	Value
Pedestrian Walkway from University of Fort Hare to Victoria Hospital	R10 000 000
Construction of Three traffic circles	R10 000 000
Rehabilitation of Gaga Street Phase 1	R10 000 000
Rehabilitation of Gaga Street Phase 2	R95 000 000

Construction Alice Recreational	R94 000 000
Three traffic circles in Alice	R10 000 000

NATIONAL DEPARTMENT OF ENVIRONMENT

PROJECT	2016/17		2017/18		2018/19		PURPOSE
	ALLOCATION	JOB OPPORTUNITIES	ALLOCATION	JOB OPPORTUNITIES	ALLOCATION	JOB OPPORTUNITIES	
Katberg	R 2 821 446.00	6440	R 2 916 720.00	6569	R 2 021 601.00	6700	CONTROL ALIEN INVASIVE PLANTS
Post Retief	R 1 091 860.00	6644	R 1 025 360.00	6777	R 1 006 120.00	6912	CONTROL ALIEN INVASIVE PLANTS
Great Fish River	R 2 491 462.00	3886	R 2 388 816.00	3964	R 2 306 480.00	4043	Spekboom planting
Hogsback Ecosystem	R1 041 828.00	5787	R 1 401 828.00	7 745	R 1 573 083.00	8 151	Restoration & of river system
Hogsback	R1 239 719.00	8 190	R 1 220 420.00	5364	R 1 236 000.00	5471	CONTROL ALIEN INVASIVE PLANTS
Katberg & Hogsback	R 2 300 000.00	16650	R 2 401 200.00	16983	R 2 473 236.00	17323	INTEGRATED FIRE MANAGEMENT WITHIN Raymond Mhlaba LM
	R 10 986 335.00	39 044	R 11 354 344.00	45 189	R 10 616 520.00	28 770	

DEPARTMENT OF AGRICULTURE AND AGRARIAM REFORM

PROGRAM	SUB PROGRAM	BUDGET	PROGRESS TO DATE
Landcare	Removal of Jointed cactus at Gxwedera	R452 000	<ul style="list-style-type: none"> - R241 000 stipend for community Labour - 22 Community Labour - R210 000 paid for chemicals, protective clothing and tools. - 122 ha have been completed.
Infrastructure	Diptank Renovations (13)	R405 000	<ul style="list-style-type: none"> - Zixinene – work in progress - Ngqele – work in progress - Nofingxane – work in progress - Dyamala – work in progress - Mdeni/Healdtown – complete - Ntoleni – work in progress - Lashington – awaiting delivery - Fairban – work in progress - Bedford commonage –complete - Malanskraal – complete - Harvelok – complete - Lapumikwezi – complete - Adelaide commonage - complete
Infrastructure	Dam Scooping	R750 000	<ul style="list-style-type: none"> - 6 DAMS - Mgquba - complete - Nondyola - complete - Mt Ruby - complete - Ngqele 2 / Qomfo – complete - Adelaide – not yet done Bedford – not yet done

Food Security	Citrus Production	R1 100 000	<ul style="list-style-type: none"> - R1 100 000 inputs delivered. - 9 learners completed NQF Level 4 Learnership at citrus academy - 12 learners got bursary from Citrus Academy. - 17 farmers producing 521ha at average of 60tons/ha - Inputs delivered. - Due to drought inputs were diverted to homestead food gardens. - Inputs procured and delivered. - About 57 projects benefited with 420 beneficiaries. - Production in progress - 398 ha target - 302.5ha planted - 95.5ha not done
	Irrigation Schemes	R500 000	
Food Security	Households	R457 000	
Food Security	Cropping Mechanization	R1 074 931	

SANRAL

Project Description	Budget
R63 upgrade Alice to Fort Beaufort	R450 000 000
R63 Reseal Alice to King Williams Town	R98 000 000
R67 Special maintenance between Seymour and Fort Beaufort	R80 000 000
R67 Special maintenance between Grahamstown and Fort Beaufort	R200 000 000

ESKOM

Project Name	TOTAL Planned CAPEX 2017/2018	TOTAL Planned Connections 2017/2018
Alice Extensions Ph 2	R 4 705 350	241
Alice Extensions Ph 2 Link Line	R 2 074 800	Infrastructure

Debe Nek Extension	R 2 667 600	137
Debe Nek Extension Link Line	R 889 200	Infrastructure
Raymond Mhlaba Type 1 Infills	R 2 445 300	445
Middeldrift Extensions	R 2 667 600	127
Middeldrift Extensions Link Line	R 889 200	Infrastructure
Middeldrift Housing Development	R 3 003 900	182
Middeldrift Housing Development	R 889 200	Infrastructure

AMATHOLE DISTRICT MUNICIPALITY

Project Name	Amount
Bedford & Adelaide Bucket Eradication Programme - Phase 6	2 000 000
Wortel Drift Farm Settlement	1 000 000
Hogsback Water Treatment Works and New Reservoir	6 000 000
Fort Beaufort Bulk Water Services Upgrading	25 000 000
Nkonkobe Area Wide Sanitation Region 3A	20 000 000
Bedford Waste Water Treatment Works	100 000
West Victoria East Water Supply (Phase 4)	100 000
Ekuphumleni & 9 Villages Water Supply (Phase 5)	100 000
Kolomane Bulk Water Supply : Phase 3	100 000
Upgrade Alice Waste Water Treatment Works	100 000

Project Name	Amount
Victoria Post Settlement	100 000
Hertzog Settlement	100 000
Upgrade Fort Beaufort Waste Water Treatment Works	100 000
Fort Beaufort Pipe Replacement	100 000
Fort Beaufort Water Treatment Works upgrade / refurbishment	100 000
Alice Waste Water treatment Works upgrade	100 000
Alice Water Treatment Works	100 000
Middledrift Waste Water Treatment Works	100 000
Implement Sanitation Upgrade study recommendations in tourist nodes (Hogsback - Katberg)	100 000

Project Name	Amount
Refurbishment of Adelaide Canal	545,514
Refurbishment of Lushington bulk infrastructure	545,514
Seymour Ext 6 Sewer	545,514
Water Loss Reduction Programme: Fort Beaufort	1,091,028
Bulk Water Supply to Ekuphumleni & 9 Villages - Phase 5	1,636,542
Water Loss Reduction Programme: Alice	1,636,542
Adelaide Water Treatment Works & Bedford Water Treatment	2,182,056
Alice Water Treatment Works	2,727,570
Fort Beaufort Waste Water Treatment Works	5,455,141

WORLD VISION

Project	Budget Amount
Agriculture	R212,173
Education	R195,408
HIV/Aids	R134,912
Sponsorship Management	R151,141

DEPARTMENT OF HUMAN SETTLEMENTS

PROJECT NAME	NO. OF SUBS.	DELIVERY PLANNED	STATUS	PROJECT BUDGET	CHALLENGES	PROGRESS TO DATE
BEDFORD GOODWIN PARK	1000	304 units	Running	R 63 509 040.91	None	Complete : 47 Wall Plates : 1
BEDFORD ZINC STRUCTURES	600	304 units	Running	R 63 509 040.91	None	Complete : 31 Roofs : 12 Wall Plates : 4
BEDFORD NYARHA	292	Complete the remaining units	Blocked	n/a	n/a	None
ADELAIDE BEZUIDENHOUT VILLE	753	COMPLETE	COMPLETE	N/A	Project close out is still outstanding	Procurement service provider is underway
WORTELDRIFT	255	Project Planning	New	R 179 592 400.20	Slow pace of procurement	Department still negotiating contract terms with the Contractor.
TYOKSVILLE	700	Feasibility Study	New	R 127,004,473.00	Financial Constraints	Funding has been approved.
ALICE GOLF COURSE	1283	CLOSE OUT	Complete	R 53,448,274.02	Budgetary constraints	None
ALICE KUNTSELMANZ I	228	CLOSE OUT	Complete	R 8,945,963.92	Budgetary constraints	None

MIDDLEDRIFT 311	311	Rectification of defective units	Complete	R 14,953,659.53	Directive from the Minister to halt rectification	None
MOUNT PLEASANT	200	Construction 200 new units	Complete	R 22,554,596.39	Some snags were identified	Assessment on snags is underway.
BHOFOLO 300	300	200 units to be rectified, and 11 new unit (After the re-assessment)	Running	R 23,585,369.86	Completed units cannot be handed over to beneficiaries because of sewer connections cannot be done as the existing sewer lines are in a bad state, Securing of temporary shelters to relocate beneficiaries (Rectification), however the VO for additional funding has just been approved.	<ul style="list-style-type: none"> • New units • 11 completions • Rectification • 10 roofs
FORT BEAUFORT HILLSIDE 638	638	Completion of 187 new houses and 457 units to be rectified.	Blocked	R 76,582,833.40	Poor delivery progress by the contractor.	10 completed rectification 7 foundation slab
MAVUSO	300	Construction	New	R 44,312,784.00	Financial constraints	Contractor will establish on site in

						February 2017.
ALICE KUNTSELAMANZ I / HILLCREST	818	Construction of 189 new units and rectification of 629 units	Blocked	R 16,939,550.05	Rectification portion of the project on hold because of the directive from Minister Human Settlements that no more rectification projects.	Contractor procurement for the unblocking portion of the project is underway.
FORT BEAUFORT NEWTOWN	662	49 new units and 613 units to be rectified	Running	R 52,863,422.18	Delay in appointment of the consultant.	Rectification is complete. New units are still to be constructed.
MIDDLEDRIFT	213	Rectification of 213 units	Blocked	R0	Rectification portion of the project on hold because of the directive from Minister Human Settlements that No more rectification projects.	None
LOWER BLINKWATER	1011	To prepare readiness	New	R 2,422,965.80	The land restitution process by the Department of Rural Development and Land Reform was left incomplete.	This requires political intervention of the Municipality.

KATBERG	233	To prepare readiness	New	R 37,360,322.09	<p>The slow pace of beneficiary approvals is the only challenge from the side of the Department. This is caused by fact that some of the displaced people do not qualify for the housing subsidy.</p> <p>Budgetary Constraints</p>	<p>NHBRC enrolment is underway</p> <p>Tender document to be presented to the BSC</p> <p>Conclusion of beneficiary administration. More names are being registered to the list of potential beneficiaries. These names are sourced from other members of the very same displaced families.</p>
READSDALE	500	To prepare readiness	New	R 80,172365.00	Financial constraints.	<p>Formal consent to develop the land</p> <p>Funding application is awaiting the next technical committee meeting</p> <p>NHBRC enrolment</p> <p>Tender document to be presented to the BSC</p>
FORT BEAUFORT BHOFOLO PHASE 1c	400	To prepare readiness	New	R 71,449,544.00	The project is still not ready for construction of houses but majority of potential beneficiaries do not have sites and those who have they have existing structure	Project readiness, services installation and top structure construction.

FORT BEAUFORT DAWETI	200	To prepare readiness	New	R 35,724,772.00	<p>and no space to build the new houses</p> <p>The project is still not ready for construction of houses</p> <p>Majority of potential beneficiaries do not have sites and those who have they have existing structure and no space to build new houses</p>	Project readiness, services installation and top structure construction.
SEYMOUR 461 including (SEPTIC TANKS)	461	Rectification of 297 sites including 461 septic tanks	Blocked	NONE	<p>Rectification project of the 297 units including septic tanks on hold because of the directive from Minister Human Settlements that No more rectification projects.</p>	None

ALICE KHAYELITSHA	260	To prepare readiness	New	R 42,316,042.60	When the feasibility study for was conducted, it was discovered that the settlement is not properly laid-out. There are no well-defined internal streets and the current situation does not allow for planning and designs of water and sewer mains. VIP Toilets are overflowing.	DOHS is recommending a proper and complete project planning on a greenfield that is adjacent to the existing settlement and where this community will be relocated. DOHS to present the feasibility report and recommendations thereof to the Municipality.
Joji		None	New	NONE	Financial constraints	Preparation of Project Readiness.
Goniwe Military veteran house (Ntselamanzi)	1	Construction of one 50m2 house	New	R 194,789.82	The family member used as approved beneficiary is not the same as the person identified by the deceased Military veteran to be the next of kin (mother) on presentation to the DOHS.	Approval of the replacement beneficiary Municipality to identify alternative site
Nkonkobe 18	18	Construction	New	NONE	The procurement was delayed by lack of	Completion of 18 houses.

		of 18 units			interest from the bidders.	
Nkonkobe 150	150		NONE		Administration process can't move till the list, formal request and Council resolution are submitted.	Beneficiary list still outstanding from the Municipality. List to be prepared on wards and villages basis.

Unfunded projects: Alice Renovation Programme (ARP)

No.	Project name	Project Description	Amount
1	ZK Matthews Institute	Development required buildings and institutional setup to accommodate new ZK Matthews institute at the ZK House Alice internal streets	R30m
2	Integrated infrastructure upgrade	Alice-Healdtown link (include Healdtown-Fort Beaufort)	R500m
		Alice, Lovedale and Victoria Hospital New road to Hospital and R63 for ambulances and new entrance for delivery trucks into Fort Hare Also include traffic circles, lighting, traffic lights, pedestrian pavement, street furniture, landscaping, resurfacing of existing asphalt, new road construction etc.	
3	Public Street Art	Erecting public art in Alice Streets to celebrate the theme of African intellectuals that lived in Alice/ UFH/ Lovedale in the past	R3m
4	Gaga – Tyume Park	Creating a recreational part (botanic garden) at the confluence of Gaga – Tyume River and rehabilitating wetland	R6m
5	UFH Pedestrian Path & Bridge	Development of new pedestrian path & bridge to provide access to UFH from Gaga Street	R2m

Unfunded projects: Rural Renewable Energy and Agricultural project;

CAPITAL BUDGET FOR SOLAR SYSTEM INSTALLATION		COSTS
220 Volt Solar System		R14 250 080.00
Electrical Wiring from DB to lights & Plugs		R1 882 200.00
SUB TOTAL CAPITAL BUDGET		R16 132 280.00
<ul style="list-style-type: none"> • Other Project Costs • Project Sword Turning Event and Launch • Feasibility Study on Farm 192 in Victoria East • EIA on Farm 192 in Victoria East • TOTAL CAPITAL BUDGET EXCL VAT • Vat at 14% 		<ul style="list-style-type: none"> • R3 000 000.00 • R1000 000.00 • R1000 000.00 • R1000 000.00 • R25 673 867.06 • R 3 594 341.39
TOTAL CAPITAL BUDGET INCL VAT		R29 268 208.45

Unfunded projects: Ncaza Game Reserve

Activity	Who is involved	Time Frame
Phase One	Funder, Service provider and participants	One Year period
Fencing as phase number one	Nkonkobe L. Municipality, Ncaza Community and Stakeholders participating. Make use of existing contracting SMME's busy with fencing at the Mpofu Nature Reserve – they come with 2 years very good experience – facilitated through ECPTA.	<ol style="list-style-type: none"> 1. Training of workers in fencing skills 2. Orientation to conservation farming, wildlife 3. Tours to other province who have started with such projects for exposure.
STOCKING OF ANIMALS	Number and Ratio	Purchase Price
1.Hartebees	8 cows x 2 bulls = 10	R26 000.00
2. Kudu	4 cows x 1 bull = 5	R12 500.00
3.Zebra	4 Mares x 1 Stallion = 5	R22 500.00
4.Blesbok	8 ewes x 2 Rams = 10	R 6 500.00
5.Wildebeest	8 cows x 2 Bulls = 10	R23 000.00
6.Impala	8 ewes x 2 Rams = 10	R 8 500.00
7.Rhebuck	8 ewes x 2 Rams = 10	R30 000.00
8.Buffalo	3 cows x 1 bull = 4	R840 000.00
9.Ostrich	4 females x 1 male = 5	R3 500.00
10.Bushbuck Occur naturally	4 ewes x 1 ram = 5	R9 000.00
11.Bushpigs occur naturally	Need counting	
	Total Species = 74	R981 500

CHAPTER 6

SPATIAL DEVELOPMENT FRAMEWORK

The spatial fabric of South African society was engineered through Apartheid planning, which led to the unequal distribution of resources, low-density sprawl, the lack of opportunities in disadvantaged areas and too much emphasis on private transport. The disestablished Nkonkobe Spatial Development Framework (SDF) has been designed to address these inequalities and to create a more sustainable spatial environment.

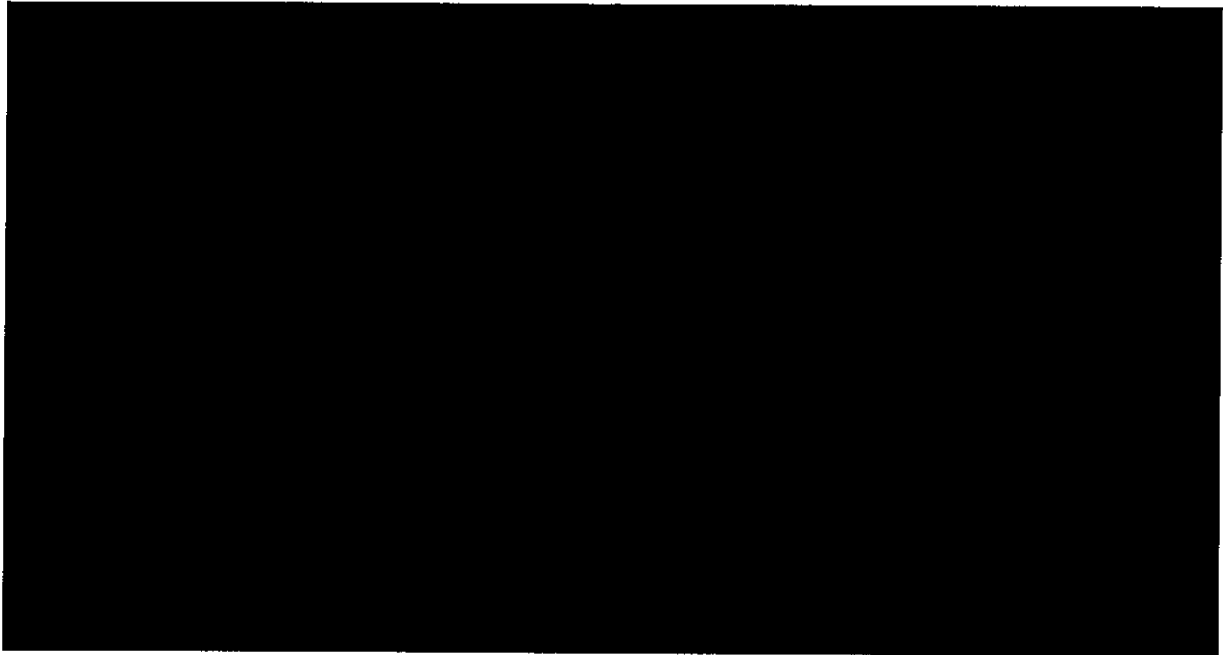
Over the years, guidelines on how to develop Spatial Development Frameworks have been prepared by various National Departments, Provincial Departments and Local Municipalities. All these guidelines worked for the areas they covered, however they never looked at linkages and interaction of adjoining Municipalities Districts, Provinces, *etc.* The latest guidelines developed in the Eastern Cape in 2010, was the Eastern Cape Provincial Spatial Development Plan (ECPSDP) see figure 2, however it was never formerly adopted by the Office of the Premier, but it was used as a guide by the authors of SDF's. The ECPSDP developed seven (7) pillars aligned to the Provincial Growth and Development Strategy. In 2014, the Spatial Planning Land Use Management Act (SPLUMA) developed draft regulations and specifically guidelines for SDF's. SPLUMA empowers municipality to take charge of their own planning and this Act also gives municipality more authority on any planning development within its area of jurisdiction. The guidelines identified three (3) pillars as depicted in figure 1 below. Although the guidelines are only in draft format currently, (September 2014) we are utilizing the guidelines. Should there be any changes in the future to the guidelines; the report will be aligned accordingly. The ECPSDP process had extremely wide public participation; we propose integrating the seven (7) pillars of the ECPSDP into the three (3) pillars of the DRDLR spatial development framework guidelines.

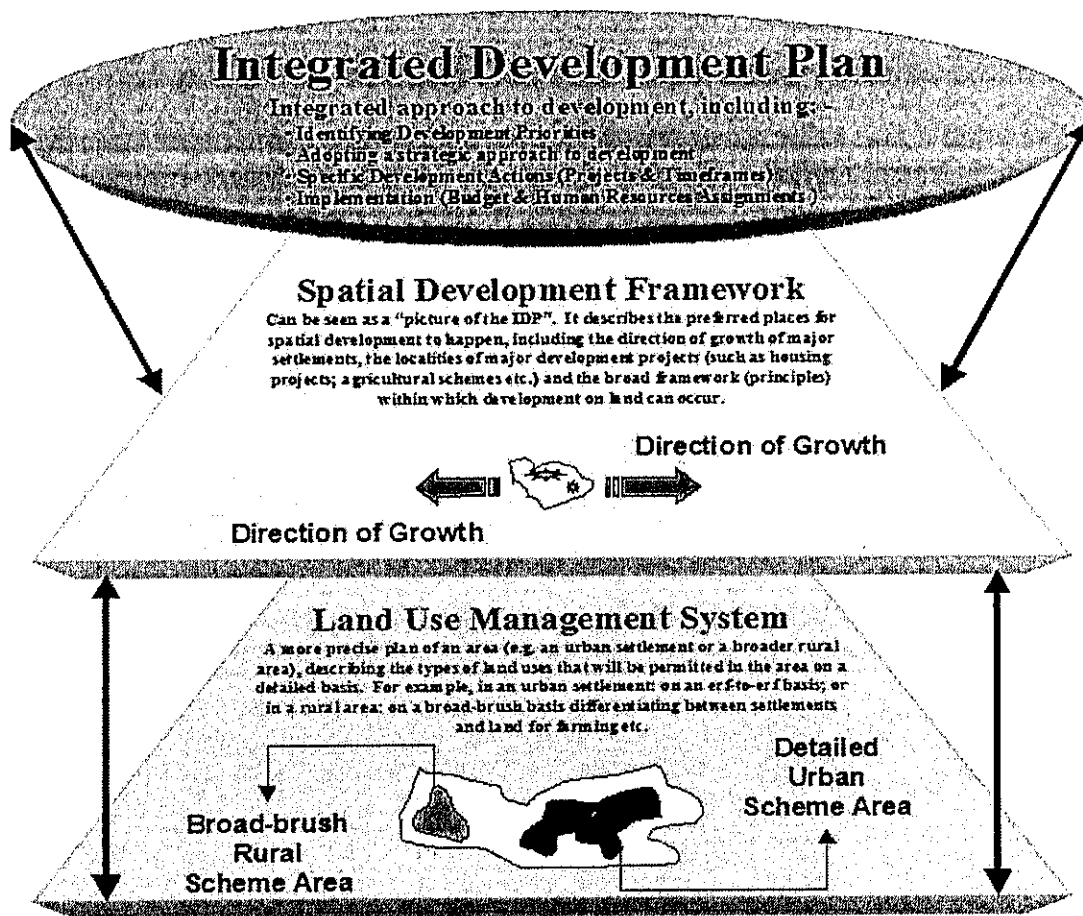
THE ROLE OF THE SDF

Sections 7, 12 and 21 of Act 16 of 2013 also Spatial Planning Land Use Management Act requires Municipalities must prepare Spatial Development Frameworks. Section 35 (2) of the Municipal Systems Act 32 of 2000 (as amended), stipulates that the SDF, as contained in the IDP, will prevail over a plan defined in Section 1 of the Physical Planning Act 125 of 1991 alias the old guide plans. The SDF therefore has

statutory powers once the IDP is adopted by the Council and will guide all land use management within the municipal area. In terms of section 25 (a) of the act, the SDF, as part of the IDP, must link, integrate and co-ordinate plans (projects from sector and service plans) with spatial implications, and takes into account proposals for the development of the municipality and (b) aligns the resources and capacity of the municipality with the implementation of the plan.

Therefore, it is quite clear that, the purpose of the SDF is not to infringe upon existing land rights but to guide future land uses. No proposals in the plan create any land use right or exempt anyone from his or her obligation in terms of any other act controlling land uses. The maps should be used as schematic representation of the desired spatial form to be achieved by the municipality in the long term. The boundaries created through this process should therefore be left for interpretation and not be scaled.





The formulation of the Spatial Development Framework is a legal requirement, in which, every municipality must adhere to as part of the integrated development planning processes [refer to section 26 Municipal Systems Act]. The Disestablished Nkonkobe Local Municipality's Spatial Development Framework (SDF) was developed in 2010 as an overriding statutory spatial plan for the Raymond Mhlaba Local Municipality. It is the principal instrument for forward planning and decision making on land development in the entire municipal area. It identifies certain structuring elements, such as nodal points, corridors to guide future planning in the disestablished Nkonkobe Local Municipality. The municipality reviewed this SDF assisted by Amathole District Municipality sourcing the services of Tshani Consulting CC. This framework was adopted by council in 2013/14 financial year. This SDF is currently reviewed in the 2014/15 financial year to cater for changing circumstances.

The SDF Review was carried out in line with the outcome of the NSDP and ECPSDP 2010 where the following seven spatial frameworks were recommended i.e. *Environmental, Social Development and*

Human Settlements, Rural Development, Infrastructure, Economic Development, Human Resources; and Governance. These pillars are also identified by the National Spatial Development Framework, in which the Disestablished Nkonkobe Spatial Development Framework is in adherence to.

In view of the above, the municipality has Local Spatial Development Framework for Middledrift and Alice – this LSDF identifies the key spatial features and patterns within these areas and they are aligned to the strategic plan of the municipality known as the IDP.

As already indicated above, it is paramount to indicate that the SDF addresses various pertinent issues, for example:

- Settlement
- Natural environment
- Environmental issues
- Land use analysis
- Spatial development proposals

Under Settlement, the SDF looks at the settlement pattern of the municipality which talks about the urban areas and rural areas of the municipality. It also indicates settlement growth trends within the disestablished Nkonkobe. The SDF defines the types of natural environment that characterizes the disestablished Nkonkobe municipality in terms of topography, soil and geology, water resources climate and vegetation. On environmental issues, the document indicates biodiversity and conservation areas, environmental sensitive areas and ecosystem status. Under land use analysis, the SDF analyses the dominant land uses in the disestablished Nkonkobe which are Settlement, agriculture and Forestry and conservation. It also identifies the types of land classifications that are found in the municipality. There following classes of land are not found in Raymond Mhlaba, Class 1, Class 11 and class v, all other classes of land can be found.

Spatial structuring elements of the disestablished Nkonkobe Local Municipality are clustered into the following main components, namely:

- Development Nodes
- Development Corridors

- Special development Areas
- Environmental management systems

All of these are shown by means of maps within the Spatial Development Framework. The municipality is now focusing on developing local spatial development frameworks for its small towns in line with the broader SDF of the municipality. For example the municipality in partnership with various stakeholders has managed to develop Alice Local spatial development framework and was adopted by council in 2011. The municipality has also completed another LSDF for Middledrift and Debenek area which is due for adoption. These LSDF and SDF are aimed at addressing the spatial interventions and looking at long-term growth of the Raymond Mhlaba municipal area, these include, housing developments, student accommodation, middle income housing and shopping complex. This kind of development is envisage to take place in the next 5 – 7 years, however, the municipality wants to take stock of the Centenary celebrations that will be taking place at University of Fort Hare in 2016. The SDF recognizes that any development to take place, issues of infrastructure development should be prioritised, therefore in order to developed, infrastructure should be addressed including (bulk infrastructure for electricity *etc.*), and all these are covered by the spatial development framework of the municipality. The municipality has rezoned land for construction of wind turbines and solar panels as alternative sources of energy, to relieve demand from national grind, and advocating green economy. The Municipality is currently under the process of developing a new SDF inclusive of all admin areas of Raymond Mhlaba.

6.1 Middledrift/ Debenek LSDF

6.1.1 Background and Introduction

The disestablished Nkonkobe Local Municipality has embarked on the Middledrift/ Debenek Area LSDF in order to define the current space in order to work towards a desired spatial structure as well as to ensure that land use is managed efficiently.

Key Issues and Objectives

A Summary of the Key Issues as identified in the Status Quo Analysis Phase and objectives is reflected hereunder:

No.	Key Performance Area	Key Spatial Issue	Objective
1	Basic Service Delivery – Infrastructure Development Framework	Poor access to basic infrastructure due to unmanaged development	Efficient, integrated spatial development of infrastructure and transport systems with limited impact on climate change
2	Basic Service Delivery – Social Development and Human Settlement Spatial Framework	Lack of access to social infrastructure linked to unmanaged development and spatial fragmentation	manage development of compact and sustainable human settlements with appropriate infrastructure, amenities and socio-economic opportunities
3	Basic Service Delivery – Environmental spatial framework	Neglect of the natural environment and lack of conservation that results in environmental degradation	Protection of the core-bio-diversity areas, natural resources and the ecological system through adhering to the recommendations of the bio-diversity land management class (BLMC) map
4	Local Economic Development – Economic Spatial Framework	Lack of integration of rural communities into the local economy	Equal spatial distribution of economic activity that will lead to improved livelihoods
5	Local Economic Development – Economic Spatial Framework	Lack of integration of rural communities into the local economy	Fast-tracking of land reform projects in order to improve rural livelihoods
6	Municipal transformation and institutional development – human resources spatial framework	Lack of institutional capacity to implement Spatial Planning and development	To ensure that the local spatial development framework is implemented and its progress monitored and evaluated by dedicated officials

		Lack of enforcement of spatial planning and land administration policies and by-laws	Creation of an awareness of policies and by-laws
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The Strategic Development Framework

The Strategic Development Framework is based on the guidelines contained in the Provincial Spatial Development Plan (PSDP, October 2003) document. The PSDP suggests that policies of investment and management should be applied at three levels, namely;

- Investment should seek to address basic needs;
- Strengthen local capacity by building on existing strengths; and
- Target development zones that have the potential to attract private sector investment.

Based on the above, nodes identified are:

- Primary Node: Middledrift
- Secondary Node: Debenek
- Primary Development Corridor: R63
- Secondary Development Corridor: Refer to Map - Proposed Nodal Areas Map
- Special Development Areas: Agriculture: Areas with suitability in maize and Citrus production.
- Infrastructure or Transport Network: All the collector/distributor roads and access roads to important tourism or agricultural activities within the study area.
- Tourism Node: Towards the north of the study area (Ward 5)
- Rural Nodes: All rural villages – Maps indicating the desired direction of growth and the identification of suitable land for agricultural and future settlement purposes.

6.1.2 Alice LSDF

The Disestablished Nkonkobe Municipality adopted its Spatial Development Framework in 2010. It then embarked on a process of developing an Alice Local Spatial Development Framework.

The Alice LSDF covers the following areas:

- 
- Egolfini
 - Alice South (Happy Rest)
 - Alice East (Hillcrest)
 - Ntselamanzi
 - Lovedale
 - University of Fort Hare

The main features of the Alice Local Spatial Development Framework are:

- Direction of growth
- Major movement routes
- Special Development areas
- Conservation: Built & natural environment
- Areas of intensity of land use

The Alice LSDF proposes a clear implementation framework which focuses on the disposal of state land, funding and partnerships. It lists projects that can be implemented as part of the Regeneration of Alice. The projects are identified as short/Medium and long term.

6.2 ENVIRONMENTAL PRINCIPLES

The former Nkonkobe SDF emphasises the need to protect natural resources, to achieve food security by preventing loss of valuable high potential agricultural land; and connect development to the availability of sustainable water resources. Applicable legislation in this regards,

- National Environmental Management Act (NEMA)
- Eastern Cape Biodiversity Conservation Plan (ECBCP)

In general, when considering applications for land development, the following environmental principles should be considered:

- **Landscape** quality: All development proposals must be evaluated in terms of their effects on the landscape quality of the surrounding area. This must consider the visual absorption capacity of the surrounding land and the visual intrusion, which will result from the development.

- **Urban sprawl:** The development should not contribute to urban sprawl as a result of "leap-frogging" thereby promoting secondary development.
- **Carrying capacity:** New tourism developments outside of the urban edge must evaluate the impacts of the proposed influx of tourists on the immediate natural surrounding areas as well as neighbouring natural and urban areas. A value judgment may be required to determine if the development will exceed the ecological carrying capacity of the surrounding area. This should not promote secondary development (service station; shopping centre's etc.) thus creating the need for new a development node.
- **Waste disposal and sanitation:** Any developments outside the urban edge must be self-sufficient and have a detailed plan for solid waste disposal and on-site sanitation. Developments outside of nodes must not be reliant on the municipal sewage systems as these are planned and designed to accommodate treatment volumes from the defined nodal development areas and may not have sufficient capacity to accommodate additional volumes. In all cases the environmental impacts associated with the waste disposal and sanitation systems will need to be assessed as part of the project Environmental Impact Assessment (EIA).
- **Infrastructure requirements:** The impacts on the natural environment from additional infrastructure requirements must be carefully considered and must be assessed as part of the project EIA.
- **Agriculture:** Developments should preferably not be permitted on land designated as "prime and unique" agriculture land or significantly reduce the area of high value agriculture lands, thereby reducing the potential productivity of these areas
- **Biodiversity corridors:** Development must not impact significantly on biodiversity corridors.
- **Pristine habitats:** Developments must not be situated adjacent to rivers designated as being pristine, near pristine or stressed.

CHAPTER 7

SECTOR PLANS

There are two types of sector plans that an IDP must reflect on - legislated Plans and service –oriented plans. The IDP should provide an overview of how these plans relate to the status quo analysis, strategic objectives and programmes and projects. Importantly, the sector plans should indicate strategic interventions that respond to the status quo assessment.

The existing plans and strategies from the disestablished local municipalities will be consolidated into Raymond Mhlaba Local Municipality; and will be adopted by Council by June 2017.

CHAPTER 8

FINANCIAL PLAN

The purpose of this chapter is to summarize a financial plan that supports the long-term financial sustainability of the Raymond Mhlaba Local Municipality (RMLM). The financial plan is necessary to ensure that the municipality is able to effectively and efficiently implement its mandate.

The financial plan is prepared to assist in the planning of operating and capital expenditure within the district and in so doing, maintain financial stability and sustainability. The RMLM must make use of its available financial resources in an effective, efficient and economical manner when achieving the targets and objectives of the IDP. Thus the financial strategies specified in the financial plan must play a part in achieving these.

The IDP is the guiding document for the 2016/17 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 2016/17 Medium-term Revenue and Expenditure Framework (three year budget) was a direct product aligned to the imperatives and strategic direction of the ADM. 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.

6.2 THREE YEAR FINANCIAL PLAN

Budgeting is primarily about the priorities and choices that the Municipality has to make in deciding how to meet the agreed set of policy objectives through better service delivery. With the compilation of the 2015/16 MTEF, each strategic department had to review the business planning process, setting of priorities and targets. Reflected below is the budgeted income and expenditure for 2016/17 to 2018/19:

OPERATING REVENUE

Description R thousands	2016/17 Medium Term Revenue & Expenditure Framework		
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Financial Performance			
Property rates	66 502	72 294	78 156
Service charges	67 964	65 184	68 906
Investment revenue	1 280	1 091	1 152
Transfers recognised - operational	169 959	163 765	167 094
Other own revenue	23 019	30 376	31 964
Total Revenue (excluding capital transfers and contributions)	328 724	332 710	347 271
Transfers recognised - capital	43 421	43 562	49 630
Total Revenue (including capital transfers and contributions)	372 145	376 272	396 902

The municipality's total budget amounts to R 372 145 000. The budget did not take into account the commitments (Long-term contracts) as well as outstanding creditors for 2015/2016 financial year, due to a decline in equitable share transfer as per Division of Revenue Bill. The decline of the equitable share transfer has imposed a huge risk in the municipality in terms of service delivery and has a negative impact in the municipal cash-flow. The municipality's financial position is at a level that requires intense attention.

OPERATING EXPENSES

Description	2016/17 Medium Term Revenue & Expenditure Framework		
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands			
Employee costs	116 287	128 473	136 005
Remuneration of councillors	16 891	17 212	18 082
Depreciation & asset impairment	38 748	26 647	28 155
Finance charges	500	847	895
Materials and bulk purchases	77 521	77 275	65 453
Transfers and grants	14 650	15 938	16 830
Other expenditure	105 231	102 958	108 189
Total Expenditure	369 827	369 350	373 609

The total operating expenditure budget amounts to R 369,8m for 2016-2017 financial year. Total Capital expenditure amounts to R 50,4m. The total Expenditure Budget (Including Capex) amounts to R 420,3m. Total Employee related cost is subject to change, currently it is understated. The municipality's budget is not cash backed as required by section 18(1) of the MFMA. There is a deficit of R 48,1m. Deficit is not due to non-cash items (such as depreciation and debt impairment) only, but is also due to over expenditure.

CAPITAL AND OPERATING GRANTS

Description	2016/17 Medium Term Revenue & Expenditure Framework		
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands			
Operating Transfers and Grants			
National Government:	168 238	161 994	163 898
Local Government Equitable Share	147 445	151 530	158 177
Finance Management	3 650	3 800	4 056
EPWP Incentive	2 167	542	
PMU OPERATION	1 548	1 556	1 665
Demarcation Transition Grant	13 428	4 566	
Provincial Government:	1 371	1 371	1 371
Sport and Recreation	1 371	1 371	1 371
Other grant providers:	350	400	1 825
LG SETA	350	400	
	—		1 825
Total Operating Transfers and Grants	169 959	163 765	167 094
Capital Transfers and Grants			
National Government:	43 421	43 562	49 630
Municipal Infrastructure Grant (MIG)	38 421	38 562	40 630
INEP	5 000	5 000	9 000
Total Capital Transfers and Grants	43 421	43 562	49 630
Total Operating and Capital Transfers and Grants	213 380	207 327	216 724

6.3 Ongoing Sustainability of the Municipality

Below is a table that illustrates the financial status of the municipality. Ratio analysis is done to identify any warning signals. In order to assess the liquidity of the RMLM 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 Raymond Mhlaba Local Municipality's commitments arising from the approved Budget:

		Combined Municipality			
		Nkonkobe	Nxuba	Combined	Norm
ASSET MANAGEMENT	Impairment to Non-Current Assets	3%	0%	2%	0%
	Repairs and Maintenance to Property, Plant and Equipment and Investment Property (Carrying Value)	11%	3%	8%	8%
DEBTORS MANAGEMENT	Net Debtors Days	298	213	280	30
	Bad Debts Written-off as % of Provision for bad Debts	57%	121%	67%	100%
LIABILITY MANAGEMENT	Current Ratio	0.91	0.29	0.64	1.5 - 2:1
	Cash to Cost Coverage Ratio (Excl. Unspent Grants)	-0	-0	-0	1 - 3 months
	Debt (Total Borrowings) as a % of Revenue	21%	1%	14%	45%
	Capital Cost as % of Total Operating Expenditure	5%	3%	4%	10 - 20%

DISTRIBUTION LOSSES	Electricity distribution losses				
		26.27%	26%	26%	7% - 10%
EXPENDITURE MANAGEMENT	Irregular, Fruitless and Wasteful and Unauthorised Expenditure to Total Operating Expenditure				
		32%	36%	35%	0%
	Remuneration (contracted Services and Employee related Costs and Councillor's remuneration) to Total Operating Expenditure				
		41%	27%	37%	25% - 40%
	Creditors Payment Period (Trade Creditors)				
	9	485	76	30	
Contracted Services % of Total Expenditure					
	0%	3%	1%	2% - 5%	

This does not give a good picture about the financial sustainability of RMLM. Currently the municipality is functioning at a deficit of R 48 million. This can be contributed to the reduction of Equitable Share after the amalgamation of the 2 municipalities, as well as the increased cost of personnel expenses.

6.4 TARIFFS

No.	Description	NKONKOBE	NXUBA	DIFFERENCE		2017/18	2018/19	2019/20
		2016/17	2016/17		% DIFFERENCE			
1	Agriculture res Bona Fide	0.001975	0	0.001975	100%	100%		
2	Agriculture business	0.0158	0.0072	0.0086	120%	40%	40%	40%
3	Agriculture other	0.0079	0	0.0079	100%	100%		
4	Agriculture residential	0.0079	0.0052	0.0027	52%	17%	17%	17%
5	Privately Owned Town serviced by owner	0.008137	0	0.008137	100%	100%		
6	Business/commercial	0.016274	0.0072	0.009074	126%	42%	42%	42%
7	Churches/Place of public worship	0	0	0	0%			
8	Government	0.0237	0.0072	0.0165	229%	229%		
9	Guest house/hotel	0.016274	0	0.016274	100%	100%		
10	Industrial	0.016274	0.0072	0.009074	126%	42%	42%	0.42
11	Properties used for multi purpose	0.0100	0.0072	0.0028	39%	13%	13%	13%
12	Education	0.0237	0	0.0237	100%	100%		
13	Public benefit organization	0	0	0	0%			
14	Public service infrastructure	0.001975	0.0068	-0.004825	-71%			
15	Residential/small holding	0.0079	0.0072	0.0007	10%	10%		
16	Rural communal land	0.0237	0	0.0237	100%	100%		
17	Vacant land	0.0084	0	0.0084	100%	100%		
18	Sectional Title	0.0079	0	0.0079	100%	100%		
19	Municipal properties	0	0	0	0%			
20	Privately Owned Town open space	0.001975	0	0.001975	100%	100%		
21	Uniform Fixed Amount for R0 to R40 000 M Value	20/pm	0	20	100%	100%		

6.5 ASSET MANAGEMENT

RMLM has a fully functioning unit that is responsible for the management of municipal assets. There is consolidated asset register. Since there amalgamation, there is a process underway to ensure that the register is GRAP 17 compliant. An Asset Management Policy will be reviewed and submitted to Council during the 2016/17 financial year.

6.6 SUPPLY CHAIN MANAGEMENT

That the municipality's supply chain management 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.

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).

Row Labels	Sum of 2017/ 2018	Sum of 2018/ 2019	Sum of 2019/ 2020
Property, plant and equipment	43,389,300.00	38,337,050.00	39,854,950.00
CHICKEN ABATTOIR - MIG	1,000,000.00		
COMMUNITY HALL - KHULILE	500,000.00	500,000.00	
COMMUNITY HALL - MAZOTSHWENI	690,000.00		
COMMUNITY HALL - SITYI	500,000.00		
COMMUNITY HALL - THAFENI	690,000.00		
COMMUNITY HALL - ZIBI	500,000.00		
COMMUNITY HALL- QOMFO	690,000.00		
CONSTRUCTION OF MUNICIPAL POUND	500,000.00		
COUNCIL CHAMBERS	2,500,000.00		
DAY CARE - QHOMFU	890,000.00		
DAY CARE CENTRE- FORT BEAUFORT	500,000.00		
DAYCARE CENTRE - LUGWIDINI	450,000.00		
DAYCARE CENTRE - MEVA	440,000.00		
DAYCARE CENTRE - XHUKWANA	500,000.00		
DAYCARE CENTRE - ZIGODLO	500,000.00		
FENCING OF CEMETERIES	560,000.00		
HIGHMAST LIGHTS	1,000,000.00	4,000,000.00	4,000,000.00
INSTALLATION OF ELECTRICAL INFRASTRUCTRE	1,000,000.00	2,500,000.00	2,500,000.00
MAKHUZENI SPORT FIELD	1,500,000.00	5,000,000.00	5,000,000.00
MULTI-PURPOSE CENTRE - MIG	1,150,000.00		

MULTIPURPOSE CENTRE- GOODWIN PARK	1,500,000.00		
NGQOLOWA SPORT FIELD - MIG	1,500,000.00		
PARK - MIG		2,610,200.00	5,000,000.00
PAVING & GREENING - CHRIS HANI	2,120,000.00		
PAVING AND GREENING - GOLF COURSE	1,500,000.00		
PAVING AND GREENING - GQUMASHE	1,000,000.00		
PAVING AND GREENING - NTSELAMANZI	2,376,150.00	1,600,000.00	4,220,000.00
PAVING AND GREENING- HILLSIDE TO NTOLENI	1,500,000.00	3,500,000.00	4,000,000.00
PAVING DEBE-NEK - MIG	1,500,000.00	3,500,000.00	4,000,000.00
PAVING GUGULETHU - MIDDLEDRIFT	1,000,000.00		
PAVING OF STREETS- JAKARANDA	1,500,000.00	3,500,000.00	
RECREATIONAL FACILITIES - HORSE RACING	2,000,000.00		
REGRAVELLING OF ADELAIDE	973,150.00		
REHABILITATION OF WANDERES SPORTFIELD	1,000,000.00		
RESURFACING OF ADELAIDE	2,500,000.00	4,500,000.00	4,500,000.00
RESURFACING OF BEDFORD	2,000,000.00	6,126,850.00	5,000,000.00
SPORT COMPLEX FORT BEAUFORT PHASE 1	2,500,000.00	1,000,000.00	1,634,950.00
UPGRADING OF NONZAKWAZI SPORTSFIELD	300,000.00		
VIC-DEBE NEK	560,000.00		
Grand Total	43,389,300.00	38,337,050.00	39,854,950.00

7.2 INTRODUCTION

In the local government context, a comprehensive and elaborate system of monitoring performance of municipalities has been legislated. This system is intended to continuously monitor the performance of municipalities in fulfilling their developmental mandate. Central to this is the development of key performance indicators as instruments to assess performance. These indicators help to translate complex socio-economic development challenges into quantifiable and measurable output. They are crucial to improving the quality of life for all.

The Municipal Systems Act (2000) enforces the idea of a local government Performance Management System (PMS) and requires all municipalities to:

- Develop a performance management system
- Set *targets*, monitor and *review performance* based on indicators linked to their IDP
- Publish an *annual report* on performance for the 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.

The Municipal Planning and Performance Management Regulations (2001) delineates a municipality's performance management system as "a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, report and improvement will be conducted, organised and managed, including determining the role of the different role players" (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Raymond Mhlaba Local Municipality believes that the principles of performance management should:

- Drive change and improve the performance of the organisation;
- Focus the municipality's work on priorities;
- Measure the municipality's overall performance and that of its entity against the set objectives;
- Align strategic objectives and priorities with individual work plans;
- Identify success as well as failure; and
- Identify good practice and learning from other successes.

7.2 POLICIES AND LEGISLATIVE FRAMEWORK FOR PERFORMANCE MANAGEMENT

The framework for performance management is informed by the following legislative and policy instruments in Raymond Mhlaba Municipality:

- The Constitution of the Republic of South Africa, 1996
- The White Paper on Local Government 1998
- The Municipal Systems Act, 2000 (Act 32 of 2000)
- The Municipal Planning and Performance Management Regulations 2001 & 2006
- Regulations for Municipal Managers and Managers reporting directly to Municipal Manager, 2006
- The Municipal Financial Management Act, 2003 (Act 66 of 2003)

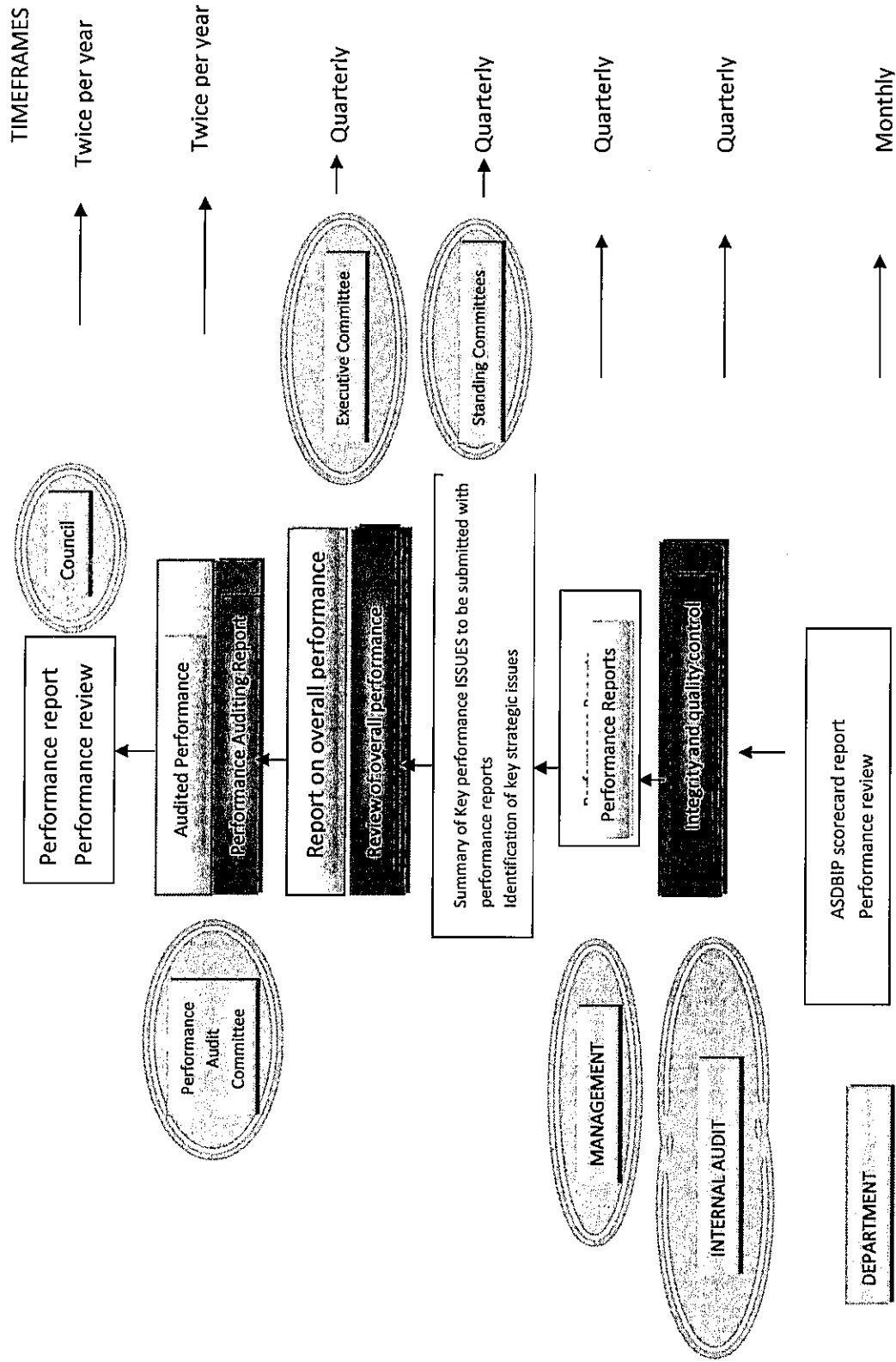
The municipality has developed and implemented a performance management system in accordance with the legislated instruments. The main objective of this system is to guide and manage the performance management of the municipality (as institution) and with intent to make it more effective and [also] cascade it to levels lower than section 56 managers. The issue of cascading performance management can only be achieved once there is a cordial accord/concord between management and unions represented in the local labour forum on on-going dialogues (regarding full implementation of performance management).

7.3 TOOLS AND REPORTING PROCESS

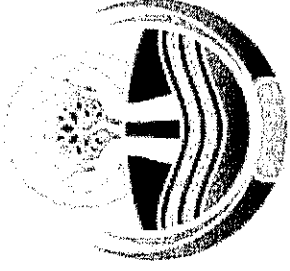
In responding to the above requirements, Raymond Mhlaba Local Municipality developed the following tools aimed at operationalizing its Performance Management System.

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

Annual process of reporting and reviews



MM's office is responsible for co-ordination and quality control of the entire process



RAYMOND
MHLABA
MUNICIPALITY

UMANYANO KUPHELELE

FINAL BUDGET 2017/ 2018



DRAFT BUDGET 2017/2018



**RAYMOND
MHLABA**
MUNICIPALITY
UMANYANG KUPHULILE

RAYMOND MHLABA EC129

2017/18 TO 2019/20 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 April 2009.



2. GLOSSARY

Adjustments Budget – prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – the financial plan of the municipality.

Budget related policy – policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy, etc.

Capital Expenditure – Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the municipality's balance sheet.

Cash flow statement – a statement showing when actual cash will be received and spent by the municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the amount of allocations from National to Local government.

Equitable share – a general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GAAP – General Accepted Accounting Principles. World Wide Accepted Standards.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the municipality.

KPI's – Key Performance Indicators. Measures of service output and / or outcome.



DRAFT BUDGET 2017/2018

MFMA – The Municipal Finance Management Act – no 53 of 2003.
The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years' budget allocations. Also includes details of the previous and current year's financial position.

Operating expenditure – spending on the day to day expenses of the municipality such as salaries and wages.

Rates – Local government taxation based on an assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – the main priorities of the municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – generally, spending without, or in excess of, and approved budget.

Virement – a transfer of budget

Virement Policy – The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be taken and approved by Council.

Vote – one of the main segments into which a budget is divided, usually at directorate / department level.



DRAFT BUDGET 2017/2018

3. MAYORAL BUDGET SPEECH

4. BUDGET RELATED RESOLUTIONS

On 29 March 2017 the Council of Raymond Mhlaba Local Municipality will meet in the Council Chamber to consider the Draft IDP and Annual budget of the municipality for the financial year 2017/18. The Council to approved the following resolutions:

1. The council to adopt the Draft IDP for 2017/2018 financial year as a strategic document to guide developmental initiatives and programmes for duration of the period enunciated therein,
 - 1.1.1. The organizational structure for 2017/2018 financial year, which is an annexure to the IDP.
 - 1.1.2. The IDP and Budget 2017/2018 should be made public in terms of section 21A and 21B of the Municipal Systems Act.
 - 1.1.3. The copy of the IDP and Budget 2017/2018 be submitted to the MEC for Local Government in terms of section 32 of the Municipal Systems Act.
-



DRAFT BUDGET 2017/2018

5. OVERVIEW OF THE BUDGET

5.1 Balanced and Credible Budget

The following National Treasury guidelines have been taken into consideration when preparing the budget:

- Tabling a balance and credible budget that is based on realistic estimates of revenue to be collected, taking into account both actual revenue collected in the past financial year, and revenue projects for the current financial year.
- The inclusion of all grants in the annual budget, on both the revenue and expenditure side;
- The presentation of three-year capital and operating budgets;
- The revision of the IDP to be consistent with the three-year budget;
- The maximum expenditure growth limit of 6.1% to stay within inflation targets as determined by National Treasury. The growth limit applies to own revenue sources only and excludes intergovernmental grants, for both the capital and operating budgets.
- Increases in rates and taxes have been kept within inflation targets, in support of government's macro-economic objectives and investor confidence.

Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous year's surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget



DRAFT BUDGET 2017/2018

Achievement of these requirements in totality effectively means that council has "balanced" its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

Credible Budget

Amongst other things, the following has been taken into consideration to ensure that this is a credible budget;

- Only activities consistent with the revised IDP have been included in the budget, taking into consideration the financial constraints of the municipality;
- It is achievable in terms of the agreed services delivery and budget implementation plan and performance targets;
- Contains revenue and expenditure projection that are consistent with current and past performance
- Does not jeopardize the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term; and
- Provided managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

The budget sets out certain service delivery levels and associated financial implications, therefore the community should realistically expect to receive these promised service delivery levels and understanding the associated financial implications.

5.2 Government Priorities Considered

THE MTREF

The budget has been prepared based on the new requirements and significant progress has been made on the implementation thereof. However, some processes



DRAFT BUDGET 2017/2018

are still being developed to ensure full compliance, which include activity based costing, asset management, system shortcomings, human capacity building amongst others.

Although the fact that our municipality is categorized as Low Capacity Municipality, it is also of outmost importance to ensure that Council complies with all legislative requirements, this entails the channelling of fund which would ordinarily be utilized for services delivery to the implementation of the legislative requirements.

In President Jacob Zuma's State of the Nation Address of 2017, he indicates government key priorities to be:

- Resolving the energy challenge
- Revitalising agriculture- Agri-Parks Programme, aimed at increasing the participation of small holder farmers in agricultural activities
- Creation of Job Opportunities
- Infrastructure investments
- Encouraging private investments
- Unlocking the potential of SMME's, cooperatives, townships and rural enterprise;
- Moderating work conflict

Therefore, in framing this budget, priority has been given to objectives and priorities of government based on the IDP to be adopted by council.

A bulk electricity purchase has increased drastically over the past two years as result of NERSA and ESKOM tariff increases. Bulk electricity price increase for 2017/18 from ESKOM will be 8% while municipalities budgeted for an increase of 10%, as this depends upon final approval by NERSA.



DRAFT BUDGET 2017/2018

The municipality has set aside R5 000 000 for electrification of rural areas in an attempt to reduce the backlog on access to electricity of communities.

The municipality has also embarked on reduction of electricity losses so as to attain almost full recovery of electricity costs, which in turn will result in timeous payments of the electricity provider.

In an attempt to addressing challenges faced by the underprivileged, as well as the successful implementation of the indigent campaign, the provision of free basic services and indigent subsidy are increasing in our new budget in comparison to previous years. Electricity income however is also increasing due to the higher demand based on more households having access to electricity, expansion of the municipality and the increase in municipal tariff.

The municipality is working towards the achievement of realising a surplus in future. The municipality will enter into a new agreement with Eskom for the recurring debt that was not catered for in the adjustment budget as soon it honours the current payment arrangement. Hence, there is an amount of R 50 000 000, that is set aside for Bulk purchase which includes the portion for the monthly usage.

The area of focus in the coming financial year will be mainly in collecting revenue, which is mainly on rates revenue and service charges, to ensure the financial viability of the municipality since there is an indication that Raymond Mhlaba Municipality is very much grant dependant at this stage. We are also embarking on reducing/management of Electricity losses due to illegal bridging and tempering in our areas.

The effective management of assets will also be a focus area to ensure that all assets are maintained and repair based on their conditions taking into account the cost effectiveness thereof. The Municipality is in a process of assessing the current fleet assets to ensure that all those assets that are no longer having economic value are disposed to avoid spending much on repairs and maintenance.



DRAFT BUDGET 2017/2018

More budget related policies/strategies will be developed to assist the municipality to control its revenue and expenditure in future. Changes were made to the existing budget related policies.

6. EXECUTIVE SUMMARY

INTRODUCTION

With the compilation of the 2017/18 Medium-Term Revenue and Expenditure Framework (MTREF), each department had to review its business planning processes taking into account their IDP objectives and individual departmental strategies. Business planning links back to priority needs and master planning, and essentially inform the detail operating budget appropriations and three-year capital programme. National Treasury's MFMA Circular No. 86 and 87 was mainly used to guide the compilation of the 2017/18 MTREF.

The 2016 Medium Term Budget Policy Statement emphasised that the global recovery from the 2008 financial crisis remains precarious, with growth forecast at 3.1 per cent in 2016 and 3.4 per cent in 2017. Domestic GDP growth for 2016 was forecasted at 0.9 per cent at the time of the 2016 Budget and it has since been revised to 0.5 per cent. It is anticipated that factors such as a more reliable electricity supply, improved labour relations, low inflation, a recovery in business and consumer confidence, stabilising commodity prices and stronger global growth will increase growth to 2.2 per cent by 2019. Furthermore, the country has experienced a decline in mining growth and weakened agricultural outputs as a result of the drought while growth in transport and telecommunications, electricity, gas and water have declined because of weakened demand. A conservative approach was thus followed for projecting revenue. Electricity supply constraints continues to limit growth and daunt investment. Exchange rate depreciation is contributing to a higher inflation outlook during 2016. These circumstances make it essential for municipalities to reprioritise expenditure and implement strict cost-containment measures.



DRAFT BUDGET 2017/2018

The compilation of the MTREF therefore remains a huge challenge to balance the budget between the limited revenue resources available and the immense need to provide quality service delivery to our community. Tariff increases must be limited to be within the affordability levels of our community and must still promote economic growth to ensure financial sustainability.

The municipality is not in a healthy financial position, however, it needs to at least stabilise and further strive to continuously better its financial position, coupled with acceptable levels of service delivery at affordable tariffs. The retention of sufficient cash-backed reserves is critical for the long-term sustainability of the municipality, and to this end the municipality is unable to achieve this objective. The municipality will try to build its cash-backed reserves by ensuring that all non-cash items are budgeted for and are cash-backed. This will be achieved by ensuring that the municipality stick to its plan and also embark on projects that are revenue generation in nature.

Table 1 Consolidated Overview of the 2017/18 MTREF (R'000)

Description	Budget Year	Budget Year	Budget Year	Budget Year
	2016/17 Adjusted Budget	2017/18	2018/19	2019/20
R thousands				
Total Revenue	343 527	364 647	371 293	391 230
Total Expenditure	375 483	364 647	371 293	391 230
Total Surplus /(Deficit)	(31 956)	–	–	–
Total Capital Revenue Recognised	39 971	45 389	39 937	42 105
Total Surplus/ (Deficit) for the year	8 015	45 389	39 937	42 105

OPERATING REVENUE AND EXPENDITURE BUDGET

The municipality's total budget amounts to R 410 036 355. Total operating revenue amounts to R364 647 055 and Capital transfers of R45 389 300. Total operating revenue has increased by 21,120 million for the 2017/18 financial year when compared to the 2016/17 Adjustments Budget. For the two outer years, operational revenue decreased by 6 646 million and 19 937 million respectively.



DRAFT BUDGET 2017/2018

The increase is mainly due on the anticipated revenues to be collected on property rates and service charges.

Total operating expenditure budget amounts to R 359 403 205 and translates into a balanced budget before capital transfers. When compared to the 2016/17 Adjustments Budget, operational expenditure has decreased by 2,89 per cent in the 2017/18 budget

The municipality remains committed to a large capital programme with a significant portion funded by grants from National Government.

Table 2 Total Capital Funding of the 2016/17 MTREF (R'000)

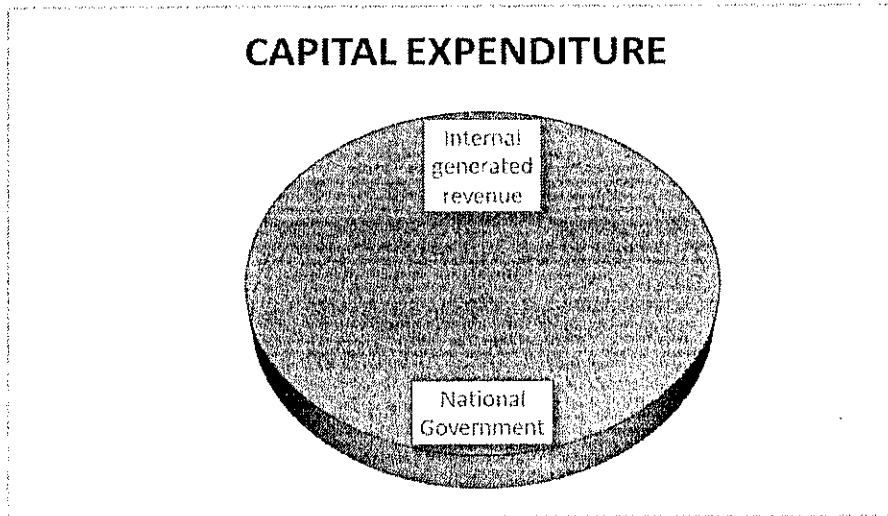
Description	Budget Year 2016/17	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20
	Adjusted Budget			
R thousands				
Funded by				
National Government	38 471	45 389	39 937	42 105
Transfers recognised- Capital	38 471	45 389	39 937	42 105
Internal generated revenue	9 527	–	–	–
Total Surplus/ (Deficit) for the year	47 998	45 389	39 937	42 105

The capital budget of R45,389 million (including R2 million for Repairs and maintenance capital) for 2017/18 is less when compared to the 2016/17 Adjustment Budget. The capital programme decreases to R39,937 million in 2018/19 and R42,105 million in 2019/20. The decrease can mainly be attributed to the decrease in proposed expenditure to be financed from internally generated funds and a decrease in capital transfers – a trend that is set to continue throughout the MTREF.



DRAFT BUDGET 2017/2018

The municipality did not allocate a portion of the capital budget to be funded from own revenue due to the fact that the municipality does not have cash-backed reserves to fund its capital. The provision can be made in consultation with other departments to reduce their expenditures and be encourage where necessary to outsource funding to implement other project.



As indicated above no borrowing for capital projects is planned. The municipality is still well within the limits of its borrowing capacity, but will raise very limited leases in the near future in order to curtail possible rising debt servicing costs.



7. Key Budget assumptions

External factors

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank fast and millions of people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven and that growth for 2017 will be minimal with a slightly better growth in the outer years.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2017/18 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity; and
- The increase in the cost of remuneration.

Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate of CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.



DRAFT BUDGET 2017/2018

The rate of revenue collection is currently expressed as a percentage of annual billings. The collections of the municipality on outstanding debtors are anticipated to increase during the coming financial period due to implementation of effective credit control and the revenue enhancement strategy and financial recovery plan to be developed. It should however be noted that the revenue budgeted for are 100% based on billing and therefore we need to explore and implement effective controls to increase our billing capacity to decrease our current grant dependency. Hence the municipality is anticipating to collect the actual revenue of R 128 915 980.

Growth or decline in tax base of the municipality

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the municipality, household formation growth rate and the poor household change rate.

Draft Tariff increases

It should be noted that the tariffs are attached as an annexure to the budget due to the complexity of the tariffs versus the budget schedule.

- Service charges – Electricity tariffs will increase by 10% for 2017/2018 financial subject to NERSA approval. This is based on the average cost of rendering the service.
 - Property rates tariffs – there will be no changes on the property rates tariffs for the former Nkonkobe municipality. However, there will be three additional categories under residential category. Decision was taken that former Nxuba tariffs on property rates must match the ones for former Nkonkobe over the next three years. Therefore, an increase of 25% on property rates tariffs will be imposed. It should also be noted that for business category, the tariff will increase by 100% to match the tariff for former Nkonkobe municipality.
-



DRAFT BUDGET 2017/2018

- General (Other Tariffs) – Former Nkonkobe tariffs will increase by the CPI rate of 6% and for former Nxuba, tariffs (Phase in) by 50% in order to make them cost related.
- Interest on investments – We aim to put more monies on our short term investment accounts resulting in an increase of interest received.
- Interest on outstanding debtors – Based on the more effective implementation of the credit control and debt management policy it is expected to decrease.

Salary increases and Council Remuneration

There is a collective agreement on salary increases in place for the budget year. Based on the circular and the notch increase we have budgeted for 6% plus 1% per cent increase for the 2017/2018 period and 7% for senior managers.

The budget for the council remuneration has been increased by 6% compared for 2017/2018 financial year.

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
 - Enhancing education and skill development;
 - Improving Health services;
 - Rural development and agriculture; and
 - Poverty Alleviation
-



DRAFT BUDGET 2017/2018

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of 100% will be achieved over the MTREF period.

Budgets are prepared in an environment of uncertainty. To prepare a meaningful budget, assumptions are made about internal and external factors that could influence the Annual Budget.

Other assumptions:

- **Investments**
Raymond Mhlaba municipality does not have long-term investments, only call accounts which are included in the cash and cash equivalents as per our annual financial statements.
- **Borrowing**
The municipality is not in a process of applying for any loans.

Service delivery

As part of the improvement of service delivery, more strategies will need to be developed and implemented to ensure that we meet the needs of the community and eliminates factors that have a negative effect on councillors' finances.



DRAFT BUDGET 2017/2018

Implementation of GRAP and MSCOA

The municipality will fully implement GRAP in 2016/2017 financial year, since it is a new entity. FMG (grant received from National Treasury) and own revenue is used to maintain compliance with GRAP. In the 2017/2018 budget, a budget has been set aside to assist with implementation of mSCOA and GRAP to ensure that the municipality complies.

The project also involves the review of the current Asset Management Policy to be aligned to GRAP standards and other policies.

Internal Charges

The current method of cost recovery between service departments must be reviewed in terms of Activity Based Costing Principles and Standards. Activity based costing principles if correctly applied, will ensure that all costs applicable to a specific service are recorded. This means that tariff setting will be improved. Our current financial system cannot perform this function and due to capacity problems within the finance department, this function will be done by the affected departments.

Functions outsourced and functions performed on agency basis

- No municipal services have been contracted out to section 21 or Proprietary Limited companies other than there one for external securities.

Agent for Department of Roads and Transport on certain e-Natis transactions.

Operating Budget

The 2017/2018 operating expenditure budget amounts to R364,647 million (including non-cash items).

Capital Budget

The 2017/2018 capital budget amounts to R45,389,000 million. (Including MIG).



DRAFT BUDGET 2017/2018

Employee cost and other expenditure to total Operating expenditure

The total employee cost for 2017/2018 including Councillor Allowance amounts to 53% of the total operating expenditure (Excluding non-cash items). It should be noted that the casual wages, standby allowances and overtime are included as part of employee related cost. Furthermore, the increase in employee related costs does not cater for the salaries that are being funded by grants.

Total operating expenditure amounts to R359,403 million in 2017/18. The municipality has set aside an amount of R 5,170 million, R 2 million being funded from MIG and R3,170 million for repairs and maintenance. It should furthermore be noted that the Transfers and grants are R 21, 200 million of the total operating expenditure, and are based on the free basic services to indigents in our community and grants paid to Raymond Mhlaba agency. The municipality has set aside an amount of R 2 000 000 for the support of its entity.



DRAFT BUDGET 2017/2018

Property, plant and equipment

TYPE

Row Labels	Sum of 2017/2018	Sum of 2018/2019	Sum of 2019/2020
Property, plant and equipment	43,389,300.00	38,337,050.00	39,854,950.00
CHICKEN ABATTOIR - MIG	1,000,000.00	-	-
COMMUNITY HALL - KHULILE	500,000.00	500,000.00	-
COMMUNITY HALL - MAZOTSHWENI	690,000.00	-	-
COMMUNITY HALL - SITYI	500,000.00	-	-
COMMUNITY HALL - THAFENI	690,000.00	-	-
COMMUNITY HALL - ZIBI	500,000.00	-	-
COMMUNITY HALL-QOMFO	690,000.00	-	-
CONSTRUCTION OF MUNICIPAL POUND	500,000.00	-	-
COUNCIL CHAMBERS	2,500,000.00	-	-
DAY CARE - QHOMFU	890,000.00	-	-
DAY CARE CENTRE- FORT BEAUFORT	500,000.00	-	-
DAYCARE CENTRE - LUGWIDINI	450,000.00	-	-
DAYCARE CENTRE - MEVA	440,000.00	-	-
DAYCARE CENTRE - XHUKWANA	500,000.00	-	-
DAYCARE CENTRE - ZIGODLO	500,000.00	-	-
FENCING OF CEMETERIES	560,000.00	-	-
HIGHMAST LIGHTS	1,000,000.00	4,000,000.00	4,000,000.00
INSTALLATION OF ELECTRICAL INFRASTRUCTURE	1,000,000.00	2,500,000.00	2,500,000.00
MAKHUZENI SPORT FIELD	1,500,000.00	5,000,000.00	5,000,000.00
MULTI-PURPOSE CENTRE - MIG	1,150,000.00	-	-
MULTIPURPOSE CENTRE- GOODWIN PARK	1,500,000.00	-	-
NGQOLOWA SPORT FIELD - MIG	1,500,000.00	-	-
PARK - MIG	-	2,610,200.00	5,000,000.00
PAVING & GREENING - CHRIS HANI	2,120,000.00	-	-
PAVING AND GREENING - GOLF COURSE	1,500,000.00	-	-
PAVING AND GREENING - GQUMASHE	1,000,000.00	-	-
PAVING AND GREENING - NITSELAMANZI	2,376,150.00	1,600,000.00	4,220,000.00
PAVING AND GREENING- HILLSIDE TO NTOLENI	1,500,000.00	3,500,000.00	4,000,000.00
PAVING DEBE-NEK - MIG	1,500,000.00	3,500,000.00	4,000,000.00
PAVING GUGULETHU - MIDDLEDRIFT	1,000,000.00	-	-
PAVING OF STREETS- JAKARANDA	1,500,000.00	3,500,000.00	-
RECREATIONAL FACILITIES - HORSE RACING	2,000,000.00	-	-
REGRAVELLING OF ADELAIDE	973,150.00	-	-
REHABILITATION OF WANDERES SPORTFIELD	1,000,000.00	-	-
RESURFACING OF ADELAIDE	2,500,000.00	4,500,000.00	4,500,000.00
RESURFACING OF BEDFORD	2,000,000.00	6,126,850.00	5,000,000.00
SPORT COMPLEX FORT BEAUFORT PHASE 1	2,500,000.00	1,000,000.00	1,634,950.00

UPGRADING OF NONZAKWAZI SPORTSFIELD
VIC-DEBE NEK

300,000.00
560,000.00

-
-

43,389,300.00

38,337,050.00

39,854,950.00

Grand Total

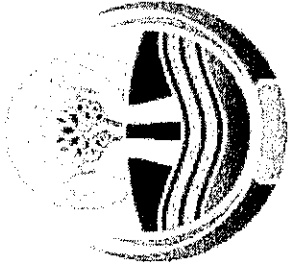
TYPE Expenditure

Row Labels	Sum of 2017/2018	Sum of 2018/2019	Sum of 2019/2020
Bulk purchases	50,000,000.00	60,000,000.00	65,000,000.00
PURCHASE OF BULK ELECTRICITY	50,000,000.00	60,000,000.00	65,000,000.00
Contracted services	750,000.00	800,000.00	800,000.00
SECURITY SERVICES: EXTERNAL	750,000.00	800,000.00	800,000.00
Debt impairment	21,000,000.00	23,600,000.00	24,150,000.00
PROVISION FOR BAD DEBT	21,000,000.00	23,600,000.00	24,150,000.00
Depreciation	45,721,694.00		
Employee related costs	147,956,363.67	160,078,610.95	173,243,371.49
Finance Charges			
Grant Expenditure	17,271,850.00	11,157,950.00	16,532,050.00
Other expenditure	13,770,000.00	9,720,000.00	16,060,000.00
Remuneration of councillors	13,530,798.52	14,103,819.04	14,711,220.79
Repairs and Maintenance - Capital	2,000,000.00	2,100,000.00	2,250,000.00
BUILDINGS	250,000.00	300,000.00	350,000.00
COMMUNITY HALL	250,000.00	200,000.00	250,000.00
RETICULATION	1,500,000.00	1,600,000.00	1,650,000.00
Repairs and Maintenance - Operational	3,170,000.00	3,280,000.00	3,570,000.00
COMPUTERS	100,000.00	100,000.00	120,000.00
EPWP			
GROUPS & FENCES			
ICT SERVER AND WEBSITE	500,000.00	1,100,000.00	1,200,000.00
METERS ETC	300,000.00	300,000.00	350,000.00
OFFICE MACHINES	70,000.00	70,000.00	80,000.00
ROADS & STREETS	100,000.00	110,000.00	120,000.00
TOOLS & PLANT	1,600,000.00	1,600,000.00	1,700,000.00
TRAFFIC SIGNS			
VEHICLES	500,000.00		
Transfers and grants	21,200,000.00	22,050,000.00	22,750,000.00
CRICKET DEVELOPMENT			
DONATIONS			
INDIGENT SUBSIDY TO CONSUMERS	19,200,000.00	20,050,000.00	20,750,000.00
RAYMOND MHLABA DEVOPMENT AGENCY	2,000,000.00	2,000,000.00	2,000,000.00

Income

TYPE	Sum of 2017/2018	Sum of 2018/2019	Sum of 2019/2020
Row Labels	180000	190620	201675.96
Fines	180000	190620	201675.96
Interest earned - external investments	2000000	2118000	2240844
Interest earned - outstanding debtors	18000000	19062000	20167596
Licences or Permits	3800000	4024200	4257603.6
Other revenue	6720000	7089930	7525045.94
BUILDING PLANS	60000	63540	67225.32
BURIAL & CEMETERY	100000	105900	112042.2
COMMISSION RECEIVED	20000	21180	22408.44
DEPOSITS TENDER	15000	15885	16806.33
GRANTS - SETA	450000	450000	500000
INSURANCE FEE	15000	15885	16806.33
PRINT/STATIONERY/FAX/PHOTOSTATS	5000	6000	0
SALE OF MUNICIPAL HOUSES	1195000	1594000	0
SKILLS DEVELOPMENT LEVY RETURNS-LGSETA	0	0	0
SUNDRY REVENUE	20000	21180	22408.44
SURPLUS CASH	10000	12000	13000
VALUATION CERTIFICATES	40000	42360	44816.88
VAT INCOME	4790000	4742000	6709532
Property rates	80859170.74	85629861.81	90596393.8
Rental of facilities and equipment	2977000	3152643	3335496.294
BILLBOARD RENTAL	53000	56127	59382.366
RENTAL - AQUA GOLD / BOFOLO MUN. BUILD	90100	95415.9	100950.0222
RENTAL - LEASE	15900	16838.1	17814.7098
RENTAL - PLANT / TOOLS	5300	5612.7	5938.2366
RENTAL - SITE	143100	151542.9	160332.3882
RENTAL - SQUATERS (ALICE ST) DE LANGE	2650	2806.35	2969.1183
RENTAL OF HALLS	166950	176800.05	187054.4529
RENTAL OF MUNICIPAL HOUSES	0	0	0
REVENUE PLANT UNIT	2500000	2647500	2801055
Service charges	76849184	81383285.86	86103516.44
BASIC ELECTRICITY	5000000	5200000	5300000
CONNECTION FEE-ELECTRICITY	20000	22000	25000
CONSUMPTION CHARGES-ELECTRICITY	37482260.04	39783483.38	42290671.41
RECONNECTION FEE-ELECTRICITY	10000	15000	16000
REFUSE REMOVAL	17453450	18483203.55	19555229.36
SALE OF ELECTRICITY - PREPAID	16883473.96	17879598.93	18916615.67
Transfers and Grants recognised - capital	45389300	39937050	42104950
GRANTS - MIG	45389300	39937050	42104950

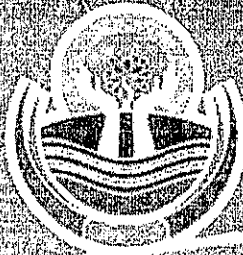
Transfers and Grants recognised - operational	173261700	168642950	176802050
ANY OTHER- MSIG GRANT	0	761000	
ECDLGTA- GREENING & BEAUTIFICATION			
EPWP	1662000	0	0
EQUITABLE SHARE (OPERATING)	149375000	155353000	158899000
FINANCE MANAGEMENT GRANT	3800000	4056000	4316000
GRANTS RECEIVED - LED			
GRANTS RECEIVED - PROV.			
INEP	5000000	5000000	10000000
MUNICIPAL DERMACATION TRANSITION INCOME	4566000		
PMU (MIG OPERATIONAL)	2243850	2101950	2216050
QUARRY MINING			
SUBSIDIES- DSRAC	1371000	1371000	1371000
MUNICIPAL DERMACATION TRANSITION INCOME (COGTA DEPARTMENT)	3000000	0	0
LED PROJECTS- MIG PORTION (5%)	2243850	0	0
Grand Total	410036354.7	411230540.7	433335172



RAYMOND
MHLABA
MUNICIPALITY

UMANYANO KUPHULISO

**Council Resolution adopting Inter-
grated Development Plan 2017/
2022**



**RAYMOND
MHLABA
MUNICIPALITY**

UMANYANO KUPHUTHENI

Tel: 046 645 7400/7451 | Fax: 046 645 2562
8 Somerset Street | Fort Beaufort, 5720 | P.O.Box 36, Fort Beaufort, 5720

OFFICE OF THE INTERIM MUNICIPAL MANAGER

DATE: 29/05/2017	ENQUIRIES M. LANGA	REF. NO: 3/3/2/1/1
TO	ALL SENIOR MANAGERS ALL POLITICAL HEADS	
FROM	INTERIM MUNICIPAL MANAGER	
SUBJECT	COUNCIL RESOLUTIONS DATED 29 MAY 2017	

Aim

To submit the council resolutions for your information and necessary action.

BACKGROUND

The Raymond Mhlaba Municipality Special Council meeting held on 29 May 2017 took the following resolutions for implementation:

ITEM 70/2017

**ADOPTION OF THE REVIEWED INTERGRATED DEVELOPMENT PLAN (IDP) FOR
THE PERIOD 2017/ 2022**

Council Resolved:

- 1) To adopt the final Integrated Development Plan for the period 2017 - 22 as a strategic document to guide developmental initiatives and programmes for duration of the period enunciated therein.
- 2) To adopt the final budget, budget –related policies and tariffs and the organisational structure of the Municipality for the period spanning from 01st July 2017 to 30 June 2018.
- 3) To make the IDP and Budget, Budget related policies and tariffs public in terms of section 21(a) of the Local Government Municipal Systems Act, No. 32 of 2000 as amended, wherein local community will be invited to submit representation in connection with the IDP and Budget.
- 4) To submit the IDP and Budget to provincial department responsible for Local Government.
- 5) To outsource projects that require extensive capacity and those that do not should be done in-house.

ITEM 71/2017

IMPLEMENTATION OF THE SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN FOR THE INSTITUTIONAL PERFORMANCE

Council Resolved:

- 1) To note the Institutional third quarter performance report for the 2016/ 2017 financial year.

ITEM 72/2017

PROPOSED SCHEDULE OF MEETINGS FOR 2017/18 FINANCIAL YEAR

Council Resolved:

- 1) To adopt the draft schedule of meetings for 2017/18 Financial Year subject to the inclusion of dates for the both the office of the Chief Whip and that of the MPAC.
- 2) That the office of the Chief Whip and the MPAC Chairperson should submit their input on the institutional calendar to the Speaker's office.
- 3) Once the above in (2) is done, the calendar should be distributed to all Councillors.

- 4) That Management should ensure that time frames for submission of agendas are adhered to in order to avoid unnecessary special meetings and submission of addendum to council committees.
- 5) That Ward Councillors should ensure that they submit agenda's seven (7) days prior the ward committee meetings.

ITEM 73/2017

APPOINTMENT OF ACTING DIRECTOR: ENGINEERING SERVICES

Council Resolved:

- 1) To appoint an Acting Director in the Engineering Services Department.
- 2) To ratify the actions of the Interim Municipal Manager to allow Mr. Mayeza to act in the position of Director: Engineering Services.
- 3) To mandate the Interim Municipal Manager to advertise the position of Director; Engineering Services as the contract of the current Director would naturally end as at end July 2017.

Financial Implications

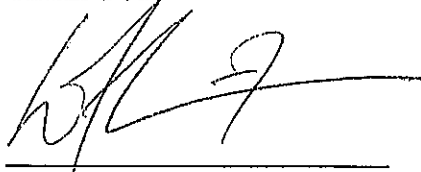
None

Recommendations

Our office recommends that the resolutions should be filed in your office for future reference.

Serving with honesty, dignity and integrity.

Thank You



L. MENZE
INTERIM MUNICIPAL MANAGER

30/5/2017
DATE

