BACKGROUND AND LEGISLATIVE CONTEXT

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.

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 Budgets towards the 2016/17 financial year 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 review for 2018/19 financial year has been informed by the consolidation and consideration the following from the two amalgamated municipalities:

- Nxuba LM 2012/2017 IDP
- Nkonkobe LM 2012/2017
- Ward priorities;
- Priorities of the Ruling Party;
- State of the Nation Address;
- State of the Province Address;
- State of the District Address
- State of the Municipal Address
- 12 Outcomes of Government;
- Sustainable Development Goals;
- The Provincial Growth and Development Plan;
- The National Spatial Development Perspective;
- Spatial Development Plan;
- Mayoral Imbizo's;
- 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 cognisance 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	- 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	- 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	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	- 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	- Strengthening education, skills and human resource base	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	- 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	- Speeding up growth and transforming he 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 - Building a developmental state	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 10. Protect and enhance our environmental assets and natural resources.
FINANCIAL VIABILITY	- Intensifying the fight against crime and corruption	- Intensifying the fight against crime and corruption	9. Responsive, accountable, effective and efficient local government
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	- Intensifying the fight against crime and corruption - Building cohesive, caring and sustainable communities - Pursuing African advancement and enhanced international cooperation	- Intensify the fight against crime and corruption - Building cohesive and sustainable communities	7. Vibrant, equitable, sustainable rural communities contributing towards food security for all 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

	- Building a developmental state including improvement of public services and strengthening democratic institutions		11. Create a better South Africa, better Africa and better world.

1.4 IDP 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	- 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	- 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		- 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 according 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		- 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		- 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)	- 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	- 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 2017
Analysis Phase	By the 31 August 2017
Strategies Phase	By the 31 December 2017
Project Phase	By the 28 February 2018
Integration Phase	By the 28 February 2018
Approval Phase (Draft IDP/Budget)	By the 31 March 2018
Approval Phase (Final IDP/Budget)	By the 31 May 2018

Amathole District Municipality Process Plan

1.5.2   *IDP/Budget/PMS Process Plan for 2018// 2019 IDP*

The municipality adopted a process plan in September 26, 2017. 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 • Review Implementation • Prepare full IDP process • Review Performance Management System	04 August 2017	Strategic Planning
First IDP Representative Forum ▪ Presentation of the Process Plan ▪ The provision of feedback on the *status quo* and strategic framework components of the IDP; i.e. Key issues, Strategies and Objectives and other programs	08 August 2017	Strategic Planning
Joint Standing Committee Finance & LED (Special)	12 August 2017	Speaker's Office
Presentation to the Executive Committee (Special)	15 August 2017	Mayor's Office
Presentation to Council for Adoption(Special)	29 August 2017	Mayor's Office
Submission to Amathole District Municipality	30 August 2017	Strategic Planning
Advertisement of the IDP Process Plan to members of the public	05 September 2017	Strategic Planning

IDP Cluster Team Meetings	15-17 October 2017	Strategic Planning/Cluster Teams
Second IDP Representative Forum ▪ Presentation of Situational Analysis ▪ IDP Vision and Mission	07 November 2017	Strategic Planning
IDP and Budget Steering Committee	13 January 2018	Strategic Planning & BTO
IDP Cluster Team Meetings	20-22 January 2018	Strategic Planning/Cluster Teams
Steering Committee Meeting • Cluster Team Reports • Agenda for the Rep Forum	10 February 2018	Strategic Planning
Institutional Strategic Planning Session	04-06 February 2018	Strategic Planning
IDP Rep Forum • 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	27 February 2018	Strategic Planning
Steering Committee Meeting • Confirm contents of the IDP and Budget, and consider inputs from the Rep Forum • Review Performance Management System	12 March 2018	Strategic Planning/ BTO
Table Draft IDP/Budget to LED and Finance Standing committee	16 March 2018	Speaker's Office
Table Draft IDP/Budget to Exco	20 March 2018	Mayor's Office
Table Draft IDP/Budget Council	26 March 2018	Mayor's Office
21 Days Advertisement Period for public comments	03 April 2018	Strategic Planning
Submission of draft IDP to DLGTA	March/April 2018	Strategic Planning
Provincial IDP Assessment Week	April 2018	Strategic Planning
IDP/ Budget Road-shows	14-23 April 2018	Strategic Planning
Review progress – Steering Committee • Public participation programme & comments received • Present final draft to be adopted by council	24 April 2018	Strategic Planning
IDP Rep Forum • 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.	08 May 2018	Strategic Planning

• 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	11 May 2018	Speaker's Office
Present Final IDP/Budget to EXCO	19 May 2018	Mayor's Office
Council adopts IDP Review 18/19 • Submit copy of IDP to ADM and to MEC (DHLG&TA)	28 May 2018	Mayor's Office
Drafting of Service Delivery and Budget Implementation Plan(SDBIP)	02 April 2018	All HODs
Submit draft SDBIP within 14 days after approval of the Budget	June 2018	Strategic Planning
Approval of SDBIP within 28 days After adoption of the Budget	June 2018	Mayor's Office
Signing of MM and Section 57 Managers Performance agreements	June 2018	Municipal Manger
Publicise SDBIP and Performance Agreements within 14 days after the approval	30 June 2018	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 159 516. 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), Iimbizo, Ward Committee Meetings, IDP Representative Forums, IDP Cluster Meetings, Sector Forums. In order to ensure that there is representation of the various organised and unorganised 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 organisations 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 ward committees in each ward of the municipality.

The municipality has established ward committees in all twenty wards, and they 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.

1.7 **Key issues raised by Communities**
- Water
- Roads
- Sanitation
- Housing
- Sports Fields
- Clinics
- Fire Services

The municipality endeavours 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

VISION

"A Municipality Championing Radical Economic Growth and Service Excellence."

MISSION

"To be catalyst for service excellence underpinned by transformed spaces for economic development, efficiency, accountability and be responsive to the needs of all communities."

VALUES

- ⊙ Accountability

- ⊙ Transparency

- ⊙ Courtesy

- ⊙ Value for money

- ⊙ Consultation

- ⊙ Service Excellence

- ⊙ Integrity

- ⊙ Respect

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 km^2, 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 and the Buffalo City Metropolitan Municipality.
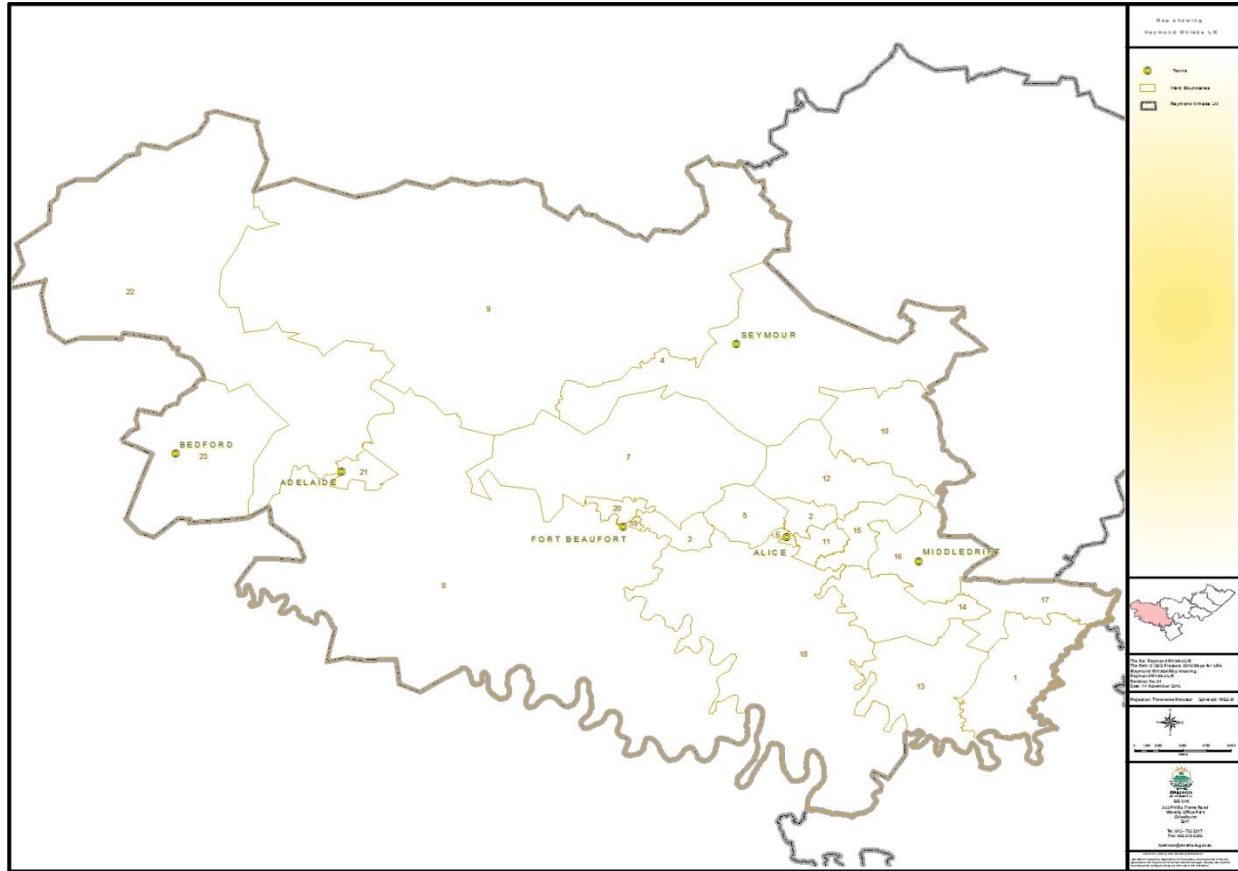
Figure 1: Map of Raymond Mhlaba Local Municipality

WARD BASED INFORMATION

Ward	Councillor	Villages
1	Zukisa Kenneth Qaqawe	Qamdobowa; Zigodlo; Ndindwa; Mgxotyeni; Khulile; 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	Fort Beaufort 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; Fairbaim; Kolomani (Marais; Grafton; Ngikane; Votyiwe; Phathikala; Edika; Dunedin; Cains; Diphala)
10	Mlungiseleli Lookington Ndongeni	Gomoro; Machibi; Mpundu; Gilton; Guquka; Sompondo; Khayalethu; 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; Ngcothoyi; 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	Annshaw; Town/Gugulethu; Lower Regu; Mfiki; Cwaru; Qawukeni; Cilidara; Ngele; Nothenga; Gudwini
17	Millicent Nonkoliseko Gawu	Qanda; Trust 1&2; Koloni; Farm Bill; Thafeni; Nonaliti; Debenek; Zihlahleni; Mayiphase; Ntonga
18	Thobeka Priscilla Mjo	Joji; Loyd; Phumlani; Khayamnandi; Thembisa; Xolani; Gwedera; 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; Lingelethu; Adelaide Town,
22	Frans Chistian	Bezuidenhoutville; New Area; 7de Laan; Fairholt; Walkersvale, Eilden,
23	Mhlobo Douglas Dywili	Goodwin Park; Nonzwakazi; Bhongweni; sBedford Town, Phola Park, New Bright, Khayelitsha

2.3 Demographic Indicators

2.3.1 Total Population

The 2016 Community Survey results from Statistics South Africa indicates that the total population in Raymond Mhlaba Municipality is 159 516. 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.

Racial Distribution

- 0.19%
- 7%
- 1.63%
- 0.32%
- 91%

Legend:
- Black African
- Coloured
- Indian or Asian
- White
- Other
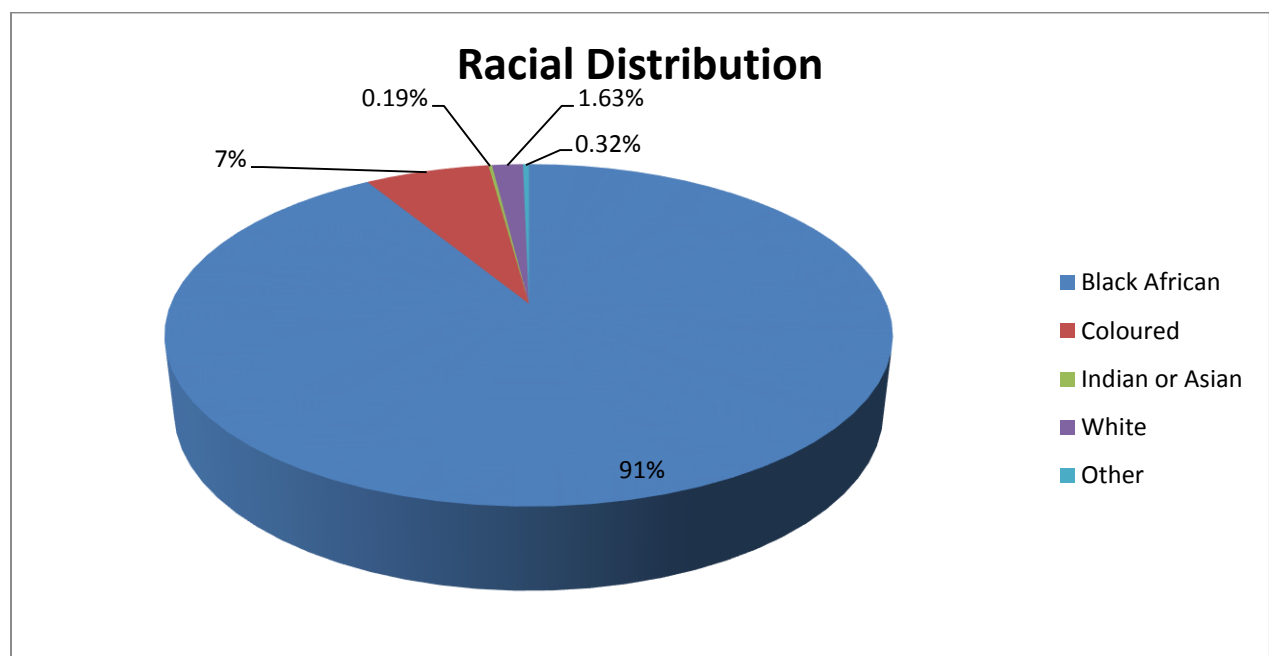
Source: Census, 2011 and Community Survey, 2016

2.3.3 Population Growth Rate

Raymond Mhlaba's population is projected to grow at an average annual rate of 0.1% from 159 516 in 2016 to 162 000 in 2021. When looking at the population projection of Raymond Mhlaba Local Municipality shows an estimated average annual growth rate of 0.8% between 2016 and 2021. The average annual growth rate in the population over the projection period for Amatole District Municipality, Eastern Cape Province and South Africa is 0.5%, 1.0% and 1.4% respectively. The Eastern Cape Province is estimated to have an average growth rate of 1.0% which is very similar than that of the Raymond Mhlaba Local Municipality. South Africa as a whole is estimated to have an average annual growth rate of 1.4% which is very similar than that of Raymond Mhlaba's projected growth rate.

Population Growth: Total
Raymond Mhlaba Local Municipality (EC129)

Source: IHS Global Insight Regional eXplorer v
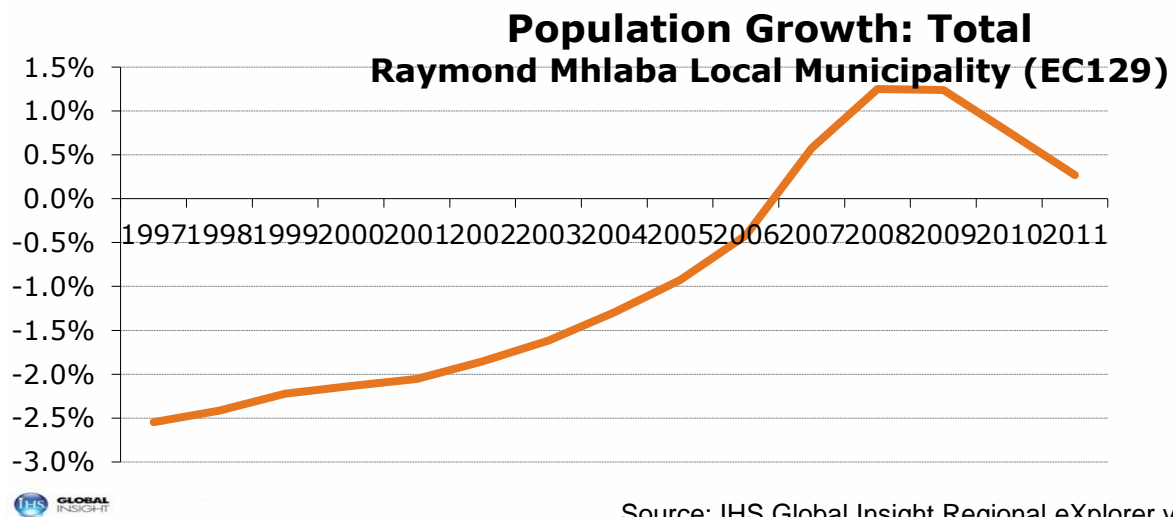
2.3.4   Population Distribution by age and gender

2.3.4.1 Population Distribution by age and gender

Raymond Mhlaba Age Analysis

Age	Female	Male
90 - 94	92	48
	381	132
80 - 84	645	317
	1110	532
70 - 74	1485	784
	2276	1 517
60 - 64	2549	1 875
	3068	2 349
50 - 54	3840	2 951
	4372	3 476
40 - 44	4688	3 717
	4632	3 740
30 - 34	4456	3 964
	4107	4 074
20 - 24	5224	5 502
	7204	7 477
10 - 14	7041	7 876
	5986	6 702
	7330	7 553
0 - 4	8083	8 224

Axis: -10000 -8000 -6000 -4000 -2000 0 2000 4000 6000 8000 10000

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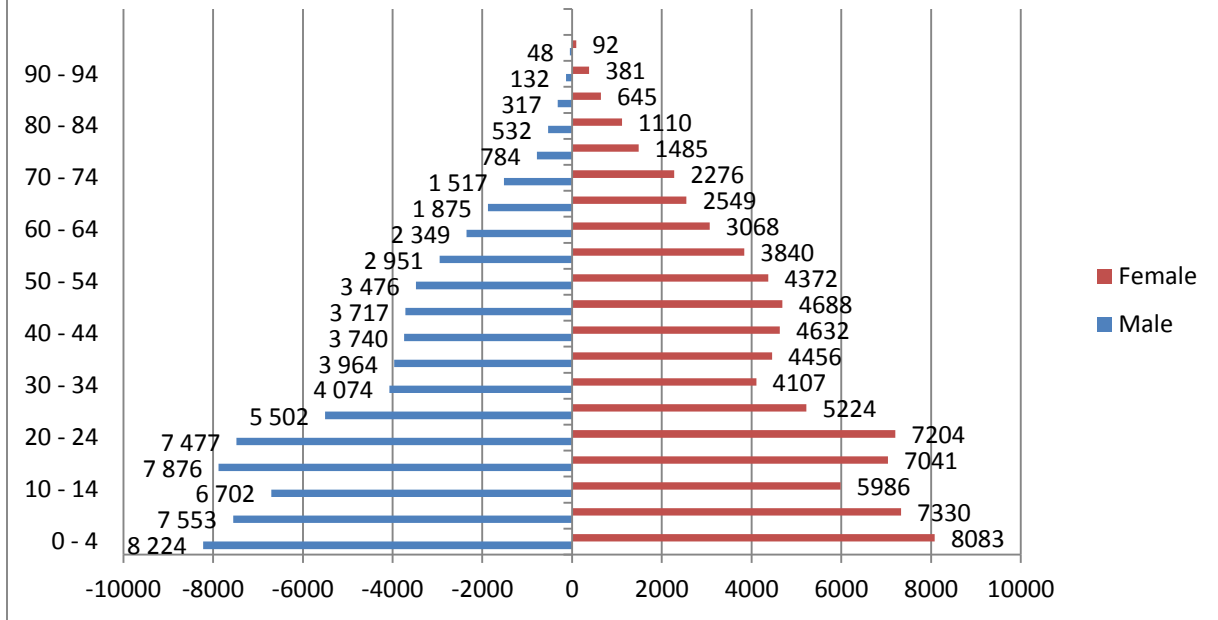
The population pyramid above, indicates that the population of Raymond Mhlaba Local Municipality is dominated by youth and women, ages from 10-34 are in the majority. Moreover, it reveals that the women live longer than men, as there are more females at age 92+ in contrast to males.

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.

HIV+/AIDS profile
Raymond Mhlaba Local Municipality (EC129)

Source: IHS Global Insight Regional eXplorer vers
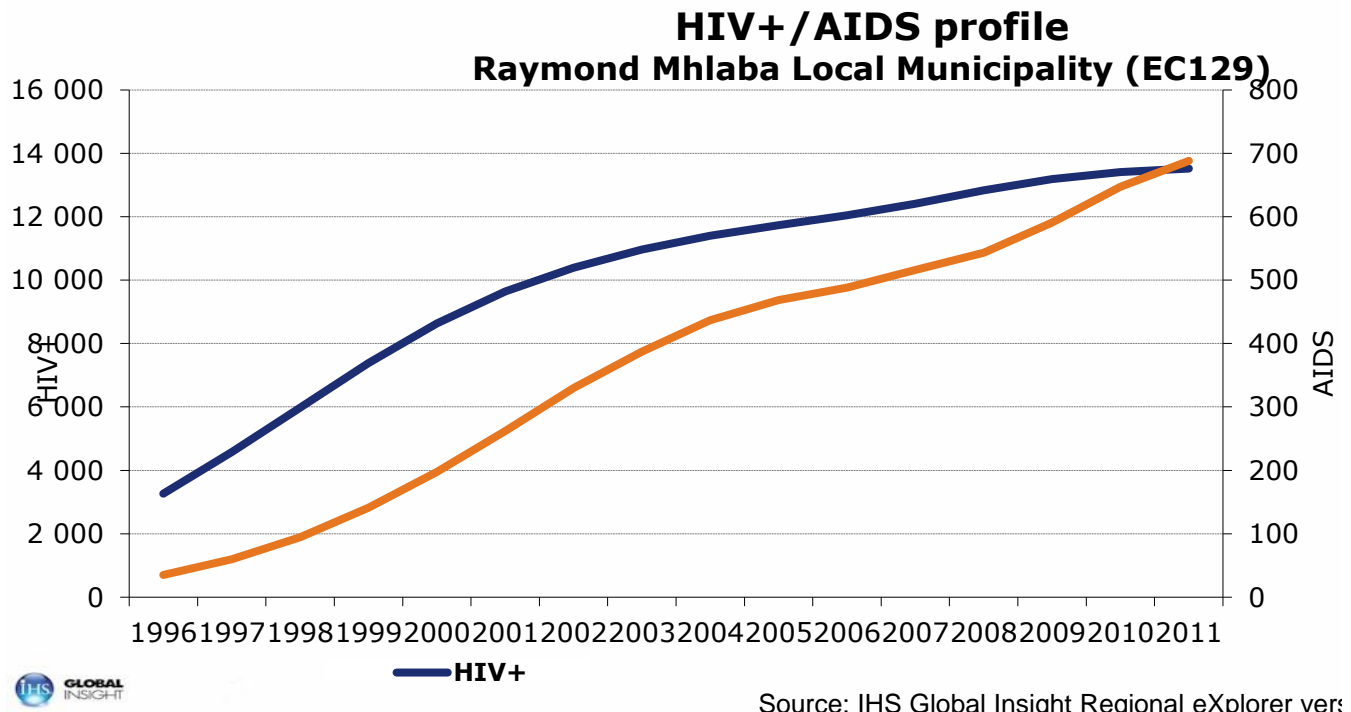
Statistics have shown that there will be increased deaths in the 0-4 year old category and the 25-34 year old category and the majority of people will be infected between the ages of 18 and 25. It is clear then that HIV/AIDS impacts most heavily on the youth and the young adult population, which can 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 (Booysen 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 de

cent 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 Raymomd 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

Poverty Overview
Raymond Mhlaba Local Municipality (EC129), Total
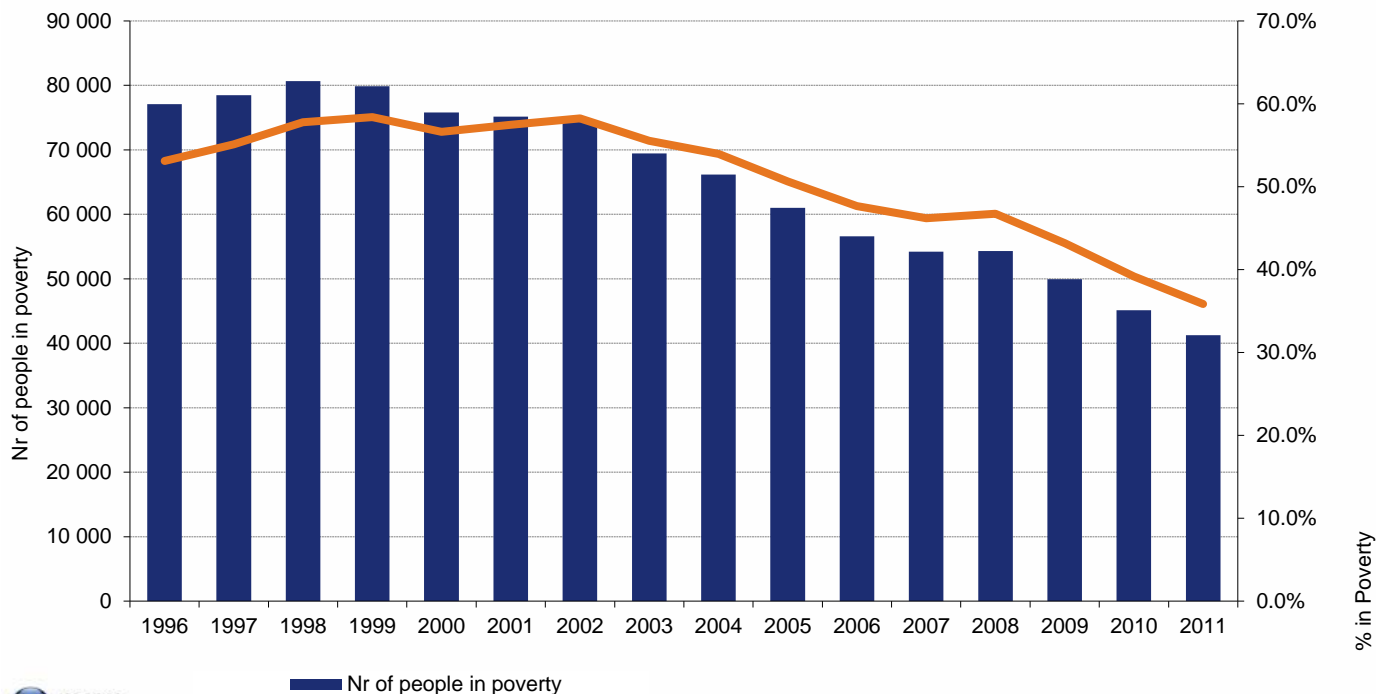
Source: IHS Global Insight Regional eXplorer version 646

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+.

Progress in Education
Raymond Mhlaba Local Municipality (EC129), Total
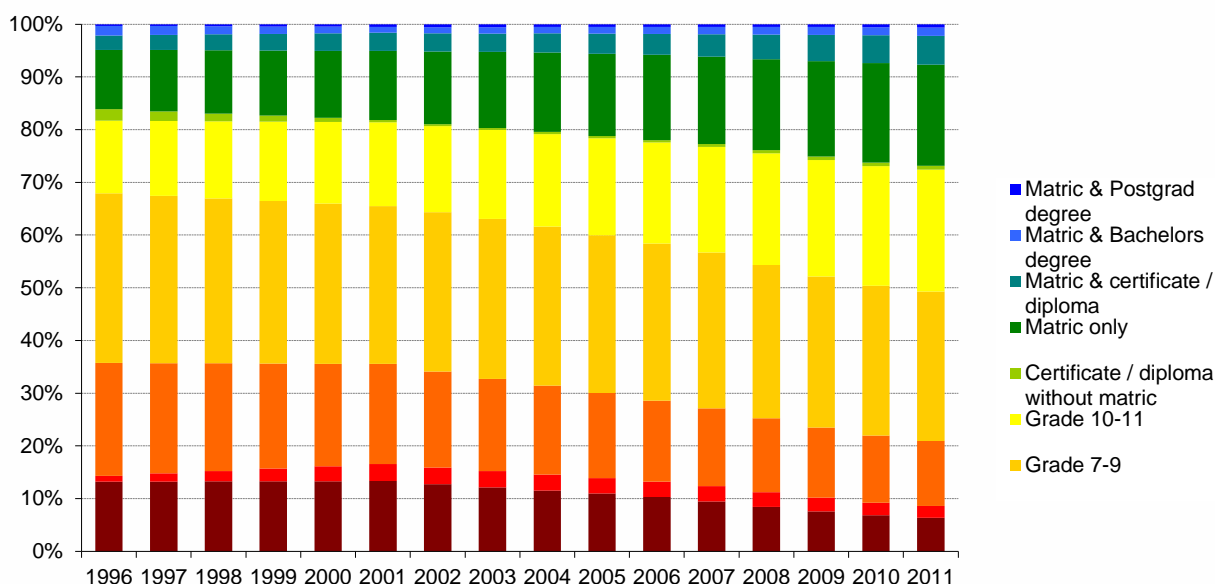
Source: IHS Global Insight Regional eXplorer version 646

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 / Std 10 / Form 5	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 42 066 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: Cenus 2011

This puts 45% of households occupying formal dwellings in Raymond Mhlaba Local Municipality. The backlog of formal housing is estimated at just over 15000

Households by dwelling type
Raymond Mhlaba Local Municipality (EC129)

Source: IHS Global Insight Regional eXplorer version 646
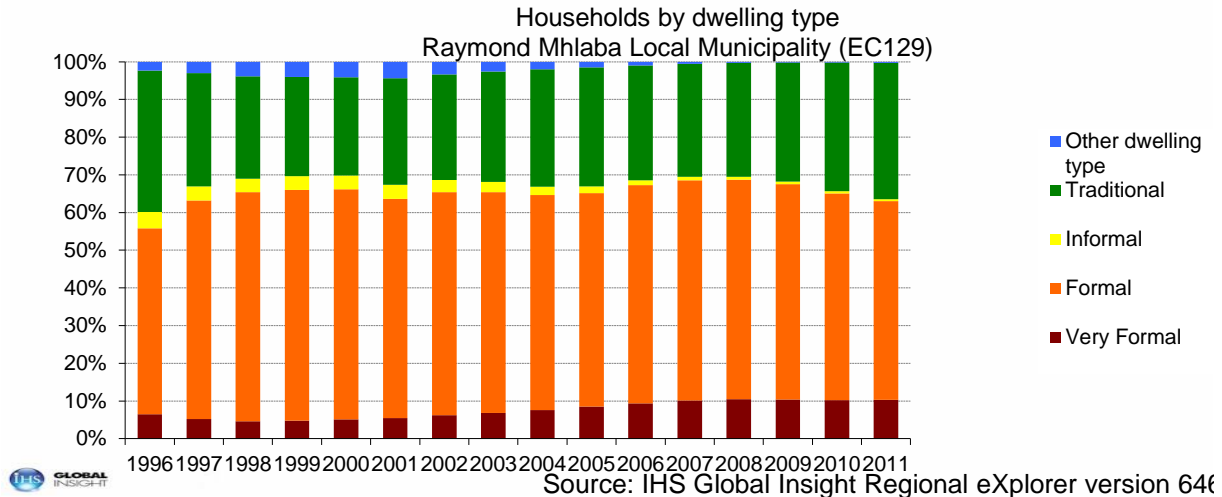
2.3.11 Labour

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.

GVA-R Sectoral Composition
Raymond Mhlaba Local Municipality (EC129), 2013

■ Primary sector 2%

■ Secondary sector 9%

□ Tertiary sector 89%
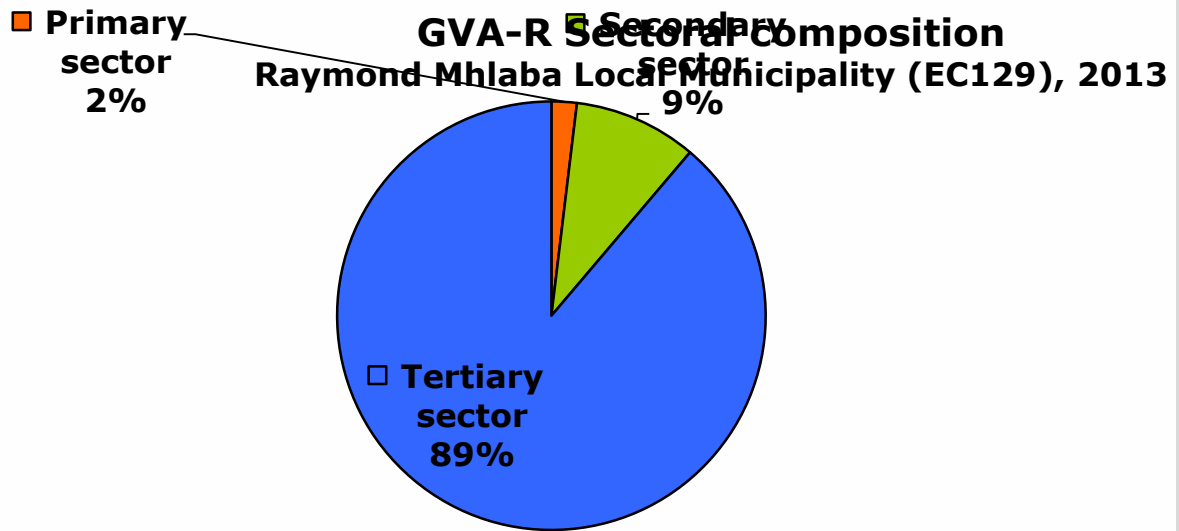
Source: IHS Global Insight Regional eXplorer ve

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.

Total Tourism Spend (R 1000, Current prices)
Raymond Mhlaba Local Municipality (EC129)
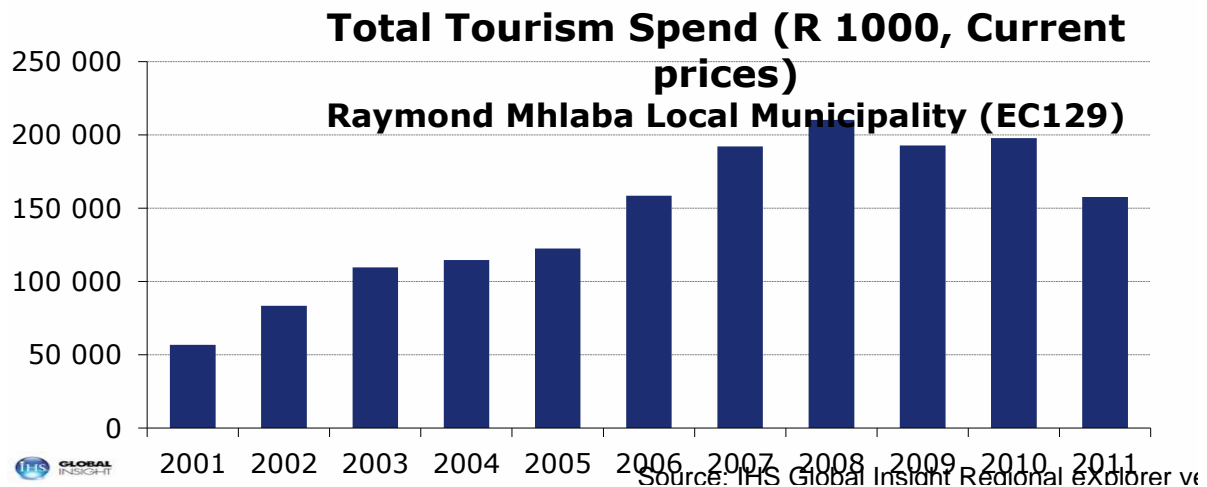
Source: IHS Global Insight Regional eXplorer ve

Growth in Tourism
Raymond Mhlaba Local Municipality (EC129)
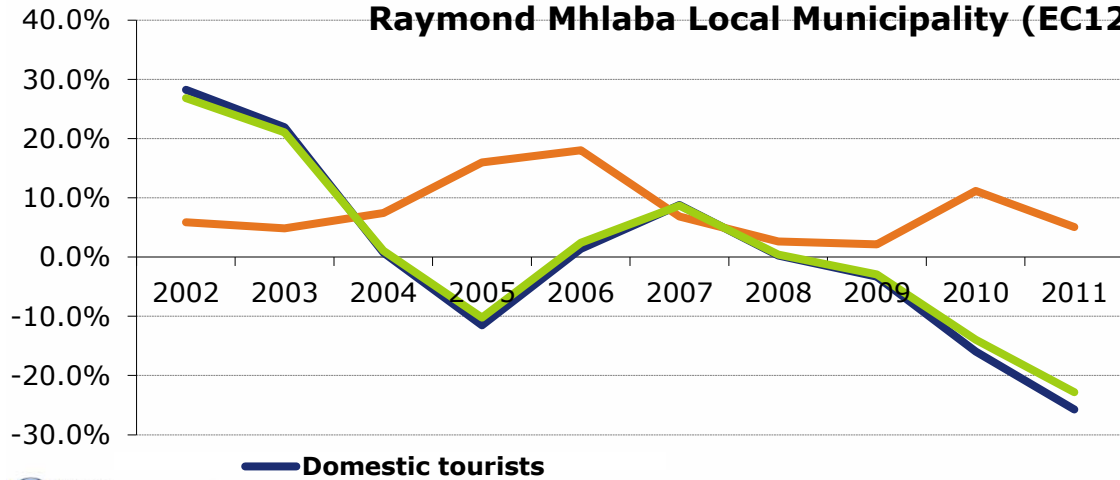
Source: IHS Global Insight Regional eXplorer ve

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.

Sexual crimes

Crime - Sexual crimes - Total
Raymond Mhlaba Local Municipality (EC129)
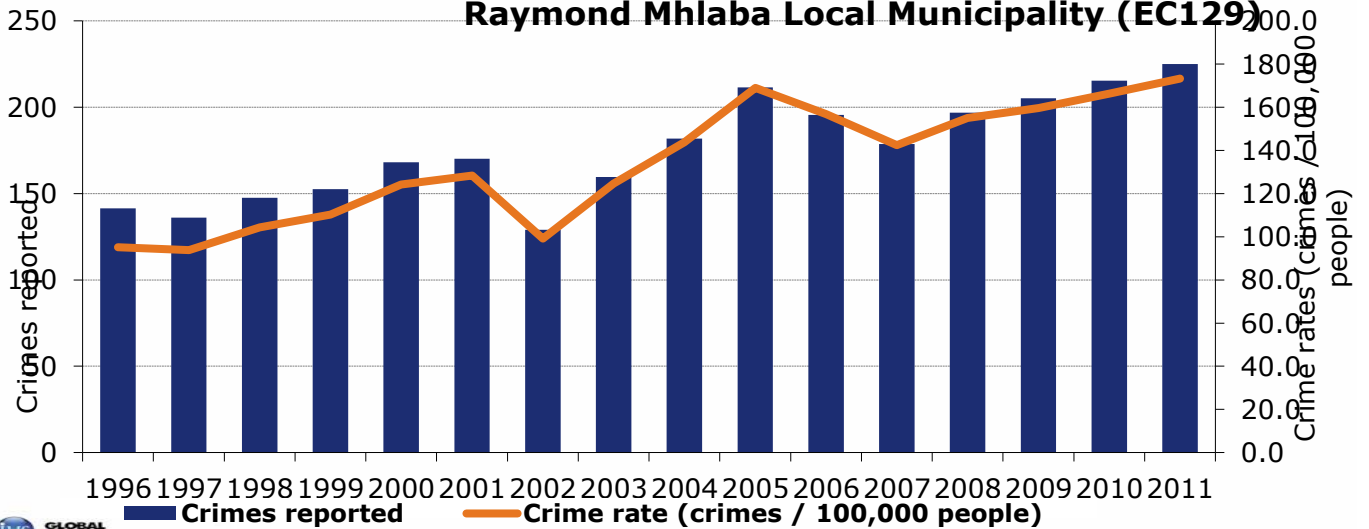
Source: IHS Global Insight Regional eXplorer version

Sexual crimes reported during 2010/11 were about 250 and thus puts the rate of crime at 250 .0 per 100 000 people as reflected in the graph above.

Common robbery

Crime - Common robbery
Raymond Mhlaba Local Municipality (EC129)
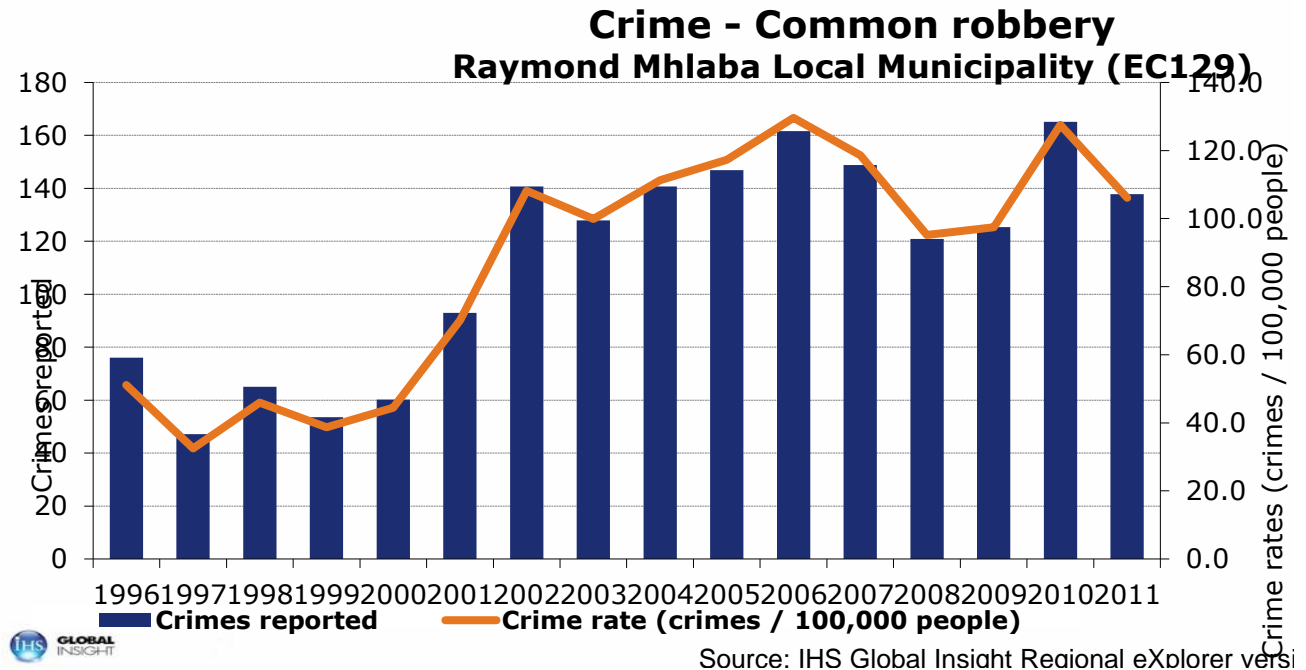
Common robbery is as 180.0 per 100 000 people and 200 common robbery crime were reported during 2010/2011

Burglary at residential premises

Crime - Burglary at residential premises
Raymond Mhlaba Local Municipality (EC129)
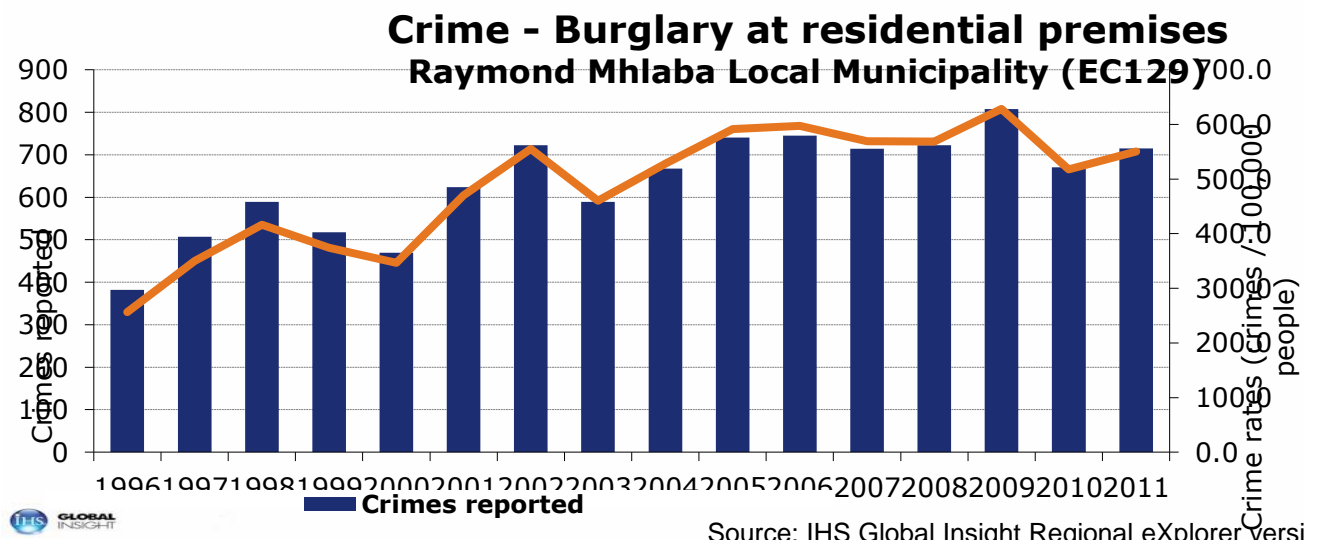
Burglary at residential premises seem to be very high as more than 800 cases were reported and the rate is just below 800.0 per 100.000 people as the graph below shows

Assault with the intent to inflict

Crime - Assault with the intent to inflict grievous bodily harm
Raymond Mhlaba Local Municipality (EC129)
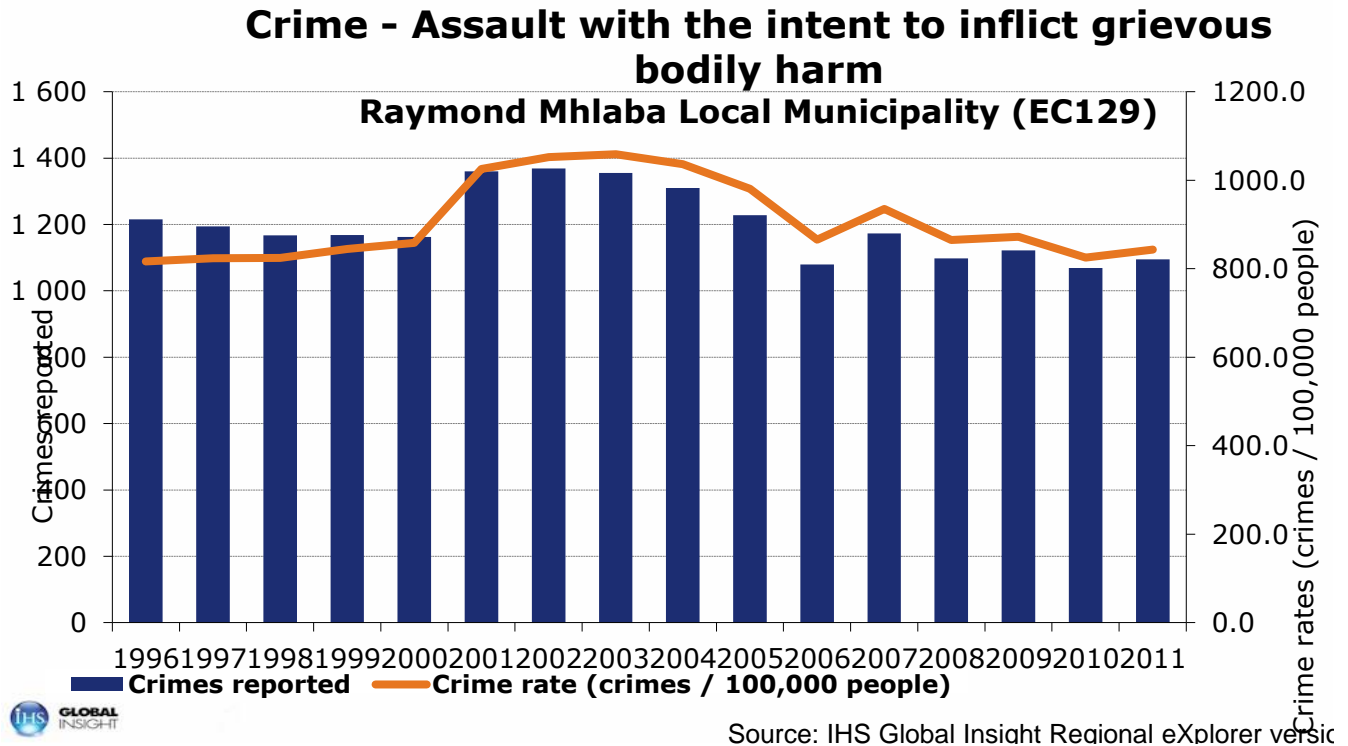
Assault is the highest of the selected crimes. Crime of this nature reported were above 1000 and also the rate is also above 1000 per 100 000 people, see the graph below.

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 Montane Grassland:** Sweet grassland dominated by grasses such as Themeda tiandra, Pennisetum sphacelatum, and Ehrharta 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 processed 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 highest peak being the Hogsback Region, which has a height level of 1700m- 2000m above the sea. 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, Tyume River, Mxhelo River, 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.

2.3.18 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 Tyume 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.

- **Dams:** Raymond Mhlaba Municipality is supported by two main dams, which are the Kat River Dam and the Binfield 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 neighbouring 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.

- **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

KPA 1: BASIC SERVICE DELIVERY AND 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.

ELECTRICITY

INTRODUCTION TO 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 the municipality it is estimated that electricity provision stands at 87% with a backlog of 13%. The Raymond Mhlaba Municipality completed its Electricity Master Plan end December 2017. Funding of its recommendations continues to be a challenge and as such the institution should priorities funding while also continuing to source external funding going forward.

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.

• Palisade fencing for mini sub-stations in residential areas

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 Middledrift.

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.

2.2 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, SANRAL has initiated upgrading of the R63 road and progress currently at Design Stage.
- 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 National Department of Transport is currently rolling out the Rural Transport Services and Infrastructure Grant whose objective is to ensure effective and efficient investment on rural roads through development of Road Asset Management System (RAMS) with the following methodology in mind:

- *Collection of Road Inventory data including condition assessment and traffic data.*
- *Setting up pavement and bridge management system compatible with national standards.*

The system is currently in place and relevant data and updated in line with conditions of the grant.

Municipalities are encouraged to utilise this system when prioritising road project.

The National Department of Transport is currently rolling out the Rural Transport Services and Infrastructure Grant whose objective is to ensure effective and efficient investment on rural roads through development of Road Asset Management System (RAMS) with the following methodology in mind:

- *Collection of Road Inventory data including condition assessment and traffic data.*
- *Setting up pavement and bridge management system compatible with national standards.*

The system is currently in place and relevant data and updated in line with conditions of the grant.

Municipalities are encouraged to utilise this system when prioritising road project.

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**
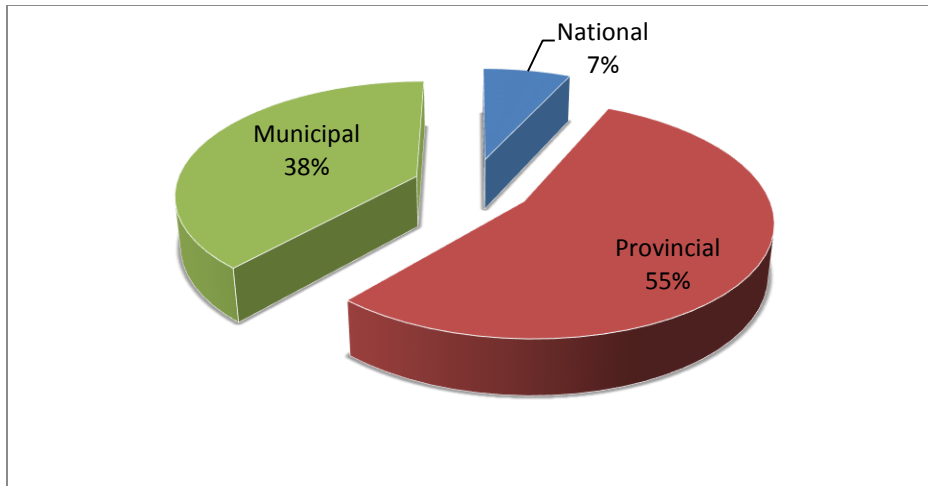
CONDITION OF THE SURFACED ROADS:

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.

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 five Taxi ranks in Raymond Mhlaba Municipality namely (Adelaide, Alice, Bedford, 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. The aforementioned Taxi Ranks 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 has already commenced and will finish towards end of 2018. 0

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 scotching 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.

The Road Maintenance Policy and Plan is currently at development stage and expected to be completed by end of the current financial year.

STORMWATER

The Stormwater management system is provided for in the town of Adelaide, Alice, Bedford, Fort Beaufort, Middledrift and Seymour. The municipality has an approved Storm Water Management Plan for the areas that are mentioned above. The Municipality has prioritized storm water and storm water management needs. These are to be taken seriously as it becomes very difficult for the communities to access their properties where storm water drainage is not attended. 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.

2.3 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.

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. Below and overleaf is progress to date.

Project Name	Subsidy Instrument	Project Type	Project Approval Date	Total Contractual Target	Delivery To Date (Sites)	Delivery To Date (Units)	Planned No. of Sites (Current year)	Planned No. of Houses (Current Year)
1.5a Rectified RDP stck 1994-2002								
Bedford - Goodwin Park - 200 subs	Project Linked Subsidy	People's Housing Process (Project Linked)	2012/11/26	148	0	53		71
Bedford - 172 Subs	Project Linked Subsidy	People's Housing Process (Project Linked)	2012/11/26	88	0	19		56
Seymour Ph2 Rectification 232	Project Linked Subsidy	Progress Payment Housing Project	2009/11/24	220		63		10
Bedford - Nyarha 161 subs	Project Linked Subsidy	Progress Payment Housing Project	1996/03/01	81		0		5
Fort Beaufort - R/land Ph 1 (Bhofolo) - 300 subs	Project Linked Subsidy	Progress Payment Housing Project	2000/11/02	300	300	4		
Adelaide - R/land Ph 2 - 481 subs	Project Linked Subsidy	People's Housing Process (Project Linked)	2001/11/30	481	481	459		
Fort Beaufort - R/land Ph 1 (Newtown) - 662 subs								
Alice - Golf course - 283 subs	Project Linked Subsidy	Progress Payment Housing Project	1995/05/12	15		7		3

Fort Beaufort - Hillside Ph 2 - 500 subs	Project Linked Subsidy	Progress Payment Housing Project		0	0	0		
Fort Beaufort - R/land Ph 1 (Hillside) - 638 subs								
2.2a Integrated Residential Development Programme :Phase 1:Planning and Services								
Fort Beaufort - Bhofolo Ph1 C - 400 Units	Project Linked Subsidy	Progress Payment Housing Project		400	0	0		
Alice - Khayelitsha 260	Project Linked Subsidy	Progress Payment Housing Project	NULL	260	0	0		
Alice - Ntzelemantzi/ Hillcrest - 818 subs	Project Linked Subsidy	Progress Payment Housing Project	1997/08/2 7	189		0		5
Fort Beaufort - Daweti 200	Project Linked Subsidy	Progress Payment Housing Project	NULL	200	0	0		
Fort Beaufort - Readsdale 500 subs	Rural Subsidy - Informal Land Rights	Rural Housing Project	2012/04/2 3	500	0	0	2	
Bedford - Goodwin Park - 200 subs	Project Linked Subsidy	People's Housing Process (Project Linked)	2000/11/0 2	200	200	195		
Bedford - Worteldrift 255	Project Linked Subsidy	Progress Payment Housing Project	NULL	255	0	0		

2.2b Integrated Residential Development Programme :Phase 1:Planning and Services INFORMAL SETTLEMENTS								
2.2c Integrated Residential Development Programme :Phase 2:Top Structure Construction								
Fort Beaufort - Hillside Ph 2 - 500 subs	Project Linked Subsidy	Progress Payment Housing Project	1997/08/0 1	63	0	0		15
Fort Beaufort - R/land Ph 1 (Hillside) - 638 subs	Project Linked Subsidy	Progress Payment Housing Project	2000/11/0 2	638	638	451		15
Fort Beaufort - R/land Ph 1 (Newtown) - 662 subs	Project Linked Subsidy	Progress Payment Housing Project	2000/11/0 2	662	662	544		8
Bedford - 172 Subs	Project Linked Subsidy	People's Housing Process (Project Linked)	2003/11/2 1	172	0	48		11
4.2 Rural Housing: Communal land rights								
Alice - Mavuso 300 Subs	Rural Subsidy - Informal Land Rights	Rural Housing Project	2014/09/0 4	300	0	0	171	55
Alice - McFarlane - 155 subs	Rural Subsidy - Informal Land Rights	People's Housing Process (Rural)	2004/06/1 7	155	0	119		
Alice - Nkobonkobo - 330	Rural Subsidy - Informal Land Rights	People's Housing Process (Rural)	2004/06/0 7	330	0	329		
Alice - Rhoxeni 140 subs	Rural Subsidy -	People's Housing	2004/06/0 7	140	0	113		

	Informal Land Rights	Process (Rural)						
Fort Beaufort - Bhofolo - 500 subs	Project Linked Subsidy	Progress Payment Housing Project	1997/08/0 1	500	500	463		
Fort Beaufort - Katberg 233 Subs	Rural Subsidy - Informal Land Rights	Rural Housing Project	2012/05/2 9	233	0	0	20	10
Fort Beaufort - Lower Blink Water 1011 subs	Rural Subsidy - Informal Land Rights	Rural Housing Project	2012/04/2 3	1011	0	0		
Fort Beaufort - Mount Pleasant 200 Units	Rural Subsidy - Informal Land Rights	Rural Housing Project	2009/08/2 8	200	18	129		
Fort Beaufort - Mount Pleasant 25 (kholosa)	Rural Subsidy - Informal Land Rights	Rural Housing Project	2009/12/1 9	25	0	0		
Fort Beaufort - Mount Pleasant 25 (m&x)	Rural Subsidy - Informal Land Rights	Rural Housing Project	2009/08/2 8	25	0	0		
Fort Beaufort - Mount Pleasant 25 (mengo)	Rural Subsidy - Informal Land Rights	Rural Housing Project	2009/08/2 8	25	0	0		
Fort Beaufort - Mount Pleasant 25 (vukani)	Rural Subsidy - Informal Land Rights	Rural Housing Project	2009/08/2 8	25	0	0		
Middledrift - 19 Subs	Rural Subsidy - Informal Land Rights	Rural Housing Project	2012/02/1 7	19	0	0		
Middledrift - Annshaw 5 Units	Rural Subsidy -	Rural Housing Project	2011/02/1 0	5	0	0		

	Informal Land Rights							
Fort Beaufort - Hillside Ph 2 - 500 Unblocking	Project Linked Subsidy	Progress Payment Housing Project	2011/01/2 0	500	0	0		
Alice - R/land Ph 2 (Golf course) - 1233 subs	Project Linked Subsidy	People's Housing Process (Project Linked)	2001/11/3 0	1233	1233	969		
Alice - R/land Ph 2 (Kuntselemant zi) - 228 subs	Project Linked Subsidy	People's Housing Process (Project Linked)	2001/11/3 0	228	228	228		
Alice - Hillcrest (Military Veteran) 1 sub	Project Linked Subsidy	Progress Payment Housing Project	2014/09/0 4	1	0	0		
Middledrift - 304 subs	Project Linked Subsidy	Progress Payment Housing Project	1998/05/0 8	304	304	296		
Fort Beaufort - Bhofolo Ph2 507 subs	Project Linked Subsidy	People's Housing Process (Project Linked)	2003/06/1 2	507	491	0		
Fort Beaufort – Gomma Gomma 292 subs	Project Linked Subsidy	People's Housing Process (Project Linked)	2003/06/1 2	292	117	276		
Fort Beaufort - Hillside Ph 1 - 600 subs	Project Linked Subsidy	Progress Payment Housing Project	1995/01/2 7	600	600	600		

Fort Beaufort - R/land Ph 1 (Newtown) - 662 subs	Project Linked Subsidy	Progress Payment Housing Project	NULL	0	0	0		
Fort Beaufort - R/land Ph 2 (Golf area) - 1177 subs	Project Linked Subsidy	People's Housing Process (Project Linked)	2001/11/3 0	1177	1177	704		
Fort Beaufort - R/land Ph 2 (Mpolweni) - 500 subs	Project Linked Subsidy	People's Housing Process (Project Linked)	2001/11/3 0	500	498	133		
Middledrift - R/land Ph 1 - 311 subs	Project Linked Subsidy	People's Housing Process (Project Linked)	2000/11/0 2	311	311	98		
Seymour - R/land Ph 2 - 465 subs	Project Linked Subsidy	People's Housing Process (Project Linked)	2001/11/3 0	465	437	435		
Seymour Ph. 1 - 232 subs	Project Linked Subsidy	People's Housing Process (Project Linked)	1997/04/2 5	232	232	0		
Seymour Ph. 2 - 461 subs	Project Linked Subsidy	Progress Payment Housing Project	1998/05/0 8	461	461	439		
Adelaide - Bezuidenhout ville - 73 subs	Project Linked Subsidy	Progress Payment Housing Project	1997/08/0 1	73	73	73		
Adelaide - Lingelethu - 245 subs	Project Linked Subsidy	Progress Payment Housing Project	1996/03/0 2	245	245	245		

Adelaide - R/land Ph 1 - 624 subs	Project Linked Subsidy	Progress Payment Housing Project	2000/11/0 2	624	624	507		
Adelaide Mud Houses 428 Subs	Project Linked Subsidy	People's Housing Process (Project Linked)	2004/11/2 6	428	0	371		

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 subsidised 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 Agric-villages will provide tangible improvements in quality of life. The Housing Act in Section 3 provides policy prescripts framework for the Farm Resident Subsidy Programme where the intent is to provide a flexible mechanism which will promote access to adequate housing, including **basic services** and secure tenure to farm workers. The Comprehensive Plan for the creation of Sustainable Human Settlements approved in September 2014, specifically called for a stronger rural housing development focus through economic, social and institutional sustainability of farm worker settlements. The Housing Sector Plan for the Raymond Mhlaba Local Municipality is currently at draft stage to be adopted by Council by the end of the current financial year.

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

The municipality is currently at procurement stage to appoint a specialist service provider that will assist the municipality in developing a Land Use Scheme. The Land Use Scheme will be in place before end of the next financial year. The Spatial Development Framework for the Raymond Mhlaba Local Municipality is currently at draft stage to be adopted by Council by the end of the current financial year.
.

2.5 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.

Key challenges

Shortage and ageing fleet for refuse transportation.

Insufficient budget for waste management programmes

Updated by-laws which relates to waste management

Scarce skill of plant operators

Vandalism on 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 is terms of the Environment Conversation Act, 1989.

3.4.2 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.

3.5 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.

3.5.1 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). The municipality has developed its own IWMP, currently the plan is in a draft format awaiting Council approval, which will then be subsequently submitted to the MEC for endorsement.

THE IWMP INCORPORATES THE FOLLOWING:
- Reviewing the existing baseline situation

- Making projections of future requirements
- Setting objectives
- Identify system components
- Identify and evaluating alternative methods/ approaches for meeting requirements

- Shortage and ageing fleet for transportation of refuse
- Inability to access land (Hogsback transfer station
- Non – licensed waste disposal sites

2.6 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

2.7 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

2.8 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 18, 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:

Council
Mayor
Chief Whip
Speaker
MPAC Chairperson
Executive Committee
-Budget & Treasury
- Engineering Services
-Corporate Services
-Community Service
- Strategic Planning and Local Economic Development
- Sport Arts and Culture
Municipal Manager (Filled)
Chief Financial Officer
Director: Corporate Services
Director: Strategic Planning and Local Economic Development (Vacant)
Director: Engineering Services (vacant)
Director Community Services (Vacant)

10

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	1	0	0	0	0	0	0	0	0	0	1
Senior management	2	0	0	0	2	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	7	1	0	2	8	0	0	0	0	0	18
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	41	2	0	2	23	2	0	0	0	0	70
Semi-skilled and discretionary decision making	73	2	0	0	37	1	0	0	0	0	113
Unskilled and defined decision making	38	7	0	0	29	2	0	0	0	0	76
TOTAL PERMANENT	162	12	0	4	99	5	0	0	0	0	282
Temporary employees	328	31	0	0	249	14	0	2	0	0	624
GRAND TOTAL	490	43	0	4	348	19	0	2	0	0	906

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	1
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	1
Temporary employees		0	0	0	0	0	0	0	0	0	0

GRAND TOTAL	1	0	0	0	0	0	0	0	0	0	1

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 plan 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 prioratised 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;

• 	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 e.g.in the Tourism subsection the Officer has a Diploma in that field of study, whilst there are officials with Agricultural qualifications dealing with that aspect. The LED Unit specializes on Community Based Projects (CBP), LED Projects which are mainly soft impact projects (what is normally referred as quick wins). In implementing the LED programmes and LED Strategy, the municipality has an Economic Development Agency (NEDA), this entity focuses mainly on high impact projects and assist the municipality in the implementation of LED projects that 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

4.3 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.

4.5 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.

The municipality has been working very close with Government departments. The Department of Agriculture, through its Agricultural programmes namely;

- Siyazondla;
- Comprehensive Agricultural Support Programme (CASP); and
- Citrus Production.

All of these have played a big role on the development of the Raymond Mhlaba Municipal area. A large number of communities in various wards of the municipality who were confronted by poverty and unemployment benefited from these projects. Siyazondla beneficiaries are able to consume fresh vegetables from their home gardens and also able to sell the surplus produce to the surrounding communities at low costs. The Siyazondla project slightly curbed the dependency pattern where communities were in the past heavily dependent on government for continuous assistance. Siyazondla project a government initiative will expand to benefit more communities for as long as communities are able to sustain their projects.

4.6 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

4.7 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.

4.8 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.

4.9 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.

4.10 SMME and COOPERATIVE DEVELOPMENT

Generally, cooperatives in Raymond Mhlaba are black owned, run by the elderly folks 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 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 governess, 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 effectives 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.

Agriculture	Tourism	Government and Social Sector	Whole and Business Sector
Forestry	Social History & Heritage Tourism (*Maqoma Route, ANC Archive?*)	Targeted Procurement and Supplier development	Targeted SMME focus and Support
Livestock Production	Tourism Marketing	Strategic Partnership with UFH	Local Trade legislation and By-Laws (Zoning etc.)
Citrus Production	Hunting and Game Farming	Small Town Regeneration Programme and Mainstreaming	Access to Finance
Beneficiation and Local Value Addition	Adventure and Eco-Tourism	Accommodation and Housing	Consumer Protection
Wildlife and Game Sales	Parks Re-Capitalisation (Mpofu & Double Drift)		

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

3.16 RAYMOND MHLBA ECONOMIC DEVELOPMENT AGENCY (NEDA)

Raymond Mhlaba Economic Development Agency hereinafter referred to as RMEDA was established by the disestablished Nkonkobe Municipality in the year 2002. It is registered as a Section 21 Company and with the advent of the amendments to the Municipal Systems Act it is yet to be converted into a Pty (Ltd). 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.

3.17 SMALL TOWN REGENERATION PROGRAMME

The Small Town Regeneration Programme initially started as the Alice Rejuvenation Project by local stakeholders and Fort Hare Alumni in the early 2000's.This has evolved with Aspire, RMEDA, Raymond Mhlaba Municipality and Amathole District Municipality playing more prominent roles in formulating the strategy for the regeneration of this forum, in alignment with Aspire's small towns Regeneration Model. Apart from the Aspire projects, the disestablished Nkonkobe Municipality appointed the services of PriceWaterhouseCoopers (PwC), at risk, – the rationale behind this appointment, is to strengthen the already existing programme. Furthermore, PWC is also appointed to mobilise funding for the already existing projects in Alice.

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. 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.

3.21 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 there sources of the municipality, level of service and customer expectations. Below is the classification of services rendered by the municipality.

3.22 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.

3.23 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.

3.24 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 refuge 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 April 2018 and amount allocated was as follows:

Description	No of beneficiaries	total budget for the year	Budget allocation/service
electricity	17596		6 500 000.00
refuse	8375	13,000,000	5 000 000.00
alternative energy	946		1 500 000.00

Total	**26,917**		**13 000 000.00**

DEBT STATUS OF CONSUMER DEBTORS AS AT END FEBRUARY 2018

Service type	Debt as at February 2018
ELECTRICITY	R31 110 597.60
REFUSE	R82 843929.96
RATES	R207 576 746.96
TOTAL	**R321 531 274.25**

3.26 GOVERNMENT DEBT

Government departments are one of the primary customers in the debt book of the municipality. Their debt value equals R87, 921 560.55 which is equivalent to 28% of the total debt book of R 319 256 718.85. 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 2017/2018 AS AT END OF DECEMBER 2017

Description	Ref	2016/17	Current Year 2017/18			
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual
R thousands						
<u>Revenue By Source</u>						
Property rates		50 368	80 859	71 895	–	112 469
Service charges - electricity revenue		52 332	59 396	56 149	4 411	50 898
Service charges - water revenue		–				
Service charges - sanitation revenue		–				
Service charges - refuse revenue		10 196	17 453	18 383	1 593	17 497
Service charges - other						
Rental of facilities and equipment		344	2 977	500	38	328
Interest earned - external investments		1 985	2 000	2 000	87	425
Interest earned - outstanding debtors		20 106	18 000	21 000	1 835	18 303
Dividends received		–				
Fines, penalties and forfeits		128	180	180	4	89
Licences and permits		3 516	3 800	3 800	333	3 340
Agency services						
Transfers and subsidies		154 940	173 262	192 807	–	73 647
Other revenue		4 632	6 720	4 849	121	3 941
Gains on disposal of PPE				1 195		
Total Revenue (excluding capital transfers and contributions)		**298 545**	**364 647**	**372 757**	**8 421**	**280 936**

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.

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 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.

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

3.26 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

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.

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".

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.

EXPENDITURE MANAGEMENT

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

Operating Expenditure as at end of April 2018

Description	Ref	2016/17	Current Year 2017/18			
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual
Employee related costs		114 983	134 398	138 378	11 686	112 192
Remuneration of councillors		13 170	13 531	15 517	1 471	14 388
Debt impairment		83 219	21 000	20 446		
Depreciation & asset impairm		31 228	45 722	38 500		26 671
Finance charges		13 729	2 650	2 650		0
Bulk purchases		56 642	50 000	79 200	4 369	53 901
Other materials				—		
Contracted services		—	750	750	44	233
Transfers and subsidies		8 787	21 200	13 000	1 061	8 625
Other expenditure		71 212	75 397	100 274	10 877	75 767
Loss on disposal of PPE		924				
Total Expenditure		**393 895**	**364 647**	**408 715**	**29 507**	**291 776**

Repairs & Maintenance

EC129 Raymond Mhlaba - Supporting Table SC13c Consolidated Monthly Budget						
Description	Ref	2016/17	Current Year 2017/18			
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual
Total Repairs	1	–	5 180	7 200	590	4 551

General expenses

Expenditure on general expenses was standing at 71% against total expenditure excluding non-cash items and Employee related cost as at 30 April 2018.

Capital Expenditure

=Vdesc	Ref	2016/17	Current Year 2017/18			
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual
Transfers recognised - ca		43 396	45 389	47 633	2 533	47 196
Public cont	5					
Borrowing	6					
Internally generated funds				250		
Total Capital Funding		43 396	45 389	47 883	2 533	47 196

Capital related expenses as at end of April 2018 was sitting at 99% for MIG and 0% for own revenue funded capital.

3.30 RESOLVING THE OUTSTANDING MATTERS RAISED BY THE AUDITOR GENERAL

The Audit Report for the financial year 2016/2017 has been issued by Auditor General wherein the Municipality received an unqualified audit opinion. The municipality has effective internal control systems that are utilised to manage day to day operations of the institution.

- The Auditor General presented the report to the council commending the municipality from putting governance structures in place e.g. Audit Committee and internal audit unit.

The audit report stipulated the following:

Raymond Mhlaba Local Municipality Audit outcomes

Financial year	2016/ 2017
Outcome	Unqualified

MUNICIPALITY	11/12 Outcome	12/13 Outcome	13/14 Outcome	14/15 Outcome	15/16 Outcome	16/17 Outcome
Amahlathi	Unqualified	Qualified	Qualified	Qualified	Qualified	Qualified
Ngqushwa	Qualified	Disclaimer	Qualified	Qualified	Qualified	Qualified
Mnquma	Qualified	Unqualified	Unqualified	Unqualified	Qualified	Disclaimer
Mbhashe	Disclaimer	Qualified	Unqualified	Unqualified	Qualified	Qualified
Great Kei	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Qualified
Amathole	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
Erstwhile Nkonkobe	Qualified	Qualified	Qualified	Qualified	Qualified	n/a
Erstwhile Nxuba	Disclaimer	Disclaimer	Disclaimer	Qualified	Disclaimer	n/a

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.

3.32 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 (Raymond Mhlaba Economic Development Agency). Currently the municipality doesn't have an Audit Committee however, is in a process of appointing new members.

KPA 5 Good Governance and Public Participation

3.33 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. Remuneration Committee
3. Audit Committee and Performance Audit Committee

4. Advisory Committee

5. 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 2015, 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. Seating's of the forum are proposed to be conducted on a quarterly basis.

3.38 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
- 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.

3.41 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 enjoins 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.

COMMUNITY DEVELOPMENT WORKERS

The Department of Local Government and Traditional Affairs had initially appointed 21 Community Development Workers to assist the disestablished Nkonkobe municipality and 3 in Nxuba in enhancing public participation by ensuring that communities are consulted and their problems are communicated through all government departments but there are 5 vacancies that had not been filled due to resignations, dismissal and due to re-determination of municipal boundaries. The municipality is currently in a process in developing a new Memorandum of Agreement (MoU) with the Cooperative Governance and Traditional Affairs.

3.43 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, Cultural Heritage Festival, Bedford Garden Festival, Ward Championships, various programmes for elderly, disable etc. all these programmes are directed at harnessing people from all races, united in their diversity.

Raymond Mhlaba Municipality designated the month of December on its calendar of events, to hosts the Community Builder of the Year Awards in order to celebrate and honour the extra – ordinary achievements and contributions made by the local heroes and heroines in partnership with sector departments and local association towards the programme of rebuilding our society to become a better place to live for all the citizens and visitors.

The month of September has been designated as a Heritage and Tourism Month in South Africa. Every year on the month of September, Raymond Mhlaba Municipality has been hosting Cultural Heritage Celebrations in order to develop, promote the cultural diversity, social cohesion, history, tradition and to use heritage richness of the area in order to attract tourists and businesses in our municipality

3.44 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 / conduce 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 .The are two officers permanently employed responsible for the provision of services in the office. Their main focus is on career counselling and outreach programmers. 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.

3.45 EDUCATIONAL LEVEL

Raymond Municipality enjoys a high literacy rate of 61.0%, which makes the illiteracy rate 39%. There are over 250 schools excluding tertiary institutions namely; the University of Fort Hare, and colleges such as MSC, Lovedale Further Education and Training, Fort Cox Agricultural College and Healdtown within Raymond Mhlaba municipal area. Raymond Mhlaba Local Municipality also sits two (2) former multi-racial schools namely Adelaide Gymnasium and Templeton High School. It has been identified in some of the areas that children are traveling long distances from where they live to the schools and that put their lives at risk. Because the municipality is rural in nature it is difficult to provide proper accommodation to teachers and schools do not have libraries in order for children to study during breaks if they want. Due to the quality of education that is provided in our schools, children are migrating to better schools like model c schools. Lastly it has been identified that there is a lack of commitment from some teachers and learners.

- A number of challenges have been identified in this sector, those challenges include:
- The high rate of failure amongst students and that is caused by poverty and unemployment.

- Teachers for vital subjects are scarce from the area

- Learners are migrating to urban areas

- Infrastructure – shortage of buildings

- Teacher overload – teachers are reduced by staff establishment yet the number of subjects remain the same

- School needs teaching equipment to enhance teaching and learning

- Scholar transport – limited funds to cover more schools

- Quintile contestants- there are 4 primary schools that are not in the National School Nutrition Programme(NSNP) due to wrong quintile

- NSNP – 44 Post Primary Schools are benefiting from the programme

- Roads infrastructure affects scholar transport.

The remedial actions proposed for some of the challenges mentioned above are: The department needs to improve the level of education provided in schools, re-skilling of teachers and introduce attractive programmes in schools like sport and recreation. Teachers need to be motivated by provision of workshops, improving working relations and rewarding or issuing of incentives.

3.46 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 Lilitha 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.

3.47 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.

3.48 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 Mkwayi Stadium for cricket in Middledrift
- 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.

3.49 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

KPA 1: Basic Service Delivery and Infrastructure Development; ENGINEERING SERVICES											
REF	IDP REF	STRATEGIC OBEJECTIVE	KEY PERFORMANCE INDICATOR	PROGRAMME/ PROJECT/ ACTIVITY	Unit of Measurement	Accumulative Annual Targets (2017-2022)	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
PPE1	KPI1	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Raymond Mhlaba.	Limit the electricity losses to less than 10% annually (Preceding 11 months + Reporting monthly units billed)/(Preceding 11 months + reporting months unit purchase)	Programme	% of electricity loss	Limit the electricity losses to less than 10% annually	Limit the electricity losses to less than 10%	Limit the electricity losses to less than 10%	Limit the electricity losses to less than 10%	Limit the electricity losses to less than 10%	Limit the electricity losses to less than 10%
PPE2	KP2	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for	Connect/Reconnect new electricity request within 20 days after receipt of certificate of	Activity	% of new electricity requests connected /reconnected	95% of new electricity requests connected /reconnect	95% of new electricity requests connected/reconnected	95% of new electricity requests connected /reconnect	95% of new electricity requests connected/reconnected	95% of new electricity requests connected/reconnected within 20days	95% of new electricity requests connected/reconnected

		all citizens within Raymond Mhlaba.	compliance (Number of connections completed for the period/Number of compliant request received for the period)			ed annually	within 20days	ed within 20days	within 20days		within 20days
PPE3	KPI3	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Raymond Mhlaba.	Implement all the electricity capital projects measured quarterly in terms of the approved Electricity Capital Budget spent	Project	% of expenditure on Electricity Capital Budget	96% expenditure on Electricity Capital Budget	96% expenditure on Electricity Capital Budget	96% expenditure on Electricity Capital Budget	96% expenditure on Electricity Capital Budget	96% expenditure on Electricity Capital Budget	96% expenditure on Electricity Capital Budget
PPE4	KPI4	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Raymond Mhlaba.	Implement all the roads, storm water infrastructure capital projects measured quarterly in terms of the approved Capital Budget spent	Project	% of expenditure on roads, storm water infrastructure projects	96% expenditure on all roads, storm water infrastructure capital projects	96% expenditure on all roads, storm water infrastructure capital projects	96% expenditure on all roads, storm water infrastructure capital projects	96% expenditure on all roads, storm water infrastructure capital projects	96% expenditure on all roads, storm water infrastructure capital projects	96% expenditure on all roads, storm water infrastructure capital projects

PPE5	KPI5	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Raymond Mhlaba.	Spend 96% of approved Capital Budget on the paving of streets (Actual expenditure and commitments and commitments divided by the approved Capital Budget)	Project	% of Capital Budget spent on paving of streets	96% expenditure on approved Capital Budge on the paving of streets as registered on MIS	96% expenditure on approved Capital Budge on the paving of streets as registered on MIS	96% expenditure on approved Capital Budge on the paving of streets as registered on MIS	96% expenditure on approved Capital Budge on the paving of streets as registered on MIS	96% expenditure on approved Capital Budge on the paving of streets as registered on MIS	96% expenditure on approved Capital Budge on the paving of streets as registered on MIS
PPE6	KPI6	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Raymond Mhlaba.	Develop Road Maintenance Policy/Plan	Project	Developed Road Maintenance Policy/Plan	Developed, reviewed and implemented the policy	Planning for development of policy	Develop Road Maintenance Policy/Plan	Review and implement Road Maintenance Policy/Plan	Review and implement Road Maintenance Policy/Plan	Review and implement Road Maintenance Policy/Plan
PPE7	KPI7	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Raymond Mhlaba.	Develop Spatial Development Framework for Raymond Mhlaba Municipality	Project	Developed Spatial Development Framework	Developed, reviewed and implemented SDF	Planning for SDF *(Terms of Reference*	Developed Spatial Development Framework	Review and implement Spatial Development	Review and implement Spatial Development Framework	Review and implement Spatial Development Framework
PPE8	KPI8	To ensure efficient infrastructure and energy supply that will contribute to the improvement	Land Use Schemes Developed and submitted to	Project	Appointment of Service Provider for	Developed, reviewed and implemented Land	Terms of Reference	Land Use Scheme	Review and implement the	Review and implement the Land Use Scheme	Review and implement the

PPE	KPI	Objective	Project									
		of quality of life for all citizens within Raymond Mhlaba.	Council by June 2018		Development of Land Use Scheme	Use Scheme			Land Use Scheme		Land Use Scheme	Land Use Scheme
PPE9	KPI9	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Raymond Mhlaba.	Develop Housing Sector Plan for Raymond Mhlaba	PROGRAMME	Developed Housing Sector Plan (HSP)	Developed, reviewed and implement Housing Sector Plan	Planning for HSP(Terms of Reference)	Developed HSP	Review and implement HSP	Review and implement HSP	Review and implement HSP	
PPE 10	KPI10	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Raymond Mhlaba.	Implement the Sport and Recreation capital projects measured quarterly in terms of the approve Capital Budget spent	Project	% of capital budget spent on sports and recreation (sports fields)	96% expenditure on approved Capital Budget on the sports and recreation (sports fields) as registered on MIS	96% expenditure on approved Capital Budget on the sports and recreation (sports fields) as registered on MIS	96% expenditure on approved Capital Budget on the sports and recreation (sports fields) as registered on MIS	96% expenditure on approved Capital Budget on the sports and recreation (sports fields) as registered on MIS	96% expenditure on approved Capital Budget on the sports and recreation (sports fields) as registered on MIS	96% expenditure on approved Capital Budget on the sports and recreation (sports fields) as registered on MIS	
PPE 11	KPI11	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for	Spend 96% of the Capital Budget for the fleet by 30 June	Project	% of Capital Budget spent on fleet	Spend 96% of the Capital Budget for the fleet	Spend 96% of the Capital Budget	Spend 96% of the Capital Budget for the fleet	Spend 96% of the Capital Budget	Spend 96% of the Capital Budget for	Spend 96% of the Capital Budget	

PPE	KPI	Objective	Target		Indicator						
		all citizens within Raymond Mhlaba.				by 30 June	for the fleet by 30 June	by 30 June	for the fleet by 30 June	the fleet by 30 June	for the fleet by 30 June
PPE 12	KPI12	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Raymond Mhlaba.	Submitting land applications (rent and or selling) to Council within 3 months from date of application	Project	Report to Council on Land applications submitted within 3 months	Submit land application (rent and or selling) to Council within 3 months from date of application)	Submit land application (rent and or selling) to Council within 3 months from date of application)	Submit land application (rent and or selling) to Council within 3 months from date of application)	Submit land application (rent and or selling) to Council within 3 months from date of application)	Submit land application (rent and or selling) to Council within 3 months from date of application)	Submit land application (rent and or selling) to Council within 3 months from date of application)
PPE 13	KPI13	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Raymond Mhlaba.	Spend 96% of the Capital Budget for Community Facilities (Community Halls and Day Care Facilities) by 30 June	Project	% of Capital Budget spent on Community Facilities	Spend 96% of the Capital Budget for the Community Facilities (Community Halls and Day Facilities) by 30 June as	Spend 96% of the Capital Budget for the Community Facilities (Community Halls and Day Facilities)	Spend 96% of the Capital Budget for the Community Facilities (Community Halls and Day Facilities) by 30 June as	Spend 96% of the Capital Budget for the Community Facilities (Community Halls and Day Facilities)	Spend 96% of the Capital Budget for the Community Facilities (Community Halls and Day Facilities) by 30 June as	Spend 96% of the Capital Budget for the Community Facilities (Community Halls and Day Facilities)

						registered on MIS	by 30 June as registered d on MIS	registered on MIS	by 30 June as registered d on MIS	registered on MIS	by 30 June as registered d on MIS
PPE 14	KPI14	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Raymond Mhlaba.	Sourcing funding from Department of Energy for purpose of reducing electricity backlog	Activity	Application forms submitted to DOE	Submit application to Department of Energy for new electrification	Submit application to Department of Energy for new electrification	Submit application to Department of Energy for new electrification	Submit application to Department of Energy for new electrification	Submit application to Department of Energy for new electrification	Submit application to Department of Energy for new electrification
PPE 15	KPI15	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Raymond Mhlaba.	Develop MOUs	Activity	Developed MOU with i.e. ESKOM, ADM, Public Works, etc.	Developed, reviewed and implemented MOU	Draft MOU	Developed MOU	Review and implement MOU	Review and implement MOU	Review and implement MOU
PPE 16	KPI16	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Raymond Mhlaba	Reduce electricity losses in the Raymond Mhlaba	Activity	Implement resolutions of the electricity Master Plan	Implemented electricity Master Plan	Implement 1 resolution/project	Implement 2 resolution/project	Implement 2 resolution/project	Implement 3 resolution/project	Implement 3 resolution/project

					BASIC SERVICE DELIVERY; COMMUNITY SERVICES					
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	KPI17	To assistant facilitate with the development, safety and empowerment of the poor and the most vulnerable.	Submit quarterly reports to the Municipal Manager on the implementation of library programmes	Activity	Quarterly reports submitted to the Municipal Manager	20	4	4	4	4	4
ESC 2	KPI18	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	60	12	12	12	12	12
ESC 3	KPI19	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	Activity	Report to the Senior Management and Mayor on the % of household	1	1	0	0	0	0

			Municipality Residence		s with access to basic level of solid waste removal.						
ESC 4	KPI20	To assistant facilitate with the development, safety and empowerment of the poor and the most vulnerable	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		Construction of Alice testing station	Construction of Fort Beaufort Testing Station		
ESC 5	KPI21	To introduce parking payment system for motor vehicle in all major towns of the municipality, that is Alice, Fort Beaufort and Adelaide	Implementation of payment parking system	Programme				Appoint a contractor	Implementation of parking payment system in Alice	Implementation of parking payment system in Fort Beaufort	Implementation of parking payment system in Adelaide

ESC 6	KPI22	To upgrade and construct animal pound facilities in key areas of Raymond Mhlaba	Registration of Adelaide pound and Construction of pound in Alice	Capital Projects	Upgrade and construct	2	Upgrade Adelaide pound	construction of pound in Alice			
ESC 7	KPI23	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	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 8	KPI24	To assist and facilitate 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	Programme	Public Transport Traffic Plan reviewed (each year) and submitted to Council by June 30	Develop and Implement Public Transport Plan	Developed Public Transport Plan	Implementation of the Public Transport Plan	Implementation of the Public Transport Plan	Implementation of the Public Transport Plan	Implementation of the Public Transport Plan
ESC 9	KPI25	To assist and facilitate with the development, safety and empowerment of the poor and the most vulnerable.	Review the Disaster Risk Management Plan	Programme	Reviewed Disaster Risk Management Plan	Reviewed Disaster Risk Management Plan	Reviewed Disaster Risk Management Plan	Reviewed Disaster Risk Management Plan	Reviewed Disaster Risk Management Plan	Reviewed Disaster Risk Management Plan	Reviewed Disaster Risk Management Plan

ESC 10	KPI26	To establish fully functional firefighting base in Fort Beaufort and one satellite station in Alice and Adelaide by 2022.	By constructing of Fire Bases	Capital Projects	Construction of fire-fighting base in Adelaide, Alice, Hogsback, Seymour, Bedford	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	KPI27	To assist and facilitate with the development, safety and empowerment of the poor and the most vulnerable.	Respond to law enforcement complaints	Activity	% response to all law enforcement complaints within 24 hours	100%	100%	100%	100%	100%	100%
ESC 12	KPI28	To assist and facilitate with the development, safety and empowerment of the poor and the most vulnerable	To have a fully functional community safety forum to address the public safety complaints by 2018	Activity	Quarterly meetings with relevant stake holders.		Establishment of the safety forum and Development of a strategic plan	Adoption of Community Safety Strategic Plan by council	0	0	0
ESC 13	KPI29	To assist and facilitate with the development, safety and empowerment of the poor and the most vulnerable	To a fully-fledged security unit that will protect the municipal asserts,		Development and adoption of the security policy	2022	Development and adoption of the security policy	Development and adoption of the security policy			

			personnel and information.								
ESC 14	KPI30	To assist and facilitate with the development, safety and empowerment of the poor and the most vulnerable	To have municipal by laws fully implemented by 2022	Activity	Execution of by laws	2022		Promulgation of by laws			
ESC 15	KPI31	To assist and facilitate with the development, safety and empowerment of the poor and the most vulnerable.	Implement the parks, cemeteries and open spaces capital projects measured quarterly in terms of approved Capital Budget Spent	Capital Projects	% of approved Capital Budget spent by 30 June	100%	100%	100%	100%	100%	100%
ESC 16	KPI32	To assist and facilitate with the development, safety and empowerment of the poor and the most vulnerable.	Identify cemetery sites in all towns of Raymond Mhlaba	Capital Projects	To have cemetery site in all areas	Feasibility study on identified sites	Feasibility study on identified sites	Feasibility study on identified sites	Feasibility study on identified sites	Feasibility study on identified sites	Feasibility study on identified sites
ESC 17	KPI33	To assist and facilitate with the development, safety and empowerment of the poor and the most vulnerable.	Fencing of cemetery site	Capital Projects	Fencing of cemetery	115	23	23	23	23	23

ESC 18	KPI34	To assist and 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	5	1	1	1	1	1
ESC 19	KPI35	To assist and 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	1	0	1	0	0	0
ESC 20	KPI36	To assist and 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 funding of Recycling Project	Capital Projects	Business Plan Submitted to DEA and DEDEAT	5	1	1	1	1	1

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 21	KPI37	To assist and facilitate with the development, safety and empowerment of the poor and the most vulnerable.	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	4	1	1	1	1	0
ESC 22	KPI38	To assist and 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	1	1	0	0	0	0

KPA 2: INSTITUTIONAL TRANSFORMATION											
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
IT1	KPI39	To provide and effective and efficient workforce by aligning our institutional arrangements to our overall strategy	Submit the Mid-year s72 Report to the Mayor by January 25	Activity	Midyear report submitted to the Mayor by January 25	5	1	1	1	1	1

		in order to deliver quality services								
IT2	KPI40	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	5	1	1	1	1	1
IT3	KPI41	To provide and effective and efficient workforce by aligning our institutional arrangements to our overalll 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	100%	100%	100%	100%	100%	100%
IT4	KPI42	To provide and effective and efficient workforce by aligning our institutional arrangements to our overalll	Spent the training budget to develop the skills staff (Actual amount spent on training/total	Programme	% of approved training budget spent by 30 June	100%	100%	100%	100%	100%	100%

		strategy in order to deliver quality services	budget allocated for training)							
IT5	KPI43	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	5	1	1	1	1	1
IT6	KPI44	To provide and effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services	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 year	5	1	1	1	1	1
IT7	KPI45	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	2	1	0	1	0	0

REF	IDP REF	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT MEASUREMENT	ACCUMULATIVE ANNUAL TARGET (2017-2022)	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
IT8	KPI46	To provide and effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services	Reviewal of Organisational Structure and submit to Council by May 31	Activity	Reviewed Organisational Structure submitted to Council by May 31	5	1	1	1	1	1

KPA 3: Local Economic Development										
REF	IDP REF	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT MEASUREMENT	ACCUMULATIVE ANNUAL TARGET (2017-2022)	2017 -2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
LED1	KPI46	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	The number of jobs created through the municipality's local economic development initiatives including capital projects[	Number of job opportunities created by 30 June	500	100	100	100	100	100

		including job creation and skills development							
LED2	KPI47	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 a Local Economic Development Strategy for Raymond Mhlaba Local Municipality by June 2019	Developed Local Economic Development Strategy	Developed LED Strategy		Developed LED Strategy	Implementation of LED strategy	Implementation of LED strategy	Implementation of LED strategy
LED3	KPI48	To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable and conducive economic environment through the development of	Compile a Rural Development Strategy and 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	implementation	Implementation	Implementation	implantation

		related initiatives including job creation and skills development								
LED4	KPI49	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	18	2	4	4	4	4
LED5	KPI50	To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable and conducive economic environment through the	Development of Tourism Products for Raymond Mhlaba Municipality	Developed Tourism Products	10	2	2	2	2	2

		development of related initiatives including job creation and skills development								
LED6	KPI51	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 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	10	2	2	2	2	2
LED7	KPI52	To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable and conducive economic environment	Annually Agree and Sign Memorandum of Agreements between Local Tourism Organisation and municipality to promote tourism, after it	Signed MOA by June 30	5	1	Implementation	Implementation	Implementation	Implementation

		through the development of related initiatives including job creation and skills development	has been established.							
LED8	KPI53	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 Sports Council and municipality to promote Sport after it has been established.	Signed MOA by June 30	5	1	Impleme ntation	Impleme ntation	Impleme ntation	Implementa tion
LED9	KPI54	To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable and conducive economic	Annually Agree and Sign Memorandum of Agreements between Raymond Mhlaba Cricket Development and municipality to promote	Signed MOA by June 30	5	1	Impleme ntation	Impleme ntation	Impleme ntation	Implementa tion

		environment through the development of related initiatives including job creation and skills development	Cricket after it has been established.							
LED 10	KPI55	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 a Local Economic Development Strategy for Raymond Mhlaba Local Municipality by June 2019	Developed Local Economic Development Strategy	Developed Sports Development Plan		Developed Sports Development Plan	Implementation	Implementation	Implementation
LED 11	KPI56	To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable and conducive	Develop and Review SMME Strategy	Developed and Implement SMME Strategy	Developed SMME Strategy	Implementation	Implementation	Implementation	Implementation	Implementation

		economic environment through the development of related initiatives including job creation and skills development								
LED 12	KPI57	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 Revatilisation Programme	Quarterly reports to Council on Small Town Revatilisation Programme	20	4	4	4	4	4
LED 13	KPI58	To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and enabling a viable	Update Database with Local Business by June 30	Updated Database of Local Business	5	1	1	1	1	1

		and conducive economic environment through the development of related initiatives including job creation and skills development								
LED 14	KPI59	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	Arrange 1 Annual Training Workshop for unemployed youth	1 Annual Training Workshop for unemployed youth	5	1	1	1	1	1
LED 15	KPI60	To facilitate sustainable economic empowerment for all communities within Raymond Mhlaba and	Develop Strategy for Informal Traders	Developed and Implement Strategy for	Developed and Implement Strategy for Informal Traders	Implementation	Implementation	Implementation	Implementation	Implementation

		enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development		Informal Traders						

KPA 4; FINANCIAL VIABILITY											
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
FV1	KPI61	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%
FV2	KPI62	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 by 30 June	100%	90%	95%	100%	100%	100%

FV2	KPI63	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	Draft Rolls received by 01 October 2017, Certified Rolls received by 31 December 2017	100%	100%	100%	100%	100%	100%
FV4	KPI64	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
FV5	KPI65	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
FV6	KPI66	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
FV7	KPI67	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 together with the	Activity	Submitted Section s72 and the assessment health report.	1	1	1	1	1	1

			Midyear performance assessment report								
FV8	KPI68	To ensure the financial sustainability in order to fulfil the statutory requirements	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
FV9	KPI69	To ensure the financial sustainability in order to fulfil the statutory 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
FV10	KPI70	To ensure the financial sustainability in order to fulfil the statutory 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
FV11	KPI71	To ensure the financial sustainability in order to fulfil the statutory requirements	Compile and Update Indigent Register	Programme	100% of all qualifying indigent applications processed by 30 June	90	90	90	90	90	90

REF	IDP REF	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	Programme/ Project/ Activity	UNIT MEASUREMENT	ANNUAL TARGET					
FV12	KPI72	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
FV13	KPI73	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%

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
REF	IDP REF	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	Programme/ Project/ Activity	UNIT MEASUREMENT	ANNUAL TARGET (2017-2022)	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
GSP 1	KPI74	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	90%	90%	90%	90%	90%

GSP	KPI									
GSP 2	KPI75	To promote proper governance and public participation	Attend to 100% of formal public complaints received	Activity	% of complaints attended to by 30 June	100%	100%	100%	100%	100%
GSP 3	KPI76	To promote proper governance and public participation	Developed Fraud Prevention Plan	Programme	Developed Fraud Prevention Plan	Developed Fraud Plan	Developed Fraud Implementation Plan	Implementation of Fraud Implementation Plan	Implementation of Fraud Implementation Plan	Implementation of Fraud Implementation Plan
GSP 4	KPI77	To promote proper governance and public participation	Established Fraud and Risk Management committee	Programme	Established Fraud and Risk Management Committee	Established Fraud and Risk Management Committee	Established Fraud and Risk Management Committee	Convene Fraud and Risk Management Meetings	Convene Fraud and Risk Management Meetings	Convene Fraud and Risk Management Meetings
GSP 5	KPI78	To promote proper governance and public participation	IDP and Budget consulted with community by 30 November and 30 April	Activity	No of community meetings held by 30 November and 30 April to consult on the IDP and Budget	10	2	2	2	2
GSP 6	KPI80	To promote proper governance and public participation	Municipal Public Accounts Committee Meeting with community by February 28	Activity	No of community meetings held by February 28 to consult the annual report	4	1	1	1	1

GSP 7	KPI81	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	100%	100%	100%	100%	100%
GSP 8	KPI82	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
GSP 9	KPI83	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
GSP 10	KPI84	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

GSP 11	KPI85	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	20	4	4	4	4
GSP 12	KPI86	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	460	92	92	92	92
GSP 13	KPI87	To promote proper governance and public participation	Develop and Review IGR Strategy and Action to Plan to Council for Approval by 30 June	Programme	IGR Strategy and action plan developed and reviewed submitted to Council by June 30	3	0	1	0	1
GSP 14	KPI88	To promote proper governance and public participation	Compile a Schedule of Municipal By-laws to be developed and reviewed	Activity	Schedules developed and submitted to Council by June 30	2	0	0	1	0

GSP 15	KPI89	To promote proper governance and public participation	4 Ordinary and 4 Special Council Meetings Convened	Activity	Council Minutes and attendance register	16 meetings convened	4 Ordinary and 4 Special Council Meetings Convened	4 Ordinary and 4 Special Council Meetings Convened	4 Ordinary and 4 Special Council Meetings Convened	4 Ordinary and 4 Special Council Meetings Convened
GSP 16	KPI90	To promote proper governance and public participation	4 Ordinary and 4 Special Executive Committee meetings convened	Activity	Executive committee minutes and attendance registers	16 meetings convened	4 Ordinary and 4 Special Executive Committee Meetings Convened	4 Ordinary and 4 Special Executive Committee Meetings Convened	4 Ordinary and 4 Special Executive Meetings Convened	4 Ordinary and 4 Special Executive Committee Meetings Convened
GSP 17	KPI91	To promote proper governance and public participation	24 Standing Committee meetings convened	Programme	Minutes and attendance registers	96 standing committee meetings convened	24 Standing Committee meetings convened	24 Standing Committee meetings convened	24 Standing Committee meetings convened	24 Standing Committee meetings convened

GSP 18	KPI92	To promote proper governance and public participation	4 Municipal Public Accounts Committee Meetings convened	Programme	Minutes and attendance registers	20 Municipal Public Accounts Committee Meetings convened	4 Municipal Public Accounts Committee Meetings convened	4 Municipal Public Accounts Committee Meetings convened	4 Municipal Public Accounts Committee Meetings convened	4 Municipal Public Accounts Committee Meetings convened	
GSP 19	KPI93	To promote proper governance and public participation	4 established section 79 committees	Activity	4 established section 79 committees	Established sections 79 committees; Ethics Committee, Public Participation, Moral Regeneration Committee & Petitions	Established sections 79 committees; Ethics Committee, Public Participation, Moral Regeneration Committee & Petitions	Convened 4 sections 79 committee meeting	Convened 4 sections 79 committee meeting	Convened 4 sections 79 committee meeting	

GSP 20	KPI94	To promote proper governance and public participation	4 capacity building workshops for councillors	Activity	4 capacity building workshops for councillors convened	20 capacity building workshops for councillors convened	4 capacity building workshops for councillors convened	4 capacity building workshops for councillors convened	4 capacity building workshops for councillors convened	4 capacity building workshops for councillors convened

Row Labels	Sum of 2018/2019	Sum of 2019/2020
Property, plant and equipment	**36,561,700.00**	**39,854,950.00**
COMMUNITY HALL - KHULILE	500,000.00	
HIGHMAST LIGHTS	4,000,000.00	4,000,000.00
INSTALLATION OF ELECTRICAL INFRASTRUCTURE	2,500,000.00	2,500,000.00
MAKHUZENI SPORT FIELD	5,000,000.00	5,000,000.00
PARK - MIG	2,610,200.00	5,000,000.00
PAVING AND GREENING - NTSELAMANZI	1,600,000.00	4,220,000.00
PAVING AND GREENING- HILLSIDE TO NTOLENI	3,500,000.00	4,000,000.00
PAVING DEBE-NEK - MIG	3,500,000.00	4,000,000.00
PAVING OF STREETS- JAKARANDA	3,500,000.00	
RESURFACING OF ADELAIDE	4,500,000.00	4,500,000.00
RESURFACING OF BEDFORD	6,126,850.00	5,000,000.00
SPORT COMPLEX FORT BEAUFORT PHASE 1	1,000,000.00	1,634,950.00
Grand Total	**36,561,700.00**	**39,854,950.00**

On-Going Projects		
Project Name	**Project Description**	**Location**
Golf course internal street phase 2	Paving and greening of golf course internal street in Alice (3km)	Ward 6
Fort Beaufort	Installation of 10 high mast lights in Alice (golf course), Fort Beaufort, Debe Nek town, Middledrift and Hogsback.	Ward 6,19,17,4,and 16

Hertzog community hall	Construction of Hertzog community hall	Ward 4
Fort Beaufort sport complex phase 1	Construction of Fort Beaufort sport complex	Ward 19
Khulile community hall	Construction of Khulile community hall	Ward 1
Gugulethu internal street phase 2	Paving and greening of Gugulethu internal street 2 (3km)	Ward 16
Middledrift chicken abattoir	Construction of chicken abattoir	Ward 16
Ngqolowa sport field phase 1	Construction of Ngqolowa sport field	Ward 14
Group 5 to cape collage	Paving and greening of group 5 to cape college (3km)	Ward 19
Gqumashe access road	Paving and greening of gqumashe access road (3km)	Ward 2
Paving of Ntselamanzi	Paving and greening of Ntselamanzi (3km)	Ward 2
Kwamathole community hall	Construction of KwaMathole community hall	Ward 10
Maarsdop	Construction of Maarsdop community hall	Ward 7
Paving of Bedford town streets (phase 2)	Paving and greening of Bedford town streets	Ward 23
Rehabilitation of Goodwin park multi-purpose center	Rehabilitation and upgrading of existing facilities at the Goodwin park multi -purpose fields and also adding needed facilities, e.g fencing e.t.c	Ward 23
Izigodlo day care center	Construction of Zigodlo day care center	Ward 1
Lugudwini day care center	Construction of Lugudwini day care center	Ward 16
Qhomfa day care center	Qhomfa day care center	Ward 13
Thafeni community hall	Construction of Thafeni community hall	Ward 17
Rehabilitation of wanderers sports field	Rehabilitation and upgrading of existing facilities and also adding needed facilities, e.g fencing e.t.c	Ward 2
Paving of Ntoleni to Hillside	Paving and greening of Ntoleni to Hillside	Ward 20

PROJECTS FOR PRIOTISATION		
Name of Project	Ward	SUM
1. Construction of Mgxotyeni Day Care Centre 2. Re-gravelling of James Mnqaba Streets	1	R 1 300 000.00
1. Upgrading of Ntselamanzi Park 2. Re-gravelling of Gqumashe access roads 3. Construction of Sikhutshwana	2	R 1300 000.00
1. Installation of High Mast Light in Chris Hani 2. Construction of Memeza community hall 3. Renovation and fencing of Mpolweni Community hall 4. Rehabilitation of Mxhelo Bakery	3	R 1 300 000.00
1. Renovation community halls in Platform, Upsher, Hertzog. 2. Upgrade old Seymour building to a youth centre 3. Construction of Katvelley community hall 4. Funding of Pichardy chicken project	4	R 1 300 000.00
1. Construction of community halls in Ngwabeni , Mgquba 2. Renovation of hall at Nkobonkobo 3. Installation of 10 high mast lights in 10 villages	5	R 1 300 000.00
1. Completion of Alice Testing Station 2. Renovation of Hillcrest and Alice Town Hall	6	R 1 300 000.00
1. Construction of Rwantsana Community Hall 2. Construction of MaMbheleni Day care centre	7	R 1 300 000.00
Paving of Newtown internal Streets	8	R 1 300 000.00
1. Re-gravelling & resurfacing of Ngqikana, Edika, Cains, Buxton & Mthocwa 2. Blading of Access roads in Balfour 3. Completion of Maarsdorp Hall, 4. Renovation of Ekuphumleni, Fairburn, Buxton community hall 5. Fencing Balfour Sportfield	9	R 1 300 000.00

Project	No.	Amount
1. Completion of Makhuzeni Sports Field	10	R1 300 000.00
6. Construction of Upper Gqumashe Community Hall 7. Re-gravelling of Gubura road	11	R 1 300 000.00
1. Constriction of Community Halls in Msobomvu, Upper Ncerha, Khwezana 2. Construction of day centres in Melani, Bergplaas, and MaJwarheni	12	R 1 300 000.00
1. Construction of community halls in Fama and Ngcabasa 2. Construction of Quthubeni day care cente 3. Electrification of Ndulwini Villlage	13	R 1 300 000.00
1. Construction of Gqadushe Day Care Centre 2. Re-gravelling of Satyi and Mbizane Streets 3. Renovation of all community halls	14	R 1 300 000.00
1. Renovation of Emabheleni and Tyali Community hall. 2. Construction of Ngqele (Lalini) day care centre	15	R1 300 000.00
1. Construction of Nothenga day center 2. Construction of Thorn Park day care center 3. Completion of Mfiki Community Hall	16	R 1300 000.00
1. Construction of Nonaliti Community Hall 2. Completion of Lathitha Day care centre at Mayipase Location	17	R 1 300 000.00
1. Construction of Community Halls in Sheshegu and Gxwederha 2. Construction of Funinyaniso day care centre 3. Revival of leather project in Pumlani 4. Renovation of Kwezana shed and Community	18	R 1 300 000.00
Rehabilitation of Mcathu Park	19	R 1 300 000.00
1. Construction of Golf Course Day Care Centre 2. Renovation of Ntoleni Community hall	20	R 1 300 000.00
1. Installation of 2 High Mast Lights 2. Refurbishment of Tarred Streets in Red Location	21	R 1 300 000.00

1. Installation of 2 High Mast Lights 2. Re- gravelling of streets in Bezuidenhoutville	22	R 1 300 000.00
1. Upgrading oy Nyarha Soccer Field 2. Upgrading of Msobomvu Community Hall	23	R 1 300 000.00

COMMITMENTS BY SECTOR DEPARTMENTS FOR 2018/2019

Department	Project Description	Budget
Department of Economic Development, Environmental Affairs and Tourisms	Fencing of Kayalethu Community Game Reserve (Brakfontein) through ECPTA	R6 000 000.00
	Implementation of mini-grid Energy Project	Not specified
	Planning and Implementation of Alice Recreational Park – located at the entrance to the town and it forms part of phase 3 of that project.	R94 000 000.00
	implementation of Tyhume Quarries	R3 500 00.00
	Mini-grid	R 270 000.00
Department of Human Settlements	Rectification of households and construction of new houses	R30 391 567.00
Department of Rural Development and Agrarian Reform	• Land Care • Integrated fire management • Citrus • UFH household food security learnership • Cropping • Livestock improvement	• R964 000.00 • R1 400 000.00 • R3 500 000.00 • R1 975 600.00 • R646 000.00 • R500 000.00 **R9 235 600.00**
Department of Environment	Double Drift Nature Reserve / Great Fish River	R6 000 000.00

Department of Energy	• Electrification of 220 households • Fort Beaufort Munic one 11kV Feeder Mv	• R5 000 000.00 • R1 400 000.00
Department of Environment (Working for Water)	Control alien invasive plants, restoration of river system and fire management	R10 616 520.00
South African Roads Agency (SANRAL)	• Asphalt patching, Rut filling, Texture slurry, Construction of two types of double seal, Surfacing of shoulders, and Replacement of guardrail posts (Grahamstown to Fort Beaufort) • Patches, slurry and rut fill, edge break repair, Fencing, guardrails, Drains i.e. both stone pitch and line drains, Bus stops along the route, and a new surfacing (Fort Beaufort to Seymour) • Upgrading of R63 road, Alice to Fort Beaufort	• R229 000 000.00
World Vision	• Education • Child Protection • Sponsorship Management	• R2 045 440 • R1 150 560 • R3 196 000 **R6 392 000**
Department	**Project Description**	**Budget**
Amathole District Municipality	• Bedford & Adelaide Bucket Eradication programme - Phase 6 • Hogsback Water Treatment Works and New Reservoir • Fort Beaufort Bulk Water Services Upgrading • Nkonkobe Area Wide Sanitation Region 3A • Bedford Waste Water Treatment Works • West Victoria East Water Supply (Phase 4) • Ekuphumleni & 9 Villages Water Supply (Phase 5)	• R10 000 000.00 • R1 000 000.00 • R40 000 000.00 • R10 000 000.00 • R200 000.00 • R200 000.00 • R200 000.00

UNFUNDED PROJECTS: ALICE REGENERATION 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	R30m

2	Integrated infrastructure upgrade	Alice internal streets	R500m
		Alice-Healdtown link (include Healdtown-Fort Beaufort)	
		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

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.	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

RURAL RENEWABLE ENERGY AND AGRICULTURAL PROJECT

CAPITALBUDGET 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

• 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%	• 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

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 Raymond Mhlaba Municipality Spatial Development Framework (SDF) has been designed to address these inequalities and to create a more sustainable spatial environment.
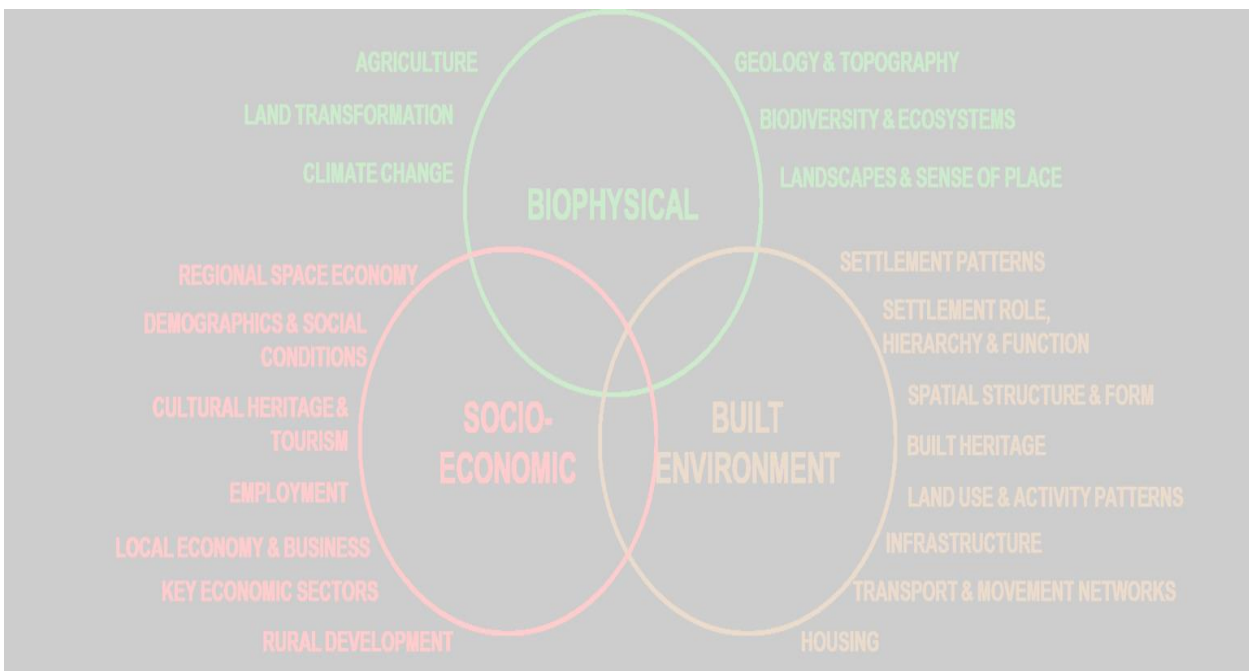
Over the years, guidelines on how to develop Spatial Development Frameworks have been prepared by various National Departments, Provincial Departments and Local Municipalities. All these guidelines worked for the areas they covered, however they never looked at linkages and interaction of adjoining Municipalities 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.

Integrated Development Plan

Integrated approach to development, including: -
- Identifying Development Priorities
- Adopting a strategic approach to development
- Specific Development Actions (Projects & Timeframes)
- Implementation (Budget & Human Resources Assignments)

Spatial Development Framework

Can be seen as a "picture of the IDP". It describes the preferred places for spatial development to happen, including the direction of growth of major settlements, the localities of major development projects (such as housing projects; agricultural schemes etc.) and the broad framework (principles) within which development on land can occur.

Direction of Growth

Direction of Growth

Land Use Management System

A more precise plan of an area (e.g. an urban settlement or a broader rural area), describing the types of land uses that will be permitted in the area on a detailed basis. For example, in an urban settlement: on an erf-to-erf basis; or in a rural area: on a broad-brush basis differentiating between settlements and land for farming etc.

Detailed Urban Scheme Area

Broad-brush Rural Scheme Area

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 Raymond Mhlaba Local Municipality's SDF will be serving as a strategy to interpret and represent the spatial development vision of the municipality. The vision must be designed to enable sustainable development throughout the municipality while the planning process will address the challenge to balance imperatives of economic efficiency, social and environmental integrity. The SDF for Raymond Mhlaba Municipality is currently at draft stage and undergoing workshop proceedings for Councillors and relevant stakeholders in the municipal area.

The SDF Review was carried out in line with the outcome of the NSDP and EC*PSDP 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.*

The proposed SDF must give effect to the development principles contained in the Spatial Planning & Land Use Management Act (SPLUMA), Act 16 of 2013) including:

- ✓ Spatial Justice;
- ✓ Spatial Sustainability;
- ✓ Efficiency;
- ✓ Spatial Resilience;
- ✓ Good Administration

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 Raymond Mhlaba Municipality. The SDF defines the types of natural environment that characterizes the 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 municipality 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 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. As already alluded to, the draft SDF for Raymond Mhlaba Municipality is an existing document and currently undergoing further consultation with all relevant stakeholders towards Council approval. The Raymond Mhlaba Municipality SDF is 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 envisaged to take place in the next 5 – 7 years. The SDF recognizes that any development to take place, issues of infrastructure development should be prioritized, 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.

SPATIAL DEVELOPMENT PROPOSALS

The following key spatial structuring elements have been proposed for the Raymond Mhlaba Municipal SDF.

- Settlement nodes and hierarchy
- Hierarchy of corridors
- Priority settlement (cluster) development zones
- Municipal open space systems (MOSS)

Settlement Nodes and Hierarchy

The Raymond Mhlaba SDF identifies certain nodes and settlements in line with levels of investment and hierarchy. The various settlement nodes and hierarchy are as follows:

Primary Nodes

Fort Beaufort, Alice and Adelaide are strategically located with the municipal area and play an important role as regional centres for the municipality. They are well located along the main transportation routes that connect these nodes.

Table Error! No text of specified style in document.**-1: Proposed Primary Nodes**

Node Type	Spatial Development Priorities

Primary Node
 	
• **Fort Beaufort**
• **Alice**
• **Adelaide**
	• These are existing mixed land use nodes – administrative, social and economic node and concentration of different activities and services for effective functioning of the towns.
	• They require CBD revitalization and associated precinct /local planning
	• They need for urban aesthetics.
	• Infrastructure and social facilities provision and upgrade to cater for existing and future expansion of the towns.
	• Light industrial development area, focusing on the processing of raw materials from the region
	• Strengthening of the following activities in three towns:
	  o Development of commercial activities to service the towns and the entire municipal area.
	  o Location of regional and district offices of various government departments and service delivery departments
	• The need for Sustainable Human Settlement Programme in the form of public-funded housing development (including social housing on vacant land parcels within the CBD and adjoining areas).
	     o **Alice**, in addition, requires high density students hotels development in close proximity to the University of Fort Hare and
	     o Military Veteran Housing
	     o **Fort Beaufort –** requires mixed-use development towards the Grahamstown-Adelaide Junction.
	     o **Adelaide** – requires formalisation of informal settlement in the townships.
	• Proper Land Use Management and Land Administration
	• Expansion of Commonage and formulation of Commonage Management Plans.

Secondary Nodes

There are four (4) secondary nodes identified by the Raymond Mhlaba SDF. These are Bedford, Middledrift, Seymour and Hogsback (tourist node). These align with the spatial structure proposed in the Amathole District SDF.

Table Error! No text of specified style in document.**-2: Proposed Secondary Nodes**

Node Type	Spatial Development Priorities
Secondary Node	• These are "major sub-regional nodes" within RMLM where higher to medium order community facilities such as hospitals, schools etc. should be "focused" or "bundle" in order

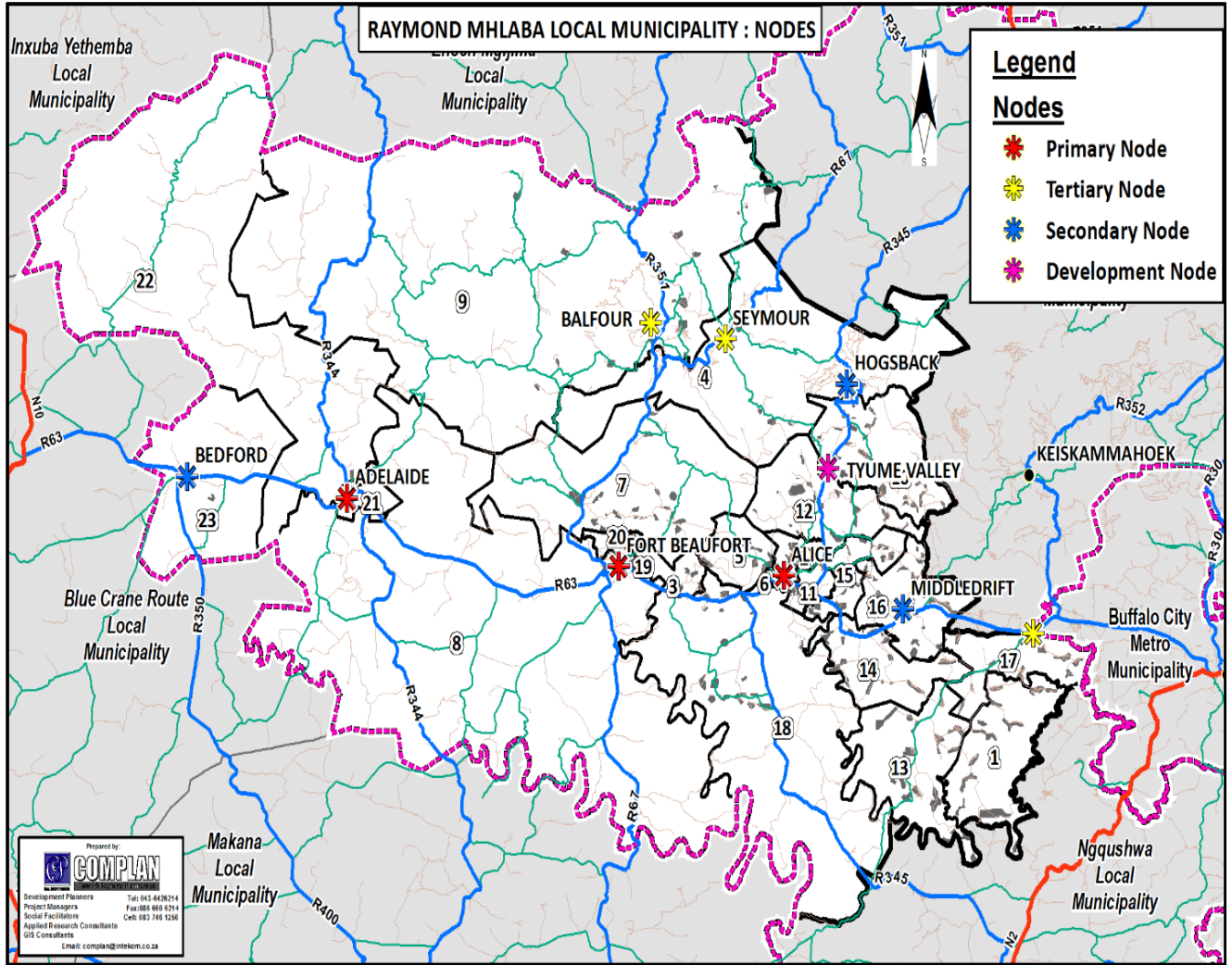| Node Type	Spatial Development Priorities

• **Bedford**
• **Middledrift**
• **Seymour**
• **Hogsback (tourist node**)
	to ensure that a great number of rural residents are served in a more efficient and effective way.
	• Ideally, these "nodes" should be located in close proximity to public transport routes to ensure maximum accessibility to facilities.
	• Commercial activities serving the whole local municipal areas and the surrounding areas (sub-region)
	• Light industrial development focusing mainly on the processing of raw materials produced within the sub-region and the neighbouring areas – agri-processing centres.
	• Need for local planning (town regeneration and formalization) to maximize use of resources.
	• Provision and upgrade of existing infrastructure and social facilities
	• Provision of public-funded rural housing (including social housing on vacant land parcels within the CBD and adjoining areas). .
	• Strengthening of the following activities in these sub-regional service nodes:
	   o Development of low-key commercial centre to service the villages and their catchment areas
	   o Location of public facilities, such as, multi-purpose community halls, junior and senior primary and senior secondary schools, clinics, sports field, transportation facilities, to serve the villages and their catchment areas.
	• Local land use scheme to be negotiated.
	• Environmental Management (protection of natural and cultural resources)

Tertiary Nodes

The tertiary nodes identified for the Raymond Mhlaba SDF include the nodes identified in the former Nxuba and Nkonkobe Municipal SDFs; these include Balfour and Seymour.

Table Error! No text of specified style in document.**-3: Proposed Tertiary Nodes**

Node Type	Spatial Development Priorities
Tertiary Nodes (Minor Rural Service Centre) • **Balfour**	• These are "minor rural service centres" where medium to lower order community facilities can be "focused" or "bundle" in order to ensure that a great number of rural residents are served in a more efficient and effective way. • Local planning to maximize use of resources. • Provision and upgrade of infrastructure. • Public-funded rural housing provision. • Strengthening of the following activities in major rural service nodes:

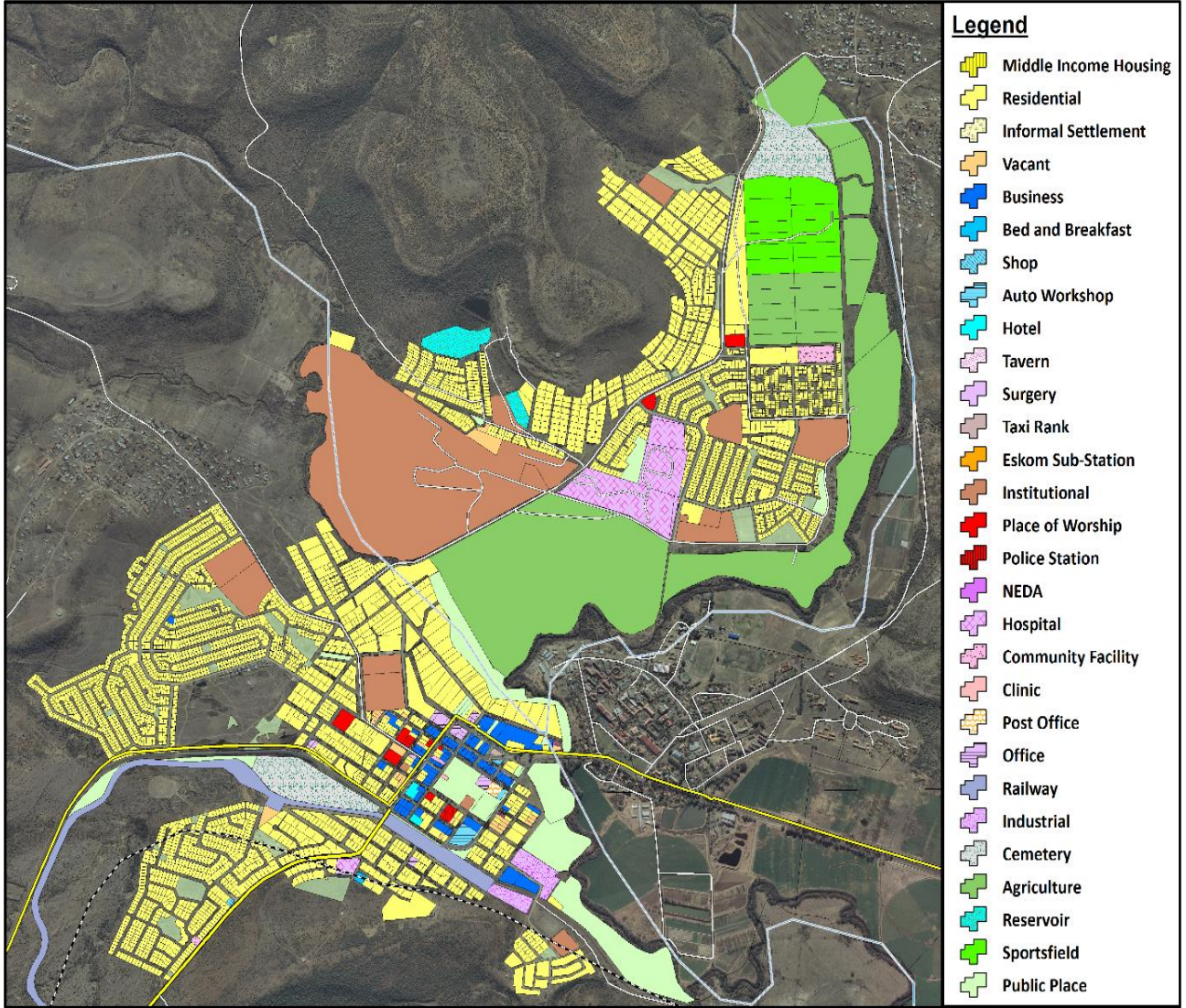|	
• **Debenek**	o Development of low-key commercial centre to service the villages and their catchment areas o Location of public facilities, such as, community halls, junior and senior primary schools, senior secondary schools, mobile clinic services, sports field, transportation facilities, to serve the villages and their catchment areas. • Local land use scheme to be negotiated. • Environmental Management (Protection of natural and cultural resources)
Rural Villages	All other existing villages in the RMLM which are areas of greatest need, requiring special investment to upgrade levels of service to the accepted minimum level so as to improve the level of well-being of the communities. It should involve investment in basic infrastructure, poverty alleviation and rural livelihood programmes and projects.

RAYMOND MHLABA LOCAL MUNICIPALITY : NODES

Legend

Nodes

- 🔴 Primary Node
- 🟡 Tertiary Node
- 🔵 Secondary Node
- 🟣 Development Node

Legend

- Middle Income Housing
- Residential
- Informal Settlement
- Vacant
- Business
- Bed and Breakfast
- Shop
- Auto Workshop
- Hotel
- Tavern
- Surgery
- Taxi Rank
- Eskom Sub-Station
- Institutional
- Place of Worship
- Police Station
- NEDA
- Hospital
- Community Facility
- Clinic
- Post Office
- Office
- Railway
- Industrial
- Cemetery
- Agriculture
- Reservoir
- Sportsfield
- Public Place

6.2 ENVIRONMENTAL PRINCIPLES

The former Nkonkobe/ Nxuba 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

Sectors are defined as fields of intervention aimed either at specific human needs (such as food, housing, water, electricity, health, transport, recreation) or as specific ways of satisfying human needs (such as agriculture, trade, mining, tourism). Sectors, as fields of intervention, are frequently related to specific planning and implementation agencies (such as departments) heading up such interventions. The key characteristics of sectors in the IDP process are that they may or may not be considered in the planning process, depending on the specific local needs and resources.

7.2 Role of Sector Plans in IDP

Local government powers and functions are outlined in the Constitution of the Republic of South Africa, 1996, and in the Municipal Structures Act 1998. These sector plans vary from sector to sector and according to provincial discretion on the delegation of functions to municipalities in respect of some sectors. The principle underlying the role of sector planning in the IDP process can be abridged as follows:

- Specific sectors which fall beyond the ambit of local competencies, such as education, may be directly related to the priority issues identified in a specific municipal area. A the municipality is not the implementation agency, attention will still need to be given to the planning process from analysis to integration; to facilitate alignment and co-ordination with other spheres of government and institutions, in the course of the IDP process. What is propounded is that even for sectors where there are no legally prescribed planning requirements, local government can use the integrated planning process to lever national and provincial sector contributions (funds and support) for development by ensuring compliance with national and provincial policy principles and sector guidelines. Local government can also use the IDP process to lobby provincial sector departments by involving them in the local planning process at appropriate points.

- Sector planning requirements contained in the national sectoral legislation in respect of municipal functions such as water and environment should be dealt with as part of the IDP process, where they are relevant to the local priority issues.

Sector planning and national sector departments have set up municipal sector-driven planning requirements, to inform their strategic planning, budgetary and implementation processes. For example the Department of Water Affairs requires municipalities that are Water Service Authorities to formulate Water Services Development Plans, and the Department of Human Settlements requires municipalities to formulate a housing strategy and targets as part of their IDP process. These planning requirements are meant to assist in the process of alignment.

7.2.1 List of adopted Sector Plans

- Workplace Skills Plan
- Alice LSDF
- Middledrift/Debenek LSDF
- Recruitment & Retention strategy
- Placement Policy
- IT Strategy
- Asset Management Strategy
- Communication Strategy
- Draft Performance Management System Framework
- SCM Policy
- Fleet Management Policy
- Draft Integrated Waste Management Plan
- Draft Revenue Enhancement Strategy
- Free Basic Policy
- DRAFT Housing Sector plan

7.2.2 List of outstanding Sector Plans

- Media Strategy
- Integrated Transport plan
- Tourism Master Plan
- Environmental Management Plan
- Small Business Development Strategy

- Climate Change Strategy

- Infrastructure Plan

- IT Strategy

- LED Strategy

- Rural Development Plan

- SMME Strategy

- Fraud Risk Plan

- City Development Plan

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 2018/19 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 2017/18 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 FINANCIALL 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 2018/19 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 2018/19 to 2020/21:

OPERATING REVENUE

Description	2018/19 Medium Term Revenue & Expenditure Framework		
R thousands	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21
Financial Performance			
Property Rates	76 208 713	80 781 235	85 628 110
Service charges	81 250 548	88 595 141	96 628 435
Investment revenue	2 120 000	2 247 200	2 382 032
Transfers recognised- operational	169 464 300	191 078 650	199 738 950
Other own revenue	32 348 740	34 297 664	36 372 324
Total Revenue (excluding capital transfers and distributions)	**361 392 301**	**396 999 891**	**420 749 851**
Transfers recognised- capital	36 561 700	37 271 350	39 234 050
Total Revenue (including capital transfers and contributions)	**397 954 001**	**434 271 241**	**459 983 901**

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 2017/2018 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		
R thousands	Budget Year 2016/17	Budget Year 2017/18	Budget Year 2018/19
Employee costs	149 305 713	161 099 069	173 826 828
Remuneration of councillors	16 448 162	17 435 052	18 481 155
Depreciation & asset impairment	40 810 000	43 258 600	45 854 116
Finance charges	2 809 000	2 977 540	3 156 192
Materials and bulk purchases	55 000 000	63 975 270	65 985 361
Transfers and grants	15 500 000	17 000 000	18 500 000
Other expenditure	98 906 109	109 626 787	112 669 886
Total Expenditure	**378 778 985**	**415 372 319**	**438 473 539**

The total operating expenditure budget amounts to R 369,8m for 2017-2018 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	2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:			
Operating Transfers and Grants			
National Government:	167 893	189 508	198 168
Local Government Equitable Share	156 192	170 046	182 203
Finance Management	3 870	3 000	2 500
EPWP Incentive	1 752		
Dermacation Transition Grant	2 755	1 700	1 800
PMU	1 924	1 962	2 065
Integrated National Electrification Programme	1 400	12 800	9 600
LED (5% MIG)			
Provincial Government:	1 571	1 571	1 571
Sport and Recreation	1 571	1 571	1 571
ALICE REVATILISATION PROJECT			
OTP FARMING PROJECT			
COGTA- MERGER			
LED (5% MIG)			
District Municipality:	–	–	–
[insert description]			
Other grant providers:	–	–	–
National Treasury Audit fees			
LG SETA			
Total Operating Transfers and Grants	169 464	191 079	199 739
Capital Transfers and Grants			
National Government:	36 562	37 271	39 234
Municipal Infrastructure Grant (MIG)	36 562	37 271	39 234
Total Capital Transfers and Grants	36 562	37 271	39 234
TOTAL RECEIPTS OF TRANSFERS & GRANTS	206 026	228 350	238 973

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:

6.4 TARIFFS

No.	Description	rate	rebate	drought rebate	tariff before increament	proposed increase 2018/19: 6%	proposed tariff 201819, inclusive of rebates in column D and E	reductions
					RAYMOND MHLABA PROPERTY RAETS TARIFFS 2017/18			
1	Agriculture- Bona Fide	0.0079	0.896	0.003	0.000798	0.060000	0.000846	
2	Special rated area: Hogsback/ Victria East RD	0.0079	0.075		0.001975			
3	Privately Owned Town serviced by owner	0.0079	0.35		0.005135	0.060000	0.005443	
4	Business/commercial	0.01627			0.016274	0.060000	0.017250	
5	Churches/Place of public worship	0			0	0	0	
6	Government	0.0237			0.0237	0.060000	0.025122	
7	hotel	0.01627			0.016274	0.060000	0.017250	
8	Industrial	0.01627			0.016274	0.060000	0.017250	
9	**Properties used for multi purpose : see below**							
10	Res / B/B > 3 Bedrooms	0.0079			0.0079	0.060000	0.008374	R80, 000(res portion)
11	Res/ B/B < 3 > 9 Bedrooms	0.0085			0.0085	0.060000	0.009010	R80, 000(res portion)
12	Res /Guest House 1 > 6	0.0085			0.0085	0.060000	0.009010	R80, 000(res portion)
13	Res / Guest House < 6	0.0085			0.0085	0.060000	0.009010	R80, 000(res portion)
14	Farms / Smallhoudings / > 40% Commercial	0.0085			0.0085	0.060000	0.009010	
15	Farms / Smallhoudings / < 40% Commercial	0.0095			0.0095	0.060000	0.010070	
16	Farm / Hospitality / < 40% Commercial	0.0095			0.0095	0.060000	0.010070	
17	Farm / Ecotourism / < 40% Commercial	0.0095			0.0095	0.060000	0.010070	
18	Farm / Game Trading / Hunting < 40% Commercial	0.0095			0.0095	0.060000	0.010070	
19	Commercial / Rural	0.0162			0.0162	0.060000	0.017172	
20	Educational	0.0237			0.0237	0.060000	0.025122	
21	Public benefit organization	0			0	-	-	
22	Public service infrastructure	0.00198			0.001975	0.060000	0.002094	
23	Residential/small holding	0.0079			0.0079	0.060000	0.008374	R80,000
24	Rural communal land	0.0237			0.0237	0.060000	0.025122	
25	Vacant land - residential	0.0100			0.01	0.060000	0.010600	
26	Vacant land - commercial	0.0125			0.0125	0.060000	0.013250	
27	Sectional Title	0.0079	0.20		0.00632	0.060000	0.006699	
28	Municipal properties	0			0	-	-	
29	Privately Owned Town open space	0.0079	0.90		0.00079	0.060000	0.000837	

NOTES:

CPI is sitting at 5,8 % currently and is expected to increase to 6.1%, hence the proposed increase is 6%.

Bona fide Farmers rebate and drought relief rebate remain unchanged at 0.896 and 0.003 respectively.

Residential reduction will increase from R60,000 to R80,000.

Public benefit organizations, Churches and Municipal properties are exempted

Privaely owned town spaces rebate is 0.90

Privately Owned Town serviced by owner rebate has increased from 0.25 to 0.35.

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 complaint. An Asset Management Policy will be reviewed and submitted to Council by June 2018.

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).

Project	Sum of 2017/2018	Sum of 2018/2019	Sum of 2019/2020
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		
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 - NTSELAMANZI	1,000,000.00	1,600,000.00	4,220,000.00
PAVING AND GREENING-HILLSIDE TO NTOLENI	2,376,150.00	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	5,502,900.00	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		

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

Performance report
Performance review

Council

→ Twice per year

Performance
Audit
Committee

Audited Performance

Performance Auditing Report

→ Twice per year

Report on overall performance

Review of overall performance

Executive Committee → Quarterly

Summary of Key performance ISSUES to be submitted with
performance reports
Identification of key strategic issues

Standing Committees → Quarterly

MANAGEMENT

Performance Reports
Performance Reports

→ Quarterly

INTERNAL AUDIT

Integrity and quality control

→ Quarterly

DEPARTMENT

ASDBIP scorecard report
Performance review

→ Monthly

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